

# AL-UMMAL PROCESSING AND MINING SERVICES LTD

## BUSINESS PLAN

For

**Establishing a Processing and Mining Services in Geita mining  
site in United Republic of Tanzania**

**Prepared by:**  
Yusuph Ruhisso  
Business/KAIZEN Consultant  
Billion Solutions  
P.O. Box 60383  
Dar es Salaam  
[yusuphruhisso@gmail.com](mailto:yusuphruhisso@gmail.com)  
+255 789 335 795  
+255 718 855 152

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## SECTION ONE

### BUSINESS DESCRIPTION

#### 1.0 The Industry

Players in the Gold and Silver Ore Mining industry primarily mine gold and silver-bearing ores. Mining activities include the development of mine sites and the on-site processing of ore into a concentrate or bullion. Gold and silver ore mining companies typically retain ownership of the semi-processed gold or silver products and pay for further refining on a toll-charge basis.

If you are an observer of the Gold and Silver Ore Mining industry, you will notice that the industry revenue is largely a function of production volume and commodity prices. For the Gold and Silver Ore Mining industry, output volumes and sales prices for both gold and silver have fallen over the past five years, leading to significant industry contraction.

Meanwhile, demand from manufacturers of electrical equipment, electronic products and jewelry, which comprises the industry's primary markets, has stagnated or even declined over the past five years as a result of high import penetration and input costs. Overall, industry revenue is expected to decline over the five years to 2022.

A recent report published by IBISWorld shows that the five years to 2017 have been volatile for the Gold and Silver Ore Mining industry. The report further stated that the industry revenue spiked until 2012, proving this industry to be one of the few that benefited from the financial crisis, as well as the years of economic instability that followed.

In times of economic turmoil, investors look to buy safe-haven assets such as gold and silver, causing gold and silver prices to surge. This helped industry revenue to grow through to 2012. In fact, strong demand from domestic and international investors drove gold prices to all-time highs. Furthermore, an undersupply of gold due to decreased industry production in the 2000s further contributed to the spike in prices.

If you are considering starting a gold mining business whether on a small scale or on a large scale, then you should ensure that you obtain all the necessary permits from the responsible Authorities including local government, the truth is that this type of business does pretty well when it is strategically positioned.

In summary, gold mining business is a profitable business venture and it is open for any aspiring entrepreneur to come in and establish his or her business; you can choose to start on a small scale on a large scale with robust distribution networks all across the United Republic of Tanzania and other countries of the world.

#### 1.1 Executive Summary

AL-UMMAL PROCESSING AND MINING SERVICES LTD is a standard and licensed gold, Tanzanite and silver mining company that will be based in Geita as Head Quarter, Kahama and Mwanza as a branch

Our business goal as a gold mining company is to become the number one choice of jewelry making companies and other companies that make use of gold and silver in the United of 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 state level in the Tanzania. Al-Ummal Processing and Mining Services Ltd 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 Tanzania and other countries of the world. In the nearest future, we will ensure that we create a wide range of distribution channels all across Tanzania and other countries of the world.

Al-Ummal Processing and Mining Services Ltd 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.

Al-Ummal Processing and Mining Services Ltd is a partnership business that will be jointly owned by Yassin Ali Mohamed Goubara, Ismail Mohamed Mahoub, Mohamed Altayeb Ahmed, Mohamed Mohamed Ahmed, Ahmed Abdelhfezz Osman abdonn, Fadul Osman Alsidding, Mahgoub Wedaallah Mahgoub, Yaseen Hassan Mohamed, and Abdalhad Awad Osman. Yassin Ali Mohamed who is the Chief Executive Officer of the Company has a Degree in Mining Technology with over 10 years' experience working in related industry as a senior manager cum mining engineer prior to starting Al Ummal Processing and Mining Services Ltd. He will be working with a team of professionals to build the business and grow it to enviably heights.

## **1.2.0 Our Mission and Vision Statement**

### **1.2.1 Vision**

Our vision as a gold mining company is to own gold and silver mines all across the Tanzania and other countries of the world; we want to become the number one brand in the gold and silver mining industry.

### **1.2.2 Mission**

Our mission is to establish a standard gold mining company that in our own capacity will favorably compete with leaders in the industry at the global stage. We want to build a gold mining company that will be listed amongst the top 5 gold mining

## **1.3 Location**

AL-UMMAL PROCESSING AND MINING SERVICES LTD will be located at Geita Mining sites, in Geita region one of the towns in Tanzania where our target resources is well established. The company will hire office building located at Geita Region. The company is expecting to grow and in near future it will covers another city of Tanzania namely Mwanza, Shinyanga as well as Kahama where in these regions we will set our selling point of our products.

