MORANI GOLD MINING LTD

CHUNYA, MBEYA

PRE-FEASIBILITY STUDY FOR ESTABLISHING AND OPERATING GOLD VAT LEACHING PLANT AND ELUSION PLANT

03-SEPT-24

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1. INTRODUCTION

Tanzania has become one of the fastest-emerging gold producers in Africa, and is now the continent's third-largest gold-producing country after South Africa and Ghana. Tanzania produced 48.4 tonnes of gold in 2019, up from 39.3 tonnes the previous year. Tanzania gold mining has surged by more than just 700 per cent in the last twenty-five years, beginning from 5 to 40 to 50 tons a year; meanwhile, South Africa's gold mining decreased from more than 500 tons in 1990 to a significant low of 117 tons in 2018.

The price of Tanzania gold generated by vast-scale miners totalled 10,009.6 kilograms for a net value of $469.0 million in the first half of the year ending in March 2021. This reflects a minor decline from 11,130 kilograms and a worth of $477.58 mil in the same period in 2020.

Tanzanian gold stocks are believed to be in the range of 45 million oz. The greenstone districts near Lake Victoria have focused on gold prospecting, with numerous substantial resources previously discovered and developed.

Tanzania gold shipments totalled $2.2 billion in 2019 and $2.9 billion as of 2020, accounting for over 90 per cent of the nation's mineral exports. Exports of gold have surged by 83 per cent in the last five years, reaching $1.2 billion by 2015. Tanzania gold is primarily exported to India, South Africa, and Switzerland

The mining sector in Tanzania contributes significantly to the country's economy. In 2020, mining and quarrying accounted for approximately 7% of the Tanzanian GDP, employing over 310,000 people. The country's earnings from mineral exports exceeded 3.6 billion U.S. dollars. Gold is the leading foreign exchange earner in Tanzania. Since 2015, the mining industry has been increasing its contribution to the country's economy. It was projected to account 10 per cent in 2025 as stated in the Development Vision 2025. It is one of the leading components in generating foreign exchange earnings within the non-traditional exports. Further is has great potentials for employment opportunities and spearheading for both the forward and backward linkage of the Tanzania's economy.

1.1. Mineral Resources Endowments

Tanzania has a great potential particularly for Gold, Copper, Lead, base metals, diamonds, ferrous minerals and a wide variety of gemstones, some of, which are unique such as tanzanite. Coal, uranium, and various industrial minerals such as soda, kaolin, tin, gypsum, phosphate and dimension stones are available at attractive economic rates. The following are minerals that have attracted most interest in the recent years:

- Gold found in greenstone belts located in the east and southern of Lake Victoria, and rock formation in southern and southwestern of the country;
- Base metals found in a belt running from Kagera through Kigoma to Mbeya, Ruvuma and Mtwara regions, and,
- Gemstones, which are found in eastern and western belts running from Kenya border in the northern part to Mozambique in the south and Mbeya and Rukwa regions.
- Gold and diamonds have always been the mainstay of the country's mineral production. Brief explanation is provided below for easy reference.

1.2. Mineral Sector Policy

The Mineral Policy of Tanzania, 2008 stresses on private sector led mineral development while the major roles of the government are regulating, promoting and facilitating. The public roles consist of the inter alia:

- Policy formulation to accommodate the overall and sectoral government policy framework.
- Advising on legislation, regulation and fiscal matters related to the sector.
- Revenue collection through royalties, annual rents, prospecting rights and licenses.
- Monitoring of mining activities.
- Collection and maintenance of geo-technical data for promotional purposes.
- Provision of extension services to small scale miners.
- Administration and inspection of mining activities, and
- Carrying out research on minerals.

The mineral policy objectives are:

- To stimulate exploration and mining activities;
- To regulate and improve artisanal mining;
- To ensure that wealth generated from mining support sustainable economic and social development; to minimize or eliminate adverse social and environmental impact of mining activities
- To promote and facilitate mineral and mineral based products' marketing arrangements;
- To alleviate poverty especially for artisan and small scale miners;
- To promote and develop Tanzania as the gemstone center of Africa.

2.COMPANY PROFILE

M/s. Morani Gold Mining Limited is a Limited liability Company registered in the United Republic of Tanzania under the companies Act (Act No. 12 of 2002) in 26th July 2024 holding Certificate of Incorporation No. 176623756.

Morani Gold Mining Limited is a newly established entity focused on gold mining and gold trading operations in Chunya, Tanzania, with potential expansion into other regions. This business plan outlines our strategy for sustainable growth and profitability while ensuring compliance with Tanzanian laws. The company is a joint venture between Talis International, which holds a 55% stake, and Tanzanian partners, who manage the day-to-day operations owning the 45%.

2.1. Strategic Vision

Morani Gold Mining Limited aims to leverage the rich gold deposits in Chunya to establish a robust and scalable operation that will set a new standard in the Tanzanian mining industry. Our strategic vision includes not only profitable gold extraction and trading but also contributing to the socio-economic development of the Chunya region through sustainable practices, employment generation, and community engagement

2.2. Mission Statement

Our mission is to establish Morani Gold Mining Limited as a leading player in the Tanzanian gold mining and trading industry, committed to sustainable practices and delivering value to all stakeholders.

2.3. Nature of the Business

Morani Gold Mining Limited will operate primarily in two sectors:

- Gold Mining: Extraction of gold in Chunya, Mbeya region with plans to expand to more mining locations in various regions in Tanzania.
- Establishing and operating VAT leaching plant and Elusion Plant
- Gold Trading: Sale of gold extracted by Morani and other third-party operations

2.4. Operations

2.4.1. Gold Mining Operations

Morani Gold Mining Limited will be incorporated as a joint venture, with Talis International holding a 55% stake, and Tanzanian partners holding the remaining 45%. Talis will provide the necessary capital, manage financial aspects, and control banking operations, while the Tanzanian partners will oversee day-to-day operations and regulatory compliance.

The mining license, legally compliant with Tanzanian law, will be leased from an entity controlled by the Tanzanian partners. The gold mined will be sold to the trading entity at market-related prices.

2.4.2. Gold Trading Operations

The trading entity, Tankil Investments Limited, will be partially owned by Talis International (30% share), with a 70:30 profit-sharing agreement in favor of Talis upon finalisation of Tankil's internal compliances. Tankil will acquire gold from Morani and other third-party operations, primarily for export purposes. Morani Gold will still still be free to trade with other companies that have dealers licenses.

Directors and Geologist visited all mining sites acquired by Morani Gold Mining Limited, in Chunya and Morogoro as described as below.

Company have purchased following Prospecting License PL is at Chunya Mbeya for exploration and Mining of Gold.

i. Vat Leaching Plant : 1 Morani Street,Matondo, Chunya, Mbeya
C1: S 08°23'44.20" E 033°17'30.42"
C2: S 08°23'50.17" E 033°17'28.65''
C3: S 08°23'51.43" E 033°17'36.65"
C4: S 08°23'45.77" E 033°17'38.72"

ii. Primary Mining License

1	PROSPECTING LICENCE NO. PL 1988MBY, AREA: 5.03 Hectare
2	PROSPECTING LICENCE NO. PL 1989 MBY, AREA: 9.96 Hectare
3	PROSPECTING LICENCE NO. PL 1990 MBY, AREA: 5.26 Hectare
4	PROSPECTING LICENCE NO. PL 1991 MBY, AREA: 5.26 Hectare
5	PROSPECTING LICENCE NO. PL 1995 MBY, AREA: 9.60 Hectare
6	PROSPECTING LICENCE NO. PL 2144 MBY, AREA: 3.58 Hectare
7	PROSPECTING LICENCE NO. PL 2145 MBY, AREA: 9.30 Hectare
8	PROSPECTING LICENCE NO. PL 1987 MBY, AREA: 6.93 Hectare

2.4.3. Strategic Vision

Morani Gold Mining Limited aims to leverage the rich gold deposits in Chunya to establish a robust and scalable operation that will set a new standard in the Tanzanian mining industry. Our strategic vision includes not only profitable gold extraction and trading but also contributing to the socio-economic development of the Chunya region through sustainable practices, employment generation, and community engagement.

