



Mining Commission

ANNUAL REPORT

2020-2021

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ACRONYMS

BL	Broker License
CIL	Carbon In Leach
CIP	Carbon In Pulp
CSR	Corporate Social Responsibility
DITF	.....	Dar es Salaam International Trade Fair
GDP	.....	Gross Domestic Product
LAN	.....	Local Area Network
LCP	.....	Local Content Plan
ML	.....	Mining License
PCL	.....	Processing License
PL	.....	Prospecting License
PML	.....	Primary Mining License
RMO	.....	Resident Mine Office/Officer
SL	.....	Smelting License
SML	.....	Special Mining License
STAMICO	.....	State Mining Corporation
TANSORT	.....	Tanzania Diamond Sorting
TMAA	.....	Tanzania Minerals Audit Agency
VAT	.....	Value Added Tax
WDL	.....	Williamson Diamond Limited
URT	.....	United Republic of Tanzania

LETTER OF TRANSMITTAL



Hon. Dr. Doto M. Biteko (MP)
Minister of Minerals,
Mtumba Government City, Madini Street,
P.O BOX 422, DODOMA.

Honourable Minister,

Pursuant to Section 118 of the Mining Act, Cap. 123, I am humbled and honoured to submit to you the Annual Report of the Mining Commission for the year ended 30th June, 2021.

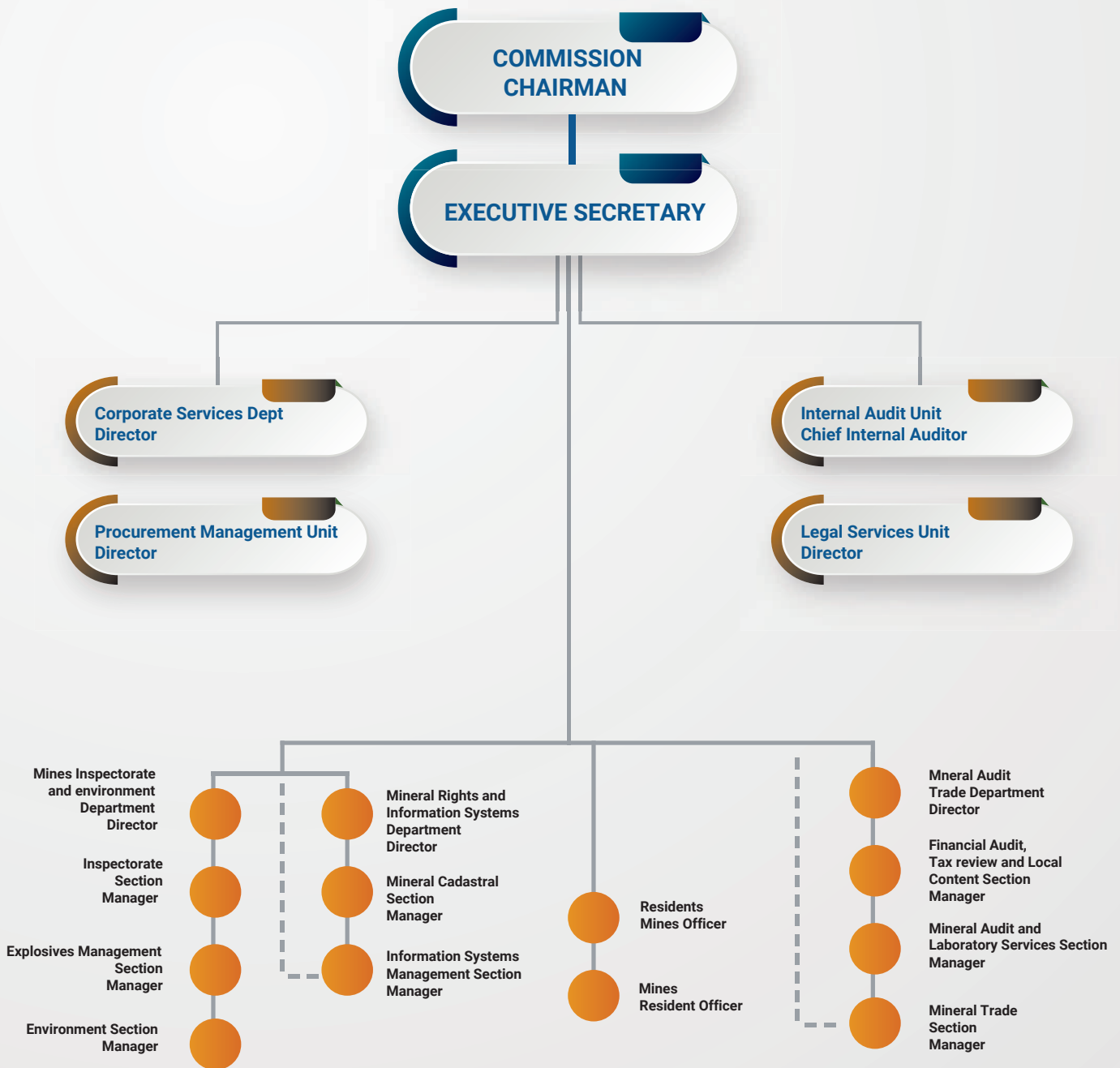
The Annual Report, which includes the Audited Financial Statements, summarizes the Commission's activities carried out during the year under review, achievements made and challenges facing the Commission.

I submit.









.....
Prof. Idris S. Kikula

Mining Commission Chairman November, 2022

THE ORGANISATION STRUCTURE OF THE MINING COMMISSION



I. MEMBERS OF THE COMMISSION

- **Prof. Idris S. Kikula**
Chairman of the Mining Commission 1
- **Prof. Abdulkarim H. Mruma**
Commissioner 2
- **Mr. Haroun A. Kinega**
Commissioner 4
- **Mr. Dotto M James**
Commissioner 5
- **Dr. Faraj K. Mnyepe**
Commissioner 6
- **Dr. Evaristo E. Longopa**
Commissioner 7
- **Ms. Mary G. Makondo**
Commissioner 8
- **Eng. Joseph M. Nyamhanga**
Commissioner 9

II. MANAGEMENT MEMBERS

- **Eng. Yahya I. Samamba**
Acting Executive Secretary 10
- **Dr. Abdulrahman S. Mwangi**
Director, Mines Inspectorate and Environment Department 11
- **Eng. Ramadhani M. Lwamo**
Acting Director, Mineral Licensing and Information Systems Department 12
- **CPA. Venance A. Kasiki**
Director, Mineral Audit and Trade Department 13
- **CPA. William E. Mtinya**
Director, Corporate Services Department 14
- **Mr. Jeremia J. Mwakipesile**
Acting Director, Procurement Management Unit 15
- **Mr. Ayub Y. Mwenda**
Director, Legal Services Unit 16
- **CPA. Elikana B. Petro**
Director, Internal Audit Unit 17

II. MANAGEMENT MEMBERS



CPA. Elikana B. Petro

Director, Internal Audit Unit

17



Ms. Winnifrida S. Mrema

Acting Manager Inspectorate Section

18



Eng. Aziza Z. Swedi

Acting Manager, Explosive Management Section

19



Ms. Sundi K. Malomo

Manager, Environment Section

20



Mr. Samwel B. Mayuki

Acting Manager, Mining Cadastre Section

21



Mr. Justine H. Chankan

Acting Manager, Information Systems Management Section

22



Mr. Geoffrey C. Nsemwa

Acting Manager Financial Audit, Tax Review and Local Content Section

23



Eng. Mvunilwa R. Mwarabu

Acting Manager, Minerals Audit and Laboratory Services

24



Mr. George B. Kaseza

Manager, Mineral Trade Section

25



CPA. Mwangule D. Ikunga

Acting Manager Finance and Accounts Section

26



Ms. Gift G. Kilimwomeshi

Manager, Administration and Human Resources Management Section

27



Mr. Andendekisye B. Mbije

Acting Manager, Research and Planning Section

28



Mr. Greyson S. Mwasse

Manager, Communication and Publication Section.

29

STATEMENT OF THE CHAIRMAN

I have the pleasure to give an overview of the Mining Commission's performance for the Financial Year ending on 30th June, 2021. This is the 3rd report since Mining Commission commenced its operations on 17th April, 2018. The report provides informative statement which is self-explanatory of what the institution has implemented at a specific financial year.

During the year under review among the other activities, The Mining Commission was able to collect total of TZS. 584,825,732,651.43. for the Financial Year ending June,2021 which is equivalent to 111.03 percent of its annual target of TZS. 526,722,547,000.00 this increase of revenue collection was accelerated by increase of minerals production which resulted into the increase in Gross Domestic Product (GDP) from 5.4 in 2020 to 6.9 in the year 2021.

I also appreciate the Minister for Minerals Hon. Dr. Doto M. Biteko (MP) and Ministry's staff for their leadership and continued support to the Mining Commission in achieving its intended goals. I finally extend my sincere thanks to the Commission, Management, Staff and stakeholders for their all time dedication and fully commitment which resulted to Commission' outstanding performance.

Prof. Idris S. Kikula

CHAIRMAN.

STATEMENT OF THE EXECUTIVE SECRETARY

I am honored and pleased to present the 3rd Mining Commission Annual Report for the Financial Year 2020/2021. This report includes the Audited Financial Statements, which summarized the Commission's activities carried out during the year under review, including achievements made and challenges faced by the Commission.

Mining Commission with the role of managing mining industry through supervision, monitoring and regulating exploration, mining, beneficiation and mineral trade for sustainable development has successfully implemented its activities within the past three consecutive years since 17th April, 2017.

Among the successes achieved during the year under review include: strengthened Government's revenue collections whereby the Mining Commission managed to collect TZS. 584,825,732,651.43. equivalent to 111.03 percent of its annual target of TZS 526,722,547,000.00; procurement of 40 vehicles and mineral markets equipments; establishment of mineral markets and buying centres up to 41 and 59 respectively to facilitate mineral trade; issuance of 7,968 licences including 10 MLs, 151 PLs, 5120 PMLs, 648 DLs, 1,985 BLs, 53 PCLs and 1 SL and approval of 337 Local Content Plan. Furthermore 92 mines inspections were conducted to ensure compliance.

Despite the great success achieved, the year has been both challenging and exciting for the Commission to fulfill its objectives. Major challenges such as COVID- 19 outbreak which hindered trading in mineral markets as well as investment in the mining sector. Finally, I would like to thank the Commission, Managements staff and all our stakeholders for their commitment and continued support rendered to the authority in fostering the social and economic welfare of our society.

Eng. Yahya I. Samamba

ACTING EXECUTIVE SECRETARY

OUR MAJOR PERFORMANCE AT GLANCE

- Revenue collected from the Mineral Sector **TZS 584,825,732,651.43**
- Increase from the previous year **10.69%**

LICENSING

- Mineral Licenses granted **7,968**
- Increase from the previous financial year **10.45%**

OUR MAJOR PERFORMANCE AT GLANCE

MINERAL MARKETS

- Revenue collected from the Mineral and gem houses (mineral markets) **TZS.145,229,644,153.83**
- Revenue contribution by mineral and gem houses (mineral markets) **24.8%**

LOCAL CONTENT

- Approved local content plans **337**
- Percentage of the total submitted local content plans were approved **98%**

DISCLAIMER

The Mining Commission Annual Report presents data on minerals produced; sales made as well as amount of revenues collected by the Commission from its entire Annual Physical Audits. Collected revenues include royalties from all reliable sources. Despite of the said information in this report being used in various areas, they have not been subjected to independent verification. In this case, no promise, guarantee, representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, reliability, completeness or correctness of the information or opinions contained herein.

Neither Mining Commission, nor its advisors, nor any of its directors, officers or employees or any representatives of such persons, shall have any responsibility or liability whatsoever (in negligence or otherwise) for any loss arising from any use of the information or any other information or material discussed. This report also contains confidential information, by accepting such information, the recipient agrees to keep permanently confidential all information contained herein, and that such information will only be used for the purpose that has been disclosed to Mining Commission, and will not divulge any such information to any other party without express consent of Mining Commission.

Any reproduction of such information, in whole or in part, is prohibited without the permission.



Vision

A hub for exploration and sustainable mining in Africa.



Mission

To manage mining industry through supervision, monitoring and regulating exploration, mining, beneficiation and mineral trade for sustainable development.

CORE VALUE

Integrity

we operate with trustful, authenticity, confidentiality and transparency to ensure clear ethical principles with the aim of achieving organization's set vision and mission.

Teamwork

We believe in working together to achieve our common goal through sharing of knowledge and skills.

Courtesy

We are committed to serve our customers with respect and dignity.

Professionalism

We believe in best practices and adhere to codes of conduct.

Customer Focused

We believe in meeting our clients' expectations and needs

Accountability

We are responsible and answerable for our actions.

STRATEGIC OBJECTIVES OF THE COMMISSION

Objective	Descriptions
A	HIV/AIDS infections reduced and support services improved.
B	National Anti-Corruption Strategy enhanced, sustained and effectively implemented.
C	Contribution of mining sector to the national economy improved.
D	Sustainability of Mining Industry improved.
E	Capacity of the Commission to deliver its mandated functions improved.



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1.0 INTRODUCTION

1.1 Mining Commission Establishment

The Mining Commission was established under the Mining Act 2010 as amended by the Written Laws (Miscellaneous Amendment) Act 2017. The Commission came into existence through the Government Notice No. 27 issued on 7th July, 2017 and mandated to carry out mining sector regulatory functions as stipulated under Section 22 of the Mining Act, Cap. 123. The Commission's headquarters are located in Dodoma and is represented in 30 Regions in Tanzania Mainland as Resident Mines Offices; Mineral Laboratory located in Dar es Salaam; and 13 Mines Resident Offices in large and medium scale mines.

1.2 Functions

The Commission is mandated to perform 22 functions which are listed below:

- i. Supervise and regulate the proper and effective carrying out of the provisions of the Mining Act CAP 123;
- ii. Issue license under Mining Act CAP 123;
- iii. Regulate and monitor the mining industry and mining operations in Tanzania;
- iv. Ensure orderly exploration and exploitation of mineral resources in Tanzania and the optimal utilization of mineral resources at all mining operations in accordance with the mining policies and strategy;

- v. Resolve disputes arising out of mining operations or activities;
- vi. Carry-out inspections or investigations on health and safety issues related to mining operations or activities;
- vii. Advise the Government on, and ensure compliance with all applicable laws and regulations related to the health and safety of persons involved in mining operations or activities;
- viii. Monitor and audit environment management, environmental budget and expenditure for progressive rehabilitation and mine closure;
Produce indicative prices of minerals with reference to prevailing Local and International markets for the purpose of valuation of minerals and assessment of royalty;
- ix. Verify the forecasted capital investment specified under Section 41 (4)(c) for purposes of ascertaining mis-invoicing or any other forms of malpractice in respect of mining license and special mining license holders and providing the same to Tanzania Revenue Authority (TRA) within 12 months after the issuance of such licenses;
Supervise and monitor the implementation of local content plan and corporate social responsibility by a mineral right holder; and
- x.
- xi.

- xii. Provide upon request, information to a mineral right holder or any other person who is engaged in mining operations.
- xiii. Secure a firm basis of comprehensive data collection on national mineral resource and technologies of exploration and exploitation for national decision making;
- xiv. Issue, suspend and revoke exploration and exploitation license and permits;
- xv. Ensure general compliance with the laid down standards in mining operations, laws and the terms and conditions of mineral rights;
- xvi. Monitor and audit quality and quantity of minerals produced and exported by large, medium and small-scale miners, to determine revenue generated to facilitate collection of payable royalty;
- xvii. Audit capital investment and operating expenditure of the large and medium scale mines for the purpose of gathering taxable information and providing the same to the Tanzania Revenue Authority (TRA) and other relevant authorities;
- xviii. Sort and assess values of minerals produced by large, medium and smallscale miners to facilitate collection of payable royalty;
- xix. Produce indicative prices of minerals with reference to prevailing Local and International markets for the purpose of valuation of minerals and assessment of royalty;

- xx. Verify the forecasted capital investment specified under Section 41 (4)(c) for purposes of ascertaining mis-invoicing or any other forms of malpractice in respect of mining license and special mining license holders and providing the same to Tanzania Revenue Authority (TRA) within 12 months after the issuance of such licenses;
- xxi. Supervise and monitor the implementation of local content plan and corporate social responsibility by a mineral right holder; and
- xxii. Provide, upon request, information to a mineral right holder or any other person who is engaged in mining operations.

1.3 Objectives of the Report

This Annual Report for 2020/2021 fulfils the following objectives:

- a) To comply with the requirements of the Section 117 of the Mining Act, Cap. 123;
- b) To inform stakeholders and the general public on the Commission's performance in supervision of the Mining Sector;
- c) To educate stakeholders of the Mining Sector and the general public on mining matters; and
- d) To provide a source of reliable information on Mining Sector.

2.0 CORPORATE GOVERNANCE



The Mining Commission is headed by the Chairman, eight (8) Commissioners and Executive Secretary. The Chairman and two (2) Commissioners are full employed and hold executive positions in the Commission. The Commission determines and reviews the philosophy and objectives of the Mining Commission regularly. In particular, the Commission sets the strategic objectives, agreed performance criteria and delegates to management the detailed plans and implementation of agreed objectives. Also, the Commission monitors objectives implementation and achievements by holding management accountable for its actions through the measurement and control of operations.

The Commission delegates the day-to-day management of the operation to the Executive Secretary who is assisted by a management team of seven (7) Directors, 13 Managers and 26 Resident Mines Officers (Managers according to Mining

Commission Schemes of Service) allocated in all strategic Mining regions. The Executive Secretary oversees the Mining Commission operations and is responsible to the Commission.

2.1 CHANGES IN THE COMMISSION (IF ANY)

Furthermore, Mining Commission's changes during the year under review are highlighted. In February 2020, H.E President of the URT, Dr. John Pombe Joseph Magufuli appointed among others, Ms. Mary G. Makondo - Permanent Secretary, Ministry of Lands, Housing and Human Settlements and Dr. Faraji E. Mnyepe Permanent Secretary, Ministry of Defense and National Service to be the members of Commission. The changes were made following the retirement of Ms. Dorothy Mwanyika and Dr. Florens Turuka respectively.

2.2 COMMITTEES OF THE COMMISSION

The Commission has five (5) committees to ensure a high standard of corporate governance throughout the organization, namely; Technical Committee; Planning and Finance Committee; Human Resource Management Committee; Local Content Committee; and Appointment and Disciplinary Committee. The Commission's committees list of members and their respective objectives are detailed in below.



2.3 TECHNICAL COMMITTEE

The overall objective of the TC Committee

1. To approve granting, transfer and revocation of Mineral licenses;
2. To monitor prospecting, mining activities and environment;
3. To resolve disputes arising from mining activities; and
4. To undertake any other tasks assigned by the Commission.

Members

1. Prof. Abdulkarim H. Mruma (Chairperson)
2. Mr. Haroun A. Kinega
3. Ms. Janeth R. Lekashingo
4. Eng. Yahya I. Samamba
5. Eng. Ramadhani M. Lwamo (Secretary)

2.4 PLANNING AND FINANCE COMMITTEE

The overall objective of the PFC Committee

1. Review roles of the Mining Commission as stipulated in the Mineral policy and the Mining Act and recommend the Act's amendments to match national needs;
2. Guide the Management in the development of Strategic Action Plans for the Mining to implement its roles;
3. Review various means to source funds to implement the Strategic Plan;
4. Review annual budgets and supplementary budgets of the Commission;
5. Review Plans for the various Directorates to implement the Strategic Plan;
6. Review Quarterly Progress Reports of the implementation of the planned activities;
7. Review various investments for the Authority;

8. Make recommendations to the Commission on all critical issues for deliberation;
9. Review financial policies and procedures; and
10. Undertake any other task that the Commission may assign to the Committee.

