

# THE PROPOSED INSTALLATION OF CIL PROCESSING PLANT & MINE DEVELOPMENT AT BULUWADU VILLAGE, BARIADI - SIMIYU REGION



## FEASIBILITY STUDY REPORT

August 2022

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## EXECUTIVE SUMMARY

M/s Busolwa Mining Limited (BML) is a private owned company with certificate of registration No. 104147 incorporated on 27<sup>th</sup> November, 2013 under the Companies Ordinance (Cap 212, of the Laws of Tanzania). The company head office is located on Plot No. 137 Capripoint Po Box 3188 in Mwanza - Tanzania. The objectives of the company amongst others include mining and construction. M/s Busolwa Mining Limited operates two medium scale mines in Busolwa, Nyarugusu ward, Geita Region and Ishokela in Misungwi, Mwanza region. M/s Busolwa Mine is desirous to extend its mine investment by establishing a ground mine at Bulumbaka Village in Bariadi district – Simiyu region. The proposed mine site is owned by M/s Buluwadu 4 Group who owns the Primary Mining License PML0072SMY. The organisation signed a Joint Venture (JV) agreement in January 2022 with M/s Busolwa Mining Limited to execute the project. Given the capacity of M/s Busolwa Mining Limited, will be the developer responsible for all costs and mine operation.

The proposed project is estimated to cost TZS 27.66 billion (USD 12.03 million) of which TZS 13.02 billion are for Plant and machinery including the CIL Plant. Building and civil works costs TZS 4.1 billion, Motor vehicles including haulage trucks for mining costs TZS 1.67 billion, preliminaries and office equipment TZS 2.99 billion and working capital TZS 43.00 billion. The financing of the project will be through equity funds from the project promoter (70%) and a 30% term loan from financial institutions. The proposed financing structure of the project will be as follows:

**Table E.S - 1: Proposed Project Financing Plan**

S/N	Description	Project Investment Cost		Percentage
		Amount (Fig. in USD)	Amount (Fig. in TZS, '000)	
1	Equity from the Promotor	3,642,000.00	8,375,000.00	30%
2	Credity Facility from Financial Institution(s)	8,386,000.00	19,289,000.00	70%
	<b>Total</b>	<b>12,028,000.00</b>	<b>27,664,000.00</b>	<b>100%</b>

**Exchange rate USD/TZS = 2,300**

The security against the requested loan is the first charge on all property on PML0072SMY in Bulumbaka Village, Bariadi District – Simiyu region. The tenancy of this Mining Licence is of seven (7) years from 19<sup>th</sup> March 2021. The offered security for the loan has a value of TZS 27.66 billion. The offered securities in this case have a value equal to 1.43 times the value of the loan which is well above the threshold limit for most lending institutions which require the security to cover the loan amount by at least 1.25 times. The value of the offered security therefore is above the BOT prudential guidelines and threshold limit for all financial institutions.

M/s Busolwa Mining is now carrying out the Environmental Impact Assessment (EIA) Study. However, as it is for other mining projects, the mining activity at Busolwa village presents

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significant level of activity which will need to be monitored and managed during the operational life. Four key areas have been brought into attention/ concern relating to mining impacts on environment management. These include dust management, noise management, flora and fauna management, water balance and management plan and mine closure.

The Company targets targets gold market in Dubai, Mauritius, South Africa and Europe. Sales arrangement will include M/s Busolwa Mine signing sales Contract with reputable buyers from Mauritius, Dubai, South Africa or Europe to sell its gold production on a regular basis. The company will stockpile the Gold at its premise. One the target quantity is reached as agreed by the buyer, the buyer will test the purity of the gold ingots and immediately pay for the consignment. The payment shall be made by transferring the funds to Busolwa Mining bank account prior to shipment of the bullions out of the mine. To this end, M/s Busolwa Mining will not be involved in the actual transportation of Gold from the mine to the buyer nor bear costs associated with transport.

The project financial analysis shows that the project is a viable undertaking. Financial indicators for the project are as follows; Average ROI is 18.9% Internal Rate of Return (IRR) is 26.4%, the discounted payback period is 5.06 years while NPV at 18% is TZS 12.01 billion. This implies that, the project is technically sound, financially viable and economically feasible thus worth financing.

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## CHAPTER ONE INTRODUCTION

### 1.1 Background of the Project

Tanzania is one of the world's poorest economies in terms of per capita income. However, it has achieved high growth based on gold production and tourism. The economy depends on agriculture, which accounts for more than one-quarter of GDP, provides 85% of exports, and employs about 80% of the work force. Despite the covid-19 pandemic, which impacted many economies, Tanzania is recovering quickly with many investors opting to invest in the country.

Tanzania therefore is an emerging economy with high growth potential. Whilst the economy is relatively diversified, a number of opportunities remain untapped in many sectors. In an attempt to make Tanzania the preferred destination for Foreign Direct Investment (FDI), continuous improvements towards the creation of an enabling environment have been made. Investment opportunities existing in Tanzania have been categorized in terms of Lead Sectors and Priority sectors.

Over the past five (5) years the gold price has been increasing with a sharp increase recorded in recent years following Russia – Ukraine war reaching at least USD 2,050/oz. Tanzania being amongst gold producing country, has benefited from the increased prices and thus attracting more investors into the sector. It is projected the price of gold to remain high due to increase in gold demand from the Central Banks and BRICS countries i.e., Brazil, Russia, India and China. This will enable the sector contribute even more to the GDP as well as improving people's lives in the sector. It is in these grounds that M/s Busolwa Mine is desirous to extend its mine investment by establishing a ground mine at Bulumbaka Village in Bariadi district – Simiyu region. The promoter plans to purchase and install Carbon in Leach (CIL) Plant for gold processing at Buluwadu in Simiyu region.

### 1.2 Aim and Objectives of the Project

The aim of the project promoter therefore is to purchase and install Carbon-in Leach (CIL) Plant for gold processing at Buluwadu Village, Bariadi district in Simiyu region. Specifically, the objectives of the company are to:

- i) Seek loan from financial institution(s) to finance the project;
- ii) Purchase and install the CIL Plant at the site (Buluwadu);
- iii) Seek exemption for capital deemed goods associated with the project; and
- iv) Operate the Plant and repay the loan to the financial institution(s) as per the agreed terms and conditions.

### 1.3 Project Promoter

#### 1.3.1 Background

The promoter of the proposed project is M/s Busolwa Mining Limited (BML). The promoter is a private owned company with certificate of registration No. 104147 incorporated on 27<sup>th</sup> November, 2013 under the Companies Ordinance (Cap 212, of the Laws of Tanzania). The company head office is located on Plot No. 137 Capripoint Po Box 3188 in Mwanza - Tanzania. Authorised share capital of the company at the time of registration was TZS 20,000,000,000 (Twenty billion) divided into 10,000 shares of TZS 2,000,000 each (Two Million). The company is owned by the Tanzania citizens namely Baraka E Nyandu, Magreth E Bamira and Joshua B Ezekiel (**Table 1.3 - 1 & Annex 1.3 - 1**).

**Table 1.3 - 1: Shareholding Structure**

S/N	Name of Shareholder	Number of Shares
1	Baraka Ezekiel Nyandu PO Box 3188 Mwanza	7,000
2	Magreth Ezekiel Bamira PO Box 3188 Mwanza	1,500
3	Joshua Bamira Ezekiel PO Box 3188 Mwanza	1,500

#### 1.3.2 Mining History

The company operates two Medium Scale Mine. The first mine is on PML 000024LZ at Nyaruyeye village, Geita District under lease arrangement from Mr. Ernest Massawe (PML owner). At, this mine, M/s Busolwa Mining successfully installed the CIL Plant at PML 0005460 which was commission in November 2015 (**Fig. 1.3 - 1**).





**Fig. 1.3 - 1: Busolwa Gold Processing Plant at Busolwa - ML 531/2014**

The second mine, is bult on ML554/2015 owned by M/s Busolwa Mining Limited while mining works done on ML555/2015 owned M/s Isinka Federation (2014) Miners and Co-operative Society Limited. The company therefore signed MOU with M/s Isinka in which M/s Busolwa is the developer responsible for all costs and mine operation (Fig. 1.3 - 2).



**Fig. 1.3 - 2: Busolwa Gold Processing Plant at Ishokela - ML 555/2015**

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### **1.3.3 Credit Relationship**

Currently, M/s Busolwa Mining operates a credit facility from M/s Equity Bank. Similarly, the company directors for the company have good understanding of credit management thus assure promising loan servicing.

## CHAPTER TWO PROJECT DESCRIPTION AND TECHNICAL ANALYSIS

### 2.1 Project Concept

#### 2.1.1 Background

M/s Buluwadu 4 Group owns the Primary Mining License PML0072SMY. However, the organisation has limited resources to finance the exploration for advanced mining works as well as the cost for establishing the mine. In the effort to operationalise the mining works, the organisation signed a Joint Venture (JV) agreement in January 2022 with M/s Busolwa Mining Limited to execute the project. Given the capacity of M/s Busolwa Mining Limited, will be the developer responsible for all costs and mine operation (**Annex 2.1 - 1**).

#### 2.1.2 Exiting Development

Based on the signed agreement with M/s Buluwadu, M/s Busolwa is obliged to cover all cost associated with exploration, project preparation and mine development and operations. M/s Busolwa initiated exploration works immediately after signing and it was found that an underground mine would be ideal for the site. The company is progressing with initial works for underground mining including construction of the underground shaft. As of 31<sup>st</sup> July, the company had spent at least USD 2.99 million (TZS 8.37 billion) (**Fig. 2.1 - 1**).



**Fig. 2.1 - 1: Underground Shaft under Construction at the site**

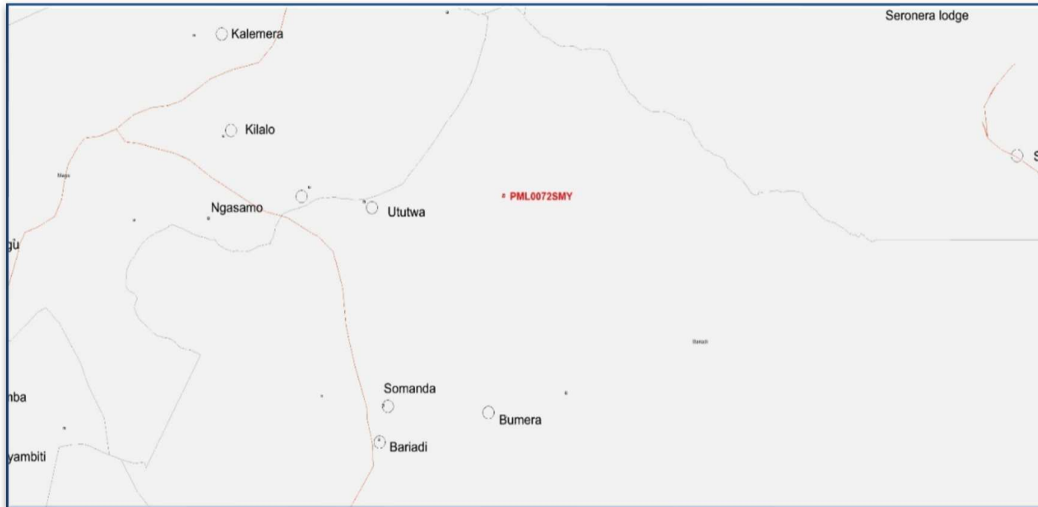
### 2.2 Project Plot Description

#### 2.2.1 Location and Size

Bariadi project is within primary mining license PML0072SMY, Bulumbaka village, Bariadi district, Simiyu Region. License PML0072SMY was granted to Buluwadu 4

Group, by the Mining Commission on 19<sup>th</sup> March 2021. Size of the license area is 9.81 hectares.

The project area is 39km line distance from Bariadi township and can be accessed by a tarmac road from Bariadi to Lamadi, branching off to East at Dutwa. From Dutwa to the project area, the road is easily accessible during dry season but with difficulties during rainy season (**Fig. 2.2 - 1**).



**Fig. 2.2 - 1: Buluwadu Mining PMLs Location Map**

### 2.2.2 Ownership and Tenancy

M/s Buluwadu 4 Group owns PML0072SMY. The License PML0072SMY was granted to Buluwadu 4 Group, by the Mining Commission on 19<sup>th</sup> March 2021. The Licences has seven (7) years tenor from 19<sup>th</sup> March 2021 **Table 2.2 - 1**).

**Table 2.2 - 1: PML Location Coordinates**

PML No	Corner	Latitude	Longitude	Area (Ha)
0072SMY	1	-02o 29' 30.30''	34o 09' 8.50''	9.81
	2	-02o 20' 30.30''	34o 09' 0.00''	
	3	-02o 29' 42.40''	34o 08' 59.90''	
	4	-02o 29' 42.40''	34o 09' 8.50''	

### 2.2.3 Supportive Economic Infrastructure

Infrastructural Network around the site comprise of a gravel road to the site and a nearby three phase electricity (3km). Water is available via construction of bore holes. The site has good communication network.

## 2.3 Technical Analysis

### 2.3.1 Geology and Gold Mineralization

#### 2.3.1.1 Geology

The Buluwadu Project is located in a highly prospective section of the Sukumaland Greenstone belts. Old gold workings in the form of pits and shallow shafts and trenches occur in a number of areas. The project area is underlain by Archaean granitoid-greenstone lithologies of the Kitongo-Ugambilo Granitoid-Greenstone Sub-Terrane of the Mabale Terrane located in the Lake Victoria Goldfields.

Major lithological units are mafic volcanic, volcanic pyroclastic rocks and flows, felsic and mafic intrusive rocks, units of the Lower Nyanzian formation, banded Iron formation (BIF) of the Upper Nyanzian formation, unconformably overlain by Kavirondian sediments. These units are intruded by syn- to post Nyanzian granitoids. The overall stratigraphy is thought to form an anticlinal structure that plunges to the southeast. In low lying areas the topography is mostly covered by laterite and mbuga clays (black cotton soils).

Basalts are located at the base of the greenstone sequence in both the northwest and southeast regions. Immediately overlying the basalts in the northwest region is a sequence of volcanoclastic siltstones and fine sandstones of unknown thickness. Overlying this is a line of prominent hills consisting of chert breccia and chert conglomerate. Stratigraphically above this unit a very wide sequence of sediments dominated in outcrop by banded iron formations (BIF's) and to a lesser extent banded chert.

#### 2.3.1.2 Geological Exploration Results

Extensive drilling programs were carried out by M/s Busolwa mining since signing of the JV agreement in March 2022. A total of 2,108m were drilled from 31 RC holes. Holes were drilled at different declinations and azimuth. The drilling targeted at closing the drilling density at 20-30m spacing.