2.4.4. Goals and Objectives

Our primary goals are to:

- Achieve sustainable and profitable gold production in Chunya.
- Establish a strong presence in the gold trading market in Tanzania and beyond.
- Expand operations to other mining regions in Tanzania within the next five years.

- Contribute to the local economy by creating job opportunities and supporting local businesses.

3.THE PROJECT

The project focus into two-fold Gold exploration and Mining as well as value addition (Gold processing).

3.1. Gold exploration and Mining

Morani Gold Mining Limited will be doing extraction of gold in Chunya, Mbeya region with plans to expand to more mining locations in various regions in Tanzania

The company has well qualified geologist who will explore the mining area by conducting Desktop study, Geo- chemical, Geo-Physics survey, RC and core drilling of the land by using latest technology to locate various areas where large deposits of area are available.

The company will also explore the possibilities of tacking certain mining area on contract basis from local mine owner after working out mining plans. This will add up in company earnings and will help the company to grow faster in mining business.

The company will undertake mining contract with PL/ PML owner, who are unable to raise finance and technically sound to undertake mining. As a result economy in that area will improve and Local people will get employment. This also benefit to the co. to run mining operation smoothly.

The company has well trained employs and well-known geologist with it. This will help to offer consultancy service to other mining owners in the nearby area. This will be done by analyzing various samples from different area. This will be done by conducting analysis of samples as the company has plans to set up its own laboratory for testing. This will help to analyze samples from its own mines as well as offer service to other miners.

The company has drawn up plans for next five years and has started work in procurement of funds and the manpower and machinery required for this project. As per present estimates of availability of various ores the company will be in sound financial position at the end of 3rd year and grow further in next two years.

3.2. Gold Processing

The processing of gold at Morani Gold Mining Limited will involve a combination of traditional and modern techniques to ensure maximum recovery of gold from the ore extracted in Chunya. The key stages in the gold processing operation will include:

- Crushing and Milling: The ore will be crushed and ground to liberate the gold particles.
- Leaching: The ground ore will be subjected to a leaching process, typically using cyanide, to dissolve the gold.
- Adsorption: The dissolved gold will be adsorbed onto activated carbon.
- Elution and Electrowinning: The gold-loaded carbon will be subjected

to elution, followed by electrowinning to recover the gold from the solution

- Refining: The recovered gold will be refined to remove impurities, resulting in high-purity gold bars.
- Our processing plant will be designed with the latest technology to ensure efficiency, safety, and minimal environmental impact. The plant will also be scalable to accommodate increased production as the mining operation expands.

3.3. Expansion Potential

While the initial focus will be on the Chunya region, Morani Gold Mining Limited has the potential to expand its operations to other gold-rich regions in Tanzania, such as Geita, Mara, and Shinyanga. This expansion will be driven by the success of the Chunya operation and will involve reinvesting profits into new exploration and mining projects.

3.4. Local Ownership and Community Engagement

Morani Gold Mining Limited is committed to maintaining a strong partnership with its Tanzanian stakeholders. The Tanzanian partners will hold a 45% ownership stake in the company, ensuring that the benefits of the mining operation are shared locally. We will actively engage with the local community in Chunya to ensure that the project contributes to social and economic development. This will include:

- Employment Opportunities: Prioritizing the hiring of local workers and providing training programs to enhance their skills.
- Local Procurement: Sourcing supplies and services from local businesses to support the regional economy.
- Community Development Projects: Investing in health, education, and infrastructure projects that benefit the Chunya community.

3.5. Environmental Compliance

Morani Gold Mining Limited will conduct a thorough Environmental and Social Impact Assessment (ESIA) to identify potential impacts of the mining operation on the environment and local communities. We will implement measures to mitigate these impacts, including:

- ✓ Waste Management: Proper disposal of mining waste to prevent contamination of soil and water resources.
- ✓ Water Use: Efficient use of water resources and recycling of process water to minimize environmental impact.
- ✓ Land Rehabilitation: Rehabilitating mined areas to restore them to their natural state and prevent erosion.

Compliance with Tanzanian environmental regulations will be a top priority for Morani Gold Mining Limited. We will work closely with government agencies to ensure that all operations meet or exceed regulatory standards.

3.6. Technical requirements of the project

The company will import machinery like Excavator, backhoe, Dumper, compressor, generator and others mining equipment, process plant & machinery required from excavation and process various minerals. Other facilities are list here below:-

i. Excavator 5
ii. Dozer D6 and D7 3
iii. Wheelloader 7
iv. Backhole 5
v. Tipper 20
vi. Office furniture
vii. Air conditioning 20
viii. Jaw crushers
ix. Generators
x. Equipment spare parts
xi. Cranes
xii. JCB backhoe 4CX
xiii. Tractor unit 4
xiv. Lowbed Trailer 1
xv. Hilux Single Cabin or Double cabin 10
xvi. Directors' vehicles Ford Raptor x4
xvii. Roller Compactor 48" single drum
xviii. Motor grader 140H
xix. GPS devices
xx. Surveillance Cameras

4. POTENTIAL MARKET OVERVIEW

4.1. Market Overview

The gold mining industry in Tanzania is one of the most significant sectors of the country's economy, with Chunya being a prominent region for gold deposits. Tanzania is Africa's fourth-largest gold producer, and the Chunya region has been identified as a key area for gold exploration and mining. The demand for gold remains strong both domestically and internationally, providing a solid market for Morani Gold Mining Limited's operations.

Our analysis indicates that the global demand for gold is driven by its status as a safe-haven asset, its use in jewelry, and its applications in various industries. The Tanzanian government's policies to promote the mining sector also provide a conducive environment for new investments in gold mining.

Tanzania could be a miner’s dream. However, the infrastructure and the support services of the country in which companies operate are as essential as the minerals themselves. In this regard, Tanzania’s reputation is still mixed.Tanzania is commencing to offer an increasingly sophisticated and vibrant market for services. This is mainly due to the entry of new international firms, the vast majority of whom are staffed almost exclusively by Tanzanians, and most importantly, new local firms willing and prepared to service the expanding mining sector

4.2. Competitive Advantage

Morani Gold Mining Limited’s competitive advantage lies in the combined expertise of Talis International and the Tanzanian partners. This partnership brings together international capital and local knowledge, ensuring compliance with regulatory requirements and efficient management of operations.

Additionally, our focus on sustainable mining practices and community engagement sets us apart from competitors. By investing in the local community and prioritizing environmental stewardship, we aim to build long-term relationships with stakeholders and establish a positive reputation in the Tanzanian mining sector.