Furthermore, the company is expecting to expand and establish the production plant in other mining sites like North mara, chunya, Bulyamulu mining sites where a plenty of diamond, gold and other minerals are located.

## SECTION TWO

### SALES AND MARKETING STRATEGY

#### 2.0 Marketing Overview

Tanzania is located along the coast of the Indian Ocean and is a member of the East Africa Community. Dar es Salaam is the largest port of entry in Tanzania and serves as a gateway to landlocked neighboring countries.

The United Kingdom is the largest foreign investor in Tanzania followed by India, China, Kenya, USA, Netherlands, South Africa, Canada, Germany and Oman.

Tanzania is endowed with abundant natural resources, a favorable climate, political stability and an excellent geographical location in the region, which makes it accessible to potential export markets in the region, the Gulf States and South Asia.

Mining is one of the leading sectors in Tanzania, with the value of mineral exports increasing tremendously each year. In 2011 the value of mineral exports reached \$2.1 billion, more than 95 percent of which came from six gold mines

The mining sector contributes approximately 3.0% to annual GDP. Tanzania has the ambition to make the mining industry account for 10% or more of GDP by 2025. In the last decade, the country has witnessed growth in mining sector with reputable mining companies e.g. Barrick Gold, Ashanti Anglo-Gold, and Resolute investing in large-scale mines.

Minerals available in Tanzania include gold, diamonds, gemstones (such as rubies, aquamarine, tanzanite, sapphire; emerald, rhodolite, opal, zircon, alexandrite, garnets, tourmaline, spinel, peridot, iolite) Iron and Base metals (nickel and cobalt), platinum group metals: (platinum, palladium and Rhodium), Industrial minerals (soda ash, kaolin, salt along the Coast and inland lakes, vermiculites, limestone, silica sands, phosphate, gypsum, mica, dimension stones i.e. granites, travertine, marbles, quartzite) and coal resources.

Tanzania is the 4th largest gold producer in Africa after South Africa, Ghana and Mali and is the sole producer of the precious stone Tanzanite in the world. Gold production currently stands at roughly 40 tonnes a year, copper at 2980 tonnes, silver at 10 tonnes and diamond at 112670 carats. Business Monitor International (BMI) forecasts average annual growth in the mining sector of 7.7 per cent between 2013 and 2015. BMI also predict a doubling in value of the sector to around US \$ 1.28bn in 2015.

However, nearly all major developments have been seen in the gold sector. As is stands, minerals make up over 52% of the country's exports, of which, a large part results from gold, and it continues to see the

majority of developments within the sector while other minerals also play a key role in the continued development of the mining industry in Tanzania.

The Tanzania mining industry remains attractive to investors, given the next few years of significant diversification to the mining of nickel, uranium and coal. There is also availability of investment incentives and supply chain opportunities in the mining sector.

Moreover, investments in coal would receive a boost as Tanzania looks to coal-fired power stations to offset energy shortages. Gold mining exploration and gold production, gem stones mining and trading, as well as, small and artisanal mining activities are experiencing considerable growth as well.

## 2.1 Our Target Market

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

We will be engaged in the mineral processing as shown below

**Table 2.0 Products**

PRODUCT
Gold ore mining
Diamond ore Mining
Silver ore mining
Gold ore beneficiation
Diamond beneficiation
Silver ore beneficiation

## 2.2 Sources of Income

Al-Ummal Processing and Mining Services Ltd will generate income by simply supplying the following first;

- Gold
- Diamond and
- Silver

## 2.3 Sales Forecast

One thing is certain when it comes to gold and silver mining, if your business is strategically positioned and you have good relationship with players in the jewelry manufacturing industry, you will always attract customers cum sales and that will sure translate to increase in revenue generation for the business.

We are well positioned to take on the available market in and around the Tanzania and we are quite optimistic that we will meet our set target of generating enough profits from the first six months of operation and grow the business and our clientele base.

We have been able to critically examine the gold and silver ore mining line of business, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projections are based on information gathered on the field and some assumptions that are peculiar to startups in Tanzania.

