

THE UNITED REPUBLIC OF TANZANIA
PRIME MINISTER'S OFFICE
TANZANIA INVESTMENT CENTRE

FILE BEGINS	ENDS	PART
FILE TITLE		FILE NUMBER TICC
CONFIDENTIAL		pp. 10 042422

INDEX HEADINGS

Order of Action	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M
	DII F-1	DR	5/4/13	Co										
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	STF	6	17/4/13	6										
	Khawa fu	6	22/4/13	6										
	Ag EXD M	6	22/4/13	6										

FILE NUMBER
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TICC

pp. 10 / 042422

LED

N
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MINING

MINUTE SHEET

Dokezo
No.

1-0

Ag: EXD *done for 11/4*

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest ... *US\$ 7.435M*

(b) Legal entity has been incorporated under certificate

No. *96667* of *28/01/2013*

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.

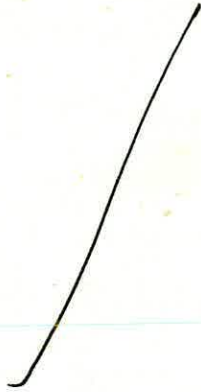
Submitted for signature.



N. Senzia

DIF

11th April, 2013



2.0

Ag. EXD

In response to the TIC letter of registration dated *11th April 2013*

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from *China Construction Bank Corporation.*

(c) *Joint Venture Agreement as evidence of land*

With the above submission EXD is requested to sign Certificate of Incentives No. *042422* herein attached.

22/4/2013



DIF

MINUTE SHEET

Dokezo
No.

DIAN LI MINING CO. LIMITED

**Proposed Project for Establishment
of
Gold Mining and Processing Facilities
at
Nyamahuna Area, Geita Region
A BUSINESS PLAN**

**Prepared for:
Dian Li Mining Co. Limited
P. O. Box 5257
Mwanza
Tanzania**

MARCH 2013

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Promoters: M/s Dian Li Mining Co. Limited P.O. Box 5257 Mwanza

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1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

This report represents an objective analysis of the overall viability of engaging in gold mining at Nyamahuna Area in Geita Region; and setting up gold refinery plant using crushed gold ore as the basic raw material. The project is being promoted by Messrs Dian Li Mining Co. Limited, a newly incorporated company under Certificate No: 96667 dated 28th day of January 2013 formed for the main objective of establishing facilities for the processing of gold and gold mining activities in the country. The proposed project will source state-of-the-art production technology from China.

The initial project capital investment is estimated at US\$7,434,618

1.2 THE PROJECT CONCEPT

The project is divided into two (2) parts:

Part I: Gold Mining in Partnership with local Primary Mining Licence holders:

Under this arrangement, Dian Li Mining Co. Limited has entered into a Joint Venture mining contract with the local Primary Licence holders at Area, Geita District/Geita Region on the understanding that the company will carry out and manage all the gold mining processes under the PMLs No: 002635 and 002636 on the agreement that the company will initially pay the local PML Holders the sum of TShs 100,000,000/= per month, and that this amount may be increased to TShs 200,000,000/= per month in future if the foreign mining company will double its mining facilities – as a cost of using the two mining sites.

Part II: Setting up of Gold Refinery Facilities

The second phase of this project proposal entails setting up gold refinery facilities. The plant will be created at Nyamahuna Area, Geita in close proximity to the gold mine. The company plans to use leaching process to extract gold from the gold ore mined from the area.

The proposed project will involve procurement of geological exploration equipment, mining equipment construction of a factory buildings and mining camps, importation and installation of gold

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refinery plant and equipment, laboratory for noble metal testing; and environmental protection plant equipment. Other major capital expenditure will involve procurement of workshop tools and equipment, power generator; purchase of utility motor vehicles, furniture and fittings, and fencing of the project site.

1.3 LOCATION AND INFRASTRUCTURE

As stated elsewhere, the project will be located at Nyamahuna Village, Geita District, Geita Region.

The potential mining area above is well connected with permanent roads from the Geita administrative centre.

1.4 PRODUCTION PROCESS (TECHNOLOGY)

Dian Li Mining Co. Limited plans to engage in gold mining and refinery in Nyamahuna – Geita District, using state-of-the-art mining and gold processing equipment. The proposed technology to be used under this project is Leaching Process.

1.5 PLANT CAPACITY AND UTILISATION

The company envisages importing gold recovery plant with a capacity to process 10 tons per hour, at a cost of US\$ 3,350,000.

Actual capacity utilization is assumed at 60% during the first year, 70% during the second, 80% in year three before it stabilises at 90% from the fourth year onwards.

1.6 RAW MATERIALS REQUIREMENT AND AVAILABILITY:

Dian Li Mining Co. Limited will be operating a gold refinery plant using crushed gold ore as the source of raw material

1.7 ESTIMATED INVESTMENT COSTS AND PROPOSED FINANCING

The project is estimated to cost US\$ 7,434,618 as given in Annex II & V and summarised here below:

(IN US\$)

S/N	Item	TShs
1	Land and Buildings	
	Site Preparations	135,000
	Residential Camp	400,000
	Sub total	535,000

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2	Plant Machinery and Equipment	
	Geological Exploration	630,000
	Mining Works	500,000
	Machine Workshop	340,000
	Gold Recovery Plant and Equipment	3,350,000
	Laboratory for Noble Metals Testing	180,000
	General Operating Equipment	215,000
	Environmental Protection	126,700
	Sub total	5,341,700
3.	Utility Motor Vehicles	715,000
4.	Furniture, Fittings and Office Equipment	125,000
5.	Pre-operational Expenditures	238,520
6.	Initial Working Capital	309,398
7.	Contingencies	170,000
	GRAND TOTAL	7,434,618

It is proposed to finance the Fixed Investment costs of this project through a combination of equity contribution and bank loan in the following pattern:

(IN US\$)

Source	Amount	As% age of total
Sponsors Contribution [Foreign]	5,959,278	80%
Local Term [Loan]	1,475,340	20%
TOTAL FINANCING	7,434,618	100%

The loan has a one year grace period to allow for construction of factory building/infrastructure and installation of machinery and equipment, and including first year of production. The loan will be repaid in 3 years at assumed interest rate of 8% p.a.

The Initial Working Capital Requirements estimated at US\$ 309,398 will be financed locally through short term bank financing in the form of bank overdraft. It is estimated that the overdraft facility will be charged interest at the rate of 10% p.a.

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1.8 COLLATERIAL SECURITY

The project promoters propose to mortgage all assets and development thereon including plant and machinery to be located on the project site at Nyamahuna Village, Geita District, Geita Region. They will also issue directors guarantee as additional security against the bank loan.

The net fixed assets of the company will adequately cover the long term loan over and above the normal borrowing rate of 1.25 times as required by the Bank of Tanzania.

1.9 PROJECT SPONSORS

The proposed gold mining and gold refinery project is being promoted by M/s Dian Li Mining Co. Limited, a private company incorporated in the United Republic of Tanzania for the sole purpose of implementing the envisaged gold mining and processing project in Tanzania. The directors and shareholders of the company are experienced business people in mining and mineral processing.

The shareholders of Dian Li Mining Co. Limited are as shown here below:

Name	Nationality	Number of Shares	Percent Shareholding
Qi Yun Qiang P.O Box 5257 Mwanza - Tanzania	Chinese	80,000	80%
Lin Zhi En P.O. Box 5257 Mwanza - Tanzania	Chinese	10,000	10%
Chen Yu Quan P.O Box 5257 Mwanza - Tanzania	Chinese	5,000	5%
Qi Li Jie P.O Box 5257 Mwanza - Tanzania	Chinese	3,000	3%
Salim Ahmady Madoweka P.O Box 5257 Mwanza - Tanzania	Chinese	2,000	2%

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1.10 ENVIRONMENTAL CONSIDERATIONS

Dian Li Mining Co. Limited operations will have a minimal impact on the environment of the area. A benefit of using vat leaching as a method of gold extraction is that the crushed gold ore can be washed and drained before moving to the dump site. This means that the crushed and extracted ore will be inert and relatively free of chemicals.

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

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

The amount of US\$ 126,700 has been budgeted for environmental protection in the project operating areas.

1.11 PROJECT DEVELOPMENT VALUES/BENEFITS

Implementation of this project will lead to realisation of the following development values/economic benefits.

The social and local economic benefits from Dian Li Mining Co. Limited operations will be considerable. In the first year it is expected to contribute substantially to local economies in form of rent paid to the local joint venture partners [PML Holders] at the tune of TShs 100 million per month.

About 250 jobs will be created directly in the proposed mining and refinery site. The operations will significantly add value to current artisanal miners by replacing artisanal mining techniques to modern techniques. A high proportion of the investment will be spread widely to remote communities that are in desperate need of jobs and investment.

The village in which the mining operations will be taking place will also see a number of benefits besides the creation of jobs. When boreholes are sunk on site to allow extraction of water for the process, boreholes will also be provided for the village, improving their access to fresh water. It will also be useful for the plant to be connected to mains electricity. Currently there is no mains

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electricity in the proposed mining site but it may prove feasible and economical to create power lines from the nearby mains lines.

The Tanzanian government has been striving to rationalise and organise the artisanal mining sector. Companies like Dian Li Mining Co. Limited can play a key role in such a process. Although the company will not get directly involved with the artisanal crushing of tailings or artisanal mining activities, it will be in the interests of the company to assist current miners with this process to ensure a good supply of tailings which in turn may sell gold extracted to Dian Li Mining Co. Limited.

For this reason if the company is forward thinking it will try and work with the artisanal miners and find ways of significantly increasing tailings production. This shared interest will play a key role in improving technologies and processes used by the artisanal sector.

The project involves transfer of technology to Tanzania. Tanzanians will be trained on the job on how to extract gold using modern gold processing techniques.

1.12 FINANCIAL PROJECTIONS AND EVALUATIONS

Annex VI of the attached Financial Projections forms analyses the Total Production Costs, Annex XII analyses Income Statement Projections while Annex XIII deals with Break-even Analysis as summarised hereto below. The analysis is well elaborated in the attached projections and summarised as follows:

- Internal Rate of Return on investment 35.80%
- Internal Rate of Return on equity 37.80%
- The Normal Payback Period is 3.98 years at zero discount rate and 4.47 years when discounted at the assumed discount rate of 8%.
- Breakeven Point ranges between 45.51% and 0.74%

1.13 ORGANISATION AND MANAGEMENT

The project will be managed through the Board of Directors. The Board will formulate policy and offer strategic business guidance to management and regularly monitor and evaluate performance of

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the company. The day to day management of the company will be vested in the management team to be headed by a Managing Director. The Managing Director will be directly assisted by two Line Managers who in turn will be assisted by qualified and experienced personnel.

1.14 PROJECT IMPLEMENTATION

Dian Li Mining Co. Limited plans to start working on the gold mining and processing and start trial production by December 2013.

1.15 CONCLUSION AND RECOMMENDATIONS

The project is:

- o technically feasible
- o financially viable
- o economically viable
- o socially desirable
- o environmentally sound, sustainable and manageable

In view of the global growing demand for gold and the benefits associated with this project as indicated in this report, the project is therefore strongly recommended for financing and subsequently implemented without unnecessary delays.

2.0 BUSINESS ENVIRONMENT AND BACKGROUND

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

In 1986 Tanzania agreed to a structural adjustment programme designed by the World Bank. Internal and external trade was liberalised, and the government opened up for foreign investment in the country. The liberalisation of mining, accompanied by the

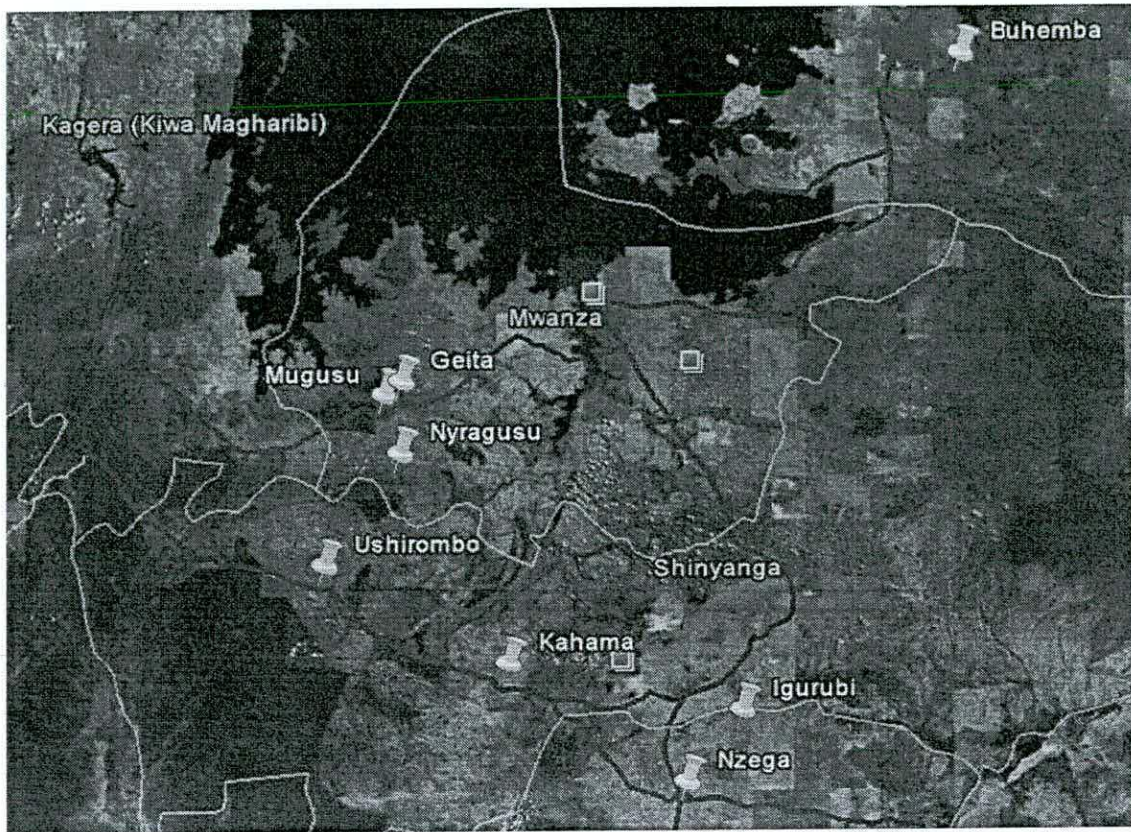
legalisation of the buying and selling of gold and gemstones through banks and designated dealers, had immediate effects.

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

However the sector most relevant to operations conducted by Dian Li Mining Co. Limited will be the small scale and artisanal sectors. Estimates for the number of artisanal miners operating in the country are usually taken to be around 500,000 people. There are approximately 6000 small scale claim holders for gold in Tanzania. Assuming the number of people employed on each site is between 30 and 60. This leads to an estimate of 270,000 people working on government sanctioned claims. There are also a large number of miners working on non-government sanctioned claims.

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

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



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

3.0 THE PROJECT

3.1 The Project Concept

The project is divided into two (2) parts:

3.1.1 Part I: Gold Mining in Partnership with local Primary Mining Licence holders:

Ms. Dian Li Mining Co. Limited has entered into a Joint Venture Agreement in gold mining and processing at a site in Nyamahuna Area, Geita. Under this arrangement, Dian Li Mining Co. Limited has entered into a mining contract with the local Primary Licence holders at Area, Geita District/Geita Region on the understanding that the company will carry out and manage all the gold mining processes under the PMLs No: 002635 and 002636 on the agreement

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that the company will pay a monthly rent of TShs 100,000,000/= to the local PML holders being the cost of using the mining sites

3.1.2 Part II: Setting up of Gold Refinery Facilities

The second phase of this project proposal entails setting up gold refinery facilities. The plant will be created at Nyamahuna Area, Geita in close proximity to the gold mine. The company plans to use leaching process to extract gold from the gold ore mined from the area.

