



**ITRACOM FERTILIZERS LIMITED PROJECT PROGRESS REPORT**

**AS OF 30th MARCH, 2024**

## 1. PROJECT PLAN

### a. Main Objective;

The Company intends to achieve a production capacity of 1,000,000 tons/year across all fertilizers lines to ensure sustainability and market competitiveness.

### b. Key Components:

#### i. Completion of granulation, blending, and organic fertilizer lines.

- (Out of four (4) fertilizers granulation lines, three (3) are operational, One (1) pending for testing, three (3) Organic lines fully functional, Limestone and Phosphate lines are operational, NPK Blending Line commissioned pending testing)

#### ii. Expansion of experimental fields for product testing for both domestic and external markets.

- (The Company has extended the experimental fields to external markets and so far, ITRACOM has secured a deal of **supplying Fertilizers to Kenya and Malawi**, in the agricultural season 2025/2026).

#### iii. Strengthening local and International Markets presence.

- (**FOMI** fertilizers have been positively accepted in the local markets for its efficiency and positive results, with that impact the Company is now moving to Cash Crops products and on trial phase for new Fertilizers Formulas to meet the demand of cash crops such as Tobacco, Tea and Avocado for other countries such as Uganda, Angola, Rwanda and Zambia in collaboration with the respective region/ country agricultural institutes).

**iv. Installation of environmental management systems**, including advanced dust removal and wastewater recovery.

**c. Company updated information**

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: <a href="mailto:info@itracomfertilizers.co.tz">info@itracomfertilizers.co.tz</a> OR <a href="mailto:nazairenduwimana@itracomfertilizers.co.tz">nazairenduwimana@itracomfertilizers.co.tz</a> Mobile Number: <b>+255755933716</b> Office Phone: <b>+255733900799</b> Physical Address: Plot No. 929 Block No. "DD" Street: Nala Industrial Area District Dodoma Region- Dodoma.	
3	Contact Person	Name : NDUWIMANA Nazaire/Dr. Kenneth MASUKI Position : Managing Director Phone: <b>+255755933716/+255784625567</b> Email : <a href="mailto:nazairenduwimana@itracomfertilizers.co.tz">nazairenduwimana@itracomfertilizers.co.tz</a>	
4	Incorporation	Certificate of Incorporation Number-145278112	
5	TIN Information	TIN Certificate No:145-278-112	
6	Project Objective	Project Core Activity: Production of Organo-Mineral Fertilizers	
7	Capacity	Project capacity in full operation per year: <b>For Nala -Dodoma</b> project 1,000,000 Metric Tons per Five plants. <b>For Vilima Vitatu-Babati</b> project 400,000 Metric Tons per Two plants.	
8	Direct Employment	Foreign and Local - 993	

9	Indirect employment	Type/areas of Indirect employment - Construction Activities, & - Production activities	
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## 2. PLANNED PROJECT ACTIVITIES;

