

JIUDING MINING INVESTMENT COMPANY LIMITED

**PROJECT PROGRESS REPORT FOR THE PERIOD OF 31
DECEMBER, 2020 TO MARCH, 2024**

SUBMITTED TO TANZANIA INVESTMENT CENTRE

MARCH, 2024

1. INTRODUCTION

JIUDING MINING INVESTMENT COMPANY LIMITED is a Private Company registered in Tanzania as per Companies Act, 2002, with Registration Number 141390848. As part of the proposed activities plans, the Company planned to establish and operate a project for gold processing. In 31 December, 2020, the Company registered the project with TIC to enjoy incentives rights. Due to the problems encountered by the Company as stipulated in No. 7 below and the expansion plans of the company, necessitate the need of renewal of the Certificate of Incentives Number 202012249.

2. PLANNED ACTIVITIES FOR THE PERIOD

- To establish and operate a project for gold processing.
- To register a project with TIC and acquire approval for tax exemption for importation of Machineries, spare parts and Mining equipments
- To import 150 trucks and increase fleet of company business

3. ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION TO-DATE

- Establish and operate the Company proposed activities.
- Construct Company buildings, plant, offices e.t.c

4. CORPORATE INFORMATION

S/No.	Information	Description	Current Status	Project
1.	Shareholder's Information	a. Jinjiu Hong Kong International Investment Ltd b. Xie Kun c. Li Jun	VALID VALID VALID	
2.	Company Communication Information	+255 758 706 666 xtsxk@126.com P.O.BOX 139		
3.	Contact Person			
4.	Incorporation	30/03/2020		

5. PROJECT FINANCIAL EXPENDITURE TO DATE (USD): US\$11.61 million, foreign (Chinese procurement): US\$4.32 million, local total: US\$7.29 million.

Particulars:

Land and buildings: US\$1.16 million

Plant and machinery: US\$3.95 million

Vehicles: US\$80,000

Furniture: US\$16,000

Daily life expenses) Office supplies: 12,000 US dollars

Insurance: 37,600 US dollars

Pre-operating expenses: 350,000 US dollars (production preparation costs, including three months of raw material costs)

Working capital subtotal: (January 2022 to March 2024, an average of 1.65 million RMB [Chinese yuan] per month): 6 million US dollars

GRAND TOTAL: 11.61 million US dollars

6. PROJECT FINANCING

- A. Project financing method: shareholder capital contribution and shareholder loans;
- B. Shareholders and equity structure: Hong Kong Jinjiu Mining Investment Co., Ltd. is the controlling shareholder, holding 80% of the shares, natural person Xie Kun holds 11%, and natural person Li Jun holds 9%
- C. The company has not obtained financing from financial institutions and has no loans.

7. PROBLEMS AND SOLUTION

In the three years since Jiuding Company was put into operation, the problems it encountered were mainly in two aspects. One is that there is a large gap between the project budget and the actual situation. When the Company prepares the project budget, it usually listens to the advice of the intermediary Company to prepare it, but in the actual implementation process, there are often additional expenditure items, which are difficult to judge. When this happens, Jiuding Company reports to the major shareholder through an interim shareholders' meeting or directly to explain the reasons for the problem, and then make additional capital investment; another problem is that Jiuding Company does not have its own mining rights in Tanzania. The ore produced by

the CIL concentrator is obtained through cooperation with the local PML. Due to limited reserves and limited mining volume, it cannot meet the CIL concentrator's demand for raw materials. In response to this problem, Jiuding Company started the application for mining rights as early as mid-2022. At present, the company owns 2 PL mining rights and will start exploration in 2024, striving to achieve a breakthrough in prospecting in 2024.

8. FUTURE PLANS

In the next six months, Jiuding Company will focus on:

- A. Work on the construction of underground mining projects in the PML mine. As of March 20, 2024, 328 meters of underground excavation work in the TEMB mine has been completed. It is estimated that another 280 meters will be required to reach the main ore body, and the conditions for normal mining can be met in August.
- B. Continue to carry out exploration work on the two PL mining rights, strive to find out the reserves of exploitable gold mines in 2024 and start mining design.
- C. In the next six months, increase the mining work of PML cooperation, strive to basically meet the production needs of the CIL concentrator, maintain the normal operation and capital needs of the company's existing projects, and achieve an output value of US\$1 million. Adhere to paying taxes and fees in accordance with the law, and continue to cultivate and improve the operating level and skills of local employees.

9. RECOMMENDATIONS AND ANY OTHER COMMENTS

We are looking forward to get our project certificate of incentives extended and enjoy exemption from TIC/TRA so that we can contribute more to the development of the manufacturing sector