

WANYOU TANZANIA MINING LIMITED

**BUSINESS PLAN FOR ESTABLISHMENT OF
MINERALS PROCESSING PROJECT**

WANYOU TANZANIA MINING LIMITED

P. O. Box 999, DARES SALAAM, Email: yxm0307@126.com, Mob: +255767311111

1.0 INTRODUCTION

WANYOU TANZANIA MINING LIMITED is a company incorporated in Tanzania with certificate No. 177923737 dated January 12th September ,2024 as private limited company under the Tanzanian Companies Act, 2002. WANYOU TANZANIA MINING LIMITED is engaged in the business mineral processing by doing value additions. The company will be procuring semi processed gemstone and process them ready for export market.

1.1 OUR MISSION

To become a leading integrated minerals processing test in East Africa providing business enabling solutions and exceeding customer expectations.

1.2 OUR VISION

To deliver customized and unique minerals processing, ensuring time and cost savings for customers in a responsible and sustainable manner.

1.3 OUR VALUES

At WANYOU TANZANIA MINING LIMITED, we believe the customer comes first; we are focused to ensure customer delight, superior quality of delivery and increased customer profitability.

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At WANYOU TANZANIA MINING LIMITED, at our operations all over the country, we practice an enduring value system based on an open culture, honest and fair business and personal conduct, earning the confidence and trust of our Associates and Customers. At WANYOU TANZANIA MINING LIMITED, we practice transparency with all agencies that we are involved with.

At WANYOU TANZANIA MINING LIMITED, we value the importance of our colleagues, evolving a sense of togetherness and passion to deliver.

1.4 COMPANY OWNERSHIP

WANYOU TANZANIA MINING LIMITED is promoted by two shareholders who are very experienced in minerals business.

Name of shareholders	% of shares	Nationality
YU XIMING	75	CHINA
MONICA SAIMON MABULA	25	TANZANIA

1.6 PROJECT LOCATION

Project location of transportation is located at **Plot No.15 Block B, Mkiu Area, Mkuranga District, Coastal Region, Tanzania**

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1.7 ORGANISATION FLOW CHART

WANYOU TANZANIA MINING LIMITED management is headed by Managing Director. Core management team comprises of 1 General Manager, 1 HR and Admin Manager, 1 Logistics Manager, 1 Chief Accountant and 2 Junior accounting clerks. Operational team headed by 3 operational managers and includes drivers and cleaners. Total of 15 Employees to be employed on full scale operation.

2.0 Gemstones Found in Tanzania

Tanzania is one of the most renowned gemstone mining locations in the world. The entire Tanzanian exploration in East Africa offers a wide variety of rich mineral deposits which attracts gemstone enthusiasts worldwide.

The gemstones produced in Tanzania hold distinct characteristics and also great value attached to them. Several noteworthy regions in Tanzania are known for producing great gemstones. The major regions for gemstone mining in Tanzania include the Merelani Hills, the Tunduru region, and more.

Tanzanite, sapphires, rubies, and spinels are the top gemstones extracted from the mines of Tanzania. Speaking of Tanzanite, it is one of the most precious gemstones found in Tanzania with great

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beauty, characteristics, and value associated with it. It is exclusively found in the Tanzanian mines and is renowned for its captivating beauty. Blue gemstones are known for their blue-violet hues and rarity.

Apart from Tanzanite, Tsavorite is another precious gemstone found in Tanzania. hailing from the garnet family, this dazzling gemstone from the Tanzania region is known for its intense green colour and unique structure. It is used and admired worldwide in jewellery making and the gemstone collectors' fraternity.

other gemstones found in Tanzania that are worth mentioning include the beautiful rubies, sparkling sapphires, and the undervalued yet brilliant spinels and tourmalines. the treasure vault of Tanzania is full of a diverse variety of Gemstones, which compels gemstone enthusiasts and appreciators from all across the world.

In short, Tanzania has the best of the gemstone mining sites, a plethora of gemstone availability, and a rich cultural significance which combinedly, makes it a gemstone mining destination of great significance and attracts jewellery enthusiasts, gemstone collectors, and more to this region.

