

VANERIA HOLDING CO. LTD

MINUTE SHEET

Dokezo
No.

1.0

AG. EXD

ok
#Munimuni AG EXD 18/6/13

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest *U.S\$ 2.85 M*
- (b) Legal entity has been incorporated under certificate

No. *984873* of *04/11/2013*

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

18th June, 2013

2.0

EXD

Approved
01.07.13

In response to the TIC letter of registration dated *18th June 2013*

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from *NMB Bank LTD*
- (c) *Title deed as evidence of land.*

With the above submission EXD is requested to sign Certificate of Incentives No. *042467* herein attached.

27/06/2013



DIF

MINUTE SHEET

Dokezo
No.



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P.20/8

20 July 2013

Assistant Regional Manager,
TRA-Customs Arusha.

**RE: INSPECTION REPORT FOR M/S VANERIA HOLDING COMPANY
LIMITED –TIC CERTIFICATE OF INCENTIVES NO. 042467 OF
26 JUNE 2013**

Reference is made to a letter ref. TICC/PP.10/042467/6 of 16 July 2013 on duty/VAT exemption on Capital/Deemed capital Goods for establishment and facilitation of the project with Certificate of Incentives mentioned above.

M/s Vaneria Holding Company Limited own a project located at Plot no. 8 & 14-PML no. 001686 & 001684 NZ Mirelani Arusha. The project has been registered with Tanzania Investment Centre vide Certificate of Incentives mentioned above for the purpose of establish mine processing and lapidary. They have applied for import duty/VAT exemption on capital/deemed capital goods for the project

Before we attend to their request, we would like you to visit the project and provide us with an inspection report on the existence and status of the project along with structural/ architectural drawings.

"Together We Build Our Nation"


Godfrey Kitundu

For: COMMISSIONER FOR CUSTOMS AND EXCISE

GK/

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

✓ c.c. The Managing Director,
Vaneria Holding Company Limited,
Arusha.

ISO 9001 : 2008 Certified

CUSTOMS & EXCISE DEPARTMENT

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

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

TICC/PP.10/042467/6

16/07/2013

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS – CERTIFICATE OF INCENTIVES No: 042467**

M/S Vaneria Holding Company Limited is a TIC registered company with certificate of incentives **No. 042467** which is valid up to **May 2016**

The company has been registered with objectives of establishing mine processing and lapidary project.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

5

VANERIA HOLDING COMPANY

P.O. Box 443 – USA-RIVER
MERU – ARUSHA

Date: 27/06/2013

Commissioner of Custom & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM.



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

Dear Sir,

RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO: 042467

We are Tic approved project with certificate of incentives No. 042467 which valid up to May 2016.

The Company has been registered with objective of establishing mine processing, plant project, Lapidary and Mining.

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

Yours sincerely

A handwritten signature in black ink that reads 'Valerian Samwel Pallangyo'.

Valerian Samwel Pallangyo
MANAGING DIRECTOR

TIN: 120-921-126

2013-14 Final Copy
of The Original
Signature *[Signature]*
RA 1203



00220032

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042467

This is to certify that

VANERIA HOLDING COMPANY LIMITED

of address P.O. BOX 443

ARUSHA

has been granted a Certificate of Incentives to invest in a new ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~ enterprise known as

VANERIA HOLDING COMPANY LIMITED

Which is located at PLOT NO. 8 & 14 - PML NO. 001686 & 001684 NZ

MIRELANI - ARUSHA

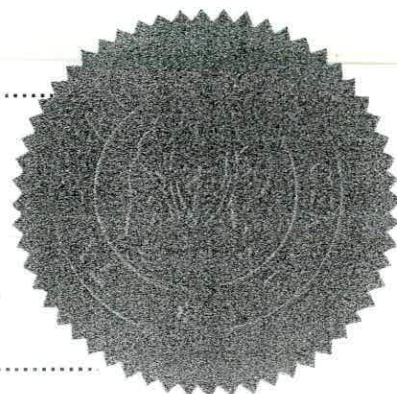
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

[Signature]

Executive Director

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

Dated 26TH JUNE 2013



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

1. Shareholders
- | | Nationality | Shareholding (%) |
|-----------------------------|------------------|------------------|
| <u>Eugine V. Tarimo</u> | <u>Tanzanian</u> | <u>10</u> |
| <u>Anna V. Palangyo</u> | <u>Tanzanian</u> | <u>40</u> |
| <u>Valerian S. Palangyo</u> | <u>Tanzanian</u> | <u>50</u> |
2. Proposed Activities : To establish mine processing and lapidary Project
3. Sector: Manufacturing Subsector Mining Processing & Lapidary
4. Investment cost: Foreign - Local USD 2.85m. Total USD 2.85m.
5. Project Financing:
Equity USD 2.85m. Loans = Total USD 2.85m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|----------|-------------------|------------------|
| | <u>-</u> | <u>USD 2.85m.</u> | <u>USD 2.85m</u> |
8. Technology Agreement None
9. Date of TIC Registration: 18th June 2013
10. Implementation period June 2013 - May 2016
11. Operative date June 2016
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 
Executive Director

CTIN.: 1363783

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

VANERIA HOLDING COMPANY LIMITED

.....

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

120-921-126

.....

with effect from 27-May-13

.....



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

VANERIA HOLDING COMPANY LTD

P.O. BOX 443, USA-RIVER

MERU - ARUSHA

EXEMPTION LIST

APPLICATION FOR TAX EXEMPTION FOR VANERIA HOLDING COMPANY LTD
LIST OF IMPORTABLE MACHINERY, EQUIPMENTS, TOOLS AND OTHER MINING AND EXPLORATION
ITEMS

| No. | ITEM GROUP | ITEM NAME | UNIT | QUANTITY |
|--|------------|---|------|----------|
| PLANT, MACHINERY, GEOLOGICAL AND LAPIDARY EQUIPMENT | | | | |
| 01. | | Gemological equipments for lapidary working. | | |
| 02. | | Power factor | | |
| 03. | | Monorope and winder system Tools and equipments | | |
| 04. | | Wire rope Jewels tools and equipment | | |
| 05. | | Mining dump truck ✕ | Unit | 1 |
| 05. | | Road transport dump truck ✕ | Unit | 1 |
| 06. | | Toyota Land Cruiser VX/GX/LX ✕ | Unit | 3 |
| 07. | | Mitsubishi FUSO | Unit | 2 |
| 08. | | Excavator -2 cubic meter | | 1 |
| 09. | | Excavator – 1 cubic meter | | 1 |
| 10. | | Bulldozer | | 1 |
| 11. | | Shovel loader | | 1 |
| 12. | | Core-drilling machine | | 1 |
| 13. | | In-the-hole drill | | 1 |
| 14. | | Generator – 7KW | | 2 |
| 15. | | Generator – 20KW | | 2 |
| 16. | | Air compressor | | 4 |
| 17. | | Toyota Hilux single cabin | | 2 |
| 18. | | Toyo ✕ | | 3 |
| 19. | | Land Rover ✕ | | 3 |
| 20. | | Land Rover accessories ✕ | Set | 3 |
| 21. | | Land Cruiser Hard top | Unit | 2 |
| 22. | | Land Cruiser accessories ✕ | Set | 3 |
| 23. | | Ball bearing – 13636 > 30mm | Unit | 1 |
| 24. | | Rolling Bearing – 3000 4244, cone type with ring | Unit | 1 |
| 25. | | Vulcanized rubber tightening gasket | Set | 4 |
| 26. | | Cooper Cables 5 veins, diameter – 50mm | M | 50 |
| 27. | | Contactora 400a, 380V | Unit | 2 |
| 28. | | Connecting Box 400A, A31 | Unit | 2 |
| 29. | | Starling Box 30A | Unit | 4 |
| 30. | | Automatic switch 50A | Unit | 4 |
| 31. | | Starling Box 25A | Unit | 2 |
| 32. | | Contactora 160A, AE | Unit | 2 |
| 33. | | Connecting Box 160A | Unit | 2 |
| 34. | | Electric motor 11 k/w, 1500prm | Unit | 2 |
| 35. | | IP Geological survey equipment with transmitters and generators | Set | 1 |
| 36. | | Walking Magnetometers GSM-19W | Set | 1 |
| 37. | | XRF Analyzer System | Set | 1 |
| 38. | | Fuel Pump Station ✕ | Set | 1 |
| 39. | | Diesel Power Plant ED100-T400-2PKC | Unit | 1 |
| 40. | | Crusher SMD 741 | Unit | 1 |

| | | | |
|-----|--|-------|-----|
| 41. | Concrete Mixer | Unit | 1 |
| 42. | Milling Machine Model 6M13P | Unit | 1 |
| 43. | Crusher Transporter 5Mtrs (1) | Unit | 1 |
| 44. | Bricks Machine | Unit | 1 |
| 45. | Electric Generator SAG/220Kv (1) | Unit | 1 |
| 46. | Generator 75Kv (1) | Unit | 1 |
| 47. | Control Panels 125Kw (5) | Unit | 1 |
| 48. | Telpher Conveyor 2.5T (1) | Unit | 1 |
| 50. | Drilling Machine 380V (1) | Unit | 1 |
| 51. | Pump-AF 40/20 CW & 20HP D/Engine (2Set) | Unit | 2 |
| 52. | Electrical Compressors | Unit | 3 |
| 53. | Diesel Compressors | Unit | 2 |
| 54. | Pump Electric Motor – AF40/26C/W 20HP | Unit | 1 |
| 55. | Generator 3Phase | Unity | 1 |
| 56. | Containers 40Ft (2pcs) | Unit | 2 |
| 57. | Containers 20Ft | Unit | 1 |
| 58. | Water Pump Model PR63/22.5 11KW 1500rp | Unit | 1 |
| 59. | Aveling Barford Grader | Unit | 1 |
| 60. | Water tanks of different size | Unit | 4 |
| 61. | Submersible Pump Mod ECN8-40-90 and others | Unit | 4 |
| 63. | Sludge Pump 63mm ³ /hr (4) | Unit | 1 |
| 64. | Water Pump 50 ³ /hr (2) | Unit | 2 |
| 65. | Water supply and pumping equipment accessories | Set | 3 |
| 66. | Armaud Cable | Unit | 200 |
| 67. | New Holland Excavator | Unit | 1 |
| 68. | Foden 6x6 RHD Tipper | Unit | 1 |
| 69. | Bulldozers | Unit | 1 |
| 70. | Heavy Truck | Unit | 1 |
| 71. | Earth moving equipment accessories | Unit | 1 |
| 72. | Mechanical Hand Tools for Installation | Set | 5 |
| 73. | Welding Machine | Unit | 1 |
| 74. | Generator for Welding Machine | Unit | 2 |
| 75. | Welding Machine 220v (2) | Unit | 1 |
| 76. | Materials for Drilling | Set | 6 |
| 77. | Cutting grease | Unit | 2 |
| 78. | SUUNTO Compass | Unit | 2 |
| 79. | Renton's Compass | Unit | 1 |
| 80. | CCTV Cameras and surveillance system | Set | 1 |
| 81. | Boring Tools middle size | Unit | 2 |
| 82. | Ladder | Unit | 1 |
| 83. | Fan | Unit | 3 |
| 84. | Plastic Table (2) ✕ | Unit | 5 |
| 85. | Plastic Chairs (4) ✕ | Unit | 10 |
| 86. | Coffee Table (10) ✕ | Unit | 30 |
| 87. | Senator Angle Table | Unit | 3 |
| 88. | Washing Machine ✕ | Unit | 3 |
| 89. | Water Dispenser ✕ | Unit | 2 |
| 90. | Plastic Chairs (8) ✕ | Unit | 30 |

| | | | |
|------|--|-------|------|
| 91. | Fridge ✓ | Unit | 2 |
| 92. | Water Heater ✓ | Unit | 2 |
| 93. | Deep Freezer ✓ | Unit | 2 |
| 94. | Blender Super General ✓ | Unit | 2 |
| 95. | Ironing Board ✓ | Unit | 1 |
| 96. | Water Filter ✓ | Unit | 2 |
| 97. | Plastic Tank 2000Ltrs/5000Ltrs (3Pcs) | Unit | 3 |
| 98. | Wheel Barlow (1pc) | Unit | 3 |
| 99. | Dstv Hardware & Software ✓ | Unit | 2 |
| 100. | Beds ✓ | Unit | 6 |
| 101. | Water filtration system for Kitchen ✓ | Unity | 1 |
| 102. | Wire Fence | M | 2000 |
| 103. | Mineral Text Books ✓ | | |
| 104. | Explosive holds – Cordtex, nonel seft fuse, Ignitor, magnum and urea ✓ | | |
| 105. | Mineral Detector | Unit | 1 |
| 106. | Laptops | Unit | 3 |
| 107. | DVD Player ✓ | Unit | 2 |
| 108. | Desktop Computer | Unit | 2 |
| 109. | Printer ✓ | Unit | 2 |
| 110. | Walkie Talkie ✓ | Unit | 2 |
| 111. | Digital Cameras ✓ | Unit | 2 |
| 112. | HDD Desktop ITB for Security System | Unit | 2 |
| 113. | Communication Equipment | Unit | 5 |
| 114. | Satellit : Dish ✓ | Unit | 1 |
| 115. | TV ✓ | Unit | 2 |
| 116. | Building materials:- Cement, Courageted iron, Hollow section, Round bars, chases, chanel, flat bars paints, glasses, tiles, ect. ✓ | | |



00220032

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

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No: 042467

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of address P.O. BOX 443

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~~XXXXXXXXXXXX~~ enterprise known as

VANERIA HOLDING COMPANY LIMITED

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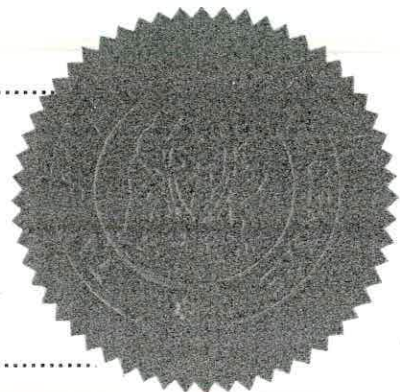
MIRELANI - ARUSHA

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

Executive Director

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

Dated 26TH JUNE 2013



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Signed 
Executive Director

Unclaimed refund beyond three years will be forfeited



4

TANZANIA INVESTMENT CENTRE

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

RECEIPT REC011704

No. 005899

Received from : YANERIA HOLDING COMPANY LTD

Address P.O. Box 443, USA River, A.R.U.S.H.A.

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



Being payment in respect of: CERTIFICATE OF INCENTIVES

Amount : USD 1,000.00

Cash / Cheque No: Deposit 20/05

Date : 20-Jun-2013

Buisso

Receiving Officer



AFFIDAVIT OF VALLERIAN SAMWEL PALLANGYO.

