

ARAL INTERNATIONAL COMPANY LIMITED

PROPOSED BUSINESS PLAN FOR

THE ESTABLISHMENT OF GOLD PROCESSING AND
REFINERY PLANT AT SEGESE AREA, MSALALA
DISTRICT, SHINYANGA REGION,
TANZANIA.

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List of Abbreviations

CAPEX - Capital Expenditure
CIL - Carbon in Leaching
CIF- Central in Flight
CIP- Carbon In Pulp
EU - European Union
GDP - Growth Domestic Products
KASHUWASA- Kahama Shinyanga Urban water supply Authority
Kg - kilo gram
IRR - Internal rate of return
MT - Metric Ton
MIS - Management Information System
NBS - National Bureau of standard
NEMC - National Environment Management Council
LTD - Limited
OPEX - Operating Expenditure
MW - Mega Watts
SIDO- Small Development Organization
SWOC - Strength Weakness Opportunity Challenge
TANESCO - Tanzania Electric Supply Company
TIC- Tanzania Investment Centre
TZS - Tanzania Shilling
USA - United state of America
UK - United Kingdom
US\$ - United State Dollar
VETA - Vocation Education Training Authority
VAT - Value Added tax

EXECUTIVE SUMMARY

ARAL International Company Limited is a Tanzanian company registered in Tanzania with certificate of incorporation number 136305 of 2017. The office of the company is located at Nyansubi, Kahama Municipality, Shinyanga Region, while the project is located at Segese area, Msalala District, Shinyanga, region Msalala District about 20Km from Kahama Township.

Shareholders aimed to establish gold processing and refinery plant by purchasing modern machines and equipment for gold processing and refinery plant, however the company is already develop processing site with structure of refinery plant buildings and CIL plant as major activities at site.

The objectives of this study are two-fold. First is to determine the viability of the proposed project and serve as a business plan for the company's development program. Secondly, the business plan will act as a supporting document in the company's application for Tanzania Investment Centre (TIC) Certificate of Incentives for invested capital of 1,521,000USD financed by shareholders 100%.

The plant production capacity for CIL and elution respectively per day is 110MT and 3MT, equivalent to CIL is 300,000MT and 900MT respectively per year. The will plant provide refinery services to small scale miners around the plant, the plant production capacity 2.5MT of gold per month at a price of 42,000USD per MT. the total sales of Gold annually is 1,260,000USD. The project investment capital US\$ 1,521,000 as proceeds from capital contribution of the project by shareholders, with Current asset of US\$ 359,339 fixed assets 1,071,000US\$ and total liabilities of 1,965,867US\$. The project will be implemented by April 2021 and projected economic life is 5 years and will provide direct employment of 40personnel's.

The project is likely to have a positive impact on the economy of Lake Zone regions and Tanzania as a whole by creating employment, and contributing to Government revenues through various taxes, which will be paid. Based on the Impact Investment Index analysis, the company can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements.

On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the gold processing plant as prescribed on this business plan have shown that the project is commercially viable. Nonetheless, the company through professional consultative manner, will continue to find ways of implementing cost effective options given time and financial resources that will be made available. Financial analysis results show that when the construction of plant facility is financed using a combination of equity debt ratio (100:0), it gives an IRR of about 10.96%. The payback period for the project is estimated at 4 years, which is within the range for this type of investment.

1.0. BUSINESS OVERVIEW AND BACK GROUND INFORMATION.

1.1. Overview - Gold Processing Business in Tanzania.

Tanzania has a unique geological environment that hosts a variety of economic minerals. The most famous deposit is the Lake Victoria Greenstone belt in the central and north-central part of the country. Gold discovery and exploitation by German colonialists started towards the end of the 19th century and lasted until the First World War. During the British colonial era (1918-1961) mineral production and revenue were mainly from gold, diamonds, lead, mica, salt and tin. Gold was at a peak level in 1940 when it contributed to about 90% of the value of the mineral production. Following independence in 1961, many industrial sectors including the mining industry, were nationalized by the government.

In 1986 Tanzania agreed to a structural adjustment program designed by the World Bank. Internal and external trade was liberalized, and the government opened up for foreign investment in the country. The liberalization of mining, accompanied by the legalization of the buying and selling of gold and gemstones through banks and designated dealers, had immediate effects.

Now Tanzania has become one of the fastest-emerging gold producers in Africa, and is the continent's third-largest gold-producing country after South Africa and Ghana. A number of large international mining companies (Barrick Gold Corporation, AngloGold, Ashanti Mining, Resolute Limited) are now involved in operations in the country.

However the sector most relevant to operations conducted by ARAL International Company Limited will be the small scale and artisanal sectors. Estimates for the number of artisanal miners operating in the country are usually taken to be around 500,000 people. There are approximately 6000 small scale claim holders for gold in Tanzania. Assuming the number of people employed on each site is between 30 and 60. This leads to an estimate of 270,000 people working on government sanctioned claims. There are also a large number of miners working on non-government sanctioned claims.

Currently in Tanzania there is a dichotomy between the large multinational mining companies and the artisanal miners. ARAL International Company Limited will seek to exploit this dichotomy. It will operate in a way that will add value to artisanal miners while not troubling the larger mining companies.

There are a small number of companies that are carrying out similar gold processing operations in Tanzania. These companies have appeared in the last few years following the gold price rises of 2005 where such business models became feasible. Pioneers of this business include M/s Mineral Extraction Technologies Ltd. There are also operations based in Ushiroombo and Kahama by M/s Dynamic Mining, and a leaching plant at Igurubi by MMS Limited near Nzega. More

companies of similar operations have increased in the last three years. The most recent but experienced in gold processing since 2017 is ARAL International Company Limited with its operations site based in Segese area, Msalala District, in Shinyanga region.

1.2. Government support - Gold industrial development

Following advice from the World Bank¹, and hoping for economic growth and independence from donors, a number of African countries have opened up opportunities for large-scale mining by foreign investors over the last decade and a half. Tanzania, one of the 'new' mining countries, is now among the largest gold producers in Africa, but investor-friendly contracts have resulted in extremely low government revenues from mining, totaling less than 5 percent of what the country receives in development aid. In response to widespread discontent, and acknowledging the plight of affected communities, the government amended the 1998 Mining Act in 2010. In June 2018, the Government review her 1998 Mining Act and formulate new investment policy which that support investment incentives to investors, review existence of the legal framework and the role of bilateral investment treaties to ensure secure investment environment.

However, improved legal provisions may have limited effect if the present governance challenges are not resolved. In due respect, the 5th Government of Tanzania support local investors by removing some of duties imposed to investors in this case investor can imported machinery, capital goods at zero duty. There are significant opportunities for the export of technology, machinery, and services. The Tanzanian Government encourages mining companies to procure local goods and services whenever possible, and many of the foreign mining executives would like to increase local consumption to support the Tanzanian economy. There is significant opportunity to supply foodstuffs, clean water, training, consultancy and other services.

