

ELVES GRAPHITE TANZANIA LIMITED

BUSINESS PLAN
FOR

ESTABLISHMENT

OF

GRAPHITE MINING PROCESSING AND EXPORTING

ELVES GRAPHITE TANZANIA LIMITED
SETTING UP FACILITIES FOR OPERATING A MINING, PROCESSING
AND EXPORTING

1. INVESTMENT PLAN

The Business Plan was prepared by ELVES GRAPHITE TANZANIA LIMITED for setting up a mineral processing plant project to cover the whole of Graphite mining in Tanzania.

The investment proposal was prepared to show clearly an analysis of the financial, human, technical and other resources required for the mining project and also assess its economic viability and commercial viability in order to allocate funds for the mineral processing for the flotation, electrostatic separation, gravity separation, workshop equipment etc.

The TIC certificate will enable the project to qualify for duty exemption Deemed capital Goods and VAT Deferment on Capital Goods. The Deemed Capital Goods such as importation of heavy machines handling equipment, generators, transformer etc and enjoy services under one stop shop at Tanzania Investment Centre services under one stop shop such as approvals, license and permits such as resident work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc.

2. COMPANY BACKGROUND

ELVES GRAPHITE TANZANIA LIMITED is a private company based in Lindi, was incorporated on Tanzania by Registrar of Companies under company ordinance on 14 day of July 2020 with certificate of incorporation No; 152668201. The company has been incorporated with a major objective of establishing and operating a project for graphite mineral processing.

Currently the company intends to import facilities for mining in this project such as flotation, electrostatic separation, gravity separation and workshop equipment etc.

The company intends to lease office, open space yard and will have modern workshop in order to service and maintain the machines used during the mining processing activities.

The main purpose of the proposed project is to undertake the business to correspond with the clients of graphite products especially in this competitive market. The quality of company business will guarantee clients satisfaction in proposed programme.

There is a very big demand for such facility in Tanzania, East and central Africa to serve clients needs. The project services which will be efficiently provided by ELVES GRAPHITE TANZANIA LIMITED. It is on the basis of the above reasons the management resolved to invest in establishing and operating a project for the graphite mining process business. In setting up the facility, the intended project will export process minerals.

Hence the establishment programme of three years in setting up facilities for the project is estimated to be USD 5,500,000. The estimated capital investment cost of USD 5,500,000 will be on trucks, tractors, pickups, hardtop, fork lift, trailers, forklifts, crane, reachstacker, communication equipment, workshop equipment, generators etc.

3. TARGETED MARKET

There is very big Demand for the project business in Tanzania and the whole East and central Africa especially Land Locked Countries.

BUSINESS WITH FAR REGION IN TANZANIA MAINLAND

In Tanzania Mainland there are far places or very remote with poor roads and acute shortage of this facility. And another reason is the growth of business in remote areas. There will need merchandise from Lindi to reach them where the source of business.

ECONOMIC GROWTH

The economic growth influenced such movement of goods especially industries and businessmen as the demand is growing day by day for the increased imported goods, transit and transshipment of containers to landlocked countries and other countries to be exported to.

LANDLOCKED COUNTRIES

Land locked countries need cargo services to transport mineral materials and containers from Lindi to their places which do not have ports. And the market is growing day by day due to the growth of business, industries etc.

The market survey conducted by the company has noticed that there is high demand for the graphite mining project business in Tanzania as well as land locked countries which do not have the ports to receive the imported or exported cargo. they get their containers of imported goods through Dar es salaam Port.

high quality, efficient and good will are the factors which will make the mining project to win the competitive market. there are few companies which can compete with the company services due to efficient, goodwill promptness and having new fleet of vehicles.

ELVES GRAPHITE TANZANIA LIMITED intends to increase the project production

company registered in the country under the companies Act, 2002. The project promoter is a well established business person who is to carry out various businesses majoring in Graphite mining processing and exporting. Having seen the opportunity of exercising in this business the directors are now prepared to establish a processing project.

4. CARGO TRANSPORTATION FACILITIES;

- Fleet of trucks, tractors, fuel tankers, Tipper
- Supporting vehicles such as hardtops and pick ups,
- Cargo handling equipment; forklift, reach stackers, cranes
- Communication equipment; Radio calls, Base station, GPS, car tracking systems.
- workshop equipment, generators.
- etc

5. THE COMPANYS OBJECTIVES

ELVES GRAPHITE TANZANIA LIMITED is a project for graphite mining and processing business in Tanzania Mainland and the whole East and Central Africa especially the Land Locked countries.

