

Scoping Study Report

For Tanzania Extractive Industries
Transparency Initiative (TEITI)
3rd Reconciliation for the Year ended
30 June 2011

Prepared by BDO East Africa in association with Paulsam
Geo-Engineering Limited



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1. List of Abbreviations and Acronyms

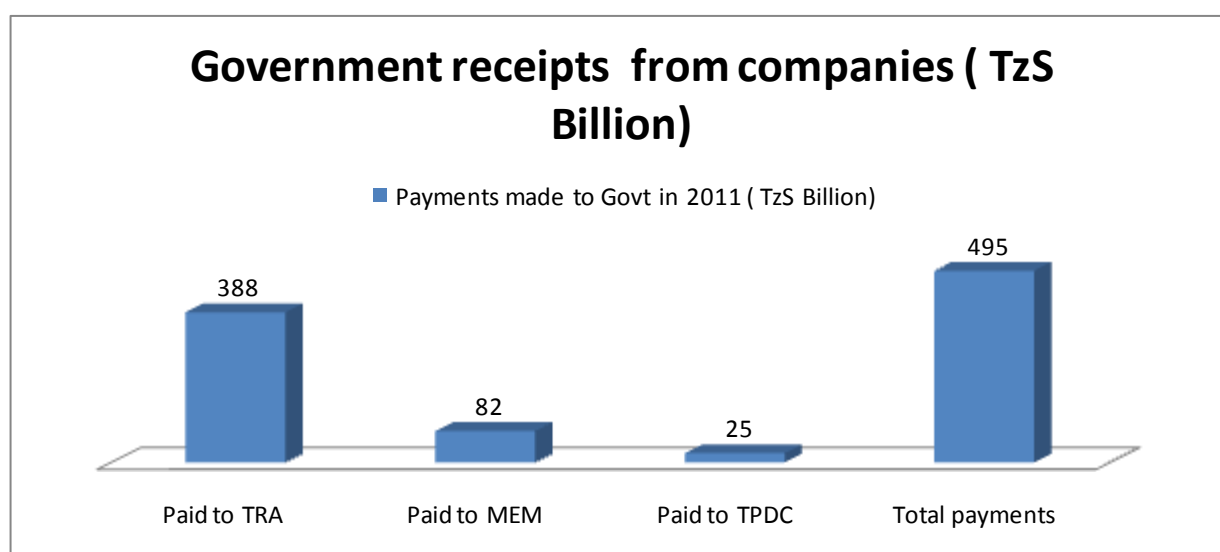
ABG	African Barrick Gold
Au	Gold
CAG	Controller and Auditor General
Cu	Copper
Consultant	Bdo East Africa in association with Paulsam Geo-Engineering Limited
DIA	Diamonds
EITI	Extractive Industries Transparency Initiative
GEM	Gemstones
Lb	Pounds
LST	Limestone
MDA	Mineral Development Agreement
MEM	Ministry of Energy and Minerals
ML	Mining License
MSG	Multi-Sectoral Group
NAO	National Audit Office
NDC	National Development Corporation
NSSF	National Social Security Fund
Phos	Phosphates
PL	Prospecting License
PSA	Production Sharing Agreement
PML	Primary Mining License
PPF	Parastatal Pension Fund
PPL	Primary Prospecting License
SML	Special Mining License
SOE	State Owned Enterprises
TEITI	Tanzania Extractive Industries Transparency Initiative
TMAA	Tanzania Minerals Audit Agency
toz	Trey Ounces
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzania Revenue Authority
USD	United States Dollars
VAT	Value Added Tax

2. Executive Summary

Before carrying out TEITI's annual reconciliation reports covering payments made by extractive companies and corresponding revenues received by the Government from these companies, a scoping study needs to be undertaken to determine the number of participating companies, and to provide guidance on the materiality payments. The selection of the number of companies to be involved in the reconciliation report is possible once this is established. This Scoping Report has been prepared under the contract - **E/008/2010/2011/HQ/TEITI/C/06** dated February 15th, 2013 between the Reconciler BDO East Africa in association with Paulsam Geo-Engineering Limited and the Ministry of Energy and Minerals (MEM).

Receipts as reported by Government Agencies

The chart below shows the total receipts as reported by the various government agencies from the scoping study. From the study, the TRA received TzS 388 billion, the MEM TzS 82 Billion and TPDC TzS 25 and grand total TzS 495 Billion was reported received by the government.



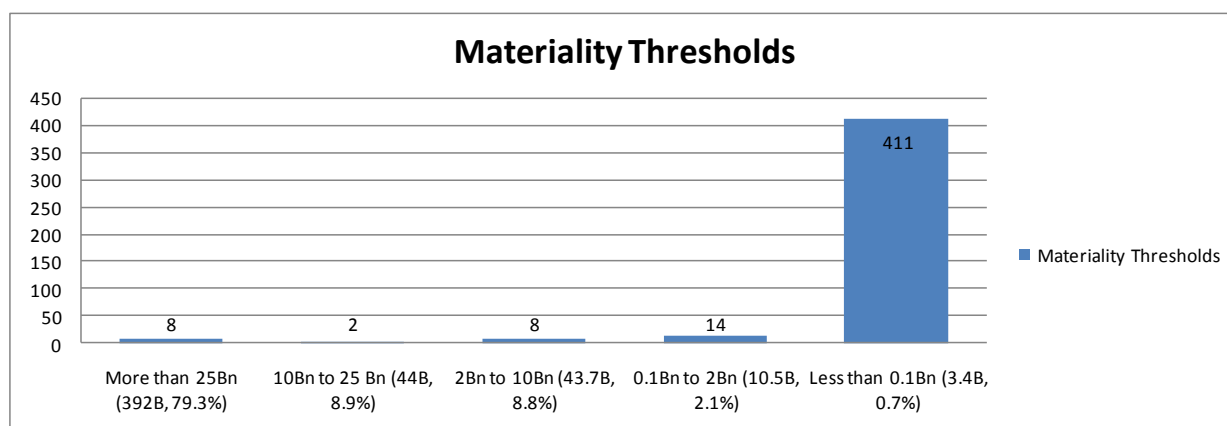
Source: TRA, MEM and TPDC

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

Analysis of payments and companies selected

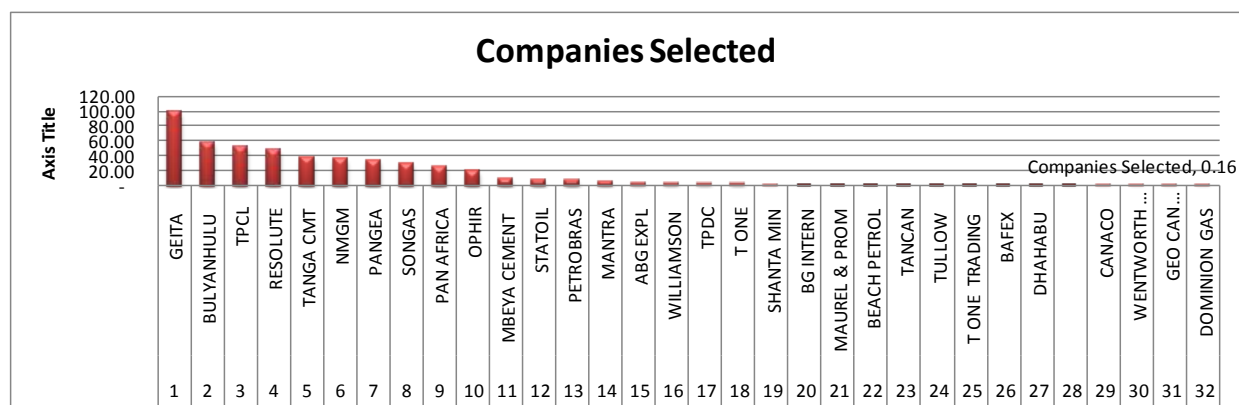
Based on the results of the scoping study, the mining and oil and gas companies who paid taxes of more than TzS 150 million (TzS 0.15 Billion) were considered to be material for the third TEITI reconciliation report. Accordingly, 32 companies (20 mining and 12 oil and gas companies respectively), representing more than 99.3% of the total revenue collected by the TRA , MEM and TPDC during the year ended June 30, 2011, were selected for the third reconciliation report. This is further illustrated by the **table and chart below shows the summary of different materiality thresholds.**

Threshold	Number of taxpayers	Revenue collected by TRA, MEM and TPDC (TzS)	Weight/total collected revenue (%)	Cummulative weight (%)
Amount>25 billion TzS	8	392,747,598,568	79.4%	79.4%
10 billion TzS<Amount<25 billion TzS	2	44,164,627,390	8.9%	88.3%
2 billion TzS<Amount<10 billion TzS	8	43,708,979,205	8.8%	97.2%
0.1 billion TzS<Amount<2 billion TzS	14	10,519,411,494	2.1%	99.3%
Amount<0.15 billion TzS	411	3,425,749,122	0.7%	100.0%
Total	443	494,566,365,778	100%	



TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

The chart and table below shows the companies selected to participate in the third reconciliation based on the results of the coping study.



No	TIN	Tax Payer Name	Total payments to Govt (TZS)	Mineral	Nature of activity
1	100222930	GEITA GOLD MINING LIMITED	99,438,075,899	Gold	Production
2	100206188	BULYANHULU GOLD MINE LIMITED	57,000,862,197	Gold	Production
3	100145839	TANZANIA PORTLAND CEMENT	51,254,599,258	Limestone	Production
4	100206013	RESOLUTE (TANZANIA) LIMITED	47,543,703,238	Gold	Production
5	100159937	TANGA CEMENT	38,708,225,323	Limestone	Production
6	100220555	NORTH MARA GOLD MINE LIMITED	36,354,584,666	Gold	Production
7	100227754	PANGEA MINERALS LTD	33,569,872,756	Gold	Production
8	100337460	SONGAS LIMITED	28,877,675,230	Natural Gas	Production
9	101181316	PAN AFRICAN ENERGY TZ LTD	24,513,173,320	Natural Gas	Production
10	106538484	OPHIL TANZANIA LTD	19,651,454,070	Natural Gas	Exploration
11	100131153	MBEYA CEMENT COMPANY LIMITED	9,939,218,617	Limestone	Production
12	105935730	STATOIL TANZANIA AS	8,188,731,359	Natural Gas	Exploration
13	107192077	PETROBRAS TANZANIA LIMITED	6,747,680,920	Natural Gas	Exploration
14	105158750	MANTRA TANZANIA LIMITED.	5,682,399,423	Uranium	Production
15	100209187	ABG EXPLORATION LIMITED	3,887,001,127	Gold	Exploration
16	100108682	WILLIAMSON DIAMONDS LTD.	3,633,997,850	Diamonds	Production
17	100183498	TANZANIA PETROLEUM DEVELOP	2,922,089,728	Natrual Gas	Production
18	100243946	TANZANITE ONE MINING LTD	2,707,860,180	Tanzanite	Production
19	101849937	SHANTA MINING COMPANY LIMITED	1,837,292,610	Gold	Production
20	110477503	BG INTERNATIONAL LIMITED	1,640,017,518	Natural Gas	Exploration
21	106819246	ETABLLISSEMENTS MAUREL & PROM	1,619,134,395	Natrual Gas	Exploration
22	110414447	BEACH PETROLEUM (TANZANIA) LIMITED	1,287,610,668	Natural Gas	Exploration
23	100235110	TANCAN MINING COMPANY LIMITED	720,806,405	Gold	Exploration
24	107506438	TULLOW TANZANIA B.V.	574,544,358	Natural Gas	Exploration
25	102008588	TANZANITE ONE TRADING LIMITED	539,763,890	Tanzanite	Trading
26	105165439	BAFEX TANZANIA LTD.	500,672,675	Various	Exploration
27	110743351	DHAHABU RESOURCES (T) LIMITED	391,101,018	Various	Exploration
28	100251418	TANZANIA AMERICAN INTERNATIONAL DEVELOPMENT CORPORATION 2000	352,668,299	Various	Exploration
29	104985858	CANACO TANZANIA LIMITED.	345,709,602	Various	Exploration

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Total payments to Govt (TZS)	Mineral	Nature of activity
30	103196604	WENTWORTH GAS LTD	313,986,441	Natural Gas	Exploration
31	105343817	GEO CAN RESOURCES CO. LTD.	229,664,262	Various	Exploration
32		Dominion Oil & Gas Limited	166,439,353	Natrual Gas	Exploration
		Total	<u>491,140,616,656</u>		

These companies contributed about 99.3% of the total payments received by Government in the year ended June 30, 2011. In addition to the selected companies above, other companies (representing 0.7% of total payments) were engaged in mining and oil and gas activities and paid some amount of mineral royalties, license fees and other taxes. Please see **Table 17** for the listing of all the companies.

3. Introduction

The Government of the United Republic of Tanzania in its efforts to promote transparency in the extraction of minerals, oil and gas resources decided to join the Extractive Industries Transparency Initiative (EITI) in February 2009. EITI is a global standards institution for governance of natural resources that require governments to engage citizens in the affairs of extractive industries. Citizens through annual EITI reconciliation reports are provided with information on payments made by extractive companies and revenues received by the government.

The EITI implementation in the country was preceded by the establishment of a Multi-Stakeholders Working Group (TEITI-MSG) to spearhead promotion of transparency and accountability in Tanzania's extractive industries. TEITI-MSG is composed of five representatives from each of the following three groups: civil society organizations, extractive companies, and the Government. TEITI-MSG is led by the Chairperson (Hon. Mark Bomani, a retired judge) who serves as an independent member. H.E President Jakaya M. Kikwete reaffirmed Tanzania's commitment to the EITI at the 5th EITI Global Conference, held in Paris in March 2011, noting that the initiative is aligned with country's policy of promoting transparency and accountability in the management and use of natural resources.

Tanzania was declared Compliant with the EITI Rules and Standard on December 12th, 2012. To obtain the EITI Compliance Status, Tanzania had to demonstrate that it has an effective process for disclosure and reconciliation of revenues from its mining, oil and gas sectors. These reconciliation reports provide an opportunity for citizens to access information on the extractive industries.

Tanzania's road to attain the Compliant Status was a great challenge. The attainment of EITI Compliance was made possible by the good collaboration between civil society organizations, companies and the Government. As of December 2012, Tanzania was the 18th country to obtain the EITI Compliant Status out of 37 countries that are implementing EITI rules and standard. Prior to attaining compliance, Tanzania was under EITI Candidate Status for three years since February 2009. During this period, Tanzania produced two reconciliation reports: the First Report covered payments and revenues collected by the Government for the financial period from July 1st, 2008 to June 30th, 2009. This report was completed and published in May 2011.

The First Report covered payments from nine mining companies and three gas companies. The Government reported receiving a total of US\$ 99,457,000 while the extractive companies reported to have paid a total of US\$ 135,504,000, resulting in a discrepancy of US\$ 36,047,000. In January 2012, the Office of the Controller and Auditor General issued a report that reduced the discrepancy to US\$ 326,805.07 on mineral royalties, TZS1.3 billion on PAYE (tax on employees salaries), TZS 0.5 on NSSF (social contributions), and TZS 0.3 billion on Skill Development Levy (SDL). The Second Report covered the financial period from July 1st, 2009 to June 30th, 2010 and it was completed and launched on May 31st, 2012. A total of Tsh. 419 billion (\$305 million) is reported to have been paid to the Government and its agencies by 23 companies that have reported payments. This was up almost three times from the First Reconciliation report in which only 11 companies had reported their payments. Mining production accounted for 80% of the revenue while Oil and Gas accounted for the remaining 20%. Contributions by commodities were 64% from gold; 20% from Gas; 14% from Limestone; 1% from Tanzanite and 1% from Diamonds. The increase in revenue was partly due to an increase in the number of companies included in the second report, and partly due to familiarity with the reporting procedures. The First and Second TEITI Reports can be accessed at TEITI's website www.teiti.or.tz/publications.php. Preparations for the Third Report covering the period 1st July 2010 to 30th June 2011 have begun and the Report will be published before June, 2013. This scoping report is part of the Third Report reconciliation exercise.

4. Objectives of the Scoping Study Report

Before carrying out TEITI's annual reconciliation reports covering payments made by extractive companies and corresponding revenues received by the Government from these companies, a scoping study needs to be undertaken to determine the number of participating companies, and to provide guidance on the materiality payments. The selection of the number of companies to be involved in the reconciliation report is possible once this is established. This Scoping Report has been prepared under the contract - **E/008/2010/2011/HQ/TEITI/C/06** dated February 15th, 2013 between the Reconciler BDO East Africa in association with Paulsam Geo-Engineering Limited and the Ministry of Energy and Minerals (MEM) . This report:

- Provides an overview of all extractive companies operating in Tanzania with respect to their sectoral focus (minerals, oil and gas), nature and status of operation (exploration/prospecting or exploitation/production or trading) and scale of operation (Small scale, Medium scale and Large scale);
- Collects information about the size of the extractive industry (oil and gas, minerals sector) in Tanzania;
- Collects information and understand the different types of taxes, fees, charges payable in the mining sector and oil and gas sector;
- Identifies the types of payments and income streams existing in the extractive sector in Tanzania;
- Identifies the existence of in-kind payments, infrastructure provisions and other barter arrangements, and social payments and donations in Tanzania's extractive sector. If they exist, recommends how to handle these in the 3rdTEITI Report;
- Provides a map outlining the payment flows within the extractive industry in Tanzania, including payments and transfers to/from local and district governments;
- Recommends the materiality threshold that should be used to determine the extractive companies to be covered in the 3rd TEITI Report;
- Establishes a list of all Government Agencies receiving payments from extractive industries and those that should be included in the 3rd TEITI Report.
- Provides recommended reporting templates in accordance with the results of the scoping study to be used in the 3rd TEITI Report if approved by TEITI-MSG (See section 9 of this report).

5. Methodology and Stakeholders Consulted

Inception visits took place between January 21st- 25th, 2013 whereas meetings with members of TEITI-MSG and officials of the Ministry of Energy and Minerals were held to discuss the scope of the assignment in accordance with the Terms of Reference (ToR).

The scoping study was carried out between March 4th -22nd, 2013. During the scoping exercise, we carried out interviews with representatives of all Government institutions involved in the 1st and 2nd TEITI Reports, namely:

- Ministry of Energy & Minerals (MEM);
- Tanzania Revenue Authority (TRA);
- Tanzania Petroleum Development Corporation (TPDC);
- Ministry of Finance and Economic Affairs;
- Local Government Authorities;
- National Social Security Fund (NSSF);
- Parastatal Pension Fund (PPF); and
- Tanzania Minerals Audit Agency (TMAA)

Relevant information was collected relating to taxes, fees and charges payable to the Government from mining, oil and gas sector. This financial information was analysed to determine extractive industries payments and revenue streams in order to get a perspective of tax flows.

6. Overview of Natural Gas and Mining Sector in Tanzania

Natural Gas

Exploration of oil and gas in Tanzania started in 1960s though major explorations began to take place during 2000s. According to TPDC, approximately 40 trillion cubic feet (TCF) of commercial gas reserves have been discovered as of March, 2013. No oil has been discovered yet. For the 40 TCF which has been discovered, 8 TCF is onshore, while 32 TCF is offshore discovery.¹

The ongoing natural gas findings and continuing exploration activities of gas and oil, if properly managed, can help to enhance Tanzania's socio-economic development goals. To ensure the country ceases the opportunity, the Government is currently developing policies to provide guidance on upstream, midstream, and downstream gas-related activities. The Government will prepare a Natural Gas Utilization Master Plan to identify investment options and ways of maximizing the value of natural gas utilization.

The Petroleum (Exploration and Production) Act of 1980 is currently being revised and will be amended into a new law to manage upstream gas (and potentially oil in the future) activities. The downstream policy is at the final stage of being completed and formation of natural gas Act to manage midstream and downstream gas activities will be developed as soon as the downstream gas policy is completed. Moreover, the Ministry of Energy and Minerals organized an inception workshop in September, 2012 in Bagamoyo to begin the process of developing petroleum upstream policy. Representatives from institutions responsible for compliance with the laws mentioned above participated at the workshop. Other laws related to Tanzania's petroleum resources include: The Constitution of Tanzania (1977), Public Corporations Act No. 17 (1969), Income Tax Act 2004, and Environmental Act 2004.