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5. TECHNICAL AND GEOLOGY- CHUNYA

Prospecting Licenses PL 1988MBY, PL 1989, PL 1990 MBY, PL 1991 MBY, PL 1995 MBY, PL 2144 MBY, PL 2145 MBY and PL 1987 MBY, are situated in the Chunya mountainous Plateau where there is anomalous concentrations of gold geographically restricted to the Chunya area. Geologically anomalous area is defined by:

1. Its location at the intersection of two regional-scale fault systems, which control alkalic-syenite intrusions (SE trend) and Rift orientations (N to NNE trends) representing re- activated Archean structures.

2.The anomalous presence of large areas of pervasive 'outer zone' carbonate alteration indicative of large-scale hydrothermal alteration.

3. The anomalous presence of well-developed strain fabrics defining zones of axial planar foliation to large-scale folds (ESE-to-SE axial trends) and crossing shear-faults (N- to NNE trends).

4. The anomalous density (and geographic localization) of felsic dykes that have been shown to be spatially and temporally related to gold mineralization and pervasive 'inner zone' alteration (albitic).

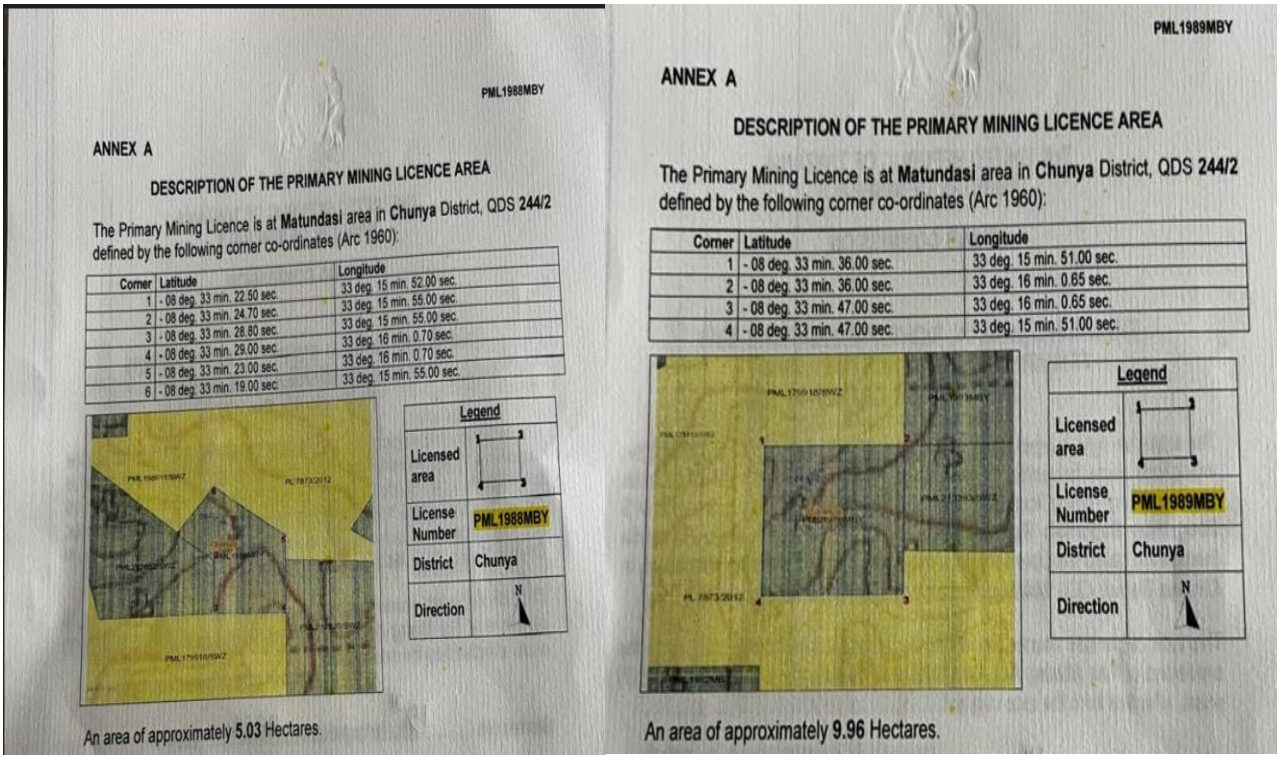
It is hypothesized that the anomalous features listed above control, and are representative of an Archean felsic-porphyry -paleo-hydrothermal system. The present erosional level in the Chunya area is interpreted as being within the upper carapace zone overlying the gold-generating, felsic-intrusive body, which crystallized at depth. The exploration potential of the Chunya area will hinge on the degree to which the veins coalesce, widen and attain strike extent at depth.

A coherent stratigraphy is proposed for the Chunya Plateau area, which is compatible with stratigraphic successions described from elsewhere in the Lake Victoria Goldfields District.

5.1. PMLs No.1987MBY-1991MBY&1995MBY LOCATION

PMLs ranging from 1987MBY to 1991MBY and 1995MBY are located at Matundasi. There is a great potential for both properties to have gold mineralization based on lithology, structures and its proximity to the old mines. A coherent stratigraphy is proposed for the Chunya Plateau area, which is compatible with stratigraphic successions described from elsewhere in the Lake Victoria Goldfields District.

(See location map of the properties overleaf – figure 1)



PML1988MBY

ANNEX A

DESCRIPTION OF THE PRIMARY MINING LICENCE AREA

The Primary Mining Licence is at **Matundasi** area in **Chunya** District, QDS **244/2** defined by the following corner co-ordinates (Arc 1960):

Corner	Latitude	Longitude
1	- 08 deg. 33 min. 22.50 sec.	33 deg. 15 min. 52.00 sec.
2	- 08 deg. 33 min. 24.70 sec.	33 deg. 15 min. 55.00 sec.
3	- 08 deg. 33 min. 28.80 sec.	33 deg. 15 min. 55.00 sec.
4	- 08 deg. 33 min. 29.00 sec.	33 deg. 16 min. 0.70 sec.
5	- 08 deg. 33 min. 23.00 sec.	33 deg. 16 min. 0.70 sec.
6	- 08 deg. 33 min. 19.00 sec.	33 deg. 15 min. 55.00 sec.

Legend

Licensed area	
License Number	PML1988MBY
District	Chunya
Direction	N

An area of approximately **5.03** Hectares.

PML1989MBY

ANNEX A

DESCRIPTION OF THE PRIMARY MINING LICENCE AREA

The Primary Mining Licence is at **Matundasi** area in **Chunya** District, QDS **244/2** defined by the following corner co-ordinates (Arc 1960):

Corner	Latitude	Longitude
1	- 08 deg. 33 min. 36.00 sec.	33 deg. 15 min. 51.00 sec.
2	- 08 deg. 33 min. 36.00 sec.	33 deg. 16 min. 0.65 sec.
3	- 08 deg. 33 min. 47.00 sec.	33 deg. 16 min. 0.65 sec.
4	- 08 deg. 33 min. 47.00 sec.	33 deg. 15 min. 51.00 sec.

Legend

Licensed area	
License Number	PML1989MBY
District	Chunya
Direction	N

An area of approximately **9.96** Hectares.

5.2. MINERALIZATION

The gold deposits of the Chunya area have been described within two categories;

1. Quartz veins of "mesothermal" type, and
2. Impregnation deposits (sulphidization and gold enrichment of Fe-richsedimentary horizons).