### I. NALA –DODOMA PROJECT

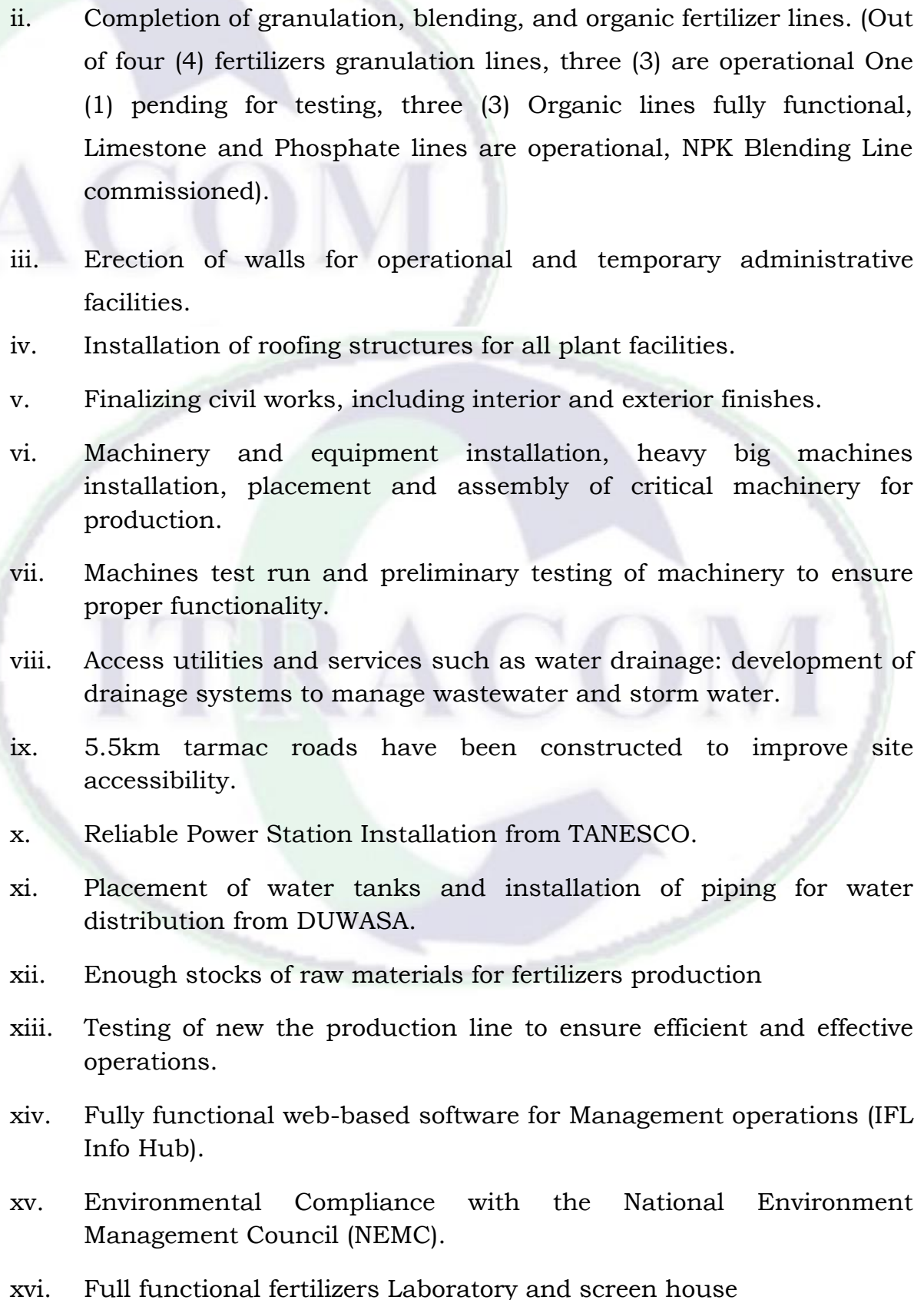
#### a. **Planned activities for the project located at Plot No. 929, Block “DD”, Nala Industrial Area, Dodoma were as below;**

- i. Securing the necessary permits for construction activities, Construction Permit and Approvals
- ii. Site Preparation and Infrastructure Development to include topographic Leveling for the construction site and implantation and Delimitation (Marking and boundary definition for project structures).
- iii. Start of Civil Works such as foundations construction by establishment of strong foundations for buildings and heavy machinery and Construction of robust flooring to support production operations and equipment.
- iv. Wall Construction, Erection of walls for operational and administrative facilities.
- v. Roof Mounting: Installation of roofing structures for all plant facilities.
- vi. Construction Finishing: Finalizing civil works, including interior and exterior finishes.
- vii. Machinery and equipment installation, heavy big machines installation, placement and assembly of critical machinery for production.
- viii. Machines test run and preliminary testing of machinery to ensure proper functionality.
- ix. Access utilities and services such as water drainage: development of drainage systems to manage wastewater and storm water.
- x. Construction of access roads to improve site accessibility.

- xi. Power Station Installation: Establishment of on-site power generation and distribution systems by TANESCO.
- xii. Water Tank and Piping Installation: Placement of water tanks and installation of piping for water distribution.
- xiii. Establishing contracts and connections with DUWASA for water supply.
- xiv. Production Preparation through Procurement of raw materials required for Organo mineral fertilizers production.
- xv. Production Test Run: Testing the production line to ensure efficient and effective operations.
- xvi. **Additional Activities;** Development of web-based software for Management operations (IFL Info Hub).
- xvii. Environmental Compliance with the National Environment Management Council (NEMC).
- xviii. Laboratory Registration: Certification from the Government Chemist Laboratory Authority (GCLA).
- xix. FOMI Product Research: Researching new products for market alignment.
- xx. FOMI Product Registration: Registration of products with the Tanzania Fertilizers Regulatory Authority (TFRA).
- xxi. FOMI Product Pricing: Discussion of product prices with TFRA for regulatory approval.