The RC holes drilled were not geologically logged, drill chips and bulk samples collected are still stored for any further investigation if needed. One meters length samples were collected, shipped to the Busolwa Mining Limited laboratory, where they were analyzed for gold by Fire Assay.

#### 2.3.1.3 Gold Mineralization

The mineralization is structurally controlled. Gold is hosted within a shear zone. Mineralization appears to be strong at depths deeper than 20m vertical depth.

## 2.3.2 Mineral Resource Analysis

### 2.3.2.1 Mineral Resource

Looking at the chips, generally the Bariadi gold project is underlain by volcanoclastic sediments and gold mineralization is disseminated type though there is indication from few holes, quartz vein lodes type of mineralization, does exist but is not significant compared to the disseminated type.

Mineable ore by underground mining is dictated, primarily, by ground conditions and grade. For such matter, the minable ore is 1,058,125 t @ 3.1 g/t (105,028 Oz). It should be noted that, only mine blocks with estimated grade  $\geq 1.5$  g/t are selected and further grade control and geotechnical programs, in underground, should be carried out and possible ore upgrade will be observed. Most underground mining methods are highly selective, and mining only high-grade blocks is also efficiently possible (Table 2.3 - 1).

**Table 2.3 - 1: Resource Grade Distribution at 1.0g/t Au Cut-off**

Z (mRL)	Volume (m <sup>3</sup> )	Tonnes	Au (g/t)	Troy Ounces
1135.0 → 1140.0	15,500.00	38,750.00	2.47	3,077.57
1130.0 → 1135.0	32,500.00	81,250.00	3.44	8,987.14
1125.0 → 1130.0	26,500.00	66,250.00	2.57	5,474.68
1120.0 → 1125.0	15,750.00	39,375.00	3.08	3,899.52
1115.0 → 1120.0	58,000.00	145,000.00	3.23	15,059.49
1110.0 → 1115.0	54,875.00	137,187.50	2.96	13,057.07
1105.0 → 1110.0	34,562.50	86,406.25	2.35	6,529.09
1100.0 → 1105.0	21,062.50	52,656.25	3.72	6,298.43
1095.0 → 1100.0	22,250.00	55,625.00	3.57	6,385.25
1090.0 → 1095.0	27,500.00	68,750.00	3.69	8,157.15
1085.0 → 1090.0	19,500.00	48,750.00	2.92	4,577.17
1080.0 → 1085.0	38,875.00	97,187.50	2.82	8,812.50
1075.0 → 1080.0	36,125.00	90,312.50	2.17	6,301.55
1065.0 → 1070.0	10,500.00	26,250.00	4.98	4,203.38
1060.0 → 1065.0	9,750.00	24,375.00	5.37	4,208.80
<b>Grand Total</b>	<b>423,250.00</b>	<b>1,058,125.00</b>	<b>3.09</b>	<b>105,028.79</b>

### 2.3.2.2 Mineral Resource Estimation

A detailed geological mapping has been done so far at the licensed area. More than 30 samples from different pits and trenches were collected and taken to laboratories for analysis. The initial exploration work had also involved bore hole drilling; where by samples were also collected and submitted to the laboratory for analysis and the results obtained are utilized in reserve

estimation. Table 2.3 - 1 presents average sample results from various zones for the worst-case scenario which deduced the average grade to 3.09 g/t Au.

### 2.3.2.3 Ore Resource Calculation

The ore resource calculation has been done based on the average resource from PML0072SMY which is estimated at 423,250m<sup>3</sup> and the density for gold of 2.5t/m<sup>3</sup> and 3.09g/t (Table 2.3 - 2).

**Table 2.3 - 2: Estimated Gold Reserve - Worst Case Scenario**

	Density of Gold - t/m <sup>3</sup> (a)	Average Resource - m <sup>3</sup> (b)	Defined Resource - tonnes (c = a x b)	Average Au Grade - g/t (d)	Estimated Reserve - Au grams (e = c x d)
Density of Gold - t/m <sup>3</sup>	2.5				
Average Resource - tonnes		423,250			
Defined Resource - tonnes			1,058,125.00		
Average Au Grade - g/t				3.09	
Estimated Reserve - Au grams					3,269,606.25

## 2.3.3 Production and Operational Processes

### 2.3.3.1 Mining Approach

As shown above, the resource defined by trenching and pitting is 1,058,125 tonnes with an average grade of 3.09/t. This resource has been estimated to a maximum depth of 100 m below surface. Based on this information, there are several alternatives of exploiting this resource. These alternatives can be categorized based on the following criteria:

- i) The annual production rate that should prevail; and
- ii) The mineral recovery method that should be used for maximum gold recovery.

Based on the project room and mineralization width and grade, and avoiding possible high stripping ratios, this deposit will be extracted by underground infrastructure, using two shafts to access the ore.

### 2.3.3.2 Optimal Production Rate and Mine Life

The operating the mine under different production rates and the resulting production of gold has been developed. The scenario assumes a gold recovery of 95%, 300 days of running the processing plant per year, and an average grade of ore of 3.09 g/t to prevail during the entire mine life. M/s Busolwa Mining Limited envisaged installing a processing Plant with processing capacity of 400 tonnes/day. From the developed production rates, this corresponds to the production rate of **120,000 tonnes/year** and **mine life of 9 years** (Table 2.3 - 3).

**Table 2.3 - 3: Production Rates Vs Mine Life for Different Scenarios**

Reserve (tones)	Production (t/day)	Days per year	t/ year	Recovery (%)	Grade (g/t)	Mine Life (yr)	Production (g/year)
1,058,125	100	300	30,000	0.95	3.09	35	88,065
1,058,125	200	300	60,000	0.95	3.09	18	176,130
1,058,125	300	300	90,000	0.95	3.09	12	264,195
<b>1,058,125</b>	<b>400</b>	<b>300</b>	<b>120,000</b>	<b>0.95</b>	<b>3.09</b>	<b>9</b>	<b>352,260</b>
1,058,125	500	300	150,000	0.95	3.09	7	440,325
1,058,125	600	300	180,000	0.95	3.09	6	528,390
1,058,125	700	300	210,000	0.95	3.09	5	616,455
1,058,125	800	300	240,000	0.95	3.09	4	704,520
1,058,125	900	300	270,000	0.95	3.09	3.9	792,585
1,058,125	1,000	300	300,000	0.95	3.09	3.5	880,650
1,058,125	1,100	300	330,000	0.95	3.09	3.2	968,715
1,058,125	1,200	300	360,000	0.95	3.09	2.9	1,056,780
1,058,125	1,300	300	390,000	0.95	3.09	2.7	1,144,845
1,058,125	1,400	300	420,000	0.95	3.09	2.5	1,232,910

### 2.3.3.3 Development Concept

Based on the mineable reserve, an average ore production rate of 120,000 t/y has been selected. This rate has been chosen to match proven underground-pit loading equipment, and efficient milling requirements. This production rate is equivalent to a nominal 400 t/d of ore to the mill, assuming a 300-d year. In practice, weather conditions and/or down time are likely to result in the suspension of mining operations for the equivalent of 65 d/y. Thus, mining capacity will need to be slightly higher than mill capacity. The design production rate results in a mine life of 9 years.

### 2.3.3.4 Mining Equipments

The list of equipment for the proposed underground mine are attached overleaf. The list below summarizes the design fleet of mine equipment, including standby units and ancillary equipment.

- Excavators (Cat 330 or similar) = 1
- Wheel loader (Cat 966E) = 1
- Dozer (Cat D8H) = 1
- Grader (Cat 140H) = 1
- Water truck = 1
- 50-t crane = 2
- Trucks (20-25tons) = 10

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In addition to the equipment above, an additional list of underground mining equipment is detailed in the financial model hewewith.

### 2.3.3.5 Production Schedule

The design annual production schedule prepared for the Buluwadu project is summarized in table 2.3 - 4.

**Table 2.3 - 4: Proposed Buluwadu Mine Production Schedule for the First 5 Years**

Item/Year	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Capacity Utilisation</i>	85%	90%	95%	95%	95%
<b>ORE AND WASTE PRODUCTION</b>					
<b>Underground Sources - Underground Mine</b>					
Underground Extraction Yield/Year	120,000	120,000	120,000	120,000	120,000
<b>TOTAL UNDERGROUND PIT TONNES MINED (Tonnes)</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>
<b>WASTE</b>					
Waste Tonnes (5%)	6,000	6,000	6,000	6,000	6,000
<b>ORES TRANSPORTED (HG &amp; MG) (Tonnes)</b>					
<b>STOCKPILE</b>					
Tonnes (tonne) - t	114,000	114,000	114,000	114,000	114,000
<b>TONNES PROCESSED &amp; METALS PRODUCED</b>					
<b>Ore Tonnes Processed - HG &amp; MG Processed</b>					
Tonnes (tonne) - t	96,900.00	102,600.00	108,300.00	108,300.00	108,300.00
Average Grade (grams/tonne) - g/t	3.09	3.09	3.09	3.09	3.09
Metal (grams) - g	299,421.00	317,034.00	334,647.00	334,647.00	334,647.00
Metallurgical Recovery (90%) - Metal (grams) - g	284,449.95	301,182.30	317,914.65	317,914.65	317,914.65
Metal (Ounces) - oz	9,145.28	9,683.24	10,221.19	10,221.19	10,221.19

### 2.3.3.6 Process Plant

Ore beneficiation method is selected based on the metallurgical characteristics of the ore contained in the deposit. In the Lake Victoria Goldfields, two most commonly gold ore types are the oxidized ores, which are free milled and recovery is mostly by use of gravity methods combined with cyanide leaching or gravity methods followed by leaching of the ore.

The selected ore process for the Buluwadu ore treatment will includes crushing, size reduction in a single stage grinding mill, gravity recovery, with intensive cyanidation leaching i.e., Carbon-in-Leach process (CIL). The process plant will be designed in a way that a cyanide detoxication circuit will be included in order to reduce the total cyanide concentration in the tailing slurry water to less than 20 milligrams per litre.

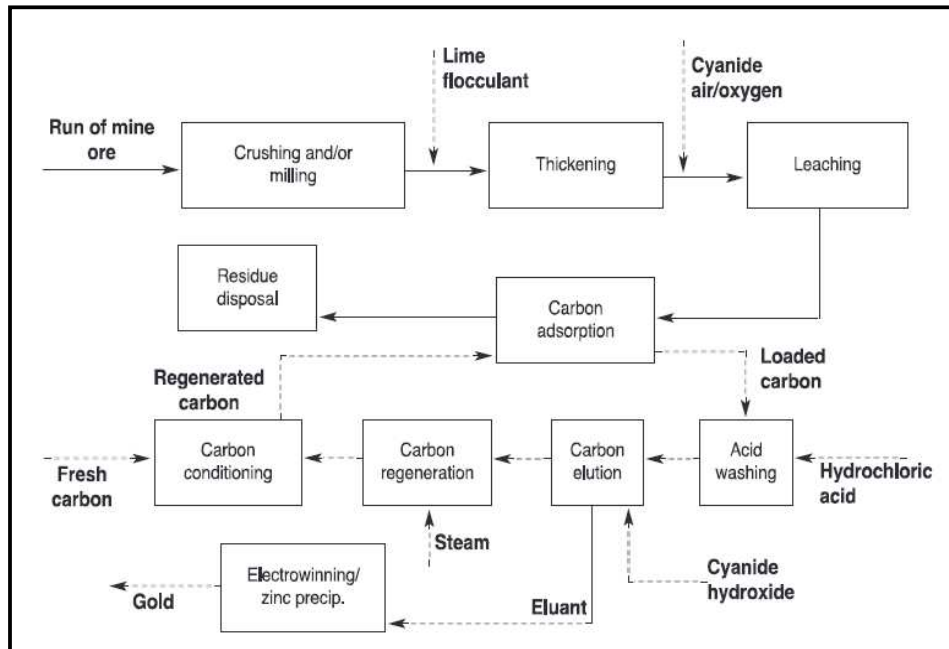


Fig. 2.3 - 1: CIL Process Flow Diagram

Generally, there are two common methods for Gold processing namely Carbon-in Pulp (CIP) and Carbon-in-Leach (CIL). The Carbon-in-Pulp (CIP) is the sequential leach then absorption of gold from ore. During the CIP stage, pulp flows through several agitated tanks where sodium cyanide and oxygen have been added to dissolve gold into solution. In the absorption stage, this solution flows through several agitated tanks containing activated carbon. Gold absorbs onto the activated carbon, which flows counter current to the pulp, while screens separate the barren pulp from the gold-loaded carbon.

Carbon-in-Leach (CIL) is a simultaneous leach and absorption process. The simultaneous leach and absorption phases of the CIL process were developed for processing gold ores that contain preg-robbing materials such as natural absorptive carbon. These reduce the gold yield by attracting gold meant for the activated carbon. Simultaneous leaching and absorption help minimize the problem.

Based on various consultations with metallurgists including a very senior metallurgist Eng. Godwin L. K. Mwehonge who has over 30 years' experience in mining industry, CIL technology was proposed to be the best for Buluwadu mine. Eng. Mwehonge is a highly respected Metallurgist who has worked with amongst other Geita Gold Mine, East Africa Mine and Buckreef Gold Mine (Annex 2.3 - 2).

### 2.3.4 Proposed Plant Capacity

The proposed CIL Plant capacity is 350tonnes/day. Based on the production days of 300 days/year, the annual installed Plant capacity is 120,000 tonnes/year. However, the proposed capacity utilisation will be 85% in year 1, 90% in year 2, and 95% from year 3 onwards. However, due to down time, for some plants in the ore mining, the annual ore mining should be over and above the plant installed capacity. In view of the aforementioned, the operational ore for the mill will be 108,300tonnes/year against the target ore production of 120,000 tonnes/year.

### 2.3.5 Total Project Costs

The proposed project is estimated to cost TZS 27.66 billion (USD 12.03 million) of which TZS 13.02 billion are for Plant and machinery including the CIL Plant. Building and civil works costs TZS 4.1 billion, Motor vehicles including haulage trucks for mining costs TZS 1.67 billion, preliminaries and office equipment TZS 2.99 billion and working capital TZS 43.00 billion (Table 2.3 - 5, Appendix 4.1 - 2 and Annex 2.3 – 1).

**Table 2.3 - 5: Estimated Total Cost of the Project**

S/N	Description	Project Investment Cost		Available (Fig. in TZS, '000)	Additions (Fig. in TZS, '000)
		Amount (Fig. in USD)	Amount (Fig. in TZS, '000)		
1	Building and Civil Works	1,782,700.00	4,100,000.00	-	4,100,000.00
2	Plant and Machinery	5,660,900.00	13,022,000.00	-	13,022,000.00
3	Motor Vehicles	724,800.00	1,667,000.00	1,000,000.00	667,000.00
4	Office Equipment, Fixture and fittings	54,600.00	125,000.00	125,000.00	-
5	Pre-operating Cost and Working Capital	3,804,000.00	8,750,000.00	5,750,000.00	3,000,000.00
	<b>Total</b>	<b>12,027,000.00</b>	<b>27,664,000.00</b>	<b>6,875,000.00</b>	<b>20,789,000.00</b>

Exchange rate USD/TZS = 2,300

### 2.3.6 Project Finance and Financing Plan

Total estimated capital investment of the project is TZS 27.66 billion. The financing of the project costs will be through equity funds from the project promoter M/s Busolwa Mining Limited (70%) and a term loan (30%) from financial institutions (Table 2.3 - 6).