It was noted that "by far the larger proportion of the gold produced in the area is from quartz veins in the greenstone-schists or diorites and only one producing mine (Kinyalele) is an impregnation deposit being worked"

Gold in the quartz veins is described as 'free milling' but may also be locked in pyrite and arsenopyrite. Pyrite is the most common sulphide in the quartz veins; arsenopyrite is present in some of the mines while pyrrhotite occurs in a few cases, appearing always to be barren. Chalcopyrite is present but sparse and sphalerite is rare.

5.3. IMPLEMENTATION

5.3.1. Planning for the Start of Operations

Underground mining will be performed in the ore bodies that were previously open-pit mined. The upper limits of these excavations were topographically surveyed and are visible on existing aerial photographs. The bottom of these excavations is

irregular and may only be defined via drilling, due to collapse of the surrounding hillsides.

The re-start of mine development will have the following phases: Development of a ventilation raise to supply the additional fresh air demand for mine ventilation. Development of a raise to serve as an alternate route, emergency escapeway and equipment traveling way. Additional development on Level 01 (elevation 930). Drift enlargement on elevation 930, exposing the footwall and the hanging wall. Development of a secondary access ramp to elevation 930.Development of a ramp, maneuvering areas and access to Level 02 (elevation 870) and Level -01 (elevation 980).

Development and enlargement of Level 02 and Level -01 drifts. Interconnection of Level 02 to the ventilation raise, emergency escapeway and equipment traveling way raise. Additional development for Level 02 support facilities (Support chamber, water reservoir and pumping station) and Level -01 to surface access. Beginning of simultaneous Level 01 and Level -01 ore excavation. Development of secondary access ramps from Level 01 and level -01 stopes to elevations 950 and 1005.

5.3.2. Detailing of the Development Phase

Development should be at least 1.5 years ahead of the effective start of ore being processed at the VAT leaching plant and Elusion Plant. Therefore, development both on Level 01 and Level -02 shall be concluded before ore starts being processed. After the pre-operating development, the mine will advance at a rate of 112.5 vertical meters per year (i.e., as the main panels bear 559,901 tonnes on average, for a 600,000 tpa production, approximately 93.32% of the planned development per level should be carried out every year). The following main equipment will be used during development: 78 Twin-boom electric hydraulic Jumbos Conventional 2.3 m^3 wheel loader 12-t diesel trucks for each development level, 2,135 meters of ramps and waste rock drifts, and 554 meters of ore tunnels are scheduled, totaling 2,689 meters to be developed with Jumbos. In addition, 351 meters of ventilation and emergency escapeway raises shall be developed.8.3 Access to Ore Body The access to the ore body will be via a 15% inclined ramp, driven into the footwall, and, from there, through a +2.5% inclined haulage drift. The ramp and access drift to Level 01 was excavated during the mineral survey phase and features:

- Ramp length: 352 m
- Dome-shaped section: 4.0 m x 3.75 m (width x height)
- Tunnel area: 15.00 m2
- Average slope: 12%
- Access drift length: 45 m
- Elevation of opening: 972 m
- Elevation of first level: 934 m
- Starting at Level 01, the designed ramp shall feature:
- Dome-shaped section: 5 m x 5 m
- Tunnel area: 22.3 m2
- Slope 15% 79

The ramp shall be fully developed in waste rock, in the footwall of the ore body, which is made up of compact schist. According to the geotechnical study, the ramp will be located at least 15 m below the ore body. Another access to Level 01 shall be developed starting from the ramp to Level 02

Basic development cycle using Jumbos: Drilling shall be executed with 2" diameter bits and 3.80 m length drill holes. The cleaning of the holes during drilling shall be via water injection to reduce dust formation. The water used for drilling and from springs shall be pumped with a pneumatic pump to a decantation and storage sump located at the level access way, from where it will be pumped to the surface. After drill hole cleaning (by compressed air) the loading and blasting operations will follow and special underground explosives will be used. There will be a ventilation period followed by an inspection of the working front and removal of loose rock blocks. The working front will be cleared for loading and transportation of the broken material to the waste dump located on the surface or to backfill stoping panels. The ramp shall be equipped with ducts for conducting ventilation air, compressed air and industrial water and electrical and phone cabling. A launder shall be built on the side for drainage, according to the Mining Regulatory Standards

5.3.3. General Description of the Mining Method and Operations

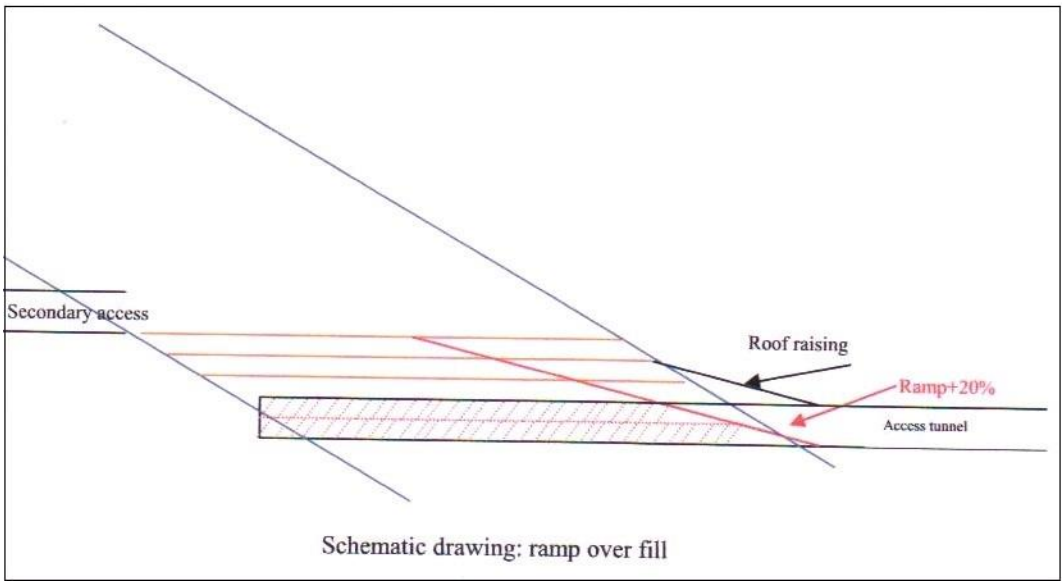
The mining method is the cut and fill, which removes ore in horizontal slices, starting from the bottom undercut and advancing upwards (overhand cut and fill). For the fill, part of the treated tailings from the backfill plant will be used, plus development waste and waste that exists between mineralization lenses to be extracted during the excavation of the mine panels. This method allows for ore selectivity, greater recovery and stability of the openings, and reduction of waste and tailings disposed of on the surface.

Tunnels will be developed to expose the footwall and the hanging wall. The waste layers between the ore lenses that comprise each body will be excavated, provided their thickness is less than 3.0 m. Part of the waste layers with thickness exceeding 3.0 m shall be left behind as "pillars" inside the panel and some other parts will be excavated separately and may be used as backfill within the panel.