Members

- a. Mr. Emmanuel M. Tutuba (Chairperson)
- b. Mr. Haroun A. Kinega
- c. Ms. Mary G. Makondo
- d. CPA. Venance A. Kasiki
- e. CPA. William E. Mtinya (Secretary)

2.5 APPOINTMENT AND HUMAN RESOURCE MANAGEMENT COMMITTEE

The overall objective of the AHRM Committee

1. Review human resources management policies and procedures;
2. Review collective bargaining agreement;
3. Consider disciplinary and appeal matters;
4. Consider productivity improvement plans and staff incentives;
5. Undertake any other task that the Commission may assign.

Members

1. Ms. Mary G. Makondo (Chairperson)
2. Prof. Riziki Shemdoe
3. Mr. Emmanuel M. Tutuba
4. CPA. William E. Mtinya (Secretary)

2.6 LOCAL CONTENT COMMITTEE

The overall objective of Local Content Committee is to encourage local employment and the use of local goods and services in backward-linked supply chains of companies active in Mining Sector.



3.0 ATTAINING OBJECTIVES OF THE MINING COMMISSION

During Financial Year 2020/2021, Mining Commission implemented its five (5) strategic objectives as outlined in its Strategic Plan (2019/2020 – 2023/2024). Objective A addresses HIV/AIDS; Objective B addresses Free corruption zone in the Mining industry; Objective C addresses Contribution of Mining Sector in the National Economy; Objective D addresses Improvement of sustainability of Mining Industry; and Objective E addresses improvement of Workers welfare.

3.1 HIV/AIDS INTERVENTION

HIV/AIDS is a national problem which affects human resource. The mining industry is not in isolation and is therefore one of the sectors affected by this tragedy. Therefore, it is a duty of the Mining Commission to take preventive measures to its employees against HIV/AIDS.

Members

1. Ms. Janet R. Lekashingo (Chairperson)
2. Dr. Mussa Budeba
3. Mr. Edwin Igenge
4. Mr. Ringo Iringo
5. Brig. Gen. Francis R. Mbindi
6. Eng. Yahya I. Samamba
7. CPA Venace A. Kasiki (Secretary)

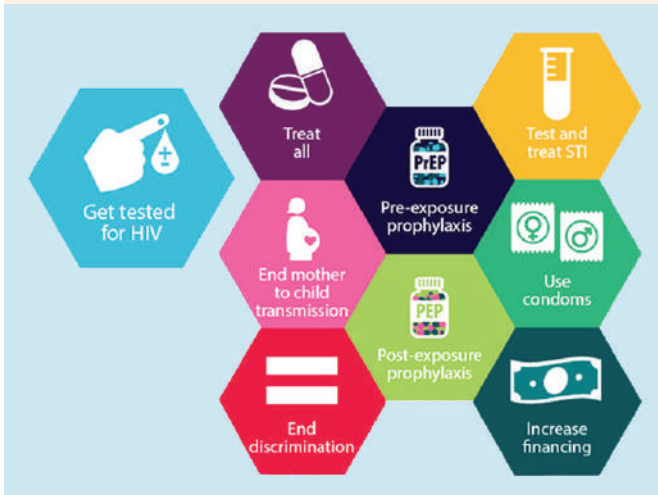
APPOINTMENT AND DISCIPLINARY COMMITTEE

The overall objective of the ADC Committee is to manage mining commission staff appointment issues and also to be sole advisor on disciplinary matters.

Members

1. Dr. Evaristo E. Longopa (Chairperson)
2. Dr. Faraji K. Mnyepe
3. CPA. Elinami Kimaro
4. Mr. Haroun A. Kinenga
5. Mr. Ayub Mwenda (Secretary)

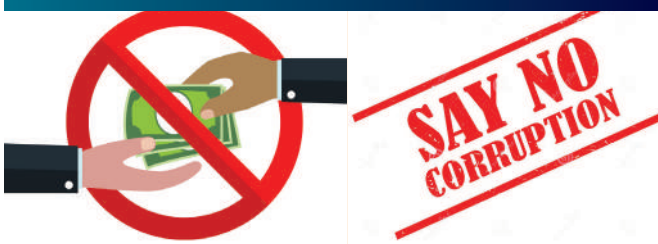
In order to implement the strategy, the mining Commission continue to improve HIV/AIDS awareness and provide support services. Also, the Mining Commission has conducted trainings to its staff on HIV/AIDS and provides health care which include drugs, food supplements and condom dispensers in all Mining Commission Offices.



3.2 FREE CORRUPTION ZONE

Corruption is a universal problem which affects performance and credibility of the Institution and which may affect the contribution of the specific sector to the national economy. It is a generic objective to Government’s Institutions to fight corruption.

In order to implement Anti corruption strategy, The Mining Commission has continued to provide awareness programs to its staff, to emphasize to adhere on the ethical code of conducts.



3.3 WORKERS WELFARE

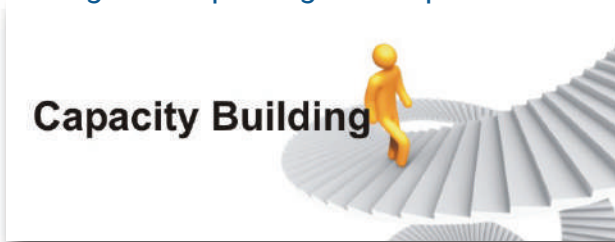
In attaining its set objectives, Mining Commission continued to improve employee’s welfare among others by recruiting most appropriate candidates; enhanced knowledge to its staff by capacity building; financial assistance by introducing condolences basket fund and endorsement to access to loans from bank and SACCOs; medical insurance cover; providing training to employees on steps to safeguard their health, safety and welfare; and provide employees benefits cover indirect pay.



During the year under review, the Mining Commission maintained its recruitment policy by providing equal opportunity as per requirements. In so doing, the Mining Commission recruited the most appropriate candidates available in the market in a competitive and transparent manner to ensure that the functions and duties are performed efficiently and effectively. In the Financial Year 2020/2021 Commission recruited 37 staff making a total number of 641 Commission employees. Filled posts include Engineers, Environmental officers, Accountant, Geologists, Technicians and Drivers.

3.3.2 CAPACITY BUILDING

In capacity building, the Mining Commission enhanced knowledge of its staff in relation to its Commission's managerial and operational competencies of which 109 staff attended local trainings on general management, professional, secretarial practices, advanced drivers' courses and office attendants' courses aiming at improving their performance.



3.3.3 FACILITATION OF FINANCIAL ASSISTANCE

Mining Commission introduced a condolences basket fund (MRATUMA) to assist staff when need arise. Up to June, 2021 the basket fund had 171 members from all mining offices. On the other hand, one of the major employees' incentives is assuring them with loans and grants whenever required. Knowing this, during the period under review, Mining Commission continued assisting its staff to access loans from various banks and Savings and Credit Cooperative Society (SACCOS) by endorsing their agreements as per Standing Order, 2009

3.3.4 MEDICAL ASSISTANCE

The Mining Commission provides medical insurance cover to its employees through National Health Insurance Fund (NHIF) to all staff, spouses and up to four (4) legally recognized children not exceeding 18 years of age.

3.3.5 HEALTH AND SAFETY

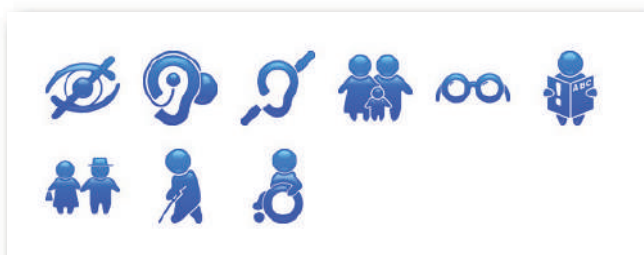
The Mining Commission takes all reasonable and practicable steps to safeguard health, safety and welfare of its employees. A safe and comfortable working environment is maintained for all employees by providing adequate and proper protective gears (during field work) training and supervision as necessary. On so doing, the Commission observes Safety and Health Administration (OSHA) guidelines and ensured full compliance.

3.3.6 EMPLOYMENT BENEFITS AND COMPENSATION

Employees' benefits cover indirect pay, health insurance, stock options and social benefits while employees' compensation covers people's direct pay particularly their salary. On so doing, the Mining Commission pays contributions to public administered by Pensions Fund (PSSSF) as required by the law.

3.3.7 PERSONS WITH SPECIAL NEEDS

A Person with special needs is anybody with one of the various difficulties such as a physical, emotional, behavioral, or learning disability or impairment that causes an individual to require additional or specialized services or accommodations (such as in education or recreation). The Mining Commission ensured friendly and safe working environments to people with special needs.



3.3.8 GENDER PARITY

Gender parity is an instrument at the service of equality, which consists in ensuring the access of women and men to the same opportunities, rights, opportunities to choose, material conditions while respecting their specificities. The notion of parity constitutes the foundation. In this case, the Mining Commission observes parity policies that combat the disparities between women and men.

In the year under view, the Commission had 641 employees out of whom 479 were male and 162 were female. Also, during the same period 8 employees were under contract while 633 were permanent and pensionable. also, in the decision-making level of the Mining Commission gender parity has been considered whereby out 19 leaders, 13 are male and 6 are female.

3.3.9 PUBLIC INFORMATION ACCESS

The Commission has got sophisticated means of accessing information whereby various stakeholders can get information through the Mining Commission's website, Online Madini News Magazine and direct office visit.

3.3.10 REGISTRY OPERATIONS

The registry office continued to support Commission's functions whereby both active and semi active records were maintained. The registry operations significantly make communication and linkage of information among Commission's executives, directorates, units and sections more easily resulting into effective and efficient performance of an organization.

3.3.5 HEALTH AND SAFETY

The Mining Commission takes all reasonable and practicable steps to safeguard health, safety and welfare of its employees. A safe and comfortable working environment is maintained for all employees by providing adequate and proper protective gears (during field work) training and supervision as necessary. On so doing, the Commission observes Safety and Health Administration (OSHA) guidelines and ensured full compliance.

3.4 PLAN AND BUDGET

This report provides progress performances based on the Institutional objectives, targets and activities as stipulated in the Annual Plans and Budgets for the Financial Year 2020/2021. It also provides performance overviews of the Mining Commission on the same year in relation to the priority areas which were identified in the year 2020/2021. These priority areas are:

- i. Strengthening Institution's work environment;
- ii. Strengthening Government's revenue collection;
- iii. Strengthening inspection of safety, health, environments and mineral production in small, medium and large-scale mines;
- iv. Strengthening overall mineral sector controls by ensuring compliance of laws governing the sector and eradicating mineral smuggling among others;

3.4.1 ANNUAL APPROVED REVENUE VS. ACTUAL COLLECTION

The annual target of revenue collections for the Mining Commission in the year 2020/2021 was TZS 526,722,547,000. The Mining Commission collected a total of TZS 584,825,732,651.43 equivalent to 111 percent of its annual target. Table 1 provides Revenue estimates versus actual collections for the year 2020/2021.

Table No.1: Revenue estimates versus actual collections for the year 2020/2021

No.	Source	Budget estimated July, 2020 – June, 2021 (TZS)	Actual collections July, 2020 – June, 2021 (TZS)	Percent (%)
1.	Mineral Rent	30,429,680,000	25,071,786,773.86	82
2.	Receipts from Inspection fees	68,478,961,000	79,426,030,202.28	116
3.	Geological fees	9,743,961,000	7,821,956,737.99	80
4.	Mining Royalties	412,371,015,000	469,860,929,545.09	113
5.	Fines, Penalties and Forfeitures	5,698,929,000	2,645,029,392.21	46
6.	Other revenue	1000	0.00	0
Total (TZS)		526,722,547,000.00	584,825,732,651.43	111

Source: Mining Commission March,2022

3.5 MINERAL'S REVENUE COLLECTIONS TREND FROM 2016/2017 - 2020/2021

Table 2 below depicts a trend of revenue collections from Mining Sector for the past five years from 2016/2017 to 2020/2021. The trend represents a serial and significant increase of revenues collected from Mineral Sector over years.

Table 2: Mineral's revenue collections trend from 2016/2017 - 2020/2021

Financial Year	Target (TZS)	Actual collection (TZS)	%
2016/17	215,957,882,999	213,365,701,683	99
2017/18	194,397,098,763	301,292,775,720	155
2018/19	310,320,004,000	346,275,218,081	112
2019/20	470,300,000,000	528,362,106,507	112
2020/21	526,722,547,000	584,825,732,651	111
Total (TZS)	1,717,697,532,762	1,974,121,534,642	114

Source: Mining Commission March, 2022

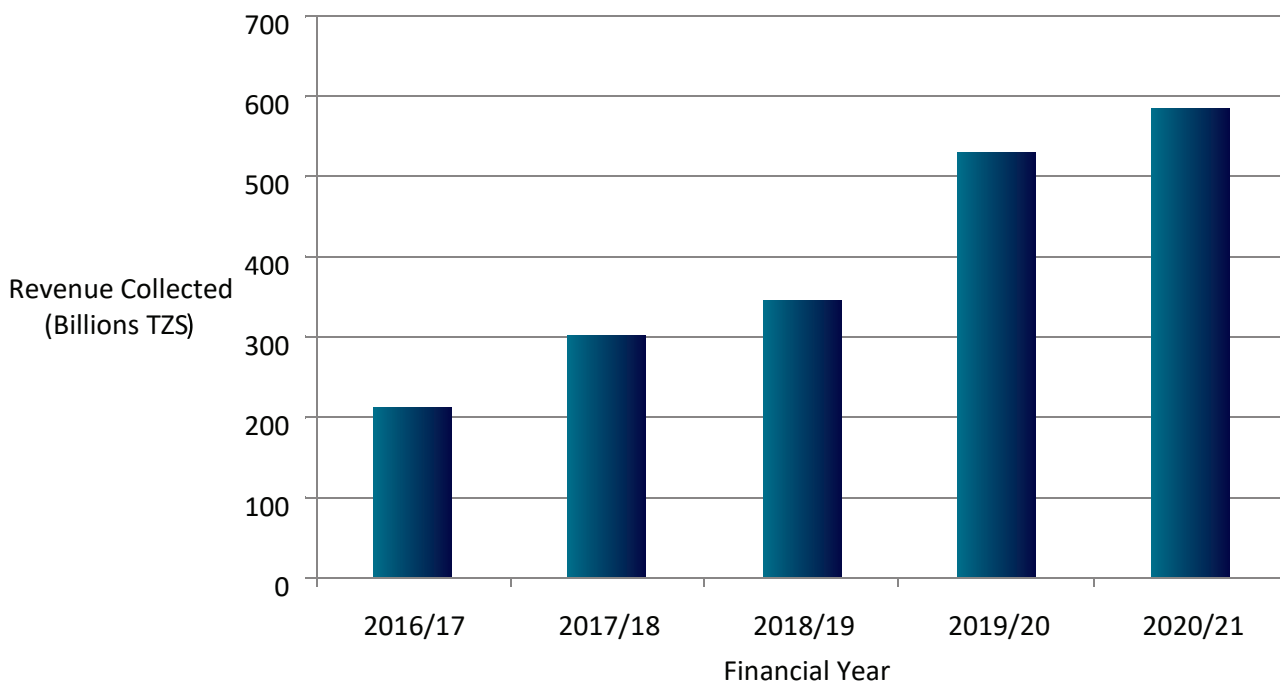


Figure 1: Mineral's revenue collections trend

3.6 EXPENDITURE REVIEW

The total approved budget for financial year 2020/2021 was TZS 40,411,870,214.00 out of which TZS 11,548,624,140 were for Personnel Emoluments (PE), TZS 15,396,281,500 were for Other Charges (O.C) and TZS 13,466,964,574.68 were for Development Projects. From July, 2020 to June, 2021 the Mining Commission received a total of TZS 36,956,232,325.06 which is equivalent to 91.5 percent of its approved budget from the Ministry of Minerals for its budget implementation. Out of which TZS 9,726,205,180 were Personnel Emolument (P.E), TZS 15,396,281,500 were Other Charges (O.C) and TZS 11,833,745,645.06 were for Development Projects.

Budget Expenditure	Approved Budget for 2020/21	Exchequer Received	Percentage
		Jul,2020 – Jun, 2021	
Personnel Emolument (PE)	11,548,624,140.00	9,726,205,180.00	84
Other Charges (OC).	15,396,281,500.00	15,396,281,500.00	100
Development Project	13,466,964,574.68	11,833,745,645.06	87.9
Total (TZS)	40,411,870,214.68	36,956,232,325.06	91.5

Source: Mining Commission March,2022



3.7 MINING SECTOR GROWTH AND CONTRIBUTION TO GDP

Mining is a leading industrial sector in Tanzania with the value of mineral exports constantly increasing for the past several years. The sector is comprised of both large, small and large-scale operations. Mining in Tanzania includes metals (gold, iron ore, nickel, copper, cobalt, silver), industrial minerals (diamonds, tanzanite, ruby, garnet, limestone, soda ash, gypsum, salt, phosphate, gravel, sand, dimension stones and graphite), and fuel minerals (coal, uranium). Tanzania is also home to many rare earth and critical minerals. In the year 2020, mining and quarrying had a growth rate of 6.7 percent compared to a growth 17.7 percent in 2019. This growth was due to increased control and management of mining industry in Tanzania. Despite the recorded slow growth, contribution of mining sector to GDP increased to 6.7 percent in 2020 from 5.2 percent in 2019.

3.8 PROCUREMENT AND SUPPLIES OF GOODS AND SERVICES

Mining Commission facilitated implementation of its Annual Procurement Plan for the year 2020/2021 by procuring goods and services including motor vehicles, gemological equipment and laboratory supplies; facilitated the legal engagement of the Contractor and Consultancy for construction of the Mining Commission Headquarters; and provide advisory services on all matters pertaining to the procurement of goods, consultancy services, non –consultancy.

3.8.1 MANAGE PROCUREMENT OF MOTOR VEHICLES, GEMOLOGICAL EQUIPMENT AND LABORATORY SUPPLIES

During the Financial Year 2020/2021, the Mining Commission received special development grant from the Ministry of Finance and Planning for procurement of motor vehicles, gemological equipment and laboratory supplies. The Procurement Management Unit facilitated the whole process for the acquisition of the said items, and all funds received were utilized for the intended procurement.

