



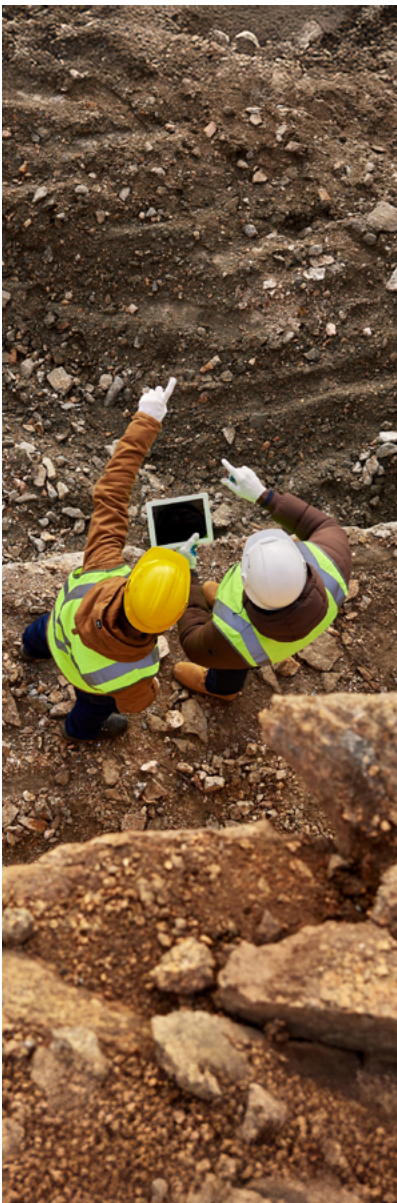
Pre-Budget Briefing 4

Extractive Sector

June 2026



Pre-Budget Briefing 4: Extractive Sector



In brief

Recent highlights for the extractive sector include:

General

Tanzania's "Dira 2050" – the Vision 2050, positions the extractive sector among the country's priority transformative industries, guided by criteria that emphasise the sector's capacity to generate employment, expand export, strengthen inter-sectoral linkages, enhance value addition, and boost government revenues. Anchored within the broader ambition to build a strong, inclusive and competitive economy, Dira 2050 positions high-impact sectors like the extractive sector at the centre of efforts to raise productivity and accelerate economic growth.

Mining

1. Tanzania's mining sector continued its growth trajectory, with gold exports reaching USD 4.7bn by December 2025 and contributing to over 45.7% of the total exports of goods or over 26.7% of total exports, compared to USD 3.4bn in the same period in 2024¹ mainly attributed to increased gold prices.
2. The mining sector's annual credit growth was at its highest at 103.9% for period to February 2026².
3. Contribution to GDP averaged at 11.9% by December 2025 (10.1% by December 2024)³ with an ambitious target of TZS 1.2tr revenue for the year ending June 2026⁴ (For the period from July 2024 to June 2025, the actual revenue was TZS 1.071tr).
4. Value addition is gaining momentum as Dodoma is emerging as a hub hosting 9 mineral processing plants and 4 metallic mineral facilities (including copper and nickel); and STAMICO's salt processing plant serving Lindi and Mtwara reaching 99% completion⁵.
5. Amendment of local content regulations⁶ by reserving supply of certain goods and services exclusively for Tanzanians and requiring foreign suppliers (for other supplies) to form joint ventures with 100% Tanzanian owned businesses. This is expected to boost local employment and procurement. In his 27 April 2026 budget speech, the Minister for Minerals reaffirmed the government's commitment



to strengthening local content rules in the mining sector, explicitly emphasising that “it is prohibited for non-Tanzanians to supply goods or services that have been designated to be provided exclusively by Tanzanian-owned companies.”

6. Tanzania and the United States plans to expand mining cooperation, focusing on graphite and strategic minerals which will involve expertise exchange⁷.

Upstream Oil and Gas

1. The operator of the Tanga block (i.e. Octant Energy Tanga Limited) is expecting to launch its exploration well drilling in Tanga⁸.
2. In the year 2025, drilling of three gas wells began in the Mnazi Bay block located in the Mtwara region. The project aims to increase natural gas production from the Mnazi Bay block by more than 30 million standard cubic feet per day⁹.
3. Negotiations on the Host Government Agreement (HGA) for the LNG project are still in progress, with the government indicating that signing is expected in 2026.



Key fiscal concerns:

1. Recognition of incentives accorded to investors for tax purposes:

- Automatic recognition of tax/ fiscal arrangements and commitments agreed in the Framework Agreements into law without requiring separate instruments to be issued (such as Government Notices).