1.3. Project concept in Shinyanga Region

The proposed project aimed to establish refinery plant by increases production capacity purchasing modern machines for gold processing, however the company is already involve in development of processing site at Segese area, simple construction of refinery plant buildings, electro-winning plants, gold refinery plant and equipment, Power Generator, laboratory for noble metal testing; and environmental protection plant equipment. Other major capital expenditure will involve procurement of workshop tools and equipment, modern processing machines and equipment; purchase of utility motor vehicles, furniture and fittings, and fencing of the project sites. The process involves the following stage

1

https://www.researchgate.net/publication/270778022_Gold_and_governance_Legal_injustices_and_lost_opportunities_in_Tanzania

First: Gold extraction Process in Msalala District



ARAL International Company Limited extract gold by herself but in addition of increased plant capacity demand, the company will enter into a mining contract with the local small scale miners at Segese area and elsewhere in Msalala District to the effect that the small scale miners at the vicinity of the processing site will sell to the company their gold tailing so that the company can apply chemicals to extract the remaining gold. Furthermore, the company will then crush and process to obtain gold and provide support to small scale miners by providing equipments and chemicals. The company plans to use leaching process to extract gold from the gold ore and tailings.

Secondly: modernizing and expansion Gold refinery Facilities at Segese area - Msalala District"

The second phase of this project proposal entails setting up gold refinery facilities, providing electro-winning plants so the gold may be liberated from the carbon and into bullion form using modern technology. The refinery plant will be created in the said site above. The proposed project will therefore involve the following activities:

- ❖ Acquisition of adequate mining sites to ensure maximum production of gold
- ❖ Development of processing camps and infrastructure
- ❖ Construction of gold refinery buildings and storage warehouses, workshops and offices
- ❖ Importation and installation of gold processing plants, laboratory for noble metal testing
- ❖ Procurement and installation of environmental protection plant equipment
- ❖ Importation and installation of equipment, machinery and plants for gold refinery
- ❖ Procurement of heavy duty trucks fleet for transportation of gold ore and tailings from small scale mining centers to the processing site at Segese area, in Msalala District. Other utility vehicles will also be procured for the project.
- ❖ Purchase of furniture, equipment, fittings and administration motor vehicles, fencing of the factory compound and storage yard.

2.0. PROJECT OVERVIEW

2.1. The Industry

ARAL International Company Limited is a Tanzanian company registered in Tanzania with certificate of incorporation number 139095 of 6th July, 2017. The office of the company is located at Nyasubi, Kahama Municipality, Shinyanga Region. The project is located in Msalala District, about 20Kms from Kahama Municipality, Shinyanga Region. The permanent is P O Box 270, Kahama, Shinyanga Region.

The initial Authorized Share Capital of the company is TZS 1,000,000,000/= divided into 10,000 ordinary shares of TZS 100,000/- each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles or Association. The liability of the members is limited and the following names compromise the company ownership and principal shareholding as illustrated on Table 2.1 below.

Table 2.1. Company Ownership and Principal Shareholders

S/No.	Shareholder's Name	Address	Occupation of Subscriber	Number of Shares
1.	Mr. Amir Abdelmageed Mohamed, (Sudanese) (BUSINESS MAN)	P o Box 21666, DAR ES SALAAM, TANZANIA	Private Company By Share, Domicile In Tanzania- Incorporate Number 13905	5,000
1.	Ms. Radhia Rajuu Amir, (Tanzanian) (BUSINESS WOMAN)	P o Box 21666, DAR ES SALAAM, TANZANIA	Private Company By Share, Domicile In Tanzania- Incorporate Number 13905	250

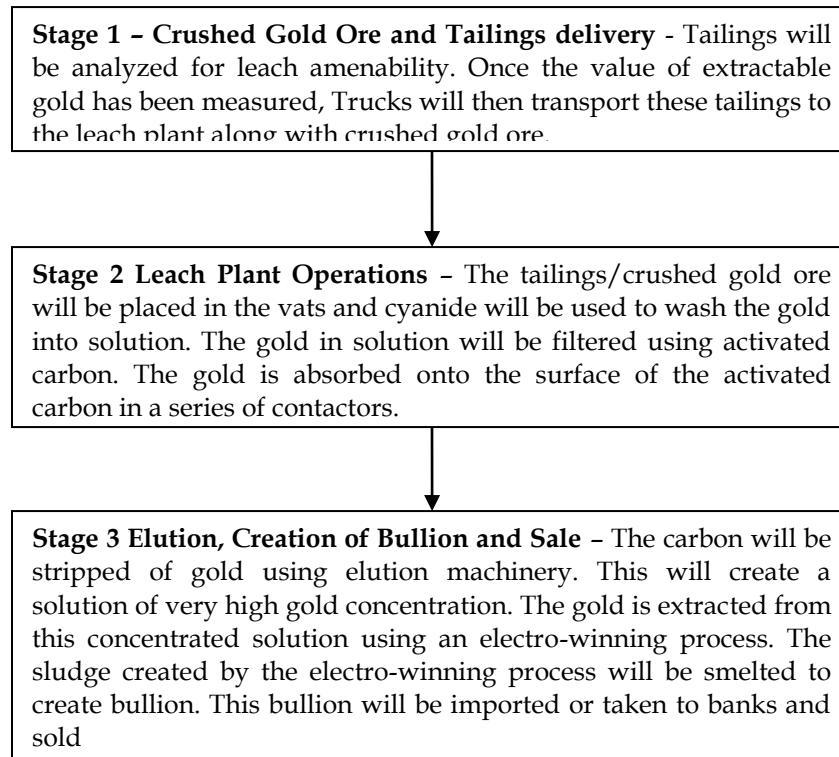
2.2. Business Plan Objectives

The objectives of this study are two-fold. First is to determine the viability of the proposed project and serve as a business plan for the company's development program. Secondly, the business plan will act as a supporting document in the company's application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997).

2.3. Project technical aspect

2.3.1. Gold Processing (Technology)

The business will be broken down into three stages or “gold flows”. The first stage will be that of the delivery of crushed gold ore and tailings to the leach plant. The second stage will be the leaching process that will take place at the leach plant. The third stage will be the elution of gold and creation of the bullion that will be sold to the banks or imported.



A. Logistics and Crushed Ore/Tailings supply

The first stage in the process of creating the bullion will be the sourcing of the gold ore/raw tailings to be processed. Scouting will be carried out and samples taken from piles in various areas around the leach site. These samples will be analyzed to measure their leach amenability and their effective value to the company. Once this has been done, the trucks will be organized to collect the gold ore/tailings and take them to the leach plant site. Gold ore will then be crushed by company crushers at the processing site.

During the start up phase, only a few trucks will be required to fill the small number of tanks available. As the tailings in the immediate vicinity are

exhausted and as there are more vats created for leaching, a larger transport capacity will be required to maintain the gold flow capacity. Once the plant is operating at full capacity, 10 Tipper Trucks should be sufficient for supplying the plant with the required amount of gold ore and tailings.

One important factor will be to build up and maintain an on-site gold ore and tailings stock pile. This will ensure a steady and reliable flow of crushed ore and tailings to the vats. There will always be occasions when roads are made impassable by bad weather, or when trucks are being serviced or repaired. It would be wise to maintain a pile of at least 300MT of gold ore and tailings at the site. During the wet seasons it may be reasonable to increase this stock pile to 500MT.

B. M-Static Leaching and the Cyanidation process

The Cyanidation Process

The company uses Carbon In Pulp (CIP) gold processing technology, the company plan to modernize and expand its CIP capacity, thus will import equipment to increase processing capacity of CIP plant at site. The technology along with other mining equipment will be imported. As well as for the carbon regeneration plant and electro-winning, the company plans to start bringing the equipment in as soon as they receive TIC accreditation and approval of tax exemptions.