3.8.2 CONSTRUCTION OF THE MINING COMMISSION HEADQUARTERS IN DODOMA.

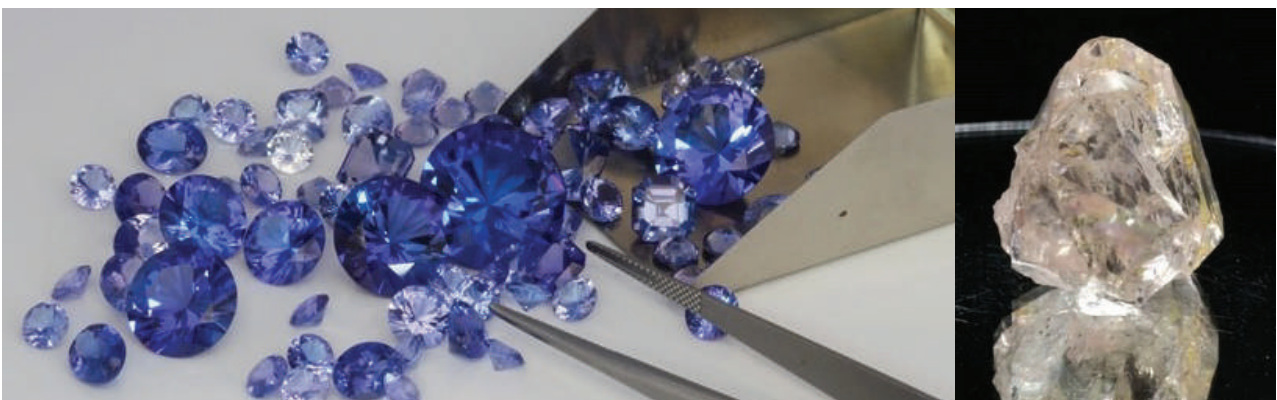
During the Financial Year 2020/2021, the Mining Commission facilitated the legal engagement of the Contractor and Consultancy for construction of the Mining Commission Headquarters office in Dodoma City. The entire process for the engaging the Contractor and Consultancy was done in accordance with the requirements stipulated in the PPA 2011 and the Regulations of 2013 as amended in 2016. However, the construction of Office building is on progress and expected to be accomplished by the end of June, 2022 .

3.8.3 PROVISION OF PROFESSIONAL ADVISORY SERVICES PERTAINING TO THE PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS.

The Directorate of Procurement Management continued to provide advisory services on all matters pertaining to the procurement of goods, consultancy services, non – consultancy, works and disposal of Public Assets with the intention to ensure tidy compliance of the law (PPA 2011) as well, to facilitate the prompt implementation of the 22 functions which resulted to the establishment of the Mining Commission.

4.0 CONTRIBUTION OF THE MINING SECTOR TO THE NATIONAL ECONOMY

To attain its goal of 10 percent Mining Sector Contribution to GDP by 2025, Mining Commission continued to grant mineral licenses and permits to any person as per The Mining Act, Cap. 123; mineral production; provide laboratory services; and combating mineral smuggling and mineral trade.



4.1 REQUIREMENTS FOR PROSPECTING, MINING AND TRADING OF MINERALS

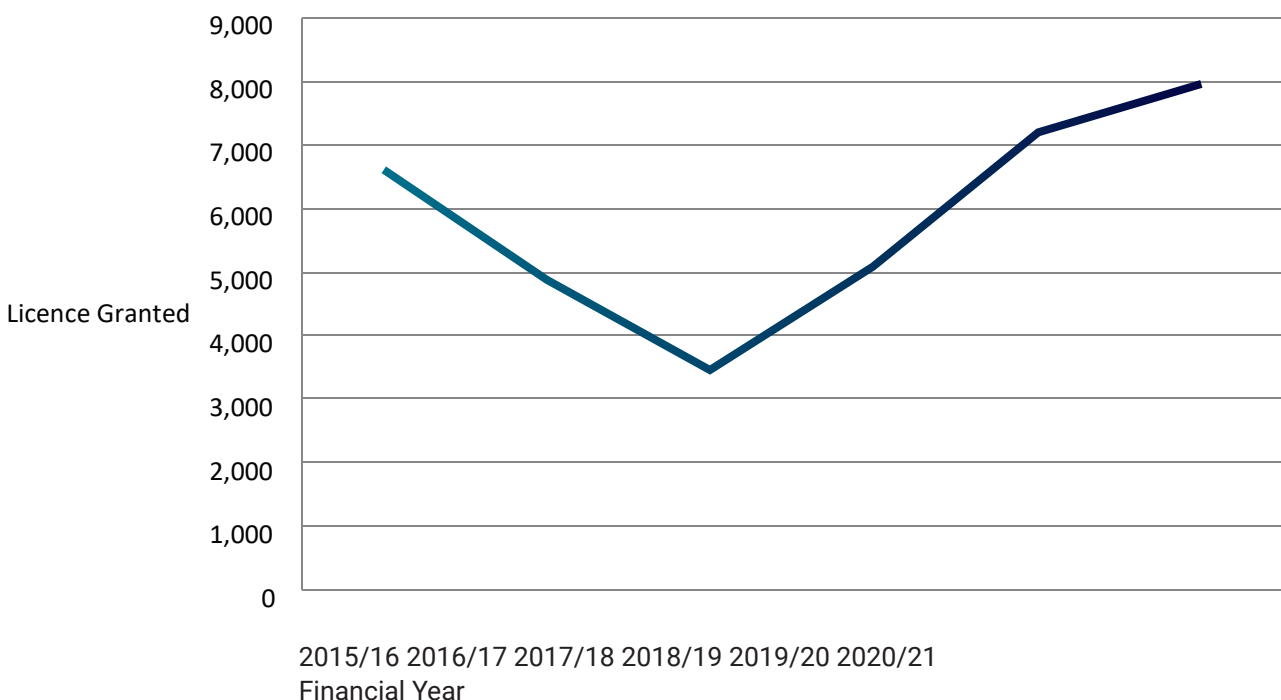
The Mining Act, Cap. 123 requires any person who is interested in engaging in mining operations, mineral processing and mineral trading in Tanzania to acquire mineral licenses or permits, failure to that, a person will be committed an offense pursuant to Section 6 and 18 of the Act. The committed offense is termed to be an economic offense under the Economic and Organized Crime Control Act, CAP 200 R.E 2019. Also, the Mining Act, Cap. 123 requires the mineral right holders to commence mining activities once granted with the licenses. Failure to comply with licensing conditions and the Mining Act, results in revocation and/or cancellation of licenses.

4.1.1 GRANTING OF MINERAL LICENCES

During the period under review, the Mining Commission issued a total of 7,968 mineral right licence to successful applicant as compared to 7,214 of a mineral right licence granted in the last financial year. Within this period of review the number of licenses granted include 10 Mining Licenses (ML), 151 Prospecting Licenses (PL), 5,120 Primary Mining Licenses (PML), 648 Dealer Licenses (DL), 1985 Broker Licenses, 53 Processing Licenses; and (1) Smelting Licenses (SL). This increase was equivalent to 10% of the licences granted due to awareness, seminars and training conducted.

A total of 259 applications for PLs and 11 for ML were processed to applications recommended, 72 offers for renewal PLs, 6 offers for renewal ML were issued to applicant, 240 offers for new application of PL, 6 for ML and 1 for SL was issued to applicant. Figure 2 provide more details on the trend mineral licensing granting over the past six years.

Figure 2: Number of Licences granted in five years



4.1.2 LICENCES REVOCATION

In ensuring the compliance of the Mining Act, Cap. 123, the Mining Commission has continued to review and validate mineral licenses. During the year under review, a total of 19 PLs and 4 ML were cancelled due to failure in rectification of observed flaws; 122 PLs and 7 MLs were issued with default notices, 957 applications of PL and 35 applications of ML were rejected due to failure in compliance of the Mining Act, Cap. 123. 83 PLs and 18 MLs were expired and 53 PLs were surrendered.



4.1.3 COMPLAINTS AND DISPUTES RESOLUTIONS

The Mining Commission is responsible for disputes resolutions for all conflict arose in the course of mining operations and trading. The main objective of undertaking disputes resolution is to curtail and eventually eliminate conflicts in the mining industry and by so doing ensure maximum benefits is earned from the Mineral Sector. During the period under review two (2) dispute meeting were conducted and resolved, one (1) at Mining Commission HQ and one (1) in Tanga which involved a field follow up

4.1.4 INFORMATION SYSTEMS DEVELOPMENT

The Mining Commission significantly improved ICT systems that allowed the public to access mining activities' information, consequently making the sector more transparent. During the financial year 2020/21, Testing and training usage of Building Materials and Industrial Mineral system were conducted to 156 Licence holders and 52 Staff in Dar es Salaam, Pwani, Mara, Morogoro and Dodoma region. The System transformed the usage of sales voucher books to Point of Sale machines (POS) on assisting Mineral Right Holder to records mineral sales.

The Mining Commission prepared detailed Business Requirements for Mineral Right System, after which Use Case analysis was done and detailed System Requirements Specifications (SRS) and System Design and Architecture (SDD) were prepared.

4.1.5 ICT SUPPORT AND MAINTENANCE

During the same period, the Commission performed preventive maintenance for ICT equipment to the following Resident Mines Offices: Iringa, Dar Es Salaam, Morogoro, Manyara, Arusha, Kilimanjaro, Katavi, Laboratory, Shinyanga, Geita, Mwanza, Kagera and Simiyu; The Commission Installed Local Area Networks (LANs) at Rukwa, Songwe, Chimwaga and Mirelani.

4.1.6 STAKEHOLDERS TRAINING.

The Mining Commission continued to provide education and training to miners and other stake-holders on their rights and obligations as per the Mining Act. It basically under-scores on developing their areas once licences granted and compliance with the provisions of the aforementioned law. This is one of the Mining Commission strategies to ensure license revocation is reduced at its minimum level. With its implementation, in the financial year 2020/21, Two (2) training and awareness on licensing issues, Mining Act and its regulations were conducted to 523 small scale miners at Kahama and Geita region and one (1) training on FlexiCadastre and Online Mining Transactional portal was conducted to Mining Commission staff in Morogoro region.

4.2 MINERAL AUDIT AND TRADE

Mineral audit and trade is a directorate under the Mining Commission responsible for supervision of all matters pertaining to Financial auditing, Local contents, corporate Social responsibility, mineral auditing, laboratory services and mineral trading.

Its main roles are To monitor and audit quality and quantity of minerals produced and sold by large, medium and small scale miners; to audit exploration cost, capital investment, revenue generated and operating expenditure of the mining entities; to analyse minerals samples, sort and assess values of minerals produced by large, medium and small scale miners; to counteract minerals smuggling, minerals royalty evasion, manage minerals trade and operations of all Minerals and Gem Houses; to audit local contents and Corporate Social Responsibility actual performance against the approved plans and to verify CSR compliance with regards to disclosure requirements

4.2.1 MINERAL PRODUCTION

Mining Commission strengthened auditing and monitoring of quantity and quality of produced and exported minerals by large, medium and small-scale miners which resulted into production of 55,603.75 Kg of gold; 7,357.78 Kg of Silver; 33,878,438.52 tons of building and Industrial materials; 744,923.46 tons of coal, 47,848.19 tons of Metallic minerals; 140,594.70 carats of cut and polished tanzanite, 8,934.12 Kg of rough tanzanite, 90,364.51 Kg of tanzanite beads, 50,013.98 carats of Diamonds and 8,043,227.82 Kg of other gemstones from Small, Medium and Large-Scale Mines.



4.1.5 ICT SUPPORT AND MAINTENANCE

The amount of minerals produced has contributed to the collection of TZS. 549,286,959,747.38 of which TZS 469,860,929,545.09 were from royalty and TZS 79,426,030,202.28 were from Clearance Inspection Fees (CIF). This amount is equivalent to 93.92 percent of the total revenue collected by the Mining Commission. Table No. 4 shows Minerals production and sales report for Financial Year 2020/2021.

Table 4: Minerals production and sales report for Financial Year 2020/2021

Mineral type	Unit Measure	Weight	Value (TZS)	Total Revenue (TZS)	Percentage
Gold (Large scale)	Kg	32,753.91	4,510,863,663,705.69	315,760,456,459.40	57.49%
Gold (Medium scale)	Kg	5,856.13	407,498,856,066.55	28,408,825,501.54	5.17%
Gold (Small scale)	Kg	16,993.70	2,103,968,531,460.24	144,321,906,294.31	26.27%
Copper Concentrate	Tonnes	11,635.94	223,910,221,241.60	15,657,897,104.90	2.85%
Silver (Ag)	Kg	7,357.78	13,789,699,135.72	965,278,939.50	0.18%
Tin	Kg	120,373.77	4,043,099,303.66	288,594,570.92	0.05%
Diamond	Carats	50,013.98	18,240,764,039.23	1,277,412,736.90	0.23%
Tanzanite (Cut and Polished)	Carats	140,594.70	28,419,399,036.35	572,784,614.79	0.10%
Tanzanite (Rough)	Kg	8,934.12	29,529,605,520.90	2,054,343,111.60	0.37%
Tanzanite (Breads)	Kg	90,364.51	2,019,749,372.06	138,150,831.74	0.03%
Graphite	Tonnes	366.93	374,384,705.21	14,975,477.08	0.00%
Coal	Tonnes	744,923.46	228,815,480,019.67	9,059,007,381.76	1.65%
Other Gemstones	Kg	8,043,227.82	30,647,985,032.60	1,706,417,337.23	0.31%
Other metallic minerals	Tonnes	47,727.81	18,960,136,719.83	1,237,403,428.75	0.23%
Other Industrial Minerals	Tonnes	10,650,551.49	222,408,371,382.68	8,733,189,418.60	1.59%
Building materials	Tonnes	23,235,319.93	346,156,170,272.63	13,502,222,298.83	2.46%
Samples	Kg	173.00	4,005,345.96	2,338,724.23	0.00%
Roy+CIF carry overs		-	-	5,585,755,515.31	1.02%
Total (TZS)			8,189,650,122,360.60	549,286,959,747.38	100.00%

Source: Mining Commission March, 2022

Furthermore, Mining Commission assisted on the collection of other Government taxable revenue of USD 193,750,742.23 from PAYEE, import duty, VAT, SDL and Withholding Tax. Table No. 5 shows other Government taxable revenue collected by the Government's institutions from mining activities.

Table 5: Other Government taxable revenue collected

Company Name	PAYE	SDL	WHT	VAT	Import Duty	Total
Bulyanhulu Gold Mine Ltd	6,691,727	1,054,396	2,792,530	26,661,879	885,193	38,967,973
Busolwa Mining Limited	94,258	22,625	3,069	147,724	-	276,285
Cata Mining Limited	1,520,000	309,000	26,200	3,700,000	114,500	5,726,900
Geita Gold Mine	17,051,677	2,720,922	27,405,336	50,907,918	519,453	101,592,201
North Mara Gold Ltd	6,834,462	1,089,419	3,435,844	31,487,619	1,307,932	45,846,096
Nyanza Mines Tanganyika Ltd	56,680	12,015	4,786	67,255	23,193	170,117
Nyanzaga Mining Company Ltd	146,716	24,252	61,530	-	-	232,498
Shanta Mining Company Ltd	3,134,088	673,003	1,057,923	-	682,945	5,900,398
Tanzos Minerals Ltd	15,042	563	9,112	-	-	24,716
Williamson Diamonds Limited	794,112	178,759	-	-	25,086	1,072,338
Grand Total (USD)						193,750,742.23

Source: Mining Commission March, 2022

For the period under review, different minerals of different quantities valued at TZS. 8,189,650,122,360.60 were produced and traded in the country. Gold remains the leading contributor in revenue collection of Mining Commission by contributing up to 88.93% of the total revenue followed by Copper concentrate by 2.85%, Building material by 2.46%, Industrial Minerals by 1.59%, Coal by 1.65, Tanzanite by 0.5%, Diamond by 0.23% and the remaining minerals by 2.01%.

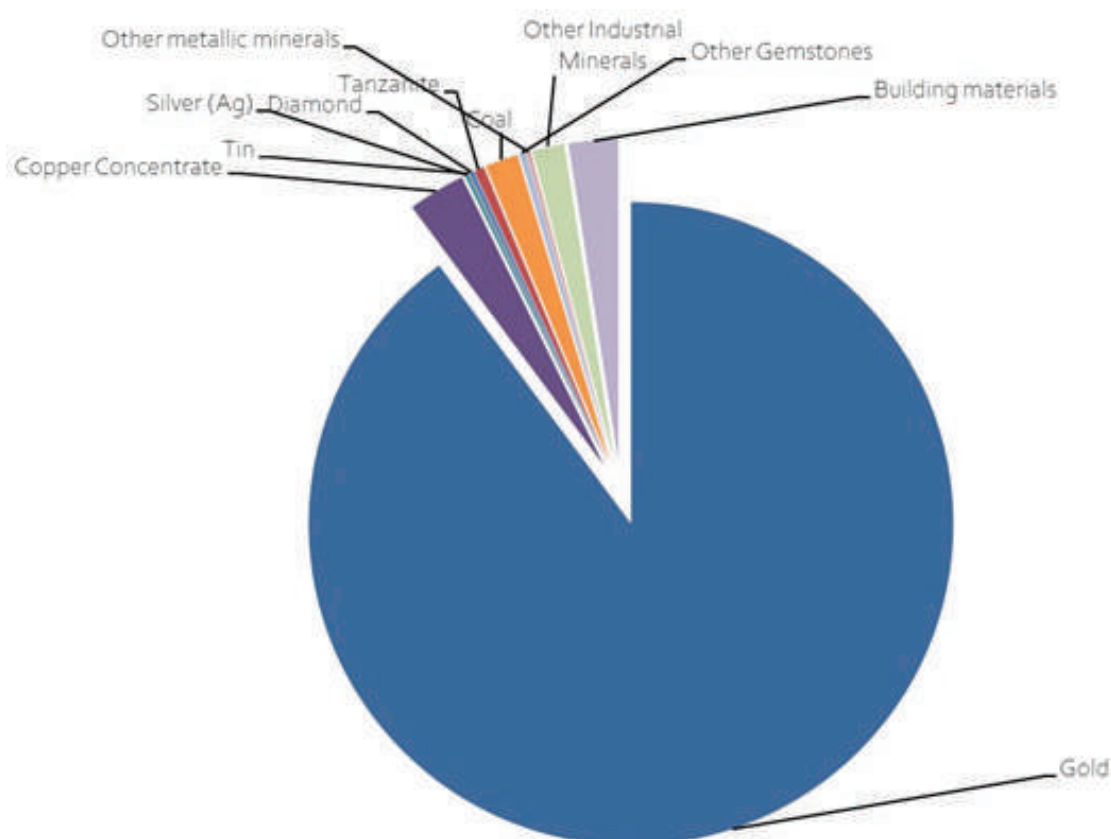


Figure 3: Revenue Contribution by Mineral type

4.2 MINERAL AUDIT AND TRADE

Gold deposits in Tanzania is mainly located along the Nyanzian greenstone belts and the Ubendian System in form of massive or disseminated Iron sulphure rich bodies in Banded iron formation or taffs and shear zones in mafic rocks and quarts reefs. It's estimated that about two-thirds of the Gold production in Tanzania is coming from the shear-zone-controlled mineralization and one-third from stratiformstratabound deposits. Currently, gold is mainly found in the Lake Victoria region (which hosts the Bulyanhulu, Geita, Buzwagi and North Mara Mines), the Lupa Gold Field (which hosts the Shanta Gold Mine in Songwe), Mpanda Mineral Field and the East Tanzania Gold region (Mkurumu and Magam-bazi areas in Handeni).

Gold is the major contributing mineral to the government revenues where by in 2020/21 alone gold contributed TZS 488,491,188,255.25 which was equivalent to 88.93 percent of all the revenues collected from Royalties and CIF. Out of the collected revenues, large and medium scale mines contributed about 70 percent while small scale mines contributed about 30 percent.