**Table 2.3 - 6: Proposed Project Financing Plan**

S/N	Description	Project Investment Cost		Percentage
		Amount (Fig. in USD)	Amount (Fig. in TZS, '000)	
1	Equity from the Promotor	3,642,000.00	8,375,000.00	30%
2	Credity Facility from Financial Institution(s)	8,386,000.00	19,289,000.00	70%
	<b>Total</b>	<b>12,028,000.00</b>	<b>27,664,000.00</b>	<b>100%</b>

Exchange rate USD/TZS = 2,300

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### **2.3.7 Proposed Terms and Conditions for the Loan**

The following are the proposed terms and conditions for the required loan facility;

- Loan amount: USD 8,386,000;
- Moratorium period: 1 year during which interest will be capitalised;
- Repayment period: 5 years excluding a 1-year grace period;
- Mode of payment: Equal 8 installments payable semiannually; and
- Interest on loan: Fixed rate of 18% for the facility in TZS equivalent payable semi – annually and/or quarterly.

### **2.3.8 Security for the Loan**

The security against the requested loan is the first charge on all property on PML0072SMY in Bulumbaka Village, Bariadi District – Simiyu region. The tenancy of this Mining Licence is of seven (7) years from 19<sup>th</sup> March 2021. The offered security for the loan has a value of TZS 27.66 billion. The offered securities in this case have a value equal to 1.43 times the value of the loan which is well above the threshold limit for most lending institutions which require the security to cover the loan amount by at least 1.25 times.

### **2.3.9 Project Management**

#### **2.3.9.1 Board of Directors**

Management of M/s Busolwa Mining Limited is vested in the Board of Directors who is the policy making and controlling authority. The Board is also responsible for approving annual budgets of the company. In this respect, the Board is the overseer of all company projects.

#### **2.3.9.2 Day to Day Management**

The day-to-day management of the company is vested to the Managing Director who is directly responsible to the Board of Directors. For the project under review, the Managing Director will be assisted by the Mine Operations Director, Human Resource and Corporate Affairs Director and Finance Director who are accountable to him.

#### **2.3.9.3 Key Project Personnel**

The project key personnel in the first year of operation therefore will be as follows:

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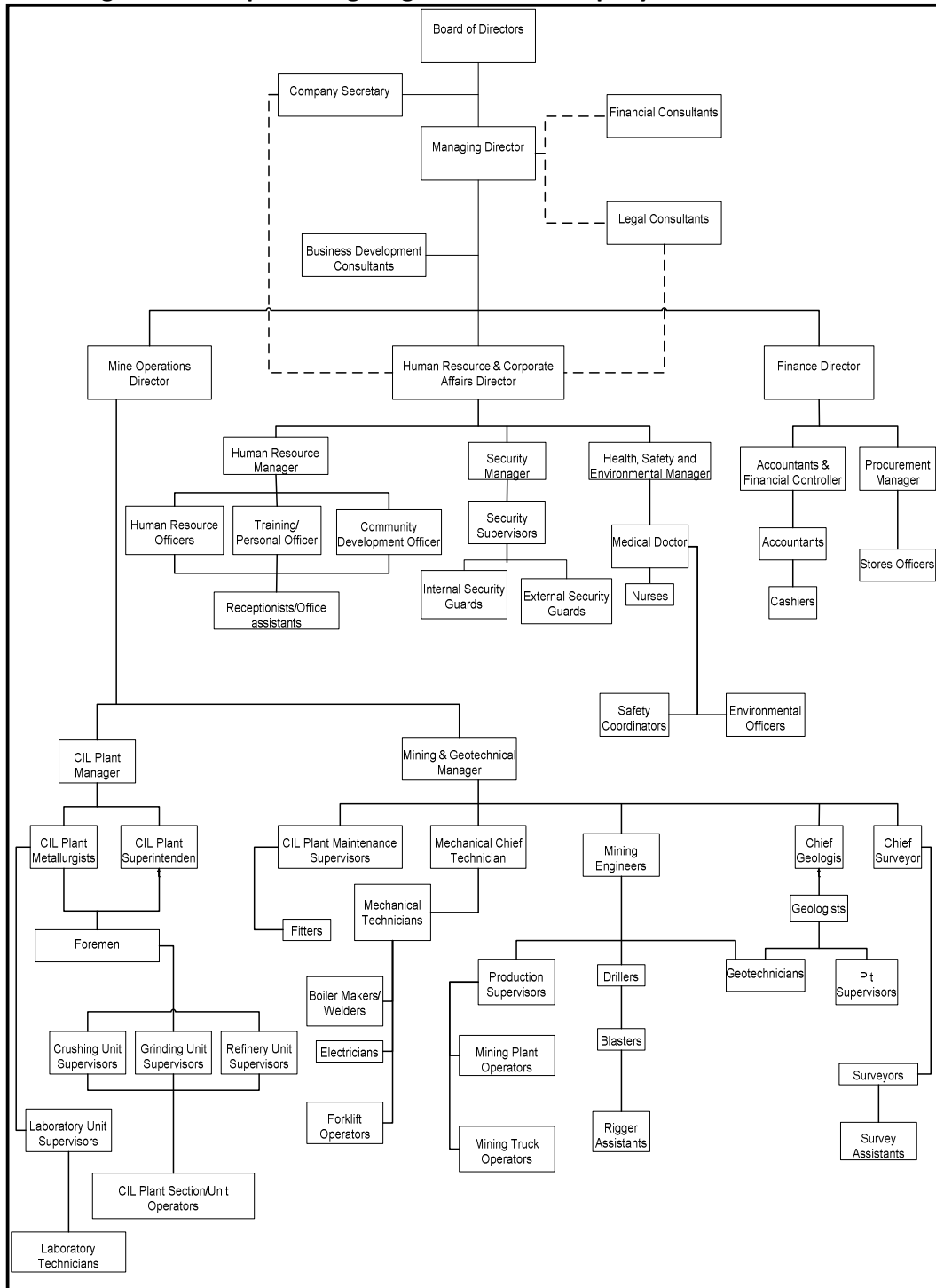
**Table 2.3 - 4: Project Key Personnel**

S/N	Description	S/N	Description
1	Managing Director	24	Plant Metallurgists
2	Human Resource Manager	25	CIL Plant Operators - Crushing Unit
3	Finance Manager	26	CIL Plant Operators - Grinding Unit
4	Human Resource Officers	27	CIL Plant Operators - CIL Tanks & De-watering Unit
5	Accountants	28	CIL Plant Operators - Refinery Unit
6	Community Developemnt Officers	29	Laboratory Technicians
7	Drivers	30	Forklift Operators
8	Chief Geologist	31	Health, Safety & Environment Manager
9	Geologists	32	Health & Safety Coordinators
10	Geotechnicians	33	Medical Doctor
11	Pit Supervisors	34	Nurses
12	Mining Engineers	35	Environmental Officers
13	Mining Production Supervisors	36	Maintenance Supervisors
14	Mining Plant Operators	37	Fitters
15	Mining Truck Drivers	38	Boiler Makers/Welders
16	Chief Surveyor	39	Chief Technician
17	Surveyors	40	Mechanical Technicians
18	Field Survey Assistants	41	Electrical Technicians
19	Drillers	42	Security Manager
20	Blasters	43	Security Supervisors
21	Rigger Assistants	44	Internal Security Guards
22	CIL Plant Manager	45	General Mining Labourers
23	CIL Plant Superintendent		

#### 2.3.9.4 Human Resource and Management Strategy

Constant on job training and refresher programmes will be the key success factors amongst others to ensure that the rated capacity of income generation and project reputation is enhanced and maintained. The company organisation structure is herein presented.

**Fig. 2.3 - 3: Proposed Organogram for the Company**



## 2.4 Social and Environmental Impact Consideration

### 2.4.1 Social Impact Consideration

The successful implementation of the mining project at Busolwa will have significant economic and social benefits in Tanzania. Basically, the community around have already started enjoying benefits of the proposed project as the promoter constructed the police station, and two (2) houses for primary school teachers. Other project benefits include:

- i) Creation of employment opportunities for over 250 Tanzanians;
- ii) Provision of income to employees and other service providers thus contributing to government efforts in improving the standard of living;
- iii) Provision of new market for food products and other goods required by the company, customers and workers and thus generating an economic multiplier effect to the project and surrounding areas;
- iv) Provision of revenues to the Government through loyalty and taxes; and
- v) Provision of forex to the country.

### 2.4.2 Environmental Impact Analysis

M/s Busolwa Mining is now carrying out the Environmental Impact Assessment (EIA) Study. However, as it is for other mining projects, the mining activity at Bulumbaka village presents significant level of activity which will need to be monitored and managed during the operational life. Four key areas of concern relating to mining impacts on environment management are herein summarized.

#### a) Dust Management

Dust suppression measures will be implemented, in particular during the dry season, to prevent dust generation impacting neighboring populations. This will primarily involve watering of all main haulage roads and during extreme dry conditions, could also involve the use of synthetic dust suppressants. In addition, minimizing land disturbance and expediting re-vegetation control generation of dust.

#### b) Noise Management

Noise and vibration levels will be measured to minimize any adverse impacts on neighboring populations. These measures will include blasting and traffic control, and implementing buffer zones. Given the proximity of people to the project, additional noise control measures may be necessary, including establishment of areas on the Waste Rock Storage Facility (WRSF) where heavy vehicle traffic might be restricted during the night. These will be evaluated during operation.

#### c) Flora And Fauna Management

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The protection of wildlife and vegetation during construction and operation will be monitored to ensure that any destruction of habitat is minimized. Similarly, disturbed areas will be re-vegetated with native species as soon as practical. During the closure phase, all remaining disturbed areas will be re-vegetated with native species. It is expected that both vegetation and habitats will regenerate relatively quickly. Topsoil will be salvaged and stockpiled for use in progressive rehabilitation during the closure phase of the project.

**d) Water Balance and Management Plan**

The Tailing Storage Facility (TSF) would effectively be a closed system with regard to water management. Tailings consolidation is predicted to continue for a number of years and in that time, significant volumes of water will accumulate on the tailings surface. The overall volume of water will include water released through consolidation, annual rainfall, and some surface runoff from immediately adjacent areas and returned underlain water. As consolidation increases, it is anticipated that yield from the underlain system will be significantly reduced.

The rehabilitation of the tailings surface is dependent on access for equipment and the lowering of salt levels within the tailings. For both criteria to be achieved, water from rainfall runoff must be removed from the tailings surface.

The proposed Buluwadu Gold Mine project will have an Earth Water Dam (EWD) nearby that will be constructed to hold water from surface and underground sources of supply. This water can be used for ore processing and other consumptive purposes. To facilitate the drying of tailings to allow the rehabilitation to commence, it may be decided to transfer the water from the surface of the tailings to the EWD. This would allow salt and metal concentrations in the tailings water to be buffered and blended throughout the wet season. By transferring water to the EWD, detailed monitoring could be undertaken in a controlled environment to determine the impact on water quality and ecological processes in the receiving environment.

**e) Mine Closure**

Closure of the WRSF and ROM pad will involve covering them with Saprolite and topsoil in order to facilitate re-vegetation of the WRSF with native grass and small shrubs. Its secondary purpose will be to shed water and thereby, expedite flooding of the open pit. Re-vegetation will also reduce potential for migration of contaminants from the waste rock into the pit lake. Surface runoff and seepage collection channels round the Tailings Storage facility (TSF) and WRSF will be re-routed as closure to discharge into the open pit.

## CHAPTER THREE MARKETABILITY ANALYSIS

### 3.1 The Proposed Product and Pricing

The product for M/s Busolwa Mining is Gold (Au). Generally, market price is the key driver for earnings in gold project. Studies show that between February and July 2022 gold price fluctuated from USD 1,696/oz - USD 2,053/oz. This trend has been the same for the past one year i.e., between August 2021 and July 2022. In the past five years (2017 - 2022), prices fluctuated from USD 1,174/oz - USD 2,063/oz ([www.kitco.com](http://www.kitco.com)).

**Table 3.1 – 1: Average Annual Increase Vs Decrease of Gold Price**

Year	2015	2016	2017	2018	2019	2020	2021
Gold Price % Annual change	-8%	8%	1%	1%	10%	27%	2%

Source: World Gold Council

Generally, the trend in gold price has been increasing over the past seven years. The price is forecasted to remain high in the coming years. The forecasted increase in price is due to amongst others:

- i) Increase in demand of Gold Reserves from the Central Banks;
- ii) United States Dollars continue to depreciate against other currency i.e., Euro;
- iii) Enlarged gap between gold supply Vs demand especially in India and China as a result of lower grade productivity; and
- iv) Limited gold supply due to increasing cost bases and more constrained access to capital.

M/s Busolwa will also charge according to the prevailing indicative price for Gold in the world market. However, in this project, a conservative rate of USD 1,750/oz (VAT and Royalty inclusive) have been applied.

### 3.2 Target Market

There are several buyers of gold in the world. M/s Busolwa Mine sister companies are now selling Gold to M/s Scara Metal Limited (a South African firm with office in Mwanza). In addition to the M/s Scara Metal Company, M/s Busolwa Mine targets gold market in Dubai, Mauritius, South Africa and Europe. The intended customers for the business therefore will need to have representatives in Mwanza.

### 3.3 Description of Market Size and Trends

Despite the witnessed price fall trend over the past seven years, demand for gold is still far higher than the available supply. World Gold Council estimated an annual average supply gap of 1,170 tonnes for the past seven years (2015 - 2021).

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**Table 3.3 – 1: Worldwide Demand Vs Supply Trend for gold (2015 - 2021) - Fig. in Tonnes**

Year	2015	2016	2017	2018	2019	2020	2021
Demand	4,449	4,786	4,664	4,772	4,878	4,721	4,666
Supply	3,366	3,515	3,578	3,653	3,599	3,475	3,561
Surplus/Deficit	-1,082	-1,270	-1,086	-1,120	-1,279	-1,246	-1,105

**Source: World Gold Council**

Base on the past trends (2015 - 2021), demand for gold has been growing at an average rate of 0.03% against supply at 3.83% per annum leading to an average demand gap of 3.80% per annum. On the basis of the aforementioned, it is forecasted demand for gold will increase to an average of 4,671 tonnes against supply of 4,069. The deficit is thus narrowed to an average of 602 tonnes (**Table 3.3 - 3**).