**b. Achievements made on the project's implementation to date (i.e. from the date the projects were 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. Attainment of all the necessary permits paving the way for construction activities to begin.

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- ii. Completion of granulation, blending, and organic fertilizer lines. (Out of four (4) fertilizers granulation lines, three (3) are operational One (1) pending for testing, three (3) Organic lines fully functional, Limestone and Phosphate lines are operational, NPK Blending Line commissioned).
  - iii. Erection of walls for operational and temporary administrative facilities.
  - iv. Installation of roofing structures for all plant facilities.
  - v. Finalizing civil works, including interior and exterior finishes.
  - vi. Machinery and equipment installation, heavy big machines installation, placement and assembly of critical machinery for production.
  - vii. Machines test run and preliminary testing of machinery to ensure proper functionality.
  - viii. Access utilities and services such as water drainage: development of drainage systems to manage wastewater and storm water.
  - ix. 5.5km tarmac roads have been constructed to improve site accessibility.
  - x. Reliable Power Station Installation from TANESCO.
  - xi. Placement of water tanks and installation of piping for water distribution from DUWASA.
  - xii. Enough stocks of raw materials for fertilizers production
  - xiii. Testing of new the production line to ensure efficient and effective operations.
  - xiv. Fully functional web-based software for Management operations (IFL Info Hub).
  - xv. Environmental Compliance with the National Environment Management Council (NEMC).
  - xvi. Full functional fertilizers Laboratory and screen house

- xvii. FOMI Product Research: Researching new products for market alignment.
- xviii. FOMI Trade Mark Registration
- xix. Phosphate TBS Standard Certificate

## II. **VILIMA VITATU – BABATI, MANYARA PROJECT**

### **c. Planned activities for the project located at Plot No. 4, Block “A”, Mdori Village, Nkaiti Ward, Vilima Vitatu, Babati, Manyara were as below;**

- i. 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 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, administration block, laboratory, godowns, dispensary, workshop and weigh bridge as well as delivery of supplies for line 2.
- xii. Installation of equipment.
- xiii. Demarcation of project area.
- xiv. Enhance security of project area.
- xv. Construction of gravel roads within the project and connecting to the Arusha-Babati Highway.

### III. **Achievements made on Vilima Vitatu project to date;**

- 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 and attainment of **Prospecting Licence No. PL 11570/2021** for exploration of phosphate and **Mining Licence No. ML 677/2022** from the Mining Commission paving way for commencement of mining and processing 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 authority's paving way to commencement of project activities.

- 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 completed successfully by 17th May 2023, whereby 567 people were compensated a total of TSh 4,940,918,162.42.
- vi. Construction of a new Vilima Vitatu Primary School at a cost of TSh 1.55 billion was completed and handing of the school to Manyara Regional Commissioner on 13th July, 2023. The school buildings comprise 10 class rooms every two with teachers' office; administration block; kitchen and dining hall; 6 teachers' houses; washroom 4 for teachers, 24 washrooms for pupils including 2 for disabled and 1 urial; and football and handball pitches.
- vii. Power and water supply to the new Vilima vitatu Primary School.
- viii. 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 was done.
- ix. Underground water survey, water borehole drilling and construction was carried out successfully and water supply pipes laid down for construction activities, household use for the company, primary school and surrounding community was completed.
- x. Power and water supply to the project site including offices and phosphate processing plant was done.
- xi. Application for surface right for the compensated project area was presented to the Government.
- xii. The compensated area covering 5,046,272 square meters (1,252.73 acres) was registered as Vilima vitatu Industrial area, Plot No. 4, Block A with registration number 172167.