Production Sharing Agreement

The Petroleum (Exploration and Production) Act of 1980² permits the Government to enter into a petroleum agreement under which an oil company may be granted exclusive rights to explore for and produce petroleum. The production of gas sector in Tanzania is currently managed by Production Sharing Agreement (PSA), whereas the Tanzania Petroleum Development Corporation (TPDC) is granted licences under the Act by the Ministry of Energy and Minerals, mandating TPDC to enter into PSAs with oil and gas companies. The Act also provides for exploration, appraisal, development and production periods.

If a discovery is developed to production and sale under PSA, then the investor is allocated a portion of the revenue (cost oil/gas) to recover own costs. The remaining portion of revenues (profit oil/gas) is shared between the investor and the government. The agreements also provide for the government through TPDC to participate in the development of the resources (state participation) once commercial quantities are confirmed.

¹ TPDC Press Release in The Guardian Newspaper, Friday, March 29th, 2013, page 12

² The Act is found in the following websites: www.parliament.go.tz/bunge or www.mem.go.tz or www.tpdc-tz.com

State participation at the development stage of resource extraction is prudent because the government is entitled a portion of a net cash flow (dividends, based on state participation percentages) over the life of the project. Therefore, total government take from the PSA is optimized as the percentage of net cash flow is collected as dividend in addition to royalties, profit oil/gas share, corporate tax, other direct and indirect taxes. Under the current PSA, the government has refrained from state participation at the exploration level due to the high risks involved at this stage, and because of limited public finance as oil and gas exploration is capital intensive.

Generally, PSAs tend to have the following characteristics:

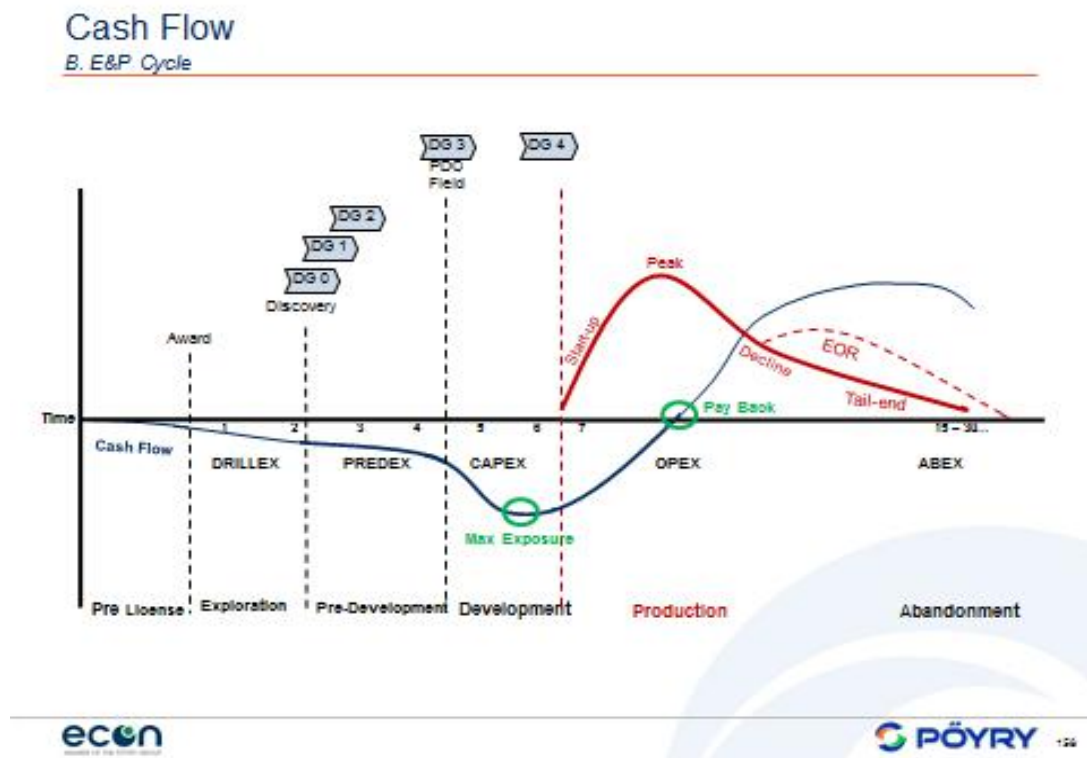
- Rights to explore and produce based on contract (PSA/PSC)
- Cost recovery limit
- Always ring fencing
- Common with signature bonuses
- Some material provisions in legislation (Act and Regulations)
- Further material provisions in PSA
- Often Joint Operating Agreement between operating companies within one PSA , in additional to PSA
- Petroleum produced belongs to contractor, but Government gets its take through:
 - Equity participation (dividends)
 - National Oil Company (NoC) share
 - Taxes
 - Royalties

Table 1: Abreakdown of how revenues flow to the government is calculated from a typical PSA

Revenues	xx
Less Royalty (5/12.5)	xx
Less Cost Oil (70/60)	<u>xx</u>
Profit Oil	xx
Less Govt share (Negotiable)	<u>xx</u>
Profit Before CT (State part. Max 20%)	xx
Less CT (30%, apply to both MNC and NoC)	<u>xx</u>
Profit Oil to Company	xx

A balanced tax system is the one which align interests between government and contractors to ensure cost-effective petroleum operation and maximum extraction of oil and gas from the ground.

A chart to show project development from pre-license phase to project abandonment phase



The total government take is dependent on many different factors such as price levels, cost levels, quality differentials, timing of revenues vs. costs, tax mechanisms, tax levels, tax exemptions, and collection of taxes. The total government take is expressed in terms of effective tax rate. Taxes can be levied at any stage of the production process. Examples include: taxes incurred without production (expatriate labour taxes, FDI taxes), taxes incurred at point of production (royalties), taxes incurred during refining/processing (VAT), and taxes incurred when selling production (corporate tax).

As of June, 2012 a total of 26 PSAs covering onshore and offshore blocks were signed between the Government and 18 companies. So far there are 11 discoveries--3 onshore and 8 in deep sea--63 wells have been drilled, whereas 53 wells are onshore and 9 wells are offshore. The drilling of wells was as follows: BG (Blocks 1, 2, 3), Statoil (Block 2) and Petrobras (Block 5). The drilling led to significant gas discoveries in blocks 1, 2, 3 and 4.

Table 2: Licensed Areas Between 2002 - 2012

Company name	Block	Year
Petrobras	5	2004
Ophir	1	2005
Ophir	3 & 4	2006
Statoil	2	2007
Dominion	7	
Petrobras	8	2012

Source: TPDC

The current production of gas is based on small discoveries at Songo Songo Island in Kilwa, Lindi region (250 km South of Dar es Salaam) and at Mnazi Bay in Mtwara region (450 km South of Dar es Salaam). There are other small discoveries in Mkuranga, Coast region (60 km South of Dar es Salaam) and Kiliwani North (2.5 km South East of Songo Songo Island). Taken together, Songo Songo, Mnazi Bay, Mkuranga and Kiliwani North have a total of approximately 8 TCF or the equivalency of 1.5 billion barrels of oil.

Production and Transportation of Songo Songo Island Gas, Lindi

Available data from TPDC indicate that proven and probable reserves in Songo Songo island gas field are estimated at 810 billion standard cubic feet (BCF) while possible reserves stand at 1.10 trillion standard cubic feet (TCF). Production of natural gas in Songo Songo Island started in 2004 and has been used for electricity generation. Economic activities on the country are concentrated in Dar es Salaam where the demand for electricity is high to support production of goods and services and to provide power needs of more than 4.5 million population of Dar es Salaam city and its suburbs. So gas is transported from Songo Songo Island to Dar es Salaam by pipeline (232km, mostly 16-inch diameter pipe) to generate power which is then connected to the national power grid. The current generation of electricity from Songo Songo natural gas is around 370 MW and contributes around 39% of electricity generated in the country.

The gas transported to Dar es Salaam is, in part, used for industrial purposes (i.e. there is a 16km, 8-inch-pipe from Ubungu to Wazo, Tegeta cement factory). The other gas is used by a number of hotels in Dar es Salaam. The gas pipeline from Songo Songo to Dar es Salaam has the capacity of transporting 105 million cubic feet of gas per day, but it is currently transporting 103 million cubic feet per day. According to TPDC, the pipeline can transport up to 140 million cubic feet given its designed capacity and if compression facilities were to be installed. Initially the pipe's maximum capacity was 70 million cubic feet per day, but its capacity had to be expanded to cater for the increasing demand of gas consumption in Dar es Salaam.

Production and Transportation of Mnazi Bay Gas, Mtwara

Gas in Mnazi Bay was discovered in 1982 but production began in 2006. The proven probable and possible gas reserves in Mnazi Bay vicinities are estimated at 2.2 TCF. There is an 8-inch pipeline from Mnazi Bay to Mtwara town (27 km), capable of transporting 70 million cubic feet of gas per day. However, the pipeline is only transporting 2 million cubic feet of gas per day which is the current demand. Production of gas in Mtwara is currently used to generate 12 MW for Mtwara and Lindi electricity needs. However, this gas-fired power plant is capable of producing 18 MW. It is currently producing 12 MW because that is the demand level of electricity for Mtwara and Lindi and the plant is supplying according to demand.

Operators in Downstream Activities

There are four contractors operating in the downstream segment of the gas sector, namely Tanzania Petroleum Development Corporation (TPDC), Songas Limited, Pan African Energy Tanzania Limited, and Maurel et Prom. All contractor parties (including TPDC) have to pay income tax according to the Income Tax Act 2004.

Orca Exploration Group operates one licence in Tanzania through its subsidiary company Pan African Energy (Tanzania) Ltd. Pan African Energy (Tanzania) Ltd operates a gas processing facility on Song Songo island on behalf of Songas Limited (Songas) on a no loss, no gain basis.

Support of Natural Gas Findings to the Overall National Economy

Tanzania's gross domestic product (GDP) growth has averaged around 7% in the 2000s and has continued to be stable over the past few years despite global economic turbulence. The country has a population size of 46.2 million and the annual population growth rate is alarmingly averaging 3.1 %, way above the Sub-Saharan Africa average of 2.5%.

Onshore and offshore gas findings will help Tanzania to generate enough electricity to cater for its energy-hungry economy and to light its ever growing urban and rural population. Tanzanians with access to the national electricity grid is only 18% of the population. The gas production to be allocated for domestic obligations will help to improve access to electricity (at affordable costs), and will enhance the living conditions of most Tanzania households.

Hydro-based electricity in Tanzania is becoming less and less predictable due to unreliable patterns of rainfall. Apart from the current 39% of gas-based electricity production, the remaining major part of electricity is generated using diesel-based power plants. With the volatility of global oil price and given the fact that oil prices have increased more often than they have decreased, Tanzania is spending a significant amount of foreign currencies to import oil for power generation. According to TPDC, the country is spending approximately USD 1 billion³ per year to import fuel for power generation.

In the long-term, Tanzania cannot afford to sustain the USD 1 billion import bill for power generation. In the light of this, the Government has begun the process of constructing a relatively bigger pipeline to transport gas produced in Mtwara and Lindi to Dar es Salaam. The Government is building a gas processing facility in Songo Songo (140 million cubic feet per day) and another processing facility in Mnazi Bay (210 million cubic feet per day).

To transport gas to the newly-built facilities in Dar es Salaam where there is great demand, the Government will build 542-km pipeline as follows:

- Onshore 487-km pipeline, 36 inches diameter, from Mtwara up to Kinyerezi, Dar es Salaam;
- Offshore 25-km pipeline, 24 inches diameter, from Songo Songo island to Somanga Fungu, Kilwa; and
- Onshore 30-km pipeline, 16 inches diameter, from Kinyerezi via Ubungu to Tegeta.

The pipeline will have the carrying capacity of 784 million cubic feet of gas per day. In addition, the pipeline will be able to transport up to 1,002 million cubic feet given its designed capacity and if compression facilities were to be installed. According to TPDC, the pipeline will be able to transport the amount of gas according to demand for the next 20 years. The construction of the pipeline is planned to be completed by December 2014. The pipeline is expected to cost approximately USD 1.2 billion and the Government has already obtained a concession loan of USD 1.2 billion from the Chinese Government to carry out the project.

³ See TPDC Press Release in The Guardian Newspaper, Friday, March 29th, 2013, page 12

Table 3: Major Oil and Gas companies in Tanzania as of February 2013

No	OPERATOR	COUNTRY OF ORIGIN	AREA	NATURE OF OPERATION
1	Pan African Energy	United Kingdom	Songo Songo	Production
2	Mauriel ET Prom	France	Mnazi Bay, Bigwa-Mafia Channel	Production/Exploration
3	Ndovu Resources Ltd	Australia	Nyuni - East Songo Songo Ruvuma	Exploration
4	Petrodel Resources	United Kingdom	Kimbiji & Latham	Exploration
5	Afren plc	United Kingdom	Tanga	Exploration
6	BG International	United Kingdom	DeepSea Block - 1, Deep-sea Block - 3 ,Deep-sea Block 4	Exploration
7	Statoil Tanzania As	Norway	Deep-sea Block-2	Exploration
8	Petrobras	Brazil	Deep Sea Block-5, Deep-sea Block-6 , Deep-sea Block-8,	Exploration
9	Dominion Oil & Gas Limited	United Kingdom	Deep-sea Block-7	Exploration
10	Ophir East Africa Ventures Limited	United Kingdom	Pande East	Exploration
11	Beach Petroleum Ltd	Australia	L. Tanganyika South	Exploration
12	Total E&P Activités Pétrolières	France	L. Tanganyika North	Exploration
13	Dodsal Hydrocarbons & Power Ltd	United Arab Emirates	Ruvu Block	Exploration
14	Heritage Rukwa Tanzania Limited	United Kingdom	Rukwa Basin, Kyela Basin	Exploration
15	Swala Oil and Gas (Tanzania) Ltd	Australia	Kilosa-Kilombero Basin	Exploration
			Pangani Basin	
16	Motherland Homes	India	Malagarasi Basin	Exploration
17	Open (TPDC)	Tanzania-	Kisangire - Lukurilo Mandawa,Selous West Songo Songo	Exploration

Source: Tanzania Petroleum Development Corporation (TPDC)

About The Mineral Sector in Tanzania

Tanzania is one of the major mineral producers on the continent of Africa. The legal framework of mineral sector in Tanzania recognize both small-scale and large-scale operators. Most of the revenue from the mineral sector to the Government is contributed by large scale mining operators. There are nine large mining operations: six gold operators, one diamonds mine, one coal mine, and one Tanzanite mine. Gold accounts for 90 percent of the value of Tanzania's mineral exports.

Table 4: Proven Mineral Reserves by Type and Amount in Tanzania as of 2008⁴

Type of Mineral	Reserves
Gold	2,222 tones
Nickel	209 million tones
Copper	13.65 million tones
Iron Ore	103.0 million tones
Diamonds	50.9 million carats
Tanzanite	12.60 tons
Limestone	313.0 million tones
Soda Ash	109 million tones
Gypsum	3.0 million tones
Phosphate	577.04 million tones
Coal	911.0 million tones

Source: Geological Survey of Tanzania

The key incentives in the mining sector are:

Corporate Income Tax (CIT)

Exploration and development capital expenditure for extractive industry operations are deductible at 100%.

Value Added Tax

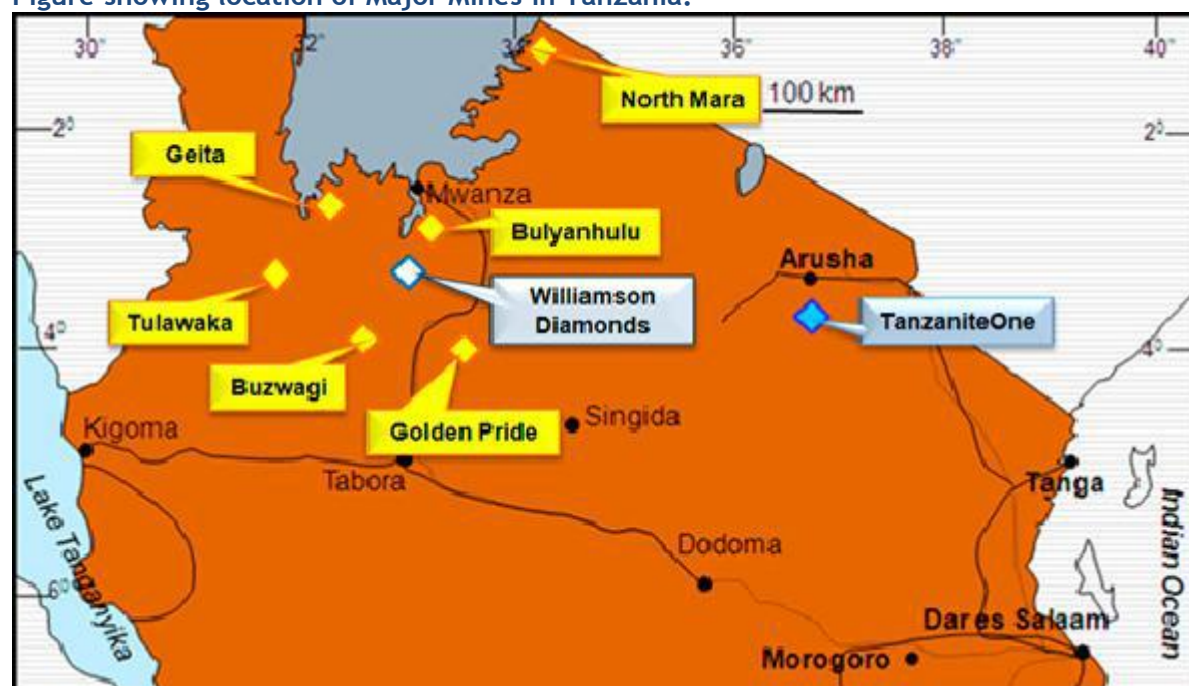
VAT reliefs on imports and domestic purchases is provided for exploration, prospecting, drilling and mining expenditures.

Excise Duty

Extractive Industries are exempted from excise duty on imported or domestically off-bond purchased oil for mining or exploration purposes. Mining or exploration companies buying tax paid fuel are refunded for fuel consumed in mining operations.

⁴ Bomani Report 2008

Figure showing location of Major Mines in Tanzania.



Source: TMAA

Mineral Sector's Contribution to the National Economy

The Government reviewed policies, laws and regulations of mineral sector in mid 1990s in order to attract foreign investments. The objective of undertaking such reforms was to increase mineral sector's contribution to the national economy. As the result of these efforts, the sector managed to attract the following six large-scale gold mining operations:

Table 5;

Major Gold Mines								
Mine	Owner	Location	Type of Mine	Contract sign date	Production start year	Production in 2009 ('000 oz)	Proved & Probable reserves ('000 oz) end of 2009	Mine Life (est. end of year) 1/
Bulyanhulu Gold Mine	African Barrick Gold (100%)	Kahama	Underground	1994 ^{4/}	2001	249	10,320	2035
Golden Pride Mine	Resolute Mining Ltd	Nzega	Open-pit	1997	1998	137 ^{3/}	322 ^{2/}	2013
Geita Gold Mine	AngloGold Ashanti's (AGA)	Geita	Open-pit	1999	2000	272	5,070	N/A
North Mara Gold Mine	African Barrick Gold (100%)	Tarime	Open-pit	1999 ^{5/}	2002	212	2,949	2020
Tulawaka Gold Mine	African Barrick Gold (70%) & Northern Mining Exploration Ltd (30%)	Biharamulo	Open-pit/underground	2003	2005	66	94	2013
Buzwagi Gold Mine	African Barrick Gold (100%)	Kahama	Open-pit	2007	2009	189	3,410	2023

Source: TRA, TMAA, ABG website

Notes:

- 1/ Mine life estimates from African Barrick Gold website.
- 2/ Reserves estimates as of June 2010, including stockpile.
- 3/ Average of financial years 2008/2009 and 2009/2010
- 4/ Barrick acquired Bulyanhulu in March 1999 as part of the acquisition of Sutton Resources Ltd.
- 5/ Barrick acquired North Mara in 2006 as part of the acquisition of Placer Dome Inc.