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Tanzania remains the heart of gemstone mining and here are the top varieties found in this East African Country that experts worldwide appreciate.

2.1 Tanzanite

The most prized possession of Tanzania is its rare gemstone Tanzanite which is exclusively found in this East African Country. It is also famous as the "rare gemstones of the 20th century." Admired for its captivating beauty, blue-violet hues, exceptional clarity, and glorious colour variations, this gemstone has become the talk of the town. Celebrated as the symbol of elegance and sophistication, Tanzanite is a rare gemstone that is fascinated by many. Jewellery designers and collectors are always on the lookout for this gemstone but its rarity makes it a tough find.

2.2 Tsavorite

Tsavorite is a stunning green garnet gemstone that fades away the glamour of some of the finest emeralds. It is called the green treasure of Tanzania and is found in abundance in this region. It was first discovered in Tsavo National Park in Tanzania from where it got its name. The gemstone appears vividly green in colour and has an amazing brilliance. It is revered by gemstone enthusiasts worldwide and has amazing characteristics including durability and rarity that contributes a lot to its high market value.

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2.3 Ruby and Sapphire

Rubies and Sapphire make a significant contribution to building the image of Tanzania as a gemstone hub. the exceptional rubies and sapphires found in this region showcase great features including rich colour, bright appearance, and amazing clarity. they exhibit great colour variations ranging from amazing reds to captivating blues. some of the great qualities of this gemstone include excellent elegance, transparency, quality, and appearance.

2.4 Spinel

One of the less-known gemstones in the world, Spinel is extracted from the gemstone mines in Tanzania. It exhibits a wide spectrum of colour and hence is often mistaken for rubies and sapphires. the colour of Spinel ranges from red to pink, purple, and blue. This gemstone has great brilliance and clarity which makes it unique. Slowly and gradually, this gemstone is getting its due credit in the gemstone fraternity around the world. These unique and affordable gemstones are frequently being bought and sold now.

2.5 Tourmaline

Tourmalines are available in a vibrant and colourful range in Tanzanian mines. Tourmalines are found in a wide range of hues including pink, green, blue, and several other multi-coloured variants. There is no cap on varieties of colours and origins in

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Tanzania with diverse price ranges making Tanzanian Tourmalines a famous gemstone for enthusiasts across the globe. The distinctive pieces attract a lot of gemstone enthusiasts to come to Tanzania in search of exclusive Tourmalines for jewellery making or an addition to their collection.

3.0 Tanzania Gemstone Market and Trade

The Tanzania gemstone market and trade is growing at an exponential rate and the industry shows a promising investment opportunity. The sale of gemstones on both retail and wholesale basis through online and offline sales has increased significantly and established Tanzania on the world trade map.

the exposure and rise in the trade have made Tanzanian gemstones available to a wider range of customers looking for gemstones in a competitive price bracket. customers can buy gemstones on a retail and wholesale basis as a wide variety of competitive rates are available.

These markets are easy to access and include names like the Merelani Gem Market specializing in tanzanite, rubies, and sapphires; as well as the Zanzibar International Gem Trade Fair (ZIGTF). This market features a great number of gemstones

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including imperial topaz and moonstones that are best found in Africa and sought after by collectors.

The Zanzibar International Gem Trade Fair (ZIGTF) is an excellent opportunity for visitors and education enthusiasts to learn a great deal of knowledge including the ways to identify real gemstones as well as techniques of jewelry making and diamond trading.

For a novice, it is an excellent opportunity to explore the world of gemstones and diamonds. It is important to know how to compare gemstones as well as their prices to make the best deal. The event ensures that the investors have enough understanding of identification and comparison of prices to buy the best gemstones and not fake ones.