2. The challenges mentioned in our past pre-Budget briefings in the last few years remain (refer to the latest issue - "[Pre-Budget Briefing 4 - Extractive - May 2025](#)"), with critical matters being:

- **Change in control provision** (section 56 of the Income Tax Act (ITA)): extend the scope of the exemption introduced in July 2023 (also clarified in July 2024) to cover (i) issuance of shares by a non-resident entity and (ii) extractive sector companies that have not yet commenced commercial production.
- **VAT refunds:**
 - VAT refunds continue to be a challenge for companies at the prospecting/exploration and developing stages (that have not commenced production of taxable supplies and are registered as intending traders for VAT purposes) and companies at rehabilitation stages that have ceased production but are obliged to rehabilitate the site. There is a continued need to revisit the interpretation on entitlement to claim input VAT (leading to VAT refund) or reinstate the special relief regime that was applicable to companies in the exploration, development and rehabilitation stages under the VAT Act 1998.
 - For large scale projects at development stage, consider automatic refund following receipt of the refund claim (supported by external auditor's verification) as the filing portal performs a preliminary screening of invoices. Comprehensive TRA audit to take place after the refund (rather than before).
- **Risk of deregistration for VAT registered intending traders:**
 - At registration, an intending trader specifies the expected timeline for commencing taxable supplies. If this timeline lapses, the trader must notify the TRA of any changes (i.e., provide a revised timeline). Failure to do so may result in the trader being deemed deregistered.

- Upon deregistration, the trader forfeits the right to claim input VAT and is no longer entitled to a refund of VAT previously claimed.
- The provision should outline a clear avenue for intending traders to seek recourse should they disagree with the TRA decision.
- **VAT deferment scheme:**
 - Expand the scope of 'capital goods' under the VAT deferment scheme by reinstating the definition based on threshold as opposed to limited goods under specific HS codes.
 - Amend the VAT Act, to remove the cessation of VAT deferment on imported capital goods from 30 June 2026.
- **Royalty:** make the cost deductible for corporate income tax purposes (aligning with global best practice).





1. Tanzania's vision 2050 (Dira 2050)

In July 2025, Tanzania set out its vision for the next 25 years (“Dira 2050”). The document sets out the direction that Tanzania wants to take with respect to various economic contributors. It seeks to reframe the extractive sector from a predominantly revenue generating into a strategic policy lever for industrialisation, energy security and export diversification. This implies the need for a continued shift from short term fiscal measures towards a coordinated policy framework that aligns taxation, local content, infrastructure planning and investment approval processes with long term national development objectives.

Specifically, for the extractive sector, Tanzania has the following visions:

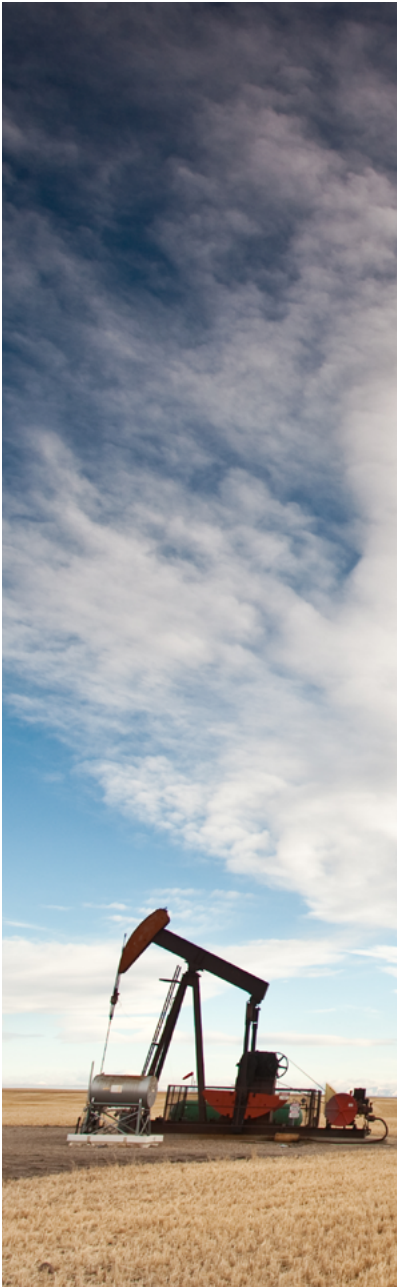
- **Mining sector**

The vision identifies gold, diamonds, tanzanite, and rising critical minerals such as graphite, lithium, uranium, and rare earths as a priority driver of GDP and exports, with explicit intent to move from raw-material extraction to downstream processing and other value adding industries to deepen jobs, foreign currency, technology transfer, and linkages into construction, manufacturing, and energy. This strengthens the policy rationale for differential fiscal treatment, strategic incentives and public private partnerships that support smelting, refining and downstream processing, while also requiring careful calibration to preserve international competitiveness and investor confidence.