The proposed project will therefore involve the following activities:

- Acquisition of adequate mining sites to ensure maximum production of gold
- Development of mining camp and infrastructure
- Procurement of geological exploration equipment
- Procurement of heavy duty mining equipment
- Construction of factory buildings and storage warehouses (total warehouses), workshops and office block
- importation and installation of gold refinery plant and equipment, laboratory for noble metal testing
- Procurement and installation of environmental protection plant equipment
- Importation and installation of equipment, machinery and processing plant for the mining site
- Procurement of heavy duty trucks fleet for transportation of gold ore from the mining centres to the factory site at Nyamahuna - Geita District. Other utility vehicles will also be procured for the project. This will include pickups, 4-WD station wagons and motorcycles to facilitate movement
- Purchase of furniture, equipment, fittings and administration motor vehicles
- Fencing of the factory compound and storage yard.

3.2 Ownership

The project is promoted by Dian Li Mining Co. Limited, a newly established company incorporated in Tanzania for the sole purpose of mining and processing of gold in Tanzania. The principal shareholder of the company is Mr. Qi Yun Quiang an enterprising business man with abundant experience in mining and mineral processing. He is a Chinese National.

The second major shareholder is Mr. Lin Zhi En, also, a Chinese National and expert in mining and mineral processing.

The full list of shareholders of Dian Li Mining Co. Limited is as shown here below:

Name	Nationality	Number of Shares	Percent Shareholding
Qi Yun Quiang P.O Box 5257 Mwanza Tanzania	Chinese	80,000	80%
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3.3 Estimated Investment Cost and Financing Plan

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Promoters: M/s Dian Li Mining Co. Limited P.O. Box 5257 Mwanza

(IN US\$)

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equipment, and including first year of production. The loan will be repaid in 5 years at assumed interest rate of 8% p.a.

The Initial Working Capital Requirements estimated at US\$309,398 will be financed locally through short term bank financing in the form of bank overdraft. It is estimated that the overdraft facility will be charged interest at the rate of 10% p.a.

3.4 Collateral Security

The sponsors propose to mortgage all assets and development thereon on the project site as collateral security against the loan. The directors will provide guarantee as additional security if required to do so by financing bank.

The net fixed assets of the company should therefore adequately cover the long term loan over and above the normal borrowing rate of 1.25 times as required by the Bank of Tanzania.

4.0 TECHNICAL ASPECTS

4.1 Production Process (Technology)

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

Stage 1 – Mining of gold ore and delivery - Tailings will be analysed for leach amenability. Once the value of extractable gold has been measured, Trucks will then transport these tailings to the leach plant.

Stage 3 Elution, creation of bullion and sale – The carbon will be stripped of gold using elution machinery. This will create a solution of very high gold concentration. The gold is extracted from this concentrated solution using an electrowinning process. The sludge created by the electrowinning process will be smelted to create bullion. This bullion will be taken to banks and sold

Stage 2 Leach plant operations – The tailings will be placed in the vats and cyanide will be used to wash the gold into solution. The gold in solution will be filtered using activated carbon. The gold is absorbed onto the surface of the activated carbon in a series of contactors. The loaded carbon will then be transported to the elution plant in Mwanza for final processing

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4.2 Logistics and Tailings supply

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

During the start up phase, only a few trucks will be required to fill the small number of tanks available. As the tailings in the immediate vicinity are exhausted and as there are more vats created for leaching, a larger transport capacity will be required to maintain the gold flow capacity. Once the plant is operating at full capacity, two 25T tipper trucks should be sufficient for supplying the plant with the required amount of tailings.

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

4.3 Static Leaching and the Cyanidation process

4.3.1 The Cyanidation Process

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

The absorption of gold from aqueous solutions onto activated carbon was first noted in the early 19th century. However, at this time the only known way of extracting the gold from the carbon was by combustion of the carbon and smelting of the resulting ash. This was costly and given the advances made in the zinc cementation process, was not used. It wasn't until the 1950s when the Zadra process was developed to strip gold from activated

carbon that the use of activated carbon became widespread. However the low gold price during this era restricted developments. It wasn't until the gold price boom of the 1980s that saw the development of the two major processes that are used widely today. These are carbon-in-pulp (CIP) processing and heap leaching.

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

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

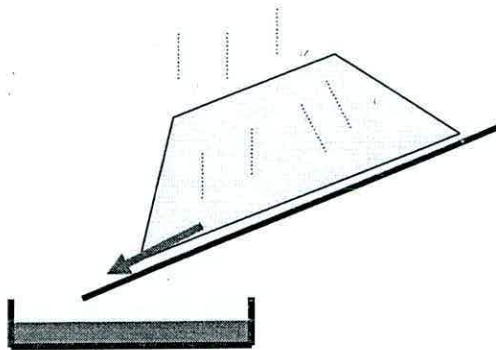
The method for gold extraction proposed by Dian Li Mining Co. Limited is much like a heap leaching operation but has a slightly different characteristic.

4.3.2 Static Vat Leaching

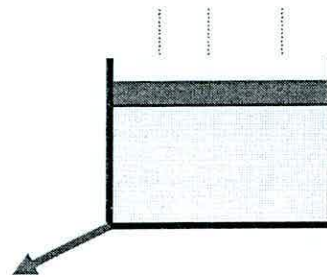
One method that has been used as an alternative to heap leaching is vat leaching. This is essentially the same process but instead of creating a heap that is sprayed with cyanide solution, vats are created to contain the crushed ore. The cost of creating the vats makes it more expensive than heap leaching.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

the effect of wetting the entire surface of the ore, improving mass transport and extraction efficiency.

Heap Leaching



Vat Leaching



Heap and Vat leaching

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

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

4.3.3 The Leach Plant Process

The leach plant schematics can be seen in section 4.3.4 below. The tailings are brought to the plant in trucks and offloaded adjacent to the concrete vats. The concrete vats will have a capacity of approximately 20T. The Tailings are mixed with hydrated lime and

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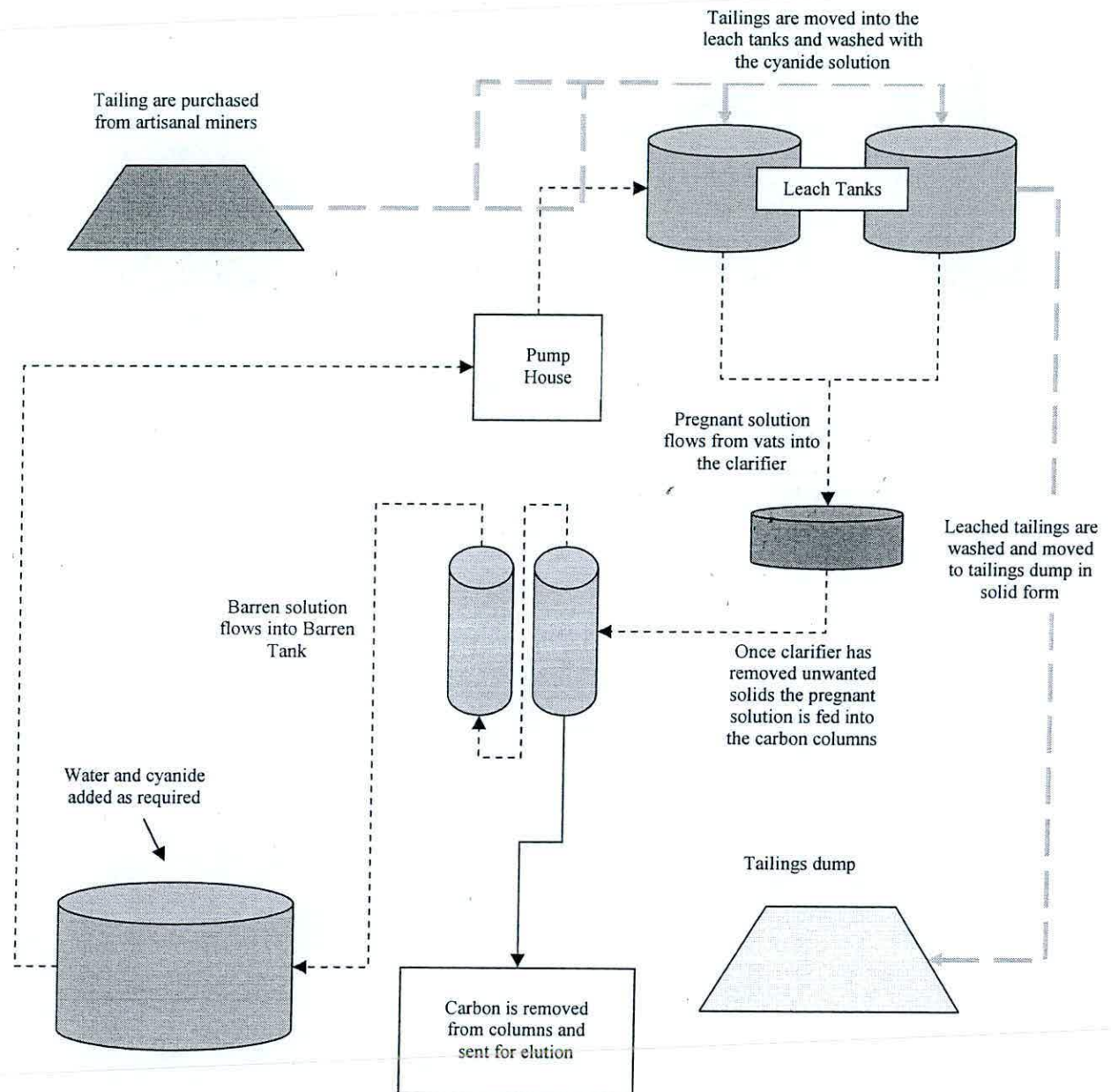
placed into the vats. The hydrated lime optimises the conditions for gold extraction and reduces the loss of cyanide by hydrolysis. The tap at the bottom of the vat is closed and a cyanide solution of approximately 250ppm is run into the top of the tank at a slow rate so as to achieve a plug flow through the tank and avoid channelling. This improves gold extraction. Once the tailings have been soaked, the tap is opened and solution is allowed to percolate through the tailings dissolving the gold in its path. The solution flows through a filter at the base of the vat that keeps the tailings in the vat.

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

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

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

4.3.4 Leach Plant Schematics



4.3.5 Elution, Extraction and Smelting

Once the loaded carbon has been transported from the leach plant to the elution plant the stripping of the gold can commence. This is done by taking the carbon and placing it in an elution vessel. Here the process of loading the gold onto the carbon is reversed and the gold is stripped. This is done by passing hot caustic solution past the

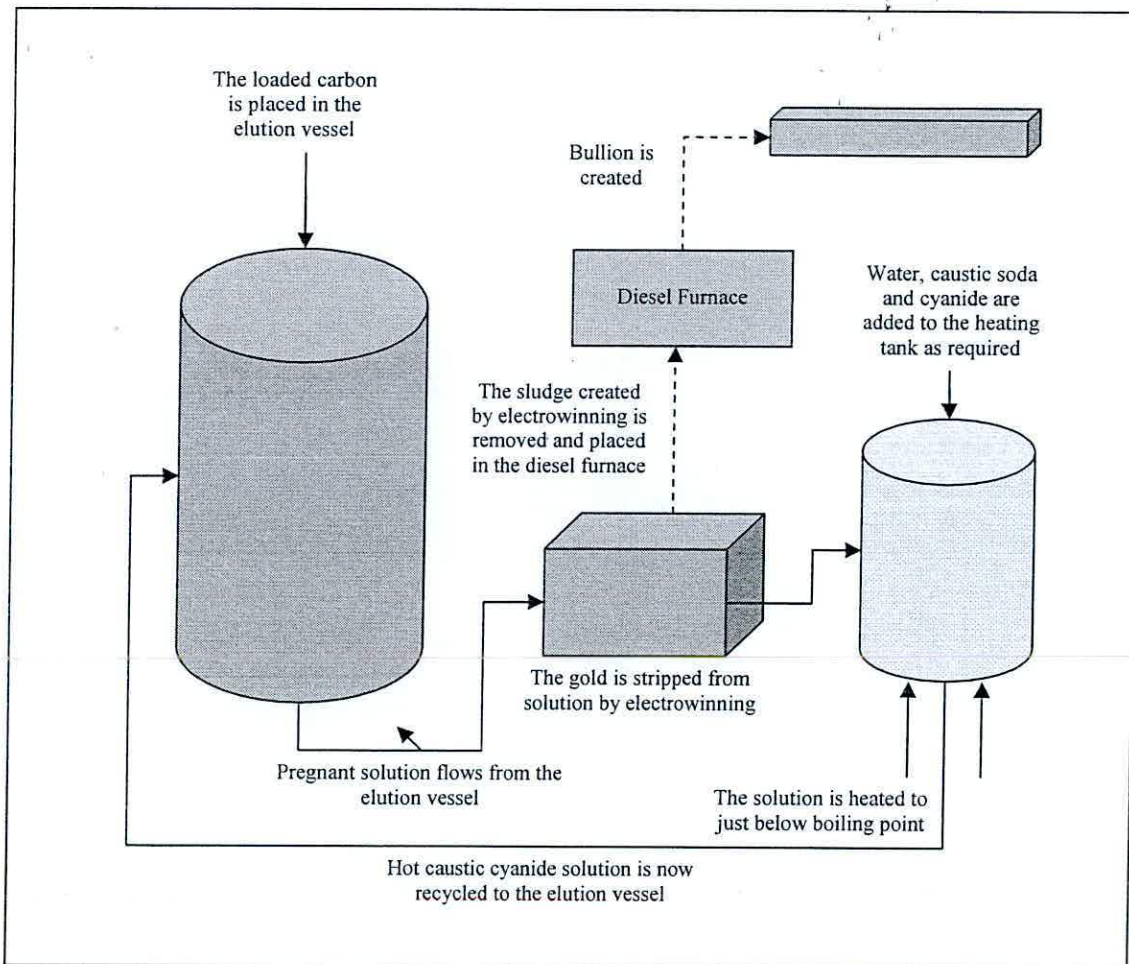
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carbon. Once the gold has entered the solution, it is pumped to an electrowinning cell. Here the gold is removed using electrolysis and it accumulates at the steel cathode. The now barren solution is then pumped to a heating tank where more cyanide and caustic soda can be added to recharge the stripping solution. The solution is now fed back to the elution vessel for another stripping cycle.

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

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

43.6 Elution Plant Schematics



4.4 Rated Plant Capacity and Projected Capacity Utilisation and Revenue Estimates

The company envisages importing gold recovery plants with installed capacity to process 10 tons per hour, at a cost of US\$ 3,350,000.

- The proposed plant utilization is planned to be 50% in year One, and production is estimated to grow at 20% per annum before stabilizing at year five (5).
- The plant rated capacity at 100% is to process 10 tons of gold ore per hour. The plant is initially assumed to operate at 8 hour only per day, although production can be extended to 24 hours as both the workers and management get acquainted with the production environment.
- Gold recovery is assumed to be 10 grams per 1 tons, translating to 400 grams per day at year one, the production growing at 20% per annum.
- Dian Li Mining Co. Limited will pay a rent of TShs 100mn/= per month to holders of the PML mining site at Nyamahuna
- Further refined gold will be only 85% of initially extracted gold
- The price of refined gold is assumed to be US\$ 55 per gram at fob price. This price has been based on the prevailing rate in the world market. The price has been conservatively maintained constant over the projected period, although it is obvious it will be raising from time to time.