The Tanzania Five Year Development plan 2011/12-2015/16 has set a goal against targeted output as follows:

Goal	Strategic Intervention	Key Output/Target for 2015
To enhance mining sector contribution in the economy	<ul style="list-style-type: none"> To strengthen the Tanzania Geological Survey in performing its main functions of: (i) conducting geological mapping and identifying mineral-rich areas, (ii) carrying out mineral exploration, and (iii) monitoring geo-hazards Strengthening State Mining Corporation to oversee Government free carried interests and purchased shares in mines. Partnering with the private sector to develop mines 	<ul style="list-style-type: none"> Attain average annual growth rate of 5% Mineral sector share to GDP accounting for 3.7% by 2015/16 At least 10% of produced basic minerals are processed locally for beneficiation and value addition Employment in large-scale mining increased from 14,000 in 2010 to 18,000 in 2015

Tanzania is targeting to become a Middle-Income Country (MIC) by 2025 and has articulated a strategy on how to achieve these targets through its National Development Vision 2025. The Vision is expecting the mineral sector to contribute up to 10% of national GDP by 2025.

Today the Government is in the 2nd year of implementing the Five-Year Development Plan 2011/12- 2015/16. According to the Plan, gold production increased from less than a ton in 1998 to around 40 tons in 2010. Regardless of these impressive developments, the mineral sector's contribution to both GDP and Government revenue was estimated at around 3% and 1.5% respectively over the 2000-2008 period.

Table 6, Key Economic Indicators for Tanzania

	Actual					
<i>Indicator (as % of GDP)</i>	2007	2008	2009	2010	2011	2012
Exports (GNFS ⁵)	24	25	23	28	31	31
Imports (GNFS)	41	39	35	39	50	48
Govt Current revenue	13.1	14.7	15.2	14.9	15.3	16.1
<i>Growth rates⁶</i>						
GDP annual growth rate	7.1	7.4	6.0	7.0	6.4	6.5
GDP Per Capita growth	4.2	4.4	3.0	3.9	3.3	3.3
GDP (US\$ at current prices	16,826	20,715	21,368	22,901	24,665	28,421

Source: World Bank

Corporate tax payments from extractive industries have been insignificant, and therefore, have not assisted in enhancing Government's domestic revenue because the majority of mining companies have not been paying corporate tax. TEITI's 1st and 2nd Reports show that government revenue from the minerals sector has mainly been from royalties and taxes on wages. The Reports indicate total corporate tax payments to the Government were TzS 1.4 billion and 27.7 billion or 2.1% and 7% of total receipts respectively.

The only two companies which have been reported to have paid corporate tax for the fiscal year ended on June, 2012 are Golden Pride Mine which is owned by Resolute Tanzania Ltd and Geita Gold Mine which is owned by AngloGold Ashanti. Resolute was opened in 1997 and it is the first large-scale mine to open in Tanzania. The company is on its 16th year of life of mine and plans to close the mine in 2013. During the 16 years of its operations, the Government received only three years of corporate tax payments from the financial year 2009/10 to 2011/12. Resolute paid corporate tax for the amount of TzS 37.2 billion during 2011/12, making the total of TzS 71.1 billion of corporate tax paid by Resolute since the mine began to operate in 1997.

Geita Goldmine (GGM) was the leading gold producer in 2011 with 34.2% of total production. GGM paid TzS 188.1 billion of corporate tax during 2011/12, making a total of TzS 191.3 billion of total corporate tax paid by GGM since it started to operate in 1999.

⁵ GNFS denotes "goods and nonfactor services"

⁶At market price, %, calculated from 2001 prices

Highlights from TMAA 2011 Report

The TMAA Report shows that gold production from the major gold mines (from gold bars and Copper Concentrate products) increased by 4.9% from 1.22 million troy ounces in 2010 to 1.28 million troy ounces in 2011. Tulawaka Gold Mine (TGM) was the least gold producer with 6.6% of total production. According to the Report, total mineral exports in 2011 from gold bars and Copper Concentrate produced by the six major gold mines were:

- 1.29 million troy ounces of gold worth USD 2.04 billion;
- 13.84 million pounds of copper worth USD 55.71 million;
- and 456,080 troy ounces of silver worth USD 16.07 million.
- Mineral royalty paid by the six major gold mines to the Government during the year under review was USD 57.1 million, an increase of 21.8% compared to USD 46.9 million realized in 2010.

According to the TMAA Report, diamonds output at Williamson Diamonds Limited (WDL) during the year amounted to 19,610 carats, down by 54.7% compared to 43,264 carats produced in 2010. WDL sold 22,922 carats of diamonds worth USD 6.56 million in 2011, compared to 50,740 carats worth USD 9.5 million sold in 2010. Total payable royalty for the exported diamonds was USD 327,895. The decline in production and export of diamonds in 2011 was a result of suspension of mining and processing activities at WDL in August 2011, mainly due to pit expansion, shortage of water for process plant operations and plant refurbishment.

Challenges in Mineral Sector Management

The study⁷ on Mining and General Tax Policy by International Monetary Fund (IMF) show that the Mineral Policy 2009 and Mining Act 2010 are sound when compared with other mineral fiscal regime in other countries. However, the mineral sector's performance could be enhanced through improved management and by monitoring closely operating costs (Opex). High Opex, real or not, affects net taxable profit, and thus corporate tax amount. The IMF study reveals that the tax revenue from the major mines is low not due to general tax non-compliance. Rather, low revenue is due to market value calculation, hedging, financing, and transfer pricing all of which present substantial administrative difficulties for the Government.

State-Owned Enterprises

Stamico is a state-owned enterprise which was established in 1972 in order to invest in the mining sector through mineral prospecting; developing and operating mines; shareholding; mineral commodities trading; engaging in mineral value addition; among others. Stamico to mineral sector is similar to TPDC to oil and gas sector. It is necessary to Strengthen Stamico in terms of institutional and human resources capacity building for effective execution of its goals is necessary.

⁷ Tanzania Mining and General Tax Policy, May 2011

Types and size of mineral rights

There are essentially two basic mineral rights in Tanzania. These are:

- a) **Prospecting or exploration right** (The process involving learning about undiscovered reserves and sometimes undertaken to improve the quality of known reserves.)
- b) **Exploitation rights** (Involves actual extraction of known reserves and construction of accessories necessary for mining activities.)

Prospecting or exploratory rights are divided into:

- a) a prospecting licence (PL);
- b) a gemstone prospecting licence (GPL);
- c) a retention licence (RL);

Exploitation rights are further categorized into:

- a) a special mining licence (SML);
- b) a mining licence (ML);
- c) primary mining licence (PML);
- d) a processing licence (PL);
- e) a smelting licence (SL);
- f) a refining licence (RL).

Meaning of different categories of mining licences (Sizes)

1. **Primary mining licence** is a licence for small scale mining operations, whose capital investment is less than US\$100,000 or its equivalent in Tanzanian shillings;

Small Scale Mining Operations-The Small Scale Miners in Tanzania are commonly known as mining community or Artisanal and Small Scale Mining (**ASSM**). By virtue of section 4 of the Mining Act, 2010 the Small scale mining activities are those operating under a "**Primary Mining License**" whose capital investment is less than US\$100, 000 or its equivalent in Tanzanian shillings. Majority of Tanzanians define Small Scale Miners as those engaged in small scale mining chain; from the owner of **PMLs** through Laborers, Illegal Miners, Mineral Brokers, Mineral Dealers, Speculators & Service providers.

Small scale mining activities in Tanzania started since the period of colonialism. The number of small scale miners has been increasing rapidly. The small scale mining activities are conducted in all regions with mineral types of diamonds, gold, gypsum, variety of gemstones, salt and building materials being the major mined products. While small scale mining encompasses a broad range of activities, most artisanal and small-scale miners (ASM) live in poor rural areas without formal training in mining and often with low levels of education and relatively high rates of illiteracy.

2. **Primary Mining Licence** is for medium scale mining operations, whose capital investment is between US\$ 100,000 and US\$ 100,000,000 or its equivalent in Tanzanian shillings;
3. **Special Mining Licence** is for large scale mining operation, whose capital investment is not less than US\$100,000,000 or its equivalent in Tanzanian shillings;

Qualifications for acquiring mining licenses

Mineral rights can be granted to individual or corporate body which fulfils requirements of Section 8(1) of Mining Act, 2010. However, the following exceptions apply:

1. **Primary mining licence** for any minerals shall be granted to **Tanzanians** whether individuals, partners or body corporate
2. **Mining licence for mining gemstones** shall only be granted to Tanzanians whether individuals, partners or body corporate.

Sizes of mineral rights in Tanzania

Table 7 below summarizes the sizes of areas for each mineral right;

	Mineral right	Type of Mineral	Maximum Area
1	Prospecting Licence	metallic mineral, energy mineral, industrial minerals and kimberlitic diamond	300 sq km (30,000 hectares)
2	Special Mining Licence	mineral deposits, other than superficial deposits	35 sq km (3500 hectares)
3	Special Mining Licence	Superficial deposits	70 sq km (7000 hectares)
4	Mining Licence	metallic mineral, energy mineral, industrial minerals and kimberlitic diamond	10 sq km (1000 hectares)
5	Mining Licence	building materials and gemstones excluding kimberlitic diamond	1 sq km (100 hectares)
6	Primary Mining Licence	All materials other than building materials	10 hectares
	Primary Mining Licence	Building Materials	5 hectares

Relevant legislation and key incentives in the mining sector

The legislations applicable to the Industry in Tanzania include;

- Tanzania Mining Policy of 2009;
- Mining Act 2010;
- The Income Tax Act, Cap 322;
- The VAT Act, Cap 148;
- The East African Customs (Management and Tariff) Act, Cap. 403;

Existing mineral rights in Tanzania

According to data received from the Ministry of Energy and Minerals, there were 17,040 mining licences which were active in the financial year 2010/2011 and 3,145 prospecting licences being held by 5,327 and 761 operating entities (companies and individuals) respectively.

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The table below summarises the difference types of licences that are active as of February 2013 as well as those that were held in the financial year 2010/2011.

Table 8;

Type/name of rights (license)	Number of active licenses as of Feb 2013	Number of parties holding these licenses as of Feb 2013	Number of active licenses in the financial year ended June 30, 2011	Number of parties holding these licenses in the year ended June 30, 2011
Mining License (ML)/ Gemstone Mining License (GML)	318	154	268	130
Primary Mining License (PML)	19,130	5,880	16,759	5,186
Special Mining License (SML)	13	11	13	11
Prospecting License (PL)	3,647	896	3,145	761
Totals	23,108	6,941	20,185	6,088

Source: MEM

Table 9 below shows a summary of mineral dealers in 2010/2011 in Tanzania

Zone/Region	Number of mineral trading licenses for FY 2010/2011	Number of dealers holding the licenses
Singida	2	2
Mpanda	1	1
Bukoba	10	10
Shinyanga	23	19
Songea	8	4
Kilimanjaro	85	41
Totals	129	77

Source: MEM

Major Mining Operations in Tanzania

Bulyanhulu Gold Mine (Gold) - Kahama Gold Mine was established in 1994. The mine was initially jointly owned by Barrick Gold Corporation of Toronto, Canada with 85% shares and the Government of the United Republic of Tanzania (URT) with 15% interest shareholding. Thereafter, in 1999, Barrick Gold Corporation successfully completed the acquisition of 100% of the outstanding shares of SRL in Kahama Gold Mining Company Ltd, thereby acquiring control of the PL and the Development Agreement with respect to the Kahama Gold Mine. The Kahama Gold Mine changed its name to Bulyanhulu Gold Mine which was officially opened in July 2001 by the former President of the United Republic of Tanzania. Benjamin William Mkapa in July 2001.

The mine began production in 2001 and the mine reserves are estimated at 13.2 million ounces of gold (equal to 411 tonnes). It is producing an average of 300,000 ounces of gold (11.34 tonnes); 200,000 ounces of silver and 8 million pounds of copper per year. At the present rate of production, it is expected that the mine will last for more 30 years.

North Mara Gold Mine (Gold)- East African Gold Mines Limited (EAGML), a company incorporated in Australia was registered on 10th August, 1993 in Tanzania. It was established by Mr. Geoff Stewart who acquired tenements in Tanzania for gold deposits in the Mara region. In November, 1995, EAGML changed its name to be known as Afrika Mashariki Gold Mines Limited (AMGML) thereby acquiring all the shares in AMGML which was completed in 1997. On 30th August, 1996 EAGML was given Mining License pursuant to Section 38 of the Mining Act, 1979. Major shareholders in EAGML were Mr. Geoff Stewart, CDCD Capital Partners (UK), Anglo American Corporation (South Africa), Goodman & Company (Canada) and Macquarie Bank (Australia).

On 7th February, 2000, AMGML was given a Special Mining License (SML) pursuant to Section 38 of the Mining Act, 1998 and the MDA dated 24th June, 1999 to search for mine, dig, mill, process, refine, transport, use and or market gold or other minerals found to occur in association with that mineral in a vertically under SML area and execute such other works as are necessary for that purpose.

Afrika Mashariki Gold Mines transferred its property to Placer Dome Tanzania on 15th September, 2004. Placer Dome Inc. in late July 2003 had completed acquisition of 100% of the shares of AMGML for US\$ 252.4 million to acquire North Mara Gold Mine (NMGM). In 2005, Barrick Gold Corporation of Canada acquired 100% of the outstanding shares of Placer Dome Inc. and thereby acquiring control of the NMGM through purchase agreement signed with Barrick International Bank Corporation. Placer Dome Inc. changed the name on 17th July, 2006 to North Mara Gold Mine Limited (NMGML).

This mine is located in Tarime, Mara region, 43 kilometers from Tarime town. North Mara Gold Mines Ltd. a subsidiary of the Barrick Gold Company from Toronto, Canada owns the mine. Production began in 2002 under the ownership of Afrika Mashariki Gold Mines Ltd. The mine reserves are estimated at 3.8 million ounces of gold (equal to 116.23 tonnes) and it currently produces an average of 267,000 ounces of gold (8.51 tonnes) per year. At the present rate of production, it is expected that the mine will last for 12 years.

Tulawaka Gold Mine (Gold) (TGM) - Tulawaka gold deposit was discovered in 1997. The deposit was detected after carrying out soil sampling to test for gold following interpretation of anomalies from satellite images. TGM started in year 2003 being jointly owned by Pangea Minerals Ltd (PML) a Subsidiary company of Pangea Goldfields Incorporation (PGI) incorporated in Ontario, Canada (30%) and Barrick Gold Corporation (70%). The Ultimate holding company is Barrick Gold Corporation incorporated in Ontario, Canada which acquired Pangea Goldfields Incorporation in 2000. Construction of the mine commenced in 2004 at a capital cost amounting to US\$ 48 million. First outputs of gold were executed on 15th March 2005.

This mine is located in Biharamulo district, Kagera region, about 160 kilometers south west of Mwanza city. Production began in 2005 and the mine reserves are estimated at some 565,000 ounces of gold (equal to 17.57 tones). Current annual gold production averages some 120,000 ounces (3.88 tones). At the present rate of production, it is expected that the mine will last for 5 years.

Buzwagi Gold Mine (Gold)-Buzwagi project is owned 100% by Pangea Mineral Ltd a subsidiary of Barrick Gold Corporation. Barrick acquired Buzwagi, as part of its acquisition of Pangea Goldfields Inc. in 2000. The Buzwagi Gold Mine is an open pit gold mine in Shinyanga Region, located 6 kilometers southeast from the town of Kahama. The mine, which opened and began production in 2009, is the second largest mining operation and the largest single open pit mine in Tanzania. On 17th February, 2007, Barrick entered into (MDA) with the Government of the URT. The mine's gold reserves are estimated at 2.4 million ounces and annual production is expected to reach 225,000 ounces of gold. At this rate of production it is expected that the mine will last for ten years.

Geita Gold Mine (GGM) (Gold)-Development of the former Geita Mine started in 1936, with production commencing in 1938. Total ore amounting to 5.5 million tones at an average grade of 5.3 grams per tonne (approximately one million ounces) was produced from five deposits in the area and processed at the Geita plant from 1938 to 1966.

Kentan Syndicate owned the Geita Mine until the 1950s when Goldfields of South Africa acquired shares in the company and took control of the mine. The mine's closure was in 1966 due to political uncertainty, insufficient high-grade ore, fixed (low) gold price and inadequate financing.

From the mid 1980s, the Geita area was held under license by Dar Tidine Tanzania Limited (DTT). However, a little or no work was done and the Tanzania government attempted to revoke the license. DTT resisted and the case went to arbitration. The area thereafter became the focus of increasing artisanal mining. In 1987, Cluff Resources showed interest in investing at the area and over the next four years looked at the numerous prospects in the country, finally settling on the Geita area. On 13th August 1991, the Geita East and West licenses were first offered to Cluff Resources pending the settlement of the arbitration.

In 1994 a British company Cluff Resources Plc? was awarded a Prospecting License for the Geita mine area. In 1996 Ashanti Gold Fields Company of Ghana bought the Cluff in its entirety and continued with prospecting work until 1999 when mining activities commenced. In 2000 AngloGold Company of South Africa bought a 50% stake in Ashanti Gold Fields and the two companies formed a joint venture company called AngloGold Ashanti Limited, which now owns the Geita Gold Mine. The mine reserves are estimated at some 16.95 million ounces of gold (equal to 527.02 tones) and annual gold production currently averages some 560,000 ounces (18.43 tones).

Golden Pride Gold Mine (Gold)-In 1989, Samax Limited a company incorporated in United Kingdom was granted a PL for exploration in the area covering 33.88 square kilometers (km²) which included that of artisanal workings. Very little exploration work was undertaken by Samax between 1989 and 1992. During that period, Samax negotiated relinquishment of artisanal claims within the PL area.

In 1994, Samax Limited entered into a joint venture agreement with BHP Minerals International Exploration Inc. to conduct exploration in the area. A reserve totaling 10.9 million tonnes of ore at a grade of 2.8 grams per tonne was discovered in 1996, with approximately 1.03 million ounces of gold.

On July 22, 1996 Resolute Mining Limited a company incorporated in Australia entered into a sale agreement with BHP and Samax of which BHP agreed to terminate its JV agreement with Samax and dispose of its interest in Golden Pride for a consideration of USD 12 million. As a result of this agreement, Samax and Resolute Limited had each 50% interest in the project. The feasibility study of the Golden Pride Project was completed in 1997.

Resolute Tanzania Limited entered into a development agreement with the government of the United Republic of Tanzania (URT) on 24th June, 1997 pursuant to section 10 of the Mining Act, 1998. Construction of the mine started in November, 1997, and it included an open pit; carbon-in-leach (CIL) processing plant; waste rock and water storage facilities. The construction was completed in November, 1998 and the mine commenced production in December, 1998. This mine is located at Lusu village Nzega district in Tabora region. The mine reserves are estimated at some 2.47 million ounces of gold (equal to 76.82 tonnes) and annual gold production averages some 180,000 ounces. Initially, it was thought that the mine would have a life span of eight years, however, more reserves were discovered and it is expected that the mine will last through to 2012.

Mwadui Diamond Mine (Diamonds)-The Williamson diamond gets its name from Dr. John Williamson, the renowned Canadian Geologist, who discovered a diamond in 1947 in his own mine in Tanzania, then Tanganyika, The mine is known as the Williamson Diamond Mine or Mwadui diamond Mine, and subsequently presented it in the rough state, as a wedding gift to Princess Elizabeth (later Queen Elizabeth II) in the same year. The Williamson's mine is an open pit diamond mine located in Kishapu district, Shinyanga region at Mwadui in the northern Tanzania and covers about 146 hectares, Williamson is the largest kimberlite pipe ever to be mined economically, having been operated continuously as an open pit mine for almost 70 years. During this time it has produced over 20 million carats, and there remains a major resource of some 40 million carats. The mine regularly produces large, high-quality stones and is a source of rare and extremely valuable fancy pink diamonds.

This mine, started production in 1951. The mine was later owned through a joint venture arrangement between Wilcroft Company (a subsidiary of De Beers Group of South Africa), which owned 75 percent of the shares, and the Government of Tanzania, which owned 25 percent. Based on an assessment conducted in 1994 the mines diamond reserves are estimated at 50.9 million carats. Presently the mine is producing an average of 250,000 carats of diamonds per year, but there are plans to expand production to some 500,000 carats per year.

Petra Diamonds completed the acquisition of 75% of equity stake of the Willcroft Company Limited from Cheviot Holdings Limited, a subsidiary of De Beers in November, 2008.