Below are the sales projections for AL-UMMAL PROCESSING AND MINING SERVICES LTD, it is based on the location of our business and other factors as it relates to small scale and medium scale gold and silver mining company startups in Tanzania;

- **First Fiscal Year:** \$8500,000
- **Second Fiscal Year:** \$2 million
- **Third Fiscal Year:** \$4.5 million

**N.B:** This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same product and customer care services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

## 2.4 Market differentiation:

In Diamonds determining different market demands is what will separate one from success or failure. It is a very specific market and in countering this, we are going to concentrate our core business model in the sales at wholesale (Diamonds in the rough) prices where we negotiate the price with the buyer and then this is set across the board so that the buyer can also make a profit. With gold there are not a whole lot of differences in what is in the market since the uses are pretty much the same and it is the end users who determine to what use they will put the finished product – Bullion, jewelry circuit board fabrication etc.

## 2.5 Competitors

Currently the only competition would be Barrick, which is private sector and well established for a long time. They lost their power due to some several misunderstanding with the government due to their poor contract basis. The other competitors would be the independent diamond buyers that have opened shop in Geita, Dar es salaam, Mwanza and Dodoma towns. We do not consider them competition simply because we are not in the digging business, but rather mining and sending straight to our direct markets.

## 2.6 Our competitive advantage

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.

## 2.7 Marketing Strategy and Sales Strategy

Before choosing a location to start AL-UMMAL PROCESSING AND MINING SERVICES LTD, we conducted thorough market survey and feasibility studies in order for us to penetrate the available market in the 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.

Al-Ummal Processing and Mining Services Ltd will adopt the following sales and marketing approach to sell our raw gold, Diamond and silver;

- Introduce our business by sending introductory letters to production companies and other stakeholders in and around Tanzania.
- 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)

## 2.8 Publicity and Advertising Strategy

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

Al-Ummal Processing and Mining Services Ltd has a long-term plan of exporting our product all across Tanzania. and other countries of the world. This is why we will deliberately build our brand to be well accepted in Geita before venturing out to other cities all across Tanzania. 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 AL-UMMAL PROCESSING AND MINING SERVICES LTD Co Ltd;

- 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.

## 2.9 Our Pricing Strategy

At Al-Ummal Processing and Mining Services Ltd we will keep the prices of our products below the average market rate by keeping our overhead low and by collecting payment in advance from well – established jewelry manufacturing companies that would require constant supply of raw gold Diamond and silver.

## 2.10 Payment Options

The payment policy adopted by Al-Ummal Processing and Mining Services Ltd is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Tanzania.

Here are the payment options that Al-Ummal Processing and Mining Services Ltd will make available to her clients;

- Payment via bank transfer
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our clients make payment for our gold, Diamond and silver without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

## 2.11 Competitors

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## SECTION THREE

### OPERATION STRATEGIES

#### 3.0 Our Business Structure

As part of our plan to build a top-flight gold mining company in Geita Region, Kahama and Mwanza 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.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions at Al Ummal Processing and Mining Services Ltd;

- 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

#### 3.1 S. W. O. T Analysis

The business can be very robust once it is established. The biggest risk is lack of finance for the start-up operation. This will be solved by a shareholder. The SWOT analysis shown below illustrates that the basic business environment has many strengths and opportunities due mainly to the strong Government, the recent peace and the overall desire of the communities to gain back the benefits and economics lost during the conflict.

Geita Mining site is open for business with many opportunities that can be tapped by the company as discussed herein.

**Table: S. W. O. T Analysis**

STRENGTH	WEAKNESS
<p>Our strength lies in the fact that we have state of the art gold, Diamond and silver mining equipment and trucks that has positioned us to meet the demand of our clients even if the demand tripled over night.</p> <p>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, Diamond and silver mining industry. We are not ignoring the fact that our team of highly</p>	<p>We do not take for granted the facts that we have weaknesses. In fact, the reality that we are setting up a gold mining company in Tanzania might pose a little challenge. In essence our chosen location might be our weakness.</p>

<p>qualified and dedicated workers will also serve as strength for our organization. Also in Tanzania is a newly open for business as well as there are Strong environmental support</p>	
<p><b>OPPORTUNITIES</b></p>	<p><b>THREAT</b></p>
<p>The opportunities available to us are unlimited. There are loads of jewelry making companies and other manufacturing companies that make use of raw gold and diamond all across the globe and all what we are going to do to push our products to them is already perfected.</p>	<p>The threat that is likely going to confront us is the fact that we are competing with already established gold mining companies in the 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.</p>

### 3.2 Job Roles and Responsibilities

#### 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

#### 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 meet the expected safety and health standard at all times.

#### 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.

### **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

### **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

### **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

### **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

## **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

## SECTION FOUR

### FINANCIAL PLAN

#### 4.1 Generating Startup Capital for AL-UMMAL PROCESSING AND MINING SERVICES LTD

No matter how fantastic your business idea might be, if you don't have the required money to finance the business, the business might not become a reality. Finance is a very important factor when it comes to starting a business. No doubt, raising startup capital for a business might not come cheap, but it is a task that an entrepreneur must go through.