		YEAR 1	Year 2	Year 3	Year 4	Year 5 onwards
1.	Gold Ore Processing per day (in Tons)	40	48	58	69	80
2.	Gold Recovery per day (at 10 grams per ton)	400	480	580	690	800

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3.	Gold Production per year (300 days) in grams	120,000	144,000	174,000	207,000	240,000
4.	Refined Gold (85% of initially extracted gold)	102,000	122,400	147,900	175,950	204,000
5.	FoB Price of Refined Gold/ gram (US\$)	55	55	55	55	55
6.	Revenue Estimates	5,610,000	6,732,000	8,134,500	9,677,250	11,220,000

4.5 Raw Materials Requirements and Availability

Dian Li Mining Co. Limited will be operating gold refinery plant using crushed gold ore as the source of raw material which will be erected in proximity to the gold mining site.

4.6 Location and Infrastructure

As stated elsewhere, the company plans to establish the mining site at Nyamahuna Village, Geita District on PMLs 002635 and 002636.

4.7 Environmental Aspects: Emissions and Controls

Dian Li Mining Co. Limited operations will have a minimal impact on the environment of the area. A benefit of using vat leaching as a method of gold extraction is that the crushed gold ore can be washed and drained before moving to the dump site. This means that the crushed and extracted ore will be inert and relatively free of chemicals.

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

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

A budget of US\$ 309,398 has been set aside to finance environmental protection in the project areas

4.8 Implementation Schedule

The project is expected to be implemented within a period not exceeding 9 months. Important activities identified for implementation of the proposed project are funds mobilisation, civil works, construction of buildings, procurement and installation of plant and machinery, furniture/equipment, motor vehicles and fittings.

5.0 ORGANISATION AND MANAGEMENT

5.1 Board of Directors

The project will be managed through the Board of Directors. The Board will formulate policy, offer strategic business guidance to management and regularly monitor and evaluate performance of the company. The Board of Directors will comprise of the company directors and possibly a representative from the lending institution in this project. Only the shareholders will have the right to vote.

5.2 Management

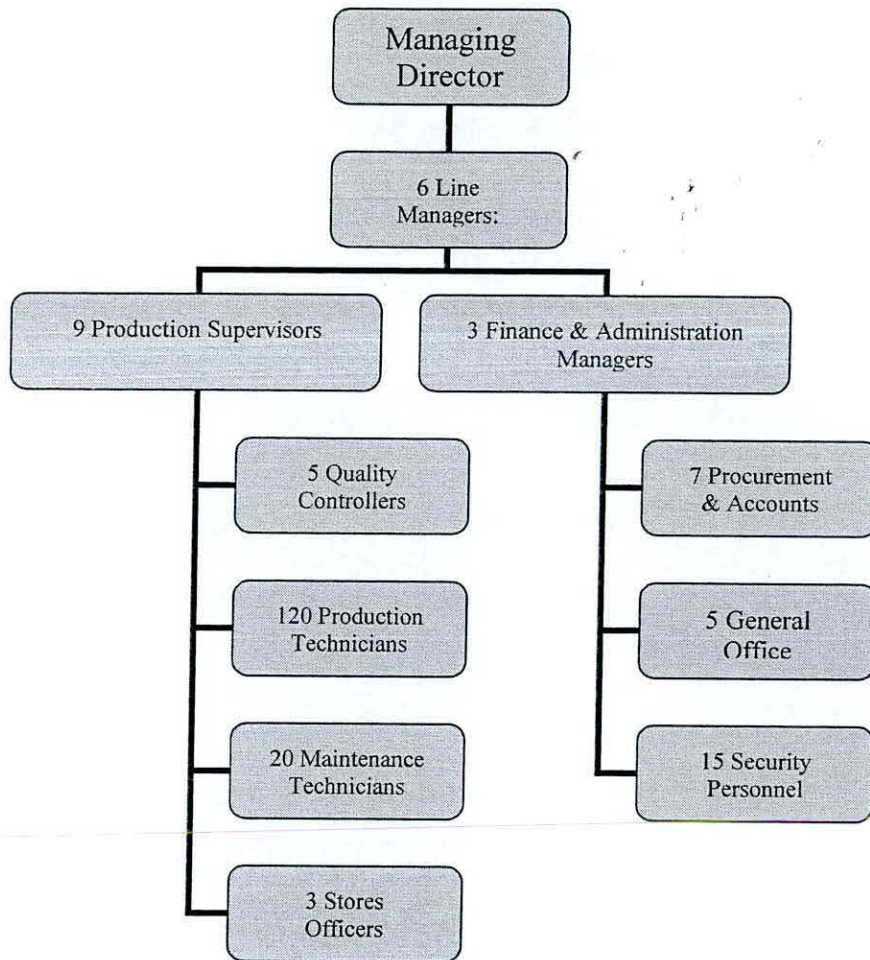
The day-to-day management of the company will be vested in the management team to be headed by a Managing Director. The Managing Director will be directly assisted by Line Managers, who in turn will be assisted by qualified and experienced personnel. There will be **six line** managers.

- Three Mining Engineers who will be in-charge of explorations, prospecting and mining activities respectively
- Production Manager who will be in-charge of plant operations, production and procurement while the Finance and Administration Manager will look after all financial matters including personnel and up keep of proper records of company accounts and assets.

5.3 ORGANISATION CHART

Following is the proposed organisation chart of the proposed project in Tanzania.

COMPANY ORGANIZATION CHART



6.0 DEVELOPMENT VALUES/BENEFITS

Implementation of this project will lead to realisation of the following development values/economic benefits.

The social and local economic benefits from Dian Li Mining Co. Limited operations will be considerable. In the first year it is expected to contribute substantially to local economies in form of rent of TShs 100mn per month payable to the local PML holders as the cost of using the mining site.

In the region of 250 jobs will be created directly in the proposed mining site. The operations will significantly add value to current artisanal miners by replacing artisanal mining techniques to modern techniques. A high proportion of the investment will be spread widely to remote communities that are in desperate need of jobs and investment.

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

The Tanzanian government has been striving to rationalise and organise the artisanal mining sector. Companies like Dian Li Mining Co. Limited can play a key role in such a process. Although the company will not get directly involved with the artisanal crushing of tailings or artisanal mining activities, it will be in the interests of the company to assist current miners with this process to ensure a good supply of tailings which in turn may sell gold extracted to Dian Li Mining Co. Limited.

For this reason if the company is forward thinking it will try and work with the artisanal miners and find ways of significantly increasing tailings production. This shared interest will play a key role in improving technologies and processes used by the artisanal sector. The project involves transfer of technology to Tanzania. Tanzanians will be trained on the job on how to extract gold using modern gold processing techniques.

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7.0 FINANCIAL ANALYSIS

7.1 Financial Assumptions

The estimated capital cost and basic operating assumptions are summarised in the financial projections as shown in Appendices I to XIV. In the financial analysis the following major assumptions have been taken into considerations:

- By taking into consideration repayment period of the term loan and gradual increase in plant production capacity, the financial projections are for 10 years.
- For convenience and stability, all financial figures have been quoted in United States Dollar at US\$ 1 = 1,600/=TShs.
- Total capital investment cost is estimated at US\$ 7,434,618 as given in Annex II & V and summarised here below:

(IN US\$)

S/N	Item	TShs
1	Land and Buildings	
	Site Preparations	135,000
	Residential Camp	400,000
	Sub total	535,000
2	Plant Machinery and Equipment	
	Geological Exploration	630,000
	Mining Works	500,000
	Machine Workshop	340,000
	Gold Recovery Plant and Equipment	3,350,000
	Laboratory for Noble Metals Testing	180,000
	General Operating Equipment	215,000
	Environmental Protection	126,700
	Sub total	5,341,700
3.	Utility Motor Vehicles	715,000
4.	Furniture, Fittings and Office Equipment	125,000
5.	Pre-operational Expenditures	238,520
6.	Initial Working Capital	309,398
7.	Contingencies	170,000
	GRAND TOTAL	7,434,618

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It is proposed to finance the Fixed Investment costs of this project through a combination of equity contribution and bank loan in the following pattern:

(IN US\$)

Source	Amount	As% age of total
Sponsors Contribution [Foreign]	5,959,278	80%
Local Term [Loan]	1,475,340	20%
TOTAL FINANCING	7,434,618	100%

The loan has a one year grace period to allow for construction of factory building/infrastructure and installation of machinery and equipment, and including first year of production. The loan will be repaid in 5 years at assumed interest rate of 8% p.a.

The Initial Working Capital Requirements estimated at US\$309,398 will be financed locally through short term bank financing in the form of bank overdraft. It is estimated that the overdraft facility will be charged interest at the rate of 10% p.a.

- Initial working capital is estimated at US\$ 309,398 and assumed to be financed through bank overdraft which is repayable in one year at interest rate of 10% p.a.
- Depreciation of fixed assets and amortisation of the pre-operational expenses rates used are as follows:

Land	0.00%
Civil Works/ Structures/Buildings....	5.00% on straight line basis
Plant and Machinery.....	12.50% on straight line basis
Furniture/Equipment and Fittings..	12.50% on straight line basis
Motor Vehicles.....	20.00% on straight line basis
Pre-operational Expenses ...	20.00% on straight line basis

- The plant rated capacity at 100% is to process 10 tons of gold ore per hour. The plant is initially assumed to operate at 8 hour only per day although utilization can be increased as high as 24 hours per day when both the technicians and management are acquainted with the working environment
- Gold recovery is assumed to be 50 grams per 5 tons, translating to 400 grams per day during the first year of

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operation, growing by 20% annually until it stabilizes at year five (5).

- Dian Li Mining Co. Limited will pay a rent of TShs 100mn/= per month to holders of the PML mining site at Nyamahuna
- Further refined gold will be only 85% of initially extracted gold
- Production is estimated to grow at 20% per annum before stabilizing at year at year five (5).
- The price of refined gold is assumed to be US\$ 55 per gram at fob price. This price has been based on the prevailing rate in the world market. The price has been conservatively maintained constant over the projected period, although it is obvious it will be raising from time to time.
- Direct production costs shown in Annex VI are based on current rates.

Salaries and Wages have been based on the prevailing scales in the private sector. There is provision of 20% to cover company contribution to Social Security Fund (10%) and other social welfare (10%).

- Administrative/Overhead costs are based on the prevailing rates in the market and needs of the proposed project. The following will be the major production cost items per annum:

OPERATING COSTS

(IN US\$)

S/NO:	COST ITEM	COST PER ANNUM
	VARIABLE COSTS	
1	Materials	2,389,570
2	Personnel	1,155,720
3	Marketing	100,000
4.	Other Variable Costs	2,724,100
	Total	6,369.390

This is the estimated cost of running the proposed Nyamahuna mining site.

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ADMINISTRATIVE COSTS

- Corporate Tax is fixed at 30% of taxable profits.
- Rent for the use of land US\$ 62,500 p.a raising to US\$ 125,000 by year three
- Total administration costs have been estimated at 5% of total revenue

DEPRECIATION AND AMORTIZATION SCHEDULE

(IN US\$)

COST ITEM	Cost	Scrap Value	Depr. Rate	YEAR 1 - 5	YEAR 6 - 8	YEAR 9 - 10
Residential Camp and Civil Works Structures	400,000	10%	10%	36,000	36,000	36,000
Plants, Machinery & Equipment	5,341,700	35%	12.5%	434,013	434,013	0
Heavy Duty and Admin Vehicles	715,000	20%	20%	114,000	0	0
Furniture and Office/Household Equipment	125,000	15%	12.5%	13,281	13,281	0
Pre-operation Expenditures	150,000	0%	20%	30,000	0	0
Contingencies	170,000	0%	20%	34,000	0	0
Total	6,901,700			691,294	483,294	36,000

- The project will be granted a Tanzania Investment Centre (TIC) Certificate of Incentives and therefore enjoy a 50% capital investment allowance on all capital goods (heavy duty machinery and equipment) with an indefinite loss carry over period against future profits.

7.2 Analysis of Financial Results

Following are highlights of the financial projections and analysis:

Appendix XII - Projected Profit and Loss Statement

Operations of the project are profitable right from year 1 when the company posts a net profit of US\$ 242,226. The profitability position improves significantly during the subsequent years to US\$ 1,209,325 in year three and reaches US\$ 3,345,027 by year 9 and 10 of operations.

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Appendix XIII - Cash flow Projections

The projected Cash flow for Financial Planning indicates that the project will generate enough cash to service the loan and meet other financial obligations. Net cash/surplus balance increases from US\$ 876,888 in year one to US\$ 1,242,759 by the 10th year of operation. The cumulative cash balances during the same period increases from US\$ 876,888 in year one to US\$ 15,333,527 by end of year ten. This is a positive indication that the project is liquid enough to meet its cash requirements to support its trading operations.

Appendix XIV - Projected Balance Sheets

The balance sheets indicate a favourable state of affairs of the project throughout the projected period. The net fixed assets as reflected in the security cover adequately cover the term loan. The security cover is above the normal rate of 1.25 required by the Bank of Tanzania. Similarly current liabilities are well covered by the current assets, the ratio ranging from 5.60 to 35.34

The company net-worth increases from US\$ 5,649,880 at the end of construction period to US\$ 13,108,271 by end of the 10th year, a significant growth in the value and profitability of the company.

Appendix X - Discounted Cash flow

The Discounted Cash flow yields an Internal Rate of Return (IRR) of 35.80%, which is well above the assumed cost of capital at 8%. This confirms the financial viability of the proposed project.

Payback Period

The entire investment of US\$ 7,434,618 is estimated to be recovered in about 3.98 years at zero discount rate, and 4.47 years when discounted at the cost of capital at 8%. This is a clear demonstration that the project has a reasonable return on investment.

Appendix XIII - Breakeven Analysis

Highest breakeven capacity is estimated at 45.51% during the first year of operation and the lowest breakeven capacity is 0.74% during the 9th and 10th years. The breakeven point declines as the loan is reduced over the years.

The management will strive to achieve higher capacity than the breakeven point at 45.51% and 0.74%.

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Sensitivity Analysis

From the analysis carried out on changes of some key factors to show their effect on profitability and IRR, the project shows to be more sensitive to changes in selling price than changes in decline in capacity utilisation and increase in direct production costs.

8.0 THREATS TO PROFITABILITY AND RUNNING OF THE COMPANY

Risk analysis can be looked from the strengths and weaknesses of the project as follows:

8.1 Refractory Tailings

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

8.2 Copper Rich Tailings

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

8.3 Gold Price

The price of gold can be very volatile. With current gold prices the prediction is for a very profitable company but if the gold price

recedes to the kind of levels seen 5 years ago, such operations will struggle to remain profitable.

8.4 Political and Social Instability

Like all other gold mining sites in the country, the proposed location at Geita Districts for the mining and processing activities are likely to experience civil unrest as the people surrounding the areas feel that the mining lands are their properties which have been confiscated by the government and given to foreign miners.

After independence the government made an attempt to unify the country and reduce the negative aspects of tribalism in Tanzania. However, there has been worrying levels of civil unrest in nearby Kenya that has been attributed in some degree to tribalism. This has spilled over the border and Barrick has had significant trouble with their North Mara mine. The trouble is thought to be caused by the way the government enforced a very meagre compensation package to the local miners that were displaced during setup. The levels of civil unrest in the area where Dian Li Mining Co. Limited plans to set up its mining activities and leaching operations are thought to be significantly less than in North Mara.

However, it is hoped that as the plants presence in the area will significantly benefit the local miners and population and will not harm any local interests, the company will be popular and will experience little strife.

Likewise, Geita District, the proposed location of the project is known for periodical raids of armed bandits who are believed to come from neighbouring countries, and especially Burundi where they have been experiencing social unrest from time to time.