The mission of proposed project is basically aimed at graphite mining and processing business and marketing or promotion of the project in order to increase customers from Tanzania Mainland and neighboring countries to achieve the following objectives;

- (a) To deal in, project, explore, search, exploit, develop, mine, process, treat, refine prepare for market, transport, market or otherwise deal in graphite, minerals and all sorts of

substances found in, above or below the ground and to acquire dealers rights, exploration and mining rights or concessions in respect thereof.

(b) To purchase or otherwise acquire mine workings and mining grounds, lands and landed property in any part of the United Republic of Tanzania for purposes of mining acquiring and selling or exporting minerals products and to purchase or otherwise take on lease or in exchange, or acquire by mining licence, concession, grant or otherwise, any lands, mines minerals rights, buildings easements, rights and privileges, machinery, plant and other effects whatsoever in any part of the United Republic of Tanzania which the company may from time to time deem proper to be acquired for any of its purpose.

(c) To work the mines and mining rights under or upon the lands and properties to be acquired by the company, and to crush, wash, smelt, reduce, or otherwise treat and render marketable and sell or dispose of the produce of any miners, whether belonging to the company or not.

(d) To carry out drilling, excavating, earth-boring, extraction and erection of buildings and works in the process of prospecting, mining, smelting and refining minerals.

6. PLAN OR PROSPECTS

(a) Smooth running of the graphite mining process business.

(b) For efficient and effectiveness in operation and increase of the project business to neighboring landlocked countries and hence resulting foreign earnings in addition to the prevailing local market.

(c) To increase more facilities for the project i.e work machines with introduction of new technology.

(d) To increase the volume of the project or capacity of the project to be processed in the mining

the investment proposal was prepared to show clearly an analysis of the financial, human, technical and other resources required for the project and also assess its economic viability and commercial viability in order to allocate funds for the mining and processing project especially in exporting of the graphite materials.

The document has been prepared to serve as a business plan for ELVES GRAPHITE TANZANIA LIMITED for the operator project specializing in mineral processing. The implementation of the project will comprise of the following activities:

- Construction or renovation of buildings with enough space.
- The construction of a modern office and
- Purchasing CCTV and communication equipment.
- Equipping the company with relevant facilities.
- The purchasing of company vehicles.

The proposed project is estimated to cost about TZS 1,500,000,000. The project sponsors will provide full funding amounting TZS 1,000,000,000 in terms of equity contribution while the rest TZS 500, 000, 000 will be re investment of cash generated from operations.

7. THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 2 shareholders, namely;

Name	Shares%	Nationality
JAE JIN LEE	50	SOUTH KOREAN
CHUNSUB KIM	50	SOUTH KOREAN

8. LOCATION:

The project head quarter will be In Lindi, plot AAA floor Shaban Robert road. The operation of a mineral processing plant located in Kilwa, Lindi Rural and Ruangwa District. Postal Address P.O.BOX 11120 Lindi

9. COMPANYS IMPLEMENTATION SCHEDULE

9.1 NOVEMBER- 2022

- (a) Preparing feasibility study for the land space and the project area.
- (b) Registration of the project with Tanzania Investment Centre i.e Application for the Certificate of Incentives.
- (c) getting the Certificate of Incentives.

9.2 DECEMBER-2022

- (a) Application for import Duty exemption on trucks, tractors, lorries, supporting vehicles, workshop equipment, communication equipment, cargo lifing equipment after being awarded certificate of incentives in the establishment programme.
- (b) Ordering or exporting the graphite substance and importing of cargo lifting equipment, generators, transformers etc.

9.3 JANUARY-2023

- (a) Recruiting new employees, turn boys, mechanics and other administration staff.
- (b) Fully commencement of the project and the mining process.

10. CAPITAL INVESTMENT COST

Land and Building	USD \$ 500,000
Plant and Machinery	USD \$ 250,000
Vehicles	USD \$ 250, 000
Furniture and Fittings	USD \$ -
Pre- expenses	USD \$ 100,000
Other expenses	USD \$ 100,000
Working Capital	USD \$ 100,000
TOTAL CAPITAL	USD \$ 1,300,000

The intended project is to be implemented within 2 years. The company promoters (shareholders) have resolved to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

11. FINANCIAL PLAN (SOURCE OF FUNDS)

ELVES GRAPHITE TANZANIA LIMITED has firmed up finances for the implementation programme by its fund and Loan.

