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### ABBREVIATION

BIT	Board of Internal Trade (BIT)
BRELA	Business Registration and Licensing Agency
CEO	Chief Executive Officer
HR	Human Resources
KPI	Key Performance Indicator
MD	Managing Director

MITM Ministry of Industries Trade and Marketing

NEMC National Environment Management Council

SWOT Strength, Weakness, Opportunity and Threats

TBS Tanzania Bureau of Standards

TRA Tanzania Revenue Authority

## LIST OF TABLES

Table 1; Startup capital for investment

Table 2: Financing

## **LIST OF FIGURES**

Figure 1. Proposed machine to be used

## EXECUTIVE SUMMARY

The purpose of this business plan is to raise \$1,000,000 for the development of a mineral business while showcasing the expected financials and operations over the next five years. Elon Tanzania Group Company Limited. ("the Company") is a Tanzanian based corporation that will actively trade minerals commodities and physical gold among the many exchanges within Tanzania and abroad.

Elon Tanzania Group Company Limited is a precious mining company involved in the commercial mining of gold. Our gold mining reserves are located in the fringes of Bridgeport, Connecticut. The discovery of an additional gold reserve outfield has necessitated the expansion of our operations to cover this new location. This expansion will require sourcing the needed funding to cover these operations.

We have acquired the mineral mining rights to explore this new location. Gold mining and explorations will commence immediately we finalize the loan applications. Mining in Tanzania has a long history. But the gold deposit has been mined traditionally by the traditional miners for several thousand years. This traditional mining system has been a primary source of employment for jobseekers from various parts of the country.

The number of peoples entering this sector is significantly increasing. This Gold has been traditionally mined for many years in disorganized manner in different areas of the country. Elon Tanzania Group Company Limited has analyzed and decided to work on this mineral in organized and modernized way. Elon Tanzania Group

Company Limited is dreamt to be incorporated lake zones regions which are thought by many for having high amount of gold reserve.

The company's dream is to dig out around 1.5 ton gold per annum. In doing so, incorporating modern mining company in the area, we are going to solve so many problems. Among these problems are Traditional miners are exposed to communicable diseases like HIV/AIDS, malaria, water born diseases, cholera. Most miners work seasonally returning to their subsistence farms when agricultural work is required in order to supplement their insufficient incomes.

## **CHAPTER ONE**

### **COMPANY DETAILS**

#### **1.1 Company Name**

The legal name of the company is ELON TANZANIA GROUP COMPANY LIMITED and is formed as a Limited Liability Company in Tanzania.

#### **1.2 Company Registration**

The Company is duly registered and bears all the necessary registration documents and licensed from BRELA, TRA in order to engage into the intended activities in Tanzania.

#### **1.3 Background of the Company**

ELON TANZANIA GROUP COMPANY LIMITED is the Company owned by the Chinese nationals who will base on minerals activities. The company is a registered company in Tanzania under Companies Act No. 12 of 2002. This company was registered on 28<sup>th</sup> January 2019 under Certificate of Incorporation No: 138711005. Minerals will be obtained locally within the Country. The Company was founded by Tanzil Hussein Muccadam.

Our business goal as a mining company is to become the number one choice of jewelry making companies and other companies that make use of gold and silver in Tanzania and other countries of the world. As a business, we are willing to go the extra mile to invest in owning our own environmentally friendly gold and silver mines and also to hire efficient and dedicated employees.

We have been able to secure permits and licenses from all relevant departments both at the local government and internationally. Elon Tanzania Group Company Limited is set to redefine how a standard gold mining business should be run all across the world. This is why we have put plans in place for continuous training of all our staff.

The demand for gold and silver is not going to plummet any time soon which is why we have put plans in place to continue to explore all available market around the Africa and other countries of the world. In the nearest future, we will ensure that we create a wide range of distribution channels all across the Africa and other countries of the world.

Elon Tanzania Group Company Limited will at all-time demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely.

#### **1.4 Legality of the Company and Government Regulation**

Elon Tanzania Group Company Limited will operate legally as a legal entity and will follow all the regulatory requirements and all compliance issues from directly and related authorities. Apart from that, the Company will obtain all required licenses and certificate as required by law in order to operate its facilities as per the regulations of the operations of the minerals activities in Tanzania.

Because Elon Tanzania Group Company Limited is directly involved in minerals activities, whose end products are incorporated into environmental friendly materials, the company is under the potential jurisdiction of the Environmental Protection Agency.

#### **1.5 Company Locations**

The proposed office is located at plot No. 2470, Block 05, House number 12, Sea View Street, Sea View Road, Ilala Ward in Ilala District in Dar es Salaam City.

## **CHAPTER TWO**

### **ACTIVITIES OF THE COMPANY**

#### **2.1 Products and Services Offerings**

The primary revenue center for the business will come from the direct trading mining of iron ores, mining of other non ferrous metal ores, wholesale of metals and metal ores and to provide the support activities for other mining and quarrying on a day to day basis. The Company, through its established relationships with commodities brokers, will be able to amplify its returns through the use of significant leverage for the commodities purchased using the firm's capital. The business expects that it will use 1:5 leverage on all minerals trades executed by the Company. The Company's secondary stream of income will be derived from interest generated on capital held from short sales that are used in conjunction with the Company's minerals trading operations. Interest income will generate approximately 30% of the minerals Trading Firm's aggregate revenue.

We are a major mining business involved in the exploration and mining of the precious mineral. Our team is made up of seasoned geologists, metallurgical and engineering professionals. These skilled professionals oversee every aspect of gold mining that relates to their field.

#### **2.2 Our Vision Statement**

Our vision is to break into the major league of gold mining within the next 5 years. The expansion of our operations will help us achieve our target within this specified period.

#### **2.3 Our Mission Statement**

Management's mission is to develop the minerals Trading Company into a middle market investment company that specializes in trading gold commodities with the intent to realize small, but continuous profits on a daily basis.

## 2.4 Start-up Summary

Our start-up costs will be \$ 1,000,000 and this capital is from our various businesses conducted in China and bank loan. After establishing our project in Tanzania if our capital will not be enough, the management of the Company can apply a loan to any financial institution in Tanzania or in China in order to continue to facilitate the operations.