8.5 Security

There are certain traits of Dian Li Mining Co. Limited that make security issues much less significant than with most other gold producing companies. Usually gold is found in remote places where security is difficult. However, in the near future, Dian Li Mining Co. Limited will set up refinery plant in the city of Mwanza and produce accessible gold in its plant in the city where security is much more stringent. The gold solution produced in the field will be of very low concentration and hence not readily extractible. It is also very difficult to extract gold from loaded carbon so there will be little risk of gold being stolen this way. The only real security threat for the

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leach plant will be theft of machinery (trucks, generators, pumps), consumables (quicklime, cement) and petty theft.

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

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

9.0 CONCLUSION AND RECOMMENDATIONS

Analysis of the project confirms that the project is:

- Technically feasible,
- Financially and Economically viable,
- Socially desirable
- Environmentally sound, manageable and sustainable.

A timely financing and implementation of the project is therefore highly recommended in order to realise the anticipated benefits outlined in this study/report.

Provided all other economic factors remain substantially the same, it is strongly recommended that the project be implemented with immediate effect. It is further recommended that applications for Industrial Licence and Environmental Impact Assessment for the proposed plant be submitted forthwith. It is further recommended that an application for TIC Certificate of Investment Incentives be submitted to Tanzania Investment Centre with a view to benefit from investment benefits and protection as statutorily allowed under Tanzania Investment Act, 1997.

The project promoters are also advised to consider the securing of Bank Term Loan of US\$ 1,475,340 to supplement the costs of construction of factory buildings, acquisition and installation of plant machinery, tools and equipment for the project.

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FINANCIAL PROJECTIONS

Promoters: M/s Dian Li Mining Co. Limited P.O. Box 5257 Mwanza

PROJECT SUMMARY SHEET			
Project title:	DIAN LI MINING CO. LIMITED		
Project description:	Gold Mining and Refinery		
Construction phase:	4/13 - 12/13		
Length:	9 months		
Production phase:	1/14 - 12/23		
Length:	10 years		
Accounting currency:	United States Dollar (US\$)		
Units:	Absolute		
Local currency:	Tanzania Shilling (TShs)		
Exchange rate:	1.0000 US\$ = 1,600.0000 TShs		
INVESTMENT COSTS			
	Total construction	Total production	Total investment
Total fixed investment costs	6,886,700.00	0	6,886,700.00
Total pre-production expenditures	238,520.40	0	238,520.40
Pre-production expenditures (net of interest)	150,000.00	0	150,000.00
Interest	88.520	0.00	88.520.40
Increase in net working capital	0.00	458,230.67	458,230.67
TOTAL INVESTMENT COSTS	7,125,220.40	458,230.67	7,583,451.07
SOURCES OF FINANCE			
	Total construction	Total production	Total inflow
Total equity capital (Foreign)	5,649,880.40	0.00	5,649,880.40
Total long-term loans (Local)	1,475,340.00	0	1,475,340.00
Accounts payable	0.00	458,250.28	458,250.28
TOTAL SOURCES OF FINANCE	7,125,220.40	458,250.28	7,583,470.68
INCOME AND COSTS, OPERATIONS			
	First year 14	Reference year 14	Last year 23
SALES REVENUE	5,610,000.00	5,610,000.00	11,220,000.00
Direct Mining and Processing Costs	3,319,777.50	3,319,777.50	5,617,710.00
Administrative overhead costs	414,480.00	414,480.00	526,680.00
OPERATING COSTS	3,734,257.50	3,734,257.50	6,144,390.00
Depreciation	661,694.38	661,694.38	36,000.00
Financial costs	180,527.20	180,527.20	125,000.00
TOTAL PRODUCTION COSTS	4,576,479.08	4,576,479.08	6,305,390.00
Marketing costs	100,000.00	100,000.00	100,000.00
COSTS OF PRODUCTS	4,676,479.08	4,676,479.08	6,405,390.00
GROSS PROFIT FROM OPERATIONS	933,520.93	933,520.93	4,814,610.00
Depreciation allowances	691,294.00	691,294.00	36,000.00
GROSS PROFIT	242,226.93	242,226.93	4,778,610.00
Investment allowances	2,500,000.00	2,500,000.00	0
TAXABLE PROFIT	0	0	4,778,610.00
Income (corporate) tax	0	0	1,433,583.00
NET PROFIT	242,226.93	242,226.93	3,345,027.00
RATIOS			
Net Present Value of Total Capital Invested	at 8.00%	14,754,107.99	
Internal rate of return on investment (IRR)	35.80%		
Modified IRR on investment	35.80%		
Net Present Value of Total Equity Capital Invested	at 2.50%	21,566,720.60	
Internal rate of return on equity (IRRE)	37.80%		
Modified IRRE on equity	37.80%		

	FIXED INVESTMENT COSTS			ANNEX II
	Total construction	Total production	Construction 4/13-12/13	Production 14
Site preparation and development	135,000.00	0	135,000.00	0
Civil works, structures and buildings	400,000.00	0	400,000.00	0
Residential Camp	400,000.00	0	400,000.00	0
Machinery and equipment	5,000,000.00	0	5,000,000.00	0
<i>Geological Exploration</i>	630,000.00	0	630,000.00	0
<i>Workshop Machinery & Equipment</i>	340,000.00	0	340,000.00	0
<i>Mining Equipment</i>	500,000.00	0	500,000.00	0
<i>Gold Recovery Plant & Equipment</i>	3,350,000.00	0	3,350,000.00	0
<i>Laboratory and Noble Metal Testing</i>	180,000.00	0	180,000.00	0
General operations equipment	215,000.00	0	215,000	0
Environmental protection	126,700.00	0	126,700	0
Heavy Duty and Admin Motor Vehicles	715,000.00	0	715,000.00	0
Furniture and Household/Domestic Equipment	125,000.00	0	125,000.00	0
Contingencies	170,000.00	0	170,000.00	0
TOTAL FIXED INVESTMENT COSTS	6,886,700.00	0	6,886,700.00	0

	ANNEX III			
	PRE-PRODUCTION EXPENDITURES			
	Total construction	Total production	Construction 4/13-12/13	Production 14
Pre-production expenditures (net of interest)	150,000.00	0	150,000.00	0
Interest	88,520.40	0	88,520.40	0
TOTAL PRE-PRODUCTION EXPENDITURES	238,520.40	0	238,520.40	0

	ANNEX IV										
	(IN US\$)										
	WORKING CAPITAL REQUIREMENTS										
	Construction 4/1	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19	Production 20	Production 21	Production 22	Production 23
Total inventory	0.00	388,900.86	427,795.87	495,480.65	563,631.52	614,124.89	621,493.28	621,493.28	621,493.28	621,493.28	621,493.28
Supplies	0.00	119,913.33	119,913.33	131,133.33	142,353.33	153,573.33	153,573.33	153,573.33	153,573.33	153,573.33	153,573.33
Utilities	0.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Energy	0.00	4,995.00	4,995.00	4,995.00	4,995.00	4,995.00	4,995.00	4,995.00	4,995.00	4,995.00	4,995.00
Spare parts consumed	0.00	9,390.63	18,781.25	28,171.88	37,562.50	37,562.50	37,562.50	37,562.50	37,562.50	37,562.50	37,562.50
Work in progress	0.00	178,991.34	200,354.87	234,551.11	269,049.83	297,472.81	302,888.20	302,888.20	302,888.20	302,888.20	302,888.20
Finished product	0.00	72,610.56	80,751.42	93,629.33	106,670.86	117,521.25	119,474.25	119,474.25	119,474.25	119,474.25	119,474.25
Accounts receivable	0.00	149,110.01	165,391.72	191,147.54	217,230.61	238,931.39	242,837.39	242,837.39	242,837.39	242,837.39	242,837.39
Cash-in-hand	0.00	28,981.53	33,231.32	38,994.72	44,875.00	50,755.28	52,150.28	52,150.28	52,150.28	52,150.28	52,150.28
CURRENT ASSETS	0.00	566,992.40	626,418.91	725,622.91	825,737.13	903,811.56	916,480.95	916,480.95	916,480.95	916,480.95	916,480.95
Accounts payable	0.00	257,594.80	287,869.50	343,995.54	399,887.83	450,815.28	458,250.28	458,250.28	458,250.28	458,250.28	458,250.28
CURRENT LIABILITIES	0.00	257,594.80	287,869.50	343,995.54	399,887.83	450,815.28	458,250.28	458,250.28	458,250.28	458,250.28	458,250.28
TOTAL NET WORKING CAPITAL REQUIREMENTS	0.00	309,397.60	338,549.42	381,627.37	425,849.30	452,996.28	458,230.67	458,230.67	458,230.67	458,230.67	458,230.67
INCREASE IN NET WORKING CAPITAL	0.00	309,397.60	29,151.82	43,077.96	44,221.93	27,146.98	5,234.39	0.00	0.00	0	0

	ANNEX V								
	(IN US\$)								
	TOTAL INVESTMENT COSTS								
	Total construction	Total production	Construction 4/13-12/13	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19
Total fixed investment costs	6,886,700.00	0	6,886,700.00	0	0	0	0	0	0
Total pre-production expenditures	238,520.40	0	238,520.40	0	0	0	0	0	0
Pre-production expenditures (net of Interest	150,000	0.00	150,000	0.00	0.00	0.00	0.00	0.00	0
Interest	88,520.40	0.00	88,520.40	0.00	0.00	0.00	0.00	0.00	0
Increase in net working capital	0	458,230.67	0	309,397.60	29,151.82	43,077.96	44,221.93	27,146.98	5,234.39
TOTAL INVESTMENT COSTS	7,125,220.40	458,230.67	7,125,220.40	309,397.60	29,151.82	43,077.96	44,221.93	27,146.98	5,234.39

	ANNEX VI									
	(IN US\$)									
	TOTAL PRODUCTION COSTS									
	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19	Production 20	Production 21	Production 22	Production 23
Supplies	1,438,960.00	1,438,960.00	1,573,600.00	1,708,240.00	1,842,880.00	1,842,880.00	1,842,880.00	1,842,880.00	1,842,880.00	1,842,880.00
Fuel Expenses	538,560.00	538,560.00	673,200.00	807,840.00	942,480.00	942,480.00	942,480.00	942,480.00	942,480.00	942,480.00
Blasting Materials	720,000.00	720,000.00	720,000.00	720,000.00	720,000.00	720,000.00	720,000.00	720,000.00	720,000.00	720,000.00
Timber Supplies	180,400.00	180,400.00	180,400.00	180,400.00	180,400.00	180,400.00	180,400.00	180,400.00	180,400.00	180,400.00
Utilities	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00
Energy	59,940.00	59,940.00	59,940.00	59,940.00	59,940.00	59,940.00	59,940.00	59,940.00	59,940.00	59,940.00
Spare parts consumed	112,687.50	225,375.00	338,062.50	450,750.00	450,750.00	450,750.00	450,750.00	450,750.00	450,750.00	450,750.00
Repair, maintenance, material	92,150.00	230,375.00	460,750.00	691,125.00	921,500.00	921,500.00	921,500.00	921,500.00	921,500.00	921,500.00
Royalties	224,400.00	269,280.00	325,380.00	387,090.00	448,800.00	448,800.00	448,800.00	448,800.00	448,800.00	448,800.00
Labour	711,200.00	711,200.00	711,200.00	711,200.00	711,200.00	711,200.00	711,200.00	711,200.00	711,200.00	711,200.00
Skilled labour	533,400.00	533,400.00	533,400.00	533,400.00	533,400.00	533,400.00	533,400.00	533,400.00	533,400.00	533,400.00
Unskilled labour	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00
Labour overhead costs (taxes etc.)	142,240.00	142,240.00	142,240.00	142,240.00	142,240.00	142,240.00	142,240.00	142,240.00	142,240.00	142,240.00
Mine overhead costs	502,200.00	602,640.00	703,080.00	803,520.00	903,960.00	1,004,400.00	1,004,400.00	1,004,400.00	1,004,400.00	1,004,400.00
DIRECT MINING AND PROCESSING COSTS	3,319,777.50	3,716,010.00	4,350,252.50	4,990,105.00	5,517,270.00	5,617,710.00	5,617,710.00	5,617,710.00	5,617,710.00	5,617,710.00
Administrative costs	112,200.00	134,640.00	162,690.00	193,545.00	224,400.00	224,400.00	224,400.00	224,400.00	224,400.00	224,400.00
Staff accomodation, social activities	302,280.00	302,280.00	302,280.00	302,280.00	302,280.00	302,280.00	302,280.00	302,280.00	302,280.00	302,280.00
OPERATING COSTS	3,734,257.50	4,152,930.00	4,815,222.50	5,485,930.00	6,043,950.00	6,144,390.00	6,144,390.00	6,144,390.00	6,144,390.00	6,144,390.00
Depreciation	661,694.38	661,694.38	661,694.38	661,694.38	661,694.38	483,294.38	483,294.38	483,294.38	36,000.00	36,000.00
Financial costs	180,527.20	160,408.70	138,680.72	115,214.51	152,370.99	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
Interest	118,027.20	97,908.70	76,180.72	52,714.51	27,370.99	0	0	0	0	0
Leasing costs	62,500.00	62,500.00	62,500.00	62,500.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
TOTAL PRODUCTION COSTS	4,576,479.08	4,975,033.08	5,615,597.60	6,262,838.88	6,858,015.37	6,752,684.38	6,752,684.38	6,752,684.38	6,305,390.00	6,305,390.00
Direct marketing costs	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
COSTS OF PRODUCTS	4,676,479.08	5,075,033.08	5,715,597.60	6,362,838.88	6,958,015.37	6,852,684.38	6,852,684.38	6,852,684.38	6,405,390.00	6,405,390.00

SOURCES OF FINANCE - FINANCIAL FLOWS								ANNEX VII
								(IN US\$)
	Total inflow	Construction 4/13-12/13	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19
Total equity capital	5,649,880.40	5,649,880.40	0	0	0	0	0	0
Total long-term loans	1,475,340.00	1,475,340.00	-251,481.23	-271,599.72	-293,327.70	-316,793.92	-342,137.43	0
TOTAL LONG-TERM FINANCE	7,125,220.40	7,125,220.40	-251,481.23	-271,599.72	-293,327.70	-316,793.92	-342,137.43	0
Total short-term finance	458,250.28	0.00	257,594.80	30,274.70	56,126.04	55,892.29	50,927.45	7,435.00
Accounts payable	458,250.28	0	257,594.80	30,274.70	56,126.04	55,892.29	50,927.45	7,435.00
TOTAL FINANCIAL FLOW	7,583,470.68	7,125,220.40	6,113.57	-241,325.02	-237,201.66	-260,901.63	-291,209.98	7,435.00

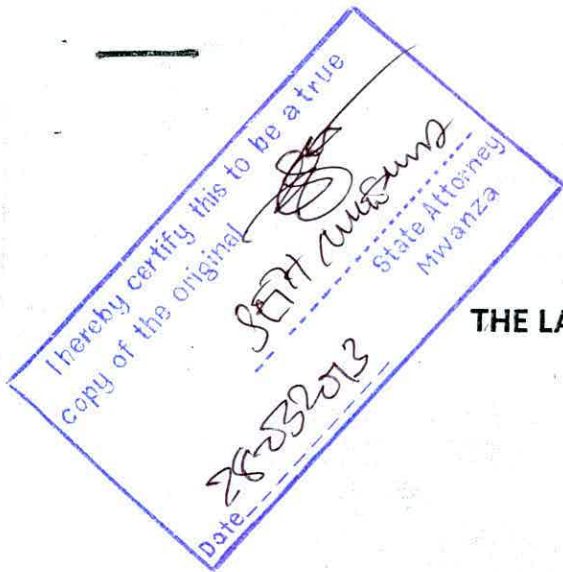
SOURCES OF FINANCE - DEBT SERVICE SCHEDULE								ANNEX VIII
	Total inflow	Construction 4/13-12/13	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19
Total long-term loans								
Disbursement	1,475,340.00	1,475,340.00	0	0	0	0	0	0
Repayment	1,475,340.00	0	251,481.23	271,599.72	293,327.70	316,793.92	342,137.43	0
Debt balance	0	1,475,340.00	1,223,858.77	952,259.05	658,931.35	342,137.43	0	0
Exchange rate adjustments	0.00	0	0.00	0.00	0.00	0.00	0.00	0
Capitalized interest	0	0	0	0	0	0	0	0
Interest payable	460,722.53	88,520.40	118,027.20	97,908.70	76,180.72	52,714.51	27,370.99	0