AL-UMMAL PROCESSING AND MINING SERVICES LTD CO. LTD is a shared business that is owned and financed by several share members and allow other members to join the shares in the company. The sourcing of the startup capital is the share from the members which will contribute to the capital.

#### 4.2 Regulatory issues

We will need an export license and a permit to deal in gold and the relevant local authority licenses to operate business in the Tanzania. The one advantage we have is the fact that, we are working very closely with the central Government as well as local government. This will just be a formality since it is in the interests of government to promote income generating and job providing initiatives more so, by the locals themselves

#### 4.3 Sustainability and Expansion Strategy

The future of a business lies in the number of loyal customers that they have the capacity and competence of their employees, their investment strategy and their business structure. If all of these factors are missing from a business, then it won't be too long before the business close shop.

One of our major goals of starting Al-Ummal Processing and Mining Services Ltd is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to supply our raw gold and silver a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Al-Ummal Processing and Mining Services Ltd will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

#### 4.4 Staffing of the Offices

S.No	Title	Name
1	Chairperson and Director General	
2	Deputy Director General	
	Office Manager	
3	Secretary Juridique	
4	Administration Assistant	
5	Office Receptionist	
6	2 office clks	
7	Office runner	

#### 4.5 Salaries and remuneration

We expect to be able to pay good salaries to the office staff as shown below

**Table 4.3: Staff allowance per Month based on their rank (seniority)**

Title	Salary
Director General	\$3500
Vice Chairman	3500
Secretary Juridique	2500
Office Manager	2200
Accountant	2000
Administrative Assistan	1500
Administrative Clerk 1	1500
Administrative Clerk 2	1500
Office Runner	1000

#### 4.6 Field Operations Salaries

Title	Salary \$/Month	6Months
Director	2000	12000
Accounting Manager	1500	9000
Site Manager	1500	9000
Site Manager	1500	9000
Supervisor	800	4800
Supervisor	800	4800
60 Miners @\$500/miner	30,000	180,000
<b>Total</b>	<b>38100</b>	<b>228600</b>

This is the estimated monthly cost for salaries for all the offices and staff members for full operations with the staff receiving a 15 per cent increment in their remuneration after the first quarter. These salaries are deliberate in order for the cooperative to appear to be serious and also to control pilferage of product since we are dealing in a high value mineral field with high yields and so to keep staff's morale at a high, will always translate in paying them well too.

## 4.7 Cost Inputs

These are analyzed as capital costs and operating costs

### Office Capital Costs

The initial period of mining will mostly be done using hand tools, as the deposits for both gold and diamonds are at shallow depth and easy to work. The office will require computers and printers, and office furniture as well as photocopiers and phones

In the first three months, the cooperative shall need five desktop computers for its main office in Geita three in Kahama and two each in Shinyanga and Mwanza offices. Six printers, five photo copy machines, three satellite phones and six mobile phones to be distributed to the heads of the offices.

Four-wheel drive vehicles shall be required in order to move around between offices and camps.

The summary office equipment is shown below: In addition to these items' stationary has been included

S.No	Office Related CAPITAL COST	Initial Cost	2%Month Maintainance
<b>1</b>	<b>Computer Related</b>		
1.1	Desktop PC and SW - 12 @ \$TBD)	20,500	420
1.2	Geita (5 PCs)		
1.3	Kahama (3 PCs)		
1.4	Shinyanga (2 PCs)		
1.5	Mwanza (2 PCs)		
<b>2.0</b>	<b>Monitors</b>		
2.1	Laptop PC - 5	7400	150
2.2	Printer - Laser	520	15
2,3	Laser toner cartridges		212
2.4	Photocopy - 5 @ \$TBD)	13000	
2.5	Printer - Ink Jet		300
2.6	Ink jet toner cartridges		55
2.7	Uninterruptable Power Supply - 5	12000	230
2.8	Surge Protectors	6500	150
2.9	Software - Accounting	2800	
2.10	Software - Word		
2.11	Software - Payroll	2800	
2.12	Software - TBD	1500	
<b>3.0</b>	<b>Telecommunications Related</b>		
3.1	Satellite Phone - 3 actual phones @ \$TBD		
3.2	Satellite Phone Service (Startup, deposit & Monthly service)		
3.3	Mobile Phone - 12 actual phones	36000	
3.4	Mobile Phone Service (Startup, deposit & Monthly service)		
<b>4.0</b>	<b>Office Related</b>		
4.1	Desks	89,600	
4.2	Chairs	72,500	
4.3	Lamps	15,200	

