

TANZANIA CHAMBER OF MINERALS AND ENERGY

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Mr. Deo Mwanyika	Hon. Secretary
Mr. Don McLeod	Hon. Treasurer
Mr. Peter Turner	Member
Mr. Samuel Lwakatare	Member
Mr. Tony Guthrie	Member
Mr. Rogers Sezinga	Member
Mr. Don McLeod	Member
Mr. Hatibu Senkoro	Member
Mr. Joseph Kahama	Member
Mr. John Martin	Member
Mr. Quentin Gray	Member
Mr. Arthur Hood	Member
Mr. Emmanuel Jengo	Member

NEW EXECUTIVE COUNCIL

The process of nominating Executive Council members commenced in October 2004 and ended in November 2004. The Executive Council for 2005 comprise the following members:

Prof. Simon Mbilinyi Chairman
Mr. Grant Pierce Vice Chairman

Mr. Tim Baker who was a member of the Executive Council left for Placer Dome Chile on a new assignment and his place taken by Mr. Arthur Hood, the new Managing Director of Placer Dome Tanzania. Mr. Lexton Graefe left the country and Mr. Don McLeod has replaced him as the new Managing Director of Resolute Tanzania Ltd.

Chamber's Subcommittees

Executive Council approved the following Subcommittee members. The subcommittees are responsible for initiating projects and discussing issues of concern with a view to making recommendations to the Executive Council. The following are members of the nine subcommittees

Education, Training and HR Subcommittee

Ignas Balyoruguru
Pius Peter
Betty Oluoch
Ladislaus Machele
Tony Hurley
William Atteridge
Phillemon Tano

Acts and Regulations Subcommittee

Clement Msalangi
Deo Mwanyika
Josephat Mwita
Mark Stanley
Quentin Gray SGS
Gerald Mturi

Policy Subcommittee

Catherine Mpangala
Clement Msalangi
Deo Mwanyika
Emmanuel Jengo
Grant Pierce
Joseph Kahama
Mark Stanley
Tina Mwasha

Public Relations Subcommittee

Ahmed Merere
Alan Myers
Ami Mpungwe
Aziz Seif
Sauda Kilumanga
John Martin
Josephat Mwita
Tina Mwasha
Joseph Kahama

Social Development Subcommittee

Frida Kyesi

Greg McNee
Ignas Balyoruguru
Hamisi Mzee

Finance Subcommittee

Danie Smit
Johan Nel
Tracy Stanley
Natalie Burden

Environment Land Management and Conservation

Wilson Mutagwaba
Bertus Stoker
David Robertson
William Atteridge
Ulrich Sibilski
Bernie Wardle
Loes Schalekamp
Joseph Kahama
Hanif Jetha

Security Subcommittee

Dries Hugo
Margaret Stoker
Paul Hughes
Mark Griffiths
Peter Rose
Peter Dennehy
Johan Engelbrecht

Occupational Health and Safety

Ulrich Sibilski
Wilson Mutagwaba
Juma Malunga
Bertus Stoker
Johan Smith
John Fletcher
Richard Davies
Steve Quigley
Dr. Loes Schalekamp

Special Feature

**SOCIAL DEVELOPMENT
ACTIVITIES AT GOLDEN PRIDE
PROJECT, RESOLUTE TANZANIA
LIMITED**

*Resolute (Tanzania) Limited is a
Tanzanian registered Company having its
head office in Dar es Salaam along*

Msasani Peninsula and its operations in Lusu Ward, Nyasa Division, Nzega District, Tabora Region. The Company is wholly owned by Resolute Mining Limited, an Australian mining company with its offices in Perth, Western Australia.

During a recent visit to the Golden Pride Project Ms. Tina Mwashwa the Chamber's Technical Officer held discussions with the Chairperson of the Social Development subcommittee of the Chamber, Ms. Frida Kyesi who is also the Mines Social Development Manager on the importance Golden Pride attaches to issues of corporate social responsibility.

