

January 2023

Dear Clients

First and foremost, we hope you have had a lovely festive season and we wish you a Happy New Year. As mentioned at the end of November, Transeco Minerals & Mining is back in production but are encountering various challenges that have significantly slowed our progress. Although progress is slow, there is huge opportunity to grow our business alongside our current processing plant which will allow us to accelerate production and ensure we catch up – and get ahead of – our already delayed payment schedules.

Investing in mobile processing plants has a very important part to play in our recovery, so once funds are available, we will execute this enhancement at pace. These processing plants will allow us to open more mining pits, therefore processing more ore and recovering more gold. In addition to the day-to-day challenges we encounter (i.e., the cost and availability of fuel) our current processing plant has begun to reveal the results of under-utilisation during the pandemic. The plant has gone from almost zero usage to full time use very quickly, which has taken its toll. We have now had to stop the plant for crucial repairs and maintenance. This has been – and is – causing us an unprecedented amount of downtime of which is detrimental to our production. We are working day and night to rectify the issues and hope to get back to our production potential imminently.

To combat the rising fuel costs and availability of fuel, we are now connected to the main electricity grid. This switch to electricity from diesel-powered generators is a dramatic cost saving, but with almost every other operating cost increasing, we still seek efficiency and cost saving methods. Ultimately, our cost saving exercise has only one goal in mind, to pay our clients, which also goes for every decision taken within the business.

Overall, progress is slow – but there is progress. Looking back, without the issues we encountered with the FIOD, we would be in a totally different situation at this moment in time. The long and unjust process the FIOD took us through – which still continues today – was at the most crucial time in the company's history. That, combined with the pandemic was and is devastating, but with your patience and understanding we will recover. As mentioned on timeless occasions, had it not been for the actions of the FIOD that has tarnished our reputation as a business, we would have zero delays; loans would not have been necessary, and all FGS contracts would have been redeemed by now.

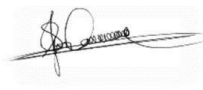
As you know, we have overcome many obstacles over the last few years, and we will continue to do so. Although these obstacles remain, and new challenges continuously appear, our priority is you, our clients and our commitment to your contracts. As we always mention, our focus is to complete paying the loans provided to us prior to completing FGS contracts. The loans provided kept the business afloat, so we treat these with the utmost priority. Once the loans are paid, we will of course inform you and moving forward, we will publish each and every FGS that has been redeemed chronologically online once the time comes.

As always, we welcome you all to visit us and meet the team on site and to see the operation first hand and to see where funds have, and are being utilised. Again, we sincerely thank you for your trust and patience, as without you this would not be possible. We look forward to a positive and prosperous 2023. For any queries, please direct them to info@transeco.org. If you would like to organise a call with me directly, please request this through the back office who will happily assist.

Kind Regards,



Mr A Niazi
Director



Mr G Amarh
Director