The major contributors of gold production in Tanzania were Geita Gold Mining Limited (GGM) which contributed 34% as a leading producer followed by small scale miners which contributed by 30% in total; North Mara Gold Mine (NMGM) by 19%; Bulyanhulu Gold Mine (BGM) by 6%; Buzwagi Gold Mine (BZGM) by 6%; Shanta Mining Company (SHNT) by 4%; and STAMIGOLD-Biharamulo Gold Mines (SBGM) by 1%. Figure No. 5 shows the contribution of mines in revenue collected.

In the year under review, Production of Gold increase from 53,529.41 kg in 2019/2020 to 55,603.75 kg which resulted into revenue increase of 19 percent from TZS 410,483,325,613.18 in 2019/2020 to 488,491,188,255.25. In comparison, total gold production increased by 23% from 42.05 tonnes in year 2018/2019 to 54.39 tonnes in the year 2019/2020 as shown on the production and revenue trend Table 6 and Figure 4. This increase was mainly due to rise of gold price on the world market as well as strengthened management of small-scale mineral trading process.

Table 6: Gold Production and revenue trend for the year 2020/2021

Financial Year	Weight (Kg)	Value (TZS)	Revenue (TZS)
2016/17	42,761.78	3,103,215,262,877.40	124,128,610,515.10
2017/18	39,939.33	3,336,882,559,631.19	233,581,779,174.18
2018/19	42,048.89	3,912,445,546,638.29	273,871,188,264.68
2019/20	53,529.41	5,864,047,508,759.70	410,483,325,613.18
2020/21	55,603.75	7,022,331,051,232.48	488,491,188,255.25
TOTAL	222,503.41	18,278,416,826,711.30	1,042,064,903,567.14

Source: Mining Commission March, 2022



Figure 4: Gold Production and revenue trend for 2020/2021

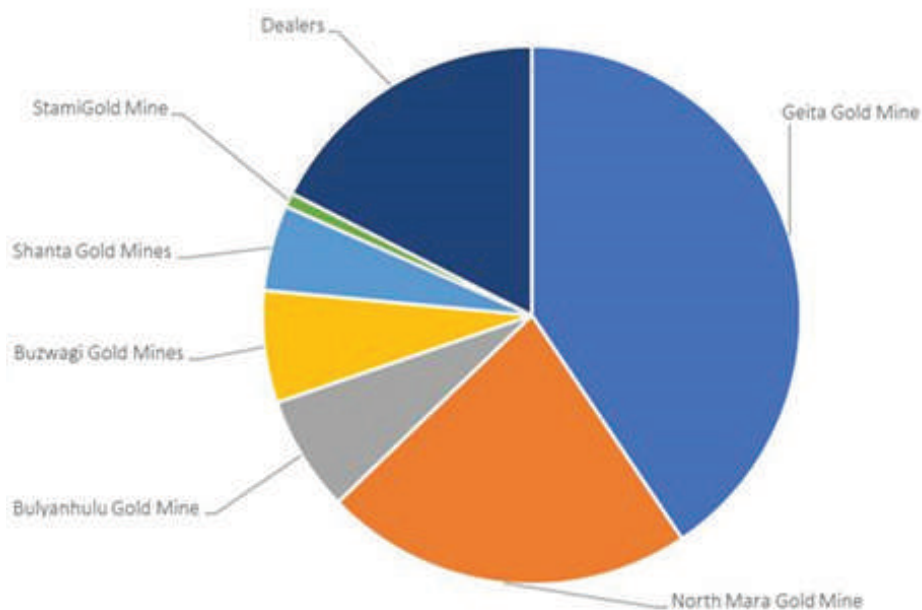


Figure 5: Contribution of Gold mines in revenue collected through Gold sales in 2020/2021

4.2.3 DIAMONDS PRODUCTION AND SALES

For the year 2020/2021, a total of 50,013.98 Carats of Diamond valued at TZS.18, 240,764,039.23 were produced by large scale mine and small-scale miners who are mainly found in the area around Mwadui Kimberlite pipe in Shinyanga Region. A total of 30,340.88 carats valued at TZS.10, 534,165,141 were produced by WDL and 19,673.10 carats valued at TZS. 7,706,598,898.23 were produced by small scale miners. 2020/2021 production was only

16.29% of the year 2019/2020 production due to stoppage of operations by Williamson Diamonds Limited (WDL) mine from August 2020 until the years ends which is the major contributor of Diamonds production. Table 7 presents the trend of diamond production and sales for the past five years

Table 7: Trend of Diamond Production and Sales for the Past five Years

Financial Year	Weight (Carat)	Value (TZS)	Revenue (TZS)
2016/17	249,911.05	137,270,798,016.00	6,863,539,900.80
2017/18	335,394.11	228,059,010,605.94	15,964,130,742.42
2018/19	415,106.08	209,137,605,802.77	14,639,632,406.19
2019/20	307,039.69	126,164,335,682.19	8,831,503,497.75
2020/21	50,013.98	18,240,764,039.23	1,277,412,736.90
TOTAL (TZS)	1,819,158.44	1,024,163,965,464.13	47,576,219,284.06

Source: Mining Commission March, 2022

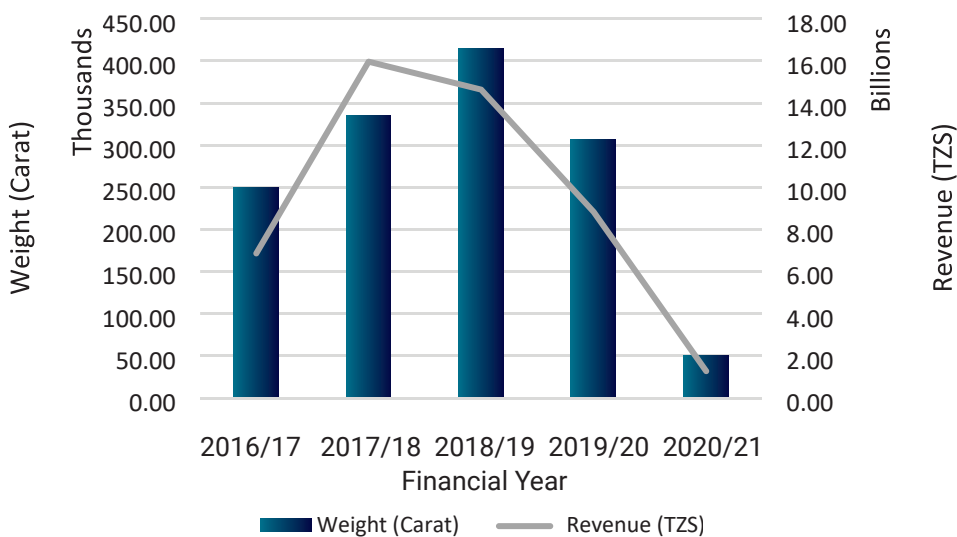


Figure 6: Diamond production and revenues

4.2.4 TANZANITE PRODUCTION AND SALES

In regards to its specialty and uniqueness, Tanzanite is still the center of attention from the Government to make sure its uniqueness is reserved and honored. Supervision of this mineral has been conducted by the Mining Commission in collaboration with other government stakeholders. Following this supervision, production was more than double from last years' production by producing 4,845.43 kg at TZS.12,606,962,134.21 which is equivalent to 221.05 percent of last year's production of 2,191.97 kgs at TZS.29,890,626,501.55. Total value of the mineral produced and sold was less than last year's (2019/20) by 57.82 percent. This drop was mainly affected by presence of COVID-19 pandemic outbreak because gemstone business is done mostly through auctions which were banned due to the pandemic. Table 8 and Figure 7 illustrate the trend of rough tanzanite production and Sales from 2016/2017 to 2020/2021.

Table 8: The trend of Rough Tanzanite Production and sales

Financial Year	Weight (Kg)	Value (TZS)	Revenue (TZS)
2016/2017	156.15	2,379,560,130.00	118,978,006.50
2017/2018	464.45	11,921,134,922.79	834,479,444.60
2018/2019	1,964.75	27,548,410,922.34	1,928,388,764.56
2019/2020	2,191.97	29,890,626,501.55	1,737,115,246.80
2020/2021	4,845.43	12,606,962,134.21	882,487,353.45
TOTAL (TZS)	11,800.77	180,553,867,511.61	5,501,448,815.91

Source: Mining Commission March, 2022

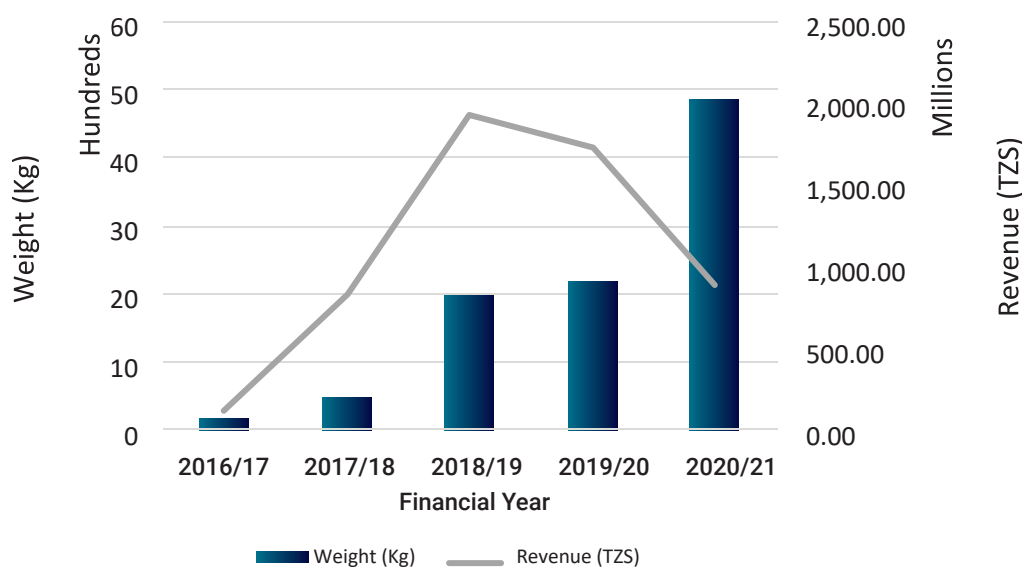


Figure 7: Tanzanite production and Revenue trends

4.2.5 OTHER GEMSTONES PRODUCTION AND SALES

Tanzania is rich of more than hundreds of varieties of gemstones like ruby, spinel, garnet, tourmaline, sapphire, moonstones, agate, alexandrite, sun-stones etc. These minerals have different localities throughout the country but mostly found in Morogoro, Tanga, Manyara, Arusha, Ruvuma and Lindi Regions.

For the year under review, a total of 8,043,227.82 Kgs of Gemstones apart from Diamond and Tanzanite valued at TZS. 36,110,133,259.30 were produced and sold at different mineral markets. The weight of these minerals increased by 245.08 percent however revenue collected from the same quantity decreased by 46.73 percent due to drop of mineral's value from last years' 2019/2020. The decrease of mineral value was due to COVID-19 pandemic outbreak.

Table 9 and **Figures 8** shows the gemstones production trend from the year 2016/2017 to 2020/2021.

Table 9: Other Gemstones production and sales

Financial Year	Weight (Kg)	Value (TZS)	Revenue (TZS)
2016/2017	1,589,732.59	74,962,321,927.47	3,748,116,096.37
2017/2018	476,884.08	55,139,698,496.77	3,859,778,894.77
2018/2019	1,251,159.11	28,169,058,002.87	1,971,834,060.20
2019/2020	2,330,799.87	53,661,488,154.41	3,813,373,840.18
2020/2021	8,043,227.82	36,110,133,259.30	2,031,333,291.72
TOTAL (TZS)	16,056,020.31	322,328,853,371.67	15,424,436,183.25

Source: Mining Commission March, 2022



Figure 8: Production and Revenue trends

4.2.6 COAL PRODUCTION AND SALES

The Mining Commission has continued to manage production of coal in Mbeya, Ruvuma, Rukwa and Songwe Regions as an effort to make coal a paramount source of industrial energy in Tanzania. During the year under review, a total of 744,923.5 tonnes of coal valued at TZS. 228,815,480,019.7 were produced and sold. This production marked 17.20 percent increase relative to previous year 2019/20 production of 635,609.5 tonnes valued at TZS 148,202,388,677.35. The increase in quantity and value of coal for the year 2020/21 was due availability of new market opportunities in Uganda, Kenya, D.R. of Kongo, Burundi, China and Rwanda where by coal exports increase by 221 percent from 681 total coal exports in

2,188 in 2020/2021. Table 10 and Figure 9 shows the trend of coal production from the year 2016/2017 to 2020/2021.

Financial Year	Weight (Tonnes)	Value (TZS)	Revenue (TZS)
2016/17	419,541.5	37,598,019,450.90	1,127,940,583.53
2017/18	595,352.0	59,932,264,626.82	2,397,290,585.07
2018/19	799,628.4	102,922,127,876.61	4,116,885,115.06
2019/20	635,609.5	148,202,388,677.35	5,928,095,547.09
2020/21	744,923.5	228,815,480,019.7	9,059,007,381.76
Total (TZS)	3,713,454.8	616,010,915,220.8	23,785,438,249.6

Source: Mining Commission March,2022



Figure 9: Trends of Coal Production and Revenues

4.2.7 BUILDING AND INDUSTRIAL MINERALS

In the year under review, Mining Commission continued to manage the production of building and industrial minerals which are available in all Regions across the country. A total of 22,975,201.93 tonnes of building materials valued at TZS. 342,301,995,042 and 10,759,412.93 tonnes of industrial minerals valued TZS. 225,855,755,866.75 were produced and sold from different production sources in Tanzania. Production of Building and Industrial Minerals dropped by 6.29 percent from 35,999,076.65 tonnes to 2019/2020 to 33,734,614.86 tonnes. This drop was mainly due to prolonged heavy rainfall in the Country.

Furthermore, in strengthening revenue collection process the Mining commission hired on contract 60 Assistant Mineral Auditors; Construction of Mineral Information Management System (MiMS) with building materials module which will use POS machines to generate electronic receipts. Table 11 and Figure 10 show the trend of Building material and Industrial material production from the year 2016/2017 to 2020/2021.

Table 11: Building and Industrial production and sales report

Financial Year	Weight (Tonnes)	Value (TZS)	Revenue (TZS)
2016/17	22,724,085.23	1,180,173,983,517.13	35,416,998,116.63
2017/18	6,171,419.54	144,571,367,872.34	5,864,167,297.16
2018/19	23,764,957.71	480,358,307,728.43	18,928,496,962.85
2019/20	35,999,076.65	522,334,949,047.94	20,830,281,737.99
2020/21	33,734,614.86	568,157,750,909.38	22,211,970,021.91
TOTAL	122,394,153.99	2,895,596,359,075.22	103,251,914,136.54

Source: Mining Commission March,2022



Figure 10: Production and Revenue Trends

4.2.8 MINERALS EXPORT

In supervision of the minerals export, export permits, certificate of origin and Kimberley Process Certificates were issued. The permits were issued after the valuation process was done to determine the actual quantity and value of minerals. This made sure all the Government revenues were collected prior to exportation and for the statistics purposes. Value of a mineral determined through sorting and valuation and was done by mineral valuers through different ways. That is, XRF for metallics and Indicative prices through researches and involvement of all key stakeholders for gemstone, industrial and building materials.

In the year under review, a total of 4,344 permits for the minerals valued at USD 411,721,810,130.77 were issued to licencees who requested to export the minerals. Gold is more exported than other minerals in 2020/2021, a total of 1113 permits were granted followed by Coal and gemstones whereby a total of 1648 permits and 1033 permits were issued respectively. Table 12 indicates the minerals exported, its values and total permits issued for the financial year 2020/2021.

Table 12: Mineral exported for Financial year 2020/2021

Total Exports Financial year 2020/2021				Total No. of
Mineral Type	Unit Measure	Weight	Value (USD)	Permits
Gold	Kg	63,364.60	2,976,435,180.60	1113
Silver	Kg	391.3	779,905,173.70	1
Diamond	Cts	49,730.30	25,697,644,752.20	69
Bauxite	Tons	40,500.00	1,895,803,460.00	19
Mica	Tons	1,698.80	2,421,083,320.00	10
Aggregates	Tons	13,150.00	370,965,000.00	10
Siltstones	Tons	28	12,266,862.80	1
Salt	Tons	12,713.80	3,995,662,832.10	60
Lime	Tons	869.9	209,466,500.00	28
Limestone	Tons	147,680.50	3,728,447,436.00	106
Coal	Tons	267,411.20	20,059,489,703.30	1648
Ilmenite sand	Tons	8,130.20	9,772,369,491.00	9
Gypsum	Tons	8,680.00	2,079,978,536.90	39
Graphite	Tons	382.6	371,895,649.30	6
Tin concentrates	Kg	116,238.30	4,232,358,047.50	37
Tin ignots	Kg	924	59,727,622.00	1
Copper concentrates	Tons	13,121.00	235,677,773,078.70	33
Copper blisters	Tons	52	15,899,796,165.60	2
Coarse Iodated Salt	Tons	5,906.50	573,815,000.00	38
Zircon Sand	Tons	2,291.50	7,442,513,330.00	5
Marble blocks	Tons	104.3	192,764,833.10	3
Phosphate	Tons	20,256.00	8,670,379,745.90	38
Industrial quartz	Tons	226.6	523,288.20	1
Tanga stones	Tons	612	24,890,000.00	13
Granite blocks	Tons	1,884.40	652,927,548.80	4
Iron Ore	Tons	1,374.00	834,473,861.20	3
Lead ore	Tons	25	69,966,640.30	1
Manganese ore	Tons	154	94,966,478.60	2
Copper ore	Tons	232	951,679,192.50	3
Nickel Ore	Tons	513	577,908,757.60	1
Industrial feldspar	Tons	1,360.00	94,212,420.00	3
Terazo	Tons	73.5	3,712,500.00	2
Dolomite	Tons	4	80,000.00	1
Crushed dust	Tons	300	1,599,900.00	1
Gemstones rough	Kg	2,845,119.70	61,294,327,823.10	1033
Gemstones cut	Cts	196,575.30	-	
Total (TZS)			411,721,810,130.77	4,344
Av exchange rate (TZS/USD)		2,298.21		

Source: Mining Commission March, 2022

4.2.9 MINERAL AND GEM HOUSES (MINERAL MARKETS)

The Mining Commission continued to improve services in its established Mineral and Gems Houses through supplying of various working facilities including XRF Machines, weighting scales, Lap tops and gemstones kits. The other initiative, included continuation of establishment of new Mineral markets and Buying Centers making a total of 40 and 59 respectively as of 30th June, 2020. There was also an online Minerals Markets Management Information System which was established under the support of the Ministry of Minerals which has enhanced availability of daily mineral data sold in the mineral markets.

Through the established Mineral Markets and Buying centers, the Mining Commission in collaboration with other Government institutions was able to collect a total of TZS.145,229,644,153.83 from payment of TZS. 124,282,056,739.35 as royalty and TZS TZS. 20,947,587,414.48 as Clearance and inspection fee. The aforementioned revenues were resulting from selling of gold weighing 16,789.34 Kg at a value of TZS 2,023,305,115,715.34; rough diamonds weighing 13,874.50 carats at a value of 3,565,503,815.81; rough gemstones weighing 1,864,503.90 Kg & cut gemstones weighing 29,977.84 carats at a value of TZS 18,675,011,578.54; rough tanzanite weighing 223,643.14 Kg & cut tanzanite weighing 137,766.52 carats at a value of TZS 46,292,286,333.38 and tin weighing 120,373.77 Kg valued TZS 4,122,779,576.33 as shown in Table 13.