I, VALLERIAN SAMWEL PALLANGYO, adult Muslim of P.O BOX 443 USA RIVER, ARUSHA, do hereby affirm and state as follows :-

1. That I am the owner of plots no. 8 and 14 with PML No. 001686 and 001684 NZ respectively which has been allocated to me by MIRERANI AND NAISINYAI SMALL MINERS CO-OPERATIVE SOCIETY LTD (MINASCO LTD).
2. That I am also Director of VANERIA HOLDING COMPANY LTD, a Company registered in Tanzania.
3. That I am the member of MIRERANI AND NAISINYAI SMALL MINERS CO-OPERATIVE SOCIETY LTD (MINASCO LTD).
4. That I am intending to transfer the ownership of the said plots to the VANERIA HOLDING COMPANY LTD
5. That the said MIRERANI AND NAISINYAI SMALL MINERS CO-OPERATIVE SOCIETY LTD (MINASCO LTD) has approved the transfer of ownership from VALLERIAN SAMWEL PALANGYO to VANERIA HOLDING COMPANY LTD.
6. That all what is stated above are true to the best of my own knowledge and make this solemn declaration conscientiously believing the same to be true and virtue of the oath (judicial Proceedings and Statutory Declaration Act. 1966)

AFFIRMED at Dar es Salaam by the said

VALLERIAN SAMWEL PALLANGYO

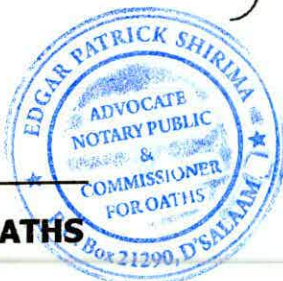
who is known to me personally/identified
to by Lydia Arcard

the later being known to me personally
this 25th day of June 2013

BEFORE ME:



COMMISSIONER FOR OATHS





DEPONENT

MIRERANI AND NAISINYAI SMALL MINERS CO-OPERATIVE SOCIETY LTD (MINASCO LTD)

CO-OPERATIVE SOCIETY'S BOARD
BOX 5030
MIRERANI – SIMANJIRO
MANYARA
2/6/2013

REF: MNSM/2013/6/001
THE EXECUTIVE DIRECTOR
TANZANIA INVESTMENT CENTRE
P.O.BOX 938
DAR ES SALAAM
TANZANIA

**RE: RECOGNITION OF VALLERIAN SAMWEL PALLANGYO AS ACTIVE MEMBER AND
MINING IN MINASCO LTD AREA**

Refer to heading above.

The board of **Minasco Ltd** here by recognizes **Vallerian Samwel Pallangyo** as active member and is doing Mining at **Minasco Ltd** area .

He has been allocated subplots no **8** and **14** with PML No: **001686 NZ** and **001684 NZ** respectively whose locations are on plot no **1** and **13**.

As director of **VANERIA HOLDING COMPANY LTD** the co-operative society has witnessed the utilization of his Company's resources in investing mining activities at subplots no **8** and **14** since May 2013 and is continuing doing so.

Attached to this letter are copies of (i) certificate of rights to mine at **Minasco Ltd** area (ii) active mining licences held by **Minasco Ltd** in respect to the corresponding subplots (iii) signed agreement between **Minasco Ltd** and Vallerian S. Pallangyo on allocation and mining of subplots **8** and **14**

It is our hope that the information provided here will be beneficial to the request submitted.

Yours in co-operative Mining

.....
Hassan A.Mlanda
BOARD SECRETARY



Copy: District co-operative Officer Simanjiro
: Township co-operative Officer Mirerani.

MIRERANI AND NAISINYAI SMALL MINERAS PR. SOCIETY LTD (MINASCO)
S.L.P 7172, SIMANJIRO/ARUSHA

YAH: MAOMBI YA UBIA WA UCHIMBAJI MADINI- TANZANITE

KITALU "B" MIRERANI/SIMANJIRO/ARUSHA

FOMU HII IJAZWE NA WANACHAMA TU



SEHEMU I- MAELEZO BINAFSI

- (a) JINA LA MWOMBAJI (herufi kubwa) VALERIAN SAMUEL PALLANGYO
UMRI 33 JINSIA ME
(b) SEHEMU ULIPOZALIWA -MKOA ARUSHA WILAYA ARUMERY
(c) NAMBARI YA UANACHAMA 008 IDADI YA MAFUNGU ULIYOLIPIA 5

SEHEMU II- MASHARTI UBIA

1. KILA MBIA ATALIPA SH 25,000/= KUIMARISHA CHAMA NA KULIPA MADENI
2. CHAMA KITACHUKUA 5% (ASILIMUA TANO) YA MAPATO GHAFI ^(Taka) (toka income) (KIWANGO HIKI KINAWEZA KUBADILIKA KWA IDHINI YA MKUTANO MKUU)
3. MBIA ATAENDESHA UCHIMBAJI KWA KUFUATA SHERIA NDOGONDOGO (BYLAWS) ZA CHAMA
4. CHAMA KITADHIBITI MADINI NA KUKAGUA MGODI
5. MBIA ATATO A RIPOTI ZA MGODI KILA WIKI KWA KATIBU/MENEJA WA CHAMA
6. MUDA WA KUENZA UCHIMBAJI NI MIEZI MITATU TU. KAMA UNAKUBALIANA NA MASHARTI HAYA JAZA SEHEMU IFUATAYO:-

MIMI VALERIAN S. PALLANGYO NINAKUBALIANA NA MABADILIKO YOYOTE YAKATAYOPITISHWA NA MKUTANO MKUU

Valerian S. Pallangyo

SAHIHI YA MWOMBAJI

27.09.2011

TAREHE

SEHEMU III-MAELEZG YA OFISI

CHAMA KIMEKUBALI/KIMEKATAA KUIINGIA UBIA WA KUCHIMBA MADINI "TANZANITE" NA VALERIAN S. PALLANGYO MWENYE KADI NA 008 KATIKA KIWANJA No. 8 & 14 KUENZA LEO TAREHE 2-09-2011

Samuel

MWENYEKITI



Samuel

KATIBU/MENEJA

*Nafikihwa w- kiasi sahihi
cha nakala halisi
Katibu*





Ref: VA/VSP/TIC/O1/2013

Date: 11th June, 2013

To;

TANZANIA INVESTMENT CENTRE
P.O.BOX 938
DAR ES SALAAM

Dear Sir/Madam

RE: VALERIAN SAMWEL PALLANGYO

The caption above refers.

We are both honored and exceedingly humbled to address your esteemed office in regard with the above named person.

The above named person is a Managing Director of VANERIA HOLDINGS COMPANY LIMITED. His name appears as one of the Company's Directors in the official documents of the company to include; Memorandum and Articles of Association.

Whereas, VANERIA HOLDINGS COMPANY LIMITED is our client and a dully registered Limited Company under the Laws of Tanzania.

Hence, let it be known to all persons that in any dealings of the said Company, **VALERIAN SAMWEL PALLANGYO** will appear under the Capacity of a Managing Director.

It is our sincere hope that, the said notice will be considered positively.

We remain much obliged

Sincerely

Arnold C. Laisser (**Advocate**)

For and on behalf of

Vigilance Attorneys



Vigilance Attorneys, MEC Building, 4th Floor, Plot No. 161, Mianzini Area, Arusha-Moshi Road
P.O. Box 785, Arusha-Tanzania

Telephone: +255 754 269 949 /+255 754 094 148 Electronic mail: info@vigilanceattorneys.com

Website: www.vigilanceattorneys.com

TIN No: 116-731-711

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

THE MINING (MINERAL RIGHTS) REGULATIONS, 2010

PRIMARY MINING LICENCE 001686NZ

The Mining Act, 2010

The exclusive right, subject to the provisions of the Mining Act, 2010 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof is hereby granted to **M/S Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd** of **P.O. Box 7172, Arusha-Tanzania** (hereinafter called the Licensee), to prospect and mine for **Gemstones**, at **Merelani Block 'B'** in **Simanjiro** District, QDS 72/1 over an area described in Annex A.

This Licence, unless sooner cancelled, suspended or surrendered pursuant to the provisions of the Mining Act, 2010, shall be valid for a period of **seven (7)** years, effective from the date of grant.

Granted this 9TH day of JANUARY 2013

.....
Benjamin J. Mchwampaka

**Eng. Benjamin J. Mchwampaka
ZONAL MINES OFFICER
NORTHERN ZONE**

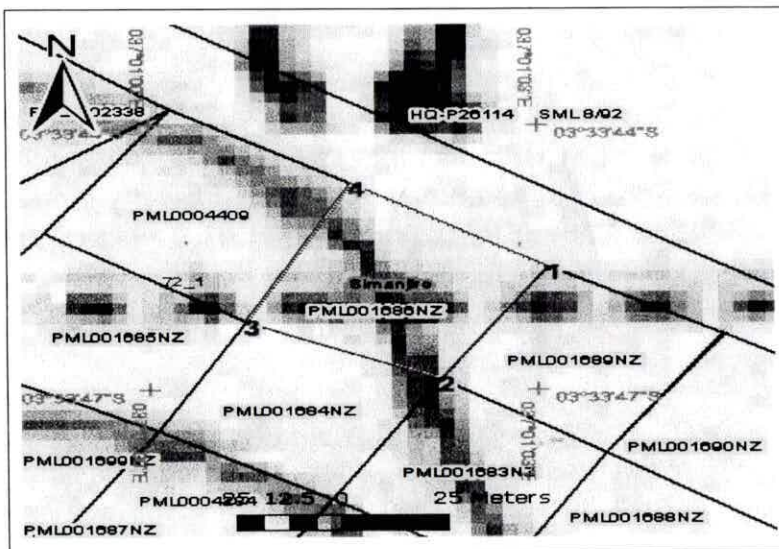


ANNEX A

DESCRIPTION OF THE PRIMARY MINING LICENCE AREA

The Primary Mining Licence is at **Merelani Block 'B'** in **Simanjiro District, QDS 72/1** defined by the following corner co-ordinates (Arc 1960):

| Corner | Latitude | Longitude |
|--------|------------------------------|----------------------------|
| 1 | - 03 deg. 33 min. 45.60 sec. | 37 deg. 01 min. 03.08 sec. |
| 2 | - 03 deg. 33 min. 46.87 sec. | 37 deg. 01 min. 02.25 sec. |
| 3 | - 03 deg. 33 min. 46.22 sec. | 37 deg. 01 min. 00.75 sec. |
| 4 | - 03 deg. 33 min. 44.65 sec. | 37 deg. 01 min. 01.55 sec. |



| Legend | |
|----------------|--------------------|
| Licensed area | |
| License Number | PML001686NZ |
| District | Simanjiro |
| Direction | |

An area of approximately **0.27 Hectares**.

ANNUAL RENT PAYMENTS

| Year | ERV | Amount (TShs.) | Date | Signature & Stamp |
|------|----------|----------------|-----------|--|
| 1. | 49780936 | 160,000/- | 20/5/2013 | MADINA KANDA YA KASKAZINI S. L. P. 641 ARUSHA |
| 2. | _____ | _____ | _____ | _____ |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |
| 7. | _____ | _____ | _____ | _____ |



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

THE MINING (MINERAL RIGHTS) REGULATIONS, 2010

PRIMARY MINING LICENCE 001684NZ

The Mining Act, 2010

The exclusive right, subject to the provisions of the Mining Act, 2010 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof is hereby granted to **M/S Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd** of **P.O. Box 7172, Arusha-Tanzania** (hereinafter called the Licensee), to prospect and mine for **Gemstones**, at **Merelani Block 'B'** in **Simanjiro District**, QDS 72/1 over an area described in Annex A.

This Licence, unless sooner cancelled, suspended or surrendered pursuant to the provisions of the Mining Act, 2010, shall be valid for a period of **seven (7) years**, effective from the date of grant.

Granted this ^{9th} day of JANUARY 2013

[Handwritten Signature]

**Eng. Benjamin J. Mchwampaka
ZONAL MINES OFFICER
NORTHERN ZONE**

I certify this to be a true copy of original



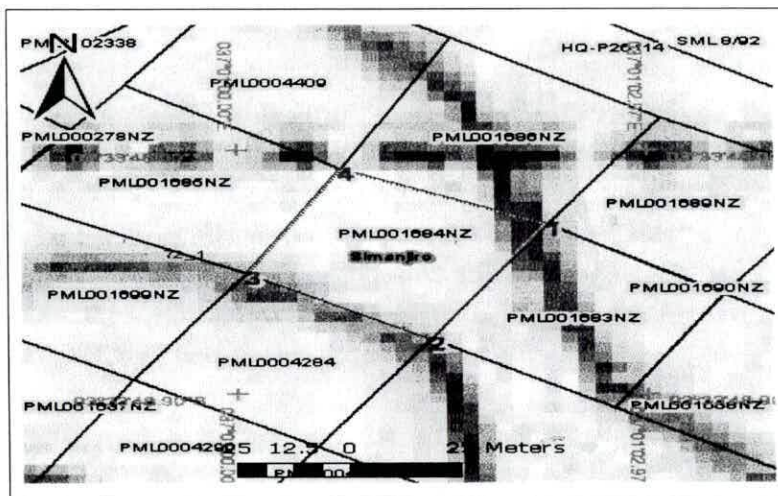
[Handwritten Signature]
Kamby

ANNEX A

DESCRIPTION OF THE PRIMARY MINING LICENCE AREA

The Primary Mining Licence is at **Merelani Block 'B'** in **Simanjiro** District, QDS 72/1 defined by the following corner co-ordinates (Arc 1960):

| Corner | Latitude | Longitude |
|--------|------------------------------|----------------------------|
| 1 | - 03 deg. 33 min. 46.87 sec. | 37 deg. 01 min. 02.25 sec. |
| 2 | - 03 deg. 33 min. 48.23 sec. | 37 deg. 01 min. 01.40 sec. |
| 3 | - 03 deg. 33 min. 47.46 sec. | 37 deg. 01 min. 00.06 sec. |
| 4 | - 03 deg. 33 min. 46.22 sec. | 37 deg. 01 min. 00.75 sec. |



| Legend | |
|----------------|--------------------|
| Licensed area | |
| License Number | PML001684NZ |
| District | Simanjiro |
| Direction | |

An area of approximately **0.23** Hectares.

ANNUAL RENT PAYMENTS

| Year | ERV | Amount (TShs.) | Date | Signature & Stamp |
|------|----------|----------------|-----------|--|
| 1. | 49780936 | 160,000/- | 20/5/2013 | KANDA YA KANDA S. L. E. 641 ARUSHA |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |



MIRERANI AND NAISANYAI SMALL MINERS CO-OPERATIVE SOCIETY LTD MINASCO LTD

CERTIFICATE OF RIGHTS TO MINE ON MINASCO LTD AREA

THIS IS TO CERTIFY AND CONFIRM THAT MR VALLERIAN SAMWEL PALLANGYO IS A REGISTERED & ACTIVE MEMBER OF MINASCO LTD AND HAS BEEN ALLOCATED SUBPLOT NO:14 ON PLOT NO 13 IN BLOCK B TANZANITE MINING AREA WITH PML NO:001684NZ HE IS FREE TO MINE IN ACCORDANCE WITH THE LAW AND BY LAWS

THIS CERTIFICATE HAS BEEN STAMPED AND ISSUED THIS 30th DAY OF JUNE 2013

Signed.....*[Signature]*.....

CHAIRMAN OF THE BOARD



.....*[Signature]*.....