The CIP method is a relatively technical method used by all the large mines today. It involves creating ore slurry and directly contacting the activated carbon with the gold containing slurry in an agitated environment. Although the amount of gold extracted is high, the equipment is expensive and complicated to maintain and operate.

Vat leaching is used to extract gold from large volumes of low grade ores. It is a very simple process with low costs of operation that allows large quantities of ore to be treated. It involves creating tanks with drainage pipes where ore can be leached. Cyanide solution is then sprayed onto the ore pile. This solution percolates through the ore pile dissolving the gold present. The solution is then collected at the base of the tanks where carbon is used to absorb the gold from solution. The main advantage is the extremely low cost of operation. No agitating, moving or separating equipment is required.

The method for gold extraction proposed by M/s ARAL International Company Limited is much like a Vat leaching operation but has a slightly different characteristic.

The Leach Plant Process

The leach plant schematics can be seen below. The crushed ore and tailings are brought to the plant in trucks and offloaded adjacent to the concrete tanks. The Tailings are mixed with hydrated lime and placed into the tanks. The hydrated lime optimizes the conditions for gold extraction and reduces the loss of cyanide by hydrolysis.

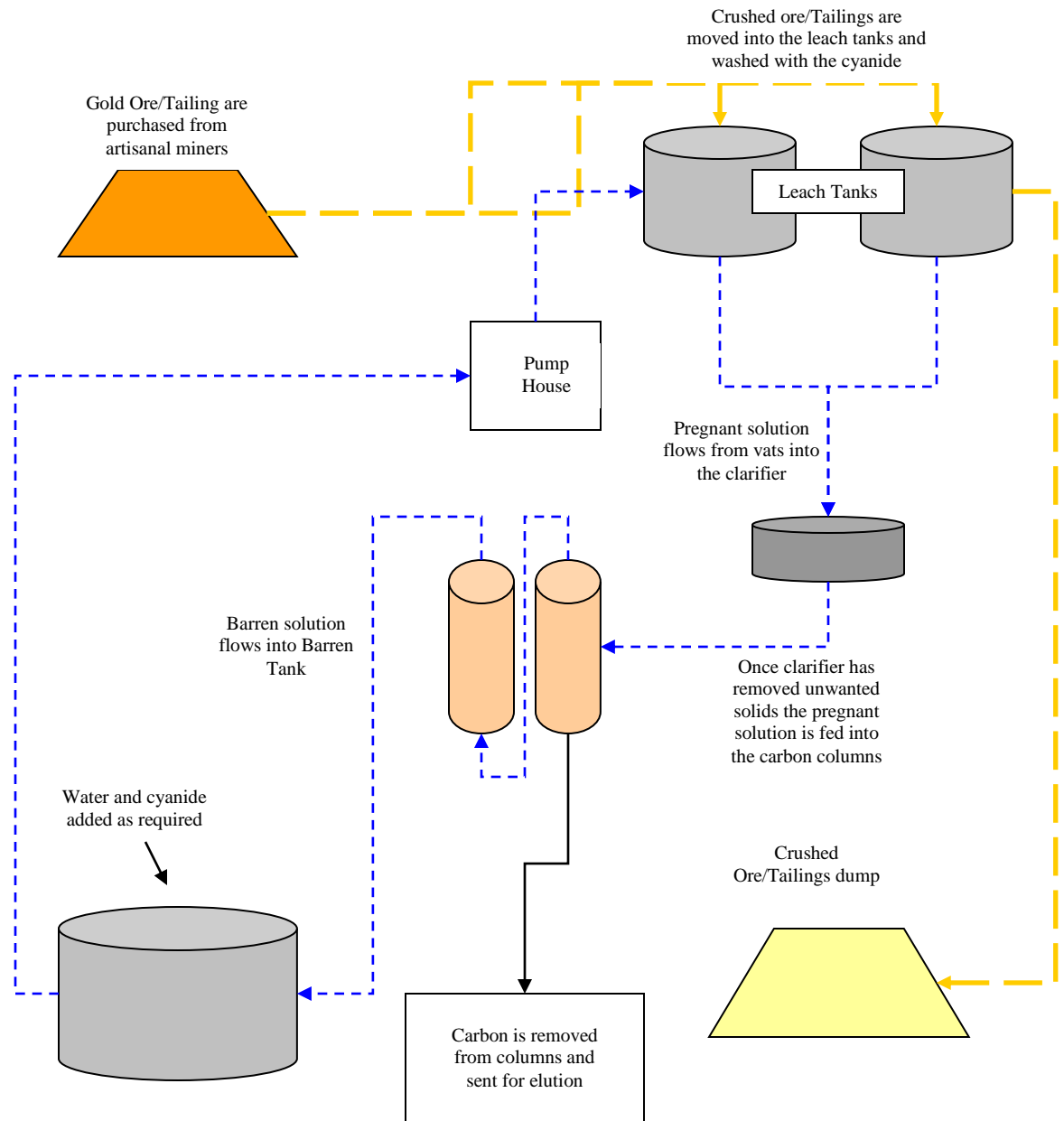
This improves gold extraction. Once the crushed ore/tailings have been soaked, the tap is opened and solution is allowed to percolate through the crushed ore/tailings dissolving the gold in its path. The solution flows through a filter at the base of the tanks that keeps the tailings in the tank.

The gold bearing (pregnant) solution flows out of the tank and into the clarifier. This removes any unwanted solid particles in the clear solution. This solution is then pumped through a series of carbon columns or contactors. The carbon adsorbs the gold from the pregnant solution. Barren solution then flows out of the columns and into the barren tank.

Water and cyanide are added here to maintain the balance in the closed system. Oxygen, a key reactant in the process is added in the barren tank by using a pump to aerate the solution. The barren solution containing the cyanide is then pumped into the newly filled vat and the solution cycle starts again.

After 3-5 days of solution flowing through the tailings the gold will have been extracted. The exhausted crushed ore/tailings in the tank are now washed with water and drained. The tank is then emptied and the tailings are moved to the tailings dump site.

Once the gold has been absorbed by the carbon, the carbon is removed and replaced with fresh carbon. The loaded carbon is then sent to the elution plant for extraction/stripping.