Table 13: Performance of mineral markets from July, 2020 – June, 2021

Market Name	Mineral Type	Unit	Weight	Value (TZS)	Revenue (TZS)
Geita	Gold	Gram	5,017,184.81	612,284,808,116.10	42,856,936,568.41
Mwanza	Gold	Gram	565,104.19	69,162,875,207.16	4,841,401,481.40
Mwanza	Diamond	Carat	40.20	14,200,000.08	994,000.01
Chunya	Gold	Gram	2,883,710.53	348,965,448,623.18	24,424,581,401.67
Songwe	Gold	Gram	780,688.49	94,517,335,438.84	6,616,213,481.00
Mara	Gold	Gram	1,771,083.52	209,190,982,477.88	14,643,368,773.45
Katavi	Gold	Gram	379,430.22	43,478,664,161.75	3,043,506,490.94
Shinyanga	Gold	Gram	812,792.75	97,445,463,656.83	6,821,182,455.89
Shinyanga	Diamond	Carat	13,834.30	3,551,303,815.73	248,254,667.04
Kahama	Gold	Gram	2,343,410.57	281,518,308,182.42	19,706,281,571.63
Lindi	Gemstone	Gram	229,620.37	2,364,097,036.27	162,036,084.81
Lindi	Gold	Gram	137,353.71	17,342,005,113.05	1,205,461,955.52
Ruvuma	Gold	Gram	60,620.19	7,539,949,181.87	525,139,447.88
Tunduru	Gemstone	Gram	28,162,393.54	1,206,818,298.61	84,555,160.90
Morogoro	Gold	Gram	42,871.97	5,546,333,870.62	388,243,377.34
Morogoro	Gemstone	Gram	279,018,279.84	1,070,768,734.75	73,719,598.71
Iringa	Gold	Gram	45,973.32	5,440,664,522.22	380,846,516.12
Tanga	Gold	Gram	8,198.10	1,121,957,786.85	78,537,045.08
Tanga	Gemstone	Gram	13,529,212.21	344,017,062.63	24,014,122.77
Handeni	Gold	Gram	30,876.82	3,872,723,175.33	271,090,619.27
Handeni	Gemstone	Gram	1,080,000.00	4,987,656.00	349,135.92
Kilindi	Gold	Gram	7,126.73	883,344,710.39	61,834,129.72
Kilindi	Gemstone	Gram	9,000,000.00	20,872,980.00	1,461,108.60
Shelui	Gold	Gram	272,924.49	31,242,780,501.39	2,186,994,634.29
Singida	Gold	Gram	276,814.31	33,391,524,301.00	2,337,406,701.07
Dodoma	Gold	Gram	101,605.62	12,282,648,899.78	859,767,775.31
Mbulu	Gold	Gram	11,956.38	1,560,175,828.68	109,212,307.90
Hanan'g	Gold	Gram	1,670.09	204,802,289.32	14,336,160.25
Babati	Gold	Gram	2,892.24	375,878,219.18	26,311,475.33
Kiteto	Gold	Gram	587.17	80,601,721.64	5,642,190.58
Tabora	Gold	Gram	537,624.91	61,791,591,083.49	4,325,411,375.87
Biharamuro	Gold	Gram	31,581.21	4,012,548,864.93	279,580,865.89
Kyerwa	Tin	Kilogram	120,373.77	4,122,779,576.33	288,594,570.92
Dar es Salaam	Gold	Gram	62,540.60	8,051,214,355.92	562,028,984.08

Market Name	Mineral Type	Unit	Weight	Value (TZS)	Revenue (TZS)
Dar es Salaam	Gemstone cut	Carat	1,352.60	382,680,946.20	7,615,956.44
Dar es Salaam	Gemstone	Gram	3,073,971.97	229,571,119.17	15,953,542.63
Dar es Salaam	Tanzanite cut	Carat	3,337.32	1,035,393,084.75	20,707,861.15
Dar es Salaam	Tanzanite	Gram	243.91	929,752.72	65,082.69
Arusha	Gold	Gram	19,268.82	2,252,345,444.71	155,746,114.81
Arusha	Tanzanite cut	Carat	134,429.20	26,225,238,412.49	532,192,340.34
Arusha	Tanzanite	Gram	223,608,610.53	18,483,343,585.71	1,292,664,788.56
Arusha	Gemstone cut	Carat	28,625.24	1,367,730,920.86	27,349,389.55
Arusha	Gemstone	Gram	1,530,183,467.94	8,995,492,840.58	616,079,425.72
Mahenge	Gemstone	Gram	220,958.65	2,687,281,013.47	188,109,670.93
Kakonko	Gold	Gram	15,392.26	1,928,973,732.72	132,156,895.55
Mbeya	Gold	Gram	12,490.49	1,472,677,269.24	103,087,408.91
Mtwara	Gold	Gram	4,516.50	582,339,268.51	40,763,748.80
Mtwara	Gemstone	Gram	6,000.00	692,970.00	48,507.90
Njombe	Gold	Gram	9,383.00	1,194,133,570.10	83,589,349.67
Mirerani	Tanzanite	Gram	34,287.09	547,381,497.70	38,316,704.79
Simiyu	Gold	Gram	541,665.97	64,570,016,140.23	4,519,901,129.84
Total				2,095,960,697,019.40	145,229,644,153.83

Source: Mining Commission March,2022

4.2.10 COMBATING MINERALS SMUGGLING AND ILLEGAL TRADING

In the year 2020/2021, the Mining Commission in collaboration with other Government Authorities efficiently continued to fight against smuggling and illegal trading of minerals. The initiatives rescued minerals worth TZS 5.31 billion from 87 minerals smuggling incidents occurred in the Regions of Mirerani, Chunya, Tabora, Kilimanjaro, Shinyanga, Dodoma, Morogoro, Mwanza, Kyerwa-Kagera, Singida, Manyara and Iringa. Legal actions were taken against those who committed offences and minerals were confiscated to the Government. Table 14 shows mineral and its value that were rescued.



Table 14: Mineral rescued from illegal trading and smuggling

Mineral Type	Weight		Mineral Value
	Grams	Tonnes	TZS
Gold	43,920.28	-	5,280,708,822.43
Other metallic minerals	13,060.00	-	240,069.42
Copper concentrates	306.80		5,780,340.92
Sand	-	72.80	863,333.33
Tanzanite	38,720.75	-	8,985,687.37
Rough Gemstones	1,319,804.07	-	6,399,708.91
Total (TZS)			5,302,977,962.38

Source: Mining Commission March, 2022

4.3 MINING COMMISSION MINERAL AUDIT AND LABORATORY SERVICES

Due to the fast growing of Mining sector, the Mining Commission has been providing laboratory analysis services to its stakeholders through its Mineral Audit and laboratory services located at TIRDO complex building - Msasani, Dar es Salaam. The core function of the Mineral Audit and laboratory services is to conduct analysis of different minerals to facilitate stakeholders on decision making during production, trading and export of minerals and the government reaps the required revenue from mineral trade and export. The Mineral Audit and laboratory services align with ISO 17025 to ensure international standards are adhered.

The Mining Commission Mineral Audit and laboratory services has competent and experienced personnel who have been trained and acquired the desired skills. The

The laboratory is equipped with variety of analytical equipment to facilitate the analysis of minerals occurred and traded in the country.

4.3.1 SERVICES OFFERED BY MINING COMMISSION LABORATORY

In ensuring growth in Mining sector, The Mining Commission mineral audit and laboratory services offers the following services: Sampling, Sample preparation (crushing, pulverization, Splitting and Sieving), Drying and moisture determinations, Determination of gold and silver contents in bullion, geological/exploration, soil and concentrate samples using fire assay with either gravimetric, XRF or AAS finish, Determination of base metals in bullion, geological/exploration, soil and concentrate samples by acid digestion with AAS finish, XRF determination of elements of the periodic table in metallic samples, including gold, copper, iron, nickel, zinc, tin, chromium, lead and various compound e.g.

Coltan, Gold Quick Acid Test, Rock and mineral identification, Jewelry verification for gold (Carat value) and Graphite analysis and Determination of loss on ignition.

In the process of implementing its strategy of expansion and additional services to meet customer's requirement, Mineral Audit and laboratory services procured New equipments such as sieve shaker, XRF machines, bomb calorimeter, integrated XRF machine, water distiller, CNSH analyzer, disc pulverizer and sample splitter and stirrer to provide addition services of Smelting, Determination of rare earth elements, to its stakeholders, Coal and coke samples analysis, Water analysis, Production of distilled water, Gemological laboratory services, Grade control samples analysis and Flake size in graphite samples



Laboratory technicians in operations

4.3.2 MINERAL SAMPLE ANALYSIS

In financial year 2020/2021 the Mineral Audit and laboratory services received and analyzed 1201 bullion samples from Geita, New Luika and Buzwagi gold mines. Also, Mineral Audit and laboratory services received and analyzed 934 samples from individual customers and 258 copper concentrate samples from Bulyanhulu Gold

Mine and Katavi Mining Company limited collecting a total amount of TZS. 62,608,000 as revenue from individual customers.

4.3.3 ROYALTY RECONCILIATION

In financial year 2020/2021 the Mineral Audit and laboratory services implemented royalty reconciliation for Geita, North Mara, Bulyanhulu, Buzwagi and New Luika gold mines. after royalty reconciliation, North Mara gold mine (NMGM) paid USD 406,677.63 to the government which was underpayment of royalty and inspection fee.

4.4 FINANCIAL AND TAX REVIEWS

One of the functions of the mining commission is to make sure the correct amount of taxes is paid by all companies which are involved in the mining industry as per Section 22 of the Mining Act, Cap. 123 which specifically emphasizes on the auditing of capital expenditures and operational costs of the Mines Companies. To ensure compliance, the mining commission conducted Financial Audit and Tax review programs to different Mining companies including Medium and Large-scale Mines in the country. In implementing the aforesaid role, Financial and tax records audit and comprehensive tax analysis for twenty-seven (27) mining companies were conducted to ascertain compliance with the Mining laws, Tax laws and other laws. The following issues were observed to some of the audited mining companies: unpaid annual rent, Unpaid/ underpayment of Royalty and Inspection Fees and Unpaid/underpayment Service

Levies. Through the tax and financial audit conducted a total of TZS. 6,058,271,431 was found not paid and Fourteen (14) out of the twenty-seven (27) audited companies agreed to pay.

Table 15: Financial and Tax Reviews

SN.	Audited Companies	Annual Mineral Rent	Royalty and CIF	Service Levies	Total	Comments
1	Dangote Cement Limited Tanzania (Mtwara)		148,615,205		148,615,205	Agreed to Pay
2	Beijing Construction Engineering Group Co. Ltd (Mtwara)		100,669,337	15,201,145	115,870,482	Agreed to Pay
3	Dott Services Limited (Mtwara)		401,121,338	109,073,815	510,195,153	Agreed to Pay
4	Market Insight Limited (Ruvuma)	66,523,600	236,238,200	5,046,901	307,808,701	Agreed to Pay
5	Mundarara Ruby Mines (Manyara)		76,266,180	10,416,057	86,682,237	Waiting for feedback from audited company
6	China Henan International Corporation Group Co. Ltd (CHICO (Tabora)		415,583,924		415,583,924	Agreed to Pay
7	Jiangxi Geo-Engineering (Group) Corporation (JGC (Tabora)		358,828,322	87,819,751	446,648,073	Agreed to Pay
8	M/S Salum Motor Transport Co. Ltd (Tabora)		105,921,335	26,980,313	132,901,648	Agreed to Pay
9	CHICO (Njombe)		713,131,278	185,935,042	899,066,320	Agreed to Pay
10	Cheon Kwan Engineering and Construction Co. Ltd (Njombe)		284,640,593	95,585,498	380,226,091	Agreed to Pay
11	China Railway Seventh Group Co. Ltd (Njombe)		370,844,704	156,647,959	527,492,663	Agreed to Pay
12	Hanil-Jiangsu Joint Venture Limited		989,875,661	391,804,028	1,381,679,689	Agreed to Pay
13	China Wu Yi Co. Ltd (Arusha)		304,036,968	90,467,172	394,504,140	Agreed to Pay
14	Neelkanth Salt Ltd		22,879,285		22,879,285	Agreed to Pay
Total (TZS)		66,523,600	4,816,770,150	1,174,977,681	6,058,271,431	

Source: Mining Commission March,2022

4.5 LOCAL CONTENT AND CORPORATE SOCIAL RESPONSIBILITIES

Mining Commission stimulates capabilities development of the Tanzanians involved in mineral operations by increasing participation of the local stakeholders/nationals in the entire mineral sector. In addition, has continued to provide guidance to local government authorities in preparation of proper and responsible CSR projects with mining companies as well as auditable once with standardized ethical behavior for its competitors and stakeholders.

4.5.1 LOCAL CONTENT

Mineral sector Local Content (LC) means the considerable fuse and/or participation of the local stakeholders/nationals in the entire mineral sector business opportunities. It involves deliberate utilization of Tanzanians' resources such as locally produced materials, personnel, finance, goods and services rendered in the mineral value chain and can be measured in monetary terms. Therefore, the Local Content aims at stimulating capabilities development of the Tanzanians involved in mineral operations. The later has been empowered by the amendment of the Mining Act, 2010 through the written laws (Miscellaneous Amendment) Act, 2017 brought in a new mining, local content and natural resources regime in Mainland Tanzania. Subsequently, according to the Regulations 6 of the Mining Local Content Regulations there is legally established Local Content Committee for intervention purposes to ensure adherence in execution of the local content itself in the mining industry.

It also oversees the implementation of the local content regulations and ensuring measurable and continuous growth in LC in all mining activities. Other roles include

making appropriate recommendations to the Mining Commission for proper LC plans guidelines preparation, undertake public education, setting minimum standard requirements, coordination, monitoring and auditing as well as reporting. In this case, it is mandatory that any entity be it contractors, subcontractors, licensee provided carries out mining activities shall when making application, prepare and submit a local content plan for approval by the Commission. The Local Content Committee is entitled by the law to check LCPs validity and evaluate them if whether complying with the guidelines before approval by the Commission.

During the year 2019/2020, 343 Local Contents Plans of which six (6) were for special mining licensees, sixteen (16) for medium scale mining, eight (8) for primary mining licensees, ten (10) for prospecting licensees, one (1) for processing licensees and 301 were for service providers were submitted to the committee for approval. 337 out of the submitted plans qualified with the set standards and approved by the Mining Commission. Also, the Mining commission Reviewed 673 Local Content procurement notifications for mineral right holders and contractors.

These procurement notifications are 267 notifications for Expression of Interest (EOI), 158 notifications for Request for Proposal (RFP) and 248 notifications for award of Contracts.

4.5.2 CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Corporate Social Responsibilities (CSR) is a self-regulating business model that helps a company be accountable to its stakeholders and the public in general especially on economic, social and environmental aspects while boosting their brands. As important as CSR is for the community, it is equally valuable for the company since its activities can help forge a stronger bond between employees and corporation by boosting their morale. Following the above concept, the MC has continued to provide guidance to local government authorities in preparation of proper and responsible CSR projects with mining companies as well as auditable once with standardized ethical behavior for its competitors and stakeholders.

Furthermore, it is now a requirement of the Mining Commission laws and regulations that there must be CSR plans prepared by the mining company in collaboration with local authorities for any company carrying out mineral operations in the country as per Section 105 of the Mining Act, 2010 through the written laws (Miscellaneous Amendment) Act, 2017. More important, the identified CSR projects must reflect the priorities of the local authorities identified by themselves.

5.0 SUSTAINABILITY OF MINING INDUSTRY IMPROVED

One of the major functions of the Mining Commission, is to ensure mining operations are conducted by considering compliances of laws and regulations in order to make the industry sustainable and environmental considerate for the survival of present and future generations. Thus, during the year 2020/2021, the Mining Commission conducted inspections and investigations on safety and health issues; monitoring and audit environment management; assess budget and expenditure for progressive rehabilitation of mine closure; conducted inspections on explosives; and examination, monitoring of performance reports including feasibility reports, mining programs, mine plans, and other reports submitted by mining companies.

5.1 MINES AND ENVIRONMENT INSPECTIONS

The Mining Commission conducted Mines and Environment inspection of large, medium and small-scale mines throughout the country mainly to ensure Mining and mineral processing activities are carried out in compliance with legal requirements on occupational health, safety and environment management. Inspections were conducted purposely to ensure that; Mines accidents are reduced; working environment at the mine sites are improved; and Mines workers' health & safety are protected.

The inspections were conducted as per the requirements of the Mining Act, CAP 123; Environmental Management Act, 2004 and its Regulations. For the Financial Year 2020/2021, 11 large scale mines, 110 medium scale mines and 6012 small scale mines were inspected. The number of inspected mines has been increasing yearly and positively increase number of compliances of the mining activities which resulted to the increase in Government revenues tapped from the Mining Sector. Table 16 provide details on the trend of mines inspected from 2018/2019 to 2020/2021.

Table 16: Number of Mines planned to be inspected and those inspected

Financial Year	Large Mines (SML)		Medium Mines (ML)		Small Mines (PML)	
	Planned	Inspected	Planned	Inspected	Planned	Inspected
2018/2019	15	7	200	104	3000	2,672
2019/2020	15	12	200	120	3000	4,787
2020/2021	15	11	200	110	3000	6,012

Source: Mining Commission, March, 2022

The inspection mainly focused on the following areas;

5.1.1 VAT-LEACHING, ELUTION PLANTS, CIPS AND CILS

Extraction of gold undergoes various processes and has different approaches depending on the scale of the Mining. Tanzania as one of the endowed countries for minerals, gold is one of the highly extracted minerals. The major methods used to extract gold are vat-leaching, elution plants, CIPs and CILs. Whereby Large and few Medium scale mining commonly use CIPs and CILs. While Small Scale Mining use vat leaching for extractions of gold.

In ensuring mineral extraction operations are carried out safely, during the Financial Year 2021/2022 inspections were conducted in vat-leaching, elution plants, CIPs and CILs in order to assess the compliance of environmental issues for the mining activities. During the exercise, the Mining Commission inspected a total of 513 vatleaching, 104 elution plants, 6 CIPs and 3 CILs in various Residents Mines Offices. Whereby during the exercise, the extension services were provided to various stakeholders concerning safety on health and environmental issues surrounded their processing areas.

5.1.2 TAILINGS STORAGE FACILITIES (TSF)

In ensuring best practice on TSF management, the Mining Commission is responsible for overseeing safe construction and operation of the Tailings Storage Facilities (TSFs) pursuant to the Mining (Safety, Occupational Health and Environment Protection) Regulations of 2010. In so doing, Mining Commission conducts inspection before issuing permits to construct and operate TSF, and is responsible for frequently monitoring of operating TSFs for quality assurance and good practice.

During the year under review, Mining Commission inspected a total of 26 TSFs in Kahama, Dodoma, Kagera, Chunya, Geita, Shinyanga and Tabora. Among the mines inspected were ZEM Development (T) Company Ltd; MMG Mining Company; Busolwa Gold Mine; and Grand Vezir Holdings. The inspections aimed at verification of information provided in order to approve permits that leads to either construct or to operate.