Delivery is tied to sustainable mining practices, transparent regulation, and technology adoption, aligning with strong environmental and land management pillars that flag mining among pressures on land and prioritise biodiversity protection, pollution control, and climate resilience across project lifecycles. Therefore, a stable and predictable fiscal regime will remain critical to sustaining large scale capital investment.

- **Oil and gas sector**

The vision states that Tanzania aims at becoming a regional net energy exporter by 2050 with Liquefied Natural Gas named as a strategic lever alongside ports and hydropower.



2. Mining sector

Background

In the year ended December 2025, gold ranked as the leading contributor to exports of goods, increasing by 37.4% to USD 4,697.6m (2024: 3,419.6m). This increase was largely attributed to rise in gold prices. The total gold production in Tanzania to December 2025 showed a marginal increase of 1.2% compared to a similar period in 2024 (2025: 1,219.3koz¹⁰¹¹, 2024: 1,204.7koz).

Key legislative updates

Introduction of HIV response levy - In July 2025, the Finance Act 2025 introduced HIV response levy to be collected from various sectors including mining. This levy is charged at a rate of 0.1 percent of the gross value of minerals.

Local content updates¹² - The Mining Commission has amended the Local Content Regulations to include the below (among other things)

- Foreign suppliers of goods and services are now required to form joint ventures with Tanzanian entities (i.e. 100% owned by Tanzanians).
- Supply of certain goods and services is reserved for Tanzanian owned entities.

The Government issued a list of 20 goods and services reserved for Tanzanian owned entities effective 15 November 2025. This move aims to strengthen Tanzanian participation across the entire mining value chain in line with the Government's local content objectives.

Operating Mines – Gold – listed groups

The information set out below in respect of specific mines and mining groups is a summary of data taken from the websites of AngloGold Ashanti (www.anglogoldashanti.com), Barrick Gold (www.barrick.com) and the Bank of Tanzania (www.bot.go.tz).



Production

In the year ended December 2025, overall gold production from the international gold companies operating in Tanzania was nearly the same (a decrease of about 2.7%) compared to a similar period in the prior year. (Refer to the Table 1 and graphs in the Appendix).

Macroeconomic impact

Payments to Government (taxes, royalties, levies and settlements) continued to be significant with the current spend (from 2019) being USD 1.7bn (TZS 4.03 trillion) as indicated in the Barrick Q2 2025 Media Day report.

Local spend also continues to be significant, for example the Barrick Q2 2025 Media Day report indicates that currently 91% of Barrick's total spend was made to National suppliers with 83% of it going to indigenous companies (continuing to surpass the annual target of 65%). This is in comparison to only 34% in 2019¹³.

Barrick is currently undertaking drilling programmes at Gokona and Gena within the North Mara complex, airborne geophysics and drilling are also planned for the newly consolidated Siga and Nzega greenfields. The programmes are targeting resource expansion and building a healthy pipeline of its operations in the future¹⁴.

Operating Mines – Other

For the year ended December 2025¹⁵, there has been a decrease in diamond exports by 7% to USD 49.5m (2024: USD 53.2m - initially estimated at USD 60.3m) while Tanzanite exports declined by 14% to USD 16.7m (2024: USD 19.4m - initially estimated at USD 19.2m).

Financing and Development Updates

Significant advances have been made in financing green mineral projects, especially with the recent signing of graphite offtake agreements.

Mining projects under development/ exploration

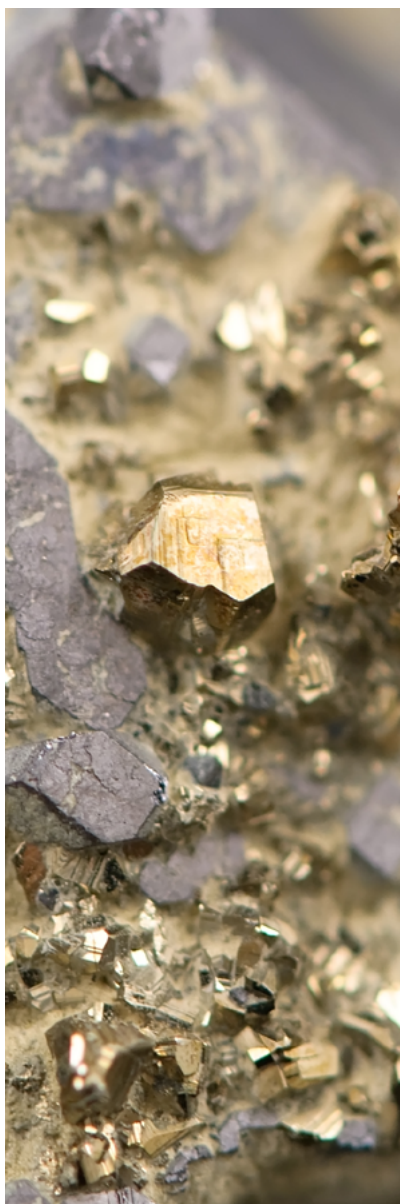
Gold

1. Perseus Mining¹⁶

- Perseus has indicated that early construction works are steadily progressing which include the site establishment and bulk earthworks for the Special Mining Licence (SML) perimeter fence, permanent camp and processing plant. Additionally, the Relocation Action Plan (RAP) is well advanced with the first priority affected persons moved to their new homes¹⁷.
- Perseus opted for a wholly open-pit mining operation for the first phase of development as opposed to combined open pit – underground option¹⁸.