BOARD SECRETARY /MEMBER

I Certify this to be a true copy of original



[Signature]
Katim

| S/No. | Licence ^{NEW} ✓ | Name of Licence Holder | Status | Grant Date | Expiry Date | Size | Old Licence ^X | Locality |
|-------|--------------------------|--|--------|------------|-------------|------|--------------------------|-----------|
| 1 | PML001683NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.23 | PML0002661 | Block 'B' |
| 2 ✓ | PML001684NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.23 | PML0002662 | Block 'B' |
| 3 | PML001685NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.28 | PML0002663 | Block 'B' |
| 4 ✓ | PML001686NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.27 | PML 0002701 | Block 'B' |
| 5 | PML001687NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.29 | PML0002703 | Block 'B' |
| 6 | PML001688NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.25 | PML0002660 | Block 'B' |
| 7 | PML001689NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.23 | PML0002665 | Block 'B' |
| 8 | PML001690NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.26 | PML0002664 | Block 'B' |
| 9 | PML001691NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.27 | PML0002390 | Block 'B' |
| 10 | PML001692NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.21 | PML0002388 | Block 'B' |
| 11 | PML001693NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.24 | PML0002387 | Block 'B' |
| 12 | PML001694NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.2 | PML0002386 | Block 'B' |
| 13 | PML001695NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.3 | PML0002385 | Block 'B' |
| 14 | PML001696NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.27 | PML0002380 | Block 'B' |
| 15 | PML001697NZ | Merelani and Naisinyai Small Miners Primary Co-operative Society Ltd | Active | 1/9/2013 | 1/8/2020 | 0.25 | PML0002381 | Block 'B' |



Certified true copy of licences changes from old to New

09/06/2013

Handwritten signature and initials on the left margin.



Vigilance Attorneys

Ref: VA/VSP/TIC/O1/2013

Date: 11th June, 2013

To;

TANZANIA INVESTMENT CENTRE
P.O.BOX 938
DAR ES SALAAM

Dear Sir/Madam

RE: VALERIAN SAMWEL PALLANGYO

The caption above refers.

We are both honored and exceedingly humbled to address your esteemed office in regard with the above named person.

The above named person is a Managing Director of VANERIA HOLDINGS COMPANY LIMITED. His name appears as one of the Company's Directors in the official documents of the company to include; Memorandum and Articles of Association.

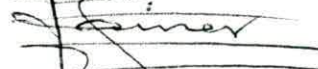
Whereas, VANERIA HOLDINGS COMPANY LIMITED is our client and a dully registered Limited Company under the Laws of Tanzania.

Hence, let it be known to all persons that in any dealings of the said Company, **VALERIAN SAMWEL PALLANGYO** will appear under the Capacity of a Managing Director.

It is our sincere hope that, the said notice will be considered positively.

We remain much obliged

Sincerely



Arnold C. Laisser (**Advocate**)

For and on behalf of

Vigilance Attorneys



Vigilance Attorneys, MEC Building, 4th Floor, Plot No. 161, Mianzini Area, Arusha-Moshi Road
P.O. Box 785, Arusha-Tanzania

Telephone: +255 754 269 949 /+255 754 094 148 Electronic mail: info@vigilanceattorneys.com

Website: www.vigilanceattorneys.com

TIN No: 116-731-711

NMB

PLC

HAI BRANCH,
P.O. BOX 129,
HAI.
KILIMANJARO.
10th June 2013

TANZANIA INVESTMENT CENTRE.
P.O. BOX 938,
DAR-ES-SALAAM.

**RE: REQUEST FOR LETTER OF RECOGNITION AS ACTIVE
ACCOUNT HOLDER.**

Reference is made to the above captioned subject and letter with ref VAN/CRDB/05/22 regarding our customer Valerian Samwel Pallangyo.

I hereby confirm that Valerian Samwel Pallangyo, the Managing Director of VANERIA HOLDINGS COMPANY LTD, is an active and a corporate account holder in our NMB Plc Hai Branch.
Please be informed.

Kind Regards,

NATIONAL MICROFINANCE BANK LTD
Hai Branch 160101, Kilimanjaro



.....
Stella Thambikeni

BRANCH MANAGER

3

TICC/PP.10/042467/3

18th June, 2013

Managing Director,
Vaneria Holding Co. Ltd.,
P.O. Box 443,
Arusha.

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF MINERALS PROCESSING AND LAPIDARY
PROJECT**

We wish to acknowledge receipt of your project proposal to establish minerals processing and lapidary Project as presented in the TIC P.A. 1 Form No. 03929 and Feasibility Study with a projected investment of USD 2.85m.

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:-

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

.../2

TICC/PP.10/042467/3

18th June, 2013

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

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

Yours sincerely,

TANZANIA INVESTMENT CENTRE



J. Kyaruzi

FOR: EXECUTIVE DIRECTOR

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

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

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



TIC Evaluation Report

Name of the Company
Vaneria Holding Co. Ltd.

| | | | | | |
|-------------|--|-------------------|------------------------------|----------------|--------------------|
| Post Box | Mererani, Plot No. 17 & 14, 13 & 8 Block B | COI Number | 98473 | Contact | Valeria Pallangyo |
| Post Office | 443 | COI Date | 04/11/2013 | Designation | Managing Director |
| Region | Arusha | Application F. No | 03929 | Phone | 0 |
| Country | Tanzania | Status | New | Direct Phone | 0 |
| | | Sector | Manufacturing | Cell Phone | 0763611/0783799900 |
| | | Sub Sector | Mining Processing & Lapidary | Fax | 0 |
| | | File No | 042467 | E-Mail Address | 0 |

| Project Location | | Investment Finance Plan in Millions USD | | | |
|------------------|------------------------------|---|--------------|--------------|------------|
| Plot/Block | Plot No. 17&14, 13&8 Block B | Foreign Equity | Local Equity | Foreign Loan | Local Loan |
| Street | Mererani | 0 | 2.85 | 0 | 0 |
| District | Arumeru | | | | |
| Region | Arusha | | | | |

| Shareholders Detail | | | Investment Breakdown (USD Million) | |
|----------------------|-------------|-----|------------------------------------|------|
| Name | Nationality | (%) | Land/Building | 0.7 |
| Eugene V. Tarimo | Tanzanian | 10 | Plant | 1 |
| Anna V. Palangyo | Tanzanian | 40 | Vehicles | 0.8 |
| Valerian S. Palangyo | Tanzanian | 50 | Furniture & Fittings | 0.1 |
| | | | Pre-expenses | 0.05 |
| | | | Others | 0 |
| | | | Working Capital | 0.2 |
| | | | Total | 2.85 |

| | | | |
|-------------------|------|--------------|--------------|
| Employment | 50 | Evaluated By | ,wf officer3 |
| Capacity | xxxx | Drawn By | wf registry2 |
| Project Turn Over | | Project Type | Local |

Description

To establish mine processing and lapidary Project

Recommendations

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

Decision

Approved
Ag. EXD 17/6/2013

VANERIA HOLDING COMPANY LIMITED

P O Box 443, Arumeru, ARUSHA- TANZANIA

①

Ref.No: VAN/TIC/03/13

04th June 2013

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



Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are a newly incorporated company created for purposes of establishing a project for mines processing and lapidary project. The Proposed project will be in Arusha Region. It is due to this reasons that we hereby submit our application for TIC Certificate of Incentives to facilitate implementation of the project.

Attached herewith please find the following basic documents for you kind approval:

1. A duly completed and signed application form
2. A certified copy of our certificate of Incorporation
3. A copy of the Company's Memorandum and Articles of Association
4. A certified copy of Lease Agreement.
5. Company Board Resolution to register with TIC
6. A copy of our Feasibility study showing the implementation Period,

Thank you for your kind consideration

Yours Sincerely,


.....
VALERIAN SAMWEL PALANGYO
Managing Director





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)



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

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

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

I/We enclose a cheque/cash made payable to the Tanzania Investment Centre for Tshs./US\$ 100/- Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, VALERIAN PALANGYO of Post Office Number 443 USA RIVER

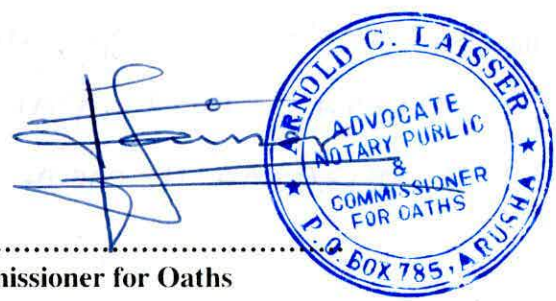
do solemnly and sincerely declare that I am a director/duly authorized agent of VANERIA HOLDING CO. LTD

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

Declared at Dar es Salaam }
The 04 day of JUNE 2013 }

Valerian Palangyo
Applicant

Before me:



Commissioner for Oaths

APPLICATION SUMMARY

Company Name: VANERIA HOLDING CO

Certificate of Incorporation Number: 9847

Certificate of Incorporation Date: 11 A

Post Box: 443

Town: USA RIVER

Sector: MANUFACTURING Sub-Sector:

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan
2.85

Project Objectives: ESTABLISH MINE PRO. PROJECT

Capacity:

Employment: Foreign: 5 Local: 45

Implementation Period: 3 YRS

Project Location

Site/Plot/Block No.: PLOT. 17814, 1388, -BLO

Street: MERERANI District: SIMANJIRO
(Attach sketch map showing project location)

| Shareholders | Nationality | % |
|-----------------------------|-------------|------------|
| <u>VALERIAN S. PALANGYO</u> | <u>TZ</u> | <u>50%</u> |
| <u>ANNA V. PALANGYO</u> | <u>TZ</u> | <u>40%</u> |
| <u>EUGENE V. TARIMO</u> | <u>TZ</u> | <u>10%</u> |



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 VALERIAN SAMUEL PALANGYO
(director/directors/agent of VALERIA HOLDING COMPANY LTD
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at ARUMERU ARUSHA

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 ARUMERU - ARUSHA
4. The Principal Officers of the Company are 1. VALERIA SAMUEL PALANGYO
2. ANNA V. PALANGYO 3. ABDALLAH H. MBARUKU
5. Auditors of the Company are TO BE APPOINTED
6. The authorized share capital of the Company is Tshs./US\$ 200,000,000/-

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

| | |
|----------------------|--------------------------|
| Land/Building | 700,000 |
| Plant | 1,000,000 |
| Vehicles | 800,000 |
| Furniture & Fittings | 8 100,000/- |
| Pre-expenses | 50,000/- |
| Others | |
| Working Capital | 200,000/- |
| TOTAL | 2,850,000/- |

Contact Details:

Name: VALERIA PALANGYO Title: DIRECTOR
Telephone: 0763611611/0783799900 Fax:
Email:

Payments to be made payable to:

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

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$
8. The month and day of the financial year end is DEC 1st

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$
100/- Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

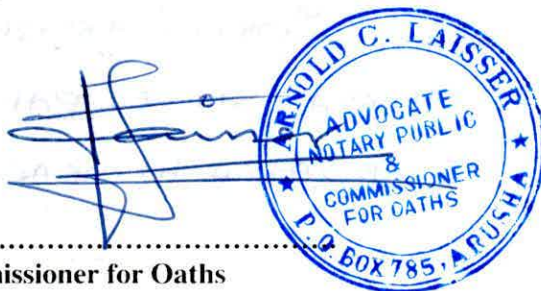
I, VALERIAN PALANBYO of Post Office Number 443 WA RIVER
..... do solemnly and sincerely declare that I am a director/duly authorized agent of VANERIA HOLDINGS Co. Ltd

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

Declared at Dar es Salaam }
..... }
The 04 day of JUNE 2013 }

Haume
Applicant

Before me:



.....
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: VALERIA HOLDING COMPANY LTD

Certificate of Incorporation Number: 98473 Status: NEW

Certificate of Incorporation Date: 11 APRIL 2013

Post Box: 443

Town: USA RIVER

Sector: MANUFACTURING

Sub-Sector: MINING PROCESSING & LAPIDARY

Investment Financing Plan in Million US\$/Tshs.

| | | | |
|----------------|--------------|--------------|------------|
| Foreign Equity | Local Equity | Foreign Loan | Local Loan |
| | <u>2.85</u> | | |

Project Objectives: ESTABLISH MINE PROCESSING AND LAPIDARY PROJECT

Capacity:

Employment: Foreign: 5 Local: 45 Total: 50

Implementation Period: 3 YRS

Project Location

Site/Plot/Block No.: PLOT. 17 & 14, 13 & 8, - BLOCK B

Street: MERERANI District: SIMANJIRO Region: ARUSHA

(Attach sketch map showing project location)

| Shareholders | Nationality | % |
|-----------------------------|-------------|------------|
| <u>VALERIAN S. PALANGYO</u> | <u>TZ</u> | <u>50%</u> |
| <u>ANNA V. PALANGYO</u> | <u>TZ</u> | <u>40%</u> |
| <u>EUGINE V. TARIMO</u> | <u>TZ</u> | <u>10%</u> |
| | | |
| | | |



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

.....
VANERIA HOLDING COMPANY LIMITED
.....

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

120-921-126
.....

with effect from 27-May-13
.....


P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

REQUIREMENTS OF THIS CERTIFICATE

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

SPECIAL RESOLUTION OF SHAREHOLDERS


Agenda

- i) Registration with Tanzania Investment Centre
- ii) AOB

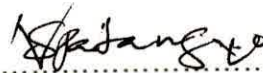
At 10.00 a.m. on April 20th, 2013 the shareholders of **MS. VANERIA HOLDING COMPANY LIMITED** held a meeting to discuss the agenda above. It was unanimously agreed that **MS. VANERIA HOLDING COMPANY LIMITED** would register with Tanzania Investment Centre for Mining Processing Project and Lapidary.

This special resolution No. 3/2013 was entered into the minutes book on 20th April 2013

There being no other business to discuss. The meeting was closed at 10.30 a.m.



.....
Abdallah H. Mmbaruku
Secretary/Mine Manager



.....
Valerian S. Palangyo
Chairman/ Managing Director



.....
Anna V. Palangyo
Director

TANZANIA



Certificate of Incorporation

Section 15

No 98473

I HEREBY CERTIFY THAT

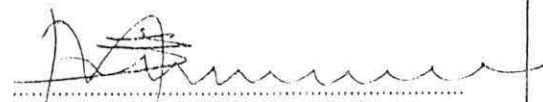
VANERIA HOLDING COMPANY LIMITED

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

Given under my hand at Dar es salaam

this 11TH day of APRIL

TWO THOUSAND AND THIRTEEN


Asst. Registrar of Companies

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

STAKABALHI YA SERIKALI

EXCHEQUER RECEIPT

NIMEPOKUA KWA

Received from

VANJERIA HOUSING COMPANY LIMITED - ARUSHA

37896881

2029/03929

KIASI

Amount

| Shs. USD | | Cts. |
|----------|-----|------|
| | 100 | |

JUMLA YA SHILINGI (Kw. maneno)

The sum of Shilings (Words)

USD ONE HUNDRED ONLY

INA SENTI

And Cents

KWA MALIPO ZA

In respect of

REPLICATION FROM EEF

KWA FEDHA YA SEMU/HUNDI

NAMBA By Cash Cheque No.