El-Hillal Diamond Mine (Diamonds)-El-Hillal Minerals Limited is a Tanzanian registered company. The mine is located in the Mwadui area, Kishapu District, Shinyanga region about 2-4 kilometers from Mwadui Diamond pipe. It has five diamond prospecting licenses at Kabondo, Ing'umang'ombe, Ng'wangula, Buganika and Ng'wang'ombolwa. The concession area covers a total area of about 92.45 square kilometers. The mine operation is opencast and employs heavy media separation and x-ray recovery system. The main product is alluvial Diamonds but the prospecting license allowed El-Hillal Minerals limited to mine gemstone found in the area. By 2007 the company had produced a total of 30,000 carats of diamonds, worth US\$ 6 million the mine is expected to have a minimum mining life of 20 years.

Tanzanite One Mine (Tanzanite)-This mine is located in Simanjiro district, Manyara region, about 80 kilometres from Arusha town. At first, Tanzanite mining was undertaken by Merelani Mining Company, a subsidiary of African Gem Resources (AFGEM). In 2003, AFGEM's Tanzanite business and assets were acquired by the Tanzanite One Group, a Bermuda-based business formed by Afgem officers, with the intention of listing the company on the Alternative Investment Market of the London Stock Exchange. The mine started production in 1999, with an investment capital totaling US\$ 20 million.

Kiwira Coal Mine (Coal)-This mine is located in Mbeya region. Kiwira Coal Mines Company (KCMC) was established in 1988 with the assistance from the Chinese government for the purpose of mining coal for industrial use and generating electricity for the use of the mine. KCMC was previously owned by STAMICO, which held all its shares, before it was privatised in 2005 and sold to a Tanzanian company, Tan Power Resources Limited. Tan power Resources Limited holds 70 percent of the shares leaving STAMICO with 30 percent on behalf of the government. The company has a 20-year contract to supply TANESCO with 200 mega watts of electricity, starting in 2009.

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Table 10, showing Ownership, Location and other Features of Major Mining Operations and Projects in Tanzania

Name of Mine/Project and Owner	Owner	Location	Type of mineral	Reserve quantity	Remarks
Buzwagi Gold Mine	African Barrick Gold (100%)	Kahama	Gold	3.4 million ounces	Proven and Probable
Bulyanhulu Gold Mine	African Barrick Gold (100%)	Kahama	Gold	10.3 million ounces	Proven and Probable
North Mara Gold Mine	African Barrick Gold (100%)	Tarime	Gold	2.9 million ounces	Proven and Probable
Tulawaka Gold Mine	ABG (70%), Northern Mining Exploration Ltd (30%)	Biharamulo	Gold	0.13 million ounces	Proven and Probable
Geita Gold Mine	Ashanti Gold	Geita	Gold	8.48 million ounces	Proven and Probable
Golden Pride Gold Mine	Resolute Mining Limited	Nzega	Gold	0.16 million ounces	Proven and Probable
Williamson Diamond Mine	Petra Diamonds (75%), Tanzania Govt (25%)	Kishapu	Diamonds	39.96 million carats	Indicated & Inferred
Tanzanite One Mine.	Tanzanite One Limited (100%)	Simanjiro	Tanzanite	63-83 million carats	Indicated
Nyanzaga Gold Project	Indago Resources Ltd. (100%)	Sengerema	Gold	4.2 million ounces	Declared & Inferred
Handeni Gold Project	Canaco Resources Inc. (100%)	Handeni	Gold	3.94 million ounces	Measured & Indicated
Kabanga Nickel Project	Barrick Gold Corp. (50%) and Xstrata Plc (50%)	Ngara	Nickel	1.16 Billion pounds	Inferred
Dutwa Nickel Project	African Eagle Resources Plc	Mwanza	Nickel	751.8 million pounds	Inferred
			Cobalt	23.2 million pounds	Inferred
Mkuju River Project	Mantra Resources Ltd (100%)	Namtumbo	Uranium	28.5 million pounds	Indicated
Manyoni Uranium Project	Uranex (100%)	Bahi/Manyoni	Uranium	17.67 million pounds	Inferred
Mchuchuma Coal Mine	National Development Corporation	Ludewa	Coal	125.3 million tons	Proven
Mbalawala Coal Project	Atomic Resources Ltd (85%), Tancoal (15%)	Ruvuma	Coal	40.2 million tons	Proven
Liganga Iron Ore Project	National Development Corporation	Ludewa	Iron Ore	45 million tons	Proven
Songo Songo	Orca Exploration Group	Kilwa	Natural Gas	850 billion cubic feet	Proven
Mnazi Bay Gas Project	Artumas Group Inc.	Mtwara	Natural Gas	242 billion cubic feet	Proven

Source: MEM

Table 11, showing quantity and values of exported minerals in Tanzania- Large scale mines

Particulars	2011	2010	2009
Number of Gold Bars Exported	2,198	2,104	2,154
Number of Copper Concentrate Containers Exported	2,054	1,992	1,167
Gold Quantity (toz)	1,293,671	1,214,594	1,108,474
Silver Quantity (toz)	456,080	406,235	392,884
Copper Quantity (lb)	13,836,311	10,806,687	6,904,228
Diamond (carat)	23,922	43,264	133,526
Tanzanite (carat)	1,569,543	2,200,000	1,910,000
Gold Gross Value (USD)	2,041,511,060	1,484,735,450	1,087,809,429
Silver Gross Value (USD)	16,065,979	8,234,030	5,714,577
Copper Gross Value (USD)	55,706,563	36,374,430	16,030,102
Diamond Gross Value (USD)	6,557,891		
Tanzanite Gross Value (USD)	9,918,223		
Total export value-USD	<u>2,129,759,716</u>	<u>1,529,343,910</u>	<u>1,109,554,108</u>

Source: MEM (TMAA Annual Reports)

Table 12 showing gold export destinations (2006 - 2011)

Mine	Buyer	Country	2006		2007		2008		2009		2010		2011	
			Gold Quantity	Gold Value	Gold Quantity	Gold Value	Gold Quantity	Gold Value	Gold Quantity	Gold Value	Gold Quantity	Gold Value	Gold Quantity	Gold Value
Bulyanhulu	Argor-Heraeus	Switzerland	104,030	61,927,150	112,669	76,098,659	82,216	71,371,694	96,136	91,102,556	82,205	101,081,676	88,017	138,801,943
	Rand Refinery	South Africa	729	401,889	-	-	-	-	-	-	-	-	-	-
	Aurubis AG	Germany	-	-	-	-	-	-	-	-	3,506	3,922,261	33,202	56,738,400
	Marc Rich & Co. Investments	China	145,406	88,069,266	122,729	82,518,537	83,075	70,940,926	105,829	102,549,260	151,280	186,730,570	95,119	148,855,674
	Pan Pacific Copper Co. Ltd	Japan	-	-	-	-	-	-	-	-	26,471	36,169,990	45,881	76,394,318
	Sumitomo	Japan	49,722	30,364,031	14,820	10,045,350	38,726	34,199,085	48,081	51,151,752	-	-	-	-
		Sub-total	299,887	180,762,335	250,218	168,662,547	204,017	176,511,705	250,046	244,803,569	263,461	327,904,498	262,218	420,790,334
Buzwagi	Argor-Heraeus	Switzerland	-	-	-	-	-	-	152,505	153,496,483	108,886	131,285,505	100,192	149,585,829
	Aurubis AG	Germany	-	-	-	-	-	-	-	-	20,332	27,853,304	8,558	13,652,652
	Marc Rich & Co. Investments	China	-	-	-	-	-	-	-	-	60,958	74,848,188	40,771	87,186,869
	Pan Pacific Copper Co. Ltd	Japan	-	-	-	-	-	-	-	-	9,620	13,119,458	22,932	23,536,181
		Sub-total	-	-	-	-	-	-	152,505	153,496,483	199,795	247,106,454	172,453	273,961,532
Geita	Rand Refinery	South Africa	306,649	184,131,113	326,514	226,816,543	261,834	229,892,454	268,246	266,542,394	358,391	442,124,413	481,724	772,862,449
Golden Pride	Argor-Heraeus	Switzerland	135,978	81,688,583	143,255	99,109,631	149,202	131,630,775	135,562	132,445,774	128,433	156,355,126	122,412	191,136,014
North Mara	Argor-Heraeus	Switzerland	354,159	215,122,110	240,348	166,529,725	201,652	176,792,840	204,148	199,833,851	223,679	274,439,161	171,093	271,189,454
Tulawaka	Argor-Heraeus	Switzerland	156,944	94,452,901	176,092	125,065,438	212,475	187,090,352	93,474	90,216,366	64,215	78,935,573	83,158	131,039,631
	GRAND TOTAL		1,253,617	756,157,041	1,136,427	786,183,884	1,029,181	901,918,126	1,103,982	1,087,338,436	1,237,975	1,526,865,225	1,293,058	2,060,979,415

Source: TMAA annual reports

Table 13 showing the Historical Minerals Production from Medium and Small Scale Mines (2005 - 2010)

The table below summarises historical minerals production statistics for selected minerals produced by medium and small scale miners during the year 2005 through 2010 as reported by Zonal and Resident Mines Offices, Ministry of Energy and Minerals.

Mineral	Unit of measure	2005	2006	2007	2008	2009	2010	Total
Gold	Weight (Kg)	1,020	5,164	4,755	4,468	5,228	2,201	22,836
	Value (USD)	13,802,571	95,136,101	113,966,372	104,136,437	123,703,658	71,345,178	522,090,317
Diamond	Weight (Carat)	24,498	84,931	70,279	87,321	46,436	28,902	342,366
	Value (USD)	3,100,705	5,396,274	6,814,623	6,309,294	5,759,161	4,755,562	32,135,618
Tanzanite	Weight (g)	1,306,655	5,504,055	6,299,514	5,030,611	5,012,484	5,702,858	28,856,177
	Value (USD)	34,016,728	20,757,608	29,200,927	22,103,371	9,091,121	17,777,726	132,947,482
Limestone	Weight (g)	102,100	109,086	164,544	207,922	106,185	120,000	809,838
	Value (TZS)	6,977,547	7,455,000	10,908,400	15,941,900	19,363,500	21,882,752	82,529,099
Galena	Weight (Kg)	-	-	83	249	21	109	461
	Value (TZS)	-	-	37,503,488	133,000,000	1,650,000	12,450,500	184,603,988
Coal	Weight (Tonne)	-	-	2,376	1,317	-	-	3,693
	Value (TZS)	-	-	68,912,555	38,756,612	-	-	107,669,167
Gypsum	Weight (Tonne)	7,402	5,500	-	2,120	1,820	-	16,842
	Value (TZS)	218,361,396	162,254,840	-	62,541,866	64,676,000	-	507,834,102
Zircon	Weight (Tonne)	6,732	7,847	-	-	-	-	14,580
	Value (TZS)	1,307,875	1,955,000	-	-	-	-	3,262,875
Tin	Weight (Tonne)	2,035	2,060	1,221	-	1,000	-	6,316
	Value (TZS)	-	-	9,463,000	-	5,853,540	-	15,316,540
Kaolin	Weight (Tonne)	-	-	1,015.00	28,896.00	18,624.00	-	48,535
	Value (TZS)	-	-	2,500,000	28,896,000	18,624,000	-	50,020,000
Copper	Weight (Tonne)	-	-	-	750,000	-	3,000,000	3,750,000
	Value (USD)	-	-	-	22,500.00	-	150,000.00	172,500

7. Taxes, Charges and Fees

Companies engaged in the mining, oil and gas sectors in Tanzania pay taxes and other non- tax payments to government entities (ministries parastatal organizations, local governments)) as explained in the sections below.

Tanzania Revenue Authority (TRA): Tax revenues are collected by TRA under the supervision of the Ministry of Finance and Economic Affairs . TRA is mandated by law to collect major taxes including Income Tax, Value Added Tax, Import Duty and Excise Duty. TRA is organised into four Revenue Departments:-

- i. Large Taxpayers Department (LTD)
- ii. Customs and Excise Department (C&E)
- iii. Tax Investigations Department
- iv. Domestic Revenue Department

Further information on TRA can be found at <http://www.tra.go.tz/>

The National Social Security Fund (NSSF): It was established under the Ministry of Labour, Employment and Youth Development. NSSF was established by the National Social Security Fund Act No. 28 of 1997, providing a wide range of short-term and long-term benefits:-

- Old Age Pension
- Invalidity Pension
- Survivors Pension
- Employment Injury Benefit
- Social Health Insurance Benefit
- Maternity Benefit
- Funeral Grants Benefit

Further information on the NSSF can be found at <http://www.nssf.or.tz/home.php>

Local Government Authorities- These are local district authorities responsible for the collection of local levies from mining companies. The Local Government Act of 1982 and the Urban Authority Act of 1983 empowers any local authority to pass By-laws which allow the authority to charge local taxes and collect levies and fees within its jurisdiction up to a maximum of 0.3% of sales turnover. The By-laws must be published in the Gazette after they have been approved by the Minister responsible for Regional Administration and Local Government.

The following are currently the local district authorities which are responsible for the collection of local levies from mining companies:

- Biharamulo
 - Geita
 - Ilala
 - Kahama
 - Kilwa
 - Kinondoni
 - Kishapu
-

- Mbeya
- Mtwara
- Nzega
- Simanjiro
- Tanga
- Tarime

The table below shows the taxes and charges paid by extractive sector companies to TRA, PPF/ NSSF and Local Government Authorities.

Table 14:

No	TAX TYPE	MDA HOLDERS		NON-MDA HOLDERS		RESPONSIBLE COLLECTING AUTHORITY
		TAX BASE	RATE	TAX BASE	RATE	
CORPORATE TAX	• Provisional Corporate Tax	Estimated Profit	30%	Estimated Profit	30%	TRA
	• Final Corporate Tax	Taxable Profit	30%	Taxable Profit	30%	TRA
TURNOVER TAX/ LEVY	Alternative Minimum Tax (AMT)	No	No	Turnover	0.3%	TRA
	Local Government Tax/Levy	Annual	USD 200,000 per annum	Turnover	0.3%	Local Authority
WITHHOLDING TAXES	• Dividend payments	Payments	10%	Payments	10%	TRA
	• Interests	No	No	Payments	10%	TRA
	• Royalties paid for the use of rented mineral rights	No	No	Payments	15%	TRA
	• Technical Services (Resident)	Payments	3%	Payments	5%	TRA
	• Technical Services (Non Resident)	Payments	3%	Payments	15%	TRA
	• Management Fees (Resident)	Payments	3%	Payments	5%	TRA
	• Management Fees (Non Resident)	Payments	3%	Payments	15%	TRA
	• Rental (Resident)	Payments	10%	Payments	10%	TRA
	• Rental (Non Resident)	Payments	15%	Payments	15%	TRA
	• Insurance Premium (Applicable to Non Resident only)	Payments	5%	Payments	5%	TRA

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No	TAX TYPE	MDA HOLDERS		NON-MDA HOLDERS		RESPONSIBLE COLLECTING AUTHORITY
		TAX BASE	RATE	TAX BASE	RATE	
	<ul style="list-style-type: none"> Natural Resources Payments 	Payments	15%	Payments	15%	TRA
	<ul style="list-style-type: none"> Service Fees (Applicable to Non Resident only) 	Payments	15%	Payments	15%	TRA
CAPITAL GAIN TAX (Company Assets)		Gain	30%	Gain	30%	TRA
EMPLOYMENT TAXES/CHARGES & STATUTORY CONTRIBUTIONS						
	<ul style="list-style-type: none"> Pay As You Earn (PAYE) 	Personal Income	Ranges from 14% to 30% plus fixed amounts	Personal Income	Ranges from 14% to 30% plus fixed amounts	TRA
	<ul style="list-style-type: none"> Skills and Development Levy-SDL 	Employer's Payroll Cost	6%	Employer's Payroll Cost	6%	TRA
	<ul style="list-style-type: none"> NSSF/PPF Contribution 	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> 10% payable by employer 10% payable by employee 	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> 10% payable by employer 10% payable by employee 	NSSF/PPF
VAT	(VAT special relief on purchases, 0% rated on exports)	Taxable Value	18%	Taxable Value	18%	TRA
STAMP DUTY		Sales Value	1%	Sales Value	1%	TRA
IMPORT DUTY						
	<ul style="list-style-type: none"> For Capital Goods 	Customs Value	0%	Customs Value	0%	TRA
	<ul style="list-style-type: none"> For Specified goods (explosives, lubricants, spare parts etc) 	Customs Value	5% after 1 st year anniversary	Customs Value	25%	TRA
EXCISE DUTY						
	<ul style="list-style-type: none"> Motor Vehicle 	Customs Value	5%	Customs Value	5%	TRA

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No	TAX TYPE	MDA HOLDERS		NON-MDA HOLDERS		RESPONSIBLE COLLECTING AUTHORITY
		TAX BASE	RATE	TAX BASE	RATE	
	1000 cc to 2000 cc					
	• Motor Vehicle above 2000 cc	Customs Value	10%	Customs Value	10%	TRA
	• Fuel - Diesel	Volume	314 per litre	Volume	314 per litre	TRA
	• Fuel - Petrol	Volume	339 per litre	Volume	339 per litre	TRA
	• Non Utility Motor Vehicles aged above 10 years	Customs Value	20%	Customs Value	20%	TRA
FUEL LEVY		Annual	USD 200,000 per annum	Volume	TZS 200 per litre	TRA
MOTOR VEHICLE TAXES	• Motor Vehicle Registration Fees	Motor Vehicle Registered	TZS 150,000	Motor Vehicle Registered	TZS 150,000	TRA
	• Motor Cycle Registration Fees	Motor Cycle Registered	TZS 45,000	Motor Cycle Registered	TZS 45,000	TRA
	• Motor Vehicle Annual Fees up to 500 cc	Annual	TZS 50,000 per annum	Annual	TZS 50,000 per annum	TRA
	• Motor Vehicle Annual Fees 501-1500cc	Annual	TZS 100,000 per annum	Annual	TZS 100,000 per annum	TRA
	• Motor Vehicle Annual Fees 1500-2500cc	Annual	TZS 150,000 per annum	Annual	TZS 150,000 per annum	TRA
	• Motor Vehicle Annual Fees above 2500 cc	Annual	TZS 200,000 per annum	Annual	TZS 200,000 per annum	TRA
MOTOR VEHICLE TRANSFER TAXES	• Motor Vehicle Transfer Fees	Transfer	TZS 50,000	Transfer	TZS 50,000	TRA
	• Motor Cycle Transfer Fees	Transfer	TZS 27,000	Transfer	TZS 27,000	TRA
	• Fees for new Registration Card	Transfer	TZS 10,000	Transfer	TZS 10,000	TRA

Source: TRA, NSSF, PPF

Ministry of Energy and Minerals (MEM)

The Ministry of Energy and Minerals describes its mission as to “set policies, strategies and laws for sustainability of energy and minerals resources to enhance growth and development of the economy.” MEM is responsible for licensing exploration and production for minerals, gas and petroleum.

Minerals activities are now subject to the Mining Act 2010, but during the period under review, the statutory framework was set out in the Mining Act 1998 and various mining regulations and rules established under the Act:-

- The Mining (Mineral Rights) Regulations 1999;
- The Mining (Mineral Trading) Regulations 1999;
- The Mining (Safe-working and Occupational Health) Regulations 1999;
- The Mining (Environmental Management and Protection) Regulations 1999;
- The Mining (Salt and lodations) Regulations 1999;
- The Mining (Provisional Licences) Regulations 1999;
- The Mining (Mirerani Controlled Area) Regulations 2001;
- The Mining (Diamond Trading) Regulations 2002;
- The Mining (Gemstone Board) Regulations 2004; and
- The Mining (Dispute Settlement Resolution) Rules 1999.

Further information on the MEM can be found at <http://www.mem.go.tz/>

The table below details the different types of charges and taxes that extractive companies pay to MEM.