**Table 3.3 – 2: Demand Vs Supply Projections (2022 - 2027) - Fig. in Tonnes**

Year	2022	2023	2024	2025	2026	2027
Demand	4,667	4,669	4,670	4,672	4,673	4,674
Supply	3,697	3,838	3,985	4,138	4,296	4,461
Surplus/Deficit	(971)	(830)	(685)	(534)	(377)	(214)

**Source: Consultants' Evaluation**

### 3.4 Market Strategies and SWOC Analysis

#### 3.4.1 Market Strategies

Gold is amongst the risk business. To this end, M/s Busolwa Mine will enter into Contract with reputable buyers from Mauritius, Dubai, South Africa or Europe to sell its gold production on a regular basis. The company will stockpile the Gold at its premise. Once the target quantity is reached as agreed by the buyer, the buyer will test the purity of the gold ingots and immediately pay for the consignment. The payment shall be made by transferring the funds to Busolwa Mine bank account prior to shipment of the bullions out of the mine.

To this end, M/s Busolwa Mine will not be involved in the actual transportation of Gold from the mine to the buyer nor costs associated with transport. This is basically a typical practice in gold industry.

#### 3.4.2 SWOC Analysis

The internal and external factors affecting the performance of the company market is vital. SWOC analysis exposes key issues once considered during implementation would assist for efficient and effective market performance. The company SWOC analysis is presented below (**Table 3.4 - 1**).

**Table 3.4 – 1: SWOC Analysis**

<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• High quality and strong product</li> <li>• Committed and enthusiastic shareholders</li> <li>• Well experienced promoters</li> <li>• Sufficient proven ore reserves as per geology study</li> <li>• Product in high demand</li> <li>• Strong asset base for the company</li> </ul>	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Capital intensive coupled with high capital cost</li> <li>• Proportionately High operational costs</li> </ul>
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• Huge Market growth</li> <li>• Liberalization of the economy and Government’s policy to remove monopolies</li> <li>• Possession of PML for mining activities</li> </ul>	<p><u>Challenges</u></p> <ul style="list-style-type: none"> <li>• Theft of Gold</li> <li>• High labour &amp; electricity costs</li> <li>• Increase in Government levies</li> <li>• Legislation which might be counter productive</li> <li>• Workers strike</li> </ul>

### 3.5 Competition Analysis

Basically, competition to the proposed project is expected particularly from the existing big mining companies i.e., African Barrick Gold. However, it could be noted that in gold business competition could be in terms of company capacity to acquire more mining license and ability to carry out exploration prior to mining works. M/s Busolwa Mine already owns two (2) Mining Licenses (ML) which are well enough for the target operation. In addition, the company through its other project purchased a brand-new Diamond Rig machine for exploration works. Therefore, the existing big mining companies will not pose serious competition to the proposed project.

## CHAPTER FOUR FINANCIAL AND ECONOMIC VIABILITY

### 4.1 Assumptions

The financial assessment and projections are based on the following assumptions (**Appendix 4.1 - 1**):

- i) Estimated cost of the project is TZS 27,664,000,000 (USD 12,027,000) (**Appendix 4.1 - 2**);
- ii) A loan of TZS 19,289,000,000 (USD 8,386,000) payable in 5 years (1 year grace period exclusive) will carry an interest rate of 18% p.a. on TZS equivalent. During grace period, interest rate will be capitalised;
- iii) The average time between procurement, installation and commissioning of the CIL Plant is 6 months;
- iv) Project costs are assumed to increase at 10% while revenue at 5% per annum;
- v) An average gold recovery/production (grade in grams per tonne) is 3.09g/t of processed gold ore while the ounces to gram conversion (Oz:g) is 31.103477;
- vi) Average extraction yield/day is 400tonnes while extraction cost is USD 20/ton. Processing cost is USD 15/tonnes processed;
- vii) The average price for Gold is USD 1,750 per Ounce;
- viii) Discount rate is 18% on the projected cash flows;
- ix) Cost estimates for legal and consultancy fees is 0.5% of net revenue, mine royalty is 6% of turnover, corporate tax 30% of gross profit and VAT is 18% of income from operations;
- x) Average electricity bills are TZS 12,000,000/month, average water bills is TZS 2,000,000/month, communication costs is TZS 1,500,000/month and other office expenses is TZS 5,000,000/month;
- xi) Depreciation cost is calculated at 2%, 4%, 12.5% and 25% for building, plant and equipment, furniture & fittings and motor vehicles respectively on a straight-line basis;
- xii) Plant capacity utilization for ore processing therefore is assumed to be 85% in year 1, 90% in year 2 and 95% from year 3 onwards (**Appendix 4.1 - 3**);
- xiii) Average cost of sales is as detailed in **Appendix 4.1 - 1 & 4.1 - 4**;
- xiv) Provisions for Corporate Social Responsibility is 3% of net sales revenue;
- xv) Project life span is assumed to be 10 years. However, the project will go beyond this period; and
- xvi) Exchange rate is USD/TZS 2,300.

### 4.2 Projected Cash Flow Statement

The details of sources and application of funds are presented in **Appendix 4.1 - 4**. The cumulative cash balance is positive throughout the life of the project. As such, the project does not require intermediate funds besides the initial investment. The cumulative net cash

at the end of year 10 is TZS 105.65 billion. If the scrap value is included the amount rises to TZS 122.50 billion.

### 4.3 Projected Discounted Cash Flow

The discounted Cash flow is presented in **Appendix 4.5**. The key financial results are as follows:

- Net Present Value (NPV) at 18% TZS 12,006.00 million
- Internal Rate of Return (IRR) 26.4%
- Average Return on Investments (ARol) 18.9%
- Payback Period (PBP) - Normal 4.24 Years
- Payback Period (PBP) – Dynamic 6.33 Years

The above profitability indicators suggest that the project is financially viable since the projected cash flows sufficiently cover the initial capital outlay. The results therefore indicate that the proposed project is financially and economically viable hence worth to be implemented.

### 4.4 Project Sensitivity Analysis

Sensitivity analysis was carried out to tests viability of the project due to changes in revenue and operating costs. The following profitability indicators are derived (**Appendix 4.1 - 6(a, b & c)**):

**Table 4.4 - 1: Sensitivity Analysis**

Financial Viability Indicators	Base Case	-10% Sales Revenue from Mining Operations	+10% Operating Costs	-5% Sales Revenue and +5% Operating Cost	Gold Price = USD 1600/Oz
Net Present Value (NPV)	TZS 12,006,000.00	TZS 2,620,000.00	TZS 8,114,000.00	TZS 5,368,000.00	TZS 3,961,000.00
Internal Rate of Return (IRR)	26.4%	19.9%	23.7%	21.8%	20.8%
Average Return on Investments (ARol)	18.9%	17.9%	18.6%	18.2%	18.1%
Payback Period - Normal (PBP - N)	4.24 Years	4.94 Years	4.51 Years	4.72 Years	4.83 Years
Payback Period - Dynamic (PBP - D)	6.33 Years	8.18 Years	7.02 Years	7.57 Years	7.87 Years

Based on sensitivity results in the table above the following inferences could be made:

- An increase of 10% in the operating costs reduces the project IRR from 26.4% to 23.7%. The project remains viable with capital cost increase of 10%;
- A decrease in sales revenue by 10% reduces the project IRR from 26.4% to 19.9%. The project remains viable with a 10% reduction in sales revenue;
- A simultaneous increase of 5% in the project operating cost and 5% decrease in sales revenue reduces the project IRR to 21.8%. The project remains viable under the worst-case scenario of a simultaneous 5% increase in operating cost and 5% decrease in sales revenue; and

- Reduction in Gold price from USD 1,750/oz to USD 1,600/oz reduces the project IRR from 26.4% to 20.8%. The project remains viable with a reduction in gold price to USD 1,600/oz.

The above profitability indicators show that the project is more sensitive to changes in sales revenue than to the operating cost. However, under all sensitivity scenarios the project still yields positive Net Present Value (NPV) and Internal Rate of Return (IRR) greater than the assumed cost of capital (18%) which implies that project has a room to absorb any hit of decrease in revenue by 10%. Nevertheless, the analysis has been based on a very pessimistic ground especially on the grade.

#### 4.5 Projected Balance Sheet

This statement is presented in **Appendix 4.1 - 7**. The analysis show that the project's net worth will increase from TZS 32.70 billion in year 1 to TZS 125.45 billion in year 10.

#### 4.6 Revenue Vs Cost Analysis

A typical Revenue-Cost Analysis (RC-A) was done to test the ability of the project to meet the projected costs/liabilities given the projected revenue. The costs stream constitutes of the principal loan amount and interest as well as other costs associated with running the project. The RC-A indicate that, under base scenario the project revenues can sufficiently cover the project liabilities by 152% and 145% with and without plant residual value respectively. This implies that, under base case the project can generate 45% excess revenue over and above the project costs (**Table 4.6 – 1 & 2**).

**Table 4.6 - 1: Revenue Vs Cost Analysis - Plant Residual Value Inclusive**

S/N	Item	Total Sales Revenue	Plant & Equipments Residual Value	Total Sales & Plant Residual Value	Costs				Revenue /Cost Analysis
					Loan	Operating Costs	Equity Funds	Total Costs	
1	Annual Average Sales Revenue/Costs	TZS 39,791,000.00	TZS 1,684,400.00	TZS 41,475,400.00	TZS 4,899,000.00	TZS 14,079,000.00	TZS 8,374,700.00	TZS 27,352,700.00	1.52
2	Semi-Annual Average Sales Revenue/Costs	TZS 19,896,000.00	TZS 842,200.00	TZS 20,738,200.00	TZS 2,450,000.00	TZS 7,040,000.00	TZS 4,187,350.00	TZS 13,677,350.00	1.52
3	Monthly Average Sales Revenue/Costs	TZS 3,316,000.00	TZS 140,366.67	TZS 3,456,366.67	TZS 408,000.00	TZS 1,173,000.00	TZS 697,891.67	TZS 2,278,891.67	1.52

**Table 4.6 - 2: Revenue Vs Cost Analysis - Plant Residual Value Exclusive**

S/N	Item	Total Sales Revenue	Plant & Equipments Residual Value	Total Sales & Plant Residual Value	Costs				Revenue /Cost Analysis
					Loan	Operating Costs	Equity Funds	Total Costs	
1	Annual Average Sales Revenue/Costs	TZS 39,791,000.00	TZS 0.00	TZS 39,791,000.00	TZS 4,899,000.00	TZS 14,079,000.00	TZS 8,374,700.00	TZS 27,352,700.00	1.45
2	Semi-Annual Average Sales Revenue/Costs	TZS 19,896,000.00	TZS 0.00	TZS 19,896,000.00	TZS 2,450,000.00	TZS 7,040,000.00	TZS 4,187,350.00	TZS 13,677,350.00	1.45
3	Monthly Average Sales Revenue/Costs	TZS 3,316,000.00	TZS 0.00	TZS 3,316,000.00	TZS 408,000.00	TZS 1,173,000.00	TZS 697,900.00	TZS 2,278,900.00	1.45

#### 4.7 Projected Project Benefits

The proposed project has a number of developmental values to the country, some of the project benefits include:

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- i) Contribution of revenue to the Government through various taxes amounting to TZS 134.75 billion for the plan period;
- ii) Creation of employment to at least 250 people on permanent basis and at least 150 casual labours;
- iii) Contribution to the government efforts of improving standard of living through provision of income to employees and other services providers to the mining site;
- iv) Increase forex to the country;
- v) Facilitation of use of gold mineral resources needed to stabilize the country's balance of payment and generate revenue to Central and Local Government endowed with minerals in their locality;
- vi) Contribute to government efforts in the provision of social services through its CSR program of which an average of TZS 800.00 million i.e., 3% of net revenue will be invested annually; and
- vii) Contribution to increase GDP of the country and general per capital income.

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## CHAPTER FIVE CONCLUSION AND RECOMMENDATIONS

### 5.1 Conclusion and Recommendations

The project evaluation carried out in this study has demonstrated that the venture is profitable and offers attractive return of the funds to be invested. The return on equity over the project duration evaluated is quite high. Similarly, this project is in line with the National Development Policy thus worth financing.

The assessment of the viability of the proposed development demonstrates a high-income earning capacity. On the basis of the analysis, the investment will yield an IRR of 26.4% p.a which is greater than the cost of capital, 18% p.a. This financial assessment is based on a pessimistic ground with sales price of USD 1,750/oz (VAT and Royalty Inclusive) and gold ore grade of 3.09g/t. On the other hand, the demand for gold to the world market is projected to increase due to increasing investment in gold, Jewellery business, industries, electronics, monetary exchanges, medicine and commercial chemistry. The analysis has been based on a very pessimistic ground especially on the grade considering its an underground mine. Similarly, the scope of the project is relatively small compared to the potential demand. In this regard, it is recommended to finance implementation of the project at hand.

