

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)

- (i) Planned activities for the period Data search for geological, geochemical and geophysical information at the Geological Survey of Tanzania Dodoma for phosphate mineralization in Tanzania and selection of area for application of prospecting licence
- (ii) Application for prospecting licence for phosphate at Vilima Vitatu Village in Babati District Manyara Region and issuance by the Mining Commission
- (iii) Exploration activities and preparation of various reports including Feasibility Study Report, Resettlement Action Plan, Conceptual Mine Closure, Environmental Impact Assessment and Management Plan for application of mining licence
- (iv) Application of mining licence and issuance by the Mining Commission
- (v) Educational and administrative meetings with Vilima Vitatu Village council and community, Nkaiti Ward leadership as well as Babati District Council regarding land acquisition for project activities.
- (vi) Education on property valuation to the Vilima Vitatu Village community, valuation of properties including houses, farms, trees and graves and compensation of properties to affected persons
- (vii) Underground water survey and water borehole drilling and construction as well as power and water supply to project area and new primary school
- (viii) Construction of a new Vilima Vitatu Primary School buildings
- (ix) Education to villagers and seeking permits for transferring graves from compensated areas and excavation of graves in compensated areas and burial of body remains in village and family graveyards
- (x) Application of surface right for the compensated area
- (xi) Acquisition of supplies and construction of project infrastructures including phosphate processing plant line 1 to line 4, administration block, laboratory, godowns, dispensary, workshop and restaurant.
- (xii) Installation of equipment

1. 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.

- (i) Data search on geological, geochemical and geophysical information at the Geological Survey of Tanzania Dodoma for areas potential for phosphate mineralization in Tanzania enabled selection of project area at Vilima Vitatu Village in Babati District Manyara Region.
- (ii) Application for prospecting licence for exploration of phosphate at Vilima Vitatu was submitted to the Mining Commission and prospecting licence granted paving way for commencement of exploration activities.
- (iii) Exploration activities carried out showed the area to be economically viable for mining and further studies were carried out to produce documents such as Feasibility Study Report, Preparation of Resettlement Action Plan, Conceptual Mine Closure and Environmental Impact Assessment and Management Plan to support application for mining licence and the licence was issued.
- (iv) Meetings with Vilima Vitatu Village council and community as well as Babati District Council for land acquisition for project activities were held leading to the acceptance of the project by the authorities.
- (v) Educational meetings on property valuation to the Vilima Vitatu Village community and valuation of properties including houses, farms, trees and graves led to process of compensation of properties to affected persons to be completed successfully.
- (vi) Underground water survey and water borehole drilling and construction was carried out successfully and water pipe lines laid for construction activities and household use.
- (vii) Power and water supply to project area and new primary school
- (viii) Construction of a new Vilima Vitatu Primary School
- (ix) Education to villagers and seeking permits for transferring graves from compensated areas and excavation of graves in compensated areas and burial of body remains in village and family graveyards
- (x) Application of surface right for the compensated project area
- (xi) Acquisition of supplies
- (xii) Construction of administration block, godowns, laboratory, workshop, restaurant and dispensary
- (xiii) Clearance, excavation and construction of basements and installation of equipment for phosphate processing plant line no. 1
- (xiv) Site clearance, excavation and construction of basements for phosphate processing plant line no. 2
- (xv) Site clearance for phosphate processing plant line no. 3 and line no. 4.

- (xvi) Education to villagers and permits for transferring graves from compensated areas and excavation of graves in compensated areas and burial of body remains in village and family graveyards

2. Provide updated information on the following aspects:

S/N.	Information	Description	Current Project Status
1	Shareholder's Information	1. ADRIEN NTIGACIKA-BURUNDIAN-50% 2. ITRACOM-BURUNDIAN-50%	
2	Company communication Information	Email address: info@itracomfertilizers.co.tz/jmwenzeguleitracomfertilizers.co.tz Mobile Number: 0762329617 Land Line Telephone Number:0733900799 Physical Address (Plot No. 929 Block No. DD Street, NALA INDUSTRIAL AREA District DODOMA and Region-DODOMA	
3	Contact Person	Name - JACQUELINE MWENZEGULE Position - Legal Director Communication details - 0762379617 Email - jmwenzegule@itracomfertilizers.co.tz	
4	Incorporation	Certificate of Incorporation Number-145278112	
5	TIN Information	TIN Certificate No.145-278-112	
6	Project Objective	Project Core Activity- Manufacture of Fertilizers	
7	Capacity	Project capacity per year- 200,000 Tones per one plant	
8	Direct Employment	Foreign Men - 131 Foreign Women-41 Local Men-155 Local Women-45	
9	Indirect employment	Type/areas of Indirect employment - Construction Activities, & - Production activities	

3. Project Financing Expenditure to-date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		36,371,264.73	91,147,560,567.00
Plant and machinery		18,569,324.05	46,535,323,991.00
Vehicles/Aircrafts		669,998.13	1,679,036,897.00
Furniture		82,707.70	207,268,155.00
Office equipment		-	
Insurance Cover		71,095.73	178,168,185.00
Pre-operational expenses		2,900,718.95	7,269,295,080.00
Working sub-total capital		27,031,214.96	67,741,095,104.00
Grand Total		85,696,324.24	214,757,747,979.00

4. 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	26,068,004.41	TANZANIA
Local loans	59,628,319.84	TANZANIA
Foreign equity	-	
Foreign Loans	-	
Total Investment	85,696,324.24	TANZANIA

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

- (i) Lack of power at project area that forced the company to use a generator. Later the company applied for TANESCO power and power line was extended to project area.
- (ii) Lack of water in the area that compelled the company to use water bowsers for getting water to site. The company opted to hire a company to carry out underground water survey and drill water borehole for use at project site.

7. Future Plans

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

- (i) Acquisition of supplies
- (ii) Site clearance, excavation and construction of basements for phosphate processing plant line no. 2
- (iii) Site clearance for phosphate processing plant line no. 3 and line no. 4.
- (iv) Installation of equipment for phosphate processing plant line no. 1 up to no. 4.
- (v) Mine site clearance, mining of phosphate and ore piling.
- (vi) Trial phosphate processing
- (vii) Installation of weigh bridge at site
- (viii) Construction of gravel roads within the project
- (ix) Clearance for waste rock and tailings dump site

5. Recommendations and any other comments

The Government leaders and officers in Babati District and Manyara Region as a whole from the beginning of the project activities have given very considerate assistance to the project and not to forget superb assistance extended by the national level government leaders and officials. The company is confident such assistance will continue even in the following stages of the project at Vilima Vitatu.