

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

PROGRESS REPORT

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. PLANNED ACTIVITIES FOR THE PERIOD

S/N	ITEM/DESCRIPTION	COSTS USD
1	Land and Building	600,000.00
2	Plant, machinery and Equipment	800,000.00
3	Motor Vehicles	300,000.00
4	Safety and Security Equipment	20,000.00
5	Communication Equipment	20,000.00
6	Furniture and Fittings	20,000.00
7	Pre- Operation Expenses	50,000.00
8	Initial Working Capital	140,000.00
9	Others	50,000.00
	TOTAL PROJECT COSTS	2,000,000.00

2. ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION TO DATE

(i.e. from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

During the project three years of implementation, despite of the COVID 19 problems and others there have been notable achievements made though the project is yet to take off.

Due to a lot of bureaucracy, it has taken a long time to undertake initial project establishment in terms of land acquisition, registrations, Licenses and Permits. In this case, the project experienced some difficulties and challenges during its initial establishment.

Also, despite of acquiring land of 100 Acres and payment of a total of **Tshs 27m** for 12 Title Deeds for premium, annual fees and others up to now the said certificate of title are yet to be issued for more than eight months now.

However, the following activities have been implemented by the project promoters:-

- a) Acquisition and surveying of land of approximately 100 Acres **Tshs 78,650,000.00**
- b) Land demarcation; clearance and sub division for the project needs **Tshs 22,575,000.00**
- c) Application and obtaining mining prospecting licenses **Nos. PML 001951CWZ, 001949CWZ and PML 001952CWZ** located at Igwamanoni area in Kahama District, Shinyanga Region.
- d) Project .environmental impact Assessment done by NEMC consultant.
- e) Thorough project Geological survey completed
- f) Purchasing some machinery and equipment as follows:-
 - (i) Generators 2 Nos of 120KVA and 7KVA **Tshs 47,000,000.00**
 - (ii) Winch 2 pcs **Tshs 25,500,000.00**
 - (iii) Compressors 2 Nos **Tshs 68,400,000.00**
 - (iv) Compactor 1 pc **Tshs 5,800,000.00**
 - (v) Water Pumps 2 Nos **Tshs 24,200,000.00**
 - (vi) Assorted Office Furniture **Tshs 43,650,000.00** and equipment
 - (vii) Assorted Residential Furniture and equipment **Tshs 87,975,000.00**
 - (viii) Generator 100KVA 1pc **Tshs 35,000,000.00**
- g) Construction of project Buildings as follows:-
 - (i) Residential and Office Buildings **Tshs 380,000,000.00**
 - (ii) Camp site Buildings **Tshs 75,000,000.00**
 - (iii) Shaft shade Buildings **Tshs 8,000,000.00**
 - (iv) Generators shade Buildings **Tshs 8,500,000.00**
 - (v) Deep Water Wells **Tshs 23,000,000.00**
 - (vi) Boundary Fence **Tshs 110,000,000.00**

- h) Purchase of Toyota Hilux Surf **Tshs 35,000,000.00** and **four (4)** Motor cycles **Tshs 14,000,000.00**
- i) Feeder roads construction and site works **Tshs 128,750,000.00**

It should be noted here that the project at Igwamanoni gold Mining has not yet started production, currently preliminary preparations and establishment and all other site works is on – going and at advanced stage.

However, according to the confirmed geological and material reports done and approved, the project is expected to produce between 35 - 45 kgms of gold per month. It is anticipated that after the completion of all site works and full establishment for production operations, the company will prepare a comprehensive production work schedule and all other **CAPEX/ OPEX** along with the related operating budgets and projected cash burn

The current capital expenditure so far done by the company is estimated at **Tshs 1,433,332,250.00** (approximately **USD 619.150.00**) which has included the approved and registered investment costs and expenditure.