S/N	DESCRIPTION	AMOUNT (\$)
	Initial lease and payments and deposits	240,000
	Working Capital	200,000
	Company Motor Vehicles	80,000
	Security deposits	100,000
	Furniture's & Fittings	70,000
	Start-up Expenses/Pre expenses	50,000
	Marketing budget	10,000
	Machines and equipments	250,000
	<b>Total start up costs</b>	<b>1,000,000</b>

Table 1; Start up capital for investment

## 2.5 Financing

Our company is operated through our capital and bank loan. Bank loan might seem risky in returning it but it's vital in financing our fund requirement and in fulfilling the financial gaps we have. It helped us to satisfy our needs and entering fully in to our operation without any hesitation, there is also an equity finance fund obtained from the owners of the company.

Table 2: Financing

Equity (80%)	Loan (20%)
Usd 800,000	Usd 200,000
<b>Total = Usd 1,000,000</b>	

## 2.6 Exit Strategy

Management has planned for two possible exit strategies that would yield significant capital appreciation for the Company's Management Team and Investors. First, the business could be sold in its entirety to a third party entity. At this point, Management would most likely leave the Company to pursue other ventures. The second exit strategy would be to engage a secondary capital raising that would allow Management and Investors to cash out a portion of the equity built into the business while concurrently providing the firm with more capital for trading. This exit strategy would still require that Management operate the firm on a day to day basis, so in actuality it is only a partial exit strategy. However, by raising a secondary or tertiary round of capital, the business could easily expand to become a much larger trading firm after the third year of operations.

## **CHAPTER THREE**

### **BUSINESS STRUCTURE**

As part of our plan to build a top flight mining company in Tanzania that will favorably compete with leaders in the industry, we have perfected plans to get it right from the onset which is why we are going the extra mile to ensure that we have competent employees to occupy all the available positions in our company. The Company was founded by Tanzil Hussein Muccadam. Mr. Tanzil has more than 10 years of experience in the commodities

trading industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations. In view of that, we have decided to hire qualified and competent hands to occupy the following positions at Elon Tanzania Group Company Limited.

- Chief Executive Officer (Owner)
- Gold Mine Manager
- Human Resources and Admin Manager
- Sales and Marketing Officer
- Accountants/Cashiers
- Gold and Silver Mining Casual Workers
- Truck Drivers
- Customer Service Executives /Receptionist

### **3.1 Roles and Responsibilities**

#### **3.1.1 Chief Executive Officer – CEO (Owner):**

- Increases management's usefulness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; collaborating values, strategies, and objectives; assigning accountabilities; preparing, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Answerable for fixing prices and signing business deals
- Responsible for providing direction for the business
- Makes, connects, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Accountable for signing checks and documents on behalf of the company
- Evaluates the success of the organization

#### **3.1.2 Gold Mining Site Manager**

- Oversees the smooth running of operations in the mine
- Makes sure that quality is maintained at all times

- Maps out strategies that will lead to efficiency amongst workers in the organization
- Responsible for training, evaluation and assessment of the workforce
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Ensures that our gold and silver mining site meets the expected safety and health standard at all times.

### **3.1.3 Human Resources and Admin Manager**

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Defines job positions for recruitment and managing interviewing process
- Carries out induction for new team members
- Responsible for training, evaluation and assessment of employees
- Oversees the smooth running of the daily business activities.

### **3.1.4 Sales and Marketing Manager**

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritize, and reach out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with customers
- Develops, executes and evaluates new plans for expanding sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

### **3.1.5 Gold and Silver Mining Casual Workers**

- Liable for operating excavators and other machines in the gold and silver mining site
- Handles the mining of gold and silver

- Assist in loading and offloading of our gold and silver into and out of the trucks

### **3.1.6 Accountant/Cashier**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

### **3.1.7 Truck Drivers**

- Assists in loading and unloading gold and silver et al
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Reports defects, accidents or violations

### **3.1.8 Client Service Executive**

- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make enquiries (answer customer queries regarding our gold and silver ore mining business)
- Finds out the customer's needs, recommend, select and help locate the right merchandise, describe a product's features and benefits.
- make suggestions and encourage purchase of products

## **CHAPTER FOUR**

### **SWOT ANALYSIS TO OUR STARTUP BUSINESS**

Due to our drive for excellence when it comes to running a standard mining company, we were able to engage some of the finest business consultants in Tanzania to look through our business concept and together we were able to critically examine the prospect of the business and to assess ourselves to be sure we have what it takes to run a standard mining business that can compete favorably in the industry.

An analysis on our state of health as a business has been done by a reputable business consultancy firm. Our performance has been measured against vital indices which have brought important facts to light;

In view of that, we were able to take stock of our strengths, our weakness, our opportunities and also the threats that we are likely going to be exposed to in Tanzania. Here is a preview

of what we got from the critically conducted SWOT Analysis for Elon Tanzania Group Company Limited.

#### **4.1 Strength:**

Our strength lies in the fact that we have state of the art gold and silver mining equipment and trucks that has positioned us to meet the demand of our clients even if the demand tripled over night.

Another factor that counts to our advantage is the background of our Chief Executive Office; he has a robust experience in the industry and also a pretty good academic qualification to match the experience acquired which has placed him amongst the top flight players in the gold and silver mining industry. We are not ignoring the fact that our team of highly qualified and dedicated workers will also serve as strength for our organization.

#### **4.2 Weakness:**

We do not take for granted the facts that we have weaknesses. In fact, the reality that we are setting up a mining company in Tanzania might pose a little challenge. In essence our chosen location might be our weakness.

#### **4.3 Opportunities:**

The opportunities available to us are unlimited. There are loads of jewelry making companies and other manufacturing companies that make use of raw gold all across the globe and all what we are going to do to push our products to them is already perfected.

#### **4.4 Threat:**

The threat that is likely going to confront us is the fact that we are competing with already established mining companies in Tanzania and other countries of the world. Of course, they

will compete with us in winning over the available market. Another threat that we are likely going to face is unfavorable government policies and economic downturn.

