



BAOYUAN MINING COMPANY LIMITED

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TANZANIA INVESTMENT CENTRE (TIC)

PROJECT PROGRESS REPORT (SEMI-ANNUAL)

1. GENERAL INFORMATION

Company Name: BAOYUAN MINING CO.LTD

Project Title: Copper Ore Processing Plant (Flotation Project)

Project Location: Katavi Region, Mpanda District, Tanzania

Reporting Period: October 2025 – March 2026

Date of Report: 2026-04-08

2. PLANNED ACTIVITIES FOR THE PERIOD

During the reporting period, the Company planned to undertake the following activities:

- Acquisition of land use rights and site preparation
 - Finalization of legal and regulatory documentation (TIC Certificate, land agreements, cooperation agreements)
 - Civil works including construction of plant foundation and basic infrastructure
 - Procurement and shipment of flotation plant equipment from overseas
 - Recruitment of technical personnel and management staff
 - Project design, layout planning, and engineering preparation
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3. ACHIEVEMENTS MADE ON THE PROJECT

IMPLEMENTATION TO DATE

Since the approval of the project, the Company has made significant progress as follows:



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- Secured land for the project through a formal agreement with the mineral rights holder
- Completed site clearing, leveling, and preliminary preparation works
- Signed cooperation agreement with the mining license holder
- Completed engineering design and plant layout planning
- Procured major flotation equipment, with part of the equipment already delivered to Tanzania and the remainder in transit
- Initiated construction of basic infrastructure and plant foundation
- Conducted initial recruitment of operational and technical personnel

Currently, the project is at the **construction and equipment mobilization stage**, progressing steadily toward installation and commissioning.

4. PROJECT FINANCIAL EXPENDITURE TO DATE

Item	Foreign (USD)	Local (TZS)	Total (USD Equivalent)
Land and Buildings	120,000	-	120,000
Plant and Machinery	650,000	-	650,000
Vehicles	80,000	-	80,000
Furniture	10,000	-	10,000
Office Equipment	15,000	-	15,000
Insurance Cover	8,000	-	8,000
Pre-operational Expenses	40,000	60,000,000	55,000
Working Capital	120,000	100,000,000	150,000
GRAND TOTAL			1,088,000 USD

5. PROJECT FINANCING

The project is financed through the following sources:

- Equity capital contributed by shareholders of BAOYUAN MINING CO.LTD
- Internal funds generated from existing business operations
- No external bank loans have been utilized at this stage



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The Company may consider additional financing options in the future, including:

- Equipment financing
 - Strategic investment partnerships
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6. PROBLEMS ENCOUNTERED AND SOLUTIONS

Challenges:

- Delays in international logistics and shipment of equipment
- Limited infrastructure in the project area (roads and utilities)
- Power supply constraints in the remote mining region

Solutions:

- Implementing phased shipment and delivery of equipment
 - Coordinating with local partners to improve logistics and transportation
 - Planning installation of an independent power supply system (diesel and solar hybrid system)
 - Strengthening on-site project management and scheduling
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7. FUTURE PLANS (NEXT SIX MONTHS)

In the next six months, the Company plans to:

- Complete construction of plant structures and supporting infrastructure
- Install and commission flotation equipment
- Construct a compliant tailings management system
- Establish a laboratory for mineral testing and quality control
- Commence trial production
- Achieve a processing capacity of approximately **200 tons per day**
- Prepare for full-scale commercial operation

Estimated additional investment: USD 300,000 – 500,000



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8. RECOMMENDATIONS AND COMMENTS

The Company appreciates the continued support from the Tanzania Investment Centre and relevant government authorities.

We respectfully recommend:

- Continued facilitation and support in importation of industrial equipment
 - Assistance in infrastructure development in mining regions
 - Streamlining administrative procedures related to mining and industrial projects
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9. OTHER INFORMATION

The project is expected to contribute significantly to the local and national economy by:

- Creating employment opportunities for local communities
- Promoting value addition to mineral resources within Tanzania
- Increasing government revenue through taxes, royalties, and related charges

Authorized by:

Name: ZHUO YINQUAN

Position: Director

Company: BAOYUAN MINING CO. LTD

Signature:

A handwritten signature in black ink, appearing to be the Chinese characters "卓银权" (Zhuo Yinquan).



Date: 2026-04-08