5.1.3 REVIEWS AND APPROVALS OF MINES CLOSURE PLANS

In order to ensure mining operations, grease the contribution to the national economy, National Mine Closure Committee meetings were held with Williamson Diamond Limited (WDL), Buzwagi and North Mara Gold Mine. Where the Mine Planting Plan (MCP) report submitted for review and approval presented insufficient information on pit closure, hydrological and

geological studies were incomplete and lacked closure options on pit closure. Following review of the submitted MCPs, the NMCC gave directives for amendment of the same hence no approval of MCP was made.

5.1.4 MINING ACCIDENTS

The Mining Commission continued to emphasize on safety practices in mining operations so as to minimize the occurrence of accidents in mining areas. Despite the emphasis on the particular manner, mines accidents have been reported in various mining areas. Major causes are due to force majeure such as weather, landslides. Mainly accidents and fatalities reported were from the metallic and gemstone mines.

5.2 EXPLOSIVE INSPECTIONS

An explosive is among the commodities used in various mining operations. In ensuring this product is used correctly and safely it is the responsibility of the Mining Commission to oversee the storage as well as its use. All these duties are stipulated in the Mining Act, CAP 123 and Explosive Act, 1963 and its regulations.

Mining Commission conducted inspection on explosive stores, magazines and storage boxes throughout the country, mainly to ensure Explosives are stored in a safe manner, explosives are used for the intended purposes and responsible personnel have all the required documents and skills for blasting explosives. During the Financial Year under review the Mining Commission inspected the total of 115 explosives Magazines, 109 explosives storage boxes, and 106 Explosives stores.

5.3 CHALLENGES OF MINES AND ENVIRONMENTAL INSPECTIONS

Mining Commission noted some shortfalls during inspections and the proposed mitigations measures taken as detailed on the Table 17.

Shortfall	Mitigations Measures
Improper design of mining shafts/pits	To ensure that inspections is done regularly especially to small scale miners and advise them to correct the mining shafts/pits design before proceeding with operations.
Inadequate supply and use of personal protective gears (PPE) and lack of enforcement to use them	Provision of PPEs and a must use policy be introduced to ensure that workers use the PPEs at all time during working hours
Presence of pits embankment and highly worn-out benches	Restore all degraded sites to prevent further environmental damage
Unsafe handling (storage and use) of explosives leading to risk of accidents to workers and the community surrounding the mine sites;	All explosive related activities should be conducted as per Explosive act 1963 and its relevant regulations of 1964
Operation of most mineral processing plants especially Vat- leaching plants without having proper documents from licensing and environment management authorities;	Mines should have all relevant permits and operations should be as per Mining Act CAP 123 and its Regulations.
Improper handling of chemicals and hydrocarbon leading to contamination of the surrounding environments.	Ensuring proper operation and routine maintenance of separator and wash bay as per operating procedure for oily-water separators number GHSE-SOP-03733 and Compiling with the Industrial and Consumer Chemicals (Management and Control) Act, 2003 and its regulation of 2012.

5.4 TRAININGS ON OCCUPATIONAL, HEALTH AND SAFETY

In order to build the capacities of small-scale miners, the Mining Commission conducted training to small scale miners. In 2020/2021, a total of 3886 small scale and artisanal were trained on occupational, health and safety.

6.0 INTERNAL AUDIT UNIT

The Mining Commission conducted its mandated functions as per risk based annual audit plan. The recommendations and implementations contributed to the Commission's unqualified opinion report issued by the CAG.

Expenditure and revenue collection audits to 23 out of 28 Resident Mines Offices equivalent to 82% were conducted during the period. Furthermore, in pursuant to Treasury Circular No.2 of 2020/2021 on internal auditing priorities, adherence to Public Procurement Act 2011 and Contracts Management and Public Finance Act 2001, audits on payroll Management, Public Procurement management and Expenditure were done respectively. Recommendations were issued and implemented accordingly.

On the other hand, Mining Commission performed the non-audit activities by carrying out 10 special assignments provided by the Ministry of Finance on verification of debts in various Government institutions. Also, the Mining Commission verified its debts from the defunct TMAA and former Ministry of Energy and Minerals.

7.0 LEGAL SERVICES

To ensure legal compliance to Mining Act, Cap. 123, Mining Commission participated in legal negotiations; inspections on compliance of the Mining Act, Cap. 123 and its regulations to Small Scale Miners; and supervise and regulate the proper and effective carrying out of the provisions of the Mining Act.

7.1 NEGOTIATIONS AND CONTRACTS

The Mining Commission participated in negotiations with holders of Special Mining Licences and Mining Licence in implementation of section 10 of the Mining Act, Cap. 123. The Act provide that the Government will be entitled to at least 16% free carried interest from the share capital of the mining Companies holding Special Mining Licence and Mining Licence. The year under review, the Mining Commission concluded 1 negotiation which resulted to the signing of contracts and commenced the negotiations for the 5 Mining Companies to enable the Government to acquire its 16% free carried interest as follows: -

1. Kabanga Nickel Limited and the Government which established Tembo Nickel Corporation Limited followed the signing of the Framework Agreements on January, 2021. The joint venture company is set to develop two projects; the Nickel Mining Project in Ngara and the multipurpose refining in Kahama;
2. Negotiation with Nyanzaga Mining Company Limited and the Government established joint venture company which will provide the Government with 16 % Free Carried interest and to develop Gold Project in Sengerema District, Mwanza Region;
3. Ongoing negotiation with Jacana Resources (Tanzania) Limited and the Government on acquisition of 16% Free Carried interest and to develop heavy sands minerals project in Kigamboni, Dar es Salaam Region;

4. Mahenge Resources Limited and the Government which established Nyati Graphite Corporation Limited for the development of Graphite mining in Mahenge; Morogoro Region; and
5. The ongoing negotiations with PR NG Minerals Limited with the Government which intend to develop rare earth Project in Ngualla, Songwe.

7.2 MONITORING AND COMPLIANCE

During the year under review the Mining Commission conducted inspections on compliance of the Mining Act, Cap. 123 and its regulations to Small Scale Miners in Kahama, Geita, Shinyanga, Mara, Mwanza and Dodoma. Major non-compliance observations found were, non-submission of annual returns reports, nonpayment of royalties, annual rents and inspections fees to some of the holders of Primary Mining Licence and poor adherence to the rules of safety, health, and environments.

7.3 INITIATING REVIEW OF MINING ACT, CAP. 123 AND ITS REGULATIONS

One of the functions of the Mining Commission is to supervise and regulate the proper and effective carrying out of the provisions of the Mining Act. Basing on that, in effective implementation and enforcement of the provisions of the Mining Act, the Commission faced challenges which are addressed by amendment of the Mining Act or its regulations.

During the year under review, the Mining Commission initiated amendments of the Mining Act and forwarded to the Ministry of Minerals. Some of the recommendations has been done including the establishment of the broker licence for building materials and industrial minerals, the compounding offences provisions which allow the Commission to compound and offence before the matter is taken to court, the removal of VAT for importation of minerals to the mineral and gem houses in Tanzania, requirement of submission of tax clearance and report of substantial development for any transfer of Mining Licence and Special Mining Licence.

8.0 INFORMING PUBLIC ABOUT MINING

In ensuring public has adequate information on mining issues within and outside our boundaries, the Mining Commission successfully coordinated various programs such as Television and Radio Programs, publishing various editions, local and international fora and exhibitions.

To implement this, the Commission promoted the investment opportunities in the Mineral Sector specifically in the area of local content and how the Mineral Sector has transformed the lives of people through corporate social responsibility programmes in

8.0 INFORMING PUBLIC ABOUT MINING

10 radio and TV programs as well as feature stories and social media. The Commission also highlighted the success stories of established mineral markets and buying centers through radio and TV programmes, news stories and feature stories published in local media, websites, and social media. In order to reach the large audience at once, the Commission also participated on live radio and TV programmes whereby a lot of issues on Mineral Sector were clarified.

During the year under review, the commission also published five editions of newsletter (Madini News) that were circulated to all government institutions, members of parliament, public, Tanzanian embassies in abroad as well as updating them on websites and social media as one way of publicizing the success stories on the Mineral Sector in Tanzania.

Furthermore, the Commission coordinated the participation of the Ministry of Minerals and its institutions as well as other stakeholders in the 45th Dar es Salaam International Trade Fair (DITF) held from 28th June to 13th July, 2021 at the Mwalimu Nyerere

Grounds in Dar es Salaam region. The Ministry of Minerals became the Second Winner in the Category of Ministries.

The institutions that participated under the Ministry of Minerals during the exhibitions include State Mining Corporation (STAMICO), Geological Survey of Tanzania (GST), Tanzania Extractive Industries Transparency Initiative (TEITI) and Tanzania Gemological Centre (TGC).

The mining companies which participated include Twiga Minerals Corporation Limited, Shanta Mining Company Limited, Ore Corp Tanzania Limited, Lindi Jumbo Limited, Minjingu Mines and Fertilizer Limited, Marmo E Granito Mines T. Limited, Kioo Limited, Federation of Miners Associations of Tanzania (FEMATA), Laizer Saniniu Mining Limited and Gem Point.

Others include Gem Tanzanite, African Underground Minerals Services, Orica Tanzania Limited, Jema Africa Company Limited, PaulSam Geo-Engineering Co. Limited, GF Trucks & Equipments Limited, Tanzania Chamber of Mines, Bifad (EA) General Traders, Urono Leather Crafts, Tanzania Women Miners Association (TAWOMA) and Women Industrial Mining Program (WIMP)

During the exhibitions more than 6,000 people were reached through briefings provided by exhibitors as well as outreach materials such as leaflets, brochures etc. Moreover, spot adverts and Television Programmes on mineral sector were aired during the exhibitions.

The Commission also participated in other exhibitions such as Geita Minerals Expo held in September, 2020 and Tanzania Industrial Products exhibitions held in Dar es Salaam from 03rd to 09th December, 2020. The Commission became the first winner in the category of the Government Institutions that support Mineral Sector, the third winner in the category of the Best Pavilion during Geita Minerals Expo. During these exhibitions, more than 9,000 people were educated on the performance of the Mineral Sector as well as the investment opportunities available in the Mineral Sector.



Dr. Mwigulu Nchemba (MP) Minister for Finance and Planning, present trophy to the Mining Commission as the 1st winner in the category of the Government Institutions that support Mineral Sector during the Geita Minerals Expo held in September, 2020.



The Mining Commission staff at Geita Minerals Expo held in September, 2020.



The client receiving the services from the Mining Commission Pavilion during Geita Minerals Expo held in September, 2020.



Mining Commission Exhibitors at work during Tanzania Industrial Products exhibitions held in Dar es Salaam from 03rd to 09th December, 2020.

9.0 FINANCIAL STATEMENTS

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL EXECUTIVE SECRETARY MINING COMMISSION, P.O BOX 2292, DODOMA, TANZANIA.

9.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS OPINION

I have audited the financial statements of the Mining Commission, which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Mining Commission as of 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting.

BASIS FOR OPINION

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of financial statements". I am independent of Mining Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for

Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTER

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Note 9 to the financial statements discloses arrears of revenue amounting to TZS 30,649,308,191.93 inherited from the Ministry of Energy and Minerals, which the Mining Commission found doubtful for reporting purposes. Since 2018/19, the Mining Commission promised to form a task force for verifying and cleaning data in RMO's office and Head Quarters to establish the actual accrued revenue, which will suffice recognition criteria for arrears of revenue and will be incorporated and reported in the books of account. Up to the date of finalization of this audit (three years later), the matter is yet to be resolved.

KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.ed.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the statement by the chairman of the Mining Commission, statement by the executive secretary and declaration of the head of finance and accounts but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

RESPONSIBILITIES OF THE CONTROLLER AND AUDITOR GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

-
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

9.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

COMPLIANCE WITH THE PUBLIC PROCUREMENT ACT, 2011 (AS AMENDED IN 2016)

Subject matter: Compliance audit on procurement of goods, works and services I performed a compliance audit on procurement of goods, works and services in the Mining Commission for the financial year 2020/21 as per the Public Procurement Act, 2011 and its Regulations of 2013 (as amended in 2016).

CONCLUSION

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of the Mining Commission is generally in compliance with the requirements of the Public Procurement Act, 2011 and its underlying Regulations of 2013 (as amended in 2016).

CINAPPROPRIATE PROCUREMENT PROCESS TZS 4,069,855,737

The Mining Commission entered into a contract (Reference number IE.053/2020- 2021/ HQ/W/01) with MCB Company Limited of Mbeya on 7 January 2021 to construct an office building for the Head office in Dodoma for a period of 12 months at a contract price of TZS 4,069,855,737. The procurement did not comply with the Public Procurement Act of 2011 and its underlying Regulations of 2013 as amended in 2016 in a number of areas such as the use of single source method of procurement without reasonable justification, failure to submit performance security for the contract and tendering process was done offline (not through TANePS).

THE INVITATION WITHOUT CONSIDERING CONTRACTORS REGISTRATION ACT REQUIREMENTS

The Mining Commission with MCB Company Limited of Mbeya entered into a contract number IE.053/2020-2021 /HQ/W/01 dated 7 January 2021, for construction of office building for Mining Commission head office in Dodoma for twelve months at a contract sum of TZS 4,069,855,737.

My review and assessment of the procurement made concerning compliance with the Public Procurement Act of 2011 and its underlying Regulations of 2013 as amended. In 2016 noted that according to table 1 of the Contractor Registration

Act, 1997 amended 2017) provides the limit of value of works contractors can undertake in construction. For building works valued four billion and above the appropriate contractor is of class two and one. Contrary to the provisions of the cited table, Clause 3.1 of the Tender Data Sheet of the contract in question indicated that the management invited contractors registered in building class four and above. This implies that contractors of class four and three were invited despite the fact that the limit of value of construction they can undertake is TZS 1,800,000, 000 and TZS. 3,000,000,000 respectively.

NON PREPARATION OF QUARTERLY PROCUREMENT IMPLEMENTATION REPORTS

Regulation of 87(2) (c) of Public Procurement Regulations 2013 requires monthly and quarterly implementation reports to be submitted to the Public Procurement Regulatory Authority (PPRA) within seven (7) days after the end of the respective month or quarter. However, the Mining commission neither prepared nor submitted to PPRA a fourth-quarter report, i.e., from April to June 2021, contrary to Reg. 87(2)(c) of PPR 2013.

Regulation of 20 (1) of Public Procurement Regulations of 2013 states Procuring entity shall submit contract award information in respect of any procurement made without regard to the method of procurement used to the Authority within fourteen days from the date of award for publication in the Journal and Tenders Portal. Regulation of 236 of the Public Procurement Regulations of 2013 states the results of tender award shall be published in the Journal and Tenders Portal on regular basis. During my audit I noted no evidence to show that result of award of tenders were submitted to the Authority to be advertised in the tender portal.



Salhina M. Mkumba

Ag. Controller and Auditor General,
Dodoma, United Republic of Tanzania.
May, 2022



STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 June 2021

	Note	2021 TZS	Restated 2020 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	32	6,127,385,274.97	2,131,509,300.79
Inventories	34	180,359,517.50	248,665,942.00
Prepayments	33P	6,351,862,100.87	800,327,487.99
Receivables	33	4,428,885,299.54	5,181,262,800.03
Total Current Asset		17,090,041,288.88	8,361,765,530.81
Non Current Asset			
Work in Progress(Intangible Assets)	52	34,400,000.00	0
Property, Plant and Equipment	51	25,310,033,577.26	25,183,966,381.52
Total Non Current Asset		25,344,433,577.26	25,183,966,381.52
TOTAL ASSETS		42,434,474,866.14	33,545,731,912.33
LIABILITIES			
Current Liabilities			
Deferred Income (Revenue)	46	602,681,445.45	220,640,640.55
Payables and Accruals	39	1,959,016,245.55	2,140,352,539.90
Total Current Liabilities		2,561,697,691.00	2,360,993,180.45
Non-Current Liabilities			
Deferred Income (Capital)	46B	5,037,497,907.12	426,953,196.52
Total Non-Current Liabilities		5,037,497,907.12	426,953,196.52
TOTAL LIABILITIES		7,599,195,598.12	2,787,946,376.97
Net Assets		34,835,279,268.02	30,757,785,535.36
NET ASSETS			
Capital Contributed by:			
Taxpayers Fund		9,824,616,041.29	9,824,616,041.29
Accumulated Surplus		25,010,663,226.73	20,933,169,494.07
TOTAL NET ASSETS		34,835,279,268.02	30,757,785,535.36

The financial statements were authorized for issue by the Commission and were signed on its behalf by:

Name: Eng.Yahya I. Samamba Title: Ag.ES Signature:  Date: 30 September 2021

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 June 2021

		2021 TZS	Restated 2020 TZS
REVENUE			
Revenue			
Amortization of Revenue Grants with Exchequer Revenue	16	33,724,503,896.14	34,471,751,998.76
Fees, fines, penalties and Forfeits	15	89,892,912,811.84	85,141,180,968.38
Revenue from Exchange Transactions	17	494,180,442,339.11	443,220,925,538.96
Revenue from Non-Exchange Transactions	18	367,556,266.00	0
Total Revenue		618,165,415,313.09	562,833,858,506.10
TOTAL REVENUE		618,165,415,313.09	562,833,858,506.10
EXPENSES AND TRANSFERS			
Expenses			
Depreciation of Property, Plant and Equipment	51A	2,243,843,668.56	2,330,689,067.49
Maintenance Expenses	25	971,408,959.26	853,625,559.00
Social Benefits	23	1,752,263,735.58	1,614,043,440.00
Supplies and Consumables Used	24	8,134,825,010.42	7,606,576,981.98
Wages,Salaries and Employee Benefits	22	15,163,138,013.85	13,952,687,501.67
Total Expenses		28,265,479,387.67	26,357,622,550.14
Transfer			
Grants, Subsidies and other Transfer Payments	26	585,822,442,192.76	525,805,058,959.59
Total Transfer		585,822,442,192.76	525,805,058,959.59
TOTAL EXPENSES AND TRANSFERS		614,087,921,580.43	552,162,681,509.73
Surplus		4,077,493,732.66	10,671,176,996.37

The financial statements were authorized for issue by the Commission and were signed on its behalf by:

Name: Eng. Yahya I. Samamba Title: Ag.ES Signature:  Date: 30 September 2021

THE UNITED REPUBLIC OF TANZANIA
 MINING COMMISSION
 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 June 2021
CASHFLOW STATEMENT FOR THE PERIOD ENDED 30 June 2021

	2021 TZS	2020 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Revenue from Exchange Transactions	494,932,819,839.60	442,147,793,454.93
Funds Received	38,717,089,411.64	34,811,332,230.00
Fees, fines, penalties and Forfeits	89,892,912,811.84	85,141,180,968.38
Total Receipts	623,542,822,063.08	562,100,306,653.31
PAYMENTS		
Wages, Salaries and Employee Benefits	15,233,308,213.85	13,882,995,908.67
Supplies and Consumables Used	8,045,501,003.19	7,698,783,252.26
Social Benefits	1,752,263,735.58	1,614,043,440.00
Maintenance Expenses	1,047,125,970.66	853,625,559.00
Grants, Subsidies and other Transfer Payments	585,822,442,192.76	525,805,058,959.59
Total Payments	611,900,641,116.04	549,854,507,119.52
NET CASH FLOW FROM OPERATING ACTIVITIES	11,642,180,947.04	12,245,799,533.79
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Acquisition of Property, Plant and Equipment	7,611,904,972.86	10,422,303,838.83
Acquisition of Intangibles	34,400,000.00	0
Total Investing Activities	7,646,304,972.86	10,422,303,838.83
NET CASH FLOW FROM INVESTING ACTIVITIES	7,646,304,972.86	10,422,303,838.83
CASH FLOW FROM FINANCING ACTIVITIES		
Financing Activities		
Grants refunded/ transferred	0	0
Total Financing Activities	0	0
NET CASH FLOW FROM FINANCING ACTIVITIES	0	0
Net Increase	3,995,875,974.18	1,823,495,694.96
Cash to be Surrendered to Holding Account		0
CRDB Balance		
Unapplied		0
Cash to be Surrendered to PMG		0
Cash and cash equivalent at beginning of period	2,131,509,300.79	308,013,605.83
Cash and cash equivalent at end of period	6,127,385,274.97	2,131,509,300.79