## **CHAPTER FIVE**

### **ENVIRONMENT IMPACT AND BUSINESS RISK**

#### **5.1 Environment Impact Assessment**

The environmental is one among things that any business should be accountable, ForElon Tanzania Group Company Limited.takes care of the environment by making sure that no activities done by the company results to environmental destruction Most of the large-scale mining companies comply with national rules and regulations but they are reluctant to go beyond compliance <sup>TM</sup> Local economy benefits directly or indirectly through auxiliary activities rather than through the economic mainstream of the national economy <sup>TM</sup> For the last six years mining companies have together contributed Expansion of mining in farmland accelerates food insecurity, generates landless classes, increases poverty and environmental degradation <sup>TM</sup> Mining projects being relatively short-lived, are associated with "ghost towns" as mining profits are never ploughed into local development but tend to be deployed in opening new prospects <sup>TM</sup> Mining employment can be substantial, but fluctuates with production levels and does not necessarily fall within the locality. Rather, it tends to have a national-wide impact <sup>TM</sup> Most of the mining employs "open pit" technology, which tends to permanently damage the area; subsequently it cannot be of any economic or social use Although EISs submitted by mining proponents indicates commitment towards socio-

economic development for surrounding communities, there is limited follow-up of the fulfilment of these commitments<sup>TM</sup> Over 50% of the mining employees are originally farmers or civil servants, suggesting that mining relocates people rather than benefiting the unemployed <sup>TM</sup> Mining projects are associated with social problems such as prostitution, and sexually transmitted diseases have tended to increase following the intensification of mining activities

### **5.1 .1 POLICY IMPLICATIONS**

<sup>TM</sup> The Mineral Sector Policy is an important tool for alleviating poverty in the country. Since mining companies do not go beyond compliance requirements, there is need to review the mining laws including EIA <sup>TM</sup> Although mining projects are located in specific localities, there are regional issues that cannot be addressed by project EIAs. Thus, SEA would more appropriate to deal with such issues

### **5.2 Possible Environmental Problems from miningActivities**

The project operations and activities can result in several environmental problems as classified below;

#### **5.2.1 Air pollution**

Air pollution may result from dust due to collected raw materials, power usage and machine in operation process. The release of small particles together with dust due to operations process may be in lower quantity during operation process. Also emission from standby generator and movement of vehicles around the area.

#### **5.2.2 Surface water contamination**

This is mainly happens when fuel spill occurs during vehicle and machine maintenance and refueling which then could be washed away by storm water to the surface water source.

#### **5.2.3 Ground water contamination**

Potentially this is happening when the spill fuel and waste water from processing percolate through the ground which eventually reaches the ground water and contaminates it also ground water contamination can occur due to leakage in waste management system.

#### **5.2.4 Land / Soil contamination**

This occurs when the spills of hydrocarbon such as waste oil, grease, diesel and petrol enters directly into the soil surface. This hydrocarbon can also then be washed away by site runoff and directly enters the surrounding environment hence cause a serious contamination at local and remote area from the source.

#### **5.2.5 Noise and vibration effects**

The major source of noise and vibration at the site is when generator turned on

### **5.3 Environmental problems and mitigation measures at the site**

Elon Tanzania Group Company Limited will ensure safety and environmental measures are observed during construction, operation and project decommission. Among measures that the Company will use and implement to prevent environmental destruction or contamination as follows

#### **5.3.1 Mitigation measure for Air Pollution**

- The industry will ensure emission is minimized by using machine and equipment with less emission level.
- Planting trees around the industry area and conserve the available trees avoiding cutting them.
- Wider or large windows to allow air circulation to improve ventilation system in the industry.

#### **5.3.2 Mitigation measure for Surface water contamination**

- The factory will ensure proper handling of all kind of hazardous waste produced such as hydrocarbons constituent like used oils and other types of waste.
- The used of special bin for temporary storage of waste and frequently transporting to the disposal site will be maintained.

#### **5.3.3 Mitigation measure for Ground water contamination**

- Oil spillage will minimized by ensuring proper management of oils and proper management of waste water from sanitation system.

#### **5.3.4 Mitigation measure for Land / Soil contamination**

- Both liquid and solid wastes will be properly handled to avoid soil and water pollution

#### **5.3.5 Mitigation measure for Noise and vibration effects**

- The factory will ensure a wall built around the generator to reduce the level of noise pollution.

#### **5.3.6 Mitigation measure for Workers health and safety**

Regular training in occupational health, safety gears, safety and emergency response will be done and provided to all workers regardless of their gender and terms of work. Meaning of safety sign provided in each building and Training on how to use firefighting facilities.

### **5.4 BUSINESS RISKS**

The Company is considered to be subjected to controllable and uncontrollable risks uncertainties (risks). Some of the risks thoughts of by the owner are as follow

- **Cyclical fluctuations:**

There are seasonal or economic fluctuations like inflation that could become so extreme that reasonable planning could not prevent.

- **Unforeseen industry trends:**

These are like adverse changes in equipment and machine prices that can affect the Company' profitability.

- **Actions of competitors:**

There are possibilities of new competitors rise or growth of competition from the existing players in the market that may affect the planned sales and hence profits.

- **Political risks**

There are possibilities of the politician to interfere the plant operations that actions may affects the Company Operations.

- **Changes of Government Rules and regulation**

There are possibilities that the government rules and regulations can be changed, and these changes may affect our activities in the Country. For instance the government can ban or introduce strict rule in mining business operations in the country.

### **5.5 Risk assessment**

Risk assessment is implemented to analyze the various risks facing the project by looking to all aspects of the project and their potential impact on the overall goal of the company. Knowing the level of the impact various elements have on a project can assist management with getting priorities to more quickly achieve the end result. The potential hazards facing our company are

- Entrance of new big gold extracting companies. Companies like Accacia mining are entering in to the market which gives you no way to compete because of the huge capital they are investing on it.
- Fluctuating price of gold in global market. Fluctuation of price of gold is the main problem facing all gold miners around the world. And this is one of the factors which may lead companies to loss.
- Explosions happening on digging process. This might kill thousands of workers. To avoid this problem a fire extinguisher is preferable

### **5.6 The key to success**

Systematic and methodical mining project risk management is crucial for a successful EIA. A detailed project development plan aligns the competencies needed for the various processes along the timeline ensuring well-founded and sound choices and decisions. Optimally, the formal EIA and permitting processes are integrated into the reporting and stakeholder platforms of the mining project.

## **CHAPTER SIX**

### **MARKET ANALYSIS**

#### **6.1 Industry Analysis**

The financial services sector has become one of the fastest growing business segments in the Tanzania economy. Computerized technologies allow financial firms to operate advisory and brokerage services anywhere in the country. In previous decades, most financial firms needed to be within a close proximity to Wall Street in order to provide their clients the highest level of service. This is no longer the case as a firm can access almost every facet of the financial markets through Internet connections and specialized trading and investment management software. With these advances, several new firms have been created to address the needs of people in rural and suburban areas.

