



BUSINESS PLAN

MINING SECTOR

SUMMITTED TO TANZANIA INVESTMENT CENTRE BY 5S COMPANY LIMITED of Plot number 1133, House number 54, Msasani Road in Dar Es Salaam Region.

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1.0 EXECUTIVE SUMMARY

5S Company Limited is privately owned company which was established in Tanzania on *27th April, 2020* and issued with a certificate of incorporation *No. 141565508* to undertake mining activities consisting of quarry products for the construction industry. The Company is among a number of companies operating under the Group called GÖKYOL CONSTRUCTION of Turkey. The Company main office is located on Plot number 1133, House number 54, Msasani Road in Dar Es Salaam Region.

This document has been prepared for Tanzania Investment Center (TIC) for the application of Certificate of Incentives for *expansion of mining*; particularly, *quarry mine* by setting a *modern crushing plant* at Dodoma Region in Tanzania to meet the demand of the block stone and/ or aggregate.

The project is set to be at Chigongwe Area, Dodoma Urban District, Dodoma Region and operate under the mining license Nos. PML0424DOM, PML0425DOM, PML0426DOM, PML0427DOM, PML1606DOM, and PML1607DOM, located in the same place. The Mining primary mining (PML) licenses are owned by BIGONE INVESTMENT CO. LTD and 5S Company are operators.

The Company expects to start production of quarry during the month of December, 2022 with an initial investment of *\$ 2,513,967* (equivalent to Tzs. 5.8 billion) through equity financing. The investment is made in order to meet the demand of quarry in Dodoma Region and neighboring Region and that, the Company aim to produce *200 tons* of block stone and/ or aggregate per hour; making *41,600 tons a month*; with an average of *499,200 tons* a year; with an average turnover of *Tzs. 12,729,600,000* a year and the production is expected to increase by 10% each year.

The project will employ 13 experts and 57 locals, making a total of 70 employees in the first year of production and increase the number each year.

The primary customers are expected to be; Local government; State/main government; Government agencies; Road construction; Railway construction; Building construction; Concrete manufacture; and Extractive industry.

With the patentability, the board of Directors of 5S Company Limited decided to apply for the certificate of incentives from TIC to expand the existing mining activities under the name of "Industrial Input Project" to meet the growing market demand for the basic input of construction in diverse sectors; to include building of hospitals, schools, public service buildings, roads and bridges.

2.0 COMPANY DESCRIPTION AND OWNERSHIP

2.1 Registration and ownership

5S Company Limited is privately owned company which was established in Tanzania on 27th April 2020 and issued with a certificate of incorporation No. 141565508 to undertake mining activities consisting of quarry products for the construction industry. The Company main office is located on Plot number 1133, House number 54, Msasani Road in Dar Es Salaam Region.

The Company is owned by two shareholders; namely, Mohamed Abdulmajid Kasam and Cemil Ender Serifsory who are also principal officers of the Company. The registered authorized share capital of the Company is Tzs. 100,000,000.

2.2 Group details

5S Company Limited is among the companies operating under the Group called GÖKYOL CONSTRUCTION of Turkey. The Group has more than 49 years of experience in the construction industry around the world. Gökyol Construction and Industry Inc. adopted today's latest technology, combined with the world-class quality of service in projects conducted the protection of natural habitats and human security, working conditions as the enhancement of the company.

Having operating for over 49 years of experience without compromising the quality of the structure; given commitments under the timely completion of all projects which is the mission of the Group, is among the facts that leads Gökyol become the biggest Group of companies in the industry.

Gökyol Construction and Industry Inc., participated in many infrastructures such as bridges, viaducts, tunnels, water supply schemes including water distribution pipelines, treatment plants, wastewater treatment facilities and besides this, the industrial structures, hospital constructions, Olympic sports complex and the international cultural centres as well as many giant projects have been completed.

Gökyol Construction and Industry Inc., aims at becoming one of the trusted, reputable and leading international company in the industry in Turkey, have been started to represent our country in the world in the best way by giving high importance to overseas projects since 2020 to the present. The company endeavors to continue investing heavily in mining, real estate, construction, energy, retail and other similar sectors.

The offices of the Group are located at Maslak Mah. Büyükdere Cad, Spine Tower No: 243/16, Sarıyer - İSTANBUL / TÜRKİYE.