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## APPENDICES

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### ASSUMPTIONS

Item	Unit	Unit Description
Monthly number of days	30	days
Operating Number of Days/Monthly	25	days
Average Number of Working Days/Week	5	days
Number of weeks per year	52	weeks
Annual number of months	12	Months
Royalties Rate	6%	of turnover
Value Added Tax (VAT) Rate	18%	
Corporate Tax Rate	30%	of profit
Depreciation: Building	2.00%	of property Value
Depreciation: Machinery, Fixtures & Fittings	12.50%	of property Value
Depreciation: Motorvehicles	25.00%	of property Value
Annual production output & inputs growth rate	10%	
Annual Sales Price Growth Rate	5%	
Annual Costs Growth Rate	10%	
Average Metal Price - Gold Price (USD/Ounce)	1,750	USD/OZ
Ounces to Gram Conversion (oz:g)	31.103477	
Discount Factor for Cashflows	18.0%	Opp. Cost of Capital
Interest Rate on Loan	18.0%	
VAT Factor	1.18	
Exchange Rate - USD/TZS	2,300.00	
Conversion Rate Tonnes to Kilogram	1,000.00	
Salvage value = book value at the end of the projected project period		

Utilities, Lease and Security	Rate in TZS
Average electricity bills per month	12,000,000.00
Average water bills per month	2,000,000.00
Average Fuel Price/Litre - Deasel	3,400.00
Average Fuel Price/Litre - Petrol	3,300.00
Average Repair & Maintenance Cost - Plant and Vehicles	2% of CAPEX
Corporate Social Responsibility as % of Net Sales Revenue	2%
Average Grade (grams/tonne) - g/t	3.09

Inventory days	30
Debtor days	30
Creditor days	45

Other Expenses	Rate in TZS	Description
Average Communication Costs	1,500,000.00	per month
Other Office Expenses	5,000,000.00	per month
Legal and Consultancy Fees	0.50%	of Net Sales Revenue

Mining Operation & Expenses	Rate in TZS	Description
Average Extraction Yield/day	400	Tonnes
Average Extraction Costs	USD 20.00	per tonne
Waste out of the total extraction	5%	
Average Metallurgical recovery	95%	
Average Processing Costs	USD 15.00	per tonne

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### SALARIES & WAGES CALCULATION ASSUMPTIONS

Overtime/Staff Allowance as percentage of total salary 5%

S/N	Description	Rate (Fig. in TZS)	S/N	Description	Rate (Fig. in TZS)
1	Managing Director	9,775,000.00	24	Plant Metallurgists	3,500,000.00
2	Human Resource Manager	4,000,000.00	25	CIL Plant Operators - Crushing Unit	700,000.00
3	Finance Manager	4,000,000.00	26	CIL Plant Operators - Grinding Unit	700,000.00
4	Human Resource Officers	2,500,000.00	27	CIL Plant Operators - CIL Tanks & De-watering Unit	700,000.00
5	Accountants	2,500,000.00	28	CIL Plant Operators - Refinery Unit	700,000.00
6	Community Developemnt Officers	2,000,000.00	29	Laboratory Technicians	2,000,000.00
7	Drivers	500,000.00	30	Forklift Operators	1,500,000.00
8	Chief Geologist	4,000,000.00	31	Health, Safety & Environment Manager	3,000,000.00
9	Geologists	2,500,000.00	32	Health & Safety Coordinators	1,500,000.00
10	Geotechnicians	1,500,000.00	33	Medical Doctor	1,500,000.00
11	Pit Supervisors	2,300,000.00	34	Nurses	1,000,000.00
12	Mining Engineers	4,000,000.00	35	Environmental Officers	3,000,000.00
13	Mining Production Supervisors	4,000,000.00	36	Maintenance Supervisors	3,000,000.00
14	Mining Plant Operators	1,500,000.00	37	Fitters	2,000,000.00
15	Mining Truck Drivers	600,000.00	38	Boiler Makers/Welders	1,300,000.00
16	Chief Surveyor	3,000,000.00	39	Chief Technician	1,500,000.00
17	Surveyors	1,500,000.00	40	Mechanical Technicians	1,200,000.00
18	Field Survey Assistants	600,000.00	41	Electrical Technicians	1,200,000.00
19	Drillers	1,500,000.00	42	Security Manager	3,000,000.00
20	Blasters	3,000,000.00	43	Security Supervisors	1,500,000.00
21	Rigger Assistants	3,000,000.00	44	Internal Security Guards	600,000.00
22	CIL Plant Manager	4,000,000.00	45	General Mining Labourers	400,000.00
23	CIL Plant Superintendent	1,500,000.00			

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

**ASSUMPTIONS**

	Qty	Unit
Av. Fuel Consumption for Admn. Vehicles	5	Litres/Day
Work time Vs down time	80%	

**INVESTMENT AND REINVESTMENT**
**Administration Vehicles**

Fig. in Nos.

S/N	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Toyota Pickup	10	10	10	10	10	10	10	10	10	10
2	Toyota Land Cruiser	1	1	1	1	1	1	1	1	1	1
	<b>Total Administration Fleet</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>

**Fuel Consumption for Administration Vehicles - Petrol**

S/N	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1	Toyota Pickup	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
2	Toyota Land Cruiser	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	<b>Total Annual Petrol Consumption</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>

**Fuel Consumption Summary**

S/N	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2	Petrol Consumption	15,840	15,840	15,840	15,840	15,840	15,840	15,840	15,840	15,840	15,840
	<b>Total Consumption</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>	<b>15,840</b>

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### CAPITAL INVESTMENT

Item	CAPEX PER UNIT COST					SUMMARY of CAPEX: Fig. in TZS				Remarks
	Qty	Rate (Fig. in USD)	Rate (Fig. in TZS)	Amount (Fig. in USD)	Amount (Fig. in TZS)	Available		Addition		
						Amount (Fig. in USD)	Amount (Fig. in TZS)	Amount (Fig. in USD)	Amount (Fig. in TZS)	
<b>Buildings and Civil Works</b>				<b>1,782,660.00</b>	<b>4,100,000,000.00</b>	-	-	<b>1,782,660.00</b>	<b>4,100,000,000.00</b>	
Buildings	1	1,347,860.00	3,100,000,000.00	1,347,860.00	3,100,000,000.00	-	-	1,347,860.00	3,100,000,000.00	Capex details
Construction of TSF	1	434,800.00	1,000,000,000.00	434,800.00	1,000,000,000.00	-	-	434,800.00	1,000,000,000.00	
<b>Plant and Machinery</b>				<b>5,660,873.00</b>	<b>13,021,821,900.00</b>	-	-	<b>5,660,873.00</b>	<b>13,021,821,900.00</b>	
CIL Plant (Complete)	1	1,354,053.00	3,114,321,900.00	1,354,053.00	3,114,321,900.00	-	-	1,354,053.00	3,114,321,900.00	Invoice
Generator for CIL Plant	1	200,000.00	460,000,000.00	200,000.00	460,000,000.00	-	-	200,000.00	460,000,000.00	
CIL Plant Equipments & Accessories	1	1,399,210.00	3,220,000,000.00	1,399,210.00	3,220,000,000.00	-	-	1,399,210.00	3,220,000,000.00	
Mining Plant and Equipments	1	1,750,000.00	4,025,000,000.00	1,750,000.00	4,025,000,000.00	-	-	1,750,000.00	4,025,000,000.00	
Other Equipments	1	957,610.00	2,202,500,000.00	957,610.00	2,202,500,000.00	-	-	957,610.00	2,202,500,000.00	
<b>Motor Vehicles</b>				<b>724,800.00</b>	<b>1,667,000,000.00</b>	<b>434,800.00</b>	<b>1,000,000,000.00</b>	<b>290,000.00</b>	<b>667,000,000.00</b>	
Trucks for Mining Operations	1	290,000.00	667,000,000.00	290,000.00	667,000,000.00	-	-	290,000.00	667,000,000.00	
Other Vehicles for Administration	1	434,800.00	1,000,000,000.00	434,800.00	1,000,000,000.00	434,800.00	1,000,000,000.00	-	-	
<b>Office Equipments, Fixtures and Fittings</b>				<b>54,550.00</b>	<b>124,700,000.00</b>	<b>54,550.00</b>	<b>124,700,000.00</b>	-	-	
Office Equipments	1	24,120.00	54,700,000.00	24,120.00	54,700,000.00	24,120.00	54,700,000.00	-	-	
Fixtures and Fittings	1	30,430.00	70,000,000.00	30,430.00	70,000,000.00	30,430.00	70,000,000.00	-	-	
<b>Working Capital</b>				<b>3,804,388.00</b>	<b>8,750,000,000.00</b>	<b>2,500,040.00</b>	<b>5,750,000,000.00</b>	<b>1,304,348.00</b>	<b>3,000,000,000.00</b>	
Pre-operating Expenses	1	2,500,040.00	5,750,000,000.00	2,500,040.00	5,750,000,000.00	2,500,040.00	5,750,000,000.00	-	-	
Working Capital	1	1,304,348.00	3,000,000,000.00	1,304,348.00	3,000,000,000.00	-	-	1,304,348.00	3,000,000,000.00	
<b>TOTAL ESTIMATED PROJECT COSTS</b>				<b>12,027,271.00</b>	<b>27,663,521,900.00</b>	<b>2,989,390.00</b>	<b>6,874,700,000.00</b>	<b>9,037,881.00</b>	<b>20,788,821,900.00</b>	
<b>Financing Structure Schedule</b>		<b>Fig. in USD</b>	<b>Fig. in TZS</b>							
<b>Equity</b>	<b>30.3%</b>	<b>3,641,590.00</b>	<b>8,374,700,000.00</b>							
Existing Equity from the Promotor	82.1%	2,989,390.00	6,874,700,000.00							
Additional Equity from the Promotor	17.9%	652,200.00	1,500,000,000.00							
<b>Debt</b>	<b>69.7%</b>	<b>8,385,681.00</b>	<b>19,288,821,900.00</b>							
Loan from Financial Institution(s)	69.7%	8,385,681.00	19,288,821,900.00							
<b>Total Investment Costs</b>	<b>100%</b>	<b>12,027,271.00</b>	<b>27,663,521,900.00</b>							

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

## CAPEXDETAILS

Exchange Rate USD/TZS

S/N	Description	Qty	Rate (Fig. in USD)	Rate (Fig. in TZS)	Amount (Fig. in USD)	Amount (Fig. in TZS)	Available		Addition	
							Amount (Fig. in USD)	Amount (Fig. in TZS)	Amount (Fig. in USD)	Amount (Fig. in TZS)
1	<b>Building and Civil Works</b>				<b>1,782,660.00</b>	<b>4,100,000,000.00</b>	-	-	<b>1,782,660.00</b>	<b>4,100,000,000.00</b>
	Construction - Plant	1	869,600.00	2,000,000,000.00	869,600.00	2,000,000,000.00			869,600.00	2,000,000,000.00
	Construction of TSF	1	434,800.00	1,000,000,000.00	434,800.00	1,000,000,000.00			434,800.00	1,000,000,000.00
					<b>478,260.00</b>	<b>1,100,000,000.00</b>	-	-	<b>478,260.00</b>	<b>1,100,000,000.00</b>
	Construction - Staff houses	1	217,390.00	500,000,000.00	217,390.00	500,000,000.00			217,390.00	500,000,000.00
	Construction of Warehouses (Chemicals & Lime)	1	217,390.00	500,000,000.00	217,390.00	500,000,000.00			217,390.00	500,000,000.00
	Construction of Fuel station - 120,000litres	1	43,480.00	100,000,000.00	43,480.00	100,000,000.00			43,480.00	100,000,000.00
2	<b>Plant and Machinery</b>				<b>5,660,873.00</b>	<b>13,021,821,900.00</b>	-	-	<b>5,660,873.00</b>	<b>13,021,821,900.00</b>
	<b>Procesing Plant</b>				<b>1,554,053.00</b>	<b>3,574,321,900.00</b>	-	-	<b>1,554,053.00</b>	<b>3,574,321,900.00</b>
	CIL Processing Plant (Complete)	1	1,354,053.00	3,114,321,900.00	1,354,053.00	3,114,321,900.00			1,354,053.00	3,114,321,900.00
	Generator - for Processing Plant 1500kVA	1	200,000.00	460,000,000.00	200,000.00	460,000,000.00			200,000.00	460,000,000.00
	<b>CIL Plant Equipments &amp; Accessories</b>				<b>1,399,210.00</b>	<b>3,220,000,000.00</b>	-	-	<b>1,399,210.00</b>	<b>3,220,000,000.00</b>
	Still Balls	350	1,240.00	2,857,142.86	434,000.00	1,000,000,000.00			434,000.00	1,000,000,000.00
	Plant - Spare Parts - 6months	1	200,000.00	460,000,000.00	200,000.00	460,000,000.00			200,000.00	460,000,000.00
	Amald Cable & Pannel - Installation	1	217,390.00	500,000,000.00	217,390.00	500,000,000.00			217,390.00	500,000,000.00
	Fencing Wire	1	130,430.00	300,000,000.00	130,430.00	300,000,000.00			130,430.00	300,000,000.00
	TSF Capet	1	200,000.00	460,000,000.00	200,000.00	460,000,000.00			200,000.00	460,000,000.00
	Laboratory Equipments	1	217,390.00	500,000,000.00	217,390.00	500,000,000.00			217,390.00	500,000,000.00
	<b>Mining Plant and Equipments</b>				<b>1,750,000.00</b>	<b>4,025,000,000.00</b>	-	-	<b>1,750,000.00</b>	<b>4,025,000,000.00</b>
	Excavator - 20 to 45 tons	1	225,000.00	517,500,000.00	225,000.00	517,500,000.00			225,000.00	517,500,000.00
	Bulldozer - 38tonnes	1	350,000.00	805,000,000.00	350,000.00	805,000,000.00			350,000.00	805,000,000.00
	Motor Grader	1	200,000.00	460,000,000.00	200,000.00	460,000,000.00			200,000.00	460,000,000.00
	Roller	1	100,000.00	230,000,000.00	100,000.00	230,000,000.00			100,000.00	230,000,000.00
	Wheel Loader	1	150,000.00	345,000,000.00	150,000.00	345,000,000.00			150,000.00	345,000,000.00
	Heavy duty mining compressor	4	50,000.00	115,000,000.00	200,000.00	460,000,000.00			200,000.00	460,000,000.00
	Winch 10 to 20 tons (450m)	1	125,000.00	287,500,000.00	125,000.00	287,500,000.00			125,000.00	287,500,000.00
	Winch 5 to 10 tons (450m)	1	75,000.00	172,500,000.00	75,000.00	172,500,000.00			75,000.00	172,500,000.00
	Spare parts for Winch (complete) - 3 tons	1	100,000.00	230,000,000.00	100,000.00	230,000,000.00			100,000.00	230,000,000.00
	Crane 18 to 50 ton	1	225,000.00	517,500,000.00	225,000.00	517,500,000.00			225,000.00	517,500,000.00