#### **6.2 Customer Profile**

As the Company intends to operate its minerals trading operations via the free trading markets in Tanzania and internationally, the Company will not directly have "customers." In a sense, the customers of this firm are its investors as the Company is trying to develop a wealth and income creating vehicle for them and the Senior Management Team. However, and in the future, the Company may expand its capital base by soliciting additional investments from the general public. In this instance, the Company would need to register itself as a CTA firm with the Commodities and Futures Trading Commission. At this time, it is unclear as to what requirements would be needed in order for an individual to invest with the commodities trading firm as they differ substantially from other private investment vehicles such as hedge funds and private equity groups.

#### **6.3 Market Trends**

Gold and silver mining is a lucrative business in Tanzania and other countries in Africa and in looking at the trends of these mega countries over the course of gold's bull, it is apparent that the results vary quite substantially. Up until the 1990s the gold-mining industries operated like well-oiled machines, with the miners consistently putting forth sizeable capital towards exploration and development. Exploration was successful in renewing and growing

the reserves that were being mined, and continual expansion and new development sustained and even grew production.

It is common trend in the gold and silver ore mining line of business to find mining companies positioning their business in locations and communities where they can easily have access to mines and of course cheap labor. If you make the mistake of positioning this type of business in a location where you would have to travel a distance before you can access gold and silver mines, then you would have to struggle to make profits and maintain your overhead and logistics.

Also, another trend in this line of business is that most registered and well organized mining companies look beyond the market within their locations or state; they ensure that they strike business deals with leading jewelry making companies in Tanzania and other countries of the world. The truth is that if as a gold mining company you are able to become a vendor to one or more jewelry making giants in Africa or in other countries of the world, you will always continue to smile to the bank.

#### **6.4 Our Target Market**

Before starting our business in Tanzania, we conducted a market survey and feasibility studies and we are certain that there is a wide range of jewelry and mining companies that cannot successfully run their businesses without sourcing for gold, silver etc. When it comes to supplying product from gold and silver mines, there is indeed a well-defined market. This goes to show that the target market for products from gold mining companies is far reaching. In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in supply of raw gold and silver to the following organizations;

- Jewelry production companies
- Electronic components manufacturing companies
- Art and culture companies
- Gold and silver merchant

### **6.5 Our Competitive Advantage**

There are advantages we hold over other gold mining businesses. Some of these include the quality of our workforce. This is made up of experts with many years of experience in the gold mining industry. We have been careful to select only the best as we believe that this will reflect in our operations. The discovery of an additional gold mine and obtaining the operating license has further added to our reserves.

Some of our competitive advantages are availability of resource, ability to forward sell production when appropriate and of course the ability to comply with environmental laws.

As a standard and licensed gold mining company, we know that gaining a competitive edge requires a detailed analysis of the demographics of the surrounding area and the nature of the existing competitors. And even if you are successful at first, new competitors could enter your market at any time to steal your regular customers. Hence we will not hesitate to adopt successful and workable strategies from our competitors.

Another competitive advantage that we have is the vast experience of our management team; we have people on board who understand how to grow a business from the scratch to becoming a national phenomenon. Our large and robust distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

## **CHAPTER SEVEN**

### **SALES AND MARKETING STRATEGY**

We already have a network of existing clients who have proven to be valuable assets to our operations. These will be crucial to the take-off and smooth running of our new gold mine.

Through the expansion of our current capacity, we will work with more major gold merchants to create a distribution channel for our products.

Before choosing a location to start Elon Tanzania Group Company Limited, we conducted thorough market survey and feasibility studies in order for us to penetrate the available market in Tanzania. We have detailed information and data that we were able to utilize to structure our business to compete with other gold and silver mining companies.

We hired experts who have good understanding of the gold and silver ore mining line of business to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market. ELon Tanzania Group Company Limited will adopt the following sales and marketing approach to sell our raw gold and silver;

- Introduce our business by sending introductory letters to production companies and other stakeholders in and around the Africa
- List our business and products on yellow pages' ads (local directories)
- Leverage on the internet to promote our product cum business
- Engage in direct marketing and sales
- Encourage the use of word of mouth marketing (referrals)

### **7.1 Publicity and Advertising Strategy**

Regardless of the fact that our gold mining company can favorably compete with other leading mining companies in Tanzania and in any part of the world, we will still go ahead to intensify publicity for all our products and brand.

Elon Tanzania Group Company Limited has a long term plan of exporting our product all across the United States of America and other countries of the world. This is why we will deliberately build our brand to be well accepted in Africa County before venturing out to other cities all across the Africa and other countries of the world.

As a matter of fact, our publicity and advertising strategy is not solely for selling our products but to also effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise Elon Tanzania Group Company Limited.

- Place adverts on both print (community based newspapers and magazines) and electronic media platforms

- Sponsor relevant community programs
- Leverage on the internet and social media platforms like Instagram, Facebook, Twitter, et al to promote our brand
- Ensure that all our staff members wear our customized clothes, and all our official cars and distribution trucks are customized and well branded.

## **7.2 Operational Sustainability**

The extraction/mining of gold from our reserves is expected to last a period of 5 decades. During this time, more explorations will be carried out in addition to gold processing which we will be embarking on within a 3 years. These will enhance our sustainability and make our gold mining business a stable and highly profitable venture.

This gold mining business plan sample has attempted to provide you with the guidance you need. It is important that you do not complicate things when writing your plan. The better informed you are about this business; the easier it is to write a plan when you have a template to work with. It is believed that this will help entrepreneurs in no small measure.

## **7.3 Marketing Plan**

As the Gold Trading Company intends to primarily trade for its own account, the marketing required by the business will be absolutely minimal. Mr. Tanzil's marketing campaigns will primarily consist of familiarizing the Company's brand name with other commodities traders and brokerages so that future joint ventures and investments can be made in the future. As discussed earlier, there is the possibility that the business may be able to solicit capital from the general public. In that instance, the Company will engage marketing strategies discussed below.

## **7.4 Marketing Objectives**

- ✓ Develop an informative website if the Company decides to solicit capital from the general public.
- ✓ Develop ongoing relationships with commodities brokerages in Tanzania and abroad.