SW BANK SUP DATED 8/5/2013

KITOO - Station

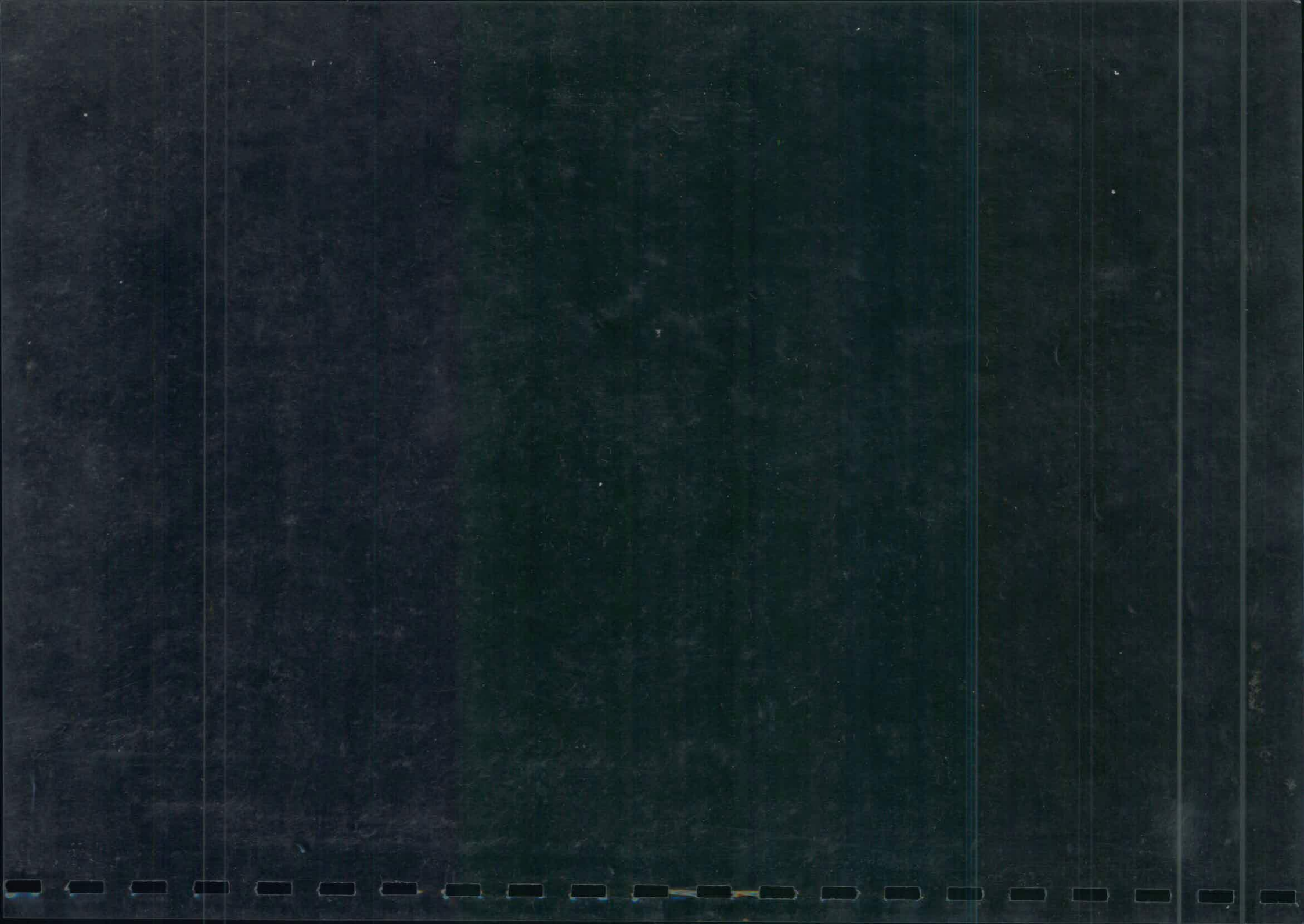
SAHIMI YA MPOKEA

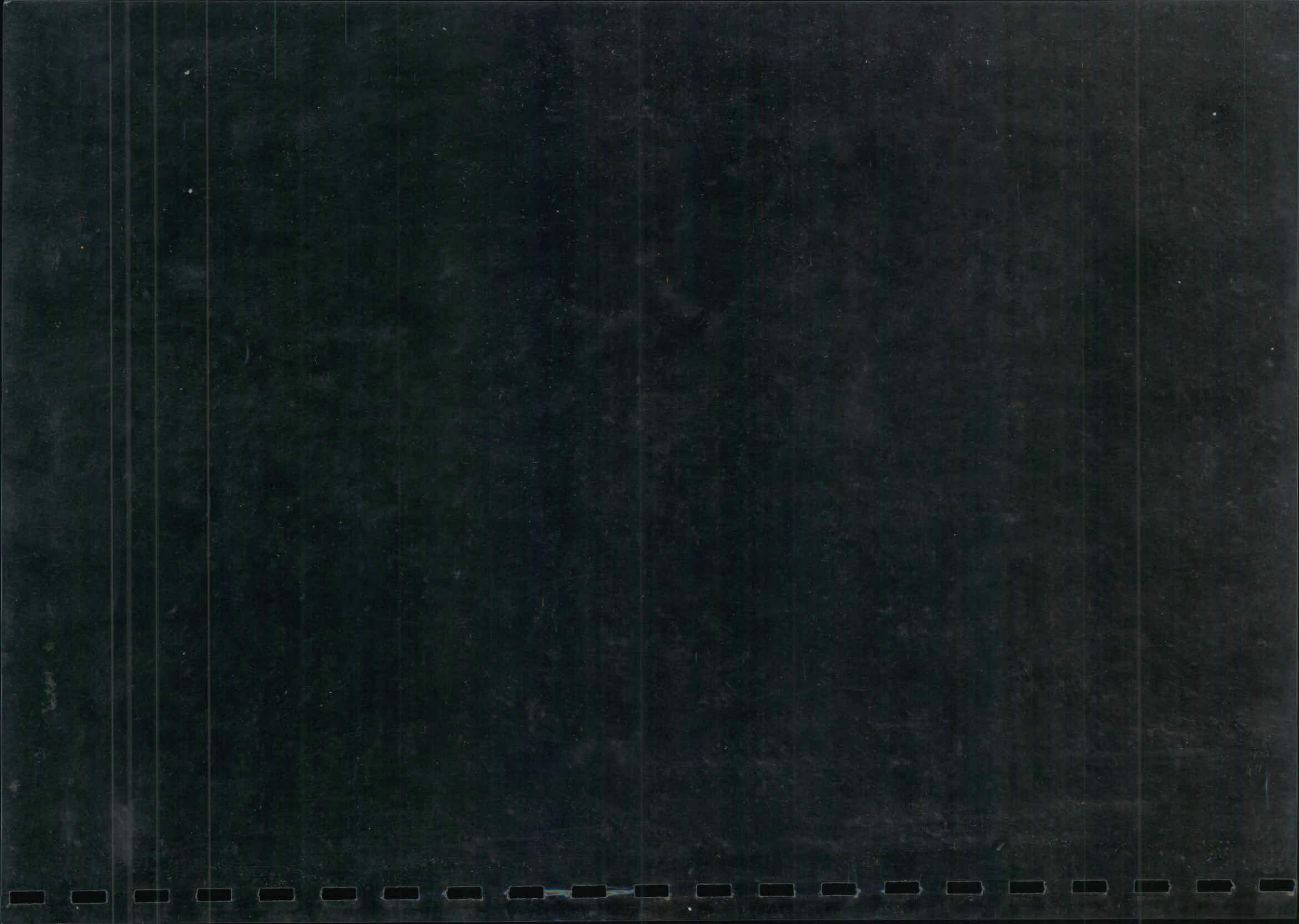
Signature

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Ag. ZM - 108/06/2013

TIC - MOSHI





THE COMPANIES ACT NO.12 OF 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

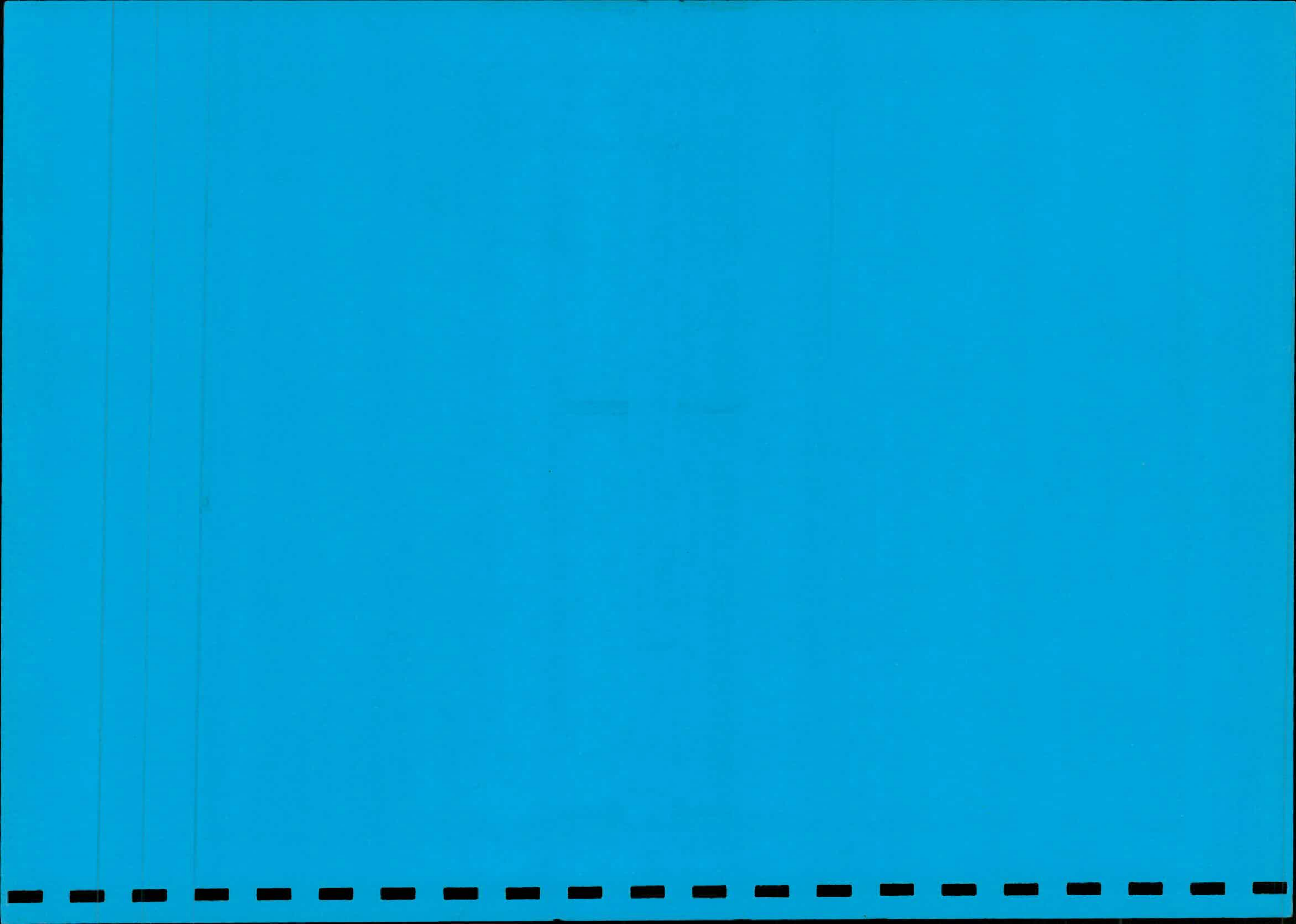
OF

VANERIA HOLDING COMPANY LIMITED

Incorporated this day of, 2013

Drawn by

**VALERIA SAMWEL PALANGYO,
(SUBSCRIBER),
P. O. BOX 443,
USA RIVER.
ARUMERU,
ARUSHA - TANZANIA**



THE COMPANIES ACT NO.12 OF 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

VANERIA HOLDING COMPANY LIMITED

Incorporated this day of, 2013

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**VALERIA SAMWEL PALANGYO,
(SUBSCRIBER),
P. O. BOX 443,
USA RIVER.
ARUMERU,
ARUSHA - TANZANIA**

TANZANIA
Stamp Duty Shs. 2500/-
PAID ON ORIGINAL
Receipt No. 33355 of 20/09/2010
Stamp Duty Officer

THE COMPANIES ACT, NO.12 OF 2002

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

VANERIA HOLDING COMPANY LIMITED

TANZANIA
Stamp Duty Shs. 2500/-
Receipt No. 33355 of 20/09/2010
Registrar of Companies

1. The name of the company shall be **VANERIA HOLDING COMPANY LIMITED.**
2. The registered office of the Company will be situated in the **United Republic of Tanzania.**
3. The objectives for which the company is established are:-
 - (a) To carry on business of mining and miners in all their branches and for the said purpose to purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes and effects supposed to contain minerals, gems, diamonds, or other precious stones and nay interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
 - (b) To carry on business of mining, prospecting, quarrying, crushing, salt-works, reshape, facet, polish or otherwise prepare for marketing of precious and semi precious stones including diamonds, gemstones, Tanzanite buying and selling etc., and valuable and base minerals and metals and mineral substitutes of all kinds including aluminium, manganese and petroleum and to buy, sell, market, import and export and deal in the same and to carry on any other operations which may seem conducive to any of the Company's objects.
 - (c) To search for ores, minerals and hydrocarbons and to apply for licences for mining, prospecting, drilling is or over many lands which may be acquired by the Company and to lease any such kinds for building or for agricultural use and to sell or otherwise dispose of the lands, miner of all kinds of minerals, and or other precious stone, to prepare for market and generally deal in prospecting mining smelting and or refining, deal in diamonds, gold, silver and all kinds of minerals. Excavate and extract and submit to any refinement process or manufacture, petrol and petroleum products.

- (d) To carry on the business of Tourism, transport, cartage and haulage contractors, garage proprietors, owner and charterers of road vehicles, aircraft and ships tugs, barges and boats of every description, lighterment and carriers of goods and passengers by road, rail, water or air. Carriers, cartage contractors and agent cargo superintendents, packers, haulers warehousemen, storekeepers, engineers, electricians and job masters.
- (e) To carry on the business as proprietors of zoos, game ranches and wildlife management areas; and to establish, lease and operate zoological gardens for all kinds of animals of an undoubtedly savage nature and animals not classed as domestic or tame, such as deer, foxes, horses, rabbits, game of all kinds, raptors, pigeons, wild fowl and the like and all fishes, reptiles and insects for the purpose of conservation, study, breeding and public exhibition.
- (f) To engage in conduct in and between any and all the regions and districts in Tanzania neighbouring countries and other foreign countries as agents or otherwise, the business of tourism, general trucking, forwarding, cartage, storage, Warehousing, consolidation, distributing, contracting loading, Unloading and stevedore business, and to conduct as general brokerage commission and customs house, brokerage service business and to handle and forward for transportation by all, highways, water and rail, road between cities, bills notes, packages, merchandise, luggage's, goods, wares, parcel routes as may from time to time exist and generally to act as agents for land and estate, brokers, charters, auctioneers in all kinds.
- (g) To carry out the business of proprietors and manage hotels, motels, restaurant, cafes, resorts, road houses, safari and holiday camps, caravan, sites, guest houses, apartment and housekeepers, refreshment and tea rooms, milk and snacks bar, Tavern, beer house and lodging house keepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concern.
- (h) To carry on the business as proprietors and operators of hotels, gambling premises, gaming, casino, restaurants, lodges and to provide camp leisure facilities.
- (i) To carry on the business as proprietors of hotels, restaurants, refreshments and cold drink rooms, cafes, milk and snack bars, beer houses, as licensed victuallers, wines and spirits merchants and to carry on the business of mobile restaurants and cafes, public conveniences and leisure places, tour operations and excursions, departmental stores, supermarkets and groceries.
- (j) To establish develop and run business, residential and leisure centre exclusive clubs and running curio shops health and sports club, office buildings, bar and restaurant, campsites, apartments complexes and general buildings and centre for commercial/residential use.