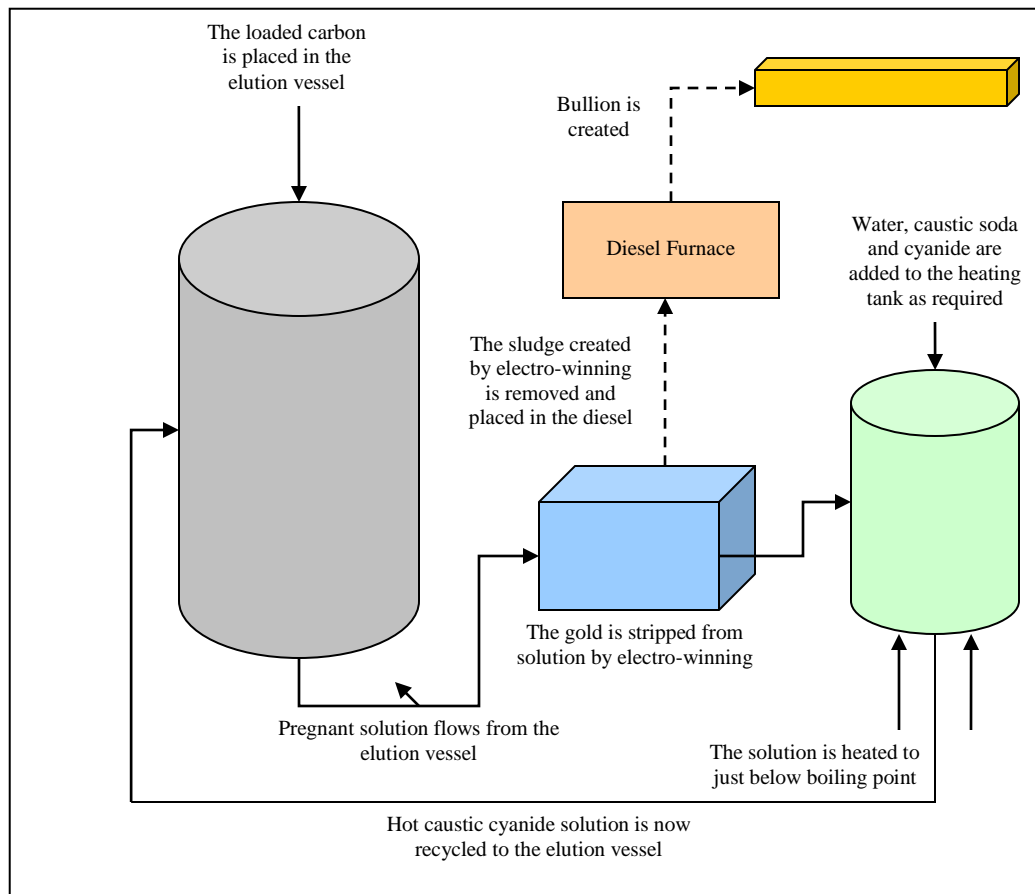
C. Refinery, Extraction and Smelting

Once the loaded carbon has been transported from the leach plant to the elution plant the stripping of the gold can commence. This is done by taking the carbon and placing it in an elution vessel. Here the process of loading the gold onto the carbon is reversed and the gold is stripped. This is done by passing hot caustic solution past the carbon. Once the gold has entered the solution, it is pumped to an electro-winning cell. Here the gold is removed using electrolysis and it accumulates at the steel cathode. The now barren solution is then pumped to a heating tank where more cyanide and

caustic soda can be added to recharge the stripping solution. The solution is now fed back to the elution vessel for another stripping cycle. Once all the gold has been stripped from the carbon, the carbon is removed and replaced with more loaded carbon. The stripped carbon is then acid washed and sent back to the leach plant for reloading.

The gold sludge is now removed from the electro-winning cell, placed into a kiln and smelted to create bullion.

Refinery Plant Schematics



2.4. Project Description

ARAL International Company Limited aimed at expanding her own production line by importing modernized Carbon In Leaching Plant (CIL) Machine and equipments, the company will produce pure gold from after extract from the ground and some raw material will be bought from small scale miners. The company started since 2017, the promoters aimed to expands production process by purchasing advanced machines for all gold mining activities and production process; purchasing 6 heavy truck lorries, additional of CIL plant, Gold ore crushers, Modify elution plant, and other working equipments. The project is expected to be established by April 2021 whereas over 75% of machines and equipment will be imported from China and raw materials will be collected from mining site while chemicals will be imported from South Africa, Turkey, Russia, China, India.

The plant production capacity for CIL and elution respectively per day is 110MT and 3MT, equivalent to CIL is 300,000MT and 900MT respectively per year. The will plant provide refinery services to small scale miners around the plant, the plant production capacity 2.5MTof gold per month at a price of 42,000USD per MT. the total sales of Gold annually is 1,260,000USD.

The project envisages setting up modern equipment in installation of modern machines and equipments, for Gold ore crusher's refinery and CIL machines complete set 350,000USD, complete set of laboratory equipment 35,000USD and leaching plant with productivity capacity of 300MT per day of 30,000USD. For a full implementation of the plant the shareholder set aside 20,000USD as for other equipments.

2.5. Market potential and demand for gold

The Bank of Tanzania (BoT) monthly economic review for August 2020 shows that gold export accounted for 56 per cent of non-traditional exports growing by 52.8 per cent to \$2,728.7m on account of volume and price effects in the world market. The outstanding performance of the traditional and non-traditional exports made the external sector development continue improving, reflecting the diminishing impact of the corona virus pandemic on the global supply chain.

The economic development in East Africa is projected to have a positive impact on the market for gold but previously Kenya dominates the market of Gold. In Tanzania Gold market is expected to have considerable growth in terms of market value owing to technological advancements in the gold processing industries for these emerging economies which will witness a sizeable increase in the revenue contribution of the sales in international market.

Nowadays government has banned buying/selling gold to unrecognized places, the government has opened gold selling point so as the buyer and seller will be safe in doing business, security and transparency in doing business.

The ARAL International Company Limited ; Production will be sold in the local and international markets, proportional for export to local market is 20:80, for export markets the proposed countries are mostly Asia, Europe and USA. The price of gold is moved by a combination of supply, demand, and investor behavior. That seems simple enough, yet the way those factors work together is sometimes counter intuitive. For instance, many investors think of gold as an inflation hedge. That has some common-sense plausibility, as paper money loses value as more is printed, while the supply of gold is relatively constant.

2.6.. Pricing strategy

The basis for pricing has been from observations and data collected from various parts of Tanzania, market behavior of raw materials and by- products, production costs and profit margins. A major determinant of gold price is world International market. According to local content the gold price sold by sold between 80,000 to 125,000TZS equivalent to 35 to 52US\$. Proposed price in this business plan is 42US\$

2.7. Technical Characteristic of the project.

2.7.1. Project Location and site analysis



The project is located at Segese area, At Kakola ward, Msalala district in Geita Region. The project is 80Km from Geita Township. Based on physical inspection of the proposed site, the availability of basic and essential industrial infrastructure such transport, water supply, effluent disposal, electric power supply, telecommunication system and security were all checked out and are ok for factory establishment. The realization of the project development requires successful completion of a number

of necessary activities and facilities to enable a successful development of the project. The project location is already installed necessary utilities such as reliable supplies of energy, water, transportation, telecommunications services, waste disposal and other services are in place.

2.7.2. Buildings and related fixed cost

The floor plan and elevation of buildings and other related structures will be rehabilitating to ARAL International Company Limited as owned by the share holders. However, the total cost of Land acquisition and registration, factory buildings, Storage of raw materials and finished Gold and by products structure, the estimated cost of buildings and other structures is 192,000US\$, this includes Land acquisition already purchased, Buildings (administration block, canteen, elution block), Laboratory, Access roads and amenities, TSF Pond for waste management and Store for chemical, spare parts, etc. Project fixed cost have been estimated at US\$ 1,071,000 (see balance Sheet), which includes purchasing of machines, motor vehicles and structure rehabilitation.

The industry also set budget as working capital which involves purchase of raw materials and factory overhead cost of 300,000US\$.. The minor rehabilitations costs are inclusive of contingency and reflect prevailing cost of building materials and labour costs in the country. Mostly local building materials will be used in the construction of the same.

2.7.3. Machinery and Equipment.

Proper machinery selection is one of the key problems in the development of an industry. The machinery must suit the two-fold requirements of the developing countries, i.e. it should be up-to-date to allow for competitive production. In view of the foregoing, an effort has been made to choose from modern technological alternatives, a level that strikes a balance between fixed costs based on depreciation and variable costs based essentially on wages.