The Golden Pride Project, Resolute Tanzania Limited (RTL) has been engaging in activities geared towards social development especially in the communities that surround its leases. Interaction with these communities has been conducted by participatory means that ensure that whatever RTL assists in, is what the community have identified as a need. Participatory Rural Appraisal (PRA) surveys have been undertaken, empowering the communities to formulate their Community Action Plans (CAP). Upon implementation these will lead them towards a sustainable development state. In these CAPs the communities have identified the core problems facing them, proposed solutions and outlined the requirements for implementing each solution. They then went on to elaborate the responsibilities of various individuals and organizations. Of course the majority of the burden fell on the community itself, as they were the main stakeholders.

It is through these CAPs that RTL is able to plan its Social Development activities each year by forming a partnership with the communities to implement their development projects. The sectors in which RTL has given priority include education, health and environmental conservation.

Mining is not a permanent activity and discouraging dependency, RTL is always

working towards empowering the communities to use their own knowledge and resources. With help from Government Extension Officers to implement their projects they do not depend on external moral and material support for success. RTL also tries to link the communities with other development agencies to assist them with projects that they cannot implement entirely on their own.

The following is the outline of the activities undertaken by RTL during 2004.

EDUCATION

Completion/Construction of Buildings

School buildings include classrooms and teacher housing. The condition of the classrooms and staffrooms is important in boosting the morale of both students and teachers to perform better in their activities. Proper classrooms enable children to study comfortably and stationery, books and training aids can be stored securely and within easy reach for reference.

During 2004 RTL assisted in completing a two-classroom, one staff room, building at Kanolo Primary School and at Isanga Primary School. RTL also assisted in commencing construction of three classrooms at Mbogwe Primary School. Assistance also included the provision of stationery and desks.

Golden Pride Children Choir

The Golden Pride Children's Choir comprises of children from three primary schools, Isanga, Lusu and Bujulu. In 2004 the choir children and their teachers achieved some remarkable milestones. They were invited to perform at the World of Music and Dance (WOMAD) Festival at Reading in the UK, which is an internationally recognized music festival.

Sponsorship of Students

RTL and its holding company Resolute Mining has been encouraging its employees

to sponsor underprivileged children in Nzega through secondary and vocational education. During 2004, 17 students benefited from this project.

HEALTH

Quarterly Provision of Drugs and Medicine to Lusu Ward Dispensary

During the acquisition of Golden Pride land by RTL, it was agreed that RTL would supply medicine and drugs to Lusu Ward Dispensary until mining activities cease. This year four consignments were delivered to the ward free of charge.

HIV Infection and AIDS/ Health Campaigns

To facilitate the spread of Health Education on Lusu ward RTL donated two bicycles and handed over a third one donated by Mr. Marius Viljoen, an expatriate at Golden Pride. These are to be used by the Peer Health Educators and Village Health Workers trained by CARE. They will enable them to travel into the ward and educate the community on Health, HIV Infection and AIDS.

Lusu Maternity Wing

RTL constructed a maternity wing for mothers and their newly born babies. This enables them to stay at the hospital, and minimize unforeseen postnatal complications. Also 10 pairs of sheets and 9 hospital mattresses were donated to this wing.

Nzega District Hospital Antenatal Wing

This hospital had a problem of where to keep expectant mothers before they were taken to labour to give birth. Nzega District Council constructed an antenatal wing up to the roofing level and RTL has agreed to assist in completing and furnishing it.

ENVIRONMENT

Communal Nurseries

Inadequate supply of firewood, building poles and rainfall were identified as some of the major problems facing all the communities where Participatory Rural Appraisal (PRA) surveys were undertaken. To combat this the communities opted to engage in afforestation activities and some community members, recognizing this as an opportunity to earn an income, established tree nurseries. RTL identified three such nurseries at Kilabili, Udomo and Bujulu villages and in conjunction with the District Agricultural Department, organized training for each group. Subsequently RTL supplied polythene bags, seeds and a 'money maker' foot pump so that they are able to raise quality seedlings and supply/sell them to their fellow community members.

Provision of Tree Seedlings

The Golden Pride Tree Nursery does not only germinate tree seedlings for rehabilitation but also for the community so as to accelerate the rate of afforestation. Up to 50% of the seedlings raised each year are donated to the community and institutions. In 2004 more than 40,000 seedlings including both fruit and shade species were supplied to the public.

National Tree Planting Day 1st January 2004

Recognizing the importance of trees and realizing that forests and forest products were decreasing at a fast rate due to use without replenishment, the Government proclaimed that on New Year's day each year people will be excused from normal duties to find time and plant at least one tree, i.e. The National Tree Planting Day.