The financial statements were authorized for issue by the Commission and were signed on its behalf by:

Name: Eng. Yahya I. Samamba **Title:** Ag.ES **Signature:**  **Date:** 30 September 2021

STATEMENT OF CHANGES IN NET ASSET FOR THE PERIOD ENDED 30 June 2021

	Taxpayer Fund TZS	Accumulated Surplus TZS	Total TZS
Opening Balance as at 01 Jul 2020	9,824,616,041.29	20,933,169,494.07	30,757,785,535.36
Capital Fund	0.00	0.00	0.00
Adjustment	0.00	0.00	
Surplus for the Year	0.00	4,077,493,732.66	4,077,493,732.66
Closing Balance as at 30 June 2021	<u>9,824,616,041.29</u>	<u>25,010,663,226.73</u>	<u>34,835,279,268.02</u>
Opening Balance as at 01 July 2019	9,824,616,041.29	8,373,454,735.32	18,198,070,776.61
Capital Fund	0.00	0.00	0.00
Adjustment	0.00	1,888,537,762.38	1,888,537,762.38
Surplus for the Year	0.00	10,671,176,996.37	10,671,176,996.37
Restated Balance as at 30 June 2020	<u>9,824,616,041.29</u>	<u>20,933,169,494.07</u>	<u>30,757,785,535.36</u>

The financial statements were authorized for issue by the Commission and were signed on its behalf by:

Name: Eng. Yahya I. Samamba **Title:** Ag.ES **Signature:**  **Date:** 30 September 2021

STATEMENT OF COMPARISON OF ACTUAL AND BUDGET FOR THE PERIOD ENDED 30 June 2021

	Original Budget	Reallocations/ Adjustments	Final Budget (B)	Actual Amount on Comparison Basis (A)	Different Final Budget & Actual (B-A)
RECEIPTS					
Fees, fines, penalties and Forfeits	83,921,851,000.00	0.00	83,921,851,000.00	89,892,912,811.84	(5,971,061,811.84)
Funds Received OC	15,396,281,500.00	0.00	15,396,281,500.00	15,396,281,500.00	0.00
Funds Received PE	11,548,624,140.00	0.00	11,548,624,140.00	11,487,062,266.58	61,561,873.42
Funds Received DEV	2,180,000,000.00	11,286,964,574.68	13,466,964,574.68	11,833,745,645.06	1,633,218,929.62
Revenue from Exchange Transactions	442,800,695,000.00	0.00	442,800,695,000.00	491,083,995,940.59	(48,283,300,940.59)
Total Receipts	555,847,451,640.00	11,286,964,574.68	567,134,416,214.68	619,693,998,164.07	(52,559,581,949.39)
PAYMENTS					
Grants, Subsidies and other Transfer Payments	526,722,546,000.00	0.00	526,722,546,000.00	585,822,442,192.76	(59,099,896,192.76)
Maintenance Expenses	1,047,125,970.66	0.00	1,047,125,970.66	1,047,125,970.66	0.00
Supplies and Consumables Used	8,045,501,003.19	0.00	8,045,501,003.19	8,045,501,003.19	0.00
Wages, Salaries and Employee Benefits	17,852,278,666.15	0.00	17,852,278,666.15	15,233,308,213.85	866,706,716.72
Acquisition of Property, Plant and Equipment	2,180,000,000.00	11,286,964,574.68	13,466,964,574.68	7,646,304,972.86	5,820,659,601.82
Total Payment	555,847,451,640.00	11,286,964,574.68	567,134,416,214.68	617,794,682,353.32	(52,412,529,874.22)
Net Receipts/Payments	0.00	0.00	0.00	147,052,075.17	(147,052,075.17)
Receipts - Revenue from Exchange Transactions (Arrears)	0.00	0.00	0.00	3,848,823,899.01	(3,848,823,899.01)
Net Receipts/Payments	0.00	0.00	0.00	3,995,875,974.18	(3,995,875,974.18)

The financial statements were authorized for issue by the Commission and were signed on its behalf by:

Name: Eng. Yahya I. Samamba Title: Ag.ES Signature:  Date: 30 September 2021

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

Financial statements have been prepared in accrual basis and comply with International Public Sector Accounting Standards (IPSAS), Tanzania Financial Reporting Standards (TFRSs), Mining Act, CAP 123 and Commissioners Report. The Financial Statements are presented in Tanzania Shillings (TZS) which is the functional currency of the Commission. The accounting policies have been consistently applied. The financial statements are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies. The Cash Flow Statement is prepared using direct method and the consolidated Financial Statements are prepared on accrual basis.

The Mining Commission Financial Statements are generated from the Integrated Financial Management System (MUSE) and as on that date has been prepared based on properly maintained financial records.

Authorization date

The Financial Statement was authorized for issue on 30 September 2021 by:



Eng. Yahya I. Samamba
Ag. Executive Secretary

Office of the Executive Secretary

THE UNITED REPUBLIC OF TANZANIA
MINING COMMISSION

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 June 2021

Financial Statements 2020/21

1.0 Property, Plant and Equipment for the year ended 30 June 2021

1	2	Cost(TZS)			FINANCIAL PERIOD ENDED 30 June 2021													
		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Asset Class	01 July 2020	Additions(Monetary)	Additions(Non Monetary)	Transfer	Adjust	Disposal	30 June 2021	01 July 2020 Depreciation	01 July 2019 Impairment	Depreciation during the year	Impairment during the year	Revaluation/Adjust..	Disposal	Acc.Deprec. 30th june	Acc.impairment 30th June	Acc.Depreciation and Impairment	Carring Value at 30 June 2021	
Land (Lease hold)	2,830,400,000	0	355,000,000	0	0	0	3,185,400,000	0	0	0	0	0	0	0	0	0	3,185,400,000	
Building	12,073,953,000	88,207,310	0	0	0	0	12,162,160,310	488,036,514	0	260,118,315	0	0	0	748,154,828	0	748,154,828	11,414,005,482	
W/LP Office Building	-	546,781,070	0	0	0	0	546,781,070	0	0	0	0	0	0	0	0	0	546,781,070	
Motor Vehicle	12,081,952,834	641,662,639	1,500,000	0	0	0	12,723,615,493	6,639,619,935	0	1,419,877,670	0	0	0	8,059,497,605	0	8,059,497,605	4,664,117,888	
Plant and Machinery	4,330,135,287	178,386,221	1,500,000	0	0	0	4,510,021,508	85,966,167	0	294,345,661	0	0	0	380,311,828	0	380,311,828	4,129,709,680	
Motor Cycle	5,400,000	0	0	0	0	0	5,400,000	1,800,000	0	1,322,449	0	0	0	3,122,449	0	3,122,449	2,277,551	
Computers	455,046,202	311,308,490	0	0	0	0	766,354,692	218,385,572	0	79,935,709	0	0	0	298,321,280	0	298,321,280	468,033,411	
Office Furniture	374,150,045	112,464,160	6,976,266	0	0	0	493,590,471	219,295,620	0	59,490,656	0	0	0	278,786,276	0	278,786,276	214,804,195	
Office Equipment	16,572,336	0	0	0	0	0	16,572,336	8,283,357	0	2,440,671	0	0	0	10,724,028	0	10,724,028	5,848,308	
Automated Equipment	910,827,390	123,544,688	4,080,000	0	0	0	1,038,452,078	233,083,549	0	126,312,538	0	0	0	359,396,086	0	359,396,086	679,055,992	
TOTAL	33,078,437,094	2,002,354,598	367,556,266	0	0	0	35,448,347,958	7,894,470,712	0	2,243,843,669	0	0	0	10,138,314,381	0	10,138,314,381	25,310,033,577	

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FINANCIAL PERIOD ENDED 30 June 2020

1	2	Cost (TZS)			6	7	8	9	10	Accumulated Depreciation and Impairment (TZS)			17	18		
		3	4	5						11	12	13				
Asset Class	01 July 2019	Additions (Monetary)	Additions (Non Monetary Transfer)	Adjust	Disposal	30th June 2020	01 July 2019 Depreciation	01 July 2019 Impairment	Depreciation during the year	Impairment during the year	Revaluation/Adjust..	Disposal	Acc. Deprec. 30th June	Acc. impairment 30th June	Acc. Depreciation and Impairment	Carring Value at 30th June 2020
Land (Lease hold)	2,830,400,000	0	0	0	0	2,830,400,000	0	0	0	0	0	0	0	0	0	2,830,400,000
Building	12,073,953,000	0	0	6,807,781,458	0	12,073,953,000	244,018,257	244,018,257	244,018,257	0	0	488,036,514	488,036,514	488,036,514	11,585,916,486	
Motor Vehicle	66,880,000	5,207,291,376				12,081,952,834	6,824,501,458	1,679,708,175	6,639,619,935	(1,864,589,698)	0	6,639,619,935	6,639,619,935	6,639,619,935	5,442,322,899	
Plant and Machinery	217,641,200	4,112,494,087		0	0	4,330,135,287	15,545,800	70,420,367	85,966,167	0	0	85,966,167	85,966,167	85,966,167	4,244,169,121	
Motor Cycle	5,400,000	0		0	0	5,400,000	900,000	900,000	1,800,000	0	0	1,800,000	1,800,000	1,800,000	3,600,000	
Computers	286,384,722	188,661,480		0	0	455,046,202	95,461,974	122,923,598	218,385,572	0	0	218,385,572	218,385,572	218,385,572	236,660,630	
Office Furniture	279,388,885	0		94,761,160	0	374,150,045	184,608,381	78,635,303	219,295,620	(23,948,064)	0	219,295,620	219,295,620	219,295,620	154,854,425	
Office Equipment	16,572,336	0		0	0	16,572,336	4,141,678	4,141,679	8,283,357	0	0	8,283,357	8,283,357	8,283,357	8,288,979	
Automated Equipment	618,633,153	292,194,237		0	0	910,827,390	103,141,859	129,941,690	233,083,549	0	0	233,083,549	233,083,549	233,083,549	677,743,841	
TOTAL	16,395,253,296	9,780,641,180		6,902,542,618		33,078,437,094	7,452,319,407	2,330,689,067	7,894,470,712	(1,888,537,762)		7,894,470,712	7,894,470,712	7,894,470,712	25,183,966,382	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.0 ANALYSIS OF OUTSTANDING LIABILITIES AS AT 30 JUNE 2021

No.	CATEGORY	TOTAL AMOUNT PER CATEGORY	<30 DAYS	>30<60 DAYS	>60<90 DAYS	>90<365 DAYS	>365<2 YEARS
1.	Staff Claim	1,446,658,376.00	12,098,688.45	21,350,626.68	17,792,188.90	19,927,251.57	1,375,489,620.40
2.	Supplies (Goods and Services)	505,850,506.00	7,370,000.00	22,124,300.00		0.00	476,356,206.00
3.	Withholding tax	6,507,363.55	6,507,363.55	0.00		0.00	0.00
	GRAND TOTAL	1,959,016,245.55	25,976,052.00	43,474,926.68	17,792,188.90	19,927,251.57	1,851,845,826.40

3.0 STATEMENT OF ACCOUNT OF RECEIVABLES AS AT 30 JUNE 2021

No.	CATEGORY	TOTAL AMOUNT PER CATEGORY	<30 DAYS	>30<60 DAYS	>60<90DAYS	>90<365 DAYS	ABOVE 1 YEAR
1	Trade Receivable	4,419,082,583.54	0.00	0.00	0.00	3,096,446,398.52	1,322,636,185.02
2.	Other Receivable	9,802,716.00	0.00	0.00	0.00		9,802,716.00
	GRAND TOTAL	4,428,885,299.54		0.00	0.00	3,096,446,398.52	1,332,438,901.02

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4.0 STATEMENT OF ARREARS OF REVENUE AS AT 30 JUNE 2021

The reported accounts receivable includes of TZS. 3,096,446,398.52 which has accrued during the financial year. However, there are other arrears amount of TZS 30,649,308,191.93 accrued from the previous financial years (Inherited from the Ministry of Energy and Minerals) which are found to be doubtful for reporting purposes. Due to the uncertainty of the accrued revenue inherited, the Commission has not included the figure of TZS. 30,649,308,191.93 in the financial statements. Apart from that during the year, Mining Commission conducted compliance audit to construction companies and TZS. 4,493,560,673.98 were found to be unpaid however as at 30 June 2021 confirmation of amount dues with client was not concluded. In addition to those initiatives has been taken by the Commission to ensure that Government dues are collected by forming a task force for continuing verifying and cleaning data in RMO's office`s and HQ in order to establish the actual accrued revenue. After data cleaning and physical verification of the issued licenses the actual established accrued revenue will suffice recognition criteria for arrears of revenue and will be incorporated and reported in the books of accounts. Movement of arrears during the year from operating centers s as detailed (Table No.15)

15: STATEMENT OF ARREARS OF REVENUE AS AT 30 JUNE 2021

S/N	STATION	BALANCE AT 1 July 2020	ADDITIONAL 2020/2021	SETTLEMENT DURING THE YEAR 2020/2021	BALANCE 30 June 2021
1	Mining Commission HQ	808,365,620.90	400,868,791.00	753,045,220.90	456,189,191.00
	RMO-Simiyu	0.00	73,679,400.00	0.00	73,679,400.00
3	RMO-Kagera	346,969,912.50	107,377,100.00	206,777,850.00	247,569,162.50
4	RMO-Chunya	0.00	94,924,825.00	0.00	94,924,825.00
5	RMO-Dodoma	0.00	89,322,200.00	0.00	89,322,200.00
6	RMO-Geita	703,478,250.00	126,599,625.00	483,106,198.50	346,971,676.50
7	RMO-Kahama	778,222,562.50	194,967,225.00	589,826,622.80	383,363,164.70
8	RMO-Kigoma	137,210,001.80	87,770,754.50	3,609,675.00	221,371,081.30
9	RMO-Manyara	22,167,450.00	13,676,050.00	5,214,600.00	30,628,900.00
10	RMO-Morogoro	0.00	112,961,700.00	0.00	112,961,700.00
11	RMO-Mererani	87,603,300.00	10,464,699.00	1,296,390.00	96,771,609.00
12	RMO-Kilimanjaro	265,107,475.00	121,240,433.60	227,221,370.00	159,126,538.60
13	RMO-Mara	612,574,000.00	157,440,875.00	479,431,820.99	290,583,054.01
14	RMO-Lindi	0.00	187,638,300.00	0.00	187,638,300.00
15	RMO-Njombe	23,308,305.26	62,423,859.38	13,219,425.00	72,512,739.64
16	RMO-Iringa	0.00	87,798,600.00	0.00	87,798,600.00
17	RMO-Tabora	324,697,376.95	153,839,637.76	308,528,000.85	170,009,013.86
18	RMO-Tanga	0.00	119,228,500.00	0.00	119,228,500.00
19	RMO-Arusha	20,924,100.00	87,798,600.00	15,944,000.00	92,778,700.00
20	RMO-Mbeya	92,239,212.50	22,203,000.00	28,962,675.00	85,479,537.50
21	RMO SONGWE	247,675,897.50	93,187,907.50	247,675,897.50	93,187,907.50
22	RMO-Katavi	0.00	118,826,662.50	0.00	118,826,662.50
23	RMO-Rukwa	81,838,078.00	873,473.28	55,320,400.00	27,391,151.28
24	RMO-Mtwara	0.00	42,020,831.75	0.00	42,020,831.75
25	RMO-Mwanza	207,381,585.97	203,669,247.28	154,747,265.00	256,303,568.24
26	RMO-Dar es Salaam	360,791,903.00	154,018,462.50	251,344,952.50	263,465,413.00
27	RMO-Shinyanga	50,905,052.16	27,466,625.00	23,551,534.96	54,820,142.19
28	RMO-Singida	0.00	49,828,050.00	0.00	49,828,050.00
29	RMO-Ruvuma	0.00	94,330,963.48	0.00	94,330,963.48
	TOTAL	5,171,460,084.03	3,096,446,398.52	3,848,823,899.01	4,419,082,583.54

5.0 RELATED PARTY TRANSACTIONS

During the year under review, the Commission had the following transactions in relation to the related parties (**Table No.16**)

Table No. 16: Related party transactions

Commission		
Expenses	2021	2020
Number of Persons	35	29
Commissioner's expenses (TZS)	232,920,000.00	264,480,000.00
Remunerations to ES, Directors, Managers & RMOs (TZS)	1,919,116,600.00	1,764,360,000
Closing Balance (TZS)	2,152,036,600.00	2,028,840,000.00

Key Management Personnel (KMP) includes Chairperson of the Commission, Commissioners, Executive Secretary, Directors, Managers, Residents Mines Officers and other members having the responsibility for planning, directing, and controlling the activities of the Commission.

Commission establishes the remuneration of KMP. However, the responsibilities of KMP office may enable them to influence the benefits that flow to them or their related parties. KMP remunerations include salaries, Contribution to pension funds and all allowances paid to them.

6.0 INTERGOVERNMENTAL TRANSACTIONS

During the period under review the intergovernmental transactions are as indicated in **Table No. 17:** Table No. 17: Intergovernmental Transactions

Payment to Government entities	2021	2020
	TZS	TZS
TANESCO	189,400,040.40	73,246,544.35
TTCL	459,093,944.70	562,585,650.45
GPSA	7,029,647,019.23	6,367,377,813.64

Tanzania Posts Corporation	10,878,160.00	58,867,945.10
Tanzania Standard Newspaper	2,950,000.00	9,029,000.00
TANTRADE	0.00	19,929,240.00
TEMESA	431,796,251.22	243,382,551.17
Tanzania Airports Authority	243,800.00	3,501,135.80
PSSSF	1,460,177,797.48	521,679,000.00
NHIF	292,035,559.50	313,007,400.00
National Board of Accountants and Auditors	0.00	6,313,750.00
Tanzania Revenue Authority	0.00	573,804,223.17
DED Sumbawanga	5,400,000.00	0.00
Mpanda Dc	5,500,000.00	0.00
Mzumbe University Morogoro	800,000.00	0.00
Suma Jkt Guard Ltd	24,261,152.51	0.00
Water Authorities	31,807,232.43	59,409,610.00
Total	9,943,990,957.47	8,812,133,863.68

7.0 LOCAL & INTERNATIONAL RELATIONS

Mining Commission continued to maintain its relations with the general public, local and international organizations. Commission maintained close working relationships with Miners, Employers, other International and Local Organizations such that, these relations have promoted Local Content.

8.0 CONTINGENT LIABILITY

For the period ended 30 June, 2021 the Commission had no contingent based on legal cases However, Mwanza Resident Mines Office rent in Tanzania Building Agency (TBA) building base on lease agreement signed with the former Permanent Secretary Ministry of Energy and Minerals. The rental bills have accrued for five years from 2016/2017 to 2020/2021. The lease agreement between Mining Commission and TBA is yet to be signed pending to contract price negotiation.