Upon conclusion of the aforementioned development, stopping of the ore panel will be initiated. The excavation shall be made via 3.20 m long, 2" diameter, and 70º/80º upward drilling. Drilling shall be carried out by an electrical hydraulic single-boom Jumbo, equipped with a boom for upward drilling. Water shall be used to reduce dust accumulation. For loading drill holes with explosives, a derrick shall be used. Granular explosives with nonelectric delay detonators shall also be used. The first excavation stage, which shall be carried out with a step relative to the access way to the body, shall be the opened from a 3.20 m long vertical raise (slot raise) in each ore lens, to serve as a free face for subsequent blasts. According to the Blasting Plan Design, an average vertical 3.05 m advance per round is estimated. The broken material shall be loaded onto LHD wheel loaders equipped with 5 yd3 buckets - after a ventilation period - and then hauled to the beneficiation plant by 16-t trucks. When

the excavation of the first vertical slice reaches the entire length of the body, the hydraulic backfill process with backfill plant underflow, gets started. Initially, a draining bund will be built with waste to contain the backfill. After a draining period, the backfill surface will be smoothened and another drilling and blasting cycle will start. The mine will operate following this cycle (drilling, blasting, ventilation, loading, hauling and backfilling), until the horizontal pillar that separates the underground mine from the surface or until the horizontal pillar of the next panel is reached. Each panel (75 m vertical clearance) shall be sub-divided into three parts (vertically), for the purpose of carrying out the work cycle. For the first 24 vertical m, the access to the panel shall be via the main level (at the base of the panel). As backfilling progresses, a 20% slope ramp will be constructed to provide access to the next drilling round above the backfill that was previously placed, and as the ramp is constructed, the roof immediately above it shall be raised, maintaining a clearance of 4.2 m. Two additional secondary access ways to the mine panel shall be opened through the main ramp. The purpose of the first access way is to reach the panel 24 m above the main level and the second, to reach the panel 47 m above the main level.

(See drawing below).



Schematic drawing: ramp over fill

5.3.4. Mined-out Panel Backfill

Panel backfilling will be performed using the backfill technique and development waste. The backfill material will consist of the underflow from the backfill plant will consist of the 65% solids by weight underflow from the backfill plant. It will be pumped underground with no dilution, i.e., at 65% solids. The total backfill material will correspond to approximately 38% of the ROM extracted from the panel. Only the coarsest tailings portion shall be used for backfill (cyclones underflow), as it allows water to percolate and drain out of the fill, ensuring greater rock mass stability. The Backfill Plant will be assembled on the surface. This plant will receive the Metallurgical Plant tailings after they are treated in a Pulp Detox Plant. The Backfill

Plant will consist essentially of cycloning operations, cutting the feed stream at 325 mesh. The Mine will receive the underflow of the cyclone, representing 38% of the ROM treated (size analysis and testwork: 40% retained on 325 mesh). This material will be stored and, whenever required, reclaimed and pumped into the panels. Roof raisingRamp+20%Schematic drawing: ramp over fill Access tunnel Secondary access 86Development waste will be used to complement the backfill. The backfill operation will be carried out with the use of slurry pumps that forward the material through pipes to the levels being mined. The backfill will be placed in 3.05 m high layers. After backfilling has been completed, the backfilled area will remain undisturbed for at least 28 hours before the next production cycle starts. This period is required to allow water to drain out of the backfill material. The water drained from the backfill material will be collected by the mine drainage system and directed to the lower levels from where it will be pumped to be treated in the wastewater treatment plant.

6. MANAGEMENT AND KEY PERSONNEL

The Morani Mining Company Limited will have a well-established human resource policy to handle the planned investment. Key among the facts of the policy is an underlying dogma that majority jobs should go to indigenous persons and should be well-paying. In general, the staff shall be placed into three different categories: Administration/Management, Technical Services and Maintenance/Support staff. Administration positions shall range from managers to secretaries. Technical Service staff are Mining, Drilling, Processing, Mechanics etc. Finally, the support staffs such as electricians, guardians, gardeners and cleaners.

Managers will have wide range of duties than other members of staff. The Managing Director will deal with the finance and staff issues plant production, while General Managers will have more flexible list of duties, which could include working in any area of the assembling of the plant.

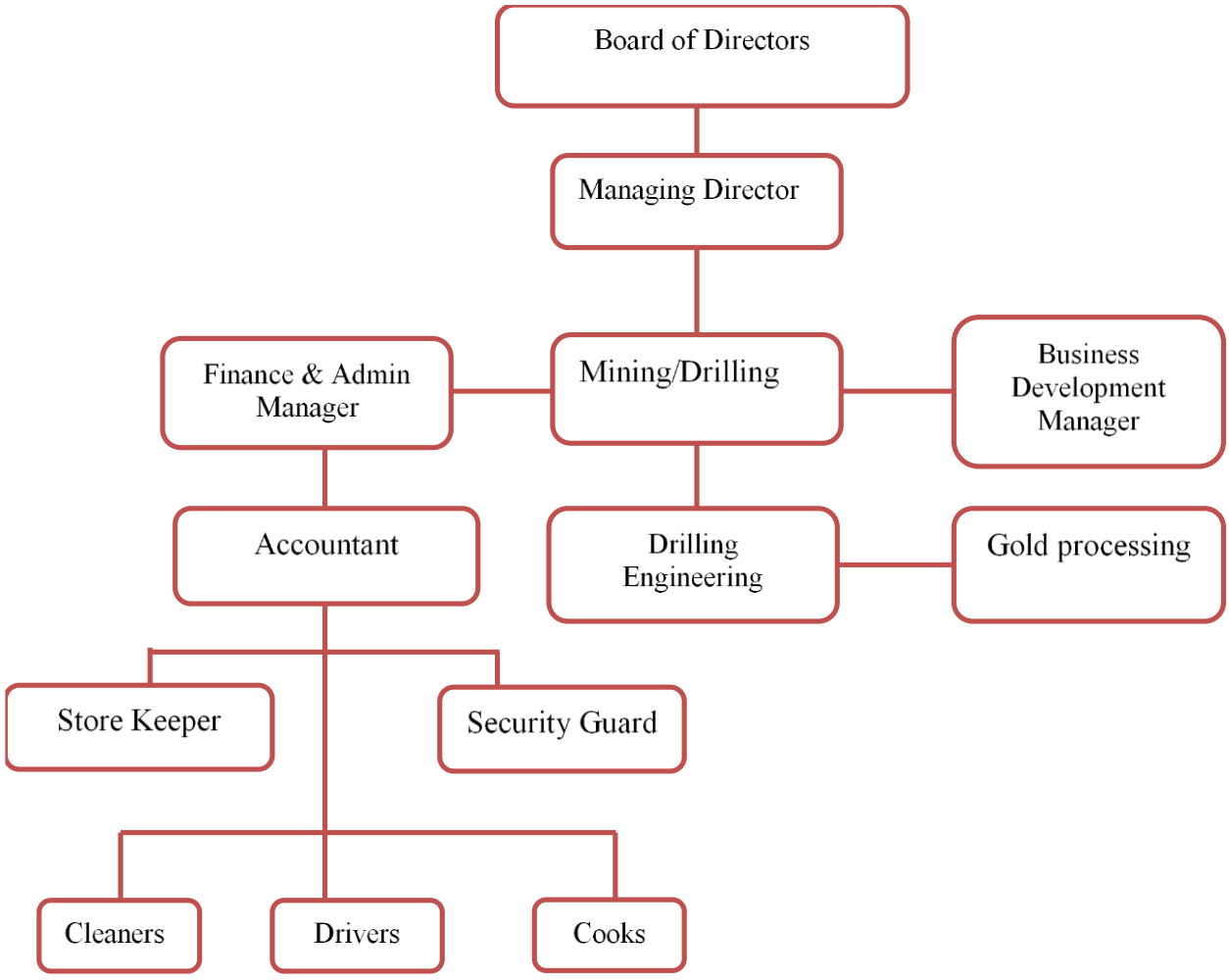
Managers will have a variety of assistants, whose job descriptions will depend on the expansion of the project overtime. It shall be the role of the Assistant Managers to employ and arrange the training of new staff, supervise staff and organize the running of their departments like ordering of supplies. Managers and Assistant Managers could have a personal assistant and/or secretary to do secretarial duties.