	CASH FLOW FOR FINANCIAL PLANNING											ANNEX IX (IN US\$)
	Construction 4/13-12/13	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19	Production 20	Production 21	Production 22	Production 23	Scrap
TOTAL CASH INFLOW	7,125,220.40	5,867,594.80	6,762,274.70	8,190,626.04	9,733,142.29	11,270,927.45	11,227,435.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	3,211,346.35
Inflow funds	7,125,220.40	257,594.80	30,274.70	56,126.04	55,892.29	50,927.45	7,435.00	0	0	0	0	0
Total equity capital	5,649,880.40	0	0	0	0	0	0	0	0	0	0	0
Total long-term loans	1,475,340	0	0	0	0	0	0	0	0	0	0	0
Total short-term finance	0	257,594.80	30,274.70	56,126.04	55,892.29	50,927.45	7,435.00	0	0	0	0	0
Inflow operation	0	5,610,000.00	6,732,000.00	8,134,500.00	9,677,250.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	0
Sales revenue	0	5,610,000.00	6,732,000.00	8,134,500.00	9,677,250.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	0
TOTAL CASH OUTFLOW	7,125,220.40	4,990,705.82	5,473,448.00	6,750,779.27	8,098,506.07	9,412,404.28	9,314,495.72	9,301,826.33	9,301,826.33	9,977,240.55	9,977,240.55	458,250.28
Increase in fixed assets	7,036,700.00	0	0	0	0	0	0	0	0	0	0	0
Fixed investments	6,886,700.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0
Pre-production expenditures (net of interest)	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
Increase in current assets	0	566,992.40	59,426.51	99,204.00	100,114.22	78,074.42	12,669.39	0.00	0.00	0.00	0.00	0
Operating costs	0	3,734,257.50	4,152,930.00	4,815,222.50	5,485,930.00	6,043,950.00	6,144,390.00	6,144,390.00	6,144,390.00	6,144,390.00	6,144,390.00	0
Marketing costs	0	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	0
Income (corporate) tax	0	0.00	289,701.88	518,282.52	786,935.14	1,071,207.19	1,165,206.49	1,165,206.49	1,165,206.49	1,433,583.00	1,433,583.00	0
Financial costs	88,520.40	180,527.20	160,408.70	138,680.72	115,214.51	152,370.99	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	0
Loan repayment	0	251,481.23	271,599.72	293,327.70	316,793.92	342,137.43	0.00	0.00	0.00	0.00	0.00	458,250.28
Dividends	0	157,447.50	439,381.18	786,061.82	1,193,518.29	1,624,664.24	1,767,229.84	1,767,229.84	1,767,229.84	2,174,267.55	2,174,267.55	0
SURPLUS (DEFICIT)	0	876,888.97	1,288,826.70	1,439,846.78	1,634,636.22	1,858,523.17	1,912,939.28	1,918,173.67	1,918,173.67	1,242,759.45	1,242,759.45	2,753,096.07
CUMULATIVE CASH BALANCE	0	876,888.97	2,165,715.67	3,605,562.45	5,240,198.67	7,098,721.84	9,011,661.13	10,929,834.80	12,848,008.47	14,090,767.92	15,333,527.37	18,086,623.44

	INCOME STATEMENT										ANNEX XII
											(IN '000' TSHS)
	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19	Production 20	Production 21	Production 22	Production 23	
Sales revenue	5,610,000.00	6,732,000.00	8,134,500.00	9,677,250.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00
Less variable costs	3,896,757.50	4,315,430.00	4,977,722.50	5,648,430.00	6,268,950.00	6,369,390.00	6,369,390.00	6,369,390.00	6,369,390.00	6,369,390.00	6,369,390.00
Material	1,647,587.50	1,760,275.00	2,007,602.50	2,254,930.00	2,389,570.00	2,389,570.00	2,389,570.00	2,389,570.00	2,389,570.00	2,389,570.00	2,389,570.00
Personnel	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00	1,155,720.00
Marketing (except personnel)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Other variable costs	993,450.00	1,299,435.00	1,714,400.00	2,137,780.00	2,623,660.00	2,724,100.00	2,724,100.00	2,724,100.00	2,724,100.00	2,724,100.00	2,724,100.00
VARIABLE MARGIN	1,713,242.50	2,416,570.00	3,156,777.50	4,028,820.00	4,951,050.00	4,850,610.00	4,850,610.00	4,850,610.00	4,850,610.00	4,850,610.00	4,850,610.00
in % of sales revenue	30.54	35.90	38.81	41.63	44.13	43.23	43.23	43.23	43.23	43.23	43.23
Less fixed costs	661,694.38	661,694.38	661,694.38	661,694.38	661,694.38	483,294.38	483,294.38	483,294.38	36,000.00	36,000.00	36,000.00
Depreciation	661,694.38	661,694.38	661,694.38	661,694.38	661,694.38	483,294.38	483,294.38	483,294.38	36,000.00	36,000.00	36,000.00
OPERATIONAL MARGIN	1,051,548.13	1,754,875.63	2,495,083.13	3,367,125.63	4,289,355.63	4,367,315.63	4,367,315.63	4,367,315.63	4,814,610.00	4,814,610.00	4,814,610.00
in % of sales revenue	18.74	26.07	30.67	34.79	38.23	38.924382	38.924382	38.924382	42.910963	42.910963	42.910963
Financial costs	118,027.20	97,908.70	76,180.72	52,714.51	27,370.99	0	0	0	0	0	0
GROSS PROFIT FROM OPERATIONS	933,520.93	1,656,966.92	2,418,902.40	3,314,411.12	4,261,984.63	4,367,315.63	4,367,315.63	4,367,315.63	4,814,610.00	4,814,610.00	4,814,610.00
in % of sales revenue	16.64	24.61	29.74	34.25	37.99	38.92	38.92	38.92	42.91	42.91	42.91
Depreciation allowances	691,294.00	691,294.00	691,294.00	691,294.00	691,294.00	483,294.00	483,294.00	483,294.00	36,000.00	36,000.00	36,000.00
GROSS PROFIT	242,226.93	965,672.92	1,727,608.40	2,623,117.12	3,570,690.63	3,884,021.63	3,884,021.63	3,884,021.63	4,778,610.00	4,778,610.00	4,778,610.00
Investment allowances	2,500,000.00	0	0	0	0	0	0	0	0	0	0
TAXABLE PROFIT	0	965,672.92	1,727,608.40	2,623,117.12	3,570,690.63	3,884,021.63	3,884,021.63	3,884,021.63	4,778,610.00	4,778,610.00	4,778,610.00
Income (corporate) tax	0.00	289,701.88	518,282.52	786,935.14	1,071,207.19	1,165,206.49	1,165,206.49	1,165,206.49	1,433,583.00	1,433,583.00	1,433,583.00
NET PROFIT	242,226.93	675,971.05	1,209,325.88	1,836,181.98	2,499,483.44	2,718,815.14	2,718,815.14	2,718,815.14	3,345,027.00	3,345,027.00	3,345,027.00
in % of sales revenue	4.32	10.04	14.87	18.97	22.28	24.23	24.23	24.23	29.81	29.81	29.81
Dividends	157,447.50	439,381.18	786,061.82	1,193,518.29	1,624,664.24	1,767,229.84	1,767,229.84	1,767,229.84	2,174,267.55	2,174,267.55	2,174,267.55
RETAINED PROFIT	84,779.42	236,589.87	423,264.06	642,663.69	874,819.20	951,585.30	951,585.30	951,585.30	1,170,759.45	1,170,759.45	1,170,759.45
RATIOS											
Net profit to equity (%)	4.287293	11.964343	21.404451	32.499484	44.239581	48.121641	48.121641	48.121641	59.205271	59.205271	59.205271
Net profit to net worth (%)	4.223911	11.320428	18.911929	26.092592	31.591058	30.674	27.700141	25.251952	28.02114	25.518445	25.518445
Net profit+interest to investment (%)	4.845631	10.368484	17.124453	25.014952	33.343655	35.851951	35.851951	35.851951	44.109561	44.109561	44.109561

	BREAK-EVEN ANALYSIS										ANNEX XIII
											(IN US\$)
	Production 14	Production 15	Production 16	Production 17	Production 18	Production 19	Production 20	Production 21	Production 22	Production 23	
Sales revenue	5,610,000.00	6,732,000.00	8,134,500.00	9,677,250.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00	11,220,000.00
Variable costs	3,896,757.50	4,315,430.00	4,977,722.50	5,648,430.00	6,268,950.00	6,369,390.00	6,369,390.00	6,369,390.00	6,369,390.00	6,369,390.00	6,369,390.00
Variable margin	1,713,242.50	2,416,570.00	3,156,777.50	4,028,820.00	4,951,050.00	4,850,610.00	4,850,610.00	4,850,610.00	4,850,610.00	4,850,610.00	4,850,610.00
Variable margin ratio (%)	30.539082	35.896762	38.807271	41.631869	44.127005	43.231818	43.231818	43.231818	43.231818	43.231818	43.231818
Including cost of finance											
Fixed costs	661,694.38	661,694.38	661,694.38	661,694.38	661,694.38	483,294.38	483,294.38	483,294.38	36,000.00	36,000.00	36,000.00
Financial costs	118,027.20	97,908.70	76,180.72	52,714.51	27,370.99	0.00	0.00	0.00	0.00	0.00	0.00
Break-even sales value	2,553,192.58	2,116,076.88	1,901,383.61	1,716,014.46	1,561,550.27	1,117,913.60	1,117,913.60	1,117,913.60	83,272.00	83,272.00	83,272.00
Break-even ratio (%)	45.51	31.43	23.37	17.73	13.92	9.96	9.96	9.96	0.74	0.74	0.74
Fixed costs coverage ratio	2.20	3.18	4.28	5.64	7.19	10.04	10.04	10.04	134.74	134.74	134.74
Excluding cost of finance											
Fixed costs	661,694.38	661,694.38	661,694.38	661,694.38	661,694.38	483,294.38	483,294.38	483,294.38	36,000.00	36,000.00	36,000.00
Break-even sales value	2,166,713.38	1,843,326.09	1,705,078.33	1,589,393.89	1,499,522.50	1,117,913.60	1,117,913.60	1,117,913.60	83,272.00	83,272.00	83,272.00
Break-even ratio (%)	38.62	27.38	20.96	16.42	13.36	9.96	9.96	9.96	0.74	0.74	0.74
Fixed costs coverage ratio	2.59	3.65	4.77	6.09	7.48	10.04	10.04	10.04	134.74	134.74	134.74

											ANNES XIV
PROJECTED BALANCE SHEET											(IN US\$)
	4/13-12/13	14	15	16	17	18	19	20	21	22	23
TOTAL ASSETS	7,125,220.40	7,216,113.40	7,211,378.24	7,397,440.64	7,779,202.70	8,362,811.92	9,321,832.22	10,273,417.52	11,225,002.82	12,395,762.27	13,566,521.72
Total current assets	0	1,443,881.37	2,792,134.59	4,331,185.36	6,065,935.80	8,002,533.40	9,928,142.07	11,846,315.75	13,764,489.42	15,007,248.87	16,250,008.32
Inventory on materials & supplies	0	137,298.96	146,689.58	167,300.21	187,910.83	199,130.83	199,130.83	199,130.83	199,130.83	199,130.83	199,130.83
Work in progress	0	178,991.34	200,354.87	234,551.11	269,049.83	297,472.81	302,888.20	302,888.20	302,888.20	302,888.20	302,888.20
Finished product	0	72,610.56	80,751.42	93,629.33	106,670.86	117,521.25	119,474.25	119,474.25	119,474.25	119,474.25	119,474.25
Accounts receivable	0	149,110.01	165,391.72	191,147.54	217,230.61	238,931.39	242,837.39	242,837.39	242,837.39	242,837.39	242,837.39
Cash-in-hand	0	28,981.53	33,231.32	38,994.72	44,875.00	50,755.28	52,150.28	52,150.28	52,150.28	52,150.28	52,150.28
Cash surplus, finance available	0.00	876,888.97	2,165,715.67	3,605,562.45	5,240,198.67	7,098,721.84	9,011,661.13	10,929,834.80	12,848,008.47	14,090,767.92	15,333,527.37
Total fixed assets, net of depreciation	7,125,220.40	5,772,232.03	4,419,243.65	3,066,255.28	1,713,266.90	360,278.53	-606,309.85	-1,572,898.23	-2,539,486.60	-2,611,486.60	-2,683,486.60
Fixed investments	0.00	6,886,700.00	6,886,700.00	6,886,700.00	6,886,700.00	6,886,700.00	6,886,700.00	6,886,700.00	6,886,700.00	6,886,700.00	6,886,700.00
Construction in progress	6,886,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total pre-production expenditures	238,520.40	238,520.40	238,520.40	238,520.40	238,520.40	238,520.40	238,520.40	238,520.40	238,520.40	238,520.40	238,520.40
Less accumulated depreciation	0	661,694.38	1,323,388.75	1,985,083.13	2,646,777.50	3,308,471.88	3,791,766.25	4,275,060.63	4,758,355.00	4,794,355.00	4,830,355.00
Less depreciation allowance	0	691,294.00	1,382,588.00	2,073,882.00	2,765,176.00	3,456,470.00	3,939,764.00	4,423,058.00	4,906,352.00	4,942,352.00	4,978,352.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss in current year	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	7,125,220.40	7,216,113.40	7,211,378.24	7,397,440.64	7,779,202.70	8,362,811.92	9,321,832.22	10,273,417.52	11,225,002.82	12,395,762.27	13,566,521.72
Total current liabilities	0	257,594.80	287,869.50	343,995.54	399,887.83	450,815.28	458,250.28	458,250.28	458,250.28	458,250.28	458,250.28
Accounts payable	0.00	257,594.80	287,869.50	343,995.54	399,887.83	450,815.28	458,250.28	458,250.28	458,250.28	458,250.28	458,250.28
Total long-term debt	1,475,340.00	1,223,858.77	952,259.05	658,931.35	342,137.43	0.00	0.00	0.00	0.00	0.00	0.00
Total equity capital	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40
Ordinary capital	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40	5,649,880.40
Reserves, retained profit brought forward	0	0	84,779.42	321,369.29	744,633.35	1,387,297.04	2,262,116.25	3,213,701.54	4,165,286.84	5,116,872.14	6,287,631.59
Retained profit	0	84,779.42	236,589.87	423,264.06	642,663.69	874,819.20	951,585.30	951,585.30	951,585.30	1,170,759.45	1,170,759.45
Net worth	5,649,880.40	5,734,659.82	5,971,249.69	6,394,513.75	7,037,177.44	7,911,996.65	8,863,581.94	9,815,167.24	10,766,752.54	11,937,511.99	13,108,271.44
RATIOS											
Equity to total liabilities (%)	79.294114	78.295338	78.346749	76.376151	72.628014	67.559577	60.609119	54.995141	50.332998	45.579128	41.645755
Net worth to total liabilities (%)	79.294114	79.470201	82.803169	86.442245	90.461423	94.609286	95.084118	95.539456	95.917593	96.30317	96.622198
Long-term debt to net worth	0.261128	0.213414	0.159474	0.103046	0.048619	0	0	0	0	0	0
Current assets to current liabilities	0	5.605243	9.699307	12.590818	15.169093	17.751247	21.665327	25.851192	30.037056	32.749023	35.460999



IN THE MATTER
OF
THE LAW OF CONTRACT ACT CAP 345 PART X
AND
JOINT VENTURE AGREEMENT
BETWEEN

ANDREW BOLLEN & SHABAN DAUD & DUNSTAN MOSSES MONGI OF
PO.BOX. 198
GEITA
AND
DIANLI MINING COMPANY LIMITED OF PO.BOX 5257
MWANZA

依据合同法帽 345, X 部分。以下三方 (Andrew Bollen & Shaban Daud & Dunstan Mosses Mongi of Po.box.198 Geita 和 Dianli Mining Company Limited of Po.box.5257 Mwanza) 签订合营协议。

AGREEMENT
协议

THIS AGREEMENT is made this 28th day of February, 2013
此协议制定于 2013 年 2 月 28 日

BETWEEN: 协议方

- (1) Andrew Bollen & Shaban Daud & Dunstan Mosses Mongi of Po, Box.198 Geita hereinafter referred as the first joint venturer on one hand.
在下文中指第一合营者。
- (2) DIANLI MINING COMPANY LIMITED a company incorporated in Tanzania under number 96667 whose address and registered office is Po.Box.5257 Mwanza, Tanzania hereinafter referred as the second joint venturer on another hand.