9.0 CASH FLOW RECONCILIATION STATEMENTS

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9.0 Cash Flow Reconciliation Statements

Notes to the Cash Flow Statement

Reconciliation of Net Cash Flows from Operating Activities to Surplus/ (Deficit)

	2021	2020
	TZS	TZS
Surplus from ordinary activities	4,077,493,732.66	10,671,176,996.37
Non-cash movements		
Depreciation	2,243,843,668.56	2,330,689,067.49
Add/less movements in statement of Financial Position		
Increase/(Decrease) in payables	(181,336,294.35)	262,065,926.27
Increase/(Decrease) in Deferred Income	4,992,585,515.50	339,580,231.24
Increase in non-monetary Revenue	(367,556,265.76)	-
(Increase)/Decrease in Prepayment	56,466,665.68	(113,820,918.83)
(Increase)/Decrease in Inventories	68,306,424.50	(164,957,010.00)
(Increase)/Decrease in Trade Receivables	752,377,500.49	(1,078,934,758.75)
Net cash flows from operating activities	11,642,180,947.04	12,245,799,533.79

Other Notes of the Financial Statement

NOTES TO THE FINANCIAL STATEMENTS (Continued)	2021	2020
	TZS	TZS
15 - Fees, fines, penalties and Forfeits		
Fines, Penalties and Forfeitures	2,645,029,392.21	4,812,763,391.71
Geological Fees	7,824,322,337.99	9,051,590,042.81
Receipt from Inspection Fees	79,423,561,081.75	71,276,827,533.86
	89,892,912,811.95	85,141,180,968.38
16 - Amortization of Revenue Grants with Exchequer Revenue		
Government Grant Development Local	7,223,200,934.46	10,275,274,003.48
Government Grant Other Charges	15,006,236,905.25	13,630,553,138.58
Government Grant Personal Emolument	11,495,066,056.43	10,565,924,856.70
	33,724,503,896.14	34,471,751,998.76
17 - Revenue from Exchange Transactions		
Mineral rent	24,328,324,673.42	17,795,994,536.71
Mineral Royalties	469,852,117,665.69	425,424,931,002.25
	494,180,442,339.11	443,220,925,538.96
18 - Revenue from Non-Exchange Transactions		
Transfers from other government units	355,000,000.00	0.00
Gifts and/ or transfers from Individual	12,556,266.00	0.00
	367,556,266.00	0.00
22 - Wages, Salaries and Employee Benefits		
Casual Labourers	1,231,153,000.00	1,089,346,653.42
Civil Servants	9,742,802,320.85	8,951,881,416.70
Court Attire Allowance	0.00	1,920,000.00
Directors Fees	26,400,000.00	0.00
Electricity	91,255,000.00	142,848,074.00
Extra-Duty	2,465,835,000.00	1,750,884,100.00
Food and Refreshment	161,751,965.00	149,486,424.04
Furniture	79,000,000.00	153,196,600.00
Gratuities	7,150,600.00	0.00
Honoraria	215,230,000.00	365,670,000.00
Household Appliances	0.00	1,475,000.00
Housing Allowance	202,310,000.00	246,840,000.00
Leave Travel	129,202,883.00	174,224,174.26
Medical and Dental Refunds	11,275,800.00	17,230,960.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)	2021	2020
	TZS	TZS
Moving Expenses	412,656,445.00	505,018,712.00
Outfit Allowance	800,000.00	1,200,000.00
Sewage Charges	0.00	990,000.00
Sitting Allowance	248,085,000.00	237,966,000.00
Special Allowance	6,850,000.00	47,339,999.64
Telephone	131,380,000.00	115,169,387.61
	15,163,138,013.85	13,952,687,501.67
23 - Social Benefits		
National Health Insurance Schemes (NHIF)	292,043,955.93	269,007,240.00
PSSSF	1,460,219,779.65	1,345,036,200.00
	1,752,263,735.58	1,614,043,440.00
24 - Supplies and Consumables Used		
Health Insurance	0.00	1,644,861.80
Accommodation	3,000,000.00	9,000,000.00
Advertising and publication	43,756,000.00	45,571,376.00
Air Travel Tickets	12,039,104.35	181,291,734.83
Bank Charges and Commissions	0.00	6,288,334.34
Burial Expenses	20,250,000.00	27,568,400.00
Cleaning Supplies	1,817,000.00	3,499,000.00
Computer Software	0.00	38,940,000.00
Computer Supplies and Accessories	1,188,034.00	18,647,040.00
Conference Facilities	57,664,700.00	41,485,216.70
consultancy fees	44,149,280.00	158,174,140.00
Sewage Charges	640,000.00	0.00
Courier Services	0.00	2,000,000.00
Diesel	1,097,247,901.56	1,026,774,330.75
Research and Dissertation	19,655,000.00	0.00
Electricity	232,955,940.40	106,722,203.43
Publicity	4,948,600.00	0.00
Entertainment	64,750,000.00	35,700,000.00
Exhibition, Festivals and Celebrations	72,810,000.00	47,503,740.00
Food and Refreshments	207,140,582.00	183,111,623.96
Fumigation	0.00	900,000.00
Gifts and Prizes	13,900,000.00	7,250,000.00
Ground Transport (Bus, Train, Water)	6,454,800.00	34,648,600.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2021	2020
	TZS	TZS
Ground travel (bus, railway taxi, etc)	186,558,136.00	101,548,760.00
Internet and Email connections	515,032,808.22	516,263,824.69
Laboratory Supplies	34,880,329.54	0.00
Mobile Charges	682,000.00	0.00
Newspapers and Magazines	2,950,000.00	0.00
Office Consumables (papers, pencils, pens and stationaries)	498,356,608.69	573,687,551.38
Outsourcing Costs (includes cleaning and security services)	368,220,627.80	255,237,581.69
Per Diem – Domestic	3,653,530,000.00	2,465,198,430.57
Per Diem – Foreign	24,759,427.64	421,060,718.33
Petrol	0.00	300,000.00
Posts and Telegraphs	19,880,052.00	5,190,718.35
Printing and Photocopy paper	1,560,000.00	1,100,000.00
Printing and Photocopying Costs	25,842,390.00	25,408,237.72
Printing Material	185,592,600.00	240,280,732.12
Programs Transmission Fees	0.00	920,000.00
Protective Clothing, footwear and gears	17,462,000.00	22,522,791.70
Rent - Office Accommodation	25,204,000.00	195,765,450.06
Satellite access services	0.00	771,611.98
Special Foods (diet food)	4,300,000.00	2,925,000.00
Special Operation Services	390,637,681.94	416,152,670.20
Subscription Fees	34,507,629.21	10,902,750.00
Telephone Charges (Land Lines)	6,387,289.07	6,091,213.66
Training Allowances	52,074,750.00	15,846,790.00
Training Materials	25,650,000.00	13,512,413.00
Tuition Fees	118,078,865.06	167,661,125.27
Uniforms	0.00	13,982,400.00
Uniforms and Celemonial Dresses	14,359,000.00	1,120,000.00
Upkeep Allowances	0.00	118,976,520.00
Visa Application Fees	0.00	8,227,362.00
Water Charges	23,951,872.94	29,113,227.45
Wire, Wireless, Telephone, Telex Services and Facsimile	0.00	88,500.00
	8,134,825,010.42	7,606,576,981.98
25 - Maintenance Expenses		
Air conditioners	0.00	300,000.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)	2021	2020
	TZS	TZS
Cement, Bricks and Building Materials	0.00	1,154,700.00
Computers, printers, scanners, and other computer related equipment	1,135,000.00	4,004,000.00
Electrical and Other Cabling Materials	798,000.00	5,265,200.00
Fax machines and other small office equipment	147,400.00	0.00
Fire Protection Equipment	736,200.00	400,000.00
Motor Vehicles and Water Craft	707,937,071.72	659,007,805.32
Outsource maintenance contract services	105,699,518.50	95,535,906.50
TV sets and Radios	1,320,000.00	0.00
Paint and Weather Protection Coatings	0.00	279,000.00
Photocopiers	1,103,200.00	830,000.00
Plumbing Supplies and Fixtures	0.00	685,000.00
Small Tools and Implements	3,078,831.00	4,640,000.00
Tyres and Batteries	149,453,738.04	81,523,947.18
	971,408,959.26	853,625,559.00
26 - Grants, Subsidies and other Transfer Payments		
Revenue Transfer.	585,822,442,192.76	525,805,058,959.59
	585,822,442,192.76	525,805,058,959.59
32 - Cash and Cash Equivalents		
Development Expenditure Cash Account	5,037,497,907.12	426,953,196.52
Untransferred Revenue	487,205,922.40	1,483,915,463.72
Recurrent Expenditure Cash Account	582,462,039.09	210,144,795.73
Unapplied Cash Account	20,219,406.36	10,495,844.82
	6,127,385,274.97	2,131,509,300.79
33 – Receivables		
Other Receivables	9,802,716.00	9,802,716.00
Trade Receivables	4,419,082,583.54	5,171,460,084.04
	4,428,885,299.54	5,181,262,800.04
33P – Prepayments		
Advances to GPSA-fuel	102,198,163.38	158,664,829.06
Advances to GPSA-Assets	6,251,213,033.49	641,662,658.93
	6,353,411,196.87	800,327,487.99
34 – Inventories		
Books	41,569,900.00	67,580,000.00
Consumables	73,717,367.50	42,357,692.00

THE UNITED REPUBLIC OF TANZANIA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)	2021	2020
	TZS	TZS
Security Seal	65,072,250.00	138,728,250.00
	180,359,517.50	248,665,942.00
39 - Payables and Accruals		
Staff Claims	1,446,658,376.00	1,496,635,076.00
Supplies of goods and services	505,850,506.00	642,084,032.40
Withholding tax	6,507,363.55	1,633,431.50
	1,959,016,245.55	2,140,352,539.90
46 - Deferred Income (Revenue)		
Recurrent Deferred Income	602,681,445.45	220,640,640.55
	602,681,445.45	220,640,640.55
46B - Deferred Income (Capital)		
Development Deferred Income	5,037,497,907.12	426,953,196.52
	5,037,497,907.12	426,953,196.52
51 - Property, Plant and Equipment		
Accumulated Depreciation - Motor Vehicle	(8,059,497,604.72)	(6,639,619,934.80)
Accumulated Depreciation - Office Building	(748,154,828.48)	(488,036,513.92)
Accumulated Depreciation Computer and Photocopies	(298,321,280.46)	(218,385,571.72)
Accumulated Depreciation Data Communication Centres, networks and facilities	(359,396,086.36)	(233,083,548.70)
Accumulated Depreciation Furniture and Fittings - Office	(278,786,275.94)	(219,295,619.71)
Accumulated Depreciation Motor Cycles and Bicycles	(3,122,448.98)	(1,800,000.00)
Accumulated Depreciation Office Equipment	(10,724,028.04)	(8,283,356.96)
Accumulated Depreciation Mining equipment and machinery	(380,311,827.96)	(85,966,166.81)
Office buildings and structures	88,207,310.00	0.00
Acquisition of land	355,000,000.00	0.00
Building other than dwelling - WIP	546,781,070.38	0.00
Audio visual equipment	1,200,000.00	0.00
Motor vehicles,	641,662,658.93	5,207,291,375.66
Air Conditioner	1,500,000.00	0.00
Computers and Photocopiers	311,308,490.00	168,661,480.00
Data Communication Centres, networks and facilities	108,554,788.40	280,621,737.00
Printers and Scanners	13,103,900.00	9,752,000.00
Filing Cabinets	1,500,000.00	0.00
Precision Tools, Weights and Measures (Measurements)	179,886,220.59	4,112,494,087.48
GPS	2,916,000.00	1,620,500.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)	2021	2020
	TZS	TZS
Office Furniture	113,335,426.00	0.00
Kitchen Appliances, Utensils and Crockery	350,000.00	200,000.00
Beds, Desks, Shelves, Tables, Chairs and Cabinets	1,665,000.00	0.00
Desks, Shelves, Tables and Chairs	2,940,000.00	0.00
Office buildings and structures	12,073,953,000.00	12,073,953,000.00
Acquisition of land	2,830,400,000.00	2,830,400,000.00
Motor vehicles,	12,191,982,834.08	6,874,661,458.42
Motor Cycles and Bicycles	5,400,000.00	5,400,000.00
Data Communication Centres, networks and facilities	910,827,389.92	618,633,153.15
Computers and Photocopiers	455,046,201.68	286,384,721.68
Office furniture and fittings	374,150,044.93	374,150,044.93
Other Office equipment	16,572,335.83	16,572,335.83
Mining equipment and machinery	4,330,135,287.47	217,641,199.99
	25,310,033,577.26	25,183,966,381.51
51A - Depreciation of Property, Plant and Equipment		
Depreciation - Office buildings and structures	260,118,314.56	244,018,257.12
Depreciation - Data communication centers, networks and facilities	126,312,537.66	129,941,689.85
Depreciation - Computers and Related Equipment	79,935,708.74	122,923,597.83
Depreciation - Furniture & Fittings	59,490,656.23	78,635,302.75
Depreciation - Motor Cycle	1,322,448.98	900,000.00
Depreciation - Motor Vehicles	1,419,877,669.93	1,679,708,174.50
Depreciation - Office equipment	2,440,671.08	4,141,678.63
Depreciation - Mining equipment and machinery	294,345,661.38	70,420,366.81
	2,243,843,668.56	2,330,689,067.49
52 - Intangible Assets		
WIP Intangible Asset	34,400,000.00	0.00
	34,400,000.00	0.00

53. Other Property, Plant and Equipment Disclosure

Upon the review of fixed asset register for the year 2020/2021, the useful life of fixed assets (8 motor vehicles) were subjected to normal wear and tear and hence necessitated full depreciation. The carrying value and depreciation of the Fixed assets shall be accounted as explained in IPSAS 17 para 67 and para 94.

53. OTHER PROPERTY, PLANT AND EQUIPMENT DISCLOSURE

Upon the review of fixed asset register for the year 2020/2021, the useful life of fixed assets (8 motor vehicles) were subjected to normal wear and tear and hence necessitated full depreciation. The carrying value and depreciation of the Fixed assets shall be accounted as explained in IPSAS 17 para 67 and para 94.

These motor vehicles carry no balance as at end of 30 June, 2021 since they are either grounded and or written off. The commission has made a team which comprise staff from Ministry of Finance and Planning and other from within the Commission, this team has started verification process since October 2021. Management expects the verification process will end up on 31 March 2022 were all these vehicles and other grounded assets will be disposed.

THE UNITED REPUBLIC OF TANZANIA
MINING COMMISSION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 June 2021

Cash Flow by Source

CASHFLOW STATEMENT FOR THE PERIOD ENDED 30 June 2021-RECURRENT

	2021 TZS	2020 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Funds Received	26,883,343,766.58	24,109,105,030.00
Total Receipts	26,883,343,766.58	24,109,105,030.00
PAYMENTS		
Wages,Salaries and Employee Benefits	15,233,308,213.85	13,882,995,908.67
Supplies and Consumables Used	8,045,501,003.19	7,698,783,252.30
Social Benefits	1,752,263,735.58	1,614,043,440.00
Maintenance Expenses	1,047,125,970.66	853,625,559.00
Total Payments	26,078,198,923.28	24,049,448,159.97
NET CASH FLOW FROM OPERATING ACTIVITIES	805,144,843.30	59,656,870.03
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Acquisition of Property,Plant and Equipment	388,704,038.40	147,029,835.31
Acquisition of Intangibles	34,400,000.00	0.00
Total Investing Activities	423,104,038.40	147,029,835.31
NET CASH FLOW FROM INVESTING ACTIVITIES	423,104,038.40	147,029,835.31
CASH FLOW FROM FINANCING ACTIVITIES		
Financing Activities		
Grants refunded/ transferred	0.00	0.00
Total Financing Activities	0.00	0.00
NET CASH FLOW FROM FINANCING ACTIVITIES	0.00	0.00
Net Increase	382,040,804.90	(87,372,965.28)
Cash to be Surrendered to Holding Account	0.00	0.00
Cash to be Surrendered to PMG	0.00	0.00
Cash and cash equivalent at beginning of period	220,640,640.55	308,013,605.83
Cash and cash equivalent at end of period	602,681,445.45	220,640,640.55

The financial statements were authorized for issue by the Commission and were signed on its behalf by:

Name: Eng.Yahya I. Samamba **Title:** Ag.ES **Signature:**  **Date:** 30 September 2021

THE UNITED REPUBLIC OF TANZANIA
 MINING COMMISSION
 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 June 2021
CASHFLOW STATEMENT FOR THE PERIOD ENDED 30 June 2021- DEVELOPMENT

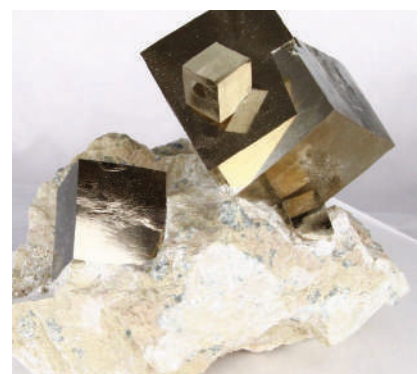
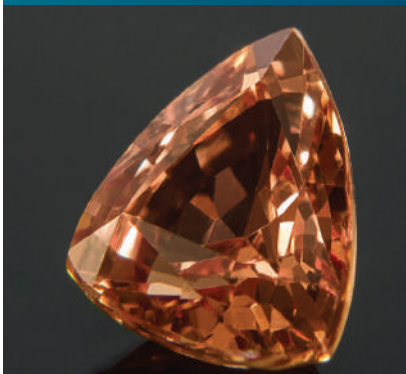
	2021 TZS	2020 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Funds Received	11,833,745,645.06	10,702,227,200.00
Total Receipts	11,833,745,645.06	10,702,227,200.00
PAYMENTS		
Wages, Salaries and Employee Benefits	0.00	0.00
Supplies and Consumables Used	0.00	0.00
Social Benefits	0.00	0.00
Maintenance Expenses	0.00	0.00
Total Payments	0.00	0.00
NET CASH FLOW FROM OPERATING ACTIVITIES	11,833,745,645.06	10,702,227,200.00
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Acquisition of Property, Plant and Equipment	7,223,200,934.46	10,275,274,003.48
Acquisition of Intangibles	0.00	0.00
Total Investing Activities	7,223,200,934.46	10,275,274,003.48
NET CASH FLOW FROM INVESTING ACTIVITIES	7,223,200,934.46	10,275,274,003.48
CASH FLOW FROM FINANCING ACTIVITIES		
Financing Activities		
Grants refunded/ transferred	0.00	0.00
Total Financing Activities	0.00	0.00
NET CASH FLOW FROM FINANCING ACTIVITIES	0.00	0.00
Net Increase	4,610,544,710.60	426,953,196.52
Cash to be Surrendered to Holding Account	0.00	0.00
CRDB Balance	0.00	0.00
Unapplied	0.00	0.00
Cash to be Surrendered to PMG	0.00	0.00
Cash and cash equivalent at beginning of period	426,953,196.52	0.00
Cash and cash equivalent at end of period	5,037,497,907.12	426,953,196.52

The financial statements were authorized for issue by the Commission and were signed on its behalf by:

Name: Eng. Yahya I. Samamba **Title:** Ag.ES **Signature:**  **Date:** 30 September 2021

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