6.1. Manpower

Employees Distribution Summary;

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	2	12	5	19
Men	4	50	17	71
TOTAL	**6**	**62**	**22**	**90**

6.1.1. Organization Chart



6.1.2. Plant & Machinery

The list of Plant & Machinery to be purchased is as follow:-

SN	EQUIPMENT	QTY
1	Excavator	5
2	Dozer D6 and D7	3
3	Wheel loader	7
4	Back hole	5
5	Tipper	20
6	Office furniture	6 sets
7	Air conditioning	20
8	Jaw crushers	3
9	Generators	1
10	Equipment spare parts	
11	Cranes	2
12	JCB backhoe 4CX	2
13	Tractor unit 4	4
14	Lowbed Trailer	1
15	Hilux Single Cabin or Double cabin 10	10
16	Directors' vehicles Ford Raptor x4	4
17	Roller Compactor 48" single drum	1
18	Motor grader 140H	1
19	GPS devices	4 sets
20	Surveillance Cameras	12
21	Mineral Analysers	1

7. FINANCIAL ANALYSIS FINANCIAL PLAN

7.1. Initial Funding

Initial capital will be provided by Talis International, sourced from South African investors. This funding will cover the acquisition of mining equipment, working capital, and operational expenses until Morani Gold Mining Limited becomes self-sustaining.

7.1.1. Cost investment Structure and Financing

COST INVESTMENT STRUCTURE	**$**
Current assets	
Working capital	500,000
Pre- Operation Exp	150,000
Other	
Sub total	650,000
Property and equipment	
Land	100,000
Building	100,000
Equipment	65,000
Furniture and fixtures	5,000
Leasehold improvements	-
Plant	240,000
Motor Vehicles	110,000
Other_____	230,000
	850,000
Total assets	**1,500,000**
Financing	**$**
Long-term liabilities	
Long-term loan	500,000
Owner's equity	
Cash	600,000
Contributed asset value	400,000
Total	**1,500,000**

7.2. Financial Projections

Projected revenue streams will be derived from the sale of mined gold and gold trading operations. Profit margins will be based on market-related gold prices, operational efficiencies, and expansion into other mining areas.

7.3. Risk Management

6.1.1. Market Risks

Market risks, such as fluctuations in global gold prices, will be mitigated by securing long-term contracts and diversifying into different markets.

6.1.2. Operational Risks

Operational risks, including equipment failure and regulatory changes, will be managed through comprehensive risk assessments and contingency planning.

6.1.3. Financial Risks

Financial risks, such as currency fluctuations and funding shortages, will be managed by maintaining a robust financial management system and seeking additional capital if necessary.

6.1.4. Financial Sustainability

Financial sustainability will be achieved through careful management of capital and operational expenses. Morani Gold Mining Limited will implement a cost-effective operational strategy, including:

- Cost Control: Monitoring and controlling operational costs to ensure profitability.
- Revenue Diversification: Expanding the trading operations to include gold sourced from other mining companies, providing additional revenue streams.
- Investment in Technology: Investing in modern mining and processing technologies to increase efficiency and reduce costs.

Morani Gold Mining Limited's strategic approach, combined with its commitment to sustainability, local ownership, and community engagement, positions the company as a leader in the Tanzanian gold mining industry. By leveraging the expertise of its partners and focusing on long-term growth, Morani is set to deliver significant value to its shareholders and contribute positively to the Tanzanian economy.

6.1.5. Detailed Budget Breakdown

The budget for Morani Gold Mining Limited's initial phase is structured to cover all essential aspects of the operation, from equipment acquisition to community engagement projects. The following table provides a detailed breakdown of the budget:

MORANI GOLD MINING LIMITED					
PROJECTED INCOME STATEMENT					
	YEAR 1	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**
	$	**$**	**$**	**$**	**$**
SALES	1,161,600	1,334,400	1,560,000	1,747,200	1,956,864
				-	-
COST OF SALES	666,380	761,420	880,100	985,712	1,103,997
				-	-
GROSS MARGIN	495,220	572,980	679,900	761,488	852,867
				-	-
OPERATING COSTS				-	-
Advertising	7,000	7,700	8,470	9,486	10,625
Automotive	8,000	8,800	9,680	10,842	12,143
Bank charges	1,500	1,650	1,815	2,033	2,277
Business taxes	12,000	13,200	14,520	16,262	18,214
Casual wages	3,000	3,300	3,630	4,066	4,553
Depreciation	146,000	146,000	146,000	163,520	183,142
Dues, licenses and fees	5,000	5,500	6,050	6,776	7,589
Insurance	8,000	8,800	9,680	10,842	12,143
Interest on long-term debt	22,950	18,331	13,476	15,093	16,904
Management salaries	1,070	1,070	1,070	1,198	1,342
Misellaneous expenses	6,000	6,600	7,260	8,131	9,107
Office costs	5,000	5,500	6,050	6,776	7,589
Postage	3,000	3,300	3,630	4,066	4,553
Professional fees	8,000	8,800	9,680	10,842	12,143
Property taxes	8,000	8,800	9,680	10,842	12,143
Repairs and maintenance	6,000	6,600	7,260	8,131	9,107
Rent	4,000	4,400	4,840	5,421	6,071
Salaries and benefits	323,400	329,868	336,465	376,841	422,062
Telephone	3,200	3,520	3,872	4,337	4,857
Utilities	4,500	4,950	5,445	6,098	6,830
Total operating costs	**585,620**	**596,689**	**608,573**	**681,602**	**763,394**
				-	-
INCOME BEFORE TAXES	**(90,400)**	**(23,709)**	**71,327**	**79,886**	**89,472**
				-	-
INCOME TAXES	**27,120**	**7,113**	**(21,398)**	**(23,966)**	**(26,842)**
				-	-
NET INCOME	**(63,280)**	**(16,596)**	**49,929**	**55,920**	**62,631**