坦桑尼亚点利矿业投资有限公司, 注册号为 96667, 地址及注册办公所在地为 Po.Box.5257 Mwanza, 坦桑尼亚。在以下文中指第二合营者。

WHEREAS, the 1st joint venturer is owner and possessor of a Primary Mining licenses No. 0002635 AND 0002636 respectively to wit the 1st and 2nd joint venturer are desirous of entering into this joint venture agreement with the purpose of conducting mining activities in the mining site mentioned hereunder.

鉴于第一合营者拥有初级开采许可证（号码为 0002635 和 0002636），即第一合营者、第二合营者希望签订此合营协议以为在以下采矿地点进行开采活动。

NOW THEREFORE WITNESSTH that the said 1st Venturer and 2nd Venturer hereby mutually **COVENANT and AGREE** as follows:

特此为证：第一合营者、第二合营者在此签订如下协议。

ARTICLE 1

条款 1

Definitions

解释

"Capital" means human, pecuniary or monetary and also machinery capital.

“资金”指人名、金钱和机械设备。

"Heavy drilling & grinding machines" means sophisticated drilling and grinding machines and or equipments used for drilling and grinding gold ores.

“重型钻探和磨床机”是指用于钻探和研磨金矿的机器或设备。

"Mining site" means mining piece of land located at Nyamahuna area within Geita Region.

“采矿地点”指位于 Geita 内的 Nyamahuna 区域。

"Reasonable notice " means a notice of 30 days.

“合理通知”指 30 天的通知

"Small drilling & grinding machines " means simple machines and or equipments used for drilling and grinding ore.

“小型钻探和磨床机”指用于钻探和研磨矿石的简单机械或设备。

ARTICLE 2

条款 2

Place of Business

营业场所

The place of business of this joint venture agreement shall be in Nyamahuna area, Geita Region where the mining site is located.

此协议中的营业场所是位于 Geita 内的 Nyamahuna 区域，此处为矿产所在地。

ARTICLE 3

条款 3

Subject Matter

主题

That the subject matter of this agreement is the Mining piece of land hereinafter referred to as Mining site owned and possessed by the 1st joint venturers.

It is agreed that, the 1st Joint Venturers shall offer the mining site above mentioned to the 2nd Joint Venturer so that the 2nd joint venturer carry out activities such as mining explorations, mineral separation and mineral smelting.

本协议的主题是下文的采矿地点指第一合营者所拥有的矿产地。

据协议，第一合营者应把上面提到的矿产点提供给第二合营者，第二合营者因此可以实施矿产开采、选矿、冶炼等活动

I hereby certify this to be a true copy of the original.

State Attorney
Mwanza

Date: 28/5/2013

ARTICLE 4
条款 4
Contribution and Consideration
贡献与考虑

I hereby certify this to be a true copy of the original.

[Signature]
Date 28-03-2013
State Attorney
Mwanza

Clause 1- Contribution

第一条 贡献

That the 1st Joint Venturers shall provide the minerals and the right to the use of land as their Contribution to this Joint Venture agreement.

第一合营人应该为矿产地提供开矿许可证上所指的矿产及地表使用权作为他们为合营协议做出的贡献。

Clause 2- Consideration

第二条 考虑

- a. That pursuant to the said contribution the 2nd Joint Venturer shall provide Capital and equipments to undertake her mining business in the above mentioned site.
 - b. Notwithstanding other considerations in this agreement the 2nd Joint Venturer shall bestow the 1st Joint Venturers with a total sum of 160,000,000/- say One Hundred and Sixty Million Tanzania shillings. That 100,000,000/- Million of the said amount shall be given to the 1st Joint Venturer's on the day of signing the agreement for the purpose of changing the existing Primary mining licences to Mining licence. That the remaining 60,000,000/- Million shall be paid on or after the 1st Joint Venturer have managed to obtained a Mining Licence as opposed to the existing Primary licence.
 - c. The 2nd Joint Venturer further agrees to pay the 1st Joint Ventures' the total amount of Tsh. 100,000,000/- say One Hundred Million from the month the 2nd Joint Venturer obtains and grinds gold ores.
 - d. That if the 2nd Joint Venturer wishes to add another set of grinding machines(energy efficient ball milling machine 1.6m*3.8m), the agreed sum of Tsh. 100,000,000/- as stated above, shall also change to another sum of Tsh. 200,000,000.
 - e. That the monies stated in para c and d shall be paid on monthly basis. Unless otherwise agreed by parties to this agreement.
- a. 依据协议第二合营人应提供资金及设备以为了在上面所提地点实施矿产商业活动。
- b. 尽管还有其它考虑，但是第二合营人应该给予第一合营人共 1.6 亿坦桑尼亚先令 (160,000,000)。其中 Tsh100,000,000 应该给在合同签订之日给第一合营人，使其将现在的初级证更换成采矿许可证。其中 Tsh60,000,000 应该在第一合营人成功取得采矿许可证时或之后支付。
- c. 第二合营人进而同意在使用一整套钻井选矿等设备从事商业开采活动和加工活动，如果获得金矿石第二合营人会每月支付给第一合营人总额 1 亿的坦桑尼亚先令 (100,000,000)
- d. 如果第二合营人加第二套设备(节能型圆锥球磨机 1.6m*3.8m)钻井选

I hereby certify this to be a true copy of the original.
Date 28/03/2013
State Attorney Mwanza

矿等，以上的 1 亿坦桑尼亚先令也会调整为 2 亿坦桑尼亚先令。

e. 在 c 条和 d 条中涉及的金钱应该按月支付。除非协议双方同意否则不予更改。

ARTICLE 5

条款 5

Timing, Operation & Management

时间、经营和管理

Clause 1- Timing

That the life span of this Joint Venturer agreement shall be a period of ten years (10) . It is agreed further that the commencement and operation of this agreement shall be the day of executing the same save for Article 4 (2) (c). The execution of agreement begins at the time when the primary licence is changed to mining licence.

第一条 时间

合营协议的使用期限是 10 年。进而协定此协议生效和开始经营的时间依据条款 4 的第二条的 c 项的时间而定。当初级证更换成采矿许可证时，此合同成立。

Clause 2- Operation & Management

The Management and Operation of this Mining business shall be a solely responsibility of the 2nd Joint Venturer. The 2nd Joint Venturer shall formulate her rules to govern her day to day operations in the fulfillment her core mission of extraction of gold. The 2nd Joint Venturer shall have exclusivity or excludability on the mining area.

第二条 经营和管理

矿产开采活动的经营和管理应是第二合营人的单独责任。第二合营人应该据此制定出规则以管理日常经营活动，从而确保完成提金的核心任务。第二合营人对该矿区享有独占性和排他性。

ARTICLE 6

条款 6

Employment of Personnel's

人员就业

The Parties to this agreement agrees that the 2nd Joint Venturer shall be responsible on the employment of person according to the need of the job .Of the said person to be employed, 12 shall be selected by the 1st joint venturer. That the 2nd Joint Venturer shall decide the 12 person's job nature, salary and service time.

协议双方同意第二合营人应该根据工作的需要，自主安排从业人员的数量和工资，第一合营者有权安排的坦桑尼亚人员为 12 名，此 12 名人员的工作性质，工资数量，是否长期留用由第二合营者决定。

ARTICLE 7

条款 7

Surface rights

地上权

The land, factory and other appurtenances on the surface of the mining area should belong to the 2nd Joint Venturer free. If there are some troubles, the 1st Joint Venturer should deal with them.

此矿区上的地表面现有的土地, 厂房及其他的附属物都应无偿的归第二合营者使用, 如出现纠纷, 应由第一合营者出面处理。

ARTICLE 8

条款 8

LIABILITY

责任

Clause 1- Enviromental

That both parties to this agreement shall be liable for any environmental loss or destruction that might occur on the mining site in the course of underting mining explorations.

第一条 环境责任

协议双方都应该对采矿过程中可能发生的环境破坏负有责任。

Clause 2- Taxes and other fees

The 2nd Joint Venturer shall be liable to pay Taxes, dues and other related fees as per this Joint Venture agreement.

第二条 税费和其它费用

依据合营协议第二合营人有责任支付税费、应付款和其他费用。

ARTICLE 9

条款 9

Termination

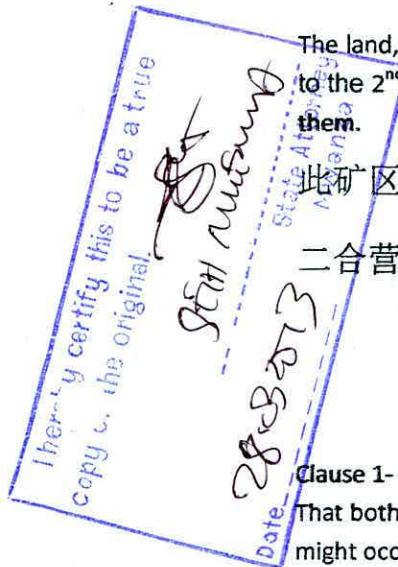
协议终止

This agreement shall continue in full force and effect until terminated in accordance with the provisions of this clause, but no such termination shall affect any provision of this agreement expressed to have effect after such termination or any rights which either party may have against the other subsisting at the time of termination.

此协议具有充分的效力直到与相应的条款一起终止。但是, 这种终止不会影响协议条款的有效性, 也不会影响任意一方的权利。

Unless;

1. Expiry of time as indicated in Article 5 Clause 1.
2. Either party shall commit any material breach of any of its obligations under this agreement and shall fail to remedy such breach (if capable of remedy) within 14 days after being given notice by the other party to do so.
3. The adjudication for buncrupcy.
4. Insolvency of either party
5. Mutual agreement of the parties to this Joint Venture agreement.
6. The 2nd Joint Venturer think the mining area doesn't have the production conditions.
7. Any other lawful cause. Provided that:- before any party terminates an agreement shall give another party a reasonable notice.



除非发生以下情况：

1. 条款 5 的第一条中的期满。
2. 任何一方未按协议规定履行义务都应该承担相应的违约责任，且在另一方给出警告后 14 天内为违约未成功采取补救措施。
3. 宣告破产
4. 任意一方破产
5. 合营协议双方相互同意
6. 此矿第二合营者认为不具备生产条件
7. 任何其它的合法原因

假如：任意一方在终止协议前应给另一方一个合理的通告。

ARTICLE 10

条款 10

Laws, Arbitration and Jurisdiction

法律、仲裁与诉讼

Clause 1- Laws

This agreement shall be governed by, and construed in all respect in accordance with Tanzania law of Contract.

第一条 法律

此协议的管理和解释全权属于坦桑尼亚合同法。

Clause 2-Arbitration & Jurisdiction

All disputes and questions whatsoever which shall either during the Joint Venture or afterwards arise between the Joint Venturers touching this agreement or the construction or application thereof or any clause or thing herein contained or omission of any Party hereto or as to any other matter in any way relating to the mining business or the affairs thereof or the rights duties or liabilities of any person under this agreement shall be referred to a single arbitrator or one to be appointed by each party to the difference in accordance with and subject to the provisions of the Arbitration Act Cap 15 or any statutory modification thereof for the time being in force. Notwithstanding the above, if the arbitration fails the dispute shall be taken to the Court of Law with Competent Jurisdiction to entertain the same.

第二条 仲裁和诉讼

无论什么争端或问题（在合营过程中或之后出现的）都应该交给仲裁人或双方指定的某个人来解决。

尽管如此，如果仲裁仍不能解决争端，应该将其交给法庭处理。

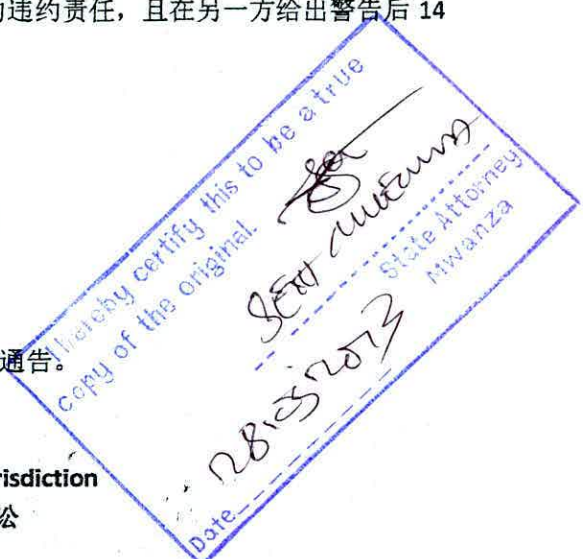
ARTICLE 11

条款 11

Miscellaneous

其它

1. It is agreed that the 2nd joint venturer shall provide medical insurance cover to the 1st joint venturers and one of their spouses.
第二合营者应该提供第一合营者及其一个配偶的医疗保险。
2. It is also agreed that the mining machinery and equipments installed in the mining site



abovementioned, shall upon expiration of ten years of this agreement remain in hands of 1st joint venturers.
 以上提到的安装在矿区的采矿机械及设备在十年合同期满后应留给第一合营者。

Notwithstanding the above stated if the agreement is terminated for other reasons apart from the expiry of time said in Article 5 Clause 1, the 2nd joint venturer shall take away the said mining machinery and or equipments.
 除了有效期满合同终止外的任何原因导致合同终止，第二合营者可以带走以上提到的采矿机械和设备。

IN WITNESS WHEREOF the parties hereto duly executed these presents in the manner and on the day and year hereinafter mentioned:
 以资证明 双方在此都会按时、适宜的履行协议。

SIGNED and DELIVERED by 由...签字和交付
 the said **ANDREW BOLLEN**
 and dated at Mwanza this 28th
 day of February the year 2013.

Before me:

Andrew J. J. Luhigo
ANDREW J. J. LUHIGO
 Notary Public &
 Commissioner for Oaths
 P.O. Box 1053, DSM.

Andrew Bollen
 1st Venturer 第一合营人

Thereby certifying this to be a true
 copy of the original.
SDM Mwandu
 State Attorney
 Mwanza
 28.02.2013

SIGNED and DELIVERED by 由...签字和交付
 the said **DUNSTAN M. MONGI**
 and dated at Mwanza this 28th
 day of February the year 2013.