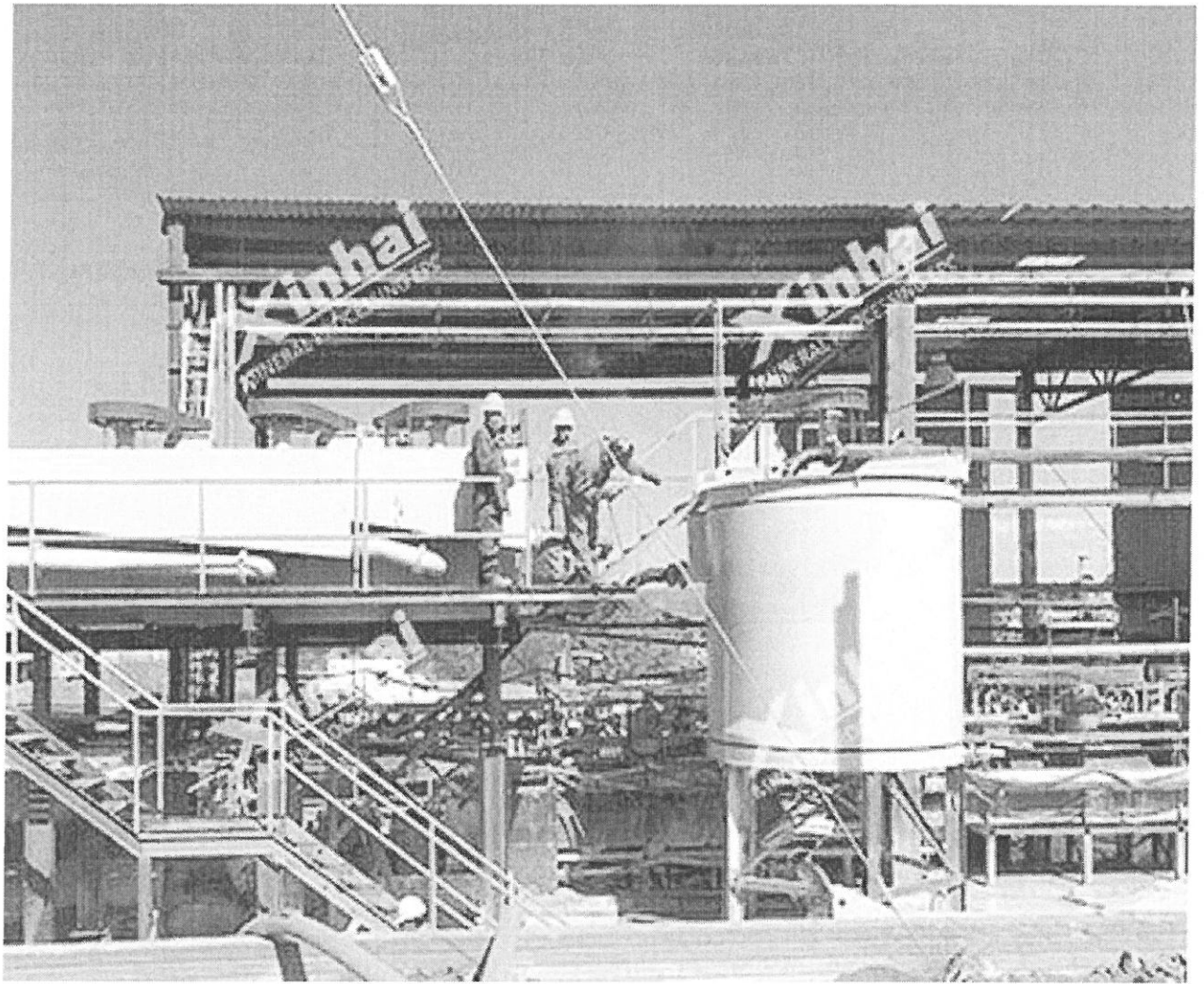
## **7.5 Marketing Strategies**

Foremost, the Company will develop ongoing prime brokerage relationships with several commodities brokerages throughout the Africa. This will ensure that the Company can amplify its returns through leverage offered by these firms. Mr. Tanzil will distribute information, via an information packet, to these firms informing them that the Gold Trading Company is in business, its capitalization, and what types of trades the company most frequently engages. In regards to raising capital from the general public, the Company will develop an informative website showcasing the operations of the firm, Mr. Tanzil's experience as a gold trader, proper investment disclosures, and relevant contact information. The website may also feature functionality so that investors can log in and track the performance of their account. If this website is built, the Company will hire an internet marketing firm to properly rank the site via search engine optimization and pay per click strategies.

#### **7.6. Technology**

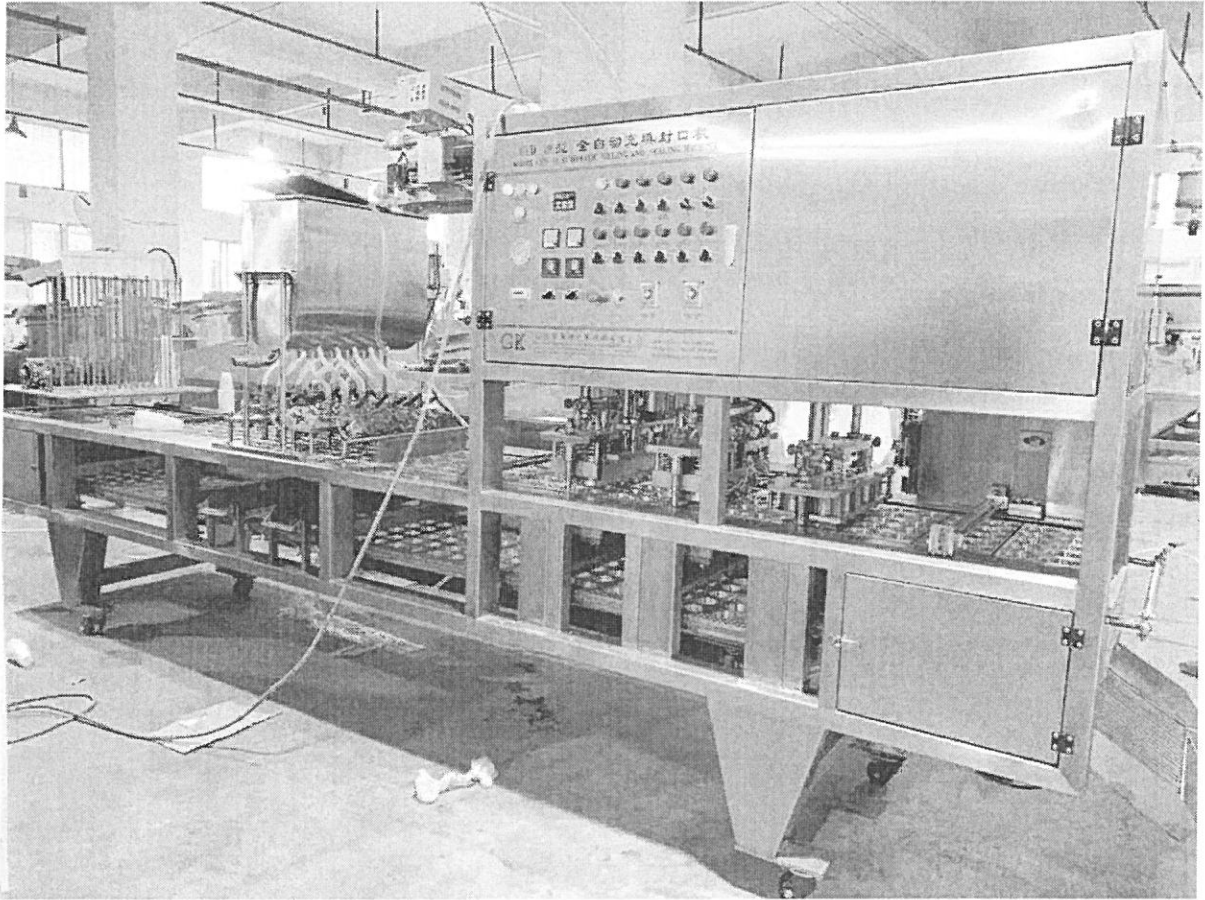
In this company majority of tasks are manual work and few activities will involve machines; these machines will includes Electrical weighing balance, Cutting machine, Washing tank, Drier machine, Track and light vehicle, Computers, water heaters and other small office machines In order to ensure that our products meet the quality and specifications needs by our clients. The management decide to use the advanced machine which use the currently technology .This machines consume few electricity.