4.4	Conference Tables	80,000	
4.5	Office Rent (monthly plus deposit)	6,500	
4.6	Office improvements	44,000	
4.7	6 - 4x 4 vehicles	600,000	
	<b>TOTAL</b>		

#### 4.8 Mining sites Capital Costs

In the field we shall require hand tools, tarpaulins, building equipment and supplies, cooking equipment and bedding, and separation tools.

These are shown below together with an estimated 20% per month replacement requirement

**Table; Mining Related**

S.No	ITEMS	Initial Purchase	20% replacement/month
1.0	Mining Start-up	35000	
1.1	Dirt shovels (60 @ USD\$5.00)	300	60
1.2	Machetes (30 @ USD\$3.00)	90	18
1.3	Axes (20 @ USD\$5.00)	100	20
1.4	Sieving nets (100 @ USD\$1.00)	100	20
1.5	Wooden Troughs (30 @ USD\$3.00)	90	18
1.6	Sharpening Files (60 @ USD\$1.00)	60	12
1.7	Plastic Troughs (60 @ USD \$4.00)	240	48
1.8	Plastic Buckets (30 @ USD\$5.00)	150	30
1.9	Gum Boots (50 @ USD \$10.00)	500	100
1.10	Digging Rods (15 @ USD \$10.00)	150	30
1.11	Nails (10 kgs @ USD\$3.00)	30	6
1.12	Hammers (15 @ USD\$5.00)	75	15
1.13	building materials for camp	2000	400
1.14	Saws, and others	500	100
1.15	Pumps *3	900	180
1.16	Generators	900	180
2.0	<b>Bedding (for Miners)</b>		
2.1	MOSQUITO NETS	1500	300
2.2	Mattresses (60 @ USD\$25.00)	1500	300
2.3	Sheets (180 @ USD \$5.00)	900	180
3.0	<b>Galley Equipment</b>		
3.1	Plates	30	6
3.2	Cups (60 @ USD \$0.50 cents)	30	6
3.3	Spoons (60 @ USD \$0.20 cents)	12	2
3.4	Knives (50 @ USD \$1.00)	50	10
3.5	Big Cooking Pots (6 @ USD \$35.00)	210	42
3.6	Medium Size Pots (6@ USD \$35.00)	180	36
3.7	Small Size Pots ((6 @ USD\$20.00)	120	24
3.8	Soap (5 @ USD\$20.00)	100	120
	<b>TOTAL</b>	<b>45817</b>	<b>1663</b>

These Mining related costs are good for 2 camps each having 30 miners (the initial contingent of 60 miners) and as the operation expands these capital costs are duplicated for each new set of 2 camps added.

#### 4.9 Projection of operational Costs

**Table 4.4. Projection operational cost**

OPERATIONAL COST	WEEK	MONTH	6 MONTHS
Salary for staff	4,500,000	18,000,000	108,000,000
Store 25,000 @month	6,250	25,000	150,000
Food @ 4000 x 5 = 20000 /day x30=600,000	150,000	600,000	3,600,000
Transportation 120,000 /month	30,000	120,000	720,000
Waste disposal @5000 x4= 20,000	5,000	20,000	120,000
Local Packages @10,000 x 4 = 40,000	10,000	40,000	240,000
Electrical charge 500,000 Week x 4= 2,000,000	500,000	2,000,000	12,000,000
<b>TOTAL</b>	<b>5,201,250</b>	<b>20,805,000</b>	<b>124,830,000</b>

#### 4.10 Startup Expenditure (Budget)

From our market survey and feasibility studies, we have been able to come up with a detailed budget of how to achieve our aim of establishing a standard and highly competitive gold mining company in Tanzania. and here are the key areas where we will spend our startup capital on;