- xiii. Acquisition of supplies going on in accordance with requirements.
- xiv. Construction of administration block, godowns, laboratory, restaurant, workshop and weigh-bridge completed. Offices furnished and currently in use.
- xv. Clearance, excavation and construction of basements and installation of equipment for phosphate processing plant line no. 1 completed.
- xvi. Site clearance, excavation and construction of basements for phosphate processing plant line no. 2 and equipment delivery was achieved. Site clearance for phosphate processing plant line no. 3 and line no. 4 was carried out.
- xvii. Pitting 19 pits around Mwembe Hill for delineation of phosphate layers at shallow depths was done prior to drilling.
- xviii. Drilling of 14 core boreholes on the western flank of Mwembe Hill for delineation of phosphate mining sites, core logging and sampling was done and samples analyzed for content of apatite (P<sub>2</sub>O<sub>5</sub>), which is needed raw material in fertilizers.
- xix. Site clearance for open pit mine.
- xx. Excavation of waste rock and phosphate layers by using excavators commenced on 11th October 2023.
- xxi. Haulage of phosphate from mining zone to phosphate processing plant and haulage of overburden to waste rock dumps by using dump trucks started and continued.
- xxii. The completed phosphate processing plant line no. 1 started production of phosphate powder on 11th March 2024 by trial production of phosphate powder and later embarked to full production, first on single shift and later two shifts system.
- xxiii. Processed phosphate powder are now packed in used empty bags and transferred to Nala fertilizers plant in Dodoma,

- xxiv. Haulage of phosphate powder from Vilima vitatu phosphate mine and processing plant Babati to fertilizer plant at Nala in Dodoma going on. Haulage trucks pass through TANROARDS weighbridge as per government directives.
- xxv. The project area was demarcated by clearing boundaries around the area and construction of fence wall on both sides of the main entrance road connecting to Arusha-Babati Highway.
- xxvi. Seven security points including at the main entrance gate, constructed around the administration block and phosphate processing plant area.
- xxvii. Gravel roads within the project and connecting to Arusha Babati Highway were constructed.
- xxviii. The Phosphate Mine and Processing Plant at Vilima vitatu Babati on 15th July 2024 was visited and inspected by the
- xxix. Mwenge wa Uhuru 2024 Rally, whereby the Rally Leader Ndugu Godfrey Eliakimu Mnzava laid the foundation stone for construction of the project.

**IV. Project Financing**

	<b>Amount (USD)</b>	<b>Source Country</b>
Local equity	26,068,004.41	Tanzania
Local loans	59,628,319.84	Tanzania
Foreign equity	-	
Foreign Loans	-	
<b>Total Investment</b>	<b>85,696,324.24</b>	<b>Tanzania</b>

**V. Project Financing Expenditure to-date (USD)**

	<b>Foreign (USD)</b>	<b>Local (USD)</b>	<b>Total (TSH)</b>

Land and Buildings		36,371,264.73	91,147,560,567
Plant and machinery		18,569,324.05	46,535,323,991
Vehicles/Aircrafts		669,998.13	1,679,0897
Furniture		82,707.70	207,268,155
Office equipment		-	
Insurance Cover		71,095.73	178,168,185
Pre-operational expenses		2,900,718.95	7,269,295,080
Working sub-total capital		27,031,214.96	67,741,095,104
<b>Grand Total</b>		<b>85,696,324.24</b>	<b>214,757,747,979</b>

## VI. Total Local and International Sales Report


	USD	TZS
LOCAL	-	3,601,673,943.52
BURUNDI	7,290,145.00	18,268,863,486.74
KENYA	20,482,308.00	52,739,735,518.39
<b>TOTAL</b>	<b>27,772,453.00</b>	<b>74,610,272,948.65</b>

## VII. Challenges

- i. High Transport cost for produced fertilizers as well as raw materials
- ii. Competition from imported mineral fertilizers
- iii. Scaling up production to meet increasing demand
- iv. Managing environmental concern and compliance with regulations

## VIII. Future Plans

- i. Completion of the main administration Block and other unfinished plant lines
- 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.

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- 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. Construction of gravel roads within the factories

IX. **Recommendations and any other comments**

- i. Market expansion and product diversification to develop the bio-stimulant fertilizers
- ii. Technology investment and capacity building on the use of local manufactured fertilizers to nationals.