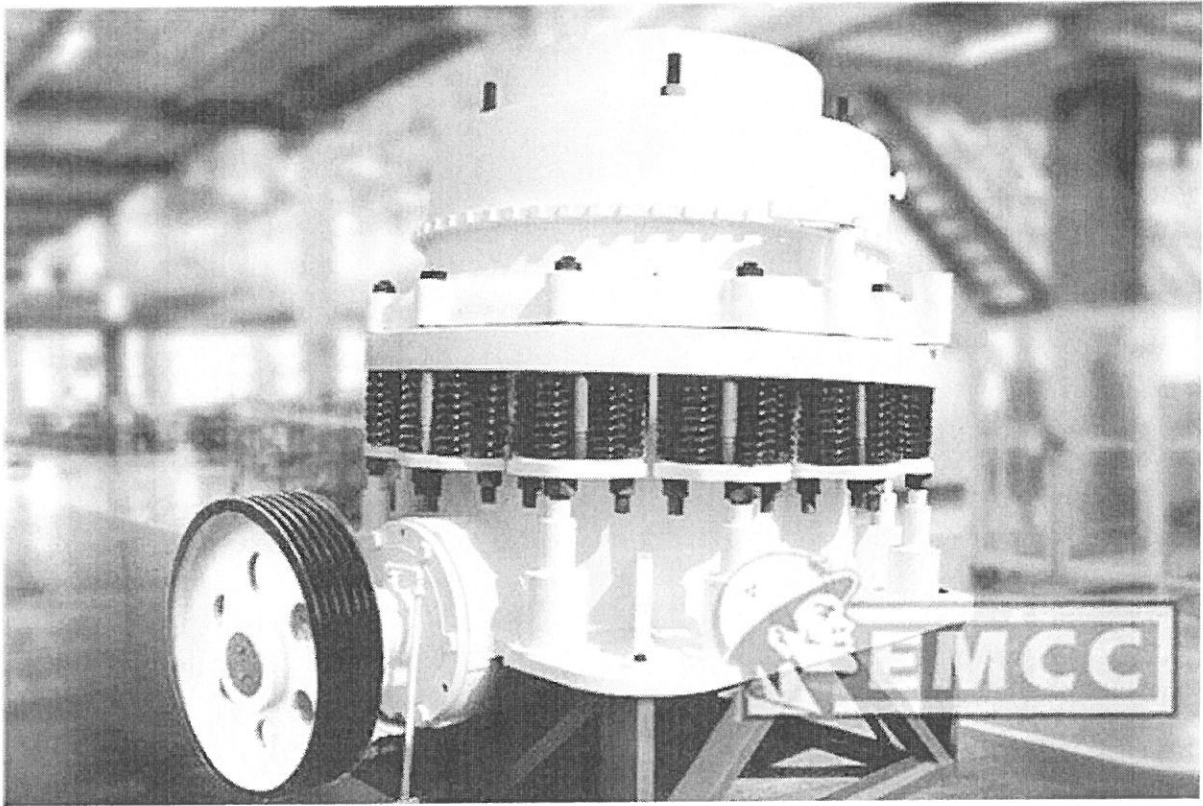
**Below are sample of our machines we interested to put in Tanzania**











*Figure 3; Proposed machines to be used*

### **7.7 Our Pricing Strategy**

Aside from quality, pricing is one of the key factors that gives leverage to minerals, it is normal for mining companies to go to places where they can get the manpower, land and other resources at cheaper prices which is why big players in the industry will always attract loads of clients.

At Elon Tanzania Group Company Limited we will keep the prices of our minerals below the average market rate for all of our customers by keeping our overhead low and by collecting payment in advance from corporate organizations who would hire our services. In addition, we will also offer special discounted rates to all our customers at regular intervals.

We are aware that there are some one – off jobs or government contracts that are always lucrative, we will ensure that we abide by the pricing model that is expected from contractors or organizations that bid for such contracts.

## **7.8 Payment Options**

Elon Tanzania Group Company Limited our payment policy will be all inclusive because we are quite aware that different people prefer different payment options as it suits them. Here are the payment options that we will make available to our clients;

- Payment by or via bank transfer
- Payment via online bank transfer
- Payment via check
- Payment via bank draft
- Payment via mobile money
- Payment with cash

In view of the above, we have chosen banking platforms that will enable our client make payment for the purchase of our products without any stress on their part. Our bank account numbers will be made available in sales documents i.e. proforma invoice, tax invoices and promotional materials.

## CHAPTER EIGHT

### ECONOMIC ASPECTS AND FINANCIAL PLAN

#### 8.1 Project Priorities

The business is in line with the government policy of avoiding environmental pollutions around the factor also the business will be in line with the government policy of encouraging private sector in economic strengthening to achieve the long desired growth. The operations of the business will contribute to the National economy by boosting the industry which is vital for any economy.