4.0 Implementation Suggestions

- Phased construction: first establish basic minerals processing capabilities, then gradually expand the service scope
- Focus on qualification acquisition: obtain ISO 17025 and other international certifications as soon as possible to improve market recognition
- Strengthen international cooperation: establish cooperative relations with internationally renowned markets

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- Localization of talents: train local technicians, reduce operating costs, and promote technology transfer

The successful implementation of this project will fill the gap in minerals value additions for Tanzania's mineral products, provide reliable and efficient value-added minerals for international traders, and at the same time promote the upgrading of Tanzania's mining value chain, thus achieving a win-win situation for investors, the local economy and international traders.

5.0 PROJECT ESTIMATED REVENUE

The project has estimated that various gemstone will be processed and sold , estimated to be 50kg of various minerals additions with the average revenue of US\$ 3,000,000 per year increasing by 25% every year

5.1 PROJECT OPERATING COST

The company has estimated that the project operating cost and other cost to be 20% of the total annual revenue

5.2 PROJECT FINANCING

The company has estimated that the project will be financed by equity 100% .

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5.3 PROJECT COST

The project has budgeted to cost the followings:

Land and Buildings	1,000,000
Machinery & Equipment	1,000,000
Motor Vehicles	70,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	5,000
Working Capital	1,000,000
TOTAL	3,105,000

6.0 SWOT ANALYSIS

STRENGTHS

Strengths of the business are –

- Promoters have sound experience in this business and have talented Management.
- Rapid growth in sector due to effective management
- Influence & Networking of Directors in the Business Sector.
- Business location is at prominent place.
- Confirmed business via agreement entered with few companies.

WEAKNESSES

Weakness of the business are –

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- New entry in market
- Fluctuation of price of raw minerals from local suppliers
- Limited availability of raw materials

OPPORTUNITIES

Opportunities of the business are –

- Potential market encourages foreign investors
- Increasing market share due to increase of mining investment related activities
- Augmented demand for world –class mineral products

THREATS

Threats of the business are –

- Complex Tax Structure
- Unorganised sector and competition
- Different laws in different countries

7.0 COMPETITIVE ADVANTAGES

- Localized services: Compared with exporting raw minerals
- Cost advantage: saving international transportation and tariff costs.
- Professional qualifications
- Policy support: In line with the Tanzanian government's strategic direction of increasing the added value of minerals

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8.0 FINANCIAL ASPECTS FOR THE PROJECT

(i) Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 5years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 708,400** in the 1st year to **US\$ 5,899,168** in the 5th year.

(ii) Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 746,400** in the first year to **US\$ 6,089,168** at the end of 5th years of the project's operations.

(iii) Projected Balance Sheet

The owners' equity is shown in Appendix III. Owners' equity grows from **US\$ 3,105,000** in the first year to **US\$ 9,004,168** at the end of 5th years of the project's operations based

(iv) Payback Period

Total investment is **US\$ 3,105,000** cash accumulation in 4th year **US\$ 4,283,334** which is more than the initial investment, the project payback Period is exactly 5 years.

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9.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 15 people. This is a significant contribution coming from local investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Since the project's products will be exported, the project will thus earn foreign currency for the United Republic of Tanzania.

- **Increase the added value of minerals**

Help Tanzania shift from resource exports to value enhancement, in line with the government's economic development strategy

- **Promote the standardized development of the mining industry**

Enhance the international reputation of Tanzanian mineral products

- **Technical support for small miners**

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provide professional services to artisanal and small-scale miners to improve their operating conditions

10.0 CONCLUSION

Conclusion on the feasibility of the project

Comprehensive analysis shows that it is highly feasible to establish a professional mineral product testing laboratory in Tanzania:

- i. Clear market demand: With the development of Tanzania's mining industry and the growth of international trade, the demand for local minerals value addition continue to increase
- ii. Favorable policy environment: The government is promoting mining upgrades and value-added enhancement, and mineral value addition project is in line with this direction
- iii. Considerable economic benefits: The investment payback period is expected to be about 4 years, and the medium- and long-term profitability is good
- iv. The project is profitable and contributes to government revenue by way of taxes.
- v. The project provides employment to 15 people.
- vi. The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

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11.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technically feasible, economically viable and socially acceptable.