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

## CAPEXDETAILS

Exchange Rate USD/TZS

S/N	Description	Qty	Rate (Fig. in USD)	Rate (Fig. in TZS)	Amount (Fig. in USD)	Amount (Fig. in TZS)	Available		Addition	
							Amount (Fig. in USD)	Amount (Fig. in TZS)	Amount (Fig. in USD)	Amount (Fig. in TZS)
	<b>Other Equipments</b>				<b>957,610.00</b>	<b>2,202,500,000.00</b>	-	-	<b>957,610.00</b>	<b>2,202,500,000.00</b>
	Workshop Equipment - for Processing Plant	1	86,960.00	200,000,000.00	86,960.00	200,000,000.00			86,960.00	200,000,000.00
	Workshop Equipment - for Vehicles and Other Plants	1	43,480.00	100,000,000.00	43,480.00	100,000,000.00			43,480.00	100,000,000.00
	Shipment Container	50	3,500.00	8,050,000.00	175,000.00	402,500,000.00			175,000.00	402,500,000.00
	Clearing, port charges and shipment charges	1	652,170.00	1,500,000,000.00	652,170.00	1,500,000,000.00			652,170.00	1,500,000,000.00
<b>3</b>	<b>Motor Vehicles</b>				<b>724,800.00</b>	<b>1,667,000,000.00</b>	<b>434,800.00</b>	<b>1,000,000,000.00</b>	<b>290,000.00</b>	<b>667,000,000.00</b>
	<b>Trucks for Mining Operations</b>				<b>290,000.00</b>	<b>667,000,000.00</b>	-	-	<b>290,000.00</b>	<b>667,000,000.00</b>
	Heavy duty Tipper Trucks - 18 tons	2	85,000.00	195,500,000.00	170,000.00	391,000,000.00			170,000.00	391,000,000.00
	Heavy duty Tipper Trucks - 25 tons	1	120,000.00	276,000,000.00	120,000.00	276,000,000.00			120,000.00	276,000,000.00
	<b>Other Vehicles for Administration</b>				<b>434,800.00</b>	<b>1,000,000,000.00</b>	<b>434,800.00</b>	<b>1,000,000,000.00</b>	-	-
	Toyota Pickup	10	43,480.00	100,000,000.00	434,800.00	1,000,000,000.00	434,800.00	1,000,000,000.00		
<b>4</b>	<b>Office Equipments, Fixtures and Fittings</b>				<b>54,550.00</b>	<b>124,700,000.00</b>	<b>54,550.00</b>	<b>124,700,000.00</b>	-	-
	Computers	20	570.00	1,300,000.00	11,400.00	26,000,000.00	11,400.00	26,000,000.00		
	Printers	2	260.00	600,000.00	520.00	1,200,000.00	520.00	1,200,000.00		
	Radio Calls	50	70.00	150,000.00	3,500.00	7,500,000.00	3,500.00	7,500,000.00		
	Safety Gears	1	8,700.00	20,000,000.00	8,700.00	20,000,000.00	8,700.00	20,000,000.00		
	Fixtures and Fittings	1	30,430.00	70,000,000.00	30,430.00	70,000,000.00	30,430.00	70,000,000.00		
<b>5</b>	<b>Pre-Operating Costs &amp; Working Capital</b>				<b>3,804,388.00</b>	<b>8,750,000,000.00</b>	<b>2,500,040.00</b>	<b>5,750,000,000.00</b>	<b>1,304,348.00</b>	<b>3,000,000,000.00</b>
	<b>Pre-Operating Costs</b>				<b>2,500,040.00</b>	<b>5,750,000,000.00</b>	<b>2,500,040.00</b>	<b>5,750,000,000.00</b>	-	-
	Feasibility and EIA	1	43,480.00	100,000,000.00	43,480.00	100,000,000.00	43,480.00	100,000,000.00		
	Government permits i.e. MEM & MOW TSF, Lake Victoria Basin Permit, Fire, Osha, Land ownership, Tittle deed	1	21,740.00	50,000,000.00	21,740.00	50,000,000.00	21,740.00	50,000,000.00		
	Compensation cost	1	260,870.00	600,000,000.00	260,870.00	600,000,000.00	260,870.00	600,000,000.00		
	Preliminary Costs - Drilling and Laboratory	1	1,304,350.00	3,000,000,000.00	1,304,350.00	3,000,000,000.00	1,304,350.00	3,000,000,000.00		
	Salary - 10months	10	86,960.00	200,000,000.00	869,600.00	2,000,000,000.00	869,600.00	2,000,000,000.00		
	<b>Working Capital</b>				<b>1,304,348.00</b>	<b>3,000,000,000.00</b>	-	-	<b>1,304,348.00</b>	<b>3,000,000,000.00</b>
	Operating costs (chemicals, fuel & salary) - 3 months	1	1,304,348.00	3,000,000,000.00	1,304,348.00	3,000,000,000.00			1,304,348.00	3,000,000,000.00
	<b>Total Investment Cost for the Project</b>				<b>12,027,271.00</b>	<b>27,663,521,900.00</b>	<b>2,989,390.00</b>	<b>6,874,700,000.00</b>	<b>9,037,881.00</b>	<b>20,788,821,900.00</b>

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

INVESTMENT AND REINVESTMENT				Fig. in TZS '000									
MAKE	QTY	Rate (Fig. in TZS)	Value (Fig. in TZS)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Buildings and Civil Works</b>			<b>4,100,000,000.00</b>	<b>4,100,000,000.00</b>	-	-	-	-	-	-	-	-	-
Buildings	1	3,100,000,000.00	3,100,000,000.00	3,100,000,000.00									
Construction of TSF	1	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00									
<b>Plant and Machinery</b>			<b>13,021,821,900.00</b>	<b>13,021,821,900.00</b>	-	-	-	-	-	-	-	-	-
CIL Plant	1	3,114,321,900.00	3,114,321,900.00	3,114,321,900.00									
Generator for CIL Plant	1	460,000,000.00	460,000,000.00	460,000,000.00									
CIL Plant Equipments & Accessories	1	3,220,000,000.00	3,220,000,000.00	3,220,000,000.00									
Mining Plant and Equipments	1	4,025,000,000.00	4,025,000,000.00	4,025,000,000.00									
Other Equipments	1	2,202,500,000.00	2,202,500,000.00	2,202,500,000.00									
<b>Motor Vehicles</b>			<b>1,667,000,000.00</b>	<b>1,667,000,000.00</b>	-	-	-	-	-	-	-	-	-
Trucks for Mining Operations	1	667,000,000.00	667,000,000.00	667,000,000.00									
Other Vehicles for Administration	1	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00									
<b>Office Equipments, Fixtures and Fittings</b>			<b>124,700,000.00</b>	<b>124,700,000.00</b>	-	-	-	-	-	-	-	-	-
Office Equipments	1	54,700,000.00	54,700,000.00	54,700,000.00									
Fixtures and Fittings	1	70,000,000.00	70,000,000.00	70,000,000.00									
<b>Working Capital</b>			<b>8,750,000,000.00</b>	<b>8,750,000,000.00</b>	-	-	-	-	-	-	-	-	-
Pre-operating Expenses	1	5,750,000,000.00	5,750,000,000.00	5,750,000,000.00									
Working Capital	1	3,000,000,000.00	3,000,000,000.00	3,000,000,000.00									
<b>TOTAL ESTIMATED PROJECT COSTS</b>			<b>27,663,521,900.00</b>	<b>27,663,521,900.00</b>	-	-	-	-	-	-	-	-	-

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### REVENUE PROJECTION

Fig. in TZS '000

Item/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Capacity Utilisation</i>	85%	90%	95%	95%	95%	95%	95%	95%	95%	95%
<b>ORE AND WASTE PRODUCTION</b>										
<b>Underground Sources - Underground Mine</b>										
Underground Extraction Yield/Year	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
<b>TOTAL UNDERGROUND PIT TONNES MINED (Tonnes)</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>
<b>WASTE</b>										
Waste Tonnes (5%)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
<b>ORES TRANSPORTED (HG &amp; MG) (Tonnes)</b>										
<b>STOCKPILE</b>										
Tonnes (tonne) - t	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000
<b>TONNES PROCESSED &amp; METALS PRODUCED</b>										
<b>Ore Tonnes Processed - HG &amp; MG Processed</b>										
Tonnes (tonne) - t	96,900.00	102,600.00	108,300.00	108,300.00	108,300.00	108,300.00	108,300.00	108,300.00	108,300.00	108,300.00
Average Grade (grams/tonne) - g/t	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09
Metal (grams) - g	299,421.00	317,034.00	334,647.00	334,647.00	334,647.00	334,647.00	334,647.00	334,647.00	334,647.00	334,647.00
Metallurgical Recovery (90%) - Metal (grams) - g	284,449.95	301,182.30	317,914.65	317,914.65	317,914.65	317,914.65	317,914.65	317,914.65	317,914.65	317,914.65
Metal (Ounces) - oz	9,145.28	9,683.24	10,221.19	10,221.19	10,221.19	10,221.19	10,221.19	10,221.19	10,221.19	10,221.19
<b>REVENUE FORECASTS AND ROYALTIES</b>										
Underground Pit Mine Operation Revenue	36,810,000.00	38,975,000.00	41,140,000.00	41,140,000.00	41,140,000.00	41,140,000.00	41,140,000.00	41,140,000.00	41,140,000.00	41,140,000.00
	<b>36,810,000.00</b>	<b>38,975,000.00</b>	<b>41,140,000.00</b>	<b>41,140,000.00</b>	<b>41,140,000.00</b>	<b>41,140,000.00</b>	<b>41,140,000.00</b>	<b>41,140,000.00</b>	<b>41,140,000.00</b>	<b>41,140,000.00</b>
Add: Sales Revenue Growth Rate	0.00	1,948,750.00	2,057,000.00	2,057,000.00	2,057,000.00	2,057,000.00	2,057,000.00	2,057,000.00	2,057,000.00	2,057,000.00
<b>Total Underground Pit Mine Operation Revenue</b>	<b>36,810,000.00</b>	<b>40,923,750.00</b>	<b>43,197,000.00</b>	<b>43,197,000.00</b>	<b>43,197,000.00</b>	<b>43,197,000.00</b>	<b>43,197,000.00</b>	<b>43,197,000.00</b>	<b>43,197,000.00</b>	<b>43,197,000.00</b>
<b>Royalties</b>	<b>2,209,000.00</b>	<b>2,455,000.00</b>	<b>2,592,000.00</b>	<b>2,592,000.00</b>	<b>2,592,000.00</b>	<b>2,592,000.00</b>	<b>2,592,000.00</b>	<b>2,592,000.00</b>	<b>2,592,000.00</b>	<b>2,592,000.00</b>
Royalties - 6%	2,209,000.00	2,455,000.00	2,592,000.00	2,592,000.00	2,592,000.00	2,592,000.00	2,592,000.00	2,592,000.00	2,592,000.00	2,592,000.00
<b>Net Sales Revenue from Mining Operation</b>	<b>34,601,000.00</b>	<b>38,468,750.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>
<i>Sensitivity Factor</i>	100%									
<b>TOTAL RENTAL INCOME</b>	<b>34,601,000.00</b>	<b>38,468,750.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>
Average Annual Sales Revenue	TZS 39,791,000.00									
Average Semi Annual Sales Revenue	TZS 19,896,000.00									
Average Monthly Sales Revenue	TZS 3,316,000.00									

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### PROJECTED CASHFLOW STATEMENT

Fig. in TZS '000

Item/Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>INFLOWS</b>											
Owners Equity	8,374,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan from Financial Institution	19,288,821.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Cost Capitalised	3,664,875.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income Before Taxation	0.00	14,085,955.42	10,553,811.07	16,352,055.45	17,243,061.40	18,131,356.62	18,149,279.64	18,165,121.11	18,179,138.06	18,191,555.43	18,202,570.12
Depreciation & Amortisation	0.00	2,055,962.50	2,026,327.19	2,000,224.09	1,977,215.12	1,956,916.89	188,993.87	173,152.40	159,135.45	146,718.08	135,703.39
Change in A/C Payable	0.00	1,092,700.00	24,200.00	24,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Inflows</b>	<b>31,328,397.84</b>	<b>17,234,617.92</b>	<b>12,604,338.26</b>	<b>18,376,579.54</b>	<b>19,220,276.53</b>	<b>20,088,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>
<b>OUTFLOWS</b>											
Investment and reinvestment costs	18,913,521.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capitalised Interest	3,664,875.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Inventory	0.00	728,500.00	16,100.00	16,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in A/C Receivable	0.00	2,843,900.00	317,900.00	175,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Repayment	0.00	4,822,205.48	4,822,205.48	4,822,205.48	4,822,205.48	0.00	0.00	0.00	0.00	0.00	0.00
Pre-operating Costs	8,750,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxation	0.00	4,225,786.63	3,166,143.32	4,905,616.64	5,172,918.42	5,439,406.98	5,444,783.89	5,449,536.33	5,453,741.42	5,457,466.63	5,460,771.04
<b>Total Outflows</b>	<b>31,328,397.84</b>	<b>12,620,392.10</b>	<b>8,322,348.80</b>	<b>9,919,622.11</b>	<b>9,995,123.90</b>	<b>5,439,406.98</b>	<b>5,444,783.89</b>	<b>5,449,536.33</b>	<b>5,453,741.42</b>	<b>5,457,466.63</b>	<b>5,460,771.04</b>
Net Cash Inflows	0.00	4,614,000.00	4,282,000.00	8,457,000.00	9,225,000.00	14,649,000.00	12,893,000.00	12,889,000.00	12,885,000.00	12,881,000.00	12,878,000.00
Opening Cash Balance	0.00										
Closing Cash Balance	0.00	4,614,000.00	8,896,000.00	17,353,000.00	26,578,000.00	41,227,000.00	54,120,000.00	67,009,000.00	79,894,000.00	92,775,000.00	105,653,000.00

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### PROFITABILITY ANALYSIS

Fig. in TZS '000

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10
<b>INFLOWS:</b>											
Net Income Before Taxation	0.00	14,085,955.42	10,553,811.07	16,352,055.45	17,243,061.40	18,131,356.62	18,149,279.64	18,165,121.11	18,179,138.06	18,191,555.43	18,202,570.12
Depreciation & Amortisation	0.00	2,055,962.50	2,026,327.19	2,000,224.09	1,977,215.12	1,956,916.89	188,993.87	173,152.40	159,135.45	146,718.08	135,703.39
<b>Total Inflows</b>	<b>0.00</b>	<b>16,141,917.92</b>	<b>12,580,138.26</b>	<b>18,352,279.54</b>	<b>19,220,276.53</b>	<b>20,088,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>	<b>18,338,273.51</b>
<b>OUTFLOWS:</b>											
Investment and Reinvestment	22,578,397.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Repayment	0.00	4,822,205.48	4,822,205.48	4,822,205.48	4,822,205.48	0.00	0.00	0.00	0.00	0.00	0.00
Pre-Operating Cost	8,750,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxation	0.00	4,225,786.63	3,166,143.32	4,905,616.64	5,172,918.42	5,439,406.98	5,444,783.89	5,449,536.33	5,453,741.42	5,457,466.63	5,460,771.04
<b>Total outflows</b>	<b>31,328,397.84</b>	<b>9,047,992.10</b>	<b>7,988,348.80</b>	<b>9,727,822.11</b>	<b>9,995,123.90</b>	<b>5,439,406.98</b>	<b>5,444,783.89</b>	<b>5,449,536.33</b>	<b>5,453,741.42</b>	<b>5,457,466.63</b>	<b>5,460,771.04</b>
<b>Free cash flow to equity</b>	<b>(31,328,397.84)</b>	<b>7,093,925.82</b>	<b>4,591,789.46</b>	<b>8,624,457.43</b>	<b>9,225,152.63</b>	<b>14,648,866.53</b>	<b>12,893,489.62</b>	<b>12,888,737.18</b>	<b>12,884,532.09</b>	<b>12,880,806.88</b>	<b>12,877,502.47</b>
Net Cashflow	(31,328,397.84)	7,093,925.82	4,591,789.46	8,624,457.43	9,225,152.63	14,648,866.53	12,893,489.62	12,888,737.18	12,884,532.09	12,880,806.88	12,877,502.47
Discounted Cashflow	(31,328,397.84)	6,011,801.54	3,297,751.70	5,249,111.05	4,758,231.10	6,403,154.57	4,776,155.21	4,046,097.25	3,427,777.26	2,904,056.11	2,460,433.15
Cummulative Discounted Cashflows	(31,328,397.84)	(25,316,596.30)	(22,018,844.61)	(16,769,733.55)	(12,011,502.46)	(5,608,347.89)	(832,192.69)	3,213,904.56	6,641,681.82	9,545,737.93	12,006,171.08
Cummulative Undiscounted Cashflows	(31,328,397.84)	(24,234,472.02)	(19,642,682.56)	(11,018,225.13)	(1,793,072.50)	12,855,794.02	25,749,283.64	38,638,020.82	51,522,552.91	64,403,359.79	77,280,862.27
<b>PROFITABILITY INDICATORS</b>											
<b>Item/Year</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
Gross Margin		74%	76%	77%	77%	77%	77%	77%	77%	77%	77%
EBITDA Margin		63%	65%	66%	66%	66%	66%	66%	66%	66%	66%
Net Income Margin		28%	19%	28%	30%	31%	31%	31%	31%	31%	31%
Asset Turnover		1.06	1.09	0.97	0.83	0.66	0.54	0.47	0.41	0.36	0.32
ROA		29%	20%	27%	24%	20%	17%	14%	13%	11%	10%
ROE		30%	21%	27%	25%	21%	17%	15%	13%	11%	10%
DSCR	1.93	2.11	1.26	2.05	2.31	0.00	0.00	0.00	0.00	0.00	0.00
Average ROI/ROE	18.9%										
Discounted Payback Period	6.33	Years									
Normal Payback Period	4.24	Years									
IRR	26.4%										
NPV at 18.00%	12,006,000.00	TZS									