The requirements of various items of equipment have been worked out taking into consideration the production programs, average equipment utilization and normal productivity level of an average worker etc. While working out details of equipment required, it has been assumed that the plant will be working in a double shift of 16 hours a day, 25 days a month or a total of 300 days a year.

The projects machinery and equipment will be sourced from China and are estimated to cost 423,000US\$, this includes, CIL Plant productivity capacity 110MT per day, Elution plant productivity capacity 2.5MT per Month, Complete set of

Lab Equipments, Leaching plant productivity capacity 300MT per day, Stand By Generator and Other equipments and flight charges and contingents are inclusive. These cost assumptions are C.I.F Dar es Salaam and include installation, commissioning, consultancy, port charges and transport to the project site. Calculated depreciation of machines and other working facilities is estimated to cost 58,643US\$

Others working facilities have already in place this includes weighing scales, mini laboratory equipment, communications, computers and other office equipment, standby power generator and miscellaneous machinery and equipment.

2.7.4.. Motor Vehicles

The company will purchase 6 heavy lorries body trucks will purchased in the first of production whereas truck will be purchased at a price of 65,000US\$ each totaling to 325,000US\$, and 2 Light Vehicles at a price of 100,000US\$ will added for smoothening distribution. Total cost for all type of truck is estimated to 425,000US\$.

2.7.5. Furniture & Fittings and computers

This cost item includes the purchase of various office furniture: tables, chairs cabinets, safes, telecommunication gadgets, firefighting equipment, air conditioners etc. A budget of 11,000US\$ will be allocated from general administration budget for furniture fittings and computer accessories. The total budget for furniture and fittings is small due to nature of industry as few or minor requirement of furniture and fittings.

2.7.6. Pre-Operational Expenses

Under pre-operational expenses are considered costs like company formation, preliminary project studies, business plan preparation costs, licenses, permits and authorization, including processing of TIC Certificate of Incentives, and legal fees, travelling expenses, initial recruitment and training expenses, and interest accrued during project construction period. Budget allocated for this is 150,000US\$

2.7.7. Initial Working Capital

This item will mainly cover initial imports of raw materials estimated to last for the first three months of operations. Otherwise, raw materials will generally be maintained at one month's stock and debtors at one month's sales volume constitute the biggest portion of current assets. Trade credits will be 15 days for the items listed. The initial working capital allocated budget is 300,000US\$.

2.7.8. Project Capital Investment Summary

Investment Summary	
Fixed Assets	
Land acquisition	50,000
Buildings	15,000
Laboratory	12,000
Store for chemical, spare parts, etc	15,000
TSF Pond for waste management	100,000
Sub Total	192,000
Machineries and Equipments	
Refinery (3MT) + CIL plant (110MT)productivity capacity 3MT per day	350,000
Complete set of Lab Equipments	23,000
Leaching plant productivity capacity 300MT per day	30,000
Other equipments	20,000
Sub Total	423,000
Motor vehicles	
6 Heavy trucks	325,000
Light Vehicles for administration 2	100,000
Sub Total	425,000
Other Facilities	
Furniture and fittings	6,000
Office Equipments	5,000
Sub Total	11,000
Other cost	20,000
Sub Total	20,000
Sub total Fixed Assets	1,071,000
Current Asset	
Pre operational expenses	150,000
Initial working capital	300,000
Sub total current Assets	450,000
Total Investment	1,521,000

2.7.9. Project Financing

The project costs, including fixed costs (machinery, equipment, building renovations, motor vehicles, office furniture and equipment and pre-operation expenses will be financed by a combination of bank term loan and shareholders own resources. Working capital requirements will be financed by short term bank financing in form of overdraft facility. The project promoters are planning to finance project cost in the following pattern:

2.7.10. Project Implementation

Full implementation of the project is planned to take place by April 2021. Machineries and motor vehicles will be imported immediately while construction/renovation works are in process.

2.7.11. Explanatory Notes

The production capacity of the plant is based on 300 working days excluding Holidays and Sunday. The factory runs per day with a maximum of 350MT by CIL per day with production capacity of 2.5MT of gold per month. Capacity utilization of the plant is 60% - 75%. The proposed project is a complete set of modern technology with output capacity of 2.5 MT per month. All machines are from well known Asia brands (India), after being over hauled, run 20-25 years.

2.7.12. Auxiliary Materials/ services

Falling under this category is packing bags, paper for bags for bran, lubricants, grease and other miscellaneous items.

Utilities and service facilities that will need to be provided in this plant are as follows:

- (i) Workshop
- (ii) Electric power
- (iii) Water supply
- (iv) Miscellaneous facilities {Canteen; First Aid Kit, Storage and transport and Office Facilities}

(i) Workshop

It is necessary to make provision for a small workshop in the plant premises so that certain maintenance operations could be carried out following sudden breakdowns and major routine matters.

The facility will comprise of necessary machines like small centre lathe, drilling machine, welding set, soldering and gas-cutting equipment including complete electrical kit to take care of necessary electrical maintenance as well as to replace worn-out parts and periodic oil and greases needs for the plant. Equipment provision has been restricted to the minimum.

(ii) Electric Power and Generator



The proposed site will be supplied with industrial production 3-phase standard power supply from Tanzania Electric Supply Company (TANESCO), the electricity is available through the National Grid Line from Kahama to Msalala District. As part of an alternative power supply, the company is already install a heavy

duty 100KVA power generator automated generator that will be connected to the plant and premises for standby power supply.

The ARAL International Company Limited will install an online UPS system that secures clean and uninterrupted power free of surges, brownouts, fluctuations and other power problems. The client manufactures PP non-woven fabrics in a high-temperature, high-pressure environment, in which electricity interruptions cause economic and material losses. The total cost of generator not included to business plan as it's already in place.

(iii) Water Supply

Apart from the needs of electric power, water is also required for the actual process and other social needs. The proposed site has close to Kahama whereas the use of Kahama Shinyanga Urban Water supply Authority "KASHUWASA" water network will be used to support gold processing The main line is close to the proposed industry from Kahama Township. The main line from this source will be tapped and let to the land site and water collected in an overhead reservoir provided at the top of the building of the plant. Adequate provision has been made in the project cost for the overhead tank and supply and laying of pipelines etc.

(iv) Miscellaneous Facilities e.g. First Aid Kit, Storage and Transport, Office Facilities etc

- Provision has been made in the project costs for necessary facilities for external telephones and fire alarm system;
- Sickness and ill-health are recognized to be among the cause of absenteeism and low morale leading to decreased production, increased

waste and bad employee-management relations. Therefore, necessary provision has been made for the canteen and first aid facilities in case of accidents, sudden sickness etc.

- Storage and transport needs of the plant have been duly recognized and been attempted mostly manual. Regarding transport, six (6) trucks with a capacity of 32 MT will be purchased and other 10 heavy trucks will be hired for collection of raw materials.
- Necessary provision for furniture and office equipment has been made in the Capital Cost estimates.
- Provision has also been made for the various types of weighing equipment in various sections for material-handling equipment etc.

2.7.13. Warehousing and distribution

The ARAL International Company Limited's warehousing service is ready to meet 24/7/365 with produced gold products and by products and raw materials imported. The efficiency of on-site combined with focal lift is already accommodated all needs and reduce supply chain costs. The industry uses electronics inventory management system means will ready for the efficiently movements of goods to next level.