2.3 Mission statement

To be a profitable, market-driven producer of quality quarry, aggregate and related products with an engaged workforce, operating safely and effectively whilst managing our environment. The Company wants to be recognized as the safest, most customer-focused company in our industry with high quality quarry mining products.

2.4 Vision statement

To be the heart of Quarry mine with favorite supplier of quality quarry, aggregates and its related products.

2.5 Objective statement

To Provide competitively priced, high-quality quarry products in Dodoma Region, neighboring Regions and to important national projects. We further want to Provide fit for purpose, safe and compliant mining plant and at the same time; ensure continuing success.

2.6 Company product and services

The Company currently is producing block stone and/or aggregate for construction inputs. The Company is intending to expand its production on the mining of quarry to meet the available demand. It intends to produce block stone and/or aggregate and other related industrial input.

3.0 OVERVIEW OF THE PROJECT

3.1 Project Description

The Company has a plant located in Chigongwe Area, Dodoma Urban District, Dodoma Region and now wishes to expand the crushing plant by buying and installing a modern crushing plant at Dodoma Region in Tanzania. The Plant will have the capacity of producing *200 tons* of block stone and/ or aggregate per hour; making *1,600 tons* in *8 working hours i.e., 41,600 tons a month; with an average of 499,200 tons a year.*

The plant will sort out the produced blocks and other related materials according to its grade and usefulness. This will help the Company to use stone's waste materials from the mine to produce other related products.

The Company will be buying and setting plants of different nature/kinds according to the market demand through out the project period.

3.2 Purpose of the project

The Company intends to establish a modern crushing plant by extending the existing crushing unit at Dodoma. This eyed state of art mining project on quarry business and its related products; aim to meet the demand of Dodoma as a capital city is being rebuilt and this requires many construction investments. Currently, many public investments are made in Dodoma.

Block stone and/ or aggregate, which is the basic input of construction; is needed in high quantities to build hospitals, schools, public service buildings, roads and bridges. The Company intends to invest to address shortage of construction materials. The products are expected to be sold to Government institutions, Private entities and Individuals.

3.3 Location of the project

The project is set to be at Chigongwe Area, Dodoma Urban District, Dodoma Region. Dodoma is set to be a site/branch office of the Company while the main office is located on Plot number 1133, House number 54, Msasani Road in Dar Es Salaam Region.

3.4 Ownership of the Land

The Company has leased the land in Dodoma from BIGONE INVESTMENT CO. LTD of P.O. Box 26 Maswa, Simiyu for the project. The expansion of the project will be done on the leased land.

3.5 Mining License in use

The Company operates the mining activities through the mining license Nos. PML0424DOM, PML0425DOM, PML0426DOM, PML0427DOM, PML1606DOM, and PML1607DOM, located in Chigongwe Area, Dodoma Urban District, Dodoma Region.

3.6 Project Investment and Funding

Since its establishment, the company had already invested approximately *4 million dollars (equivalent to Tzs. 9.2 Billion)* in Tanzania in quarry business which includes cost of crushing plant, equipment, furniture & fittings, tracks, and other general operational cost.

The Company is currently planning to invest a total of *\$ 2,513,967* (equivalent to Tzs. 5.8 billion). The fund will be injected by the shareholders through any of its companies and affiliated of his Group, Gökyol Construction and Industry Inc; hence, no debt financing.

With such investment into new project, the total investment is expected to be *\$ 6.5 Million* (equivalent to Tzs. 15 billion).

The proposed cost is as shown overpage: -

S/N	DETAILS	INVESTMENT
1	PRE-EXPENSES	\$ 55,000.00
2	VEHICLES	\$ 590,200.00
3	MACHINES	\$ 571,930.00
4	MOULDINGS	\$ 73,765.88
5	SPARE PARTS FOR THE JAW CRUSHER	\$ 12,328.84
6	SCREEN WIRES AND FITTINGS	\$ 7,165.70
7	BEARINGS	\$ 9,750.54
8	ROLLER FOR CONVEYOR BELT	\$ 4,285.30
9	BELT FOR CRUSHER ENGINES	\$ 1,132.05
10	BELT FOR CONVEYORS	\$ 25,895.51
11	GEAR UNITS	\$ 7,679.60
12	SPARE PARTS FOR EXCAVATORS AND ROCK DRILL	\$ 10,712.70
13	CONSTRUCTION	\$ 579,121.00
14	FURNITURE AND FITTINGS	\$ 15,000.00
15	OPERATIONAL COST	\$ 250,000.00
	SECOND YEAR	
16	PURCHASE OF CONE CRUSHERS	\$ 300,000.00
	TOTAL	\$ 2,513,967.11

3.7 Management team

All operations related to the management, production and sales & marketing arrangements will be under 5S Company Limited.