2. Lake Victoria Gold¹⁹

- The company holds a 100% interest in both the Tembo Gold project, which is adjacent to Barrick's Bulyanhulu mine and the Imwelo Gold project, which is located west of AngloGold Ashanti's Geita Gold Mine.
- In February 2025, the company completed the acquisition of Mining Licence 538/2015, which covers the Imwelo project.
- In April 2025, the company's prospecting license was successfully converted into four mining licenses, all of which cover the Tembo project.
- The updated Environmental and Social Management Plan ("ESMP") for the Imwelo project has been approved by the Tanzanian National Environment Management Council ("NEMC").



- The company has completed drilling and analytical studies at the Imwelo project. Following this, the project is being advanced toward construction readiness and initial production. The results also confirmed that the gold deposit continues deeper underground and extend further to both east and west of the planned open pit.
- In April 2026, the company secured a loan of up to USD 25 million from Monetary Metals & Co., alongside a USD 3.8 million convertible debenture financing, to fund the development of the company's Imwelo gold project²⁰.

3. Marvel Gold²¹

- During the year 2025, the company entered into an agreement with Pangani Minerals Company Limited to acquire its rights to applications for two Prospecting Licenses (PLs)²².
- Following the approval from the Mining Commission, the licence area at the Hanang Gold project increased to 340km² from 230km².²³
- A drone borne magnetic survey began in November 2025 and was completed in February 2026²⁴. The results identified several high-priority structural targets with favourable geological context for mapping and drill planning located in less than 20% of the total survey area²⁵. A drilling program focusing on the identified priority targets is expected to commence towards the end of Q2 of 2026.²⁶

Graphite

1. EcoGraf Limited²⁷

- The Independent Engineers' Report (IER), a key lender requirement for senior debt financing, has been submitted to KfW IPEX-Bank, the German development and export finance bank for a loan up to USD 105m for the construction of the Epanko Graphite Project²⁸.
- The updated Resettlement Action Plan (RAP) has been completed with the implementation being started with the registration of Project Affected Persons²⁹.
- Finalising Power Supply Agreement with TANESCO based to connect 33KV Epanko line at Mahenge substation³⁰.
- During the year 2025, a comprehensive engineering geotechnical drilling program was undertaken, providing essential samples and data to support the finalisation of geotechnical parameters for the proposed Epanko processing plant³¹



2. Black Rock Mining Limited³²

- In May 2025, the company's lenders agreed to a USD 25m increase in funds available under the facilities agreement with DBSA, IDC and CRDB, increasing the total available facilities to USD 204m³³.
- Final Investment Decision (FID) was completed and the project advanced to development phase. Early site works have begun³⁴.
- Binding offtake agreements entered with POSCO³⁵

3. Evolution Energy Minerals Limited

- Revised development timeline for the Chilalo Graphite project - FID expected by November 2026, with production commencing by October 2027.³⁶
- The project advancement has been delayed due to a decline in global natural graphite prices, driven by increased synthetic graphite production. The binding offtake agreements entered into with BTR New Material Group Co Ltd (BTR) and Yichang Xincheng Graphite Co Ltd (YXGC), covering 90% of expected production³⁷ remain in place, with revised terms to reflect the delayed commencement of large-scale mining operations.

4. Ndovu Graphite Limited³⁸

- The company holds a 100% interest in the Lindi Jumbo Graphite Project, located in Ruangwa District, Lindi Region.
- In May 2026, a Framework Agreement was signed between the Government of Tanzania and Lindi Jumbo Limited whereby the Government of Tanzania will hold a 16% free-carried interest in the joint venture company, Ndovu Graphite Limited.
- The mine is expected to produce approximately 40,000 tonnes of graphite annually over an estimated 24-year lifespan.

5. Volt Resources Limited³⁹

- Unbounded Opportunities Fund (UOF) committed an investment of USD 11.1m for a 62% equity in Volt Graphite Tanzania Plc while Volt retains the remaining 32%⁴⁰.
- UOF to conduct a revised feasibility study for Bunyu Graphite Project.
- Currently, capex is estimated to be USD 37m with the projected graphite production of 40,000 tonnes per annum.
- Volt is arranging project debt funding and offtake agreements.