The industry will use quick dispatch for fast distribution of final products and packed by manual means or by semi-automatic machines. The industry will take Extra care is therefore taken to make it hygienic so that the products do not get spoiled during storage.

2.7.14. Waste management for industry

In order to create a sustainable society, it is necessary to develop effective utilization of all sorts of wastes. One of the major wastes from our living is fiber wastes. Fiber wastes are generally divided to nonindustrial (organic chemicals) and industrial wastes (inorganic Chemicals)

In his strategic management for a ARAL International Company Limited's the industry has to move from an understanding of improvement at all costs to an understanding of continuous and balanced improvement once established. In modern times, environmental protection is being implemented not because it is enforced law, but as an administrative philosophy.

Rapid degradation in environmental conditions has changed at attitude of industrial managers toward ecological environment and had them consider ecology a significant factor while taking decisions related to industrial management. Parameters responsible for environmental pollution include chemicals discharged into air, water and soil as well as energy pollution all these will taken into consideration of the proposed project.

Noise pollution caused by poorly planned settlement programs is also included in this plan. Furthermore, safety and health of those working in production will be also taken into account by installing modern machines free from noise pollution.

3.0. MANPOWER AND PROPOSED SALARY BUDGET

3.1. Employment

The whole process of production lines is looking at providing direct employment to at least 40 permanent jobs on full implementation and operation of the project. The industry is divided into 3 Departments; Corporate (2), finance and procurement (5) and Production (33).

3.2. Recruitment

Recruitment of the 16 persons will be carried out by giving first preference to ex-technician from our local technical institutes such as Vocation Education Training Authority "VETA" and employees of ARAL International Company Limited in Tanzania, based on demonstration of skills and aptitude basis and their willingness to work for ARAL International Company Limited. Careful methodology is being worked out by a competent management consultant who will set the job descriptions. To ensure that the right calibre is recruited. Recruitment of expatriate personnel will be carried out in consultation with the relevant authorities in Government and the collaborating agencies.

3.3. Training and the use of Consultants

The Company plans to initially carry out on the job training for most of the technical staff to be dispatched to the project site by the suppliers of the plant which will be specified under sales agreement. In general the company will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.

Whereas the company will endeavor to obtain the best talents to fill the permanent posts in the organization, it is intended where necessary, to continue with the policy of hiring out some specialised skills by way of consultants. Alternatively, those skills not required throughout the year will be left to consultants. These include legal counsels, systems and management consultants. To ensure efficient and scientific management, operational manuals will be prepared for the core functions of the company.

3.4. Organization and Management

The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses. The Board of Directors formulates policy and offer strategic business guidance to management and regularly monitor and evaluate performance of the company.

All the production line will be under the administrator under which the day to day leader/management of production line will be vested in the management team headed by a Administrator. The Administrator is to be assisted by qualified and experienced personnel.

Table 3.1. Proposed organization and manpower requirement for the plant is as follows:

S/NO.	CATEGORY	NOs	MONTHLY SALARY (US\$)	ANNUAL SALARY (US\$)
A. CORPORATE OFFICE				
1	Project Manager	1	1500	18,000
2	Human Relation	1	1000	12,000
SUB TOTAL		2		30,000
B. FINANCE AND PROCUREMENT				
3	Accountant	1	750	9,000
4	Accountant clerk	2	500	12,000
5	Store keeper/Purchasing	2	500	12,000
SUB TOTAL		5		33,000
C. PRODUCTION DEPARTMENT				
6	Mining Engineer	1	1200	14,400
7	Gold Processing Engineer	1	1100	13,200
8	Mechanics	3	900	32,400
9	Machine operator	6	600	43,200
10	Quality Controller	1	800	9,600
11	Crusher Supervisor	1	750	9,000
12	Leaching & Adsorption Supervisor	1	750	9,000
13	Elution Production Supervisor	1	800	9,600
14	Elution & Electro winning	1	750	9,000
15	Laborer	7	450	37,800
16	Security	10	350	42,000
SUB TOTAL		33		229,200
GRAND TOTAL		40		292,200

4.0. FINANCIAL ANALYSIS

4.1. Project Cost & Financing Pattern

The proposed integrated project is estimated to cost a total of US\$ 1,521,000 this including, own equity of US\$ 1,521,000 as proceeds from capital contribution of the project,, total loan debt of 0\$. The Current asset of US\$ 359,339 fixed assets 1,071,000US\$ and total liabilities of 1,965,867US\$. The project will be implemented within 5 years.

EQUITY+ LOAN	
LOAN (0%)	-
EQUITY (100%)	1,521,000
TOTAL	1,521,000

4.2. Production, Revenue and project viability

- ❖ The estimated revenue gain in selling gold and revenue gain in elution annually 1,260,000US\$ in the first year of production per 30MT of Gold and Provision of elution service excluding Value Added Tax.
- ❖ Net profit before tax is 586,880 US\$, second year earning is 878,676US\$, which show the profit is increasing,
- ❖ Net profit after tax for the first years in production is 411,761US\$ and second year is increasing to 629,686US\$ for remaining year increasing positively,
- ❖ Gross sales contribution in the first year of production is 47% which increases tremendously in the second years up to 5 year
- ❖ The expected sales increase annually is 5% while increase production cost is 3% which depends on inflation rate of the country, for the company,
- ❖ Total investment cost of the project is 1,521,000US\$ whereas the own equity is 100%
- ❖ The end balance of project in cash flow statement is positive and increases tremendous.
- ❖ Testing the project viability is positive whereas IRR is positive 10/96%, and payback period of project is within 4 years.
- ❖ Debt to capital ratios is decreases over years,
- ❖ Break even ratios is above 1, and equity to liabilities ratio increase from 77% to 99% during the fifth years

5.0.RISK ANALYSIS

5.1.Risk Analysis

Risk is the probability that an event or action will adversely affect the organization. Risk assessment is the identification and analysis of risks associated with the achievement of operations, financial reporting and compliance goals and objectives. Risk management is a central part of the ARAL International Company Limited. The Industry's management will determine the level of operations, financial and compliance risk they are willing to assume. Risk assessment is one of the Company's management responsibilities.

5.2.Macroeconomic risk analysis

Since early 1986, the government of Tanzania has launched a comprehensive economic policy and stabilization plan with the aim to enhance the amount of infrastructure construction and improve the lives of the poor. During this time the main economic indicators significantly improved. However, uneven development of various region in the country, lack of relevant infrastructure in transportation, telecommunications, networking, health facilities, electricity and water supplies have proven to be investment barriers. Overall, Tanzania has a weak economic foundation but the project can achieve a greater impact in attaining social and economic goals for the country.

5.3. Finance risk analysis

- a) **Supply Risk:** The risk in Primary production relates to supply of raw material, transportation and price fluctuations. There is no assurance of enough supply of raw materials in the local market instead mostly of raw materials are imported.
- b) **Processing Risks:** The technology, machines and equipment used in gold processing are in rudimentary stages all of which contribute to reducing production efficiency. Also quality/food safety and standards consideration in the production environment is limited. In gold processing facilities operation know-how is very low as there are notarized labourers.
- c) **Sales/market risk:** Placing value added products on the consumer markets bears risk of demand fluctuations and rejections through retailers. Furthermore, distributor are not aware of the selling price mostly are controlled by world market.