Table 15:

No	TYPE OF FEE	BASE	RATE/ AMOUNT	PAYMENT SYSTEM	RESPONSIBLE COLLECTING AUTHORITY
1.	ROYALTIES				
	• Metallic minerals(Copper, Silver etc)	Gross Value	4%	Paid on export or local consumption upon delivery	MEM
		Net Back Value for MDA Holders prior to 2010	3%	Paid on export or local consumption upon delivery	MEM
	• Gemstones and Diamond(Rough)	Gross Value	5%	Paid on export or local consumption upon delivery	MEM
	• Salt, industrial minerals and building Materials	Gross Value	3%	Paid on export or local consumption upon delivery	MEM
	• Uranium	Gross Value	5%	Paid on export or local consumption upon delivery	MEM
	• Gem (Cut and Polished	Gross Value	1%	Paid on export	MEM

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No	TYPE OF FEE	BASE	RATE/ AMOUNT	PAYMENT SYSTEM	RESPONSIBLE COLLECTING AUTHORITY
	Gemstone)			or local consumption upon delivery	
2.	LICENSE APPLICATION FEES (NON-REFUNDABLE)				
	• Prospecting license for metallic minerals, energy minerals and kimberlitic diamond	PL	USD 100	Paid on application	MEM
	• Prospecting license for building materials and gemstones excluding kimberlitic diamond	PL	USD 100	Paid on application	MEM
	• Prospecting license for industrial minerals	PL	USD 50	Paid on application	MEM
	• Retention license	RL	USD 500	Paid on application	MEM
	• Special Mining license	SML	USD 2,000	Paid on application	MEM
	• Mining License	ML	USD 1,000	Paid on application	MEM
	• Mining license for building materials	ML	USD 500	Paid on application	MEM
	• Primary mining license	PML	TZS 20,000	Paid on application	MEM
	• Transfer of primary license	PML	USD 100	Paid on application	MEM
	• Transfer of shares in a primary mining license	PML	USD 100	Paid on application	MEM
	• Transfer of mineral rights other than primary mining license	PML	USD 500	Paid on application	MEM
	• Search in register, for every one hour or part thereof	Number of search	USD 50	Paid on application	MEM
	• Registration of any document in the office of the Commissioner for Minerals	Number of documents to be registered	USD 200	Paid on application	MEM
	• Approval of any document by the Minister as provided in the Mining Act	Number of documents to be approved	USD 200	Paid on application	MEM
3.	LICENSE RENEWAL FEES				
	• Prospecting license for metallic minerals, energy minerals and kimberlitic diamond	PL	USD 100	Paid on Renewal	MEM
	• Retention license	RL	USD 500	Paid on Renewal	MEM
	• Special mining license	SML	USD 1,000	Paid on Renewal	MEM
	• Mining license	ML	USD 500	Paid on Renewal	MEM
	• Mining license for building materials and industrial minerals	ML	USD 500	Paid on Renewal	MEM

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No	TYPE OF FEE	BASE	RATE/ AMOUNT	PAYMENT SYSTEM	RESPONSIBLE COLLECTING AUTHORITY
	• Primary mining license	PML	TZS 20,000	Paid on Renewal	MEM
4.	APPLICATION FOR A CERTIFICATE OF SUSPENSION OF:				
	• Work in the mineral rights under division C	Number of mineral rights	TZS 10,000	Paid application on	MEM
	• Work in mineral right other than mineral rights under division C	Number of mineral rights	USD 100	Paid application on	MEM
5.	APPLICATION FOR A CERTIFICATE OF AMALGAMATION OF:				
	Primary mining licenses	Number of amalgamation transaction	TZS 50,000	Paid application on	MEM
6.	APPLICATION FOR A CERTIFICATE OF SURRENDER OF:				
	• Part or whole of the primary mining license area	Number of certificates	TZS 20,000	Paid application on	MEM
	• Part or whole of the area of a mineral right other than a primary mining license	Number of certificates	USD 200	Paid application on	MEM
7.	PREPARATION FEES FOR				
	• Prospecting license for all minerals	PL	USD 200	Paid upon receipt of offer	MEM
	• Mining license for all minerals	ML	USD 500	Paid upon receipt of offer	MEM
	• Special mining license	SML	USD 1,000	Paid upon receipt of offer	MEM
	• Retention license	RL	USD 1,000	Paid upon receipt of offer	MEM
	• Primary mining License	PML	TZS 20,000	Paid upon receipt of offer	MEM
8.	ANNUAL RENTS PAYABLE FOR ALL MINERAL RIGHTS OTHER THAN MINERAL RIGHTS UNDER DIVISION D				
	• Prospecting license for metallic minerals, energy minerals and kimberlitic diamonds for initial period	PL	USD 40/sq.km	Paid annually	MEM
	• Prospecting license for building materials	PL	USD 40/sq.km	Paid annually	MEM
	• Prospecting license for gemstones excluding kimberlitic diamonds	PL	USD 40/sq.km	Paid annually	MEM
	• Annual rent for first renewal of a prospecting license	PL	USD 50/sq.km	Paid annually	MEM
	• Annual rent for second renewal of a prospecting license	PL	USD 60/sq.km	Paid annually	MEM
	• Retention license	RL	USD 500/sq.km	Paid annually	MEM
	• Special mining license	SML	USD 2,000/sq.km	Paid annually	MEM

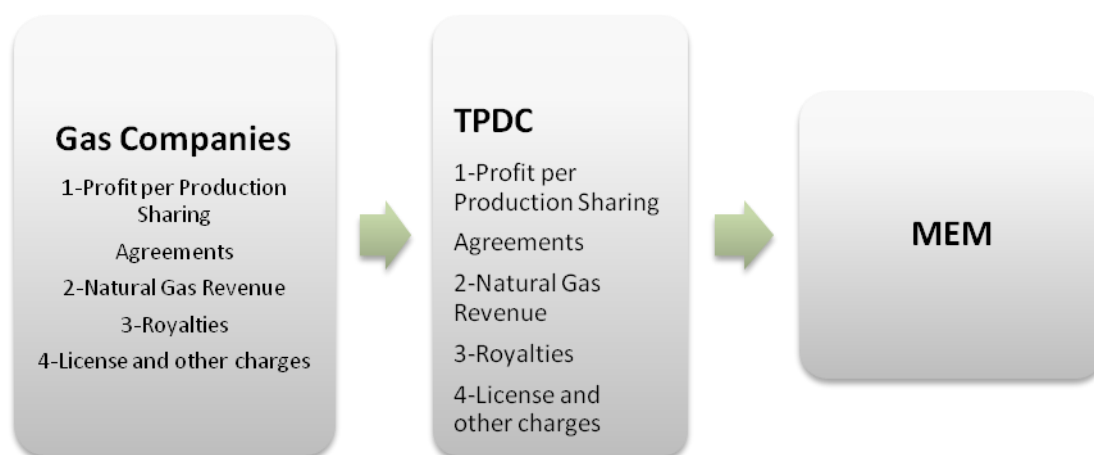
TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TYPE OF FEE	BASE	RATE/ AMOUNT	PAYMENT SYSTEM	RESPONSIBLE COLLECTING AUTHORITY
	<ul style="list-style-type: none"> • Mining License for metallic minerals, energy minerals, gemstones and kimberlitic diamonds 	ML	USD 1,000/sq.km	Paid annually	MEM
	<ul style="list-style-type: none"> • Mining license for building materials and industrial minerals 	ML	USD 500/sq.km	Paid annually	MEM
9.	ANNUAL RENTS FOR MINERALS UNDER DIVISION D				
	<ul style="list-style-type: none"> • Primary mining license for all minerals other than gold, kimberlitic diamonds and gemstones, subject to a minimum of 20.000/= for each licensed area having less than 2 hectares 	PML	TZS 10,000/hect	Paid annually	MEM
	<ul style="list-style-type: none"> • Primary mining license for gold, kimberlitic diamonds or gemstones, subject to a minimum of 40.000/= for each licensed area having less than 2 hectares 	PML	TZS 20,000/hect	Paid annually	MEM
10	Gas Revenue from TPDC	Per PSAs		Paid periodically from TPDC based on gas sales and also profit gas revenue from oil and gas companies	MEM

Tanzania Petroleum Development Corporation (TPDC)

TPDC has the oversight role of governance of oil and/or gas matters. Specifically, TPDC is responsible for:- i) Promotion and monitoring of exploration for oil and/or gas; ii) Development and production of oil and/or gas; iii) Overseeing Research and Development (R&D) of oil and/or gas industry in the country; iv) Management of oil and/or gas exploration and production of data; v) Advising the Government on oil and/or gas (petroleum) related issues; vi) Marketing and selling of natural gas under the existing PSAs arrangement; vii) Undertaking management activities of strategic fuel reserves; and viii) Dealing in petroleum products in the country.

According to information from TPDC, oil and gas companies make payments to Tanzania Petroleum Development Corporation (TPDC) and then TPDC transfers part of the receipts to the Ministry of Energy and Minerals. The remaining funds are retained for TPDC's operational use. The payments flows are illustrated in the figure below.



Treasury Registrar

The Treasury Registrar is under the Ministry of Finance and receives dividend payments for Government-owned shares in private companies as illustrated in the figure below.



Non monetary benefit streams

Our study of the existing payment and income streams in the extractive industry did not find existence of non monetary streams such as in-kind payments, infrastructure provisions and other barter arrangements.

National Audit Office (NAO)

The National Audit Office is headed by the Controller and Auditor General (CAG). The CAG is assisted by the Deputy Controller and Auditor General (DCAG). Functionally, NAO has five line divisions each of which is headed by an Assistant Auditor General (AAG). The five divisions are given below:-

- Ministerial accounts
- Regional and Local Authorities accounts
- Ministry of Finance (Treasury) accounts
- Public Corporations and Value for Money Audit
- Administration and personnel matters, under the Director of Administration and Personnel

By virtue of the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised in 2000), and section 30 (1) of the Public Finance Act No. 6 of 2001 (revised in 2004); the Controller and Auditor General is the appointed statutory auditor of revenue and expenditure of all ministries, departments of the government, public authorities and other bodies or authorities which receives funds from the Consolidated Fund.

8. Materiality for 3rd reconciliation

The reconciler recommends to TEITI-MSG that the natural gas and mining companies in **Table (16b) below** be included in the 3rd TEITI Reconciliation Report for the year ended June 30, 2011. These have been selected based on amount of payments made by them. That is, these companies made substantial payments (over 99% of total receipts by government) in the year ended June 30, 2011 as shown in the thresholds Scenarios (**Table (16a) below**).

Table (16a) showing threshold Scenarios

Threshold	Number of taxpayers	Revenue collected by TRA, MEM and TPDC (TzS)	Weight/total collected revenue (%age)	Cummulative weight (%age)
Amount>25 billion TzS	8	392,747,598,568	79.4%	79.4%
10 billion TzS<Amount<25 billion TzS	2	44,164,627,390	8.9%	88.3%
2 billion TzS<Amount<10 billion TzS	8	43,708,979,205	8.8%	97.2%
0.1 billion TzS<Amount<2 billion TzS	14	10,519,411,494	2.1%	99.3%
Amount<0.15 billion TzS	411	3,425,749,122	0.7%	100.0%
Total	443	494,566,365,778	100%	

In view of the 5-Thresholds Scenarios indicated in the table above, the companies paying taxes of more than TZS 0.15 billion represent 99.3% of the total payments (provisional) collected by TRA, MEM and TPDC. The threshold for material payment at TZS 0.15 billion is hereby proposed. In lieu of this, 32 companies will be included in the 3rd TEITI Reconciliation Report, pending approval by MSG. These companies are listed in **Table (16b) below**:

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Table (16b): Proposed extractive companies for inclusion in the Third TEITI Report for the year ended June 30, 2011

No	TIN	Tax Payer Name	Total payments to Govt (TZS)	Mineral	Nature of activity
1	100222930	GEITA GOLD MINING LIMITED	99,438,075,899	Gold	Production
2	100206188	BULYANHULU GOLD MINE LIMITED	57,000,862,197	Gold	Production
3	100145839	TANZANIA PORTLAND CEMENT	51,254,599,258	Limestone	Production
4	100206013	RESOLUTE (TANZANIA) LIMITED	47,543,703,238	Gold	Production
5	100159937	TANGA CEMENT	38,708,225,323	Limestone	Production
6	100220555	NORTH MARA GOLD MINE LIMITED	36,354,584,666	Gold	Production
7	100227754	PANGEA MINERALS LTD	33,569,872,756	Gold	Production
8	100337460	SONGAS LIMITED	28,877,675,230	Natural Gas	Production
9	101181316	PAN AFRICAN ENERGY TZ LTD	24,513,173,320	Natural Gas	Production
10	106538484	OPHIL TANZANIA LTD	19,651,454,070	Natural Gas	Exploration
11	100131153	MBEYA CEMENT COMPANY LIMITED	9,939,218,617	Limestone	Production
12	105935730	STATOIL TANZANIA AS	8,188,731,359	Natural Gas	Exploration
13	107192077	PETROBRAS TANZANIA LIMITED	6,747,680,920	Natural Gas	Exploration
14	105158750	MANTRA TANZANIA LIMITED.	5,682,399,423	Uranium	Production
15	100209187	ABG EXPLORATION LIMITED	3,887,001,127	Gold	Exploration
16	100108682	WILLIAMSON DIAMONDS LTD.	3,633,997,850	Diamonds	Production
17	100183498	TANZANIA PETROLEUM DEVELOP	2,922,089,728	Natural Gas	Production
18	100243946	TANZANITE ONE MINING LTD	2,707,860,180	Tanzanite	Production
19	101849937	SHANTA MINING COMPANY LIMITED	1,837,292,610	Gold	Production
20	110477503	BG INTERNATIONAL LIMITED	1,640,017,518	Natural Gas	Exploration
21	106819246	ETABLISSEMENTS MAUREL & PROM	1,619,134,395	Natural Gas	Exploration
22	110414447	BEACH PETROLEUM (TANZANIA) LIMITED	1,287,610,668	Natural Gas	Exploration
23	100235110	TANCAN MINING COMPANY LIMITED	720,806,405	Gold	Exploration
24	107506438	TULLOW TANZANIA B.V.	574,544,358	Natural Gas	Exploration
25	102008588	TANZANITE ONE TRADING LIMITED	539,763,890	Tanzanite	Trading
26	105165439	BAFEX TANZANIA LTD.	500,672,675	Various	Exploration
27	110743351	DHAHABU RESOURCES (T) LIMITED	391,101,018	Various	Exploration
28	100251418	TANZANIA AMERICAN INTERNATIONAL DEVELOPMENT CORPORATION 2000	352,668,299	Various	Exploration
29	104985858	CANACO TANZANIA LIMITED.	345,709,602	Various	Exploration
30	103196604	WENTWORTH GAS LTD	313,986,441	Natural Gas	Exploration
31	105343817	GEO CAN RESOURCES CO. LTD.	229,664,262	Various	Exploration
32		Dominion Oil & Gas Limited	166,439,353	Natural Gas	Exploration
		Total	<u>491,140,616,656</u>		

These companies contributed about 99.3% of the total payments received by Government in the year ended June 30, 2011. In addition to the selected companies above, other companies (representing 0.7% of total payments) were engaged in mining and oil and gas activities and paid some amount of mineral royalties, license fees and other taxes. Please see **Table 17** for the listing of all the companies.

9. Conclusions and recommendations

Financial Flows:

The study identified relevant financial flows for Tax and Non tax payments. The study did not identify non monetary payment streams in the extractive industry.

Reporting Templates:

Based on the findings regarding the financial flows in this report, the reconciler has designed draft reporting templates as seen in the Annexes and these are for MSG approval.

Covered entities:

The study identified 32 extractive companies in the oil, gas and mineral sector that contributed more than 99.3% of the total payments to the government for the fiscal year ended June 30, 2011 and the reconciler recommends that these be included/covered by the 3rd TEITI reconciliation report. These companies are listed in [Section 7](#) of this Report.

Reconciliation differences materiality threshold:

The reconciler recommends materiality threshold for not pursuing a further investigation of discrepancies when the consultants undertake the reconciliation of 1%.

Individual Financial Flow materiality:

In the event that the aggregate value of the discrepancies within an individual financial flow exceeds 1% of the total value of the financial flow, the reconciler shall investigate such discrepancies further, utilising its best efforts to understand and resolve such discrepancies satisfactorily. The reconciler will not be required to investigate discrepancies if the aggregate value of such discrepancies within an individual financial flow is less than 1% of the value of the flow.

Aggregate Reporting materiality:

The reconciler shall conduct such investigatory work as may be necessary and possible to enable reporting the aggregate revenue and financial flows to the Government up to 1% of the annual total of all the financial flows.

10. Annexes

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

Table 17; Companies engaged in extractive industry in Tanzania in 2011

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
1	100222930	GEITA GOLD MINING LIMITED	71,052,248,287	4,322,543,559	24,063,284,053		99,438,075,899
2	100206188	BULYANHULU GOLD MINE LIMITED	33,756,896,824	5,160,030,644	18,083,934,730		57,000,862,197
3	100145839	TANZANIA PORTLAND CEMENT	43,367,868,700	7,886,730,557	-	-	51,254,599,258
4	100206013	RESOLUTE (TANZANIA) LIMITED	39,301,456,794	361,487,653	7,880,758,792	-	47,543,703,238
5	100159937	TANGA CEMENT	27,476,202,418	11,232,022,904	-	-	38,708,225,323
6	100220555	NORTH MARA GOLD MINE LIMITED	14,506,736,637	9,879,711,415	11,968,136,615	-	36,354,584,666
7	100227754	PANGEA MINERALS LTD	15,256,461,320	-	18,313,411,436	-	33,569,872,756
8	100337460	SONGAS LIMITED	12,883,530,728	1,681,870,726	-	14,312,273,776	28,877,675,230
9	101181316	PAN AFRICAN ENERGY TZ LTD	14,443,941,850	52,722,449	-	10,016,509,021	24,513,173,320
10	106538484	OPHIL TANZANIA LTD	19,385,034,022	18,435,578	-	247,984,471	19,651,454,070
11	100131153	MBEYA CEMENT COMPANY LIMITED	9,939,218,617	-	-	-	9,939,218,617
12	105935730	STATOIL TANZANIA AS	8,060,142,356	-	-	128,589,003	8,188,731,359
13	107192077	PETROBRAS TANZANIA LIMITED	6,444,328,129	-	-	303,352,791	6,747,680,920
14	105158750	MANTRA TANZANIA LIMITED.	5,682,399,423	-	-	-	5,682,399,423
15	100209187	ABG EXPLORATION LIMITED	3,887,001,127	-	-	-	3,887,001,127
16	100108682	WILLIAMSON DIAMONDS LTD.	3,633,997,850	-	-	-	3,633,997,850
17	100183498	TANZANIA PETROLEUM DEVELOP	2,922,089,728	-	-	-	2,922,089,728

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
18	100243946	TANZANITE ONE MINING LTD	2,312,224,765	-	395,635,414	-	2,707,860,180
19	101849937	SHANTA MINING COMPANY LIMITED	1,837,292,610	-	-	-	1,837,292,610
20	110477503	BG INTERNATIONAL LIMITED	1,640,017,518	-	-	-	1,640,017,518
21	106819246	ETABLLISSEMENTS MAUREL & PROM	1,253,015,462	357,096,363	-	9,022,570	1,619,134,395
22	110414447	BEACH PETROLEUM (TANZANIA) LIMITED	1,234,799,225	10,208,497	-	42,602,945	1,287,610,668
23	100235110	TANCAN MINING COMPANY LIMITED	720,806,405	-	-	-	720,806,405
24	107506438	TULLOW TANZANIA B.V.	574,544,358	-	-	-	574,544,358
25	102008588	TANZANITE ONE TRADING LIMITED	489,549,372	-	50,214,519	-	539,763,890
26	105165439	BAFEX TANZANIA LTD.	500,672,675	-	-	-	500,672,675
27	110743351	DHAHABU RESOURCES (T) LIMITED	391,101,018	-	-	-	391,101,018
28	100251418	TANZANIA AMERICAN INTERNATIONAL DEVELOPMENT CORPORATION 2000	352,668,299	-	-	-	352,668,299
29	104985858	CANACO TANZANIA LIMITED.	345,709,602	-	-	-	345,709,602
30	103196604	WENTWORTH GAS LTD	313,986,441	-	-	-	313,986,441
31	105343817	GEO CAN RESOURCES CO. LTD.	229,664,262	-	-	-	229,664,262
32		Dominion Oil & Gas Limited	-	-	-	166,439,353	166,439,353
33	108854634	LAKE VICTORIA RESOURCES (T) LIMITED	136,915,812	-	-	-	136,915,812
34	104816835	MINERAL EXTRACTIONS TECHNOLOGIES LIMITED	132,030,833	-	-	-	132,030,833
35	105585292	WESTERN METALS TANZANIA LTD.	126,927,664	-	-	-	126,927,664
36	108727098	RUKWA COAL LIMITED	116,621,635	-	-	-	116,621,635