- (k) To carry on business as promoters, organizers and managers of all kinds of sports, recreations, entertainments, indoor and outdoor competitions, tournaments and concerts.
- (l) To engage in or business as manufacturers of and dealers in all kinds of food beverages and products and substances, food trying, cooking, roasting, baking and packing same for sale.
- (m) To carry on business as brewers, distillers and manufacturers of and merchants and dealers in beer, ale, porter, stout, wines, spirits, aerate water and liquors of every description, whether intoxication or not and of casks, bottles and other receptacles for the same of malt, hops, grain meal yeast and all other materials and things capable of being used in connection with any such manufacturers or businesses.
- (n) To undertake or direct the management of the property, buildings, lands, and development of real estates of any tenure of kind of any persons or corporations, whether members of the Company or not in the capacity of stewards of receivers or otherwise.
- (o) To carry on the business of interior designs and decorators, woodwork and furniture dealers and repairs, fixture and fitting also to deal with landscaping and gardening business.
- (p) To carry on the business of civil engineering, constructing roads, buildings, locations, sites, bridges, sell, exchange, lease, let or otherwise dispose of construction equipment and materials.
- (q) To establish and carry on the business of designers of buildings, civil and structural engineering works, building contractors, architects, land and quantity surveyors, land surveyors, civil planners and landscaping, providing medium and low end housing, painters, decorators, fumigators expert, plumbers, glaziers, metal and alloy workers, refiners, engineers and electricians.
- (r) To carry on the trade or business of construction work of any kind and for the alteration, improvement, demolition of any building or structure, constructional electrical, mechanical and precision, engineering and in general to alter, repair, pull down, restore, either alone or jointly with any other persons, firm or companies, works of all description including, but not limited to roads, bridges, warehouses, factories, mills, wharves, docks piers, godowns, dwelling houses, flats, hotels, safari and game lodges water works, drainage and sewage works.
- (s) To erect construct, lay down, enlarge alter and maintain any building works, machinery to draw, make plans, sketches for buildings, aerodromes, furniture,

machines and structures of all descriptions, town planners, which will be necessary or convenient for the Company business.

- (t) To carry on the business of professional consultation, planning, constructions engineering services, designing, supervision projects of buildings, civil engineering, mechanical engineering, electrical engineering, electronic engineering, chemical engineering, process engineering, agricultural engineering, environmental engineering and any other business which may seem to the company worth being carried on
- (u) To carry on the business of Architectural work and technical drawings on building and contractors, masonry and general construction contractors and were necessary to give consultation on the same.
- (v) To establish workshops for training of heavy duty construction equipment handling and safety measuring, high construction equipment, construction labour and general advisory services.
- (w) To carry on the business of garage builders, manufacturers of; dealers in hirers, repairers, cleaners, stores and warehouses of motor cars, omnibuses, lorries trailers, carriages caravans, launches, boats, vans, aeroplanes, hydroplanes, hovercrafts and other conveyance of all descriptions (All hereinafter companies in the term "motor and other things) whether propelled or assisted by means of petrol, spirit, steam, gas, electrical, other power and of engines, chassis bodies and other things used for, in connection with motor and other things.
- (x) To carry on business of estate agency, management and maintenance of organizations buildings, compounds gardening, land scalping, soil erosion control and related land conservation and environment protection.
- (y) To carry on the business of production of industry bottle, mineral water from boreholes and water treatment.
- (z) To carry on the business of industrial complex, workshops, milling and etc.

Provided that:

- (i) In case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such a manner as allowed by the law having regard to such trust.
- (ii) In case the Company shall take or hold any property subject to the jurisdiction governing Charity property, the Company shall not sell,

mortgage, change or lease the same without such authority, approach or consent as may be required by law. The Board of Directors of the Company shall be chargeable for any property that may fall within its jurisdiction.

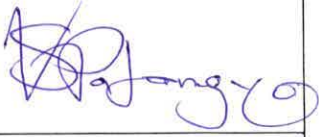
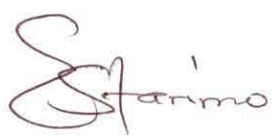
- (iii) The Company's objects shall not extend to the regulation or relations between workers and employers or organizations of workers and employers

4. The liability of members is limited.

- 5. The authorized share capital of the Company is Tanzania Shillings two hundred thousand million (T.Shs. 200,000,000/=) divided into (1,000) shares of Tanzania Shillings two hundred thousand (T.Shs. 200,000/=) each, with power for the Company to increase with or without any postponement or rights or any conditions.**

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

We, the several persons, whose names addresses and descriptions are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association and we respective agree become founder members and Directors of the Company.

| NAMES, ADDRESSES OF SUBSCRIBERS | SHARES TAKEN | SIGNATURE OF SUBSCRIBERS |
|--|--------------|---|
| VALERIA SAMWEL PALANGYO P.O. BOX 443, USA RIVER – ARUMERU ARUSHA. TANZANIA | 500 |  |
| ANNA SAMWEL PALANGYO P.O. BOX 443, USA RIVER – ARUMERU ARUSHA. TANZANIA | 400 | AS. palangyo |
| EUGINE TARIMO SAMWEL P.O. BOX 443, USA RIVER – ARUMERU ARUSHA. TANZANIA. | 100 |  |

DATED AT DAR ES SALAAM this 10th day of April 2013.

SIGNATURE: 

ADDRESS: P.O. Box 2567

Dem



QUALIFICATION: ADVOCATE

THE COMPANIES ACT. NO.12 OF 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

VANERIA HOLDING COMPANY LIMITED

INTERPRETATION

TANZANIA
Stamp Duty Shs. 500/-
PAID ON ORIGINAL
Receipt No. 3335 of 10/04/23
Stamp Duty Officer

TANZANIA
Stamp Duty Shs. 500/-
PAID
Receipt No. 3335 of 10/04/23
Asst Registrar of Companies

1. In these Articles:

“the Act” means the Companies Act 2002 of the Laws of Tanzania;

“the articles” means the articles of the Company;

“clear days” in relation to the period of a notice means that period excluding the day when notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“the seal” means any person appointed to perform the duties of the Secretary of the Company

“Secretary” shall mean any person appointed to perform the duties of Secretary of the Company;

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

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

2.

PRIVATE COMPANY

The Company is a private company and accordingly:-

- (a) The right to transfer shares is restricted in manner herein after prescribed
- (b) The number of members 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 in such employment to be members of the Company) is limited to fifty; provided that where two or more persons holding one or more shares in the Company jointly they shall for purpose of this regulation be treated as a single member.

3.

MEMBERS

- (a) The number of members with which the Company proposes to be registered is **three**; but the Directors may from time to time register an increase of members; provided that the total number of members shall not exceed 50 (fifty), not including persons who were in the employment of the Company and persons who, having formerly in the employment of the Company, were while in the employment and have continued after the determination of that employment, to be members of the Company.
- (b) The subscribers to the Memorandum of Association and such other persons as the Directors shall admit to membership shall be members of the Company.
- (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue share warrants to bearer.

4.

SHARE CAPITAL AND SHARES

- (a) The shares of the Company shall be under the control of the Board of Directors, subject to the provisions in that behalf of the ACT and the Memorandum of Association and without prejudice to any special rights previously conferred on the holders of existing shares or class of shares, may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of Capital or otherwise, as the Company may from time to time, by Special Resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
- (b) If at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three – fourths of any Extra Ordinary Resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these regulations applying to general meetings shall mutatis mutandis apply.

- (c) Every person, whose name is entered as a member in the Register of Members shall without payment be entitled to a certificate under the seal of the Company, specifying the share or shares held by him, and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
- (d) The company shall be entitled to treat the person whose name appears upon the Register in respect of any share or shares as the absolute owner thereof and shall not be under any obligations to recognize any trust or equity or equitable claim to, or partial interest in such share or shares whether or not it shall have been given notice thereof.
- (e) If share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity as the Directors think fit.

5. TRANSFER OF SHARES

- (a) The Directors may in their discretion and without assigning any reason thereof refuses to register the transfer or any person whom it shall in their opinion is undesirable for any reason whatsoever to admit to membership.
- (b) Subject of clause 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows:-
 - (i) No share shall be transferred to a person who is not a member or any person selected by the Directors as one whom it deems desirable in the interest of the Company to admit to membership.
 - (ii) Every shareholder or trustee in bankruptcy, or any person who may desire to sell such shares and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors or any member or members of the Company at a price agreed upon between the party giving such notice and the

Board, or in case of difference to be determined by the Auditor of the Company.

- (iii) Upon price of such shares being agreed on or determined as per clause (ii) above, the Board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares stating the number and the price of such shares inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so, what maximum number of such shares. At the expiration of such days 21 notice the Board shall allocate to the member or apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares as aforesaid, and (if more than one) so far as may be appropriate according to the shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice.
- (iv) Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or single shareholder who shall have agreed to purchase the same.

6. GENERAL MEETING

- (a) The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next.

Provided that so long as the Company holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place, as the Directors shall appoint.

- (b) All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- (c) 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 requisition as provided by section 133 of the Act. If any time there are not within the Tanzania sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an Extraordinary General meeting in the same manner or as nearly as possible as that in which meetings may be convened by the Directors.

7. NOTICE OF GENERAL MEETINGS

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

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

- I. in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and
 - II. in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than seventy – five percent of the total voting rights at meeting of all the members.
- (b) Subject to the provisions of the Articles, the notice shall be given to all the members, to all persons entitled to share in the consequence of the death or bankruptcy of a member and to the Directors and Auditors. The accidental omission to give notice of a meeting to or the non receipt of notice of a meeting by persons entitled to receive notice shall not invalidate the proceedings at that meeting.

8. PROCEEDINGS AT GENERAL MEETINGS

- (a) All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the election in the place of

those retiring and the appointment of, and the fixing of the remuneration of the Auditors

- (b) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation shall be a quorum.
- (c) If within half an hour from the time appointed for the meeting a quorum is not present, or if during the course of a meeting a quorum is not present the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the Directors may determine.
- (d) The Chairman, if any, of the Board of Directors or in his absence some other Director nominated by the Directors shall preside as Chairman of the general meeting, but if neither the Chairman nor such other Director be present within thirty minutes after the time appointed for holding of the meeting and willing to act, the Directors present shall elect one of their number to be Chairman of the meeting and, if there is only one Director and willing to act, he shall be Chairman.
- (e) If at any meeting no Director is willing to act as Chairman or if no Director is present within thirty minutes after the time appointed for holding the meeting the members present shall choose one of their numbers to be a Chairman of the meeting.
- (f) The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at adjourned meeting.
- (g) At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman; or by at least (three) members present in person or by proxy. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to the effect in the book containing the minutes of proceedings of

the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may, before the poll is taken be withdrawn.

- (h) Except as provided in Article 18, if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (i) In the case of an equality of votes, whether on a show of hands or in a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
- (j) A poll demanded on the election of the Chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such other time the Chairman of the meeting directs, and any business other than upon which a poll has been demanded may proceed pending the taking of the poll.
- (k) A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a General Meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more member.

9. VOTES OF MEMBERS

- (a) Every member shall have one vote. On a poll, votes may be given either personally or by proxy.
- (b) A member in respect of whose estate manager has been appointed under section 26 of the Mental Diseases Ordinance, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.
- (c) No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the Company have been paid.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company.
- (e) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening

the meeting, not less than 48 hours before the time for holding the meeting, or adjourned meeting, or taking the poll, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

- (f) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (g) A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duly authorized representative of a corporation shall be valid notwithstanding the previous determination of authority of the person voting or demanding a poll unless notice of the determination was received by the Company at its registered office (or such other place at which the instrument of proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

10. DIRECTORS

- (a) The Number of the Directors and the names of the first Directors shall be determined in writing by the subscribers to the Memorandum of Association or a majority of them and until such determination the signatories to the Memorandum of Association shall be the first Directors. Unless otherwise determined by Ordinary Resolution, the number of Directors shall not be subject to any maximum but be not less than two.
- (b) The following shall be the first Directors of the Company:
 - (1) **VALERIAN SAMWEL PALANGYO**
 - (2) **ANNA SAMWEL PALANGYO**
 - (3) **EUGINE TARIMO SAMWEL**
- (c) The remuneration of the Directors shall from time to time be determined by the Company in a General Meeting. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any Committee of the Directors or General Meeting of the company or in connection with the business of the Company.
- (d) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, or any

part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or any third party.

11. THE MANAGING DIRECTOR

- (a) The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period and on such terms as they think fit and may at any time revoke such appointment; the appointment of managing Director shall be automatically determined if the person appointed to such office shall cease from any cause to be a Director.
- (b) A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way or partly in another) as the Directors may determine.
- (c) The Directors may entrust to and confer upon a Managing Director any of the power exercisable by them upon such terms and conditions and with such restrictions as they 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 such powers.
- (d) The Directors shall provide for the safe custody of the seal; which shall only be used by authority of the Directors or a Committee of the Directors authorized by the Directors in that behalf, and every instrument to which the seal shall affixed shall be signed by two Directors and the Secretary or by a Director and some two other persons appointed by the Directors for that purpose.

12. SECRETARY

The Secretary shall be appointed by the Board of Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by it.

13. THE SEAL

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

14.

AUDIT

- (a) Auditors shall be appointed at an Annual General Meeting to hold office until the next Annual General Meeting and their duties regulated in accordance with sections 170 to 179 of the Act.

The Auditors shall be entitled to attend any General Meeting of the Company at which any accounts are laid before the Company which have been examined or reported by them and to make statements or explanations they desire with respect to the accounts.

15. **PERIOD OF OFFICE FOR MEMBERS OF THE BOARD OF DIRECTORS**

- (a) Members of the Board of Directors shall hold office for three years consecutively. At the end of this period (three years), they will retire and then they can seek re-election.
- (b) The Company may by Ordinary Resolution appoint a person who is willing to fill a vacancy or be an additional Director.
- (c) 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 expiry of his period of office notwithstanding anything in the Articles or any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

16.