5S Company Limited plans to hire the manpower consisting of qualified, hardworking, dedicated, customer centric staff that are ready to work tirelessly to help the company and mining site build a prosperous production of block stone and/ or aggregate and other quarry products that will benefit all stakeholders.

The company also has qualified staff and competent hands to occupy the following positions; Project Director, Chief Executive Officer, Geologist, Mining Manager, Legal Expert, Administrator/Accountant, Corporate Social Responsibility Manager, Government Relations Officer, Human Resources, Procurements, Office Administration Manager and other Staff Members.

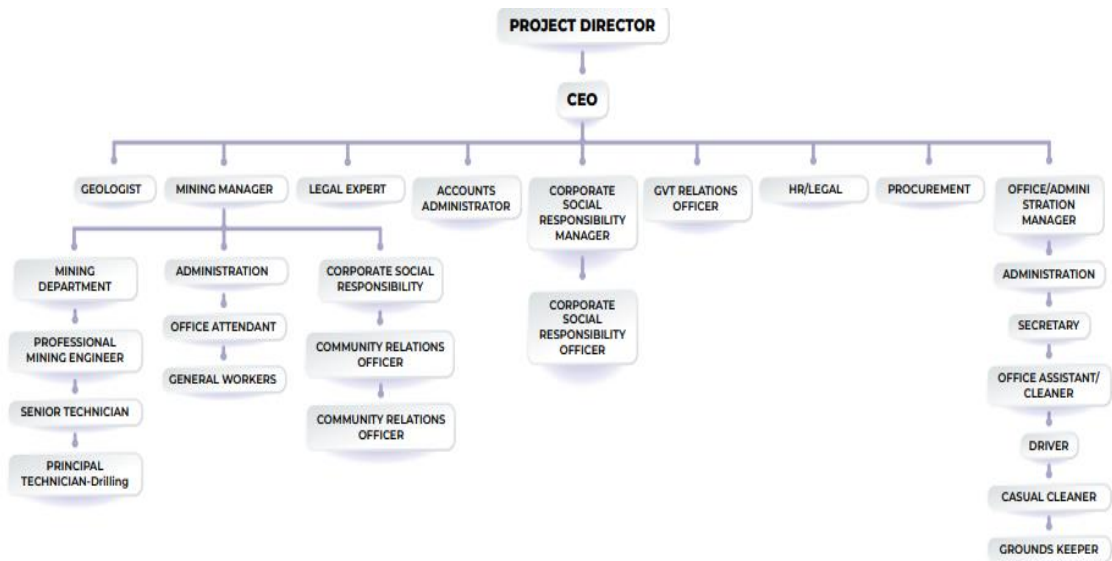
The above professionals and well-experienced management team are responsible for controlling the entire business activities; from the farm to the market.

The management team works closely with local and international financial & legal consultants, Tanzania Revenue Authority, Mining Commission, Ministry of Minerals, Local Government, and other key stakeholders to ensure effective management and operation of the business.

The Company will conduct several & related training for its employees to improve their level of skills in farming industry; especially, mining (block stone and/ or aggregate and other quarry products) in order to bring more efficiency and effectiveness in its daily activities.

The Company is expected to employ 70 staff including 13 experts and 57 locals.

3.8 Management Structure



3.9 Sales and Marketing

Demand for quarry products is directly linked to the economic activity within the mining and construction sectors and the follow-on effect of increased urban development. Dodoma is a capital city and it is now being rebuilt and this requires many construction investments. Currently, many public investments are made in

Dodoma and this will be our major selling center and our marketing team will concentrate in the Region.

The Company is keen on, product quality, product assortment – product range, product mix, product lines, branding, associated services (complementary service, after-sales service, service level).