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### PROFITABILITY ANALYSIS

Item	Amount (Fig. in TZS, 000')
Net Cumm. Income- net of CAPEX	117,077,000.00
Add: Residual Value	16,844,000.00
	<b>133,921,000.00</b>
Less: CAPEX	27,664,000.00
<b>Project Profit</b>	<b>106,257,000.00</b>

For the 10years Analysis

Fig. in TZS '000

S/N	Item	Total Sales Revenue	Plant & Equipments Residual Value	Total Sales & Plant Residual Value	Costs				Revenue /Cost Analysis
					Loan	Operating Costs	Equity Funds	Total Costs	
1	Annual Average Sales Revenue/Costs	TZS 39,791,000.00	TZS 1,684,400.00	<b>TZS 41,475,400.00</b>	TZS 4,899,000.00	TZS 14,079,000.00	TZS 8,374,700.00	<b>TZS 27,352,700.00</b>	1.52
2	Semi-Annual Average Sales Revenue/Costs	TZS 19,896,000.00	TZS 842,200.00	<b>TZS 20,738,200.00</b>	TZS 2,450,000.00	TZS 7,040,000.00	TZS 4,187,350.00	<b>TZS 13,677,350.00</b>	1.52
3	Monthly Average Sales Revenue/Costs	TZS 3,316,000.00	TZS 140,366.67	<b>TZS 3,456,366.67</b>	TZS 408,000.00	TZS 1,173,000.00	TZS 697,891.67	<b>TZS 2,278,891.67</b>	1.52

#### Sensitivity Analysis

Financial Viability Indicators	Base Case	-10% Sales Revenue from Mining Operations	+10% Operating Costs	-5% Sales Revenue and +5% Operating Cost	Gold Price = USD 1600/Oz
Net Present Value (NPV)	TZS 12,006,000.00	TZS 2,620,000.00	TZS 8,114,000.00	TZS 5,368,000.00	TZS 3,961,000.00
Internal Rate of Return (IRR)	26.4%	19.9%	23.7%	21.8%	20.8%
Average Return on Investments (ARol)	18.9%	17.9%	18.6%	18.2%	18.1%
Payback Period - Normal (PBP - N)	4.24 Years	4.94 Years	4.51 Years	4.72 Years	4.83 Years
Payback Period - Dynamic (PBP - D)	6.33 Years	8.18 Years	7.02 Years	7.57 Years	7.87 Years

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### BALANCE SHEET PROJECTION

Fig. in TZS '000

Item/Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>CURRENT ASSETS</b>											
Cash in Bank	0.00	4,614,000.00	8,896,000.00	17,353,000.00	26,578,000.00	41,227,000.00	54,120,000.00	67,009,000.00	79,894,000.00	92,775,000.00	105,653,000.00
Debtors (A/C receivable)	0.00	2,843,900.00	3,161,800.00	3,337,400.00	3,337,400.00	3,337,400.00	3,337,400.00	3,337,400.00	3,337,400.00	3,337,400.00	3,337,400.00
Inventory	0.00	728,500.00	744,600.00	760,800.00	760,800.00	760,800.00	760,800.00	760,800.00	760,800.00	760,800.00	760,800.00
Other Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>8,186,400.00</b>	<b>12,802,400.00</b>	<b>21,451,200.00</b>	<b>30,676,200.00</b>	<b>45,325,200.00</b>	<b>58,218,200.00</b>	<b>71,107,200.00</b>	<b>83,992,200.00</b>	<b>96,873,200.00</b>	<b>109,751,200.00</b>
<b>CURRENT LIABILITIES</b>											
Trade Creditors (A/C payable)	0.00	1,092,700.00	1,116,900.00	1,141,200.00	1,141,200.00	1,141,200.00	1,141,200.00	1,141,200.00	1,141,200.00	1,141,200.00	1,141,200.00
Bank Overdraft	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Creditors & Accruals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building Residual Value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>1,092,700.00</b>	<b>1,116,900.00</b>	<b>1,141,200.00</b>	<b>1,141,200.00</b>	<b>1,141,200.00</b>	<b>1,141,200.00</b>	<b>1,141,200.00</b>	<b>1,141,200.00</b>	<b>1,141,200.00</b>	<b>1,141,200.00</b>
<b>NET CURRENT ASSETS</b>	<b>0.00</b>	<b>7,093,700.00</b>	<b>11,685,500.00</b>	<b>20,310,000.00</b>	<b>29,535,000.00</b>	<b>44,184,000.00</b>	<b>57,077,000.00</b>	<b>69,966,000.00</b>	<b>82,851,000.00</b>	<b>95,732,000.00</b>	<b>108,610,000.00</b>
FIXED ASSETS (NET)	18,913,521.90	18,607,521.90	18,331,521.90	18,081,521.90	17,854,521.90	17,647,521.90	17,458,521.90	17,285,521.90	17,126,521.90	16,979,521.90	16,843,521.90
Add: Pre-Operation Costs (Net)	8,750,000.00	7,000,000.00	5,250,000.00	3,500,000.00	1,750,000.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>27,663,520.00</b>	<b>32,701,220.00</b>	<b>35,267,020.00</b>	<b>41,891,520.00</b>	<b>49,139,520.00</b>	<b>61,831,520.00</b>	<b>74,535,520.00</b>	<b>87,251,520.00</b>	<b>99,977,520.00</b>	<b>112,711,520.00</b>	<b>125,453,520.00</b>
<b>FINANCED BY:</b>											
Promoter's Funds	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00	8,374,700.00
Loan	19,288,821.90	14,466,616.43	9,644,410.95	4,822,205.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/(Deficit) Account	0.00	9,860,000.00	17,248,000.00	28,694,000.00	40,764,000.00	53,456,000.00	66,160,000.00	78,876,000.00	91,601,000.00	104,335,000.00	117,077,000.00
<b>TOTAL</b>	<b>27,663,521.90</b>	<b>32,701,316.43</b>	<b>35,267,110.95</b>	<b>41,890,905.48</b>	<b>49,138,700.00</b>	<b>61,830,700.00</b>	<b>74,534,700.00</b>	<b>87,250,700.00</b>	<b>99,975,700.00</b>	<b>112,709,700.00</b>	<b>125,451,700.00</b>

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

## PROJECTED INCOME STATEMENT

Fig. in TZS '000

Item/Year	1	2	3	4	5	6	7	8	9	10
<b>Total Sales Revenue</b>	<b>34,601,000.00</b>	<b>38,468,750.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>	<b>40,605,000.00</b>
Sales Revenue from Matchbox	34,601,000.00	38,468,750.00	40,605,000.00	40,605,000.00	40,605,000.00	40,605,000.00	40,605,000.00	40,605,000.00	40,605,000.00	40,605,000.00
<b>Cost of Sales or Direct Costs</b>	<b>8,863,050.00</b>	<b>9,059,700.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>
Cost of Sales (See Project Cost Sheet)	8,863,050.00	9,059,700.00	9,256,350.00	9,256,350.00	9,256,350.00	9,256,350.00	9,256,350.00	9,256,350.00	9,256,350.00	9,256,350.00
<b>Gross Margin (Net Revenues)</b>	<b>25,737,950.00</b>	<b>29,409,050.00</b>	<b>31,348,650.00</b>	<b>31,348,650.00</b>	<b>31,348,650.00</b>	<b>31,348,650.00</b>	<b>31,348,650.00</b>	<b>31,348,650.00</b>	<b>31,348,650.00</b>	<b>31,348,650.00</b>
<b>Operating Costs</b>	<b>3,991,853.44</b>	<b>4,326,693.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>
Electricity bills	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00
Water bills	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00
Other office expenses	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Communication costs	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Repair & Mtnc Cost - Plant/Equipement & Veh.	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44
Motor vehicle fuel cost for admin - Petrol	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00
Salaries and Wages	2,534,805.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00
Corporate Social Responsibility (CSR)	692,000.00	769,400.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00
Legal and Consultancy Fees	173,000.00	192,300.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00
<b>Income from Operations (EBITDA)</b>	<b>21,746,096.56</b>	<b>25,082,356.56</b>	<b>26,968,556.56</b>	<b>26,968,556.56</b>	<b>26,968,556.56</b>	<b>26,968,556.56</b>	<b>26,968,556.56</b>	<b>26,968,556.56</b>	<b>26,968,556.56</b>	<b>26,968,556.56</b>
<b>Non - Operating Costs</b>	<b>7,660,141.14</b>	<b>14,528,545.49</b>	<b>10,616,501.11</b>	<b>9,725,495.16</b>	<b>8,837,199.95</b>	<b>8,819,276.92</b>	<b>8,803,435.45</b>	<b>8,789,418.50</b>	<b>8,777,001.13</b>	<b>8,765,986.44</b>
VAT	5,278,118.64	5,868,114.41	6,193,983.05	6,193,983.05	6,193,983.05	6,193,983.05	6,193,983.05	6,193,983.05	6,193,983.05	6,193,983.05
Royalties	2,076,060.00	2,308,125.00	2,436,300.00	2,436,300.00	2,436,300.00	2,436,300.00	2,436,300.00	2,436,300.00	2,436,300.00	2,436,300.00
Interest Charges	0.00	2,603,990.96	1,735,993.97	867,996.99	0.00	0.00	0.00	0.00	0.00	0.00
Interest Charges Capitalised	0.00	3,471,987.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	305,962.50	276,327.19	250,224.09	227,215.12	206,916.89	188,993.87	173,152.40	159,135.45	146,718.08	135,703.39
<b>Gross Profit</b>	<b>14,085,955.42</b>	<b>10,553,811.07</b>	<b>16,352,055.45</b>	<b>17,243,061.40</b>	<b>18,131,356.62</b>	<b>18,149,279.64</b>	<b>18,165,121.11</b>	<b>18,179,138.06</b>	<b>18,191,555.43</b>	<b>18,202,570.12</b>
<b>Corporate Tax</b>	<b>4,225,786.63</b>	<b>3,166,143.32</b>	<b>4,905,616.64</b>	<b>5,172,918.42</b>	<b>5,439,406.98</b>	<b>5,444,783.89</b>	<b>5,449,536.33</b>	<b>5,453,741.42</b>	<b>5,457,466.63</b>	<b>5,460,771.04</b>
Taxation	4,225,786.63	3,166,143.32	4,905,616.64	5,172,918.42	5,439,406.98	5,444,783.89	5,449,536.33	5,453,741.42	5,457,466.63	5,460,771.04
<b>Net Profit for the Year</b>	<b>9,860,000.00</b>	<b>7,388,000.00</b>	<b>11,446,000.00</b>	<b>12,070,000.00</b>	<b>12,692,000.00</b>	<b>12,704,000.00</b>	<b>12,716,000.00</b>	<b>12,725,000.00</b>	<b>12,734,000.00</b>	<b>12,742,000.00</b>
Cummulative Profit	9,860,000.00	17,248,000.00	28,694,000.00	40,764,000.00	53,456,000.00	66,160,000.00	78,876,000.00	91,601,000.00	104,335,000.00	117,077,000.00
<b>REVENUE SHARING</b>										
Busolwa Mining Limited - 85%	8,381,000.00	6,279,800.00	9,729,100.00	10,259,500.00	10,788,200.00	10,798,400.00	10,808,600.00	10,816,250.00	10,823,900.00	10,830,700.00
Buluwadu 4 Mine Group - 15%	1,479,000.00	1,108,200.00	1,716,900.00	1,810,500.00	1,903,800.00	1,905,600.00	1,907,400.00	1,908,750.00	1,910,100.00	1,911,300.00
<b>Number of Staff</b>	<b>226</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>