Mineral Sands / Rare Earths

1. Peak Resources⁴¹

- In September 2025, the acquisition of Peak Resources Limited by Shenghe Resources was completed following approvals from the Fair Competition Commission of Tanzania, Peak Resources' shareholders and the Australian court.⁴²

2. Panda Hill Mining⁴³

- In March 2026, the key framework agreement for the development of the Panda Hill Niobium project (located in Mbeya) was signed between the Government and the project partners⁴⁴.
- Following the finalisation of the framework agreement, the company has been granted a Special Mining Licence for the project which will extend the mine operation life to approximately 30 years.

Nickel

1. Lifezone Metals Limited⁴⁵

- In July 2025, the company completed the definitive feasibility study for the Kabanga Nickel project. The study has confirmed probable mineral reserves of 52.3m tonnes (100% basis) grading 1.98% Nickel, 0.27% Copper and 0.15% Cobalt⁴⁶.
- The mine's production rate is expected to be 3.4m tonnes per annum over an 18 year mine life⁴⁷.



- During the year 2025, the company secured a USD 60m bridge loan from Taurus Mining Finance whose purpose is to fund early works and execution readiness following completion of Kabanga Nickel projection feasibility studies⁴⁸.
- In November 2025, the company raised USD 15m from an underwritten registered offering. The net proceeds from the offering are intended to advance the Kabanga Nickel Project exploration, project staffing and for other general corporate purposes⁴⁹.
- The Final Investment Decision is expected in 2026⁵⁰.
- The updated Kabanga Environmental and Social Management Plan (ESMP) is awaiting approval from the National Environment Management Council (NEMC). The Environmental and Social Impact Assessment (ESIA) and ESMP were completed in June 2025. Offtake discussions ongoing⁵¹.



Helium

1. Helium One Global Limited

- In July 2025, the company was granted a Mining Licence⁵², which covers a mining area of 480km².
- The incorporation of the joint venture company (Songwe Helium Limited) has been completed and directors have been appointed. The Framework Agreement is signed, and the Government of Tanzania holds a 17% free carried interest⁵³.
- In January 2026, Helium commenced testing of the electrical submersible pump (ESP). Once testing is completed, a function test will be carried out before the well is opened and the pump is activated⁵⁴.

2. Noble Helium

- The company is developing four helium projects in Tanzania, namely, North Rukwa, North Nyasa, Eyasi and Manyara projects
- Between 2025 and early 2026, the company received various funding injections from its major shareholder, executive chairman, and external lenders to support working capital needs⁵⁵⁵⁶⁵⁷.
- The drilling program in the Rukwa Basin is expected to be implemented in 2026, as most of the challenges previously hindering the implementation of this program have now been resolved⁵⁸.



Uranium

1. Mkuju River Site⁵⁹

- In July 2025, the pilot uranium processing plant was commissioned by Mantra Tanzania. The plant will be used to test uranium processing technologies and inform the design of the main processing facility.
- The processing facility is expected to produce 3k tonnes of uranium per year, and its construction scheduled to begin in 2026, with commissioning planned for 2029.

3. Upstream Oil and Gas sector

Background

Tanzania's upstream oil and gas sector is at a strategic crossroads, balancing immediate domestic energy needs with long-term ambitions for industrialisation and export growth. With estimated recoverable reserves of over 57 trillion cubic feet (tcf) of natural gas both onshore and offshore, the country retains one of the largest resource bases in East Africa, positioning itself as a strategic regional energy hub.

With the LNG project gaining renewed traction, new licensing rounds, and major onshore projects such as the Ntorya Gas field, and policy emphasis on local content and sustainability, the oil and gas sector is set to play a pivotal role in advancing Tanzania's aspiration to become a net energy exporter by 2050.



Update on major Oil and Gas projects in the upstream sector

Liquefied Natural Gas (LNG) Project

Negotiations on the Host Government Agreement (HGA) for the LNG project are still in progress, with the government indicating that signing is expected in 2026.

Active exploration and drilling

Mainland Tanzania

- **The Eyasi–Wembere Basin:** Ongoing Phase II seismic exploration led by TPDC and African Geophysical Services is still in progress, with completion of the current phase expected by mid- 2026⁶⁰.
- **ARA Petroleum’s Ntorya Gas Field:** Around mid-2025, TPDC awarded the contract of the construction of a pipeline from the Ntorya gas field to the Madimba Gas Processing Facility to China Petroleum Pipeline and China Petroleum Technology & Development Corporation⁶¹. The construction pipeline has already been manufactured and was expected to arrive in Tanzania in the first quarter of 2026. Subsequently, groundwork and pipe laying will commence immediately to meet the planned completion and commissioning deadline of the third quarter of 2026⁶².