The Company will use Price strategy & tactics and friendly payment terms – credit, payment methods to its customers. Dodoma Region and its neighboring Regions are earmarked to be our initial market coverage and we plan to handle the Transport, and logistics of the produced quarry from the mining site to our customers.

When necessary, the Company will promote activities like Promotional mix (appropriate balance of advertising, PR, direct marketing and sales promotion), message strategy (what is to be communicated), and channel/media strategy (how to reach the target audience & frequency).

Our expected key customer is grouped as followed: -

- Local government;
- State government;
- Government agencies and institutions;
- Road construction;
- Railway construction;
- Building construction;
- Concrete manufacture; and
- Extractive industry

3.10 Market Analysis and Trends

It is advised, practice and common trend in the stone quarry and or/ aggregate line of business to find crushing plant and or/ stone quarry mine in locations and communities where they can easily have access to rocks and stone mines and labor. In case the company made a mistake in positioning this type of business in a location where availability of inputs requires travelling long distance to access raw materials of commercial quantities, then the possibility of making profits and maintain the overhead and logistics would be difficult and, in most cases, this leads to failure in operations.

Also, another tendency in the quarry business is that; most registered and well-organized stone quarry companies look beyond the market within their locations; they ensure that they strike business deals with leading construction companies, local government, government agencies, main government to have business certainty and sure of making profit and stay in business.

The business is going to be located in the mine site to take advantage of the industry.

3.11 Target Market

The quarry business is fairly different from other set of businesses. when it comes to supplying product from a stone quarry, there is certainly a need of having a prominent and wide range of available customers.

This project is therefore designed not to be restricted to just a group of people or selected companies/organizations/institutions; as a result, the demonstration to our project shows that the target market for products from a stone quarry company and far reaching, you can create your own make niche yourself to serve a specific purpose.

We expect the following to be our primary target market: -

- Local government;
- State/central government;
- Government agencies and institutions;
- Road construction;
- Railway construction;
- Building construction;
- Concrete manufacture; and
- Extractive industry

3.12 Competitive Advantage

It is undisputable facts that anybody with interest in the stone quarry business can decide and obtain the required license and permit to start the business means that the business is open to all and sundry; hence, it is expected that there will be high – level competition in the industry that we are in.

As a local established Company with advanced technology and an in-depth experience in this field and that of construction, gaining a competitive edge requires a detailed analysis of the demographics of the surrounding area and the nature of existing competitors; and even if you are successful at the beginning, new competitors may capture your market at any time to hijack your regular customers. Hence, the Company will assume the available successful and practicable strategies from our competitors.

With the intended investment, the company aspires to become one of the very few modern stone quarry companies in Tanzania with such a unique technology that produce quarry for the use in several products.

Another competitive advantage of the company is the vast experience of the management team (expert and local) who are highly experienced and understands how to grow business from the scratch to becoming a countrywide singularity.

In overcoming and or/ taking advantage, our employees will be highly motivated, and their welfare package will be among the best in the industry; hence, become more than willing to build the business with us and help deliver the set goals and achieve all intended outputs and objectives. The Company is set to provide good working conditions, working tools and commissions to freelance sales agents that to be recruited time to time.

3.13 Sales Forecast

The Company is well positioned to take advantage of the available market in Dodoma Region and neighboring Region; and the Company is quite optimistic that it will meet its set out target of generating sales that meets the expected profits from its operations and grow the business and our clientele base.

The Company has critically examined the stone quarry line of business and expects to initially produce *200 tons* of block stone and/ or aggregate per hour; making *1,600 tons* in *8 working hours i.e., 41,600 tons a month*; with an average of *499,200 tons* a year; with an average sale of *Tzs. 12,729,600,000* a year. The estimate was made based on what is attainable in the area/production place and with the assumption that there won't be any major economic misfortune.

3.14 Pricing Strategy

The Company will keep the prices of its products below the average market rate for its customers by keeping the overhead low and by collecting payment in advance and or/ down payments from well-established construction and offer credit terms to some; including government of Tanzania.

The Company will use Price strategy & tactics and friendly payment terms – credit, payment methods to its customers and also, offer special discounted rates to its potential customers at regular intervals.