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
37		Prima Gems (T) Ltd	-	-	112,691,548	-	112,691,548
38		Maruti Green Gems Ltd	-	-	110,702,251	-	110,702,251
39	101408655	THORNTREE MINERAL LTD.	102,528,000	-	-	-	102,528,000
40	105674732	MAGAMBAZI MINES CO. LIMITED.	100,080,500	-	-	-	100,080,500
41	101409570	EL-HILLAL MINERALS LTD.	77,296,721	-	-	-	77,296,721
42	101193543	ARM (T) LTD.	76,652,630	-	-	-	76,652,630
43	106118906	AURUM AFRICA LIMITED	71,258,396	-	-	-	71,258,396
44	102322398	Z. B MINNING LTD.	65,782,020	-	-	-	65,782,020
45		Heritage Rukwa Tanzania Limited	-	-	-	55,635,593	55,635,593
46	104870368	AARDVARK EXPLORATION LIMITED	54,573,669	-	-	-	54,573,669
47		Emrusa Gems & Mining Ltd	-	-	53,600,673	-	53,600,673
48		TanzaniteOne Trading Ltd	-	-	53,349,205	-	53,349,205
49	101503607	K & V STONE QUARRY LIMITED.	52,577,069	-	-	-	52,577,069
50		Sky Gems Ltd	-	-	52,339,797	-	52,339,797
51	101664430	TANZANIA CHAMBER OF MINES	51,175,160	-	-	-	51,175,160
52	100229889	SWALA GEM TRADERS LTD.	50,769,935	-	-	-	50,769,935
53	100167913	CULTURAL HERITAGE LTD.	49,160,242	-	-	-	49,160,242
54		Colour Store Ltd	-	-	47,718,104	-	47,718,104
55	100196875	RUUVU GEMSTONE MINING CO. LTD.	45,491,612	-	-	-	45,491,612

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
56		K.G.K Crafts Ltd	-	-	44,543,358	-	44,543,358
57	107194169	CURRIE ROSE RESOURCES (T) LIMITED	43,986,284	-	-	-	43,986,284
58	102472926	PR NG MINERALS LIMITED	43,182,888	-	-	-	43,182,888
59	100171414	GLITTER GEMS LIMITED	40,181,950	-	-	-	40,181,950
60		Crown Lapidary Ltd	-	-	39,562,763	-	39,562,763
61	101887782	S.S. SAAD SERVICE STATION LTD.	38,577,983	-	-	-	38,577,983
62	101390543	MASWI DRILLING CO. LTD.	37,408,894	-	-	-	37,408,894
63	104898629	MZURI EXPLORATION SERVICES LIMITED	36,367,833	-	-	-	36,367,833
64	102177096	AMAR STONE QUARRY LTD.	35,594,266	-	-	-	35,594,266
65	101175766	FRONTIER RESOURCES LIMITED	34,640,607	-	-	-	34,640,607
66	101032124	MINJINGU MINES & FERTILISER LTD.	34,000,342	-	-	-	34,000,342
67		Charming Gems Ltd	-	-	33,776,749	-	33,776,749
68	107847197	FORTUNE QUARRY (T) COMPANY LIMITED	33,273,392	-	-	-	33,273,392
69	100247976	TERRO CONSTRUCTION AND TRADING COMPANY LTD.	30,911,735	-	-	-	30,911,735
70	106993203	CASTILLIAN RESOURCES (TANZANIA) LIMITED	29,032,812	-	-	-	29,032,812
71	100237814	SHIVLAL TANK & CO. LTD.	28,478,652	-	-	-	28,478,652
72	101814548	PRIMA GEMS TANZANIA LIMITED	27,390,792	-	-	-	27,390,792
73		Glitter Gems Ltd	-	-	25,984,651	-	25,984,651
74	100170043	CLASSIC GEMS LIMITED	25,146,358	-	-	-	25,146,358

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
75	100353644	NDOVU RESOURCES LIMITED	-	5,501,165	-	19,112,726	24,613,892
76	113998695	CARLTON MIYABI TANZANIA LIMITED	23,723,132	-	-	-	23,723,132
77	105397968	HENAN AFRO-ASIA GEO-ENGINEERING (TANZANIA) CO. LTD.	23,396,028	-	-	-	23,396,028
78	108785276	SOLVOCHEM TANZANIA LIMITED	21,828,762	-	-	-	21,828,762
79	113849134	LOGIPROC PROPRIETARY LIMITED	20,671,065	-	-	-	20,671,065
80	105453450	TANSMIN RESOURCES (TANZANIA) LTD.	20,302,503	-	-	-	20,302,503
81	100145634	TANZANIA SAND & STONE QUARRIES LTD.	19,669,716	-	-	-	19,669,716
82	100234807	MOTISUN OXYGEN COMPANY LIMITED	19,033,839	-	-	-	19,033,839
83	107834974	SULEMAN ALLY NKYA COMPANY LIMITED	17,542,840	-	-	-	17,542,840
84	110911882	MMG GOLD LIMITED	16,795,986	-	-	-	16,795,986
85	101760596	CROWN LAPIDARY LIMITED	16,035,880	-	-	-	16,035,880
86	100244209	PANAFRICAN MINING SERVICES (TANZANIA) LIMITED.	15,915,566	-	-	-	15,915,566
87		Colour Clarity Ltd	-	-	15,873,495	-	15,873,495
88	103456932	TZ -NITE GEMS & JEWELERY LIMITED.	15,822,191	-	-	-	15,822,191
89		DOMINO RAW DIAMOND	-	-	15,740,406	-	15,740,406
90	112176187	WEIRMINERALS EAST AFRICA LIMITED	15,550,800	-	-	-	15,550,800
91		SANA GEMS LTD	-	-	15,494,397	-	15,494,397
92		Naval Gems Ltd	-	-	15,358,623	-	15,358,623
93	106005508	KASTAN MINING LIMITED	14,694,971	-	-	-	14,694,971

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
94		Swala Gem Traders Ltd	-	-	14,653,536	-	14,653,536
95	106707758	OBTALA RESOURCES (TANZANIA) LIMITED	13,578,964	-	-	-	13,578,964
96		M/S Dismat international (T) Ltd	-	-	13,521,471	-	13,521,471
97	109020753	DODOMA STONE AND QUARRY LIMITED	12,873,521	-	-	-	12,873,521
98	101561054	NYATI MINING (TANZANIA) LIMITED	12,769,793	-	-	-	12,769,793
99	107116222	RIO TINTO MINING AND EXPLORATION LIMITED	12,453,966	-	-	-	12,453,966
100	101661121	THE BLUE TRIPPLE A LTD.	12,245,530	-	-	-	12,245,530
101		SARA DIAMOND GROUP	-	-	12,244,486	-	12,244,486
102	101175677	MBOZI RESOURCES LIMITED	11,953,746	-	-	-	11,953,746
103	106549877	COLOUR STORE LIMITED	11,907,359	-	-	-	11,907,359
104		Jade Blue Gems Ltd	-	-	11,277,093	-	11,277,093
105		Facet Gems Ltd	-	-	11,273,158	-	11,273,158
106		GFM MINING & GEN. SUP.	-	-	11,117,022	-	11,117,022
107		Britons International Gems Ltd	-	-	11,087,792	-	11,087,792
108	106500193	AFRICAN GALLERIA LIMITED	10,954,476	-	-	-	10,954,476
109	101847845	MANGA GEMS LTD	10,624,092	-	-	-	10,624,092
110	106165386	AFRICAN NICKEL (TANZANIA) LIMITED	10,525,600	-	-	-	10,525,600
111	104907946	TANSINO QUARRIES LTD.	10,224,128	-	-	-	10,224,128
112	100130734	ALKARIM RHEMTULLAH MANJI	10,111,341	-	-	-	10,111,341

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
113	101340449	EMRUSA GEM & MINING LTD.	10,070,765	-	-	-	10,070,765
114	101782360	ABG AFRICAN LINK TRADERS LIMITED	10,040,820	-	-	-	10,040,820
115	100198886	KARIMU SHABANI LUSHINO	10,000,000	-	-	-	10,000,000
116	100760940	IRAQW MINING TANZANIA LTD.	9,800,000	-	-	-	9,800,000
117		Geminex Co. Ltd	-	-	9,170,991	-	9,170,991
118		CLASSIC GEMS LTD	-	-	8,579,244	-	8,579,244
119	111087792	VASH AND SONS CORPORATION LIMITED===	8,279,000	-	-	-	8,279,000
120		Jacaranda Holdings Co. Ltd	-	-	8,272,091	-	8,272,091
121	101284808	MUNDARARA RUBY MINING COMPANY LIMITED.	8,211,900	-	-	-	8,211,900
122	106465762	MARUTI GREEN GEMS LIMITED	6,592,399	-	-	-	6,592,399
123	100170132	HARILAL RAMJI SONI	6,103,500	-	-	-	6,103,500
124	102134680	TWALIB AHMAD LUBANGULA	5,640,033	-	-	-	5,640,033
125		Al-Marroof Gems Ltd	-	-	5,564,339	-	5,564,339
126	103950112	KASCCO MINING LTD.	5,474,953	-	-	-	5,474,953
127		Sanskrit Ltd	-	-	5,468,789	-	5,468,789
128	104799485	CHARMING GEMS LIMITED	5,393,000	-	-	-	5,393,000
129	101671550	GULAMABBAS EBRAHIM SHERIFF	5,250,000	-	-	-	5,250,000
130	105227507	ISLE OF JEWELS LIMITED	5,174,343	-	-	-	5,174,343
131	110544227	SIGNATURE GEMS LIMITED	5,092,500	-	-	-	5,092,500

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
132		EACD Trading Company Ltd	-	-	5,091,161	-	5,091,161
133		Manga Gems Ltd	-	-	5,004,477	-	5,004,477
134	102240723	KAMKALA SINNNAUTIC TANZANIA LIMITED	4,970,610	-	-	-	4,970,610
135		Tanquest Gem & Mining Ltd	-	-	4,880,868	-	4,880,868
136	107645837	MASEYU QUARRIES LIMITED	4,761,967	-	-	-	4,761,967
137	100101734	GRAMACK (T) LTD.	4,694,873	-	-	-	4,694,873
138		EACD TRADING CO.LTD	-	-	4,591,161	-	4,591,161
139	115158651	GUIFENG TANZANIA MINING LIMITED	4,563,000	-	-	-	4,563,000
140		SHY GEMS LTD	-	-	4,401,665	-	4,401,665
141	102134621	SHAFII MOHAMED MRAMBAS	4,340,000	-	-	-	4,340,000
142	104043496	KGK CRAFTS LIMITED	4,304,000	-	-	-	4,304,000
143	103025133	GEMINEX COMPANY LTD	4,129,209	-	-	-	4,129,209
144		Signature Gems Ltd	-	-	4,111,087	-	4,111,087
145	102134702	DANIEL MIHAMBO CHIMILE	4,107,000	-	-	-	4,107,000
146	103900344	TUKWALE ENTERPRISE LIMITED	3,954,380	-	-	-	3,954,380
147	105137486	M/S NYANGWALE DIAMONDS LIMITED	3,913,134	-	-	-	3,913,134
148		Buhesi Mines Company Ltd	-	-	3,898,687	-	3,898,687
149	111264791	COLLECTORS CORNER LIMITED	3,822,668	-	-	-	3,822,668
150	106101388	TANZANITE CONSTRUCTION CO. LTD.	3,801,666	-	-	-	3,801,666

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
151	110801416	HAKIMADINI LIMITED	3,464,931	-	-	-	3,464,931
152		Gems Marketing Services	-	-	3,435,966	-	3,435,966
153	101182754	INTERSTATE MINING & MINERALS (T) LTD.	3,300,000	-	-	-	3,300,000
154	109385425	EDEN GEM LIMITED	3,280,500	-	-	-	3,280,500
155		Rainbow Gems Ltd	-	-	3,265,706	-	3,265,706
156		BABU REAL STONE	-	-	3,128,683	-	3,128,683
157		Classic Gems Ltd	-	-	2,789,616	-	2,789,616
158	105386656	M/S ITILIMA MINING COMPANY	2,768,665	-	-	-	2,768,665
159	101670171	MATHIAS MICHAEL MOSHA	2,746,450	-	-	-	2,746,450
160	112461191	TRIPLE 7 DIAMOND COMPANY LIMITED	2,722,300	-	-	-	2,722,300
161	106463379	KASMAN CLASSIC JEWELLERY	2,629,419	-	-	-	2,629,419
162	107006184	HERITAGE OIL TANZANIA LIMITED	-	2,552,095	-	-	2,552,095
163	107694900	FRANONE MINING AND GEMS COMPANY LIMITED	2,421,200	-	-	-	2,421,200
164	101560503	TANLAP COMPANY LIMITED	2,179,380	-	-	-	2,179,380
165	106465487	COLOUR CLARITY LIMITED	2,100,000	-	-	-	2,100,000
166	101387321	RORY MAXWELL NIGHTINGALE	2,096,561	-	-	-	2,096,561
167		Blue Rock Ltd	-	-	2,007,551	-	2,007,551
168	106812055	FACET GEM COMPANY LIMITED	2,000,250	-	-	-	2,000,250
169	101146499	SHIELD RESOURCES LIMITED	2,000,000	-	-	-	2,000,000

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
170	107964231	GOLD AND DIAMONDS COMPANY LIMITED	1,950,000	-	-	-	1,950,000
171		Yusuph Mung & Agnes Minja	-	-	1,854,694	-	1,854,694
172	100663651	TAIFA FIRE PROTECTION SEERVICES LTD.	1,847,532	-	-	-	1,847,532
173	100590999	PAPAKING SAMBEKE MOLLEL	1,778,868	-	-	-	1,778,868
174		Mshoro H. Seleman	-	-	1,737,636	-	1,737,636
175	105925409	JABIR PETROLEUM LIMITED.	1,650,000	-	-	-	1,650,000
176	109224863	NITRO LOGISTICS LIMITED	1,600,000	-	-	-	1,600,000
177	100171120	PARADISO MINERALS (TANZANIA) LTD.	1,598,500	-	-	-	1,598,500
178		TEMELA CO. LTD	-	-	1,541,300	-	1,541,300
179	110312539	RUBY CREEK RESOURCES (TANZANIA) LIMITED	1,528,504	-	-	-	1,528,504
180	106180172	MGK MINING SERVICES LTD.	1,526,413	-	-	-	1,526,413
181	101574059	GREEN HILL MINING CO. LIMITED	1,487,500	-	-	-	1,487,500
182	100208490	MUUNGANO ARUSHA LTD.	1,476,307	-	-	-	1,476,307
183	100718065	ABM AGENCIES LTD.	1,405,000	-	-	-	1,405,000
184	102204840	GEM WAY LIMITED	1,364,910	-	-	-	1,364,910
185	106000999	A.M.M. GEM & MINERALS (T) LIMITED	1,325,000	-	-	-	1,325,000
186	100249391	SANSKRUT LTD.	1,246,300	-	-	-	1,246,300
187	105067429	KANSENYA GOLD MINES LTD.	1,237,000	-	-	-	1,237,000
188		Dermexim Ltd	-	-	1,219,034	-	1,219,034

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189	113175052	KILAMA INVESTMENT COMPANY (T) LIMITED	1,209,360	-	-	-	1,209,360
190	100466023	BRITONS INTERNATIONAL GEMS LTD.	1,200,000	-	-	-	1,200,000
191	100743914	SALIM JUMA MRUMA	1,200,000	-	-	-	1,200,000
192		International Minerals Ltd	-	-	1,179,726	-	1,179,726
193	106781338	MAKUNGU INVESTMENT COMPANY LIMITED	1,150,000	-	-	-	1,150,000
194		A.R Gems	-	-	1,133,823	-	1,133,823
195	106561621	METRO GEMS & JEWELLERS	1,133,650	-	-	-	1,133,650
196	100172739	J N MINING CO. LTD.	1,125,000	-	-	-	1,125,000
197		ANNS IMPORT&EXPORT	-	-	1,098,000	-	1,098,000
198	110768621	REDORE MINING CO. LIMITED	1,081,800	-	-	-	1,081,800
199	113366338	MSONGO GEMSTONE CO LTD	1,080,000	-	-	-	1,080,000
200	106294461	BEYOND SKY CO. LIMITED	1,064,650	-	-	-	1,064,650
201	111672695	ASPAM ENERGY (T) LIMITED	1,000,000	-	-	-	1,000,000
202	100237180	AL- MAROOF GEMS LTD.	1,000,000	-	-	-	1,000,000
203	100168235	GEM AND ROCK VENTURES CO. LTD.	1,000,000	-	-	-	1,000,000
204	102246470	J & T COMPANY	1,000,000	-	-	-	1,000,000
205	103985072	KIDEE MINING TANZANIA LIMITED.	1,000,000	-	-	-	1,000,000
206	106916209	ST. CLAIR MINES LIMITED	1,000,000	-	-	-	1,000,000
207	110610777	MBEYA QUARRY ASSOCIATES LIMITED	950,000	-	-	-	950,000

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208	113538813	GOOD YEAR MINERALS CORPORATION LIMITED	914,000	-	-	-	914,000
209		BAPU GEMS LTD	-	-	909,863	-	909,863
210		John Zacharia	-	-	900,000	-	900,000
211	101399451	SKY GEMS LTD.	859,200	-	-	-	859,200
212		Isle Of Gems Ltd	-	-	855,022	-	855,022
213		Linus A. Kaneno	-	-	852,000	-	852,000
214	104522203	CHRISTAL 200 TOURS (T) LTD	800,000	-	-	-	800,000
215	101138577	FATUMA JAMES MWALE	800,000	-	-	-	800,000
216	105699735	TANZANIA MINERAL EXPLORATION LTD	762,500	-	-	-	762,500
217	109116068	OREVER MINING DEVELOPMENT COMPANY LIMITED	761,000	-	-	-	761,000
218	112101942	ENOES COMPANY LIMITED	750,000	-	-	-	750,000
219	100226359	AFRICA ASIA PRECIOUS STONES & MINING CO. LTD.	687,500	-	-	-	687,500
220		Arusha Minerals Centre Ltd	-	-	679,591	-	679,591
221	101329364	DHAHABU EXPLORATION & MINING CO. LTD.	650,000	-	-	-	650,000
222	101176827	REXWELL MINING COMPANY LIMITED	637,500	-	-	-	637,500
223	100405318	FERDINAND DONATH TEMBA	632,200	-	-	-	632,200
224	107170030	HERMES RESOURCES LIMITED	600,000	-	-	-	600,000
225	114424374	MAGIC MINERALS 2000 LIMITED	600,000	-	-	-	600,000
226	102169697	SIMON ABA FAIZILBAR	600,000	-	-	-	600,000

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227	105535481	TANQUEST GEM MINING LTD	600,000	-	-	-	600,000
228	104539920	TOMGEMS COMPANY LIMITED.	600,000	-	-	-	600,000
229	100464071	KELVIN PETER KATETI	597,500	-	-	-	597,500
230	107399070	HYDROTANZ LIMITED.	590,000	-	-	-	590,000
231	106975108	BHAVANI STONE QUARRIES LIMITED	572,500	-	-	-	572,500
232		Husnath M.Antony	-	-	570,000	-	570,000
233	101349845	CLEMENT ALLAN KYAMBILE	562,500	-	-	-	562,500
234		DMM Investment	-	-	551,440	-	551,440
235	106445869	DESERT OIL TANZANIA LTD.	550,000	-	-	-	550,000
236	100866773	KUNDA NAHUM SAWE	550,000	-	-	-	550,000
237	100744589	RAYMOND AUGUSTINO KISHUMBUA	550,000	-	-	-	550,000
238	110810067	ROIZIN TRADING COMPANY LIMITED	550,000	-	-	-	550,000
239	107260307	PAUL JONATHAN SHENYAGWA	547,500	-	-	-	547,500
240	100804352	KAVEL COFFEE PLANTATION LTD.	542,500	-	-	-	542,500
241	101909107	STEPHEN LWECHUNGULA BUGAISA	537,500	-	-	-	537,500
242	112591435	BENKO LIMITED	514,100	-	-	-	514,100
243		Hawa Bakari & Company	-	-	511,249	-	511,249
244	114387975	IPEKINAN TANZANIA LIMITED	500,000	-	-	-	500,000
245	102450604	JORAM MEAGI LUKUMAY	500,000	-	-	-	500,000