#### 8.2 Employment Effect

The Company will generate employment opportunities for many Tanzanian directly as indicated in the business structure above in this business plan as well as indirectly. Therefore the Company through its business will contribute to the Government's efforts to curb the problem of unemployment in the country.

#### 8.3 Financial Plan

Our financial plan is based on receiving a big profit in this investment in Tanzania. We will achieve profitability early in the first year and due to the expected high growth rate, we will realize strong profits on sales by year three.

We have been able to critically examine the minerals market and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some assumptions that are peculiar to similar startups in Tanzania

#### Underlying Assumptions

- The mining Company will have an annual revenue growth rate of 19% per year.
- The Founder will acquire \$ 1,000,000 of equity funds to develop the business.
- The Company will earn a compounded annual return of 17% on its commodities portfolio.

#### 8.4 Sensitivity Analysis

The Company's revenues are not sensitive to changes in the general economy. The Gold Trading Company will use a number of trading strategies to ensure that the business can generate profits despite increases or decreases in the value of any commodity. As such, the business should have no issues with top line income despite inflationary pressures or downward pricing pressure on specific commodities.

### **8.5 Expansion Plan**

The Company will to undergo an aggressive expansion after the successful completion of the initial capital raising period. As the laws that govern investment pools for gold commodities trading are different than those for general securities dealers/traders, the business may be able to solicit capital from the general public in a similar capacity to that of a registered investment advisory. Mr. Tanzil is currently investigating how the business can expand once trading operations commence.

### **8.6 Projected Profit and Loss**

The following table summarizes our anticipated sales and cost of goods sold for the first five years. The forecast is based on reasonable sales projections within this very large market

#### **PROJECTED STATEMENT OF COMPREHENSIVE INCOME FROM 2020 TO 2024**

<b>PROJECTED STATEMENT OF COMPREHENSIVE INCOME FROM 2020 TO 2024</b>					
<b>PARTICULARS</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>

	\$	\$	\$	\$	\$
Revenue	625,000	860,000	1,050,000	1,370,000	1,520,000
Cost of sales	330,000	405,000	250,000	320,405	360,750
	330,000	405,000	250,000	320,405	360,750
Gross profit	295,000	455,000	800,000	1,049,595	1,159,250
<u>Less: Expenses</u>					
Administrative expenses	83,200	91,400	80,350	96,425	145,550
Marketing and Advertisement expenses	10,500	15,750	23,625	35,438	42,525
Financial expenses	8,800	9,400	11,200	13,700	15,300
	102,500	116,550	115,175	145,563	203,375
Profit / (Loss) before tax	<b>192,500</b>	<b>338,450</b>	<b>684,825</b>	<b>904,033</b>	<b>955,875</b>
Less : Tax for the year(30%)	57,750	101,535	205,448	271,210	286,763
<b>Profit / (Loss) after tax</b>	<b>134,750</b>	<b>236,915</b>	<b>479,378</b>	<b>632,823</b>	<b>669,113</b>
<b>Other comprehensive income / (loss)</b>					
Gain / (loss) on fair value adjustment of borrowings	-				
Deferred interest	-				
Gain / (loss) on fair valuation of property, plant and equipment					
Others					
<b>Total comprehensive income / (loss)</b>	<b>134,750</b>	<b>236,915</b>	<b>479,378</b>	<b>632,823</b>	<b>669,113</b>

### 8.7 Assumptions on Sales Projections

- I. The political stability of the country will remain constant
- II. The Government regulations can change but the changes will not affect our business
- III. The number of our customers will increase year after year

- IV. The price of the products will be increase at a high rate while the rate of expenses will increase also but not to the extent to affect the annual profit.
- V. The inflation rate will increase but will be expected to remain in the single digit.
- VI. The exchange fluctuation for dollars (usd) will increase but it's effects will be low to our business
- VII. The quality of our products will be improved
- VIII. The business will continue to be in a going concern basis
- IX. There won't be any major economic meltdown and there won't be any major competitor within same location.

**PROJECTED STATEMENT OF FIANANCIAL POSITION FROM 2020 TO 2024**

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
<b>Non current assets</b>					
Property, plant and equipment	456,750	435,356	409,632.97	353,509.82	306,266.23

	456,750	435,356	409,633	353,510	306,266
<b>Current assets</b>					
Inventories	534,975	522,612	676,573	394,918	999,404
Trade and other receivables	142,025	226,500.0	407,700.0	1,223,100.0	554,964.0
Cash and cash equivalents	112,500	191,250.00	179,796.00	251,714.40	503,428.80
	789,500	940,362	1,264,069	1,869,732	2,057,797
<b>Total assets</b>	<b>1,246,250</b>	<b>1,375,718</b>	<b>1,673,702</b>	<b>2,223,242</b>	<b>2,364,063</b>
<b>Equity</b>					
Share capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retained earnings	134,750	236,915	479,378	632,823	669,113
	1,134,750	1,236,915	1,479,378	1,632,823	1,669,113
<b>Non Current liabilities</b>					
Loan from Bank	-			250,000.00	250,000.00
	-	-	-	250,000.00	250,000.00
<b>Current liabilities</b>					
Trade and other payables	111,500.00	138,803.00	194,324.20	195,459.36	351,826.85
Provisions	-				
Current tax	-	-	-	144,960	93,124
	111,500	138,803	194,324	340,419	444,951
<b>Total equity and liabilities</b>	<b>1,246,250</b>	<b>1,375,718</b>	<b>1,673,702</b>	<b>2,223,242</b>	<b>2,364,063</b>

#### PROJECTED STATEMENT OF CHANGE IN EQUITY FROM 2020 TO 2024

Particulars	Share capital	Retained earnings	Total
	\$	\$	\$
<b>Year ended 31st December 2020</b>			
Opening balance equity as at start of the year	760,000	-	760,000
	760,000	-	760,000

Net profit / (loss)	-	134,750.00	134,750.00
<b>At the end of the year</b>	<b>760,000</b>	<b>134,750.00</b>	<b>894,750.00</b>
<b>Year ended 31st December 2021</b>			
As at start of the year	760,000	134,750.00	894,750.00
Prior year adjustments	-	-	-
	760,000	134,750.00	894,750.00
Net profit / (loss)	-	236,915.00	236,915.00
<b>At the end of the year</b>	<b>760,000</b>	<b>371,665.00</b>	<b>1,131,665.00</b>
<b>Year ended 31st December 2022</b>			
As at start of the year	760,000	371,665.00	1,131,665.00
Prior year adjustments			
	760,000	371,665	1,131,665
Net profit/(Loss)	-	479,378	479,378
<b>At the end of the year</b>	<b>760,000</b>	<b>851,043.00</b>	<b>1,611,043</b>
<b>Year ended 31st December 2023</b>			
As at start of the year	760,000	851,043	1,611,043
Prior year adjustments	-	-	-
	760,000	851,043	1,611,043
Net profit/(Loss)		632,823	124,731.25
<b>At the end of the year</b>	<b>760,000</b>	<b>1,483,866</b>	<b>2,243,866</b>
<b>Year ended 31st December 2024</b>			