The Company will consider price sensitivity and plans from giant companies and government contractors and abide by the pricing mode. Also, the Company will consider and take into account, payment options offer by the customers.

4.0 INDUSTRIAL OVERVIEW

4.1 Industrial Analysis

A stone quarry business is a business that involves the excavation of different dimension of stones, rocks, ripraps, construction aggregates, slates and gravels for the constructions industry. Players in this industry basically extract rocks from an open-pit mine and the rocks are crushed to produce aggregate screened into different size categories either for immediate use in construction sites, or taken for further processing.

No doubt, the stone quarry line of business is a key sector in the building cum construction industry; they supply important building cum construction raw materials. There are locations where such business can hardly thrive either due to lack of natural reserves (rocks and quarry mines) or due to environment hazard in such locations. These abundant yet essential raw materials are the foundation of our homes, schools, hospitals, roads, railways and almost all aspects of the built environment that we depend on.

The Stone Quarry line of business is indeed a thriving line of business and pretty much active in key locations in North America, Africa, Asia and South America they generate several billions of US dollars annually from several registered and unregistered small – scale, medium scale and large stone quarry companies spread all around Africa, Asia, North America and South America. This line of business is responsible for the employment of large number of people directly and/or indirectly all around the world¹.

4.2 Special Market Analysis about the Sector

It is a principle of international law that every state bears a right to exploit its natural resources without being interfered by other state, subject to the condition that not to cause any environmental harm to the other state as per principle 2 of the Rio Declaration on Environment and Development.

¹ profitableventure.com

Tanzania is one among of the countries which has been blessed to have abundant mineral resources in which are grouped into; Metallic Minerals (gold, iron ore, nickel, copper, cobalt and silver). Gemstones (diamonds, tanzanite, ruby, garnets, pearl etc.). Industrial Minerals (limestone, soda ash, gypsum, salt and phosphates), Energy source Minerals (coal and uranium) and Construction minerals (aggregates, gravel, sand and dimension stones).

The ownership and control over natural resources in Tanzania is vested to the Government on behalf of its people, that is to say the principle of PSNR is also adopted in Tanzania through its legal instrument known as The Natural Wealth and Resources (Permanent Sovereignty) Act, 2017 and The Mining Act, Cap 123 R.E 2019.

The Mining activities in Tanzania is regulated by the mining commission which has a lot of statutory functions including issuing of mining licenses.

In recent years, Tanzania has witnessed a rapid growth in the construction industry namely; in private and public projects. As we (Tanzanians) witnessed deliberate efforts being made by our government to ensure the construction of infrastructure is done at a high speed and level e.g., Construction of Standard Gauge Railway.

The construction sector in Tanzania is regulated by the Ministry of Works, Transport, and Communication which is responsible for responsible for policy formulation, planning, overseeing, and overall coordination of the transport and communications infrastructure.

The construction can be affected by various factors such as; inadequate capacity of local contractors and consultants, inadequate and erratic work opportunities, inefficient procurement systems, occasional financial mismanagement in

public/private sectors, poor working environments, low-technological equipment, lack of skills, and inadequate capital.

Apart from the ministry; also, there are number of institutions vested with the power to deal directly with the construction sector such as Tanzania Building Agency (TBA), Tanzania National Roads Agency (TANROADS), Tanzania Rural and Urban Roads Agency (TARURA), Tanzania Electrical, Mechanical, and Service Agency (TEMESA), Roads Fund Board (RFB), National Construction Council (NCC), Contractors' Registration Board (CRB), Engineers' Registration Board (ERB), Architects' and Quantity Surveyors' Registration Board (AQRB), and Public Procurement Regulatory Authority (PPRA).

4.3 Industrial Potentials

Quarry mine are important to the improvement and preservation of our daily living, providing resources used to create electricity, construction of roads, construction of bridges, construction of railway, construction of buildings e.g., Schools and so on.

It is of this, our Company decided to engage itself in quarry business due to its potential and needs.

5.0 SOCIAL ECONOMIC SIGNIFICANT OF THE PROJECT

5.1 Employment

The mining of aggregates activity plays a very significant role as far as employment creation is concerned. This is because; while, conducting this project an investor will need human resources as well as a manpower to implement the activity.

