

TANZANIA INVESTMENT AND SPECIAL ECONOMIC ZONES AUTHORITY
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

The planned activities to start mining with Technical Support Agreement on 2-3 area. For the 1st year we planned to finish the exploration phase.

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.

We have agreed on 27 PMLs in Kagera region, we have 1 PML in Geita, where research is underway, we are negotiating 2 areas in Katoro that have suitable potential based on sampling, we have also verbally agreed on 1 PML in Kahama region, which is suitable for us. We want to start research in October. Our goal is to have a positive decision on the implementation and commence one investment projects in at least one location by the end of the year.

3. Provide updated information on the following aspects:

S/No.	Information	Description	Current Project Status
1	Shareholder's Information	Peter Krupanszky, 250 shares, Managing Director Gabor Krupanszky, 250 shares, Director Ferenc Peto, 40 shares, Director Zsolt Zoltan Sari, 220 shares, Director	The project is on-going and the implementation is estimated to be at 25% of the company target so far. However, the progress is promising in the near future.

		Deogratus Rwagasore, 240 shares, Director	
2	Company communication Information	+255 758 752 140 +36 30 737 5506 (WhatsApp) petoferi@gmail.com	
3	Contact Person	Mr. Ferenc Peto, Chief Executive Officer.	
4	Incorporation	180592814	
5	TIN Information	TIN Certificate No. 180592814	
6	Project Objective	Project Core Activity	Gold Mining
7	Capacity	Project capacity per year	21,900 tons of gold ore per annum.
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	Levente Mozsolits - CEO, (Man) Ferenc Peto – CFO(Man) Eszter Beke – PM(Woman) Loinyeyeki Raphael Mollel – Project Assistant. Denis Amrung Dickson – Junior Geologist. Renatus Martine Firimini - Driver
9	Indirect employment	Type/areas of Indirect employment	Wage laborers in the intended mining sites.

4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		Nyampalahala 45000/= pending	
Plant and machinery			
Vehicles/Aircrafts			
Furniture		1000/=	
Office equipment		500/=	
Insurance Cover			
Pre-operational expenses			
Working sub-total capital	500000/=		
Grand Total			

5. 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		
Local loans		
Foreign equity		implementation, construction: owners will make project injection in this phase. approx. 2m USD
Foreign Loans	460.000	project preparation: Hungarian - affiliated company always transfer the necessary source.
Total Investment	460.000	

6. Problems and Solutions

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

We have some difficulties, what is normal in mining sector. In the 1st year we got 27+1 PMLs, we are working on the exploration and we are looking for new opportunities. We have 6 employees, but we need to further develop the professional team.

7. Future Plans

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

The next steps in Nyamatagata to finish the Magnetic survey, after make an IP survey, and drillings, analyze it to determine the ore body, after make metallurgist report, mining plan, processing plan, feasibility study. If these are ready and economically good the project we can start the construction. As we write in point 5, in the project preparation phase the owners other company give loan for financing, and in the construction phase the owners raise the equity.

We have two other projects. One is 27 PML, where we need to make magnetic an IP survey. Other is in Kahama. The sample testing was enough good, so we need to agree about exploration and TSA to do the same thing like in Nyamatagata

8. Recommendations and any other comments