POWERS AND DUTIES OF DIRECTORS

- (a) Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by Special Resolution, the Directors, who may exercise all the powers of the Company, shall manage the business of the Company and regulate their meetings as they think fit. No alteration of the Memorandum or Articles and no such directions shall invalidate any prior act of the Directors, which would otherwise have been valid. The powers given by this Article shall not be limited by any special powers given to Directors by the Articles and a meeting of Directors at which a quorum present may exercise all powers exercisable by Directors.
- (b) The Directors may, by power of attorney, appoint any person to be the attorney or agent of the Company for such purposes and on such conditions as they may determine, including authority for the attorney or agent to delegate all or any of his powers.
- (c) All cheques, promissory notes, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be

signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such a manner as the Directors shall from time to time by a Resolution determine.

- (d) The Directors shall cause minutes to be made in books provided for the purpose:-
- i. Of all appointments of officers made by the Directors;
 - ii. Of the names of the Directors present at each meeting of the Board of Directors and any committees of the Directors.
 - iii. Of all the resolutions and proceedings of the meetings of the
 - iv. Company, and of all directions of committees of the Directors.

17. BORROWING POWERS

- (a) The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum of money as they think fit.
- (b) The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

18. DISQUALIFICATION OF DIRECTORS

The office of a Director shall be vacated if the Directors:-

- a. Becomes bankrupt; or
- b. is found to be a lunatic or becomes of unsound mind; or
- c. Resigns his office by notice in writing to the Company;
- d. Abstains himself from meetings of the Directors for a period of six months without special leave of absence from the other Directors.
- e. Ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director; or
- f. Is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interesting a manner required by the Act.

19.

PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) Directors may meet together for the Dispatch of Business, Adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman for the meeting shall have a second or a casting vote.
- (b) Three members of the Board of Directors, may, request the Secretary, at any time, to summon a meeting of the Board of Directors by notice served upon members of the Board of Directors.
- (c) The quorum necessary for the transaction of business of the Directors may be fixed by the Directors and unless so fixed shall be two. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all the authorities, powers and discretion by or under the regulations of the Company for the time being nested in the Board of Directors generally.
- (d) The Board of Directors may delegate any of their powers to committee consisting of such members of the Board of Directors, as they think fit, and any committee so formed shall, in the exercise of the power so delegated, conform to any regulations imposed on it by the Board of Directors. The meeting and proceedings of any committee so formed, shall be governed by the provisions of the Article regulating the meetings and proceeding of the Board of Directors so far as the same shall not superseded by any regulations may be the Board of Directors and all acts and proceedings of any subcommittees shall fully report back to the Board of Directors.
- (e) The Board of Directors shall case proper minutes to be made of all appointments of officers may be the Board of Directors, and all business transacted at such meetings to be singed by the Chairman of the meeting.
- (f) Once at least in every year, the accounts of the Company shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one more property qualified auditors.
- (g) Qualified auditors shall be nominated by the Board of Directors.

20.

NOTICE

- (a) A notice may be served by the Company to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of Directors need not be in writing. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address, or leaving it at that address.

- (b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, paying, and posting a letter containing the notice, and to have been effected at the expiration of seventy-two hours after the letter containing the same was posted.
- (c) A member whose registered address is not within Tanzania and who gives the Company an address within Tanzania at which notices may be given him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

21. ALTERATIONS OR ADDITIONS

- (a) Subject to the provision of the Act and those contained in the Memorandum of Association of the Company the Board of Directors may by Special Resolution make alteration or additions and the alterations or additions so made shall be valid and effectual as if they were originally contained in these Articles and in the like manner be subject to alternation by special resolution.
- (b) Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

22. WINDING UP

If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the shareholders and any other sanction required by Law, divide amongst the members in specie or kind the whole or any part of the assets of the Company including any shares in other companies and may for such purpose set aside such value as he deems fair upon any property to be divided as aforesaid between the members of the Company or may be vested in trustees for the benefit of such members and liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any shares or other securities whereupon there is any liability.


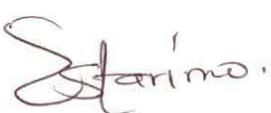
23. INDEMNITY

Every Director, Agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending in such capacity any proceeding, whether civil or criminal in which judgment is given in his favour or in which he is acquitted.

24. ARBITRATION

If and whenever any dispute or difference shall arise between the Company and any of the members or their respective representatives touching upon the construction or meaning of any of the Articles herein contained or any act, matter of things made or done or omitted, to be done or with regard to the rights or liabilities arising there under or arising out of the relation existing between the parties by reasons of these Articles or the Act, such differences shall, unless a sole arbitrator be agreed upon, forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the third to be appointed by

the first two or, in the event of failure to agree within thirty (30) days, the procedure laid down in the Arbitration Act or any then existing statutory modifications or re-enactments thereof shall apply.

| NAMES, ADDRESSES OF SUBSCRIBERS | SHARES TAKEN | SIGNATURE OF SUBSCRIBERS |
|--|--------------|---|
| VALERIA SAMWEL PALANGYO P.O. BOX 443, USA RIVER – ARUMERU ARUSHA. TANZANIA | 500 |  |
| ANNA SAMWEL PALANGYO P.O. BOX 443, USA RIVER – ARUMERU ARUSHA. TANZANIA | 400 | AS. Palangyo |
| EUGINE TARIMO SAMWEL P.O. BOX 443, USA RIVER – ARUMERU ARUSHA. TANZANIA. | 100 |  |

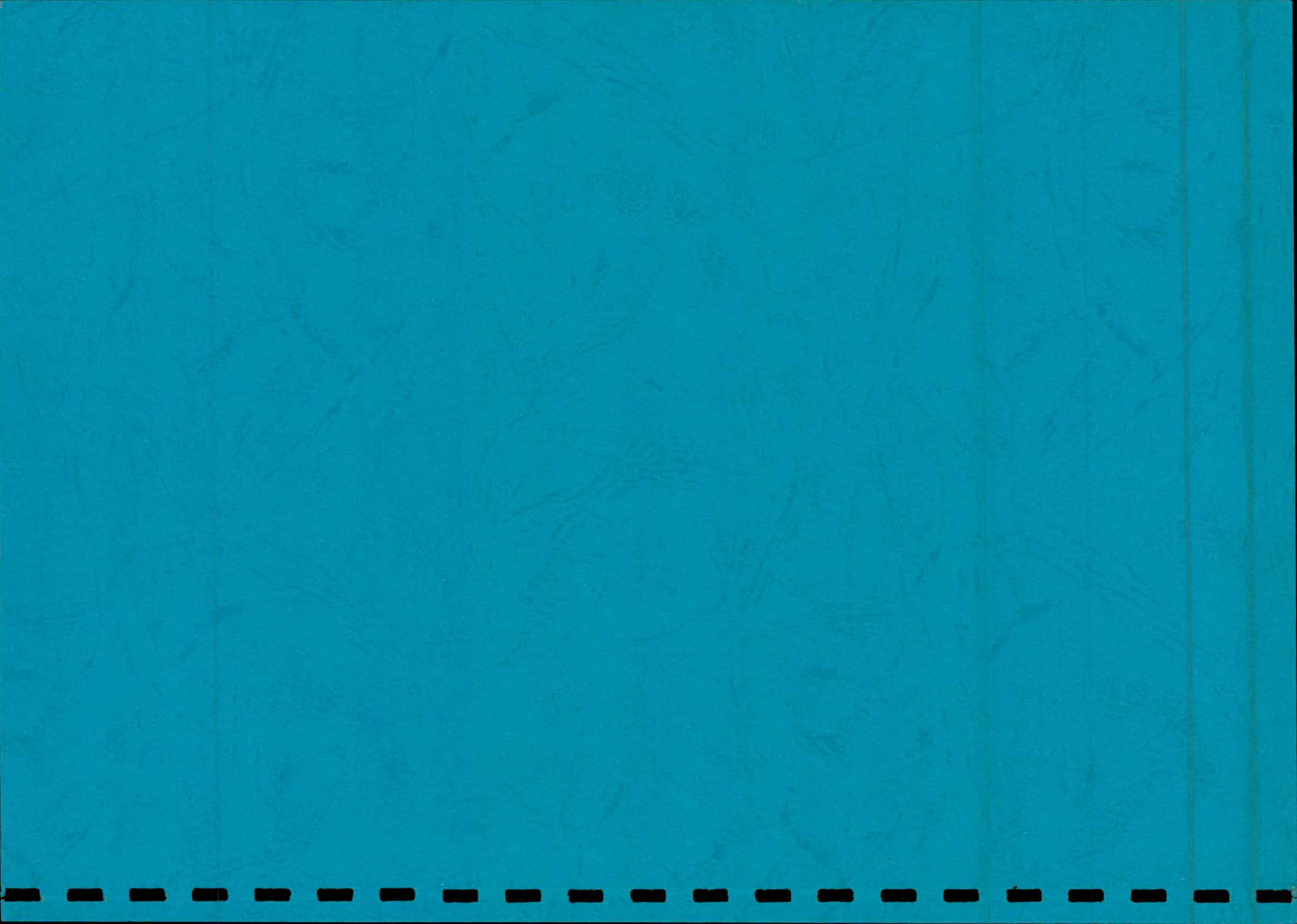
DATED AT DAR ES SALAAM this ^{10th} day of April 2013.

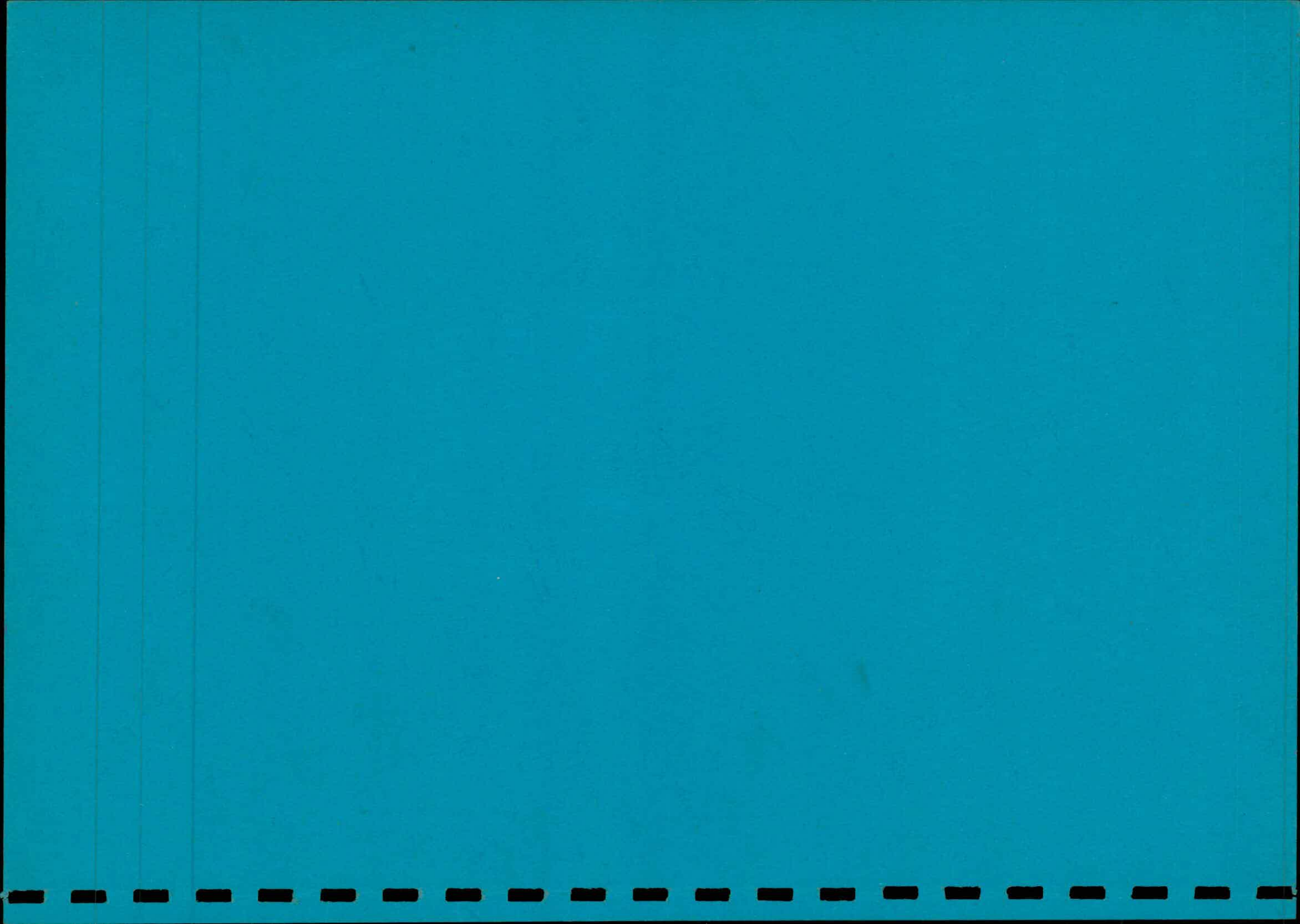
SIGNATURE: 

ADDRESS: P.O. Box 2562



QUALIFICATION: ADVOCATE





FEASIBILITY STUDY

FOR

MS. VANERIA HOLDING COMPANY LIMITED

MINING PROCESSING PROJECT/LAPIDARY

PREPARED BY

MS. VANERIA HOLDING COMPANY LIMITED

P O BOX 443

USA RIVER-ARUMERU

ARUSHA- TANZANIA

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1.0 INTRODUCTION

1.1 Foreword

The Tanzania Government is emphasizing p on its long – term industrial plan of strengthening the metal and engineering sub- sector in the country.

The private sector has also been paying a vital role in the development of this basic industry, mainly by establishing service- oriented engineering workshops which provide maintenance and repair services.

The National demand was established to be more than 400,000 tons per annum .Indications that the demand is increasing fast and is now closed to 700,000 tons per annum

One of the basic necessities for the establishment of this basic industry is the availability of an adequate local market for its output. It is rational for local Governments, therefore , to encourage and promote the growth of the local engineering sub- sector which will ultimately consume the local based copper & iron and steel industry's output. A recently established local firm, **MS. VANERIA HOLDING COMPANY LIMITED** has realized the potential this country has in terms of steel scrap, Copper and steel products markets. It is now contemplating putting up a complex that will refine steel and copper to produce various types of goods.

1.2 Objective of Study

The purpose of this feasibility study is to work out the technical and commercial details and financial viability for the establishment of Melting / refinery facilities for gold, Copper and metal products for various and users such as civil work construction and engineering works and lapidary work..

1.3 Project Promoters

The proposed copper and steel mill is being promoted by a locally registered company namely **MS. VANERIA HOLDING COMPANY LIMITED** of P.O Box 443, Arumeru, Arusha.

| Name of Director | Percentage Share | Nationality |
|----------------------------|------------------|-------------|
| Valeria Samwel Palangyo | 50 | Tanzanian |
| Anna Samwel Pallangyo | 40 | TANZANIAN |
| Eugine Tarimo Samwel | 10 | Tanzanian |

2.0 EXECUTIVE SUMMARY

2.1 Introduction

This study examines the possibility for the establishing a Melting facilities for Copper and metal to produce copper bars and Various metal products by using induction furnace and hot rolling technologies and locally available metal products and imported copper from Zambia . A techno- economic evaluation has been carried out to determine the viability of the project idea.