Before me:

Andrew J. J. Luhigo
ANDREW J. J. LUHIGO
 Notary Public &
 Commissioner for Oaths
 P.O. Box 1053, DSM.

Dunstan M. Mongi
 1st Venturer 第一合营人

SIGNED and DELIVERED by 由...签字和交付
 the said **SHABAN DAUD**
 and dated at Mwanza this 28th
 day of February the year 2013.

Before me:

Andrew J. J. Luhigo
ANDREW J. J. LUHIGO
 Notary Public &
 Commissioner for Oaths
 P.O. Box 1053, DSM.

Shaban Daud
 1st Venturer 第一合营人

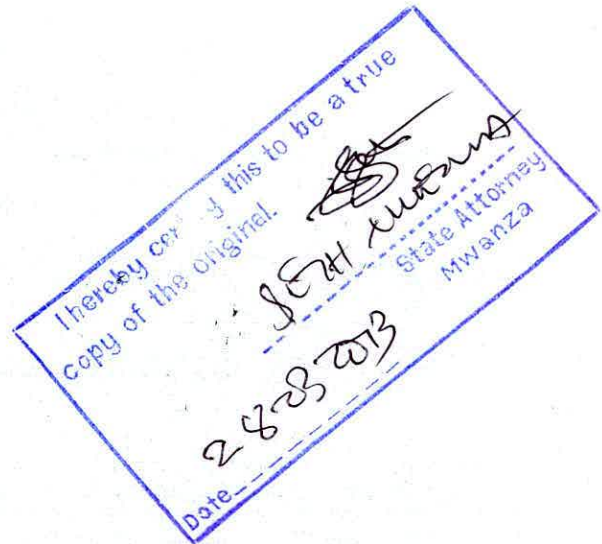
SIGNED and SEALED with the Common 由...签字和盖章
Seal of DIANLI MINING CO.LTD

And DELIVERED before me at Mwanza 日期
this 28th day of February the year 2013



Before me:

[Signature]
Commissioner for Oaths, Notary Public
ANDREW J. J. LUHIGO
Advocate Notary Public
Commissioner for Oaths
P.O. Box 40533, DSA



4/7/2001



THE UNITED REPUBLIC OF TANZANIA

THE MINING (MINERAL RIGHTS) REGULATIONS, 1999

PRIMARY MINING LICENCE

No. 0002636

The Mining Act, 1998

The exclusive right, subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof, from the 31st day of MARCH 2000 to 31st Day of MARCH 2005 is hereby granted to ANDREW BOLLEN AND DAUD IBRAHIM OF P.O. BOX 26, GEITA. AT NYAMTOJOC BWERESERE PDS 45/2, GEITA. AREA; 836 H^a (here insert name, address and description of the primary mining licence) of to prospect and mine for (type of mineral) (GOLD) within the area described on the application for registration of this primary mining licence and on the plan attached thereto,

RENT: Shs. 42,000/=

E.R.V No. DE138 605 of 28/3/2000
 This 28th day of DEC. 2000
 Commissioner for Minerals

"I Certify that this is a True Copy of the Original"
 C. A. MATATA
 ADVOCATE, NOTARY PUBLIC
 COMMISSIONER FOR OATHS
 NOY 2442-NPA

4/7/2001

Form M/99



THE UNITED REPUBLIC OF TANZANIA

THE MINING (MINERAL RIGHTS) REGULATIONS, 1999
PRIMARY MINING LICENCE

The Mining Act, 1998

No. 0002635

The exclusive right, subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof, from the 31st day of MARCH 2000 to 30th Day of MARCH 2000 is hereby granted to ANDREW BOLLEN AND SITABIN DAUD OF P.O BOX 26, GEITA AT NYAMIKOND, BUSERESE BBS 452, GEITA AREA 8 36112 (here insert name; address and description of the primary mining licence) of to prospect and mine for (type of mineral) REEF GOLD within the area described on the application for registration of this primary mining licence and on the plan attached thereto,

RENT: Shs. 42 000/=

E.R.V No 06438600 of 28/3/2000

This 28th day of DEC. 2000

[Signature]
Commissioner for Minerals

Certify that this is a True Copy of the Original
[Signature]
C. A. ...
ADVOCATE NOTARY PUBLIC
COMMISSIONER FOR OATHS
PO BOX 2442 - DAR

License > Details

<-- EDIT -->

License Code:	PML0002635	License Type:	Primary Mining Licence - All Minerals other than Building Material (Old Law)	License Parties:	Shabani Daud Ibrahim (40.000000%), Andrew Bollen (35.000000%), Dunstan M. Mongi (20.000000%), Vedastus Mtesigwa (5.000000%)
Application Number:	GT	Application Date:	01/07/2000 08:00	Grant Date:	28/12/2000
Status:	Active	Last Renewal Date:		Expiry Date:	27/12/2005

- B
- General
 - Parties
 - Agreements
 - Conditions
 - Reference Codes
 - Shape
 - Map References
 - Actions Open
 - Actions Closed
 - Documents
- Groups
 - Resources
 - Related Licenses
 - Roles
 - Work Accounts
 - Audit

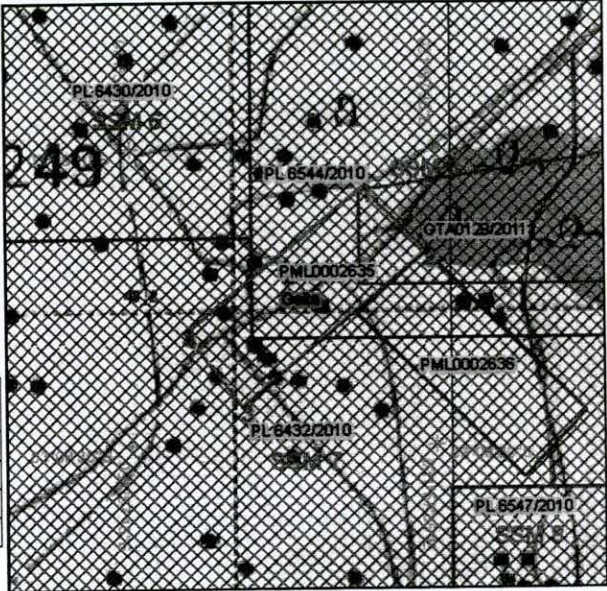
Shape Area

Official Area:

Calculated Area: Hectares

Coordinate System:

View coordinates in: DMS DD



Shape Parts

Part
Part 1

Add coordinate to part

Part Coordinates: Unit: Degree

Order	Lat Deg	Lat Min	Lat Sec	N/S	Long Deg	Long Min	Long Sec	E/W
1	3	8	12.58	S	31	57	30.13	E
2	3	8	16.90	S	31	57	34.30	E
3	3	8	27.35	S	31	57	22.27	E
4	3	8	22.40	S	31	57	18.56	E

Show preview map

D D D Ir D D D D

B

Prove

Qi Yu Qiang is my line of business ,cedibility is very good . I do trust customers.

Hereby certify that.



March 03, 2013

China Construction Bank Corporation

Penglai City Branch Jinger Wei 7Road ,Penglai City

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

Dear Sir,

RE:Mr.Qi Yu Qiang

We certify that Mr.Qi Yu Qiang is maintaining account with our bank,and that conduct of his account has been to our entire satisfaction. Based on our assessment , we are of the opinion that he is good for normal business operations . We request your good office to give any assistance he may require in establishing business in your country.

This certificate is issued without any financial engagement of the part of the bank or its official signing the letter.

Thank you for your cooperation

Yours faithfully

China Construction Bank Corporation

Li Hong Sheng

Penglai City Branch Manager

LI HONG SHENG



DIAN LI MINING CO. LIMITED

Nyamahuna Village, Geita District P.O. Box 5257 Mwanza, Tanzania
Tel: +255 752 243 895/0715 087 045 E-mail: madowekasalum@yahoo.com

EXTRACT RESOLUTION OF THE

Minutes of the Special Board of Directors Meeting of Dian Li Mining Co. Limited (the "Company") held at the registered office on the 2nd day of February 2013.

Present

- | | | |
|--------------------------|---|-----------|
| 1. Qi Yun Quiang | - | Chairman |
| 2. Lin Zhi En | - | Director |
| 3. Chen Yu Quan | - | Director |
| 4. Salim Ahmady Madoweka | - | Director |
| 5. Qi Li Jie | - | Secretary |

TO CONDUCT MINING ACTIVITIES AND ESTABLISH AND OPERATE GOLD REFINERY FACILITIES AT NYAMAHUNA VILLAGE, GEITA DISTRICT

IT WAS UNANIMOUSLY RESOLVED

That the Management of Dian Li Mining Co. Limited be and is hereby authorized, directed and empowered to enter into Joint Venture Agreement with holders of PML No: 002635 and 002636 at Nyamahuna Village and conduct mining activities as well as establish and operate gold refinery facilities in the village or elsewhere in the district as they might find convenient.

IT WAS FURTHER RESOLVED

That all important authorities be notified and especially the Tanzania Investment Centre (TIC) where the company should apply for the Certificate of Incentives and submit immediately the documentations required for such application to facilitate implementation of the proposed project

This is a Certified Extract of the Minutes of the Board Meeting Held on the 2nd day of February 2013

(BY THE ORDER OF THE BOARD)

Chairman

Secretary

JAMHURI YA MUUNGANO WA TANZANIA

THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI

37896716

1

TFN: 614 (Rev. 8.94)

EXCHEQUER RECEIPT

NIMEPOKEA KWA

Received from

DIAN LIMINING LIMITED



KIASI
Amount

Shs.		USD		Cts.	
100					

JUMLA YA SHILINGI (Kwa maneno)

The sum of Shillings (Words)

ONE HUNDRED US DOLLARS ONLY

NA SENTI
And Cents

KWA MALIPO YA

In respect of

APPLICATION FORM

KWA FEDHA TASLIMU/HUNDI

NAMBA By Cash/Cheque No.

DL

KITUO - Station

SAHIHI YA MPOKBAJI - Receiving Officer's

Signature

[Signature]

CHEO - Title

IFPO

TAREHE - Date

27/03/2013

TIC - MZA

NPC-KIUTA

TANZANIA



Certificate of Incorporation

Section 15

No 96667

I HEREBY CERTIFY THAT

DIAN LI MINING CO. 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 28TH day of JANUARY

TWO THOUSAND AND THIRTEEN

Asst. Registrar of Companies

THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION


OF

DIAN LI MINING CO. LIMITED

Incorporated this.....day of.....2013

DRAWS BY:
QI YUN QUIANG
(SUBSCRIBER)
P.O. BOX 5257
MWANZA

TANZANIA
Stamp Duty Shs. 5000/-
PAID ON ORIGINAL
Receipt No. 31426 of 24/01/13


Stamp Duty Officer

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF.

DIAN LI MINING CO. LIMITED

TANZANIA
Stamp Duty Shs. 2500/- Paid
Receipt No. 31426 of 24/01/13

Asst. Registrar of Companies

1. The name Company shall be DIAN LI MINING CO. LIMITED
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on the business of dealers, buyers, processors exporters and importers of minerals, including diamond, Gemstones and gold, to engage in cutting polishing gems and any other types of gems or precious tones and to do any kind of business relating to minerals, and to own and run jewelers shops. To carry on the business of mining, mineral exploration, and deal in mineral as miners, buyers, processors, exporters of minerals, including diamond, Gemstone, gold and other
 - (b) To carry on business as general auctioneers company liquidators receiver manger debt collector court brokers insurance broker and agents ship brokers, stock brokers and generally to be property repossesses, values debt swapping agents revenue collector and to be claims representatives debt buyers to court bailiffs decree enforcement agents and to assist claimants recover their debts to be general loans amortization consultants advisors and negotiators. To be loan rescheduling experts and consultants.
 - (c) To conduct training and research on various aspect of social affairs education science, finance materials management, marketing, stores, business management, accounting, auditing, taxation, business continuity risk management government human resources and information and communication technology.
 - (d) To carry on business as general traders and to be trading agency to commission agents, manufactures and supplies representatives, clearing and forwarding agents, transporting agents, cargo handles ship, chandlers and general ship constructors and agents, to be general food beverage distribution agents and to provide carriage services of all kinds and description, To provide courier services to be mail posting agents.

- (e) To build, construct, alter, improve, enlarge, repair, maintain, develop, demolish, remove or replace and to work, manage, carry out or control works of all descriptions, including but not limited to offices, factories, mills, warehouses, shops, stores, garages and other buildings, roads, machinery and plants, which may in the opinion of the Directors of the Company, be likely to advance directly or indirectly the Company's interests; to clear sites for the same; to contribute to, subsidise or otherwise assist in the building, construction, alternation, repair, improvement, enlargement, maintenance, development, demolition, removal, replacement, working, management, carrying out or control of the above.
- (f) To carry on the business of builders and civil contractors, engineers, founders, construct, maintain, repairs, pull down and restore either alone or jointly and establish jointly ventures with other companies, persons works or all descriptions including ginneries oil mills, textiles, factories, engines, roads, bridges, machineries and houses, offices, workshops, buildings and premises and any fixed or movable machineries, tools, plant, implements, patterns, stock-in-trade, patents and patent rights, technical know-how, goodwill liabilities and engagements of or connected with workshops.
- (g) To carry on business as general traders, importers and exporters of construction materials, building materials, hardware, bricks, tiles, corrugated iron, metal materials, machines and materials for road, rail making and other related equipments for building purposes of all kinds.
- (h) To carry on the business of building contractors, mansory and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks harbours, sharves, canals, water-courses, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, electric and other supply works, houses building and erections of every kind.
- (i) To carry on the business of commercial printers importing and exporting of commercial printers, brochures, leaflets, labels, magazines and all similar office machines and equipments and to carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with above, or otherwise calculated, directly or indirectly, to enhance the value of the Company's property and rights for the time.
- (j) To carry on the business as traders, suppliers, general merchants, importers, exporters, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, scrapers, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (k) To carry on the business of importers, exports, general merchants, general store-keepers; universal providers, wholesale and/or retail traders, dealers of weighing scales, inkjet technology, moisture analysis, lab equipment, solar technology, hardware, piece wood, paints, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, wines spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles,

automobiles and generally in all manufactured goods of all types and merchandise of all kinds.

- (l) To carry on business of manufacturers, importers, exporters and suppliers of house, office, kitchen, garden furniture, and all other equipment for office, house, kitchen and garden use such as ceramic designing ceramic items, ceramics decorations, paintings decorative lamps, flowers and flower verses, enamel wares, sanitary wares, aluminium designing and decorators, hardware, building materials, roof and wall tiles, glass wares, household, domestic appliances and all types of electronics, electrical materials, electrical fittings.
- (m) To carry on the business of carpeting, interior designers contractors, and decorators, curtains and sofa set makers, woodwork and furniture dealers and makers, woodwork and furniture repairs and dealers in household, hotel, hospitals, public residentially and office, camping and gardening furniture, fixtures and fittings and furniture requisites, utensils and trimmings, vehicles, carriage, boat ship, aircraft and rocket furniture fixtures and to publish and sell all types of journals in relation to furniture and woodwork in the United Republic of Tanzania and elsewhere.
- (n) To carry on the business of real estate agents, property managers, and realty administrators of buildings, services of letting or valuation, builders, contractors for construction works, renovation, decoration and demolition and to purchase otherwise acquire land for houses, offices, workshops and building premises.
- (o) To carry on the business as developers of immovable property of all kinds whether urban or rural and to construct, erect and maintain buildings, structure, houses, flats, shops, hotel factories, go-downs, sewer roads, street and all other works erections and thing of any description whatsoever whether upon land acquired by the company by the company or by any other person, firm or company upon any land and generally to alter, develop and improve land and other property.
- (p) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractor and transporters by any means of conveyance of people and goods in Tanzania and the neighboring countries and in such other place or places as may from time to time determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (q) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.