On 13 January 2026, ARA Petroleum Tanzania Limited (APTTL) announced that the interpretation of 3D seismic data acquired in the Ruvuma Block in Mtwara has revealed an increased natural gas potential of 3.45 trillion cubic feet (tcf), up from the previously estimated 1.87 tcf. The updated estimate, supported by an integrated analysis of 3D and 2D seismic data and results from earlier drilled wells, has strengthened confidence in discovering additional resources, prompting APTL and its partners (i.e., TPDC and Ndovu Resources) to continue further studies in the Ntorya area⁶³.

- **Tanga block:** The operator of the Tanga block, Octant Energy Tanga Limited, has identified eight drillable locations from reprocessed 3D seismic data and is currently preparing local content and service readiness for the exploration project⁶⁴.

Zanzibar

- Zanzibar has made significant progress in revitalising its oil and gas exploration efforts after the Zanzibar Petroleum Development Corporation (ZPDC) entered into an agreement with AGS to carry out a 3D seismic survey. This survey will generate essential geological data that will inform Zanzibar’s upcoming exploration decisions, including whether to proceed with drilling. The activity will span both North and South Unguja⁶⁵.

Operating production fields

Mainland Tanzania

- **Songo Songo Gas Field:** operated by PanAfrican Energy, continues to supply gas for power and industry. However, the production sharing agreement for the project expires in October 2026 with no public information regarding its renewal.
- **Mnazi Bay Gas Field:** operated by Maurel & Prom (M&P), continues to supply gas for domestic use. Drilling of three new wells in the Mnazi Bay block has already commenced. As a result, gas production from Mnazi Bay is projected to increase by more than 30 million standard cubic feet per day⁶⁶. This increase will help meet the growing demand for natural gas for power plants, industries and resident consumers.

4. 2026/27 Budget - Tax matters to consider for Extractive Sector (Mining and Upstream Oil and Gas)

This sector has been a significant contributor to the economy in 2025 and recent years. Additionally, the public announcements indicate good prospects for oil and gas projects and new mines with the majority of graphite projects having signed offtake agreements.

However, in order to accelerate the various projects to development and then to production (including potential expansion of existing mines and oil and gas projects), there are a number of policy reform measures that need to be considered including on the fiscal front.

Fiscal Challenges

The challenges highlighted in our past pre-Budget briefings remain (refer to the latest issue - "[Pre-Budget Briefing 4 - Extractive - May 2025](#)"). We summarise below the key issues and bring forth common practices in other jurisdictions:

1. Change in Control – Section 56 ITA

The current exemptions remain too narrow, as they only recognise share allotments at the Tanzanian entity level and transfers between resident persons. This excludes most capital raising structures where shares are issued at the offshore level which is common in capital intensive exploration projects thereby unintentionally triggering change in control tax consequences.

Common practice in other countries: Many African countries either lack such rules or exempt preproduction companies and share issuances at the parent company level (e.g., Botswana⁶⁷ and Namibia⁶⁸), recognising that frequent ownership changes occur during capital raising and should not be penalised. This approach ensures



that the extractive sector is generally excluded from change in control taxations hence easing capital raising.

The practice in other selected countries include:

- **China** - Taxation of indirect transfers is assessed based on a “reasonable commercial purpose” test whereby only those transactions that lack a bona-fide commercial purpose are taxed in China. The public notice 7 issued in 2015 provides seven general criteria to consider whether there is a reasonable commercial purpose to a transaction. Additionally, there are also some safe harbour rules namely (i) shares in publicly listed offshore companies are exempted, (ii) transfers that would be exempt under a tax treaty if done directly and (iii) qualifying intragroup restructurings which are exempt from Chinese tax.
- **India** - Indirect transfers will be captured if the shares being transferred derive substantial value from assets located in India. This occurs when the fair market value (FMV) of Indian assets exceeds INR 100m (USD 1.1m) and it represents at least 50% of the total FMV of the assets of the entity whose shares are being transferred.

Proposed solution: Expand the exemption to include offshore share issuances that indirectly alter ownership in a Tanzanian entity and exclude pre production extractive companies from the scope of section 56 altogether to facilitate capital raising.



2. Tax Deductibility of Mineral Royalty

The current non deductibility of royalty, despite it being a mandatory statutory payment, materially increases tax costs, reduces project viability and places Tanzania at odds with global industry norms where royalties are deductible.

Common practice in other countries: Most African mining jurisdictions including South Africa⁶⁹, Zambia⁷⁰, Ghana⁷¹ and Namibia⁷² allow royalties, surface rents, and statutory community payments as deductible for corporate income tax purposes, recognising their compulsory nature. As of May 2026, we are not aware of any country which treats royalty as non-deductible for corporate income tax purposes.

Proposed solution: Reinstate royalty as a deductible expense.

3. Deductibility of Corporate Social Responsibility (CSR) Costs

CSR spending is legally mandated for mining and petroleum companies, yet TRA treats it as a voluntary expense not meeting deductibility criteria as stipulated under section 16 of the ITA resulting in disallowances.