2.2 Market and Marketing Aspect

The market survey carried out reveals that he demand for steel and copper products raising rapidly.

The survey concludes that the proposed production of about 4,800 tons of Metal copper products per annum will not face any market problems.

2.3 Process and Technology

There are various methods for Smelting/ Refining copper and metal. The most widely used method is the basic process. The method for iron smelting is of two type's .This includes the converted and the heath methods. The electric methods fall under the heath method and employ electricity as the energy for melting the inputs.

Two methods are used, namely the arc furnace and induction furnace. The former uses electrodes for current circulation while the

latter used frequency. The proposed project will employ the induction method, a method which is more economical for high quality steel. The process involved sorting out the crucible of the furnace, heating and melting it and finally pouring the liquid steel into moulds where they solidify. Thereafter the ingots are reheated to even internal temperatures and then hot- rolled .The requisite machinery for the production include a 4 tone charge induction furnace, a reheating furnace and steel re- rolling induction accessories such as pouring and moulding equipment.

2.4 Production Inputs

The most critical inputs in to the plant are metal and copper, electric power in the magnitude of 2000 KVA will be required and this amount will be required and this amount will be supplied by Tanzania Electric Supply Company Limited

A considerable amount of water will be required for cooling .However, it will be recycles. Other production inputs include fuel oil, alloying elements, graphite powder and limestone.

2.5 Location

The plant will be located at Usa River – Arumeru Arusha Region.

2.6 Manpower Requirements

The plant Management will comprise 3 people out of a total workforce of 142 people. There will be 81 operators, 4 expatriates and the rest in direct workforce. The plant will operate on a3- shift per day basis. The plant will be organized into three departments, namely production, , finance and Administration and technical services(repair , maintenance and quality control).

2.7 Implementation

The Major activities include registration and approval by the Tanzania Investment Centre and mobilization of funds from sponsors and banking instutions. Civil works design, tendering and construction

will be carried out immediately after project is approved and would take about six months.

Machinery will be ordered after funds are committed. These will be fabricated shipped for activities related to machinery up to their receipt at site .

Training machinery installation and commissioning will be undertaken within another two months.

Activities related to civil works and machinery will take place simultaneously.

2.8 Project Economics

2.8.1 Capital Investment Requirements

| DESCRIPTION | FOREIGN | TOTAL |
|-------------------------|------------------|------------------|
| Land and Building | 700,000 | 700,000 |
| Plant & Machinery | 1,000,000 | 1,000,000 |
| Furniture & Fitting | 100,000 | 100,000 |
| Vehicles | 800,000 | 500,000 |
| Pre- Operation Expenses | 50,000 | 20,000 |
| Working Capital | 200,000 | 200,000 |
| TOTAL INVESTMENT | 2,850,000 | 2,850,000 |

2.8.2 Financing Scheme

i) Fixed Assets and Pre- Operational Costs

US\$

Equity 2,850,000

Total 2,850,000

2.9 Recommendations

The study shows that steel & copper production is both technically and financially feasible. Furthermore, it will cut down on imports of this important product. In view of the findings the project is recommended for implementation

3.0 MARKET AND MARKETING

3.1 Product

The product which this steel, gold and copper plant is going to produce for sale is various gold, copper and metal products.

3.2 Demand

Demand for the proposed product has been derived on the basis of the end use method. The products are used in various ways from buildings and other civil work constructions, in manufacturing of security grills and fences and as raw materials for manufacture of industrial products and machinery parts to industries.

Copper also is one of the basic chemical elements. In its nearly pure state, copper is a reddish- orange metal known for its high thermal and electrical conductivity. It is commonly used to produce a wide variety of products, including electrical wire, cooking pots and pans, pipes and tubes, automobile radiators and many others .Copper is also as a pigment and preservative for paper, paints, textiles and wood. It is combined with zinc to produce brass and with tin to produce bronze.

There is high demand for steel & copper products as Raw materials for manufacture of Industrial products and machinery parts. The demand for these products as raw material for the manufacture of industrial products and machinery parts, analysis has revealed there is an increase which is caused by shortage of raw materials, old machineries and import of manufactured goods.

Given the current improvements in the national economy, it is expected that the average capacity utilization of the past 5 years to at least 70%. It is also expected that the average growth rate of usage of steel bars as raw materials will equal to the growth rate of GDP for the industrial sector, currently at 3.4 %.

3.3 Supply

There exist numerous factors which supply metal and copper products. The quantity has been declining over the years. The declining trend is as a result of increasing number of steel companies being opened in the country.

Distribution Channels

Steel & Copper products are heavy and bulky products. Hence they can be easily distributed to final consumers either directly (one level channel) to final consumers or by using only one intermediary who will resale to final consumers (two level channel)

3.4 Promotion

Experience of selling this product prescribes that they can be easily sold through personal selling (personal solicitations of orders) to potential big customers and advertisement with emphasis on product availability quality and persuasion.

4.0 PRODUCTION PROCESS AND TECHNOLOGY

4.1 Production Processes for Steel

On the basis of steel refining steel making processes fall into two chemical divisions namely:

- Acidic process
- Basic process

The terms acid and basic refer to the furnace linings and the nature of the slag formed. The bulk of steel production today is in basic processes. This is because of the quality of iron ore mostly used.

Modern steel making processes are divided into two groups as follows:-

a) Converter Method

In this method air or oxygen is blown from the top or bottom of a converter through molten iron oxidizing the impurities. Air blown processes include the Bessemer's method (acidic) in which the melting vessel is lined with silica and basic Bessemer (Thomas method) where a converter acts as a basic lining

Oxygen blown process is divided into top blown which is good for phosphorus poor and which oxygen is injected through nozzles set in

the converter bottom. There are a methods differing in the way oxygen is fed. The converter method is best used for refining and alloying of steel.

b) Hearth Process

In the health process iron is melted and refined into steel in the same vessel .The process included open heart, electric air furnace, and plasma and induction methods .In the heath process the source of melting energy can be electricity.(e.g in electric are furnace induction furnace ad plasma method) gas or oil (e.g in open hearth furnace) and the input raw material ranges from liquid metal to solid metal e.g scrap.

When special technological properties and / or clean steel are required, other methods or secondary metallurgy are employed i.e treatment of steel ousted the melting vessel- ladle metallurgy.

c) Induction Furnace and Hot Rolling

The induction furnace steel making and hot rolling processes are the technologies desired by the project promoters. The details or the said processes are as under.

The induction furnace steel- making process is most suitable and economical for production of steel castings and high quality steel grades.

This is because in this furnace the durability of based refractories is quite low and meets more frequent relatively small furnaces and the largest is about 10 tons of liquid steel per heat. Other steel production technologies are advisable when producing large steel quantities and low quality steel.

In the frequency induction furnace the heat for melting and superheating the scrap in the furnace crucible is generated in the charge itself by eddy currents induced by the magnetic field set up by an alternating current, i.e the charge acts as the secondary circuit

and copper coils at the primary winding circuit. Due to its oscillating nature nature the current changes polarity many times per second thus melting the change very rapidly.

Induction furnaces use mainly steel scrap as raw material and electricity as a source of melting energy. Availability of adequate quantities when planning for this technology. Noteworthy is that scrap prices change in accordance with supply and demand therefore the economics of this type of steel- making depends primarily on scrap availability.

d) Scrap Processing

Scrap can be from machining works e.g chips, trimmings,. Forging and stamping wastes, worn out machines, rolling stock, vehicle, rails, domestic appliances etc.

In view of the different sources, scrap can be of varying composition and does not have uniform composition.

Scrap is contaminated with sulphure – containing lubricating oils, chips etc, and non- ferrous metals (lead aluminum, tin, copper, zinc, etc) These metals are harmful to the working personnel, steel making equipment and steel quality.

Scrap processing is normally associated with the following activities and facilities:-

- Sorting the scrap for unwanted materials
- Large size scrap are broken into pieces with hammers or hydraulic press or cut into smaller pieces using oxygen/ acetylene flame.
- Steel chips or light scrap are crushed and presses into bales
- Special furnaces are employed for scrap burning (to burn off wood, plastics, oils etc)

i. Scrap Melting and steel Refining and Alloying

The sorted steel scrap will be put into baskets and fed into the crucible of the furnace where it is melted by induction method as described above.

Some additives which regulate the composition of the steel are also added into the crucible.

e) Ingot Casting

After the steel copper scrap in the furnace has melted down the furnace will be tilted and the melted surface charges will pour through the launder into a teeming ladle placed below it.

The liquid metal in the ladle is then poured (cast) into a number of specially prepared smaller containers (ingor moulds) Thereafter the melt is allowed to solidify.

It is advisable to retain 10% of liquid steel in the furnace to facilitate the melting of fresh scrap.

f) Re- Heating the Ingots

After the ingots have solidifies, it may be worked immediately. However the ingots tend to be somewhat cooler on their outside than their centres. Therefore before they are rolled they will be put into a reheating furnace in which the sectional temperatures of the ingots are equalized .Uniform temperature is important before rolling, otherwise it results into rolled products with cracks and fissures.

Recommended rolling temperatures for mild steel is around 1100C.

The recommended technology offers a considerable saving in energy because ingots from the steel mill will be sent for re- rolling almost immediately. Only slight reheating will therefore be required.

g) Steel Hot- Rolling Process

The hot steel ingots are then fed into the rolling mills.

Rolling is the process of passing a heated ingot between the rolls revolving at the same peripheral speed and in opposite directions.

As the roll grip the work piece, they apply forging and kneading pressure the effect being that of increasing the work piece length appreciably and the width slightly.

Thereafter the rolled bars are left to cool and sold as final product.

4.2 PRODUCTION PROCESS FOR COPPER

Copper is one of the basic chemical elements. In its nearly pure state, copper, is a reddish orange metal known for its high thermal and electrical conductivity. It is commonly used to produce a wide variety of products, including electrical wire, cooking pots and pans, pipes and tubes, automobile radiators and many others. Copper is also used as a pigment and preservative for paper, paint, textiles and wood. It is combined with zinc to produce brass and with tin to produce bronze.

4.2.1 Raw Materials

Pure copper is rarely found in nature, but is usually combined with other chemicals in the form of copper ores. There are about 15 copper ores mined commercially in 40 countries around the world. The most common are known as sulfide ores in which the copper is chemically bonded with sulfur. Others are known as oxide ores, carbonate areas or mixed ores depending on the chemicals present. Many copper ores also contain significant quantities of commercially useless material. The most common sulfide ore chalcopyrite, Cu_2S , is another sulfide ore, Cuprite or red copper ore, Cu_2O , is an oxide ore Malachite or green copper ore, $Cu(OH)_2$ $CuCO_3$, is an important carbonate ore, as is azurite or blue copper carbonate, $Cu_3(OH)_2(CO_3)_2$. Other ores include tennantite boronite, chrysocolla, and atacamite. In addition to the ores themselves, several other chemicals are often used to process and refine copper. These include sulfuric acid, oxygen, iron, silica and various organic compounds, depending on the process used.

4.3.2 THE MANUFACTURING PROCESS

Process

The process of extracting copper from copper ore varies according to the type of ore and the desired purity of the final product. Each process consists of several steps in which unwanted materials are physically or chemically removed, and the concentration of copper is progressively increased. Some of these steps are conducted at the mine site itself, while others may be conducted at separate facilities.

Here are the steps used to process the sulfide ores commonly found in the western United States.

(a) Mining

Most sulphide ores are taken from huge open pit mines by drilling and blasting with explosives. In this type of mining, the material located above the ore, called the overburden, is first removed to expose the buried ore deposit. This produces an open pit that may grow to be a mile or more across. A road to allow access for equipment spirals down the interior slopes of the pit.

- 1) The exposed ore is scooped up by large power shovels capable of loading 500- 900 cubic feet (15-25 cubic meters) in a single bite. The ore is loaded into giant dump trucks, called haul trucks, and is transported up and out of the pit.

(b) Concentrating

The copper ore usually contains a large amount of dirt, clay, and a variety of non-copper bearing minerals. The first step is to remove some of this waste material. This process is called concentrating and is usually done by the flotation method.

- 1) The ore is crushed in a series of cone crushers. A cone crusher consists of an interior grinding cone that rotates on an inner vertical axis, inside a fixed outer cone. As the ore is fed into the top of the crusher, it is squeezed between the two cones and broken into smaller pieces.

- 2) The crushed ore is then ground even smaller by a series of mills. First it is mixed with water and placed in a rod mill, which consist of a large cylindrical container filled with numerous short lengths of steel rod. As the cylinder rotates on its horizontal axis, the steel rods tumble and break up the ore into pieces about 0.13 in (3 mm) in diameter. The mixture of ore and water is further broken up in two ball mills, which are like a rod mill except steel balls are used instead of rods. The slurry of finely ground ore that emerges from the final ball mill contains particles about 0.01 in (0.25 mm) in diameter.
- 3) The slurry is mixed with various chemical reagents, which coat the copper particles. A liquid, called a frother, is also added. Pine oil or long-chain alcohol are often used as frothers. This mixture is pumped into rectangular tanks, called flotation cells, where air is injected into the slurry through the bottom of the tanks. The chemical reagents make the copper particles cling to the bubbles as they rise to the surface. The frother forms a thick layer of bubbles are allowed to condense and the water is drained off. The resulting mixture, called a copper concentrate, contains about 25 - 35% copper along with various sulphides of copper and iron, plus smaller concentrations of gold, silver and other material. The remaining materials in the tank are called the gangue or tailings. They are pumped into settling ponds and allowed to dry.
- 4) The process of extracting copper from copper ore varies according to the type of ore and the desired purity of the final product. Each process consists of several steps, and the concentration of copper is progressively increased.

c) Smelting

Once the waste material have been physically removed from the ore, the remaining copper concentrate must undergo several chemical reactions to remove the iron and

sulfur. This process is called smelting and traditionally involves two furnaces as described below. Some modern plants utilize a single furnace, which combined both operations.

- 1) The copper concentrate is fed into a furnace along with a silica material called a flux. Most copper smelters utilize oxygen

Enriched air is forced into the furnace to combust with fuel oil. The copper concentrate and flux melt, and collect in the bottom of the furnace. Much of the iron in the concentrate chemically combines with the flux to form a slag, which sulphur in the concentrate combines with the oxygen to form sulphur dioxide which is exhausted from the furnace as a gas and is further treated in an acid plant to produce sulphuric acid. The remaining molten mixture in the bottom of the furnace is called the matte. It is a mixture of copper sulphide and iron sulphides and contains about 60% copper by weight.

- 2) The molten matter is drawn from the furnace and poured into a second furnace called a converter. Additional silica flux is added and oxygen is blown through the molten material. The chemical reactions in the converter are similar to those in the flash furnace. The silica flux reacts with the remaining sulphur to form sulphur dioxide. The slag may be fed back into the flash furnace to act as a flux, and the sulphur dioxide is processed through the acid plant. After the slag is removed, a final injection of oxygen removes all but a trace of sulphur. The resulting molten material is called the blister and contains about 99% copper by weight.

d) Refining

Even though copper blister is 99% pure copper, it still contains high enough levels of sulfur, oxygen and other impurities to hamper further refining. To remove or adjust the levels of these materials, the blister copper is first fire refined before. It is sent to the final electro refining process.