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246	111863989	SAFI RESOURCES COMPANY LIMITED	500,000	-	-	-	500,000
247	101549690	SHININI MWANYA MILIA	500,000	-	-	-	500,000
248		Magic Minerals 2000	-	-	500,000	-	500,000
249		Abdullah Y. Hassani	-	-	500,000	-	500,000
250		Mirengeri Gem Eximp Ltd	-	-	500,000	-	500,000
251		Max Gold Ltd	-	-	500,000	-	500,000
252	104836038	SHYAM CHANDRAKANT JIVAN	491,000	-	-	-	491,000
253	103558409	DORCUS LUSEKELOI MWANSABA	480,000	-	-	-	480,000
254	101853438	JOMO MARK JOSEPH	462,500	-	-	-	462,500
255	100255413	AMBASE EXPLORATION (TANZANIA) LIMITED	460,000	-	-	-	460,000
256	101418979	RALLID AND COMPANY LIMITED	460,000	-	-	-	460,000
257	110822170	TPM MINING AND ENERGY CO.LIMITED	460,000	-	-	-	460,000
258		Jumanne Makondo	-	-	438,000	-	438,000
259	101660818	IDDI SELEMAN LEKEY	437,500	-	-	-	437,500
260	106797234	ZOISITE EXPLORATION & MINING LIMITED	437,500	-	-	-	437,500
261	100531925	GRAMARK (T) LTD.	420,000	-	-	-	420,000
262	106381429	NICHOLAUS JOHN KIJUU	410,000	-	-	-	410,000
263	103393353	GOMBE TODD MUNTHALI	407,500	-	-	-	407,500
264	106889724	SUPPLY AND LOGISTICS TANZANIA LIMITED	402,000	-	-	-	402,000

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265	101431517	ALLIED GEM (T) LTD.	400,000	-	-	-	400,000
266	105250657	DENIS DILLIP SINGH	400,000	-	-	-	400,000
267	101919153	DIOMOND RAHIM KARMALI	400,000	-	-	-	400,000
268	107701885	EMMANUEL WILLIAM MASSANO	400,000	-	-	-	400,000
269	113509961	HG LIMITED	400,000	-	-	-	400,000
270	105674740	SIMON NELSON MASIKA	400,000	-	-	-	400,000
271	100168448	TANGANYIKA PRECIOUS EXPORT CO LIMITED	400,000	-	-	-	400,000
272	101724174	TRUSTAN MINING & TRADING CO. LTD.	400,000	-	-	-	400,000
273	115321056	ZOLOTO AFRIKI HOLDINGS LIMITED	400,000	-	-	-	400,000
274	101465063	GLOBAL MINING COMPANY LTD	387,500	-	-	-	387,500
275		Samwel Martin	-	-	384,240	-	384,240
276	105518676	PAULO FANUEL MBWAMBO	384,224	-	-	-	384,224
277	113782366	CHINA GOLD RICH MINERAL RESOURCES COMPANY LIMITED	382,500	-	-	-	382,500
278	108890290	ABEL MUSA OJUNG'A	375,000	-	-	-	375,000
279	100760231	BLUE MINERALS OF (T) LIMITED	375,000	-	-	-	375,000
280	112284354	SARA DIAMOND GROUP LIMITED	375,000	-	-	-	375,000
281	112629572	SAMNA (T) INVESTMENT LIMITED	373,000	-	-	-	373,000
282	107296107	TANZANIA GEOLOGICAL SURVEY (GST)	364,076	-	-	-	364,076
283	102532341	ANILKUMAR SHASHIKANT PATEL	360,700	-	-	-	360,700

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284	102554078	KHALED KHALFAN ALLY	350,000	-	-	-	350,000
285	102167392	PATRICIA KILawe FAInZILBER	350,000	-	-	-	350,000
286	110160453	EACD TRADING CO. LIMITED.	348,000	-	-	-	348,000
287	102531965	DEVENDRA BABUBHAI PATEL	340,576	-	-	-	340,576
288	107101861	AMBONI QUERRIES	338,600	-	-	-	338,600
289	101305406	MOHAMED ALI FAKIH	337,500	-	-	-	337,500
290	101169200	RUvUMA NORTH EXPLORATION COMPANY	333,750	-	-	-	333,750
291	104236081	BCI QUARRIES LTD	325,000	-	-	-	325,000
292	102772792	HALFAN MUHINA MBWAMBO	325,000	-	-	-	325,000
293	101546454	PERFECT ANTONY SHAYO	312,500	-	-	-	312,500
294	104908098	ABDALLAH MBAROUK NDORO	300,000	-	-	-	300,000
295	111836760	ABRAHAMS BUILDERS COMPANY LIMITED	300,000	-	-	-	300,000
296	103661242	AMINIEL ANDREW SIKAWA	300,000	-	-	-	300,000
297	114811246	AURORA RESEARCH AND DEVELOPMENT COMPANY	300,000	-	-	-	300,000
298	100321610	COSTER SALEHE KASEBWA	300,000	-	-	-	300,000
299	113665149	DEV'S IMPORT AND EXPORT LIMITED	300,000	-	-	-	300,000
300	113418982	DOUGLASS (E.A) MINING COMPANY LIMITED	300,000	-	-	-	300,000
301	103910528	ELISAA JOEL MBISE	300,000	-	-	-	300,000
302	106489548	MINING ZONE TRADING CO. LIMITED	300,000	-	-	-	300,000

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303	104801714	PRIMY REMMY KYARA	300,000	-	-	-	300,000
304	109768316	URU DIAMOND LIMITED	300,000	-	-	-	300,000
305		Tom Gems Company Ltd	-	-	296,960	-	296,960
306	102337468	JOHN MKENGA KABWE	287,500	-	-	-	287,500
307		B&B Gems	-	-	284,832	-	284,832
308	110962177	NAILA'S GEMS AND JEWELLERY LIMITED	280,000	-	-	-	280,000
309	105500920	MONTERO TANZANIA LIMITED	276,907	-	-	-	276,907
310	100894297	ERASTO ELISARIA MSUYA	270,000	-	-	-	270,000
311	112607528	MOIB INVESTMENTS LIMITED	260,000	-	-	-	260,000
312	100221969	IAMGOLD TANZANIA LIMITED	251,110	-	-	-	251,110
313	110192215	AT INTERNATIONAL COMPANY LIMITED	251,000	-	-	-	251,000
314	102456130	ANATOLIA KOKWINUNURA KILAMA	250,000	-	-	-	250,000
315	106396728	ASTERIA MINERALS LTD.	250,000	-	-	-	250,000
316	101790134	CHANDRAKANT DHARAMSHI DATTANI	250,000	-	-	-	250,000
317	103488842	ELIAKIM DAUDI MOLLEL	250,000	-	-	-	250,000
318	106663882	GEOLOGICS (PROPRIETARY) LIMITED	250,000	-	-	-	250,000
319	101041832	JOSEPH JOHN SHUMA	250,000	-	-	-	250,000
320	104341675	KAWINA HU MAITA	250,000	-	-	-	250,000
321	102532791	KETAN RAMNIK VAGHELA	250,000	-	-	-	250,000

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322	100936992	MATHIAS ERASTO MANGA	250,000	-	-	-	250,000
323	101036103	MEREMETA LIMITED	250,000	-	-	-	250,000
324	109152153	MULTIMODAL PROJECTS AFRICA LTD	250,000	-	-	-	250,000
325	101252663	PH CONSTRUCTION CONSULTANTS	250,000	-	-	-	250,000
326	101863514	RANDGOLD RESOURCES (T) LTD.	250,000	-	-	-	250,000
327	100744511	RIVER GEMS TANZANIA LIMITED	250,000	-	-	-	250,000
328	102834267	SULEMAN DONGE HEMED	250,000	-	-	-	250,000
329	106911428	SUYO GEMS LIMITED	250,000	-	-	-	250,000
330	100243261	TANGANYIKA DIAMOND LTD.	250,000	-	-	-	250,000
331	101024911	FENITES LIMITED	244,324	-	-	-	244,324
332	106393222	TSAVORITEONE MINING LIMITED	237,500	-	-	-	237,500
333	105527373	BENJAMIN MAHIGU SENI	235,000	-	-	-	235,000
334	102133927	HORNBILL CONSTUCTION COMPANY LIMITED	234,000	-	-	-	234,000
335	110399898	ETG GOLD LIMITED	230,000	-	-	-	230,000
336	106864926	HASSAN GEM & JEWELS LIMITED	226,200	-	-	-	226,200
337	104445225	DTC (DIAMOND TRADING CO.) TANZANIA LTD	225,000	-	-	-	225,000
338	102187652	GEM CREATION (T) LTD.	225,000	-	-	-	225,000
339	110469438	PAMOJA MINING COMPANY LIMITED	225,000	-	-	-	225,000
340	107868011	TANMIN MINING AND EXPLORE LTD	201,000	-	-	-	201,000

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341	105823371	ABBAS ALI MOHAMED	200,000	-	-	-	200,000
342	100173247	ANDREA AMINIEL SIKAWA	200,000	-	-	-	200,000
343	100956756	BALDWIN & COMPANY LTD	200,000	-	-	-	200,000
344	104020704	BINAY MUKESH GOKANI	200,000	-	-	-	200,000
345	100170728	COLOUR GEM INVESTMENT LIMITED	200,000	-	-	-	200,000
346	100239213	CONSOLIDATED AFRICAN DIAMONDS (TANZANIA) LTD	200,000	-	-	-	200,000
347	114790451	GEMINA GROUP TZ LIMITED	200,000	-	-	-	200,000
348	104544215	GEOCOPA COMPANY LIMITED	200,000	-	-	-	200,000
349	105394284	GEORGE MATAI MWAKARUKWA	200,000	-	-	-	200,000
350	101131793	HEMED AHMED ALHARASY	200,000	-	-	-	200,000
351	102975464	JAMBO MINING LTD.	200,000	-	-	-	200,000
352	102376749	JUPITER LEKERU SIWA	200,000	-	-	-	200,000
353	105446209	KILIMAKIBO GEMSTONE CO	200,000	-	-	-	200,000
354	101384756	KIMBUSHI INVESTMENT LTD.	200,000	-	-	-	200,000
355	100131536	KIWIRA COAL MINES CO. LTD.	200,000	-	-	-	200,000
356	105066732	M & M GEMSTONE DEALERS LIMITED	200,000	-	-	-	200,000
357	110314566	MADAR ENTERPRISES LIMITED	200,000	-	-	-	200,000
358	105022646	MAHUN CONSTRUCTION AND MINING SERVICES LIMITED	200,000	-	-	-	200,000
359	101611949	MAKO MINING COMPANY LIMITED	200,000	-	-	-	200,000

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360	102531744	MIHIR DEVENDRA PATEL	200,000	-	-	-	200,000
361	106414351	MILAN MURAJA RASHID	200,000	-	-	-	200,000
362	101030113	RAMESH KANJI SONI	200,000	-	-	-	200,000
363	101987213	RHODOLITE MINES LIMITED	200,000	-	-	-	200,000
364	100448947	SWALEHE IDDI OMARI	200,000	-	-	-	200,000
365	100670585	SWALEHE SLIM ALLY	200,000	-	-	-	200,000
366	100171295	TUCKMAN MINES & MINERALS (T) LTD.	200,000	-	-	-	200,000
367	106679444	UNION MINING LIMITED	200,000	-	-	-	200,000
368	107236341	HANSA QUARRY LIMITED	189,400	-	-	-	189,400
369	100714728	ANILCO GEMS LIMITED	187,500	-	-	-	187,500
370	106483981	HASHIM ALLY SIMCHIMBEY	187,500	-	-	-	187,500
371	100246767	JUMA HUSSEIN MNONDWA	187,500	-	-	-	187,500
372	100150395	N SHAMSHUDDIN SHOP	187,500	-	-	-	187,500
373	100243970	NAVAL GEMS LTD.	187,500	-	-	-	187,500
374	101661717	ROBERT MAIKO NAIBALA	187,500	-	-	-	187,500
375	100153009	SKYLINE ENTERPRISES LTD	187,500	-	-	-	187,500
376	101273083	VINAY YASHWANT KHIMJI	187,500	-	-	-	187,500
377	106513066	NASRA MBARUKU RASHID	180,000	-	-	-	180,000
378	111169128	KASTAN INDUSTRIES LIMITED	172,800	-	-	-	172,800

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379	101796841	PAVI INVESTMENT	171,040	-	-	-	171,040
380	100804336	SINU FARM LTD.	170,000	-	-	-	170,000
381	101239845	EVANS ISIDORY TEMU	162,712	-	-	-	162,712
382	101586960	ELIEZERI WAILLIAM MBOWE	162,500	-	-	-	162,500
383	113791608	MONTERO WIGU HILL (TANZANIA) LIMITED	162,247	-	-	-	162,247
384	110909403	GEMFINDER TANZANIA LIMITED	160,000	-	-	-	160,000
385	101962784	KIMMSE INVESTMENT LIMITED	160,000	-	-	-	160,000
386	100878844	ABDULAZIZ FEREJI MOHAMED	150,000	-	-	-	150,000
387	100269155	AE SOUTHERN RESOURCES LTD.	150,000	-	-	-	150,000
388	100191695	ARUSHA MINERALS CENTRE LTD.	150,000	-	-	-	150,000
389	101635295	AYUB ABOOBEEKER MAKNOJIYA	150,000	-	-	-	150,000
390	101038777	BINECON (T) LTD	150,000	-	-	-	150,000
391	110151438	BYABATO LEONARD KILAMA	150,000	-	-	-	150,000
392	113688289	EVARIST FRANCIS MTENDE	150,000	-	-	-	150,000
393	114498688	FREMPET INTERNATIONAL LIMITED	150,000	-	-	-	150,000
394	104470467	HENRY JOSEPH KIRARI	150,000	-	-	-	150,000
395	100539896	INDUSTRIAL MINERALS MINING CO. LTD.	150,000	-	-	-	150,000
396	105621183	JAMES GEORGE MTANDA	150,000	-	-	-	150,000
397	100191768	JIT GEMS LTD.	150,000	-	-	-	150,000

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398	101431134	JOHN MARTIN MAKUZA	150,000	-	-	-	150,000
399	100453371	JUSTIN NDEMANISHO MPHURU	150,000	-	-	-	150,000
400	101780988	KASEMA BUILDING CONTRACTORS COMPANY LTD.	150,000	-	-	-	150,000
401	103078466	LEILLA GORONGA JUMBE	150,000	-	-	-	150,000
402	106679487	MALIK ABDALLAH MOHSEIN	150,000	-	-	-	150,000
403	101082563	MICHAEL MEKASI SUMARI	150,000	-	-	-	150,000
404	101417190	MOSES YONAZA MSEMOM	150,000	-	-	-	150,000
405	100245914	MURTAZA ESMAIL JANOOOWALLA	150,000	-	-	-	150,000
406	101501922	MUSLIM NURDIN KISMAYUWALLA	150,000	-	-	-	150,000
407	104712665	OMBAEL SHISAELE LEMA	150,000	-	-	-	150,000
408	104893945	RAKESH KUMAR GOKHROO	150,000	-	-	-	150,000
409	103401143	STELLA KAALI SHAYO	150,000	-	-	-	150,000
410	105203608	STEPHANO SEMU MBISE	150,000	-	-	-	150,000
411	105264135	TAKE LIMITED	150,000	-	-	-	150,000
412	103411262	TANZ PETROLEUM (T) LTD.	150,000	-	-	-	150,000
413	105897383	TEJAL SUDHIR SHAH	150,000	-	-	-	150,000
414	111866740	WOCHAR MINING GROUP LIMITED	150,000	-	-	-	150,000
415	105294840	LITHOS AFRICA (ZANZIBAR) LTD	148,000	-	-	-	148,000
416	109071315	B & B GEMS	145,500	-	-	-	145,500

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
417	113640952	MOHANLAL GOVIND PATEL	145,500	-	-	-	145,500
418	111608903	KAMAR GLOBAL BUSINESS LIMITED	140,000	-	-	-	140,000
419	103528593	NDEENENGO SENGUO CO. LTD.	136,100	-	-	-	136,100
420	107440747	MWASHE BUILDING & CIVIL ENGINEERING CONTRACTORS	129,040	-	-	-	129,040
421	105796722	ARAFAT JUMA SHAHBHAI	127,800	-	-	-	127,800
422	102297393	STANLEY GABRIEL MSELE	125,000	-	-	-	125,000
423	105130503	KATHERINA FREEMAN KITANGE	112,500	-	-	-	112,500
424	111903816	RWANDATANZA LIMITED	112,500	-	-	-	112,500
425		Seab Gems Ltd	-	-	111,653	-	111,653
426	100639505	GEM CENTRE LIMITED	105,000	-	-	-	105,000
427	101175561	SAVANNAH MINING LIMITED	102,000	-	-	-	102,000
428	114035114	BALEWA GYPSUM MINING LIMITED	100,000	-	-	-	100,000
429	101517705	DOVER MINING LIMITED	100,000	-	-	-	100,000
430	105084218	KILIMANJARO ROCKS MINER	100,000	-	-	-	100,000
431	113588942	VADA GEMS TRADERS COMPANY LIMITED	100,000	-	-	-	100,000
432	113311797	MJ EXPLORERS TANZANIA LIMITED	84,000	-	-	-	84,000
433	112980989	FUJI SAWA GOLD LIMITED.	79,200	-	-	-	79,200
434	105161522	JUDY GOLD MINES CO. LTD.	70,000	-	-	-	70,000
435	111629137	SONGSHAN GEOLOGY MINERALS (T) CO.LIMITED	40,800	-	-	-	40,800

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

No	TIN	Tax Payer Name	Payments to TRA-Domestic and Large Tax Payers Department (TZS)	Payments to TRA-Customs Department (TZS)	Payments to MEM (TZS)	Payments to TPDC (TZS)	Total payments to Govt (TZS)
436		Gem & Rock Ventures Co Ltd	-	-	39,384	-	39,384
437	112267638	AMITY MINING COMPANY LIMITED	30,000	-	-	-	30,000
438	112027963	CLASSIC MINING COMPANY LIMITED	30,000	-	-	-	30,000
439	112027874	EVERSHINE MINING LIMITED	30,000	-	-	-	30,000
440	109061077	A3 MINERAL PROCESSING AND EXPORTS COMPANY LIMITED	26,500	-	-	-	26,500
441		Sajuruma Gemstone Ltd	-	-	19,681	-	19,681
442	110744196	HALELUYA GEMSTONE DEALERS & MINING COMPANY LIMITED	18,000	-	-	-	18,000
443	111866740	WOCHAR MINING GROUP LIMITED	1,000	-	-	-	1,000
			<u>346,713,813,579</u>	<u>40,970,913,606</u>	<u>81,580,116,345</u>	<u>25,301,522,248</u>	<u>494,566,365,778</u>

Source: Ministry of Energy and Minerals, Tanzania Minerals Audit Agency, Tanzania Revenue Authority

Reporting template-companies

Tanzania Extractive Industries Transparency Initiative (TEITI)						
Report on amounts paid by extractive company to specified government agencies in the period 1 July 2010 to 30 June 2011						
TAXPAYER NAME:						
TAXPAYER IDENTIFICATION NUMBER (TIN):						
SECTOR (Minerals /Oil/ Gas):						
PAYMENTS TO GOVERNMENT						
			Amount: Cash/ Cheque/ Wire Transfer Paid (in Currency of Payment)			
Ref	Type of Payment		Tshs	USD	Break down REF	Comments
A	Paid to Tanzania Revenue Authority-Large Tax Payers department/ Domestic Revenue Department					
1	Corporation Tax					
2	Alternative Minimum Tax					
3	Withholding taxes					
4	Capital Gains Tax					
5	Pay As You Earn (PAYE)					
6	Skills and Development Levy (SDL)					
7	Value Added Tax paid to Large Tax payers department/ Domestic Revenue Department					
8	Stamp Duty					
9	Fuel Levy					
B	Paid to Tanzania Revenue Authority-Customs Department					
10	Import duty					