**Table 4.4: The projected financial position and startup cost**

A	NON CURRENT ASSETS	AMOUNT TSH
1.	The cost for the purchase of furniture and gadgets (Printers, Telephone, tables and chairs et al)	22,800,000/=
2.	The cost for start-up inventory (gold and silver ore mining equipment, trucks and other related gold and silver mining devices)	0.6B
3.	Computers; 1 desktop and 1 PC 800,000 and 400,000 respectively	1,200,000/=
4.	The total cost of purchase of distribution van	234,500,000/=
5.	The cost for payment of rent for a gold and silver ore mine – (Per Annum)	1.5B/=
	The cost for acquiring gold and silver ore mine operating license fee	1.5B
6.	Marketing promotion expenses for the grand opening of AL-UMMAL PROCESSING AND MINING SERVICES LTD Ltd as well as flyer printing	5,000,000/=
7.	Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software and TRA machine)	7,000,000/=
8	Raw Material Inventory	40,000,000/=
	<b>Total Assets (A)</b>	<b>65,720,000/=</b>
B	START UP EXPENSES	
1.	Office rent 7,120,000@ month	42,720,000/=
2.	Stationary expenses	5,500,000/=
3.	The Total Fee for Registering the Business in The United Republic of Tanzania include(BRELA,TIN,TFDA,SIDO,TBS, OSHA, Business Licence)	2,000,000/=

4.	Website development	2,600,000/=
5.	Renovation of office bulding	25,500,000/=
6.	Logo, Official stamps	1,300,000/=
7.	Transpor cost	7,120,000/=
8.	Labour charges and other expenses	2,550,000/=
9	Start-up raw material inventory	40,000,000/=
10	Raw materials Transportation cost @780,000 per week	3,120,000/=
11.	Miscellaneous	1,000,000/=
	<b>Total Start up cost (B)</b>	<b>51,070,000</b>
<b>C</b>	<b>OPERATIONAL EXPENSES FOR FIRST SIX MONTH<sup>1</sup></b>	
1.	projection operational cost for 6 months	3,124,830,000/=
2.	Other oprational cost (E.g Safety Clothes,safety boots,Cleaning materials etc) 50,000 @ month x 6 = 300,000	9,300,000/=
	<b>Total operational cost (C)</b>	
	<b>Grand total cost A+B+C)</b>	

We would need an estimate of two million dollars (**\$2 million**) to successfully set up a standard and highly competitive gold mining company in Tanzania

#### 4.11 Profit and Loss Projections

**Table 4.5: proposed sale of quantity of products and services for the first year after incorporation of the business**

Details	Month (Figures in "000,000" Tshs)											
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Total sales</b>	<b>40</b>	<b>43</b>	<b>42</b>	<b>45</b>	<b>46</b>	<b>50</b>	<b>52</b>	<b>51</b>	<b>43</b>	<b>47</b>	<b>43</b>	<b>44</b>

Based on the above assumption these figures applied in the computation of total revenue in **Table:**

**Table: 4:5 Projected Income Statement**

Details	Month in year 2021 (Figures in "000,000" Tshs)											
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Total revenue (A)</b>	<b>40</b>	<b>43</b>	<b>42</b>	<b>45</b>	<b>46</b>	<b>50</b>	<b>52</b>	<b>51</b>	<b>43</b>	<b>47</b>	<b>43</b>	<b>44</b>
<b>Less</b>												
Miscellaneous	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Rent	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Startup cost	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Salary 7 staff	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Operation cost	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1
<b>Total cost (B)</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>	<b>27.4</b>

<sup>1</sup> The assumption of considering six months was made because the business is assumed to take off after six months



<b>Net Profit C =A-B)</b>	<b>12.6</b>	<b>15.6</b>	<b>14.6</b>	<b>17.6</b>	<b>18.6</b>	<b>22.6</b>	<b>24.6</b>	<b>23.6</b>	<b>15.6</b>	<b>19.6</b>	<b>15.6</b>	<b>16.6</b>
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The analysis shown in Table: 4.5 that the net loss will never be expected on any of the period of the business neither January nor December 2021. However, the table shows that there is a trend of increase in net profit from 12.6 to 24.6 million Tanzanian shillings. At the end of the year AL-UMMAL PROCESSING AND MINING SERVICES LTD is expected to Total profit of 217.2 million shilling before tax. Since AL-UMMAL PROCESSING AND MINING SERVICES LTD is expected to be registered as private limited company then its income will be liable to 30% corporation tax. Therefore, 65.2- million Tshs will be deducted from the profit as tax and remain with 152.0 as a NET PROFIT.