RTL donated 2,500 tree seedlings that were planted at various sites in Nzega Town and sent two representatives to participate in the planned activities. These included health inspections of public facilities i.e.

guesthouses, bars and eating places, removal of waste from streets and markets and the targeted activity of tree planting.

Clean Up the World is a global event that takes place every year where communities around the world come together to clean their environment and promote environmental awareness. Since RTL introduced this event to Nzega district in 2000, it has been carried out each year and its coverage extended to other districts in Tabora region and now also neighbouring Shinyanga. In the past, clean up day in Nzega involved removal of rubbish from markets, schools, Government Hospital, District Administration and streets in Nzega town. It has now been extended to all the auxiliary towns of the district and conducted for a whole week instead of one day. In addition, another district in Shinyanga region, namely Bukombe, has joined the program thereby making two districts which are participants in Clean Up the World.

FUEL LEVY

Chamber members holding Development Agreements with the Government had been receiving demands from the TRA to effect road toll/fuel levy payments in full, contrary to provisions of their respective development agreements. These agreements limit the annual amount of fuel levy payable. The root of the problem was GN 22 of February 1999 which appeared to limit fuel levy relief to only one year, and accordingly the TRA attempted to collect excess fuel levies contrary to the development agreements. The necessary steps were taken to correct this anomaly through consultations with the government which culminated in the drafting and promulgation of GN 99 published on 15th April 2005 which revoked GN 22 with effect from January 1st, 1999.

PRESIDENTIAL ENVIRONMENTAL EXCELLENCE AWARD IN MINING

The purpose and objective of the Award is to recognize excellence in environmental management and to acknowledge outstanding contributions or commitments, which go beyond statutory compliance with regulations. The President of the United Republic of Tanzania presents the award on an annual basis in order to promote and encourage advances in environmental management and rehabilitation in all aspects of the mining industry in Tanzania. The Presidential Environmental Excellence Award acknowledges the outstanding contribution a recipient has made to balance environmental responsibility with the successful development of Tanzanian resources. Resolute (T) Ltd won the excellence award in 2003. The awards for 2004 are planned for presentation to winners on 5th June 2005, the World Environment Day. Closing date for submission of entries for the 2005 participation is 30th May 2005.

NEWS FROM THE INDUSTRY

Barrick and Falconbridge Finalize Joint Venture on Kabanga Project

Barrick Gold Corporation and Falconbridge Limited announced on 19th April 2005 that they have finalized a joint-venture agreement regarding the Kabanga nickel deposit in Tanzania and related concessions. Under the terms of the agreement, Falconbridge has acquired a 50% indirect joint venture interest in respect of the Kabanga Project for \$15 million and will be the operator of the joint venture. Falconbridge Limited is a leading producer of nickel, copper, cobalt and platinum group metals.

According to officials of Falconbridge who paid a visit to the TCME, the company will over the next several years, fund and conduct a further \$ 50 million work plan that will include additional exploration and infill drilling, and technical work to update the resource model for Kabanga. Falconbridge will draw upon its nickel processing, project development and engineering expertise to

bring the project towards feasibility. It will establish a dedicated team in Tanzania to coordinate and advance the work plan. Upon conclusion of the work plan, Falconbridge will fund the next \$ 95 million of any project development expenditures to advance the Kabanga project. Thereafter, Falconbridge and Barrick will share equally joint-venture revenues and expenditures.

Since acquiring the Kabanga Nickel Project as part of the acquisition of Sutton Resources in 1999, Barrick has significantly enhanced the value of Kabanga by increasing the known resource estimate. The current estimated inferred resource is 26.4 million tonnes grading 2.6% nickel. The Project is located in northwestern Tanzania, west of Barrick's Bulyanhulu gold mine and northwest of its Tulawaka gold mine, which commenced production in March 2005. Barrick and Falconbridge contemplate that the Kabanga project, when put into production, would comprise an underground mining operation and associated surface infrastructure and concentrator. Contingent upon the results of the Falconbridge drilling program, the partners expect that the operation would mine approximately two million tonnes of ore per year, capable of producing approximately 30 thousand to 35 thousand tonnes of nickel in concentrates per year. Falconbridge would market the nickel concentrates and at least 50% of the nickel concentrates would be processed at Falconbridge's Sudbury nickel smelter and Norwegian nickel refinery on behalf of the joint venture.