MORANI GOLD MINING LTD						
PROJECTED BALANCE SHEET						
	Opening	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	$	$	$	$	$	$
ASSETS						
CURRENT						
Cash	500,000	469,089	520,825	641,553	718,539	804,764
Accounts receivable	-	48,400	55,600	65,000	72,800	81,536
Inventory	150,000	150,000	150,000	150,000	168,000	188,160
Other assets	-	-	-	-	-	-
Total	**650,000**	**667,489**	**726,425**	**856,553**	**959,339**	**1,074,460**
					-	-
CAPITAL ASSETS					-	-
Land	100,000	100,000	100,000	100,000	112,000	125,440
Building	100,000	100,000	100,000	100,000	112,000	125,440
Equipment	65,000	65,000	65,000	65,000	72,800	81,536
Furniture and fixtures	5,000	5,000	5,000	5,000	5,600	6,272
Leasehold improvements	-	-	-	-	-	-
Computer equipment	240,000	240,000	240,000	240,000	268,800	301,056
Automotive equipment	110,000	110,000	110,000	110,000	123,200	137,984
Other	230,000	230,000	230,000	230,000	257,600	288,512
	850,000	850,000	850,000	850,000	952,000	1,066,240
Accumulated depreciation	-	(146,000)	(292,000)	(438,000)	(490,560)	(549,427)
	850,000	704,000	558,000	412,000	461,440	516,813
					-	-
Total	**1,500,000**	**1,371,489**	**1,284,425**	**1,268,553**	**1,420,779**	**1,591,273**
					-	-
LIABILITIES					-	-
					-	-
CURRENT					-	-
Accounts payable	-	52,167	56,588	62,028	69,471	77,808
Income taxes payable	-	(27,120)	(7,113)	21,398	23,966	26,842
Current portion of long-term de	90,278	94,896	99,751	104,855	117,438	131,530
Total	**90,278**	**119,943**	**149,227**	**188,281**	**210,875**	**236,180**
					-	-
LONG-TERM DEBT					-	-
Long-term loan	500,000	409,722	314,826	215,074	240,883	269,789
Less current portion	(90,278)	(94,896)	(99,751)	(104,855)	(117,438)	(131,530)
	409,722	314,826	215,074	110,220	123,446	138,259
Total	**500,000**	**434,769**	**364,301**	**298,501**	**334,321**	**374,439**
OWNER'S EQUITY					-	-
Cash	600,000	600,000	600,000	600,000	672,000	752,640
Contributed asset value	400,000	400,000	400,000	400,000	448,000	501,760
Accumulated earnings	-	(63,280)	(79,876)	(29,947)	(33,541)	(37,566)
	1,000,000	936,720	920,124	970,053	1,086,459	1,216,834
					-	-
Total	**1,500,000**	**1,371,489**	**1,284,425**	**1,268,553**	**1,420,779**	**1,591,273**

MORANI GOLD MINING LTD PROJECTED BALANCE SHEET						
	Opening	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	$	$	$	$	$	$
ASSETS						
CURRENT						
Cash	500,000	469,089	520,825	641,553	718,539	804,764
Accounts receivable	-	48,400	55,600	65,000	72,800	81,536
Inventory	150,000	150,000	150,000	150,000	168,000	188,160
Other assets	-	-	-	-	-	-
Total	**650,000**	**667,489**	**726,425**	**856,553**	**959,339**	**1,074,460**
					-	-
CAPITAL ASSETS					-	-
Land	100,000	100,000	100,000	100,000	112,000	125,440
Building	100,000	100,000	100,000	100,000	112,000	125,440
Equipment	65,000	65,000	65,000	65,000	72,800	81,536
Furniture and fixtures	5,000	5,000	5,000	5,000	5,600	6,272
Leasehold improvements	-	-	-	-	-	-
Computer equipment	240,000	240,000	240,000	240,000	268,800	301,056
Automotive equipment	110,000	110,000	110,000	110,000	123,200	137,984
Other	230,000	230,000	230,000	230,000	257,600	288,512
	850,000	850,000	850,000	850,000	952,000	1,066,240
Accumulated depreciation	-	(146,000)	(292,000)	(438,000)	(490,560)	(549,427)
	850,000	704,000	558,000	412,000	461,440	516,813
					-	-
Total	**1,500,000**	**1,371,489**	**1,284,425**	**1,268,553**	**1,420,779**	**1,591,273**
					-	-
LIABILITIES					-	-
					-	-
CURRENT					-	-
Accounts payable	-	52,167	56,588	62,028	69,471	77,808
Income taxes payable	-	(27,120)	(7,113)	21,398	23,966	26,842
Current portion of long-term	90,278	94,896	99,751	104,855	117,438	131,530
Total	**90,278**	**119,943**	**149,227**	**188,281**	**210,875**	**236,180**
					-	-
LONG-TERM DEBT					-	-
Long-term loan	500,000	409,722	314,826	215,074	240,883	269,789
Less current portion	(90,278)	(94,896)	(99,751)	(104,855)	(117,438)	(131,530)
	409,722	314,826	215,074	110,220	123,446	138,259
Total	**500,000**	**434,769**	**364,301**	**298,501**	**334,321**	**374,439**
OWNER'S EQUITY					-	-
Cash	600,000	600,000	600,000	600,000	672,000	752,640
Contributed asset value	400,000	400,000	400,000	400,000	448,000	501,760
Accumulated earnings	-	(63,280)	(79,876)	(29,947)	(33,541)	(37,566)
	1,000,000	936,720	920,124	970,053	1,086,459	1,216,834
					-	-
Total	**1,500,000**	**1,371,489**	**1,284,425**	**1,268,553**	**1,420,779**	**1,591,273**

MORANI GOLD MINING LTD					
PROJECTED STATEMENT OF CASH FLOWS					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	$	$	$	$	$
CASH PROVIDED BY THE FOLLOWING ACTIVITIES					
OPERATING					
Net earnings	(63,280)	(16,596)	49,929	55,920.15	62,630.57
Depreciation	146,000	146,000	146,000	163,520.00	183,142.40
	82,720	129,404	195,929	219,440.15	245,772.97
Changes in working capital accounts				-	-
Accounts receivable	(48,400)	(7,200)	(9,400)	(10,528.00)	(11,791.36)
Inventory	-	-	-	-	-
Other assets	-	-	-	-	-
Accounts payable	52,167	4,421	5,440	6,093.00	6,824.16
Income taxes payable	(27,120)	20,007	28,511	31,932.00	35,763.84
Total	**59,367**	**146,632**	**220,480**	**246,937.15**	**276,569.61**
				-	-
FINANCING				-	-
Repayment of long-term loan	(90,278)	(94,896)	(99,751)	(111,721.66)	(125,128.26)
				-	-
CHANGE IN CASH	(30,911)	51,736	120,728	135,215.49	151,441.35
				-	-
CASH, BEGINNING OF YEAR	500,000	469,089	520,825	583,324.00	653,322.88
				-	-
CASH, END OF YEAR	469,089	520,825	641,553	718,539.50	804,764.23

MORANI GOLD MINING LTD					
PROJECTED OPERATING COSTS					
	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*
	$	*$*	*$*	*$*	*$*
Advertising	7,000	7,700	8,470	9,486	10,625
Automotive	8,000	8,800	9,680	10,842	12,143
Bank charges	1,500	1,650	1,815	2,033	2,277
Business taxes	12,000	13,200	14,520	16,262	18,214
Casual wages	3,000	3,300	3,630	4,066	4,553
Dues, licenses and fees	5,000	5,500	6,050	6,776	7,589
Insurance	8,000	8,800	9,680	10,842	12,143
Misellaneous expenses	6,000	6,600	7,260	8,131	9,107
Office costs	5,000	5,500	6,050	6,776	7,589
Postage	3,000	3,300	3,630	4,066	4,553
Professional fees	8,000	8,800	9,680	10,842	12,143
Property taxes	8,000	8,800	9,680	10,842	12,143
Repairs and maintenance	6,000	6,600	7,260	8,131	9,107
Rent	4,000	4,400	4,840	5,421	6,071
Telephone	3,200	3,520	3,872	4,337	4,857
Utilities	4,500	4,950	5,445	6,098	6,830
Total	**92,200**	**101,420**	**111,562**	**124,949**	**139,943**