#### 4.12 Sustainability and Expansion Strategy

The future of a business lies in the number of loyal customers that they have, the capacity and competence of their employees, their investment strategy and business structure. If all these factors are missing from a business, then it won't be too long before the business closes shop.

One of our major goals of starting. AL-UMMAL PROCESSING AND MINING SERVICES LTD is to build a business that will survive off its own cash flow without injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to retail our various oils a little bit cheaper than what is obtainable in the market and we are prepared to survive on lower profit margin for a while.

AL-UMMAL PROCESSING AND MINING SERVICES LTD will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

## SECTION FIVE

### ACTION PLAN

#### 5.0 Introduction

This section presents the key activities to be performed in order to be able to register and operate the AL-UMMAL PROCESSING AND MINING SERVICES LTD with effect from January 2022.

#### 5.1 Key activities to be performed before launching. AL-UMMAL PROCESSING AND MINING SERVICES LTD

In ensuring AL-UMMAL PROCESSING AND MINING SERVICES LTD is launched as plan the following action plan should be used as a road map toward registration and start up the operations of AL-UMMAL PROCESSING AND MINING SERVICES LTD.

**Table 5.1: Proposed action plan for startup AL-UMMAL PROCESSING AND MINING SERVICES LTD from March to December 2022 (This is just an assumption)**

SN	Details of activity	Date		Remarks
		From	To	
1.	Finalization of Business plan	Early March	End March	Editing and incorporation comments from viewers
2.	Ordering of raw materials, machines and other equipments	April	April	Adjust business plan based on the interested investor ideas
3.	Star up of Registration process with BRELA, Rungwe disric and TRA for TIN	May	May	
4.	Capital mobilization (Secure initial startup capital at least 50 million to be able to pay for preliminary expenses	May	June	
5.	Secure the house for renting and set up a booking from November or December so as to be able to renovate	June	July	
6.	Recruit managers, accountant, marketing officers and other staff who will be placed in the pool	July	August	
7.	Develop the guideline and Standard operation procedures for each package	July	August	
8.	Develop the training suitable for the new recruited staff	August	August	
9	Startup promoting the company's products and services using various methods	August	December	
10.	Secure the next installment of funds from investors at least 50 million Tsh	August	September	
12	Pay rent and make renovation	October	November	

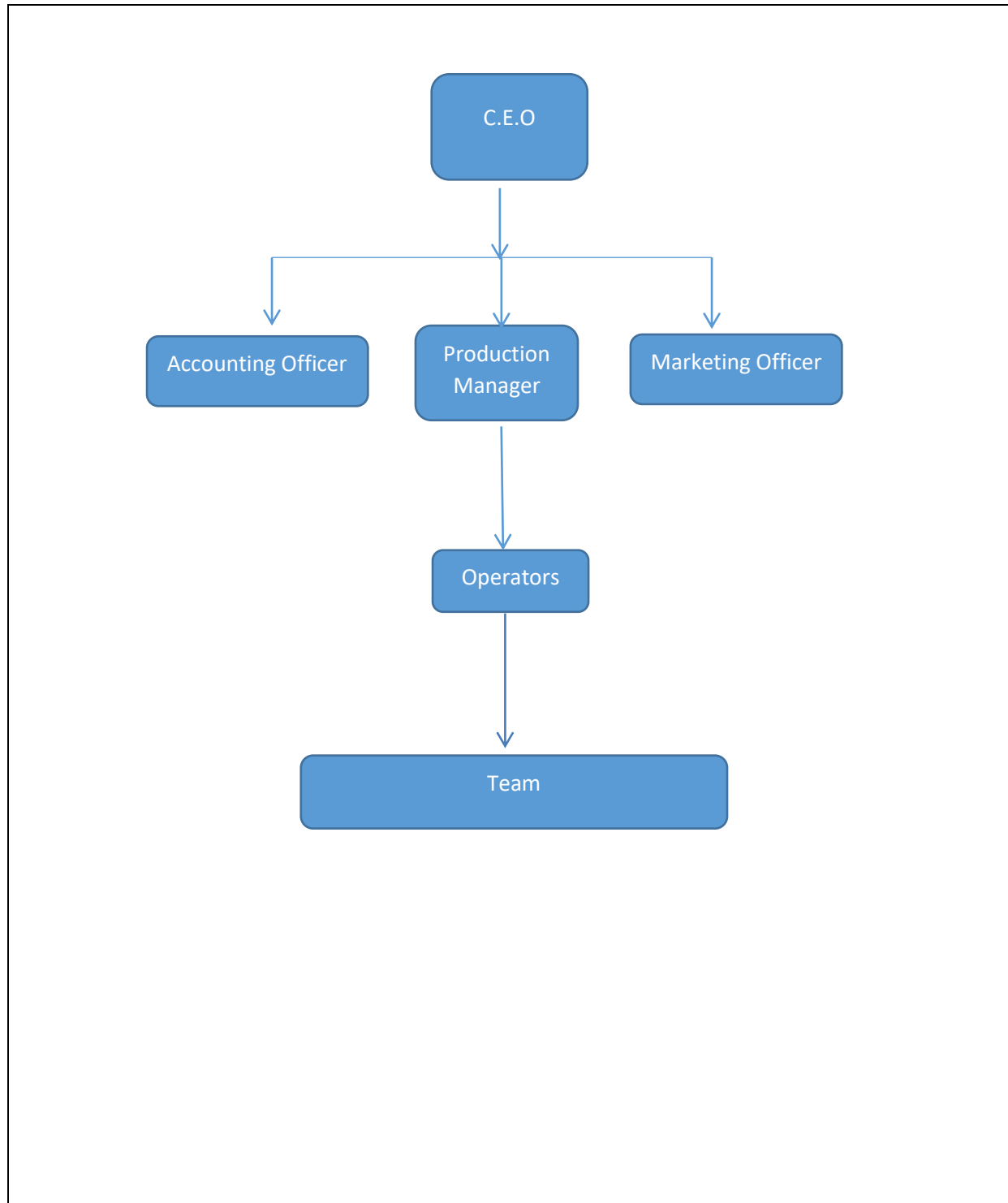
13.	Buy and install office furniture if any	November	December	
14.	Launch The company and startup operations	December	December	