As at start of the year	760,000	1,483,866	2,243,866
Prior year adjustments			
	760,000	1,483,866	2,243,866
Net profit/(Loss)		669,113	669,113
<b>At the end of the year</b>	<b>760,000</b>	<b>2,152,979,</b>	<b>2,912,979</b>

**NOTE** ;This projection is done based on what is obtainable in the industry and the above projection might be lower and at the same time it might be higher.

#### INITIAL ASSETS (PROPERTY, PLANT & EQUIPMENT)

Particulars	Buildings	Furniture and fixtures	Office equipment	Plant & Machinery	Computers	MV Class I	Motor vehicles Class II	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Rate	5.0%	12.5%	12.5%	12.5%	37.5%	37.5%	25.0%	
<b>Cost</b>								
Balances as at January 2020	80,000	70,000	18,000	250,000	15,000	25,000	80,000	538,000
Additions	-	-	-		-	-		-
Disposals	-	-	-		-	-		-
Revaluation increase / (decrease)	-	-	-		-	-		-
Balances as at 31st December 2020	80,000	70,000	18,000	250,000	15,000	25,000	80,000	538,000
Depreciation for the year	4,000	8,750	2,250	31,250	5,625	9,375	20,000	81,250
<b>Balances as at 31st December 2020</b>	<b>76,000</b>	<b>61,250</b>	<b>15,750</b>	<b>218,750</b>	<b>9,375</b>	<b>15,625</b>	<b>60,000</b>	<b>456,750</b>
Balances as at								

January 2021	76,000	61,250	15,750	218,750	9,375	15,625	60,000	456,750
Additions				50,000.00				50,000.00
Disposals								
Revaluation increase / (decrease)								
Balances as at 31st December 2021	76,000	61,250	15,750	268,750	9,375	15,625	60,000	506,750
Depreciation for the year	3,800.0	7,656.3	1,968.8	33,593.8	3,515.6	5,859.4	15,000.0	71,393.8
<b>Balances as at 31st December 2021</b>	<b>72,200.0</b>	<b>53,593.8</b>	<b>13,781.3</b>	<b>235,156.3</b>	<b>5,859.4</b>	<b>9,765.6</b>	<b>45,000.0</b>	<b>435,356.3</b>
Balances as at January 2021	72,200.0	53,593.8	13,781.3	235,156.3	5,859.4	9,765.6	45,000.0	435,356.3
Additions						4,500.00	40,000.00	44,500.00
Disposals								
Revaluation increase / (decrease)								
Balances as at 31st December 2021	72,200.0	53,593.8	13,781.3	235,156.3	5,859.4	14,265.6	85,000.0	479,856.3
Depreciation for the year	3,610.00	6,699.22	1,722.66	29,394.53	2,197.27	5,349.61	21,250.00	70,223.19
<b>Balances as at 31st December 2022</b>	<b>68,590.00</b>	<b>46,894.53</b>	<b>12,058.59</b>	<b>205,761.72</b>	<b>3,662.11</b>	<b>8,916.02</b>	<b>63,750.00</b>	<b>409,632.32</b>
Balances as at January 2022	68,590.00	46,894.53	12,058.59	205,761.72	3,662.11	8,916.02	63,750.00	409,632.32
Additions		1,200.00					-	1,200.00
Disposals								
Revaluation increase / (decrease)								
Balances as at 31st December 2022	68,590.00	48,094.53	12,058.59	205,761.72	3,662.11	8,916.02	63,750.00	410,832.32
Depreciation for the year	3,429.50	6,011.82	1,507.32	25,720.21	1,373.29	3,343.51	15,937.50	57,323.14
<b>Balances as at 31st December 2023</b>	<b>65,160.50</b>	<b>42,082.71</b>	<b>10,551.27</b>	<b>180,041.50</b>	<b>2,288.82</b>	<b>5,572.51</b>	<b>47,812.50</b>	<b>353,509.50</b>
Balances as at January 2023	65,160.50	42,082.71	10,551.27	180,041.50	2,288.82	5,572.51	47,812.50	353,509.50
Additions								
Disposals								
Revaluation increase / (decrease)								
Balances as at 31st December 2023	65,160.50	42,082.71	10,551.27	180,041.50	2,288.82	5,572.51	47,812.50	353,509.50
Depreciation for the year	3,258.03	5,260.34	1,318.91	22,505.19	858.31	2,089.69	11,953.13	47,243.59
<b>Balances as at 31st December 2024</b>	<b>61,902.48</b>	<b>36,822.38</b>	<b>9,232.36</b>	<b>157,536.32</b>	<b>1,430.51</b>	<b>3,482.82</b>	<b>35,859.38</b>	<b>306,266.85</b>

The fixed assets are stated in the Balance Sheet at cost less depreciation. Continuing existence and usage of fixed assets is confirmed by the Management.

### **Depreciation**

The depreciation is provided so as to write off the cost of fixed assets on reducing balance basis. The principal annual rates used for this purpose which are consistent with those of last year are:-

M/Vehicle Class I	37.5 %
Office Equipments	12.5%
Furniture and fittings	12.5%
Buildings	5%
Plant &Machinery	12.5%

### **Regroupings**

Previous years figures have been re-grouped/rearranged whenever necessary so as to make them comparable with current year figures.

### **Foreign Currency Transactions**

Transactions in foreign currencies are converted into Tanzanian Shillings at the exchange rate ruling at the day of the transaction. Assets and Liabilities at the Balance Sheet date which are expressed in foreign currencies are translated into Tanzanian Shillings at the rate ruling at that date. The resulting difference from conversions and translations are dealt in profit & loss account in the year in which they arise.

### **CONCLUSION**

From the above business assessment, it can be concluded that our business activities are technically feasible and financially viable also it is economically acceptable. In this view it is true that the business will continue to grow since more expertise will be employed and the business will continue to provide enough opportunity to local people to sell them minerals products.