5.4. Other potential external risk

- a) **Lack of Governance:** the governance mechanism in the value chain is underdeveloped, actors operate in an uncoordinated and unorganized fashion, and if rules exist they are often ignored;

- b) Lack of market coordination:** No lead organization has a coordinating role in relation to markets, technology and information such that producers and processors have no incentives for improving neither their product nor the chain process to promote sustainable income earning opportunities;
- c) Unclear and conflicting roles regulatory authorities:** Regulatory Agencies are responsible for quality control as well as enforcing TBS, NEMC etc, are regulatory role in issuing licensing etc
- d) Industry associations:** Associations are weak at all levels of the chain;
- e) Operating procedures:** Standard procedures are inadequately enforced, or not enforced at all, because of relaxed production and trade regulations; and
- f) Integration:** there is little vertical integration of importers, mid chain actors and processors.

5.4. Mitigating potential risk

The development of a large and complex project such as ARAL International Company Limited is necessarily accompanied by multiple risks during all the phases of the project development, construction, operation and maintenance. The right approach to manage the project in a manner which is fairly and adequately address the multiple risks in a comprehensive as well as systematic manner is to use the risk analysis and management methodology which identifies the risk issues and their instrumental cause. In this regard, the risk is eliminated or effectively managed by the party best suited with capacity to handle or deal with the risk factors.

6.0. ECONOMIC AND SOCIAL ASPECTS

The project is also likely to have a positive impact on the economy of Lake Zone regions and Tanzania as a whole by creating employment, and contributing to Government revenues through various taxes, which will be paid. It also has potential for substantial exporting to foreign markets especially to neighboring countries in the Great Lakes Region. In summary the following table will show impact investment index framework.

6.1. Impact Investment Index Framework

Impact Investment Index		
Frame Work for ARAL International Company Limited		
Performance Area	Quantitative Indicator	Remarks
Investment Capital	Total investment capital, CAPEX and OPEX US\$ 1,521,000S\$	Substantial amount of capital invested into the domestic economy.
Export Earnings	Indicative Annual profit after tax of 359,339USD after corporate Tax payment of 30% amounted to 176,189USD	Increased foreign earnings.
Job requirements	Job creation after plant in operation 2020-2021. DIRECT TANZANIAN JOBS 40 local employed	<ul style="list-style-type: none"> Reasonable number of direct job created to local Tanzanians with direct impact on poverty reduction through enhanced income generation; and Improving skills development for Industrial production
Technology applied	High Tech Environmentally friendly machinery	<ul style="list-style-type: none"> Enhancing technological transfer; and Applied technology which is free from environmental pollution,
Other Implied Project Benefits		
<ul style="list-style-type: none"> Increased sales to the Utility Companies providing services of electricity, water and sewerage, telecommunications; Increased business transacted by local banks and institutions providing financial services; Business opportunities for local entrepreneurs in market distribution channels, Business opportunities to contractors and sub-contractors during the minor construction phase; Increased regional intra-trade and international trade due to better infrastructure facility and links to markets; Increase of technology transfer & expertise to local employed staff, Capital spends in local economy over 1.521US\$ Millions and Contribution to GDP growth through increased economic activities 		

Based on the Impact Investment Index analysis, the company can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements. In this regard therefore, ARAL International Company Limited will promote the industrialization process in the country, create employment, attract new technologies, expand foreign exchange earnings and ultimately contribute substantially to the country's economic growth.

7.0. FINANCIAL MODELLING AND ANALYSIS

The Financial Modelling and analysis, is the main source of information for assessing the potential financial viability of the ARAL International Company Limited. The analysis is based on the assumptions that have been taken for the implementation of the site development, demand and the associated potential investment requirements for a 5 year time period. The purpose of establishing this gold processing plant is to speed up the country's economic development by being a catalyst for restructuring the existing local industrial set up and attracting new, both foreign and domestic entrepreneurs to a liberalized legal business framework.

71. Project expected sales inputs

EXPECTED SALES OUT PUT	
Monthly gold production in MT	2.50
Annual production of gold	30.00
selling price per MT	42,000.00
Annual sales of Gold	1,260,000.00
TOTAL SALE REVENUE OF PROCESSED GOLD in USD	1,260,000

7.2. Objective and Scope of Financial Model

7.2.1. Objective

The main objective of the financial modelling and analysis is to setup a financial model framework for potential generated revenues and operational & maintenance costs for the full operation of ARAL International Company Limited based on the assumptions taken for the Market Analysis, the plan for the facility development, unit production costs and other overhead and operational charges.

7.2.2. Scope

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the Gold processing factory on the Market Analysis. The financial model has been developed in excel spread sheet and include information on costs, expenses and the subsequent sales revenue based on the average market prices and linked to the financial cash flow.

ANNEX I - INCOME STATEMENT

INCOME STATEMENT PROJECTIONS							
(all numbers in US\$)							
<u>Revenue</u>							
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>TOTAL</u>
Revenue Generated from Gold production	-						
Total Sale Revenue of processed gold		1,260,000	1,323,000	1,389,150	1,458,608	1,458,608	6,889,365
Total Operating Revenue	-	1,260,000	1,323,000	1,389,150	1,458,608	1,458,608	6,889,365
<u>Expenses</u>							
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Salaries		234,600	241,638	248,887	256,354	256,354	1,237,833
Social Charges & Pension Payments		46,920	48,328	49,777	51,271	51,271	247,567
Raw Materials Extract/Purchase		210,000	216,300	222,789	229,473	229,473	1,108,034
Chemicals processing gold		45,000	46,350	47,741	49,173	49,173	237,436
Fuel and Lubricants		36,000	37,080	38,192	39,338	39,338	189,949
Security system and services		6,000	6,180	6,489	6,813	6,813	32,296
Administrative expenses		12,000	12,360	12,731	13,113	14,140	63,316
Insurance/licensing/healthy premium/other charges		5,600	5,768	5,941	6,119	7,119	29,548
Utilities (Electricity and water supply)		72,000	74,160	76,385	78,676	78,676	379,897
Other Costs		5,000	5,150	5,305	5,464	5,464	26,382
Total Operating Costs		673,120	693,314	714,237	735,793	735,793	3,552,257
Operational Net Earnings before Depreciation, Interest & Tax		586,880	629,686	674,913	722,814	727,856	3,337,108
<i>%age Gross Contribution</i>		<i>47</i>	<i>48</i>	<i>49</i>	<i>50</i>	<i>53</i>	<i>1</i>
Depreciation at 5 -12.5 % (mostly civil works)		51,352	55,098	59,055	63,246	63,246	300,340
Net Earnings before Tax & Interest		535,528	574,589	615,858	659,568	659,568	3,036,768
Interest Paid (Bank Loan)			-	-	-	-	-
Tax (30%)		176,189	189,040	202,617	216,998	216,998	1,001,841
Net Earnings		359,339	385,549	413,241	42,570	442,570	2,043,269

