

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 (2019 to 2021), 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.

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

- (a) Acquisition of land of approximately 50 Acres.
- (b) Land demarcation; clearance and sub division for the project needs.
- (c) Application and obtaining mining prospecting licenses Nos. PML 001360CWZ and PML 001361 CWZ located at Bukandwe area in Mbogwe District, Geita Region.
- (d) Project environmental impact Assessment done by NEMC consultant.
- (e) Thorough project Geological survey completed.
- (f) Purchasing three administrative and field vehicles.
- (g) Project staff recruitment (16 Nos so far)
- (h) Purchasing field equipment, machinery and furniture and fittings.
- (i) Feeder roads construction and site works.
- (j) Joint Venture agreement between **TAIC LIMITED** and **AL-EDROOS MINING LIMITED** for the prospecting Licenses Nos. PML 001360CWZ, and PML 001361CWZ.

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

However, according to the confirmed geological and material reports done and approved, the project is expected to produce between 30 - 35 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.

However, the current capital expenditure so far done by the company is estimated at **Tshs 3,827,852,500.00** (approximately **USD 1,653,500.00**) which has included all the planned investment costs and capital expenditure.

NB: It should be remembered that this project was visited and evaluated and assessed by Tanzania Investment Centre (TIC) through the Zonal TIC Manager from Mwanza and after being approved the said certificate was renewed on 31st March, 2021.

3. PROVIDE UPDATED INFORMATION ON THE FOLLOWING ASPECTS:

S/No	Information	Description	No of Shares	NATIONALITY	Current Project Status
1	Shareholder's Information	1. RAFAT NAGIEB 2. SAYED IMRAN EL EDROOS 3. NICOLA RALPH	500 250 250	AUSTRALIAN TANZANIAN AUSTRALIAN	
2	Company communication Information	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			
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)

S/N	ITEM/DESCRIPTION	ESTIMATED COSTS USD	ACTUAL COST TO DATE
1	Land and Building	600,000.00	425,500.00
2	Plant, machinery and Equipment	800,000.00	568,650.00
3	Motor Vehicles	300,000.00	90,000.00
4	Furniture and Fittings	20,000.00	25,000.00
5	Pre- Operation Expenses	50,000.00	105,000.00
6	Initial Working Capital	190,000.00	0
7	Feedback Roads Site Expenses	0.00	166,850.00
8	Personnel and Administrative	0.00	272,500.00
	TOTAL PROJECT COSTS	2,000,000.00	1,653,500.00

5. PROJECT FINANCING

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

As earlier stipulated in the project business plan, the total project costs was **USD 2,000,000.00** out of which **UDS 1,000,000.00** was promoted own Equity and **USD 1,000,000.00** was Bank loan.

However so far the promoters have already contributed a total of **USD 1,653,500.00** as own Equity to the project investment and no any Bank Loan have been extended

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.
- vii. Solicite and obtain Bank Loan for completion of gold processing house and ware house

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.