<b>BUSOLWA MINING LIMITED - BULUWADU PROJECT</b>										
<b>PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION</b>										
<b>PROJECTED OPERATING COST</b>										
Fig. in TZS '000										
Item/Year	Year 0	Year 1	Year 2	Year 3	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Cost of Sales (Direct Costs)</b>	<b>8,863,050.00</b>	<b>9,059,700.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>	<b>9,256,350.00</b>
Ore Extraction Cost	5,520,000.00	5,520,000.00	5,520,000.00	5,520,000.00	5,520,000.00	5,520,000.00	5,520,000.00	5,520,000.00	5,520,000.00	5,520,000.00
Ore Processing Cost	3,343,050.00	3,539,700.00	3,736,350.00	3,736,350.00	3,736,350.00	3,736,350.00	3,736,350.00	3,736,350.00	3,736,350.00	3,736,350.00
<b>Overhead/Operating Cost</b>	<b>3,991,853.44</b>	<b>4,326,693.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>	<b>4,380,093.44</b>
Electricity bills	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00	144,000.00
Water bills	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00
Other office expenses	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Communication costs	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Repair & Mtnc Cost - Plant/Equipment & Veh.	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44	293,776.44
Motor vehicle fuel cost for admin - Petrol	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00	52,272.00
Salaries and Wages	2,534,805.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00	2,772,945.00
Corporate Social Responsibility (CSR)	692,000.00	769,400.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00	812,100.00
Legal and Consultancy Fees	173,000.00	192,300.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00	203,000.00
<b>Sub-Total Operating Costs</b>	<b>12,854,903.44</b>	<b>13,386,393.44</b>	<b>13,636,443.44</b>	<b>13,636,443.44</b>	<b>13,636,443.44</b>	<b>13,636,443.44</b>	<b>13,636,443.44</b>	<b>13,636,443.44</b>	<b>13,636,443.44</b>	<b>13,636,443.44</b>
Add: Operating Costs Growth Rate	0.00	0.00	682,000.00	682,000.00	682,000.00	682,000.00	682,000.00	682,000.00	682,000.00	682,000.00
<b>Total Operating Costs</b>	<b>12,854,903.44</b>	<b>13,386,393.44</b>	<b>14,318,443.44</b>	<b>14,318,443.44</b>	<b>14,318,443.44</b>	<b>14,318,443.44</b>	<b>14,318,443.44</b>	<b>14,318,443.44</b>	<b>14,318,443.44</b>	<b>14,318,443.44</b>
<i>Operating Cost Sensitivity Factor</i>	<i>100.00%</i>									
<b>TOTAL OPERATING COST</b>	<b>12,855,000.00</b>	<b>13,386,000.00</b>	<b>14,318,000.00</b>	<b>14,318,000.00</b>	<b>14,318,000.00</b>	<b>14,318,000.00</b>	<b>14,318,000.00</b>	<b>14,318,000.00</b>	<b>14,318,000.00</b>	<b>14,318,000.00</b>
<i>Average Production Cost/Oz - Fig. in TZS</i>	<i>1,406,000.00</i>	<i>1,382,000.00</i>	<i>1,401,000.00</i>	<i>1,401,000.00</i>	<i>1,401,000.00</i>	<i>1,401,000.00</i>	<i>1,401,000.00</i>	<i>1,401,000.00</i>	<i>1,401,000.00</i>	<i>1,401,000.00</i>
<i>Average Production Cost/Oz - Fig. in USD</i>	<i>610.00</i>	<i>600.00</i>	<i>610.00</i>	<i>610.00</i>	<i>610.00</i>	<i>610.00</i>	<i>610.00</i>	<i>610.00</i>	<i>610.00</i>	<i>610.00</i>
Average Annual Operating Costs	TZS 14,079,000.00									
Average Semi Annual Operating Costs	TZS 7,040,000.00									
Average Monthly Operating Costs	TZS 1,173,000.00									

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### LOAN REPAYMENT SCHEDULE

Loan Amount	TZS 19,288,821.90
Capitalised Interest	TZS 3,471,987.94
Add: Facility Fee - 1%	TZS 192,888.00
<b>Capitalised Loan Amount</b>	<b>TZS 22,953,697.84</b>
Repayment Period	5 Years: Semi annual
Annual Interest Rate	18% Per annum
Grace Period	1 Years
Repayment Modality: Semi - annual	8 Installments
Total interest payment	TZS 5,207,981.91
Total principal payment	TZS 19,288,821.90
<b>Total loan amount</b>	<b>TZS 24,496,803.81</b>

Fig. in TZS '000

Item/Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 9	Year 10
Interest Payment	0.00	2,603,990.96	1,735,993.97	867,996.99	0.00	0.00	0.00	0.00	0.00	0.00
Principal Payment	0.00	4,822,205.48	4,822,205.48	4,822,205.48	4,822,205.48	0.00	0.00	0.00	0.00	0.00
Total Principal Balance	19,288,821.90	14,466,616.43	9,644,410.95	4,822,205.48	0.00	0.00	0.00	0.00	0.00	0.00
Total Loan Balance	24,496,803.81	17,070,607.38	10,512,407.94	4,822,205.48	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Annual Payment</b>	<b>0.00</b>	<b>7,426,196.43</b>	<b>6,558,199.45</b>	<b>5,690,202.46</b>	<b>4,822,205.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Average Annual Loan Repayment	TZS 4,899,000.00
Average Semi Annual Loan Repayment	TZS 2,450,000.00
Average Monthly Loan repayment	TZS 408,000.00

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

## STAFFING PLAN AND FORECAST

Fig. in Nos.

Staff/Year	Forecast									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Managing Director	1	1	1	1	1	1	1	1	1	1
Human Resource Manager	1	1	1	1	1	1	1	1	1	1
Finance Manager	1	1	1	1	1	1	1	1	1	1
Human Resource Officers	1	2	2	2	2	2	2	2	2	2
Accountants	2	2	2	2	2	2	2	2	2	2
Community Developemnt Officers	1	2	2	2	2	2	2	2	2	2
Drivers	3	3	3	3	3	3	3	3	3	3
Chief Geologist	1	1	1	1	1	1	1	1	1	1
Geologists	2	2	2	2	2	2	2	2	2	2
Geotechnicians	2	2	2	2	2	2	2	2	2	2
Pit Supervisors	2	2	2	2	2	2	2	2	2	2
Mining Engineers	1	1	1	1	1	1	1	1	1	1
Mining Production Supervisors	1	1	1	1	1	1	1	1	1	1
Mining Plant Operators	4	5	5	5	5	5	5	5	5	5
Mining Truck Drivers	5	7	7	7	7	7	7	7	7	7
Chief Surveyor	1	1	1	1	1	1	1	1	1	1
Surveyors	1	1	1	1	1	1	1	1	1	1
Field Survey Assistants	2	2	2	2	2	2	2	2	2	2
Drillers	2	2	2	2	2	2	2	2	2	2
Blasters	2	2	2	2	2	2	2	2	2	2
Rigger Assistants	2	2	2	2	2	2	2	2	2	2
CIL Plant Manager	1	1	1	1	1	1	1	1	1	1
CIL Plant Superintendent	1	1	1	1	1	1	1	1	1	1
Plant Metallurgists	1	1	1	1	1	1	1	1	1	1
CIL Plant Operators - Crushing Unit	1	1	1	1	1	1	1	1	1	1
CIL Plant Operators - Grinding Unit	1	1	1	1	1	1	1	1	1	1
CIL Plant Operators - CIL Tanks & De-watering Unit	1	1	1	1	1	1	1	1	1	1
CIL Plant Operators - Refinery Unit	2	2	2	2	2	2	2	2	2	2
Laboratory Technicians	2	2	2	2	2	2	2	2	2	2
Forklift Operators	2	2	2	2	2	2	2	2	2	2
Health, Safety & Environment Manager	1	1	1	1	1	1	1	1	1	1

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

Health & Safety Coordinators	1	2	2	2	2	2	2	2	2	2
Medical Doctor	1	1	1	1	1	1	1	1	1	1
Nurses	1	1	1	1	1	1	1	1	1	1
Environmental Officers	1	1	1	1	1	1	1	1	1	1
Maintenance Supervisors	1	2	2	2	2	2	2	2	2	2
Fitters	1	2	2	2	2	2	2	2	2	2
Boiler Makers/Welders	1	1	1	1	1	1	1	1	1	1
Chief Technician	1	1	1	1	1	1	1	1	1	1
Mechanical Technicians	2	2	2	2	2	2	2	2	2	2
Electrical Technicians	2	3	3	3	3	3	3	3	3	3
Security Manager	1	1	1	1	1	1	1	1	1	1
Security Supervisors	2	2	2	2	2	2	2	2	2	2
Internal Security Guards	30	30	30	30	30	30	30	30	30	30
General Mining Labourers	130	140	140	140	140	140	140	140	140	140
<b>Total Man Power</b>	<b>226</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>

#### SALARIES AND WAGES FORECAST

Fig. in TZS '000

Item/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Managing Director	117,300.00	117,300.00	117,300.00	117,300.00	117,300.00	117,300.00	117,300.00	117,300.00	117,300.00	117,300.00
Human Resource Manager	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Finance Manager	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Human Resource Officers	30,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Accountants	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Community Developemnt Officers	24,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Drivers	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Chief Geologist	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Geologists	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Geotechnicians	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
Pit Supervisors	55,200.00	55,200.00	55,200.00	55,200.00	55,200.00	55,200.00	55,200.00	55,200.00	55,200.00	55,200.00
Mining Engineers	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Mining Production Supervisors	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Mining Plant Operators	72,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00
Mining Truck Drivers	36,000.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00
Chief Surveyor	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

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

Surveyors	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Field Survey Assistants	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00
Drillers	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
Blasters	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00
Rigger Assistants	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00
CIL Plant Manager	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
CIL Plant Superintendent	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Plant Metallurgists	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00
CIL Plant Operators - Crushing Unit	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
CIL Plant Operators - Grinding Unit	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
CIL Plant Operators - CIL Tanks & De-watering Unit	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
CIL Plant Operators - Refinery Unit	16,800.00	16,800.00	16,800.00	16,800.00	16,800.00	16,800.00	16,800.00	16,800.00	16,800.00	16,800.00
Laboratory Technicians	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Forklift Operators	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
Health, Safety & Environment Manager	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
Health & Safety Coordinators	18,000.00	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
Medical Doctor	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Nurses	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Environmental Officers	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
Maintenance Supervisors	36,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00	72,000.00
Fitters	24,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00	48,000.00
Boiler Makers/Welders	15,600.00	15,600.00	15,600.00	15,600.00	15,600.00	15,600.00	15,600.00	15,600.00	15,600.00	15,600.00
Chief Technician	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Mechanical Technicians	28,800.00	28,800.00	28,800.00	28,800.00	28,800.00	28,800.00	28,800.00	28,800.00	28,800.00	28,800.00
Electrical Technicians	28,800.00	43,200.00	43,200.00	43,200.00	43,200.00	43,200.00	43,200.00	43,200.00	43,200.00	43,200.00
Security Manager	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
Security Supervisors	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
Internal Security Guards	216,000.00	216,000.00	216,000.00	216,000.00	216,000.00	216,000.00	216,000.00	216,000.00	216,000.00	216,000.00
General Mining Labourers	624,000.00	672,000.00	672,000.00	672,000.00	672,000.00	672,000.00	672,000.00	672,000.00	672,000.00	672,000.00
	<b>2,414,100.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>	<b>2,640,900.00</b>
Add: Overtime & Staff Allowances	120,705.00	132,045.00	132,045.00	132,045.00	132,045.00	132,045.00	132,045.00	132,045.00	132,045.00	132,045.00
<b>Total Salaries and Wages</b>	<b>2,534,805.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>	<b>2,772,945.00</b>

## BUSOLWA MINING LIMITED - BULUWADU PROJECT

### PROPOSED INSTALLATION OF CIL GOLD PROCESSING PLANT AND MINE DEVELOPMENT AT BULUMBAKA VILLAGE, BARIADI - SIMIYU REGION

#### DEPRECIATION SCHEDULE

Fig. in TZS '000

Item/Year		Year 0	Year 1	Year 2	Year 3	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building and Civil Works		4,100,000.00	4,018,000.00	3,937,640.00	3,858,887.20	3,781,709.46	3,706,075.27	3,631,953.76	3,559,314.69	3,488,128.39	3,418,365.82
Depreciation of Property: 2% of CAPEX	2.00%	82,000.00	80,360.00	78,752.80	77,177.74	75,634.19	74,121.51	72,639.08	71,186.29	69,762.57	68,367.32
Net Building		4,018,000.00	3,937,640.00	3,858,887.20	3,781,709.46	3,706,075.27	3,631,953.76	3,559,314.69	3,488,128.39	3,418,365.82	3,349,998.51
Plant, Machinery & Equipments		13,021,821.90	11,394,094.16	9,969,832.39	8,723,603.34	7,633,152.93	6,679,008.81	5,844,132.71	5,113,616.12	4,474,414.10	3,915,112.34
Depreciation of Plant, Machinery & Equipments	4.0%	1,627,727.74	1,424,261.77	1,246,229.05	1,090,450.42	954,144.12	834,876.10	730,516.59	639,202.01	559,301.76	489,389.04
Net Plant, Machinery & Equipments		11,394,094.16	9,969,832.39	8,723,603.34	7,633,152.93	6,679,008.81	5,844,132.71	5,113,616.12	4,474,414.10	3,915,112.34	3,425,723.30
Fixtures and Fittings		124,700.00	109,112.50	95,473.44	83,539.26	73,096.85	63,959.74	55,964.78	48,969.18	42,848.03	37,492.03
Depreciation of Fixtures and Fittings	12.5%	15,587.50	13,639.06	11,934.18	10,442.41	9,137.11	7,994.97	6,995.60	6,121.15	5,356.00	4,686.50
Net Fixtures and Fittings		109,112.50	95,473.44	83,539.26	73,096.85	63,959.74	55,964.78	48,969.18	42,848.03	37,492.03	32,805.52
Motor Vehicles		1,667,000.00	1,458,625.00	1,276,296.88	1,116,759.77	977,164.79	855,019.20	748,141.80	654,624.07	572,796.06	501,196.55
Depreciation of Motor Vehicles	25.0%	208,375.00	182,328.13	159,537.11	139,594.97	122,145.60	106,877.40	93,517.72	81,828.01	71,599.51	62,649.57
Net Motor Vehicles		1,458,625.00	1,276,296.88	1,116,759.77	977,164.79	855,019.20	748,141.80	654,624.07	572,796.06	501,196.55	438,546.99
<b>TOTAL DEPRECIATION</b>		<b>305,962.50</b>	<b>276,327.19</b>	<b>250,224.09</b>	<b>227,215.12</b>	<b>206,916.89</b>	<b>188,993.87</b>	<b>173,152.40</b>	<b>159,135.45</b>	<b>146,718.08</b>	<b>135,703.39</b>
Net Fixed Asset		18,913,521.90	16,979,831.66	15,279,242.70	13,782,789.57	12,465,124.03	11,304,063.02	10,280,193.04	9,376,524.06	8,578,186.59	7,872,166.75
Fixed Asset at Cost		18,913,521.90	18,913,521.90	18,913,521.90	18,913,521.90	18,913,521.90	18,913,521.90	18,913,521.90	18,913,521.90	18,913,521.90	18,913,521.90
Accumulated Depreciation		306,000.00	582,000.00	832,000.00	1,059,000.00	1,266,000.00	1,455,000.00	1,628,000.00	1,787,000.00	1,934,000.00	2,070,000.00
<b>Net Asset</b>		<b>18,607,521.90</b>	<b>18,331,521.90</b>	<b>18,081,521.90</b>	<b>17,854,521.90</b>	<b>17,647,521.90</b>	<b>17,458,521.90</b>	<b>17,285,521.90</b>	<b>17,126,521.90</b>	<b>16,979,521.90</b>	<b>16,843,521.90</b>
Pre-Operating Cost Amortisation	20%	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00	0.00	0.00	0.00	0.00	0.00
Accumulated Amortisation Costs		1,750,000.00	3,500,000.00	5,250,000.00	7,000,000.00	8,750,000.00	0.00	0.00	0.00	0.00	0.00
Amortised Pre-operating Costs		7,000,000.00	5,250,000.00	3,500,000.00	1,750,000.00	0.00	0.00	0.00	0.00	0.00	0.00