3. PROVIDE UPDATED INFORMATION ON THE FOLLOWING ASPECTS:

S/No	Information	Description	No of Shares	NATIONALITY	Current Project Status
1	Shareholder's Information	<ol style="list-style-type: none"> 1. RAFAT NAGIEB 2. MOUSA ELIAS NADER 3. JOSEPH ANTHONY ELIAS NADER 4. KARAM GEORGE ELIAS NADER 5. AL-EDROOS MINING LIMITED 	<p>310</p> <p>250</p> <p>60</p> <p>30</p> <p>200</p>	<p>AUSTRALIAN</p> <p>AUSTRALIAN</p> <p>AUSTRALIAN</p> <p>AUSTRALIAN</p> <p>TANZANIAN</p>	
2	Company communication Information	<p>Rnagieb@gmail.com Mob: +255 687 360 300, +255 713 615 664 Tel: +255 22 2152440 Mikocheni B, Bima Road Plot No. 16/769 Block No. , Kinondoni, Dar es Salaam</p>			

3	Contact Person	TOM JOSEPH MAZANDA ACCOUNTANT tommazanda@yahoo.com, Mobile: +255 767 000089, +255 713 615664 Tel : +255 22 2152440			
4	Incorporation	137-634-554			
5	TIN Information	137-634-554			
6	Project Objective	PROSPECTING, MINING AND PROCESS OF GOLD IN KAHAMA - SHINYANGA			
7	Capacity	Project capacity per year			
8	Direct Employment	Foreign Men 0 Foreign Women 0 Local Men 8 Local Women 4			
9	Indirect employment	Type/areas of Indirect employment			

4. PROJECT FINANCING EXPENDITURE TO DATE (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	215,350	150,000.00	365,350.00
Plant and machinery	75,000.00	0.00	75,000.00
Vehicles/Aircrafts	22,500.00	0.00	22,500.00
Furniture	31,850.00	0.00	31,850.00
Office equipment	25,000.00	0.00	25,000.00
Insurance Cover	0	0.00	0
Pre-operational expenses	15,300.00	0.00	15,300.00
Working sub-total capital	0	0.00	0.00
Grand Total	469,150.00	0.00	619,150.00

5. PROJECT FINANCING

Explain how the project is being financed e.g equity, loans, sources of loans, conditions etc. see table below:-

	Amount (USD)	Source Country
Local equity	150,000.00	Own/Directors - Tanzania
Local loans	0.00	N/A
Foreign equity	469,150.00	Directors - Australia
Foreign Loans	0.00	
Total Investment	619,150.00	

6. PROBLEMS AND SOLUTIONS

Explain problems, which the management is encouraging in executing the project and the steps being taken to solve them

i. Financing

Modern stringent methods of transferring funds from shareholders is somehow difficult with a lot of restrictions including anti-money laundering procedures sometimes causes delay especially to new funded projects.

ii The list of our capital goods/ deemed capital goods for duty exemptions was shortly approved but some of requested items for exemption submitted to TRA for approval were disapproved for duty exemption especial motor - vehicle etc.

This is a setback and demonization to us we have observed that there has been a, frequent change in the matter of investment incentives contrary to what has been stipulated in the National Investment policy and the Tanzania Investment Act, 1997.

- iii. Having discussed with the relevant authorities and institutions the company has been promised to receive all the necessary support and assistance in speeding up the project establishment.

7. FUTURE PLANS

Explain future plans for the next coming six months and planned financial commitments

After the completion of Geological survey and NEMC environmental impact assessment, the project is expected to do the followings.

- i. Ensure all funds due for collection from Equity holders and from the Bank are obtained to complete the project and take off before July 2024.
- ii. Ensure fast importing of plant and its accessories
- iii. Ensure all necessary trucks stocks and equipment are imported in time.
- iv. Recruiting bigger work force and engineering personnel
- v. To provide necessary social services to the neighboring villages like water boreholes , sanitations etc.
- vi. Strengthen product marketing and registering into local and international stocks markets.

8. RECOMMENDATIONS AND ANY OTHER COMMENTS

We recommend to Tanzania Investment Center

- i. To work to its utmost ability to protect genuine investors and ensure that institutions including the government institutions abide to and, comply with national Investment Act, 1997 and strongly urged to renew the certificate of incentives.
- ii. Work hard to convince the legislative bodies to legislate investment laws and regulations that are stable and long lasting
- iii. Working and Residential permits laws for foreign experts should be ease up.

- iv. One stop - shop centre should be practical active by 100% all decision making and approval in situ.
- v. Frequent amendments and changes to investment laws and regulation is a cause of frustration and confusion to both the facilitator and investors in general.
- vi. Central Bank of Tanzania should try to soften its policy towards new investors to be allowed open provisional bank accounts for capital transferring before issuance of working and residential permits in order to speed - up and support the president industrialization policy.
- vii. The land acquisition policies for foreigners should be reviewed.