Proposed solution: Amend the ITA to expressly include mandatory CSR expenses as deductible, aligning tax treatment with legal obligations and social licence expectations.

4. Disallowance of VAT Input Claims for Prospecting and Development Stage Companies

Recent TRA's interpretation denies input VAT recovery for companies not yet generating taxable supplies, contradicting long standing practice that recognised exploration and development entities as intended traders. This significantly increases project capital costs.

Proposed solution: Reaffirm in practice or via a practice note that intended traders can claim input VAT prior to production, aligning with both the VAT Act's original intent and international VAT norms.

5. Deemed deregistration - Registered Intending Traders

The Commissioner General may register a person as an intending trader if they provide evidence of plans to commence taxable economic activity and specify when production will begin. If the trader fails to meet these conditions, they must notify the Commissioner within 90 days; otherwise, or if an extension is refused, they will be deregistered for VAT.

Deregistration results in forfeiture of input VAT already claimed and loss of refund entitlement, leaving significant cash tied up in irrecoverable VAT. In practice, VAT refund claims are often rejected for companies in prospecting, exploration, development, or rehabilitation stages, even when registered as intending traders.

Proposed solution: Revisit the interpretation of input VAT entitlement or reinstate the special relief regime that previously applied under the VAT Act 1998.

6. Limited Scope of Capital Goods Eligible for VAT Deferment and Planned Termination of VAT Deferment on Imported Capital Goods (Effective July 2026)

Limiting VAT deferment only to goods classified under specific HS codes excludes essential mining and petroleum equipment, such as trucks and heavy machinery. This approach contradicts the objectives of investment promotion policies and significantly increases upfront project costs.

Furthermore, the scheduled termination of VAT deferment in July 2026 poses a risk to the competitiveness of Tanzania's capital-intensive projects, particularly as local manufacturers are not yet able to meet industry demands.

Proposed solution: Reinstate the former threshold-based definition of capital goods and eliminate restrictive HS code-based eligibility criteria.

7. Automatic recognition of fiscal arrangements in the Framework Agreements (FWAs) for tax purposes

On the basis of the current legal framework, tax incentives granted to the investor as part of the FWAs are not automatically effective unless they are provided for in the tax law or a Government Notice (GN) is issued to legalise it. Unfortunately, for tax incentives that are not in the tax law, the process to obtain the GNs has not been smooth and has resulted in disputes with the TRA (at the time of audit) and loss of investor confidence.

Proposed solution: To further incentivise the Mining Sector, the government can consider the automatic recognition (including for tax purposes) of various fiscal arrangements in the FWA without the additional burden to obtain GNs for them to be effective.

Appendix 1

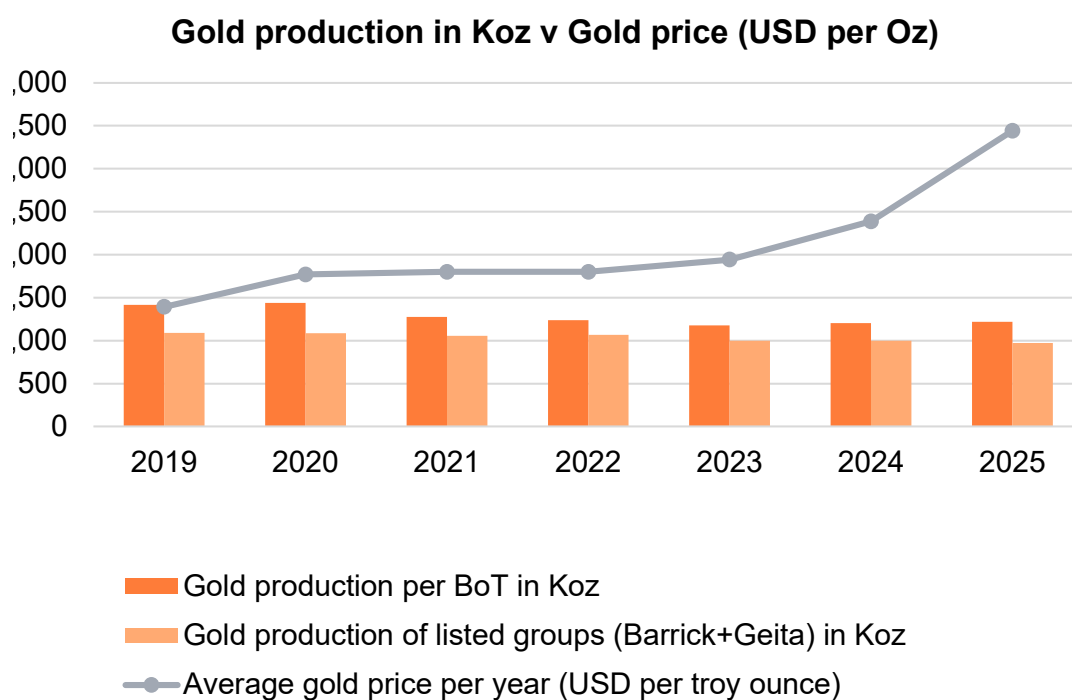
Table 1: Gold production from major mines