The project is duty-bound to ensure that it provides employment to natives as required by the principle of local content.

5.2 Government Revenue

The government will benefit from the project since it is a subject to taxation in accordance with the laws governing taxation in Tanzania. The expected turnover is subjected to royalty, corporate tax, VAT and other taxes; hence, boost government revenue.

When the government benefit from the project, it is said that, the society will benefit; since, the main purpose of tax collection by the government is for the development of the country.

5.3 Social Corporate Responsibilities

This benefit is awarded by the company/project to the relevant local authority within a geographical location of the intended project as thanksgiving and also as a compensation for any harm that will be caused by project; this is mandatory requirement of the law.

A mining Company will not be allowed to undertake a mining activity without complying to this and our Company will also do so under this newly project.

5.4 Transfer of Skills

Obviously after employing local in accordance with the requirement of the law, then the locals will work together with experts, then, they will be in a position to learn/get new knowledge either through observation or training.

With all due respect, the project/company take into consideration the issue of transferring of skills in spite of it being a legal requirement.

5.5 Economic Multiplier Effects

This project will also have a positive impact in terms of stimulating the growth of other sectors/economic activities such as investment in infrastructure (construction of railways, building, roads, bridges) etc.

Apart from that, the aggregate poles manufactures will obtain raw material from the plant.

5.6 Improve Standard of Living

This is because local people will be employed following the obedience of the principle of local content, then, they will get income. Also, the society in one way or another will socially and/or economically benefit from the project following the compliance of the principle of corporate social responsibility so, the living standards will be improved, due to this intended project.

5.7 Rural Infrastructure Improvement

The project will surely improve rural infrastructure as we fostered the rehabilitation of roads in those working wards and also the expansion of feeder roads for villages network roads among other access roads that have opened up the area for development purposes and access to facilities such as water, health centers, schools and community marketing centers.

6.0 SASTAINABILITY AND PRODUCTION EXPANSION

Part of the plans is to sustain quarry mine through our Company is to ensure that, the project continue to make available and deliver quality stone blocks and or/ aggregate, improvise on how to do the project operations faster and with less cost efficiently.

We are quite aware that, our customers are key component to the growth and survival of our business; hence, we are going to continuously engage them to provide ideas on how to serve them better and the products they want to see.

The major goal of the Company is to build a business that will survive of its own cash flow without the need for injecting finance from external sources once the business is officially running.

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.

7.0 IMPLEMENTATION PLAN

The Company display the manner and means in which the project will be executed. It explains the strategic goals and steps involved in a project, define the project implementation schedule, project completion timeline/period, and production arrangements.

The project is set to be implemented at Chigongwe Area, Dodoma Urban District, Dodoma Region and the Company will do quarry mine using the mining license Nos. PML0424DOM, PML0425DOM, PML0426DOM, PML0427DOM, PML1606DOM, and PML1607DOM. Both of the licenses are located in Chigongwe Area, Dodoma Urban District, Dodoma Region.

7.1 Implementation Schedule

Below is the implementation schedule for the proposed project.