ANNEX II - CASH FLOW

CASH FLOW STATEMENT FROM INVESTING ACTIVITIES FOR FIVE YEARS					
(all numbers in US\$)	Year 1	Year 2	Year 3	Year 4	Year 5
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>					
Cash receipts from Sales	1,260,000	1,323,000	1,389,150	1,458,608	1,458,608
Cash paid to suppliers and employees	(673,120)	(693,314)	(714,237)	(735,793)	(735,793)
Cash generated from operations	586,880	629,686	674,913	722,814	722,814
Dividends received*	0	0	0	0	0
Interest received	0	0	0	0	0
Interest paid	0	0	0	0	0
Tax paid	(176,189)	(189,040)	(202,617)	(216,998)	(216,998)
Net cash flow from operating activities	410,691	440,647	472,296	505,816	505,816
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>					
Replacement of equipment	0	0	0	0	0
Proceeds** from sale of equipment	0	0	0	0	0
Net cash flow from investing activities	0	0	0	0	0
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>					
Proceeds from capital contributed	0	0	0	0	0
Proceeds from loan	0	0	0	0	0
Payment of loan	0	0	0	0	0
Net cash flow from financing activities	0	0	0	0	0
<u>NET INCREASE/DECREASE IN CASH</u>	410,691	440,647	472,296	505,816	505,816
Cash at the beginning of the period	359,339	385,549	413,241	442,570	442,570
Cash at the end of the period	770,031	826,196	885,537	948,386	948,386

ANNEX III - BALANCE SHEET

PRO FORMA BALANCE SHEET					
(all numbers in US\$)	Year 1	Year 2	Year 3	Year 4	Year 5
ASSET					
Current asset	359,339	385,549	413,241	442,570	487,224
Fixed asset	1,071,000	1,019,648	960,593	897,347	827,719
Liquidity	586,880	629,686	674,913	722,814	795,744
TOTAL ASSET	2,017,219	2,034,884	2,048,748	2,062,731	2,110,688
NET ASSET MINUS DEPRECIATION	1,965,867	1,979,786	1,989,693	1,999,485	2,041,060
EQUITY & LIABILITIES					
Equity	1,521,000	1,561,154	1,699,535	1,850,182	2,014,182
Reserves					
Total Own Equity	1,521,000	1,561,154	1,699,535	1,850,182	2,014,182
Provisions	217,327	174,494	28,485	(130,941)	(281,642)
Long term loan	0	0	0	0	0
Short term Liabilities	227,541	244,137	261,672	280,244	308,520
Total Equity & Liabilities	1,965,867	1,979,786	1,989,693	1,999,485	2,041,060
CL/CA	0.63	0.63	0.63	0.63	0.63
DEBIT/CAPITAL RATIOS	0.23	0.21	0.15	0.07	0.01
ROI	23.6	24.7	24.3	23.9	24.2
BREAK EVEN POINT	1.82	1.62	1.42	1.24	1.04
BREAK EVEN RATIO	1.53	1.49	1.45	1.41	1.31
EQUITY/TOTAL LIABILITIES	77	79	85	93	99

ANNEX IV - INTERNAL RATE OF RETURN

TESTING PROJECT VIABILITY: IRR

IRR FOR THE PROJECT

(all numbers in US\$)

	Initial Investment	-1,521,000
Year 1	Additional Annual Net Profit	359,339
Year 2	Additional Annual Net Profit	385,549
Year 3	Additional Annual Net Profit	413,241
Year 4	Additional Annual Net Profit	442,570
Year 5	Additional Annual Net Profit	487,224
	IRR (in 5 years)	10.96%

The IRR above indicates that the expected return on the \$ 1,521,000 initial investment after 5 years is 18.96%.

ANNEX V - PAY BACK PERIOD

PAYBACK PERIOD ANALYSIS

	Year	Beginning Balance	Net Cash Flows	Ending Balance
Cost of investment	0.00	1,521,000.00	0.00	1,521,000.00
	1.00	1,521,000.00	359,339.29	1,161,660.71
	2.00	1,161,660.71	385,549.11	776,111.60
	3.00	776,111.60	413,241.03	362,870.57
	4.00	362,870.57	442,569.99	79,699.42
	5.00	79,699.42	487,224.34	566,923.76

Payback Period =	4.00	Years
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8.0. CONCLUDING REMARKS AND WAY FORWARD

8.1. Evidence of project viability based on financial model and policy framework support

On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the gold processing plant as prescribed on this business plan have shown that the project is commercially viable. Nonetheless, ARAL International Company Limited through professional consultative manner, will continue to find ways of implementing cost effective options given time and financial resources that will be made available. Financial analysis results show that when the construction of plant facility is financed using a combination of equity debt ratio (100:0), it gives an IRR of about 10.96%. The payback period for the project is estimated at 4 years, which is within the range for this type of investment. Sensitivity analysis results also favor the project. Financial analysis for the project has shown feasible returns. Based on the investment scope and the assumptions taken in this Business Plan, the project will not face any difficulties during establishment, according to the projected cash flow be in a position to accomplish repayment of the loan and start generating profit.

8.2. Policy Framework Support

The development of the ARAL International Company Limited is designed to take advantages of the current Tanzanian market-oriented reforms. The Project will be developed and established to accelerate the industrialization process. The vision 2025 emphasizes the importance of the allocation of public funds for strategic investments and private sector financing for development investments.

The 15 years Perspective Plan (2010-2015); Prioritize private investment in the context of Public Private Partnership. The First Five Years Development Plan (2011-2016) recognizes the fundamental role of the private sector in enabling the government to allocate its fund to strategic projects to facilitate a higher level of development. MKUKUTA II (2010-2015) identifies Public Private Partnership as a means of increasing the level of stakeholder participation and of easing the financial burden on the government. It should be noted that existing public resources are clearly insufficient to meet Tanzania's huge development needs. The increased use of private enterprises participation in development projects can help alleviate the financing gap. This approach is now applied by ARAL International Company Limited to ensure development of one among the ultra-modern plant in Shinyanga Region. Private sector and investment have been recognized as the most significant potential source of additional funding required to facilitate development projects.

8.3. Conclusive Remarks and Way Forward

The development of this Gold processing plant will be funded by private finances. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 1,521,000US\$ will be raised by shareholders. The company will fund the development of the project, minor rehabilitations of factory building, business offices, bulk storage facilities and purchasing machines as stated on this business plan. Before the Company engages into the development of this project as a private enterprise, it needs to accomplish the pre development activities to make way for the development of the designated project. The company has to accomplish the following;

a) Apply for TIC certificate

The company by using this Business Plan and other required supporting documents should apply for the TIC Certificate at Tanzania investment centre or Mwanza Zonal Office. With this certificate, the company will be able to access tax reliefs which to a large extent will help to in reducing project costs, particularly in the purchasing of machineries and minor building of area of proposed industrial area.

a) Conduct Environmental Impact Assessment.

The company has to engage a consultant to conduct EIA in order to ensure that environmental and possibly other sustainability aspects are considered effectively in policy, plan and project development. The EIA Directive aims at introducing systematic assessment of the environmental effects of strategic land use related plans and programs. It typically applies to regional and local, development, waste and transport plans, within the country. EIA ensures that plans and programs take into consideration the environmental effects they cause.

b) Minor rehabilitation to suit Industrial requirement

The company should engage a firm to make minor rehabilitation of existing structure that will suit gold processing manufacturing requirements. The structure should include all vital service facilities described in this business plan. When possible, the process of design of the facility should be consultative inasmuch that it should allow and incorporate ideas from experienced professionals from the industry.

c) Mobilizing Funds

As previously discussed on the Financial Analysis of this business plan, financing mechanism for plant should be scrutinized well before commencing the project implementation. There may be several options of financing the project development but the company will find the best option. The investment team should do consultation with relevant financial institutions (Banks and non-bank Financial Institutions), both within and outside the country. This exercise should be more effective if the team works

closely with central government agencies, particularly TIC and the Ministry of Industry & Trade and Ministry of Investment, and ministry of Mining.