MORANI GOLD MINING LTD						
PROJECTED SALARIES AND WAGES						
		Year 1	Year 2	Year 3	Year 4	Year 5
General salaries and benefits:						
Position:	Number					
Directors	2	36,000	36,720	37,454	38,203	38,968
Mangers	2	24,000	24,480	24,970	25,469	25,978
Operational Officers	90	216,000	220,320	224,726	229,221	233,805
Clerck	3	10,800	11,016	11,236	11,461	11,690
watchmen	4	7,200	7,344	7,491	7,641	7,794
					-	-
		294,000	299,880	305,878	311,995	318,235
		29,400	29,988	30,588	31,200	31,824
Total salaries and benefits	**101**	**323,400**	**329,868**	**336,465**	**343,195**	**350,059**
					-	-
Project Manager	1	1,000	1,000	1,000	1,020	1,040
		1,000	1,000	1,000	1,020	1,040
Estimated benefits (7%)		70	70	70	71	73
Total management salaries		1,070	1,070	1,070	1,091	1,113
Total salaries		**324,470**	**330,938**	**337,535**	**344,286**	**351,172**

Financial Projections Template - Loan Analysis						
				Amount financed		500,000.00
				Annual interest (e.g., 8.25)		5.000
				Duration of loan (in years)		5
				Start date of loan		Month 1
				Monthly payments		9,435.62
				Total number of payments		60
				Yearly principal + interest		113,227.40
				Principal amount		500,000.00
				Finance charges		66,137.01
				Total cost		566,137.01

PAYMENT MONTH	BEGINNING BALANCE	INTEREST	PRINCIPAL	BALANCE	ACCUMULATIVE INTEREST	ACCUMULATIVE PRINCIPAL
1	500,000.00	2,083.33	7,352.28	492,647.72	2,083.33	7,352.28
2	492,647.72	2,052.70	7,382.92	485,264.80	4,136.03	14,735.20
3	485,264.80	2,021.94	7,413.68	477,851.12	6,157.97	22,148.88
4	477,851.12	1,991.05	7,444.57	470,406.55	8,149.02	29,593.45
5	470,406.55	1,960.03	7,475.59	462,930.96	10,109.04	37,069.04
6	462,930.96	1,928.88	7,506.74	455,424.22	12,037.92	44,575.78
7	455,424.22	1,897.60	7,538.02	447,886.20	13,935.52	52,113.80
8	447,886.20	1,866.19	7,569.42	440,316.78	15,801.71	59,683.22
9	440,316.78	1,834.65	7,600.96	432,715.82	17,636.37	67,284.18
10	432,715.82	1,802.98	7,632.63	425,083.18	19,439.35	74,916.82
11	425,083.18	1,771.18	7,664.44	417,418.75	21,210.53	82,581.25
12	417,418.75	1,739.24	7,696.37	409,722.37	22,949.78	90,277.63
13	409,722.37	1,707.18	7,728.44	401,993.93	24,656.95	98,006.07
14	401,993.93	1,674.97	7,760.64	394,233.29	26,331.93	105,766.71
15	394,233.29	1,642.64	7,792.98	386,440.31	27,974.57	113,559.69
16	386,440.31	1,610.17	7,825.45	378,614.86	29,584.73	121,385.14
17	378,614.86	1,577.56	7,858.05	370,756.81	31,162.30	129,243.19
18	370,756.81	1,544.82	7,890.80	362,866.01	32,707.12	137,133.99
19	362,866.01	1,511.94	7,923.68	354,942.34	34,219.06	145,057.66
20	354,942.34	1,478.93	7,956.69	346,985.65	35,697.98	153,014.35
21	346,985.65	1,445.77	7,989.84	338,995.80	37,143.76	161,004.20
22	338,995.80	1,412.48	8,023.13	330,972.67	38,556.24	169,027.33
23	330,972.67	1,379.05	8,056.56	322,916.11	39,935.29	177,083.89
24	322,916.11	1,345.48	8,090.13	314,825.97	41,280.78	185,174.03
25	314,825.97	1,311.77	8,123.84	306,702.13	42,592.55	193,297.87
26	306,702.13	1,277.93	8,157.69	298,544.44	43,870.48	201,455.56
27	298,544.44	1,243.94	8,191.68	290,352.76	45,114.41	209,647.24
28	290,352.76	1,209.80	8,225.81	282,126.94	46,324.21	217,873.06
29	282,126.94	1,175.53	8,260.09	273,866.86	47,499.74	226,133.14
30	273,866.86	1,141.11	8,294.50	265,572.35	48,640.86	234,427.65
31	265,572.35	1,106.55	8,329.07	257,243.29	49,747.41	242,756.71
32	257,243.29	1,071.85	8,363.77	248,879.52	50,819.25	251,120.48
33	248,879.52	1,037.00	8,398.62	240,480.90	51,856.25	259,519.10
34	240,480.90	1,002.00	8,433.61	232,047.28	52,858.26	267,952.72
35	232,047.28	966.86	8,468.75	223,578.53	53,825.12	276,421.47
36	223,578.53	931.58	8,504.04	215,074.49	54,756.70	284,925.51
37	215,074.49	896.14	8,539.47	206,535.02	55,652.84	293,464.98
38	206,535.02	860.56	8,575.05	197,959.96	56,513.40	302,040.04
39	197,959.96	824.83	8,610.78	189,349.18	57,338.24	310,650.82
40	189,349.18	788.95	8,646.66	180,702.52	58,127.19	319,297.48
41	180,702.52	752.93	8,682.69	172,019.83	58,880.12	327,980.17
42	172,019.83	716.75	8,718.87	163,300.96	59,596.87	336,699.04
43	163,300.96	680.42	8,755.20	154,545.76	60,277.29	345,454.24
44	154,545.76	643.94	8,791.68	145,754.09	60,921.23	354,245.91
45	145,754.09	607.31	8,828.31	136,925.78	61,528.54	363,074.22
46	136,925.78	570.52	8,865.09	128,060.69	62,099.06	371,939.31
47	128,060.69	533.59	8,902.03	119,158.66	62,632.65	380,841.34
48	119,158.66	496.49	8,939.12	110,219.53	63,129.14	389,780.47
49	110,219.53	459.25	8,976.37	101,243.17	63,588.39	398,756.83
50	101,243.17	421.85	9,013.77	92,229.40	64,010.24	407,770.60
51	92,229.40	384.29	9,051.33	83,178.07	64,394.53	416,821.93
52	83,178.07	346.58	9,089.04	74,089.03	64,741.10	425,910.97
53	74,089.03	308.70	9,126.91	64,962.11	65,049.81	435,037.89
54	64,962.11	270.68	9,164.94	55,797.17	65,320.48	444,202.83
55	55,797.17	232.49	9,203.13	46,594.04	65,552.97	453,405.96
56	46,594.04	194.14	9,241.47	37,352.57	65,747.11	462,647.43
57	37,352.57	155.64	9,279.98	28,072.59	65,902.75	471,927.41
58	28,072.59	116.97	9,318.65	18,753.94	66,019.72	481,246.06
59	18,753.94	78.14	9,357.48	9,396.46	66,097.86	490,603.54
60	9,396.46	39.15	9,396.46	0.00	66,137.01	500,000.00
61	0.00	0.00	9,435.62	-9,435.62	66,137.01	509,435.62
62	-9,435.62	-39.32	0.00		66,097.69	