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PRIME MINISTER'S OFFICE
TANZANIA INVESTMENT CENTRE
LAKE ZONE

BHUMI RESOURCES
TANZANI LTD

22th MAY 2021

PVV CONDUCTED BY
PENDO GONDWE
ZM LAKE

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2. INTRODUCTION

Bhumi resources Company Limited is a TIC registered project with certificate of incentives **No. 043323** registered with TIC in 21ST September 2017. The company was registered with BRELA with certificate of incorporation **No. 135743** for establishing a gold processing project at Kakulu, Buligi Village, Kahama, Shinyanga Region.

The project was established with the purpose of using the gold ore from small scale miners to extract gold using the VAT leaching technology.

Bhumi Resources Company Limited submitted an application to TIC requesting for the second extension of their project, which the first certificate of incentives has an implementation date of 2017 to 2020.

TIC Lake zone office was instructed by the head office in May 2021 to undertake the PVV in Bhumi Resources Company Limited project implementation site in order to determine the project implementation status and to verify the investment with reference to capital/deemed capital expenditure for purposes of justification of the project Extension.

3. COMPANY INFORMATION

Table 1- Bhumi Resources Company Limited information

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	<p>1. Vedant Mohta, Indian 38.4%</p> <p>2. Pranav Chokhani, Indian 32.6%</p> <p>3. Suyog Mundada 0.1%. Indian</p> <p>4. Pawan Chokhani 0.1%- Indian</p>
2.	Company Communication Information	Email address	Bhumiresources.tz@gmail.com
		Mobile Number	+255674006343
		Land Line Telephone Number	
		Physical Address (Plot No., Block No, Street, District and Region	Kakulu, Buligi Village, Kahama, Shinyanga Region
3.	Contact Person	Name	Vedant Mohta
		Position	Director
		Communication Details (Email, Mobile and telephone)	0674006343 Bhumiresources.tz@gmail.com
4.	Incorporation	Certificate of Incorporation No.	135743

5.	TIN information	TIN Certificate No.	134199601
6.	Project Objective	Project Core Activity	Manufacturing, Processing gold

4. PROJECT PERFORMANCE

Description of actual project performance and issues observed (findings) in tabular format below;

Table 2- Project Actual Performance

S/N	Information	Description	Current Status	
			Amount (USD)	Source Country
1.	Investment Financing amounts in USD	Financing Type		
		Local Equity		
		Local Loans		
		Foreign Equity	1.149m	China
		Foreign Loans		
		Total Investment	1.149m	
2.	Capacity	Project Capacity per Year	1000 tons of gold ore tailings per day	

			330,000 tons of processing capacity per annum 99kgs of gold per annum
3.	Direct Employment	Foreign-Men	4
		Foreign-Women	
		Local-Men	36
		Local-Women	10
4.	Indirect employment	Estimated Total No.	100
		Type/areas of Indirect Employment	<i>Sub contracting; small scale miners, contractors, food suppliers, Casual labors, Security, Truck Driver, Logistics, suppliers.</i>

5. OBSERVATION AND FINDINGDS OF THE PROJECT IMPLEMENTATION

The project is located at Kakulu, Buligi Village, Kahama, Shinyanga Region.

The project is expected to benefit the village through economic activities established in the village. *The investment has already reached about the 45% of the proposed investment. The project promoters are supporting small scale miners by buying residual of the gold ore which are extracted and remains with a certain percentage of gold ore (rudio) and these provides benefit to the product which would have otherwise no value to the small scale miners. The project which is expected to start production in middle or end of August is expected to employ over 50 people and have the capacity to produce 1000 tons per day of gold ore per annum on with an investment value of 1.149 million Tanzania USD.* Currently the project has employed more than 22 people mostly Tanzanians doing the engineering and construction works.

6. PROJECT IMPLEMENTATION STATUS

Finish the construction within 5 or six month before starting production.