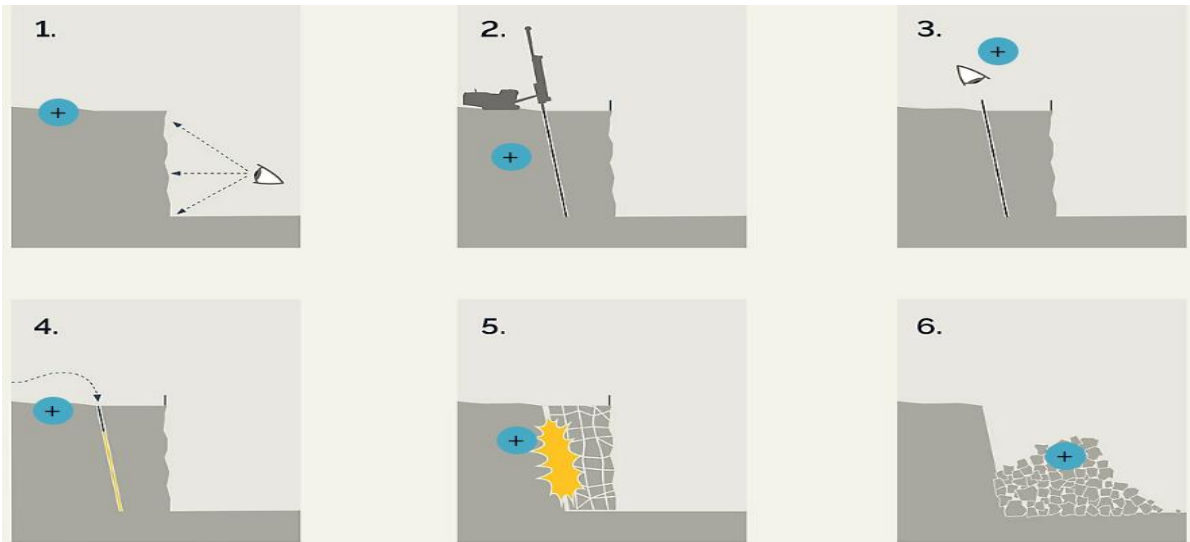
Activitis	Period																										
	2022			2023												2024											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept			
Documentation																											
Project Set Up																											
Procurement of Plant																											
Procurement of Other Assets																											
Installation of Plant																											
Purchase of Additional Crushers																											
Project Operations																											
Sales and Marketing																											
Monitoring																											
Evaluation																											
Project Report																											
TIC Reports																											

7.2 Production Arrangements

The Company is going to use the modern crushing plant in the quarry mine. We will use modern quarries which rely on drilling and blasting to fragment the rock, which is then loaded onto belt conveyors and transported to a processing plant for sorting.

Loading is usually done with wheel loaders or excavators, which combine adequate loading capacity with maneuverability. This allows them to move from area to area within the quarry, as needed. Where blasting results in the formation of large boulders that are too big for the loading equipment to handle, secondary breaking will be done; either by drilling and blasting individual boulders or by using excavator-mounted hydraulic hammers to break them.

The drilling and blasting sequence are shown schematically in the illustration below: -



The Company will start producing 200 tons of block stone and/ or aggregate per hour; making 1,600 tons in 8 working hours i.e., 41,600 tons a month; with an average of 499,200 tons a year; with an average sale of Tzs. 12,729,600,000 a year and the production are expected to increase by 10% each year. The production is set to start during the month of December, 2022.

The Company project to increase production at a minimum rate of 10% each year, depending with the demand and other factors.

7.3 Implementation Period

The Company is expecting to implement the project within two years and they are open for extension in case need arise.

As detailed in the implementation schedule and production arrangements; the project expect to start in October, 2022, and crushing machine will be installed in November, 2022 and start operations in December, 2022

8.0 FINANCIAL ANALYSIS

8.1 Projected Statement of Comprehensive Income for Two Years

Details	Note	Projection for two Years (TZS)	
		YEAR 2022/23	YEAR 2023/2024
Income		12,729,600,000	14,002,560,000
Less: Direct Costs		5,091,840,000	5,601,024,000
Gross Profit		7,637,760,000	8,401,536,000
<i>Operating Expenses</i>			
Administration Costs		4,328,064,000	4,760,870,400
Staff Costs		1,082,016,000	1,190,217,600
Marketing Costs		127,296,000	140,025,600
Finance Costs		63,648,000	70,012,800
Depreciation Charges		738,904,667	696,794,219
<i>Total Operating Expenses</i>		6,339,928,667	6,857,920,619
Profit Before Tax		1,297,831,333	1,543,615,381
Taxations		(389,349,400)	(463,084,614)
Profit After Tax		908,481,933	1,080,530,767

8.2 Projected Statements of Financial Position for Two Years

Details	Note	Projection for two Years (TZS)	
		YEAR 2022/23	YEAR 2023/2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		4,282,220,857.00	4,278,426,638.00
		4,282,220,857.00	4,278,426,638.00
Current Assets			
Inventories		254,592,000.00	280,051,200.00
Debtor & Prepayment		636,480,000.00	168,030,720.00
Cash and Bank		248,227,200.00	404,673,984.00
Taxation		-	-
		1,139,299,200.00	852,755,904.00
TOTAL ASSETS		5,421,520,057.00	5,131,182,542.00
EQUITY AND LIABILITIES			
Capital & Reserve			
Capital		100,000,000.00	100,000,000.00
Retained Earning		(66,647,592.00)	1,013,883,175.00
		33,352,408.00	1,113,883,175.00
Related Party Transaction		5,114,264,029.00	3,654,881,356.00
		5,114,264,029.00	3,654,881,356.00
Current Liabilities			
Statutory & Accrued Expenses		17,289,812.00	24,756,288.00
Trade Creditors		178,743,928.00	245,044,800.00
Taxation		77,869,880.00	92,616,923.00
		273,903,620.00	362,418,011.00
TOTAL EQUITY AND LIABILITIES		5,421,520,057.00	5,131,182,542.00