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

11	Excise duty					
12	Value Added Tax on Imports paid to Customs Department					
C	Paid to National Social Security Fund (NSSF) or Parastatal Pension Fund (PPF)					
13	National Social Security Fund (NSSF) contribution					
14	Parastatal Pension Fund (PPF) contribution					
D	Paid to Local Authorities					
15	Paid to municipal council					
16	Paid to district council					
17	Paid to city council					
18	Paid to regulatory authority					
E	Paid to Ministry of energy and Minerals (MEM)					
19	Royalties					
20	Annual rents and license fees					
21	Profit per production sharing agreements					
22	Protected gas/additional gas revenues					
F	Paid to Tanzania Petroleum Development Corporation (TPDC)					
23	Protected Gas Revenue					
24	Additional Gas Revenue					
25	Profit per Production Sharing Agreement					
26	VAT on Gas Revenue					
27	Annual rents and license fees					
G	Paid to Ministry of Finance (Treasury Registrar)					
28	Dividends on Government shares					
H	Payments/Donations for Corporate Social Responsibility (please provide details of the nature of payment and purpose and to where it was paid)					
I						
II						

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

III						
IV						
V						

I PRODUCTION AND SALES STATISTICS

		Actual July 1, 2010 to June 30, 2011				
	Product	Units Produced (State unit of measure)	Units Sold (state unit of measure)	Value of Units Sold (State currency)		

Taxpayer Management sign-off

I acknowledge for and on behalf of the above taxpayer responsibility for the truthful and fair presentation of the attached reporting template in accordance with the reporting guidelines. Specifically, I confirm the following:-

1 The information provided in respect of amounts paid is complete and has been faithfully extracted from the taxpayer's accounting records

2 All the amounts paid are supported by genuine flag receipts and substantiated by documentary evidence

3 The amounts paid exclude payments made before 1 July 2010 and payments made after 30 June 2011

4 The classification of amounts paid on each line is accurate and does not include amounts due to be reported on other lines

5 The amounts paid do not include amounts paid in respect of other taxpayers with a different TIN

6 The amounts paid only include amounts paid by the taxpayer

7 The accounts of the taxpayer on which the figures are based have been / have not been (please delete as appropriate) audited and an unqualified / qualified (please delete as appropriate) audit opinion issued thereon by (please name the auditors responsible) in accordance with International Standards on Auditing

_____	Name	Stamp 
_____	Position	
_____	Signature	
_____	Date	

We attach further information which will assist you in reconciling the amounts received to the records of the relevant Ministries / Agencies
(See supporting schedules)

Auditors Report from an External Auditor

I, (name), registered external auditor, have examined the foregoing TEITI reporting template of (insert name of taxpayer) and can confirm that I have tested the completeness and accuracy of the extraction of the payments data included on the reporting template from the accounting records of the taxpayer

Based on this examination I can report that nothing has come to my attention that would lead me to believe that the information disclosed in the template does not represent a truthful and fair summary of the payments made to the government agencies concerned, prepared in accordance with the template instructions

_____	Name	Stamp
_____	Position within the Audit firm	<div></div>
_____	Name of the Audit Firm (if applicable)	
_____	Address of the Audit Firm (or Auditor)	
_____	Signature	
_____	Date	

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

Reporting template-government agencies

Tanzania Extractive Industries Transparency Initiative (TEITI)						
Report on amounts received from extractive company by specified government agencies in the period 1 July 2010 to 30 June 2011						
NAME OF GOVERNMENT AGENCY:						
TAX PAYER NAME:						
TAXPAYER IDENTIFICATION NUMBER (TIN):						
SECTOR (Minerals /Oil/ Gas):						
RECEIPTS FROM COMPANIES						
			Amount: Cash/ Cheque/ Wire Transfer Received (in Actual Currency of Receipt)			
Ref	Type of Receipt		Tshs	U S D	Brea kdown REF	Com ments
A	Received by Tanzania Revenue Authority-Large Tax Payers department/ Domestic Revenue Department					
1	Corporation Tax					
2	Alternative Minimum Tax					
3	Withholding taxes					
4	Capital Gains Tax					
5	Pay As You Earn (PAYE)					
6	Skills and Development Levy (SDL)					
7	Value Added Tax paid to Large Tax payers department/Domestic Revenue Department					
8	Stamp Duty					
9	Fuel Levy					

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

B Received by Tanzania Revenue Authority-Customs Department						
10	Import duty					
11	Excise duty					
12	Value Added Tax on Imports paid to Customs Department					
C Received by National Social Security Fund (NSSF) or Parastatal Pension Fund (PPF)						
13	National Social Security Fund (NSSF) contribution					
14	Parastatal Pension Fund (PPF) contribution					
D Received by Local Authorities						
15	Received by municipal council					
16	Received by district council					
17	Received by city council					
18	Received by regulatory authority					
E Received by the Ministry of energy and Minerals (MEM)						
19	Royalties					
20	Annual rents and license fees					
21	Profit per production sharing agreements					
22	Protected gas/additional gas revenues					
F Received by Tanzania Petroleum Development Corporation (TPDC)						
23	Protected Gas Revenue					
24	Additional Gas Revenue					
25	Profit per Production Sharing Agreement					
26	VAT on Gas Revenue					
27	Annual rents and license fees					
G Received by Ministry of Finance (Treasury Registrar)						
28	Dividends on Government shares					

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

H	Donations received from extractive companies for Corporate Social Responsibility (please provide details of the nature of receipt and purpose)					
I						
II						
III						
IV						
V						

Agency/Ministry Management sign-off

I acknowledge for and on behalf of the Agency our responsibility for the truthful and fair presentation of the attached reporting template in accordance with the reporting guidelines. Specifically, I confirm the following:-

- 1 The information provided in respect of amounts received is complete and has been faithfully extracted from the Agency's accounting records

- 2 All the amounts received are supported by official and genuine flag receipts and substantiated by documentary evidence

- 3 The amounts received exclude payments made before 1 July 2010 and payments made after 30 June 2011

- 4 The classification of amounts received on each line is accurate and does not include amounts due to be reported on other lines

- 5 The amounts received do not include amounts received in respect of other taxpayers with a different TIN

- 6 The amounts received only include amounts received by the reporting Agency

- 7 The accounts of the Agency on which the figures are based have been audited and an unqualified audit opinion issued thereon by the Auditor General in accordance with International Standards on Auditing as applicable to the public sector

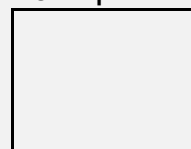
Name

Position

Date

Signature

Stamp



We attach further information which will assist you in reconciling the amounts received to the records of the relevant taxpayers (See supporting schedules and support documentation)

Auditors Report from the Office of the Controller and Auditor General

I have examined the foregoing TEITI reporting template of (insert name of taxpayer) and can confirm that I have tested the completeness and accuracy of the extraction of the receipts data included on the reporting template from the accounting records of the Agency/Ministry

Based on this examination I can report that nothing has come to my attention that would lead me to believe that the information disclosed in the template does not represent a truthful and fair summary of receipts of the government agencies as stated in accordance with the template instructions

_____	Name
_____	Position within the Office of the Auditor General
_____	Date
_____	Signature

Stamp

Terms of Reference

BACKGROUND

On 16 February, 2009 Tanzania joined the Extractive Industries Transparency Initiative (EITI) as a Candidate Country. The decision to join the initiative was a result of recommendations of the Mineral Sector Review Study of 2007. Tanzania joined EITI to increase transparency in the extractive sector and improve public perception and trust.

H.E President Jakaya M. Kikwete reaffirmed Tanzania's commitment to the EITI at the 5th EITI Global Conference held in Paris in March 2011, noting that the initiative is aligned with country's policy of promoting transparency and accountability in the management and use of natural resources.

Tanzania's EITI Chapter is steered by a sixteen-member Multi-Stakeholder Group (TEITI-MSG) which is composed of five representatives from each of the following three groups: civil society organizations, extractive companies, and the Government. The Multi-stakeholder Group is led by Mr. Mark Bomani (retired Judge) who serves as an independent member. The Multi-stakeholder Group is supported by a Secretariat (TEITI) established within the Ministry of Energy and Minerals.

Tanzania has made significant progress towards EITI implementation. Tanzania published its first EITI reconciliation report in February 2011. The report covered payments made and revenues received from July 1, 2008 to June 30, 2009. The report covered payments from nine mining companies and three gas companies. The Government reported receiving a total of US\$ 99,457,000 while the extractive companies reported to have paid a total of US\$ 135,504,000, resulting in a discrepancy of US\$ 36,047,000. In January 2012, the Office of the Controller and Auditor General issued a report that reduced the discrepancy to US\$ 326,805.07 on mineral royalties, TZS1.3 billion on PAYE (tax on employees salaries), TZS 0.5 on NSSF (social contributions), and TZS 0.3 billion on Skill Development Levy (SDL).

TEITI-MSG launched its Second Reconciliation report on May 31st, 2012. The report covered the period from July 1st, 2009 to June 30th, 2010. A total of Tsh. 419 billion (\$305 million) is reported to have been paid to the Government and its agencies by 23 companies that have reported payments. This is up almost three times from the First Reconciliation report which covered the period from July 1st, 2008 to June 30th, 2009 in which only 11 companies had reported their payments.

Mining production accounts for 80% of the revenue while Oil and Gas account for the remaining 20%.

Contributions by commodities are 64% from gold; 20% from Gas; 14% from Limestone; 1% from Tanzanite and 1% from Diamonds. The increase in revenue is partly due to an increase in the number of companies included in the second report, and partly due to familiarity with the reporting procedure.

In January 2011, Tanzania carried out an independent assessment of EITI implementation against the principles and criteria of the EITI. On May 15, 2011, the final TEITI validation report was submitted to the International Board.

In August 2011, the EITI Board ruled that Tanzania made meaningful progress to EITI implementation. Accordingly, the Board recommended Tanzania to carry out corrective measures to address five EITI implementation requirements (9, 11, 13, 14, and 15) that Tanzania failed to meet. The Board further extended Tanzania's candidacy status to February 15, 2013.

The EITI Rules require EITI reconciliation report to be published regularly and on annual basis. In view of this requirement TEITI-Secretariat wishes to engage a qualified and experienced consulting firm (the "Consultant") to carry out scoping study and reconciliation of payments made by mining, oil, and gas companies against revenues received by the Government in the period of 1 July 2010 - 30 June 2011 (Tanzania's Third Reconciliation Report). The reconciliation must be conducted in accordance with the EITI Rules. The Consultant is required to familiarize himself/herself with the recommendations contained in

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

Tanzania's first and second reconciliation reports as well as in the Controller and Auditor General's report on resolving the discrepancies in the first and second reconciliation reports.

2.0 SCOPE OF SERVICES

The assignment that the Consultant will undertake constitutes the following components which are crucial to undertaking successful reconciliation:

A: SCOPING STUDY

Survey all extractive (oil, gas and mining) and licensed mineral trading companies operating in Tanzania and provide an overview of companies, sectoral focus, nature of operation (upstream/downstream) and a categorization on the basis of the type of operation (exploration or production) and scale of operation (e.g. US \$ 500,000 - US \$ 1,000,000 turnover /year);

Identify the types of payments and income streams existing in the extractive sector in Tanzania;

Identify the existence of in-kind payments, infrastructure provisions and other barter arrangements, and social payments and donations in Tanzania's extractive sector. If they exist, recommend how to handle in the Reconciliation Report in accordance with the *New EITI Rules of 2011*;

Identify the companies that trade and export minerals extracted by artisanal and small scale mining operations;

Provide a map outlining the payment flows within the extractive industry in Tanzania, including payments and transfers to/from local and district levels of government;

Recommend the materiality threshold that shall be used to determine the extractive companies that shall be covered in the reconciliation report;

Establish a list of all Government Agencies receiving payments from extractive industries;

Establish a list of the extractive companies and Government agencies to be included in the Reconciliation Report;

For each company, identify:

Company's Taxpayer Identification Number (TIN)

Type of Company (i.e. exploration, mining, quarrying, oil, gas, trading, etc.)

Type of license(s) held and their respective license number(s);

Company's main products;

Company's location (s); and

Companies reporting for the first time.

Re-design or modify reporting templates in accordance with the results of the scoping study if necessary;

Submit a draft scoping report and draft reporting templates to TEITI-MSG for scrutiny and approval; and

Prepare a final scoping report incorporating comments and suggestions made by TEITI-MSG.

B: TRAINING FOR REPORTING GOVERNMENT AGENCIES AND EXTRACTIVE COMPANIES

Provide a training session to reporting Government agencies and extractive companies:-

Explain the purpose and objective of the reconciliation exercise and the responsibilities of the reporting entities, the TEITI-MSG, and the reconciler in the reconciliation process;

Explain to reporting entities that company or government audited financial statements must meet international auditing standards;

Develop guidelines for completing reporting templates and demonstrate how to properly fill in reporting templates, including providing clarifications on the use of cash based (not accrual based) payments;

Discuss and agree with reporting entities the type of evidence required for each payment stream; and

Explain the timeline and deadline for completing reporting templates.

C: RECONCILIATION EXERCISE

Review the existing reporting templates and update them in accordance with the agreed scope of coverage for the second EITI report;

Government and company reports must be based on accounts audited to international standards. Reporting government entities and companies are requested to have their reporting forms certified by their auditor before submitting them to the reconciler. In the cases where data has not been certified or audited to international standards, the reconciler must request supporting documentation (i.e. audited financial statements, receipts, banking records) to verify the truth of company and Government data;

Distribute the reporting template directly to each Government agency and to each of the extractive companies;

Collect the reporting template directly from each Government agency and from each of the extractive companies;

Obtain any additional information from the extractive companies and government agencies necessary to carry out the reconciliation, including requesting any missing data;

Discuss with TEITI-MSG how to address any specific issues that may arise which are related to meeting validation;

Analyze and reconcile all material payments by extractive companies to the Government and material receipts by the Government from extractive companies for the period of 1 July 2009 - 30 June 2010. In the case of in-kind payments, infrastructure provisions or social payments and donations, reconciliation of key transactions is not always possible. When not possible, unilateral company and/or government disclosure should be attached to the reconciliation report;

Collect and analyze production data for the period of 1 July 2010 - 30 June 2011;

Conduct spot-check audits of 2-3 companies, including reconciling payments against production figures;

Conduct a process audit of the inter-governmental processes for tax payments, collection and redistribution pertaining to payments and revenues from the extractive sector;

Conduct an assessment of the benchmark industry costs (cost by category per commodity) in Tanzania;

Produce a reconciliation report that includes the above. The reconciler shall work with both parties to explain and resolve any discrepancies between the payments and receipts. The report shall highlight the reconciled discrepancies and the unresolved discrepancies and recommend actions to be taken on the unresolved discrepancies;

The Reconciliation Report must:

a) Review the existing reporting templates and update them in accordance with the agreed scope of coverage for the third EITI report;

b) Consult the recommendations contained in Tanzania's first and second reconciliation reports as well as in the Controller and Auditor General's report on resolving the discrepancies in the first reconciliation report;

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

c) Government and company reports must be based on accounts audited to international standards. Reporting government entities and companies are requested to have their reporting forms certified by their auditor before submitting them to the reconciler. In the cases where data has not been certified or audited to international standards, the reconciler must request supporting documentation (i.e. audited financial statements, receipts, banking records) to verify the veracity of company and government data;

d) Distribute the reporting template directly to each Government agency and to each of the extractive companies;

e) Collect the reporting template directly from each Government agency and from each of the extractive companies;

Obtain any additional information from the extractive companies and government agencies necessary to carry out the reconciliation, including requesting any missing data;

Discuss with TEITI-MSG how to address any specific issues that may arise which are related to meeting validation;

Analyze and reconcile all material payments by extractive companies to the Government and material receipts by the Government from extractive companies for the period of 1 July 2010 - 30 June 2011. In the case of in-kind payments, infrastructure provisions or social payments and donations, reconciliation of key transactions is not always possible. When not possible, unilateral company and/or government disclosure should be attached to the reconciliation report;

The Reconciliation report should:

- Include an overview of TEITI and the extractive sector in Tanzania.

- Include the definition of 'material payments and revenues' agreed by TEITI-MSG.

- List and describe the revenue and benefit streams that are included in the report.

- Include a list of all licensed or registered companies involved in the extractive sector exploration, production and licensed mineral traders, noting which companies participated in the EITI reporting process and those that did not (with an indication of the relative size whether by production or revenue/payments and reasons for non-participation).

- State if any companies or government entities failed to participate in the reporting process, and assess whether this is likely to have had a material impact on the stated figures;

- Describe the steps taken by the government and the MSG to ensure that company and government disclosures to the reconciler are based on audited accounts to international standards.

- Describe the methodology adopted by the reconciler to identify discrepancies, and any further work to be undertaken by the reconciler, the MSG or the government to explain and, if necessary, address any discrepancies that have been identified.

- Include the reconciler's comments on the quality of the data.

- Explain the procedure and methodology in order to facilitate and prepare future reconciliation exercises; and

- Set out recommendations for how to strengthen the exercise in future

- Produce a summary of the Reconciliation Report in a clear and comprehensible manner for wider dissemination to the public; and

The Reconciler shall present the report at a national workshop to be held after the period of engagement.

D: EXTRACTIVE INDUSTRY ANALYSIS

The 3rd report will include a section of industry analysis and charts or graphs with the trends from 1st, 2nd, and 3rd. In this analysis, the report needs to focus on the following:

1) Mining: The report will analyze how large mining productions have developed over time, and what has happened to levels of investments, confirmed reserves, levels of employment, price developments, average cost development, and sales/export revenues. In addition, the reconciler will be required to produce graphs and charts to capture trends on figures that were reported in the last two reports.

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

2) Gas: Similarly, the report should provide information in the same manner as in the mining component above with graph and charts.

3) Comparisons of 1st, 2nd, and 3rd Reports: The reconciler is required to conduct some analysis of the main categories of the tax payments by comparing the 3rd report with previous report 1 and 2. Use pie charts and/or graphs to make these comparisons is encouraged. Also, total tax revenue as a percentage of sales/export revenues will need to be included in this analysis, across all the three reports.

APPENDIX B- REPORTING REQUIREMENTS

The Reconciler shall prepare and submit the following reports to the TEITI- Secretariat

Inception report

The Consultant shall submit an inception report and present a work plan in the first week after commencement of the assignment

Scoping Report

At the end of the fourth (4th) week after contract signing, the Consultant shall submit to the Client through TEITI Coordinator a draft Scoping Report and reporting templates in three (3) hard copies and one electronic (MS Words) copy. The Client will review the draft Report and reporting templates and submit comments in two days for consultant to compile and submit final report and reporting templates at the end of fifth (5th) week after contract signing.

Stakeholders Training Report

On the fourth (4th) week after commencement of the assignment, the Consultant shall provide a specialized training on the assignment to at least thirty (30) nominated representatives of the Government entities and Extractive Companies covering the trainer's assessment of the scope of training and recommendations. The developed training materials and guidelines for completion of the reporting templates shall be presented during the training session. The Client shall coordinate the training, nominate the candidates and bear the cost of the workshop.

Draft Final Reconciliation Report

The draft Reconciliation Report shall be prepared on the twelfth (12th) week after commencement of the assignment and submitted to the client in three (3) hard copies and one electronic (MS Words) copy. It will address all key tasks towards the end of assignment representing key aspects as given in the Terms of Reference with recommendations for future course of action that ensure successful implementation of the Action Plans resulting from the assignment. This draft report will be the basis of seeking guidance from the Client and other stakeholders. The comments from Client shall be incorporated into the Final Draft Report within four (4) days upon receipt of such comments.

Reconciliation Workshop Report

The reconciliation workshop shall be conducted in Dar-Es-salaam, at the beginning of the twelfth week (12th) week after commencement of the assignment, in which the draft final Reconciliation Report will be discussed and validated by stakeholders. It is anticipated that the workshop resolutions and key contributions of the stakeholders will be reflected in the Final Reconciliation Report. The Client shall coordinate the workshop, nominate the candidates and bear the cost of the session.

The Consultant shall prepare essential inputs and organize a schedule of the workshop and training programs and thereafter submit relevant reports in three (3) hard copies and one electronic (MS Words) copy. The Client shall closely coordinate with the Consultant and hold the responsibility of paying the costs and overall management of the workshop.

Final Reconciliation Report

TEITI SCOPING STUDY REPORT FOR 3rd RECONCILIATION

The Final Reconciliation Report will be prepared and submitted to the Client in three (3) hard copies and one electronic (MS Words and Puff as well as files containing raw data and charts) copies; at the end of the fifteenth week (15th) week and specifically one (1) day before the end of the contract by indicating the achievement made during the execution of the assignment and recommendations to TEITI MSG Secretariat.