- 1) The blister copper is heated in a refining furnace, which is similar to a converter described above. Air is blown into the molten blister to oxidize some impurities. A sodium carbonate flux may be added to remove traces of arsenic and antimony. A sample of the molten material is drawn and an experienced operator determines when the impurities have reached an acceptable level. The molten copper, which is about 99.5% pure. Is then poured into moulds to form large electrical anodes, which act as the positive terminals for the electro refining process.
- 2) Each copper anode is placed in an individual tank, or cell, made of polymer- concrete. There may be as many as 1,250 tanks in operation at one time. A sheet of copper is placed on the opposite end of the tank to act as the cathode, or negative terminal. The tanks are filled with an acidic copper sulphate solution, which acts as an electrical conductor between the anode and cathode.
When an electrical current is passed through each tank, the copper is stripped off the anode and is deposited on the cathode. Most of the remaining impurities fall out of the copper sulphate solution and form a slime at the bottom of the tank. After about 9-15 days, the current is turned off and the cathodes are removed. The cathodes now weigh about 300 lb(136 kg) and are 99.95-95 % pure copper
- 3) The slime that collects at the bottom of the tank contains gold, silver, selenium and tellurium. It is collected and processed to recover these precious metals.

e) Casting

- 1) After refining, the copper cathodes are melted and cast into ingots, cakes, billet or rods depending on the final application. Ingots are rectangular or trapezoidal bricks, which are re- melted along with other metals to make brass and bronze products. Cakes are rectangular slabs about 8 in (20 cm)thick and up to 28 ft(8.5m) long.They are rolled to make copper plate, strip, sheet and foil products. Billets are

cylindrical logs about 8 in (20cm) in diameter and several feet (meters) long. They are extracted or drawn to make copper tubing and pipe. Rods have around cross-section about 0.5 in (1.3 cm) in diameter. They are usually cast into very long lengths, which are coiled. This coiled material is then drawn down further to make copper wire.

e) Quality Control

Because electrical applications require a very low level of impurities, copper is one of the few common metals that are refined to almost 100% purity. To ensure this purity, samples are analyzed at various steps to determine whether any adjustment to the process is required.

4.3.2 PRODUCTS/ WASTE

The recovery of sulfuric acid from the copper smelting process only provides a profitable byproduct, but also significantly reduces the air pollution caused by the furnace exhaust. Gold, silver and other precious metals are also important byproducts. Waste products include the overburden from the mining operation, the tailing from the concentrating operation, and the slag from the smelting operation. This waste may contain significant concentrations of arsenic, lead, and other chemicals, which pose a potential health hazard to the surrounding area.

The Future

Demand for copper is expected to remain high, especially in the electrical and electronics industries. The current trends in copper processing are towards methods and equipment that use less energy and produce less air pollution and solid waste.

One encouraging trend is the increased use of recycled copper. Currently over half the copper being produced in the world comes from copper machining operations, such as screw forming and 45% comes from the recovery of used copper products, such as electrical wire.

4.4 Power Utilization

In the operation of electrical facilities, the most favorable installation for power costs is attained at preferably high utilization with preferably low power peak. This is achieved in modern medium- frequency melting by provision of constant power supply in the converters and through selective switching of power feed units.

4.5 Environment Protection

During the process of melting steel scrap there will be the emission of dust and gaseous fumes. Fumes especially are toxic and of complex composition. The most common are sulphur and nitrogen oxides (SO_x, NO_x) In the developed world where there are many steel works this is of concern, Therefore, it is recommended to arrest this problem right from the beginning in countries entering the steel industry. In the recommended technology i.e induction furnace, the amount of hazardous gases emitted will be very small especially because only cleaned raw materials will be used. There is therefore no environment hazardous waste expected from this project

5.0 Plant Location and Civil Works

The plant will be located in Chang'ombe, Mwanga District, Kilimanjaro Region. Production Building Required which is an open shed roofed with GCI sheets, and constructed from reinforced concrete slab in site is ideal for both the furnace and rolling mill facilities. The scrap and finished products would both be stored in the open

6.0 Utility Services

a) Water

The site has already been supplied with water. A 3 inch diameter pipeline connects the plot to the main pipeline. The plant water requirement is basically for cooling purposes and water will be recycled. About 10,000 litres of water will be required per day. Therefore

a water reservoir of capacity 30,000 litres is recommended to be constructed.

b) Electricity

The site will tap its power from substation nearby. A number of machines will be premedical operated .There will therefore be a need to have a central compressor station which will generate the compressed air requirements .A central compressor station will be provided to provide compressed air for some of the production units.

As said elsewhere in this report, the source of energy for meeting the scrap will be electric power. Power is consumed in very large quantities and it is among the biggest cost element in this type of steel production. The demand for this plan is estimated at around 2000Kva

c) Material Handling Equipment

The plant will require the services of an overhead crane which will be employed for lifting the scrap containers for feeding the furnace as well as move the ladles with liquid steel into the casting area.

d) Weighing Scales

A road vehicle weigh bridge and a portable dial platform scale will be required at the plant site for weighing incoming trucks with scrap and weighing the production inputs during production

e) Oxygen and Acetylene Gas Cutting Equipment

Several gases cutting equipment of the type mentioned above and their corresponding cutting torches will also be required for the steel mill.

f) Workshop Facility

In order to enable the company to handle small repairs to its aassets we recommend the acquisition of a minimum number of metal working machines such as one lathe, a milling/drilling machine power hacksaw and tool kits.

7.0 MANPOWER AND ORGANISATION

The proposed copper and metal plant complex will have three

Independent departments, namely administration and finance
production and technical staff.

Organisation

The top people in the day- to day running of the company will be General Manager .Under the General Manager's office will e three department, namely finance/ administration production and technical services. Each department will be under a Manager and will comprise a number of sections each headed by section head such as Finance/ Personnel Department Production Department.

Each section will be manned by a number of personnel with varying education levels and work experiences. The management team will comprise the General Manager, Chief Accountant and the four expatriates who will head the different production and service department.

He will also be responsible for repair and maintenance for company assets and research and development activities.

The technical department will comprise three sections, namely:

- a) The repair and maintenance section which would be responsible for all repair works. An expatriate will be employed to train the local technician in the machinery repair works.
- b) Laboratory section which will be responsible for quality control of both the raw materials and finished goods.
- c) Research and development section.

7.1 Production Department

The production department will comprise two sections, namely steel mill and rolling mill.

Finance and Administration Department

An Administration and Finance Manager will head the department. He will be responsible for the administration of the company as well as overseeing the financial aspect of the company

7.2 Manpower Requirement

The manpower requirement for running the proposed steel and rolling mill is 142 people .The administration staff will work on one shift per Day. The production and technical departments will work on 3 shifts per Day basis.

8.0 INVESTMENT AND FINANCING

8.1 Assumptions

The financial projections to determine the viability of the Copper and metal Project is based on the following key assumptions:

- The project will operate at 50% capacity in year 1 , 60% in year 2, 70% in year 4 and thereafter
- Plant will operate on three shifts per day for 250 days per year.
- The whole project output will be sold locally

8.2 Summary of Capital Costs

The total initial investment required for undertaking the project is estimated at US\$ 2,85 million. Spread over a year as shown. The breakdown of the capital investments is presented in table below:

| DESCRIPTION | Foreign | Total |
|---------------------------|------------------|------------------|
| Land and Building | 700,000 | 700,000 |
| Plant & Machinery | 1,000,000 | 1,000,000 |
| Furniture & Fitting | 100,000 | 100,000 |
| Vehicles | 800,000 | 500,000 |
| Pre- Operational Expenses | 50,000 | 20,000 |
| Working Capital | 200,000 | 200,000 |
| TOTAL INVESTMENT | 2,850,000 | 2,850,000 |

8.3 Building and Civil Works Costs

The premises will be renovated e for constructions for plant installation only. These are Estimated and given under cost of machinery

8.4 Plant Machinery and Equipment Costs

The main machinery for the envisaged project will be electric furnace, steaming ladles and moulds reheating various tools, accessories etc.

8.5 Furniture and Fittings

The items to be purchased will comprise office furniture and computers for office and factory.

8.6 Vehicles

A 15 toner truck and a 5 toner truck that will be used for transportation of raw Materials and finished products and other office activities are recommended. A Bus of 45 seats will be provided for workers transport and two saloon cars for the top management

8.7 Pre- Production Capital Expenditures

These include project development cost for feasibility study and start-up expenses including interest on loan taken for capital investment in the pre- production Period

8.8 Initial Working Capital

Initial Working capital requirements for the proposed steel mill project works out at about US\$0,20 Million

8.9 COST OF OPERATION

The anticipated costs for operating the project are detailed in the following Sections the capacity utilization has been assumed to grow at a rate of 50% in year 1, 60% in year 2, 70% in year 3 while stabilized production is envisaged From the fourth year at 80% of rated capacity. 80% will be the sustainable Production level.

8.10 Repair and Maintenance

Annual repairs and maintenance of the machinery and equipment have been Worked out to cover all costs including spare parts.

8.11 Vehicle Running Expenses

Vehicle running expenses include fuel, lubricants, tear and wear, road licence Insurance etc, This cost item has been estimated at 35% of the original cost of the vehicle annually

8.12 Salaries and Wages

The total wage package is estimated at US\$ 0,070 million for the first two years

8.13 Administrative Overheads.

The main item in the administrative cost is insurance of fixed assets. The administrative costs are estimated at US\$0,010 million/ annum Dividends for the first 5 years during which are company will have to meet other Commitments like loan repayment, costs for technology training etc.

9.0 FINANCIAL ANALYSIS

9.1 Income and Expenditure

9.1.1 Income

The proposed steel and copper mill project expects to earn its income through the sale of reinforcement copper and steel products mainly at sustainable level of production, the total sales are expected to stand at US\$ 1,632 million from the Fourth year of production onwards by selling a total of 4800t of final products.

9.1.2 Cash Flow Statement

The project's cash flow is impressive as the need for external assistance arises Only in the initial stages of the project investment.

10.0 Economic Benefits

The successful operation of this processing plant will contribute significant Economic benefit to Kilimanjaro region people and Tanzania as whole . In summary the benefits which will be realized are as follows:

- The execution of this project will bring about employment opportunities
- Provision of income to other services providers, thus contributing to the reduction of poverty. The income to be earned will help in improving standard of living of the workers and other people residing in the region

- The direct income for the workers combined with help in overall efforts of alleviation of poverty in the Region
- This project will facilitate opportunities to increase foreign exchange earnings through export of some of its value products
- Project will create Government Revenue through Taxation

11.0 Conclusion

The investment and development of these products processing undertaking is in Line with the Government objective of encouraging proper development of Industries in the country. It will have a positive impact on the development of the region as, it would Generate a number of benefits and more positive impact on the economy of the region

This document has provided a full analysis on the financial , Techno-economic viability and have established that the proposed project is technically sound financially viable , and economically/ socially beneficial.

MS. VANERIA HOLDING COMPANY LIMITED
INVESTMENT COST

| DESCRIPTION | FOREIGN | TOTAL |
|---------------------------|------------------|------------------|
| Land and Building | 700,000 | 700,000 |
| Plant & Machinery | 1,000,000 | 1,000,000 |
| Furniture & Fitting | 100,000 | 100,000 |
| Vehicle | 800,000 | 500,000 |
| Pre- Operational Expenses | 50,000 | 50,000 |
| Working Capital | 200,000 | 200,000 |
| TOTAL INVESTMENT | 2,850,000 | 2,850,000 |

MS. VANERIA HOLDING COMPANY LIMITED

PROJECT FINANCING

US\$

| DESCRIPTION | FOREIGN | LOCAL | TOTAL |
|-----------------------------|----------------|------------------|------------------|
| Equity | | 2,850,000 | 2,850,000 |
| TOTAL INVESTMENT | | 2,850,000 | 2,850,000 |

MS. VANERIA HOLDING COMPANY LIMITED

PROFIT & LOSS FORECAST

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 60% | 80% | 90% | | | | | | | |
| PNOVER | 979000 | 1,305,600 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 |
| Sale of Steel & Copper Products | | | | | | | | | | |
| | 979000 | 1,305,600 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 | 1632000 |
| RECT COSTS | 242000 | 322000 | 403000 | 403000 | 403000 | 403000 | 403000 | 403000 | 403000 | 403000 |
| Total Direct Cost | 242000 | 322000 | 363000 | 403000 | 403000 | 403000 | 403000 | 403000 | 403000 | 403000 |
| LOSS PROFIT | 737000 | 939600 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 |
| OTHER COSTS | 200750 | 200750 | 200750 | 200750 | 200750 | 200750 | 196750 | 196750 | 196750 | 200750 |
| Depreciation | | | | | | | | | | |
| Profit before tax | 536250 | 738850 | 1,028,250 | 1,028,250 | 1,028,250 | 1,028,250 | 1,032,250 | 1,032,250 | 1,032,250 | 1,032,250 |
| ERATING PROFIT | 536250 | 738850 | 1,028,250 | 1,028,250 | 1,028,250 | 1,028,250 | 1,032,250 | 1,032,250 | 1,032,250 | 1,032,250 |
| Taxation 30% | 160875 | 221655 | 308475 | 308475 | 308475 | 308475 | 309675 | 309675 | 309675 | 309675 |
| GROSS PROFIT | 375375 | 517195 | 719775 | 719775 | 719775 | 719775 | 722575 | 722575 | 722575 | 722575 |
| MULATIVE | 375375 | 892570 | 1,612,345 | 2,332,120 | 3,051,895 | 3,771,670 | 4,494,245 | 5,939,395 | 5,939,395 | 6,661,970 |

MS. VANERIA HOLDING COMPANY LIMITED
PROJECTED CASH FLOW

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
|---|------------------|--------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Source | | | | | | | | | | |
| Profit before interest and Depreciation | | 737000 | 939600 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 |
| Equity | 2,850,000 | | | | | | | | | |
| Total Sources | 2,850,000 | 737000 | 939600 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 | 1229000 |
| Duplications | 2,850,000 | | | | | | | | | |
| Capital Expenditure | 2,850,000 | | | | | | | | | |
| Tax | 2,850,000 | 536250 | 738850 | 1,028,250 | 1,028,250 | 1,028,250 | 1,028,250 | 1,032,250 | 1,032,250 | 1,032,250 |
| Sub Total | 2,850,000 | 536250 | 738850 | 1,028,250 | 1,028,250 | 1,028,250 | 1,028,250 | 1,032,250 | 1,032,250 | 1,032,250 |
| Capita Duplications | 2,850,000 | 536250 | 738850 | 1,028,250 | 1,028,250 | 1,028,250 | 1,028,250 | 1,032,250 | 1,032,250 | 1,032,250 |
| Net working capital | | 200750 | 200750 | 200,750 | 200,750 | 200,750 | 200,750 | 196,750 | 196,750 | 196,750 |
| Acumulated Cash | | 200758 | 401500 | 602,250 | 803,000 | 1,003,750 | 1,204,500 | 1,401,250 | 1,598,000 | 1,794,750 |