## 5.2 Way forward

The overall success of this business plan will depend on the efforts of the entrepreneur ability to sale the company product and services as the customers can buy lead to expand national wide, Also the success will depend on financial discipline of the management as to implement the idea as planned. The activities which are essential for the business to start up has to be carefully monitored their implementation. The entrepreneur is flexible and open up for new ideas and techniques with aim of ensuring the idea take off.

## List of Appendices

### Appendix I: The Proposed Organization Chart of AL-UMMAL PROCESSING AND MINING SERVICES Co Ltd



## Appendix ii: Proposed checklist in action plan

CHECK LIST	MILESTONE
<b>Check List/Milestone</b>	<b>Completed</b>
Business Name Availability Check:	<b>Completed</b>
Business Registration:	<b>Completed</b>
Opening of Corporate Bank Accounts:	<b>Completed</b>
Securing Point of Sales (POS) Machines:	<b>Completed</b>
Opening Mobile Money Accounts:	<b>Completed</b>
Opening Online Payment Platforms:	<b>Completed</b>
Application and Obtaining Tax Payer's ID:	<b>In Progress</b>
Application for business license and permit to operate gold and silver ore mines in the United States .	<b>Completed</b>
Purchase of Insurance for the Business:	<b>Completed</b>
Leasing of a facility and renovating the facility as well:	<b>In Progress</b>
Conducting Feasibility Studies:	<b>Completed</b>
Generating capital from shareholder:	<b>Completed</b>
Applications for Loan from the bank:	<b>In Progress</b>
Writing of Business Plan: Completed	<b>Completed</b>
Drafting of Employee's Handbook:	<b>Completed</b>
Drafting of Contract Documents and other relevant Legal Documents:	<b>In Progress</b>
Design of The Company's Logo:	<b>Completed</b>
Printing of Promotional Materials:	<b>In Progress</b>
Recruitment of employees:	<b>In Progress</b>
Purchase of the needed gold and silver mining machines and equipment, furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV:	<b>In Progress</b>
Creating Official Website for the Company:	<b>In Progress</b>
Creating Awareness for the business both online and around the community:	<b>In Progress</b>
Health and Safety and Fire Safety Arrangement (License):	<b>Secured</b>
Launching party planning:	<b>In Progress</b>
Establishing business relationship with Jewelry production companies and other stakeholders:	<b>In Progress</b>
Others	

**#Completed: #In complete: #In progress: #Secure**

**Prepared by:**

Yusuph Ruhisso  
 Business/KAIZEN Consultant  
 Billion Solutions  
 P.O. Box 60383  
 Dar es Salaam  
[yusuphruhisso@gmail.com](mailto:yusuphruhisso@gmail.com)  
 +255 789 335 795  
 +255 718 855 152