8.3 SWOT Analysis

We are quite aware that there are several quarry plants in Dodoma and around the Region and with our experience and capital intensive we are going to inject, we will be the first Company in the Region and possibly in the Country with such plants. We aim at maximizing our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats.

Strength

Mining technology

The mining industry in Tanzania is well evolved and we can make production in large amounts. The Company shall use modern technology is undertaking quarry activities in Dodoma; the technology that has high level of productivities and efficiency.

Specialized and experienced personnel in the field

The Company has experience and specialized personnel in mining industry and who are well trained for the job. The composition of foreign and local experts is one of the added advantages to the Company.

Government support/good policy

The government of Tanzania supports industrialization and create conducive environment for steady development in multiple sectors that push for industrial input like stone blocks and/or aggregates; hence, the Company's vision, mission and objective is supported by the government through its development policy.

Products Demand

The product is in demand since it is used for construction of buildings, railways and roads, which are ever being built; hence, very highly demanded, therefore convenient to the industry.

Pricing of Products

The price of the quarry products will not be fixed and the Company has entrustment to adjust pricing to meet market conditions.

Weaknesses

Natural hazards

These are acts that are beyond the human control or unplanned events at the mining sites can cause serious loss of production and sometimes may cause serious injuries or even kill people this includes, heavy rains which may lead to floods in the mining areas, therefore causing tragic and deaths in the mining fields causing workers to refuse or decline from working in such areas.

Regulatory constraints

Rules and regulations of the government despite their permission to do the business, may tend to reduce profit of the company's earns; hence, the industry fails to be as productive as it should because of some of the rules bound to the business. Moreover, the quarry is subject to OHS requirements of the Mining Act and its regulations, that is more stringent than Company's statutory framework.

Communication Breakdown

It happens to have a communication breakdown due to limitation of IT, communications and services due to mining areas to be located at remote areas.

Opportunities

Stimulate the Sector

Through the investment, the sector will be stimulated and invite small and medium industrial input stakeholders to benefit.

Pre-coat aggregate production

The produced stone blocks and or/ aggregates are pre-coat and available in

different site; based on customer order and use. This will make our produce be in demand and leave no stock.

Stable market

These products are assured to have continuous markets since they are always demanded as raw materials for constructions of road, buildings, railways and the like.

Positive impacts on the community

The community around the mining area get job opportunities as well as development of their area i.e., building of roads, hospitals which are for the benefit of the workers but also the community around.

Focus on innovation and transfer of technology

The intended investment has a lot of innovations and creativity with regards to the multifunction of the crushing plant. The company will seek to use the most update technology related to this operation so as to maximize the income and minimize losses. The local industries and or/ Companies may learn from us and innovate the quarry mine industry further. The Collaborations with local producers of industrial input will provide products that meet market demands.

Threats

Commodity price competition

This is one among of the major threat prevailing in mining industry and may affect the company's budget when the competing mining companies either not regulated or violated the laws governing fair competition.

Water scarcity and energy shortage

Mining operation depend on the existence of reliable water and energy so as to operate optimally, without having them may lead complication and challenges.

Unreliable water supply and energy are therefore one of the biggest threats for smooth operation of any mining operations.

Environmental licensing requirements

Mining activities may result into environmental damage if not well controlled; hence, much attention and control over the environment is required. Any irregularities might lead to revoking or temporary suspension of the license. The company will therefore be very sensitive in all issues related to environmental conservation. This will include wastewater management among others.

Impediments to further mining activity

This sector is heavily regulated, and the authorities may impose obstacle of further mining activities. Adhering to all regulations related to mining sector will be a top priority during the operations.