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APPENDIX I

WANYOU TANZANIA MINING LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5
Revenue (Food & drinks)	3,000,000	3,750,000	4,687,500	5,859,375	7,324,219
Operating Expenses:	1,950,000	2,437,500	3,046,875	3,808,594	4,760,742
Profit before Depreciation &Interest	1,050,000	1,312,500	1,640,625	2,050,781	2,563,477
Interest	-	-	-	-	-
Depreciation	38,000	38,000	38,000	38,000	38,000
Gross Profit	1,012,000	1,274,500	1,602,625	2,012,781	2,525,477
Tax (30%)	303,600	382,350	480,788	603,834	
Profit After Tax	708,400	892,150	1,121,838	1,408,947	1,767,834
Accumulated Profit	708,400	1,600,550	2,722,388	4,131,334	5,899,168

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APPENDIX II

WANYOU TANZANIA MINING LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	-	1,050,000	1,312,500	1,640,625	2,050,781	2,563,477
Equity	3,105,000					
Total Sources	3,105,000	1,050,000	1,312,500	1,640,625	2,050,781	2,563,477
Applications:						
Capital expenditure	2,080,000	-	-	-	-	-
working Capital & Others	1,025,000					
Cash	-	746,400	930,150	1,159,838	1,446,947	1,805,834
Tax	-	303,600	382,350	480,788	603,834	757,643
Sub total	3,105,000	1,050,000	1,312,500	1,640,625	2,050,781	2,563,477
Total applications	3,105,000	1,050,000	1,312,500	1,640,625	2,050,781	2,563,477
Accumulated cash		746,400	1,676,550	2,836,388	4,283,334	6,089,168

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APPENDIX III

WANYOU TANZANIA MINING LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets	-	1	2	3	4	5
Opening balance	-	2,080,000	2,042,000	2,004,000	1,966,000	1,928,000
Total Long-term Assets	-	2,080,000	2,042,000	2,004,000	1,966,000	1,928,000
Less depreciation	-	38,000	38,000	38,000	38,000	38,000
Closing balance	-	2,042,000	2,004,000	1,966,000	1,928,000	1,890,000
Working capital	1,025,000	1,025,000	1,025,000	1,025,000	1,025,000	1,025,000
Accumulated cash	-	746,400	1,676,550	2,836,388	4,283,334	6,089,168
Total assets	1,025,000	3,813,400	4,705,550	5,827,388	7,236,334	9,004,168
Financed by						
Equity	3,105,000	3,105,000	3,105,000	3,105,000	3,105,000	3,105,000
Accumulated profit	-	708,400	1,600,550	2,722,388	4,131,334	5,899,168
Total equity	3,105,000	3,813,400	4,705,550	5,827,388	7,236,334	9,004,168
Total equity and debts	3,105,000	3,813,400	4,705,550	5,827,388	7,236,334	9,004,168

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APPENDIX IV

WANYOU TANZANIA MINING LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

	1	2	3	4	5
Land And Buildings	1,000,000	980,000	960,000	940,000	920,000
Machinery, Tools & Equipment	1,000,000	990,000	980,000	970,000	960,000
Motor Vehicles	70,000	63,000	56,000	49,000	42,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000
Total	2,080,000	2,042,000	2,004,000	1,966,000	1,928,000
DEPRECIATION	1	2	3	4	5
Land and buildings	20,000	20,000	20,000	20,000	20,000
Machinery tools & Equipment	10,000	10,000	10,000	10,000	10,000
Motor Vehicles	7,000	7,000	7,000	7,000	7,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000
ANNUAL DEPRECIATION	38,000	38,000	38,000	38,000	38,000

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APPENDIX V

WANYOU TANZANIA MINING LIMITED PROJECTED INVESTMENT COST US\$

Land and Buildings	1,000,000
Machinery & Equipment	1,000,000
Motor Vehicles	70,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	5,000
Working Capital	1,000,000
TOTAL	3,105,000

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