Barrick is pleased to enter into this turnkey partnership agreement with Falconbridge - a fully integrated nickel company and the world's third-largest refined nickel producer. Falconbridge's nickel experience, together with its ability to treat a significant part of the nickel

concentrates, will add considerable value to the Kabanga project.

Falconbridge points out that Kabanga is an important nickel sulphide development project and will fit in exceptionally well with their strategic growth initiatives and looks forward to working with Barrick and benefiting from its significant project development experience in Tanzania.

Tulawaka JV

Barrick obtained the Tulawaka Mine in Tanzania through acquisition of Pangea Goldfields Inc. in June 2000. Tulawaka Mine is a 70/30 joint venture between Pangea Goldfields Inc., a wholly owned subsidiary of Barrick, and Northern Mining Explorations Ltd. The site is located approximately 1,000 kilometers from Dar es Salaam and 120 kilometers west of Barrick's Bulyanhulu mine. Proven and probable mineral reserves at the end of 2004 were estimated as 546,000 ounces gold. The mine life is expected to be 4 years.

The Tulawaka Mine began production in the first quarter of 2005. The mine is an open-pit operation and operates at a rate of 23,000 tonnes per day, total earth movement. The Process Plant operates at a rate of 1,000 tonnes per day. It recovers half the gold with gravity separation technology and the balance from conventional carbon-in-leach technology. The mine is expected to produce 125,000 ounces annually at an average cash cost of \$170-\$180 per ounce.

Exploration

In 2004, exploration drilling consisted of 970 meters of development diamond drilling and 6,227 meters of reverse circulation (RC) drilling in the East Zone pit. Drilling in the West Zone area was 2,356 meters and 2,040 meters were drilled in the North West Zone Area. The drilling in the West Zone area intersected some mineralization, which will require

follow-up drilling in 2005 to close off the northeastern extension of the mineralization. The drilling in the North West zone did not encounter any economically viable mineralization.

In 2005, it is planned to complete 5,200 meters of RC resource drilling in the West and East zones. Principle initiatives include feasibility evaluation of underground mining at the East Zone and open pit mining at the West Zone. Exploration drilling proposed for 2005 will consist of 5,000 meters of RC drilling in the West Zone extensions, Area T7, and other target areas.

Geology

At least five gold-bearing quartz vein systems occur within the Tulawaka area. Among these, the East Zone system contains the most economically significant gold mineralization identified to date and the Tulawaka project is based on development of the East Zone. The East Zone mineralization has a northwesterly strike distance of approximately 1 kilometer and dips at angles of 40° to 65° to the northeast. The gold bearing quartz vein in the East Zone ranges in thickness from 60 centimeters to 4 meters.

Gold occurs principally as free gold within quartz veins or stockworks, often associated with felsic intrusives. Pyrite and arsenopyrite occur in minor quantities but do not contain significant gold. The mineralization is hosted in sediments metamorphosed to greenschist and amphibolite facies. Mineralization is contained in saprolite, which is itself overlain by a discontinuous laterite zone that also contains detrital or chemically remobilized gold.

The Tulawaka East gold deposit is hosted in a complex upper greenschist to amphibolite facies metamorphic terrain comprised of metasediments, including a minor component of metasilicate-iron formation

and metagabbro dykes or sills. The local stratigraphy has been folded into a large-scale Z-shaped fold that plunges to the south. The anticline portion of the fold has been cut by a thrust fault, sub-parallel to the south-dipping fold axial plane. Thrust faulting has provided the dilation required for the injection of gold bearing quartz veins and associated quartz-feldspar porphyry intrusions.

Safety Awards

Tulawaka Mine was awarded four Barrick Safety Awards, for its work in 2004, as follows: Chief Operating Officers Special Merit Award - Achievement of Zero Lost Time Accidents, during the year of Project Execution, Gold Medal - Zero Lost Time Accidents for the Year, Safety Champion - awarded to Tony Orr - Safety & Training General Foreman, Safety Champion - awarded to Dave Anthony - General Manager. As of May 2005, the Tulawaka Mine has worked 2.8 million hours without a Lost Time Accident. The mine is due for official opening during the year.