TIC Lake Zone Office confirms through the project promoters that implementation of the project is almost 45% complete and the delay in execution was due to the delay in the issuance of the approvals, licenses and registration. So far we have

observed the company has implemented the following in the project site;

- a) Acquisition of land 20 acres for the project implementation.
- b) Construction of the processing building.
- c) Installation of some of the Processing facilities
- d) Construction of the Storage facility
- e) TSF Tailings facility is on the foundation and beginning preparation
- f) Initial stage on the Construction of VAT-Leaching plants

- g) Importing agitators for CIP,
- h) Construction of three elution plants
- i) Construction of gold processing premises with demarcated areas designed for cleaning and processing of gold.
- j) Construction of office building to accommodate administration activities at the project site.
- k) Began the construction of the CIP and FILTER press workshop
Are on the initial stage, VAT Leaching
Construction of gold processing premises with several demarcations designed for CIF processing
- l) Procurement of CCTV cameras and other equipment to safeguard the site due to the nature of the project.
- m) Construction of fuel storage facilities is underway, 1000 Litters of Diesel per day
- n) Purchase of 6 heavy duty tracks
- o) Utility vehicle one pick up double cabin
- p) Construction of the accommodation facilities for local staffs and expatriates.
- q) The project has so far procured vehicles: Four(4) office administrative cars Toyota make and one truck for logistics support activities
- r) The project has constructed a warehouse to ensure enough storage of raw materials before processing.

- s) The company procured a standby power generator 100KVA, as it is quite necessary given the nature of the business.
- t) Crushing Unit for bowl crushers (4)
- u) Bought Trucks about 20 trucks and another seven on the way
- v) Construction of small lab Intends to have a lab for soil testing
- w) Also in place are various assorted working tools and equipment used for different activities.

7. ISSUES OF CONCERN AND PVV FINDINGS ON THE REQUEST

PVV also has established that the project has not yet procured main processing plant and machinery for gold processing. Though the project has spent some critical amount for investment the PVV could not establish main machinery for gold processing line.

The project promoters demonstrated delays which have caused interruption in the project implementation as follows;

- a) There was no water in the site and it was difficult for the project promoters to implement the project due to the nature of the project which requires **sufficient** water for project operations. The project promoters failed to get commitment from the authorities to ensure water supply. The project promoters decided to relocate to another site in Kahama with details of the Lease Agreement attached and though the new site also did not have water the trials proved that they they can construct boreholes which would provide sufficient water for the project. In

2021 they managed to fix the problem by constructing bore holes which have the capacity to provide ten cubic meters which is 10,000 liters per hour which would be enough to manage project operations and production. Attached are the photos illustrating the constructed boreholes.

- b) The delay in the project implementation due to the issue of water resulted in the delay of purchasing the equipment for the production line of gold processing.
- c) The project has also not yet finished the construction of the gold processing area as per attached photos and they need more time to finalize.
- d) The construction of boreholes increased the amount required for investment.
- e) The project has so far not yet utilized its exemption on equipment and the promoters request extension so that they can now utilize the exemption provided as per attached list.

6.1 THE FUTURE PLANS

- a. The project promoters plans fabrication of CIP Tanks at the site.
- b. Installation of the CCTV Cameras entirely in the project site
- c. The company intends to further complete the construction of the gold Processing building.
- d. The project promoters intend to procure machinery the gold processing Line.

- e. Bhumi Resources Company now has now acquired the industrial license for enabling on the project processes.
- f. The company intends to extend the construction of storage facility for chilling and drying area once received the NEMC certificate.
- g. The company intends to import more CCTV Cameras and blasting materia once they get an approval of NEMC for the EIA which would them to expand the chilling facilities and drying facilities.

Once the expansion is done the project will double its processing capacity to 40 tons per month and double the employment to over 100 direct employment.

Upon TIC approval the project is expected to execute and implement the above targeted activities within a span of one (1) year expected completion of the above activities would be end of 2021 or early 2022 depending on the approval and the project is expected to surpass the proposed project value.

8. RECOMMENDATIONS

In conclusion the project site and based on the project verification done at District, Shinyanga Region processing site, I would like to recommend **one year extension** of this project. We believe the extension would stimulate further development and support completion of gold processing plant.

9. CONCLUSION

Bhumi Resources Company Limited has demonstrated the importance of gold processing in the Lake zone region as they add value to the mining sector in Tanzania, which was at the beginning the value addition was highly not emphasized in the country. This project would enhance and improve the value chain of mining and influence development.

10. PROJECT PHOTOS



1.

HOLES AT THE SITE THAT WOULD PROVIDE 10,000 LITRES AN HOUR

2. CONSTRUCTION OF CIF FACILITIES AT THE SITE