Mine	Year of mine opening	Production		Total cash costs		All in sustaining costs		Mineral reserve		Mineral resource ⁷³	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
		'000 oz	'000 oz	USD /oz	USD /oz	USD /oz	USD /oz	moz	moz	moz	moz
Geita ⁷⁴	2000	492	483	1,038	984	1,525	1,418	4.02	3.25	8.8	7.06
North Mara ⁷⁵	2002	297	315	1,085	989	1,333	1,274	3.8	3.5	6.9	6.3
								(100%)	(100%)	(100%)	(100%)
								3.2	2.9	5.8	5.3
								(84%)	(84%)	(84%)	(84%)
Bulyanhulu ⁷⁶	2001	182	200	1,253	1,070	1,795	1,420	4.5	4.5	8.7	8.6
								(100%)	(100%)	(100%)	(100%)
								3.8	3.8	7.3	7.2
								(84%)	(84%)	(84%)	(84%)

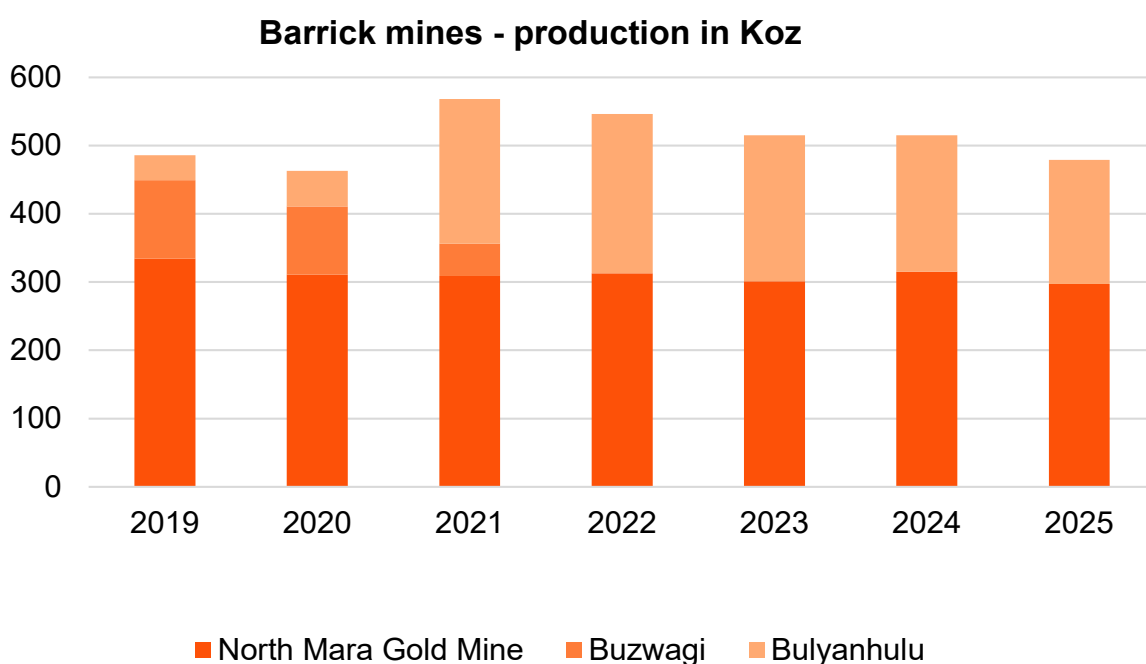
Additionally, in the 12 months to August 2025, Buckreef Gold (a subsidiary of TRX Gold) had produced 18.9koz (2024: 19.3koz); its mineral resource is estimated at 893koz.⁷⁷

Graphs

1. Gold production Vs Gold price



2. Gold production – Barrick Mines



3. Gold production – Barrick and Geita Gold Mine



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- 3 [BoT monthly economic review - May 2026](#)
- 4 [Ministry of Minerals](#)
- 5 [Ministry of Minerals](#)
- 6 [The Mining Commission releases \(7 January 2026\)](#)
- 7 [TanzaniaInvest updates \(22 January 2026\)](#)
- 8 [PURA news](#)
- 9 [PURA news](#)
- 10 [BoT Quarterly Statistical Bulletin \(December 2025\)](#)
- 11 Oz (ounce) refers to Troy ounce (as a unit of measure for weighing gold) as opposed to standard ounce
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