- (tt) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (uu) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (vv) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (ww) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (xx) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:-






The word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether domiciled in the United Republic of Tanzania or elsewhere.

The object specified in each of the paragraphs of the paragraph of this clause shall be regarded as independent objects, and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph of the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraph define the objects of the separate and distinct compound.

That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 3,000,000,000/= divided into 100,000/= shares of shillings 30,000/= each. The company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock 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 and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of Association, and we respectively agree to take number of shares in the capital of the Company set opposite our respective names:

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
QI YUN QUIANG P.O.BOX 5257 MWANZA	80000	
LIN ZHI EN P.O.BOX 5257 MWANZA	10000	
CHEN YU QUAN P.O.BOX 5257 MWANZA	5000	
QI LI JIE P.O.BOX 5257 MWANZA	3000	
SALIM AHMADY MADOWEKA P.O.BOX 5257 MWANZA	2000	

Dated at Bsm this 24 day of Jan 2013

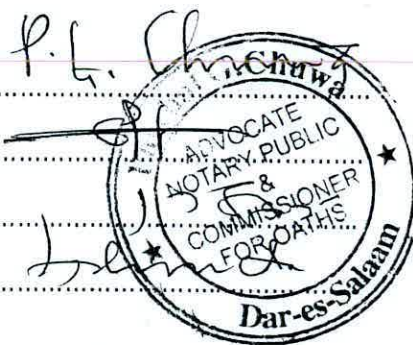
Witness to the above signatures

Name :

Signature :

Postal Address :

Qualification :



TANZANIA
Stamp Duty Shs. 5000/-
PAID ON ORIGINAL
Receipt No. 31426 of 24/01/13
Stamp Duty Officer

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
DIAN LI MINING CO. LIMITED
INTERPRETATION

TANZANIA
Stamp Duty Shs. 2500/- Paid
Receipt No. 31426 of 24/01/13
Asst. Registrar of Companies

1. In these articles:-
"the Act" means the Companies Act;
"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 the 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 the Common Seal of the Company;
"Secretary" shall mean any person appointed to perform the duties of Secretary of the Company;

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

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

PRIVATE COMPANY

2. The company is a Private Company and accordingly:-
(a) The right to transfer shares is restricted in manner hereinafter prescribed.
(b) The number of members of the company (exclusive of persons who are in the employment of the company and persons who have been formerly in the employment of the company and were while in such employment to be the member of the company) is limited to fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as a single member.
(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.

MEMBERS

3. The number of members with which the company proposes to be registered is two but the directors may from time to time register an increase of members.
4. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership shall be members of the company.

GENERAL MEETINGS

5. 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.

6. All general meetings other than annual general meetings shall be called extraordinary general meetings.
7. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

NOTICE OF GENERAL MEETINGS

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

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

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

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

PROCEEDINGS AT GENERAL MEETINGS

10. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.

GENERAL MEETINGS

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

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

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

VOTE OF MEMBERS

21. Every member shall have one vote.
22. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Act, 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.
23. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.
24. On a poll votes may be given either personally or by proxy.
25. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under sea) or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the company.
26. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the per son named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

DIRECTORS

32. The Number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum of association or a majority of them and until such determination the signatories to the Memorandum of Association shall be the first directors. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall be not less than two.
33. The following persons shall be first Directors to the Company:-
1. QI YUN QUIANG
 2. LIN ZHI EN
 3. CHEN YU QUAN
 4. QI LI JIE
 5. SALUM AHMADY MADOWEKA
34. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors shall also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

BORROWING POWERS

35. The director may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or any third party.

POWERS AND DUTIES OF DIRECTORS

36. 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. No alteration of the memorandum or articles and no such directions shall invalidate any prior act of the directors, which would otherwise have been valid. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
37. The directors may by power of attorney appoint any person to be the attorney or agent of the company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.
38. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as they case may be, in such manner as the directors shall from time to time by resolution determine,
39. The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors;
 - (b) of the names of the directors present at each meeting of the directors and of any committees of the directors;
 - (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.

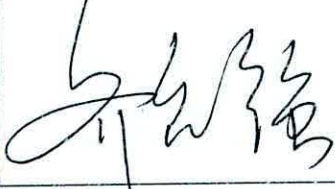
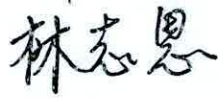
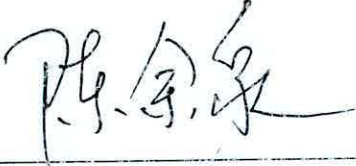
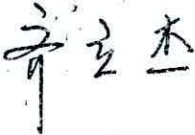

55. The directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the company and the matters in respect to which the receipt and expenditure takes place;
 - (b) all sales and purchase of goods by the company; and
 - (c) the assets and liabilities of the company.

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

56. The books of account shall be kept at the registered officer of the company, or subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
57. No member shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorized by the directories or by ordinary resolution of the company.
58. The directors shall from time to time in accordance with sections 153, 155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
59. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the directors' report and the auditors shall not less than twenty – one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debentures.

AUDIT

60. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.
61. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The company may give any notice to a member either personally or by sending it by post in a prepared envelope addressed to the member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seventy – two hours after the letter containing the same was posted. A member whose registered address is not within the Tanzania and who gives to the company an address within the 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.

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
QI YUN QUIANG P.O.BOX 5257 MWANZA	80000	
LIN ZHI EN P.O.BOX 5257 MWANZA	10000	
CHEN YU QUAN P.O.BOX 5257 MWANZA	5000	
QI LI JIE P.O.BOX 5257 MWANZA	3000	
SALIM AHMADY MADOWEKA P.O.BOX 5257 MWANZA	2000	

Dated at Dsm this 24 day of Jan 2013

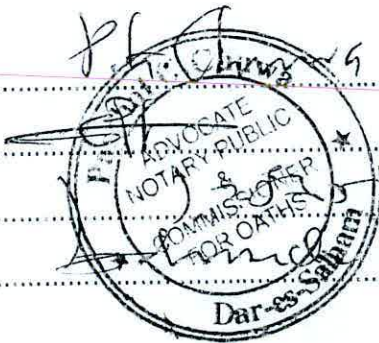
Witness to the above signatures

Name :

Signature :

Postal Address :

Qualification :





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/we QI YUN QUIANG
(director/directors/agent of DIAN LI MINING Co. Limited
(name of business enterprise) apply for registration of DIAN LI MINING Co. Limited
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 NYAMAHUNA AREA,
GEITA DISTRICT, GEITA REGION

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 NYAMAHUNA AREA, GEITA
4. The Principal Officers of the Company are (1) QI YUN QUIANG
(2) LI ZHI EN (3) CHEN YU QUAN (4) QI LI JIE
(5) SALIM AHMAD MADWEKA
5. Auditors of the Company are TO BE APPOINTED ON IMPLEMENTATION
6. The authorized share capital of the Company is Tshs./US\$ 3,000,000,000 (= DIVIDED)
INTO 100,000 SHARES OF TSHS 30,000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 7,434,618
8. The month and day of the financial year end is 31st DECEMBER

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 100.00 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, QI YUN QIANG of Post Office Number 5257 MWANZA

do solemnly and sincerely declare that I am a director/duly authorized agent of DIAN LI MINING CO. LIMITED

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

Declared at Mwanza Dar es Salaam }
 The 28 day of March 2013 }

齐云强
 Applicant

Before me:

[Signature]
 SENIOR STATE ATTORNEY
 MWANZA

Commissioner for Oaths

APPLICATION SUMMARY

Company Name: DIAN LI MINING CO. LIMITED

Certificate of Incorporation Number: 96667 Status: NEW PROJECT

Certificate of Incorporation Date: 28th JANUARY 2013

Post Box: 5257

Town: MWANZA

Sector: MANUFACTURING Sub-Sector: GOLD PROCESSING AND MINING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity 5.959 Local Equity - Foreign Loan - Local Loan 1.475

Project Objectives: TO ESTABLISH AND OPERATE GOLD REFINERY AND MINING FACILITIES

Capacity: 240,000 GRAMS PER ANNUM

Employment: Foreign: 20 Local: 230 Total: 250

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: NYAMAHUNA VILLAGE, GEITA DISTRICT,

Street: NYAMAHUNA District: GEITA Region: GEITA

(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %

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

Land/Building	0.535
Plant	5.342
Vehicles	0.715
Furniture & Fittings	0.125
Pre-expenses	0.239
Others <i>Contingencies</i>	0.170
Working Capital	0.309
TOTAL	7.435

Contact Details:

Name: QI YUN QIANG Title: MANAGING DIRECTOR
Telephone: 0715 087 045 / Fax:
0752 243 895
Email: madowekasalum@yahoo.com

Payments to be made payable to:

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



00219833

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042422

This is to certify that

DIAN LI MINING COMPANY LTD

of address P.O. BOX 5257

MWANZA

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXX~~ enterprise known as

DIAN LI MINING COMPANY LTD

Which is located at NYAMAHUNA VILLAGE

GEITA

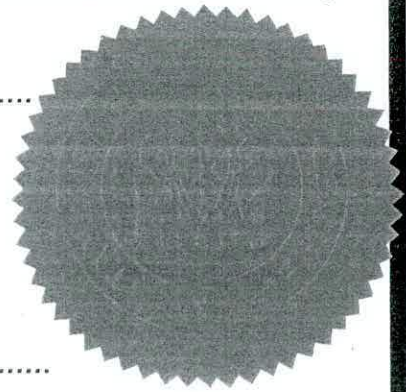
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.



Ag. Executive Director

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

Dated 22ND APRIL 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

Shareholders	Nationality	Shareholding (%)
Qi Li Jie	Chinese	3
Chen Yu Quan	Chinese	5
Salim Ahmady Madoweka	Tanzanian	2
Lin Zhi En	Chinese	10
Qi Yun Quiang	Chinese	80
2. Proposed Activities : **To establish and operate Gold Refinery and Mining Facilities**
3. Sector: **Manufacturing** Subsector **Gold Processing and Mining**
4. Investment cost: Foreign **USD 5.959m.** Local **USD 1.476m.** Total **USD 7.435m.**
5. Project Financing: Equity **USD 5.959m.** Loans **USD 1.476m.** Total **USD 7.435m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 5.959m.	USD 1.476m.	USD 7.435m
8. Technology Agreement **None**
9. Date of TIC Registration: **11th April 2013**
10. Implementation period **April 2013 - March 2016**
11. Operative date..... **April 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

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

TEN. 614 (Rev. 8.94)

STAKABADHI YA SERIKALI
EXCHEQUER RECEIPT

37896722

1

NIMEPOKA KWA
Received from

DIAN LI MINING LIMITED

Kiasi
Amount

USD		Cts
250		

JUMLA YA SHILINGI (Kwa maneno)
The sum of Shillings (Words)

TWO HUNDRED FIFTY US DOLLARS

NA SENTI
and Cents

ONLY

KWA MALIPO YA
In respect of

CERTIFICATE OF INCENTIVE - TOP UP

KWA PINDA TAMBULIUNDI
NAKSHA By Cash/Cheque No.

DL

Kituo - Station

SALIBI YA MPOKAZI - Receiving Officer's

IFPO

16-04-13

TIC

Signature



TANZANIA INVESTMENT CENTRE
Foreign Exchange Department

(P)

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

TEN. 614 (Rev. 8.94)

STAKABADHI YA SERIKALI
EXCHEQUER RECEIPT

37896724

1

NIMEPOKA KWA
Received from

DIAN LI MINING LIMITED

Kiasi
Amount

USD		Cts
750		

JUMLA YA SHILINGI (Kwa maneno)
The sum of Shillings (Words)

SEVEN HUNDRED FIFTY US DOLLARS

NA SENTI
And Cents

ONLY

KWA MALIPO YA
In respect of

CERTIFICATE OF INCENTIVES

KWA PINDA TAMBULIUNDI
NAKSHA By Cash/Cheque No.

DL

Kituo - Station

SALIBI YA MPOKAZI - Receiving Officer's

IFPO

19-04-2013

TIC - MWANZA

Signature

3

TICC/PP.10/042422/3

11th April, 2013

Managing Director,
Dian Li Mining Co. Ltd.,
P.O. Box 5257,
GEITA

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT AND OPERATE GOLD REFINERY AND MINING
FACILITIES**

We wish to acknowledge receipt of your project proposal to establish and operate and operate Gold Refinery and Mining Facilities as presented in the TIC P.A. 1 Form No. 10957 and Feasibility Study with a projected investment of USD 7.435m.

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

- Bank Reference for equity funding or a letter from Bank/Financial Institution 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.10/042422/3

11th April, 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



A. Kagomba

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
Dian Li Mining Co. Ltd.

Post Box	Nyamahuna Village, Geita District	COI Number	96667	Contact	Mr. Qi Yun Quiang
Post Office	5257, Mwanza	COI Date	28/01/2013	Designation	Managing Director
Region	Geita	Application F. No	10957	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0715 087 045 Or 0752 243 895
		Sub Sector	Gold Processing And Mining	Fax	0
		File No	042422	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Nyamahuna Village	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>5.959</td> <td>0</td> <td>0</td> <td>1.476</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	5.959	0	0	1.476			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
5.959	0		0	1.476									
Street	0												
District	Geita												
Region	Geita												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.535
Salim Ahmady Madoweka	Tanzanian	2	Plant	5.342
Qi Li Jie	Chinese	3	Vehicles	0.715
Chen Yu Quan	Chinese	5	Furniture & Fittings	0.125
Lin Zhi En	Chinese	10	Pre-expenses	0.239
Qi Yun Quiang	Chinese	80	Others	0.17
			Working Capital	0.309
			Total	7.435

Employment	250	Evaluated By	wf officer2
Capacity	240,000 grams pa.	Drawn By	wf registry1
Project Turn Over		Project Type	Mixed(Local & Foreign)

Description

To establish and operate Gold Refinery and Mining Facilities

Recommendations

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

Decision

Approved

Ag EXI
28/04/13

04/08/2013 02:30:08 PM

DIAN LI MINING CO. LIMITED

1

Nyamahuna Village, Geita District P.O. Box 5257 Mwanza, Tanzania
Tel: +255 752 243 895/0715 087 045 E-mail: madowekasalum@yahoo.com

Ref. No: DLMCO./TIC/2013/1

Date: March 25 2013

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



RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are a newly locally registered company formed with the principal objective of setting up in Tanzania facilities for gold refinery as the basic objective of the project; and provide technical support to artisanal and small scale miners to boost production as well as to engage in direct gold mining to ensure adequate raw material for the refinery plant.

We will be operating in Nyamahuna Village, Geita District where we have entered into a Joint Venture Mining Contract with owners of Mineral Rights over PMLs No: 002635 and 002636 situated in the said village. Under the agreement, the contract will be in force until terminated, liquidated or dissolved by law.

We hereby submit our application for TIC Certificate of Incentives to facilitate smooth implementation of the project and kindly request you to accept certified copies of the **Joint Venture Agreement** together with the respective PMLs as evidence of land ownership.

Attached herewith please find the following basic documents for ease of reference and approval:

1. Application for TIC Certificate of Incentives form duly completed and signed
2. Copy of Certificate of Incorporation No: 96667 dated 28th January 2013
3. Copy of Company Memorandum and Articles of Association
4. Project Business Plan
5. Certified copies of Joint Venture Agreement and PML No: 002635 & 002636 as evidence of ownership of project site.
6. Banker's Letter of Reference
7. Company Board Resolution to register the project with TIC

Hoping you will find all the documents in order.

Thanking you for your kind cooperation.

Yours sincerely,

DIAN LI MINING CO. LIMITED



Qi Yun Quiang

MANAGING DIRECTOR