Own fund (equity)	USD \$ 8,000,000
Local loan	USD \$ 5,000,000
TOTAL	USD \$ 1,300,000

12. GRAPHITE PROJECT MINING PROCESS

- (i) Trucks
- (ii) Cranes
- (iii) Weigh bridge, Generators, Transformers
- (iv) Pickups
- (v) Forklift.
- (vi) Moblie workshop, Tool boxes
- (vii) GPS AND car Tracking system
- (viii) Drilling machines
- (ix) Earth-boring
- (x) Smelting
- (xi) Refining minerals
- (xii) Mining

13. SUBMISSION

ELVES GRAPHITE TANZANIA LIMITED submits the investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of Incentives for the commencement of the mining and processing project.

The project will soon commence after the company is registered by Tanzania Investment Centre and being issued the Certificate of Incentives. Thereafter the company will import the project facilities such as dirillers, trucks and lorries, heavy duty machines, cargo handling equipment, generators, transformer, Certificate of Incentives will enable the project to qualify for Duty exemptions on Capital and Deemed Capital Goods etc.

14. ECONOMIC GROWTH

The current economic growth which had been registered in Tanzania, as the result of investment, business, mining have attracted more investments as well as processing and business in the Tanzania such as the intended mining project. The eeconomic growth influenced such movement of goods especially industries and business as the demand is growing day by day for the increased production.

15. COMPETITION OR MARKET

Despite there being numbers of mining and processing of graphite in Tanzania, still the facility is not enough compared to the level of demand.

However, the intended project will provide trustworthy, efficient and quality services to dominate the local and export market because the project ensure high quality, promptness and goodwill.

16. ADVERTISEMENT

Advertisement which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

17. BUSINESS STRATEGY

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets.

- (i) Technology and quality fleet of vehicles.
- (ii) Advertisement and Promotion,
- (iii) Employing qualified and experienced drivers, mechanics,
- (iv) On job training,
- (v) Business Discipline.

18. ENVIRONMENTAL ISSUE

The mining processing project business and the whole project implementation is environmental friendly. The workshop activities of services will not cause any harm to people.

19. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr. JAE JIN LEE and CHUNSUB KIM are the shareholders of the company They are well versed in distribution of the business.

20. MANPOWER AND TRANSFER OF TECHNOLOGY

ELVES GRAPHITE TANZANIA LIMITED being the mining processing in its commencement will usher in the technology by using modern workshop activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Further the country can reduce its dependence on the mining project from neighboring countries. Hence Tanzania business men, farmers, miners.

The proposed project will cause more people to be employed in as drivers, turn boys, mechanic, security guards accountant, logistic manager and about 100 local people and 2 foreigners will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

local employees will get on training for drilling in a long run will improve the technical competence in the project.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits directs and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.

Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the project so that the project will operate and enjoy tax exemption on capital and deemed goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 250,000 this operating year. The profit amount is expected to steadily rise to USD \$ 260, 000 in year two, USD \$270,000 in year three and USD \$280,000 in year four.

22.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service and repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

23.3 Proposed Balanced Sheet

The projected balance sheet shows healthy financial situation. Short term liabilities are all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

Furthermore, the hospitality outlook of 2019-2023 9th Annual edition unparalleled experience shows that the project in Tanzania id to be next fast growing with compound annual increases of 8.2% and 7.4%, respectively. Increased room capacity, a strong economy, growth in tourism from India and China, and Tanzania's appeal as a n exotic destination will full growth over the next five years.

1.4 HOTEL ROOM REVENUE

Hotel room revenue for the five markets as a group will increase at a 5.8% compound annual rate to rate of 50.6 billion in 2023 from R38.1 billion in 2018.

1.5 MARKET ANALYSIS

As any industry will be familiar with, there is always the need to provide benefits to every party involved. They need to provide benefits to every party involved.

They include; the government, the consumers, as well as the staff and workers within that industry.

Tanzania is a major tourist destination that would expand on the hospitality in the country, so Tanzania remains one of the fastest-growing economies in Africa, with an average growth rate of 7%.

The country's real GDP is expected to increase at a 6.5% compound annual rate over the next five years it should come as no shock to anyone when it is said that the hospitality industry in Tanzania is not only becoming an important sector in the economy but a very lucrative one as well.

1.6 TARGETED MARKET

The company will focus on the prime market of USA, Canada, UAE and Europe, these have been primary source of tourist who are coming to Tanzania, and the company focus will be to get the premium tourist who pays will be able to pay for the premium service the company is expecting to be providing. The business strategy the company has chosen require the company to focus on such kind of customers. The company will also focus on the same kind of customers from the emerging markets to support the government tourism expansion strategy.

1.7 MARKETNG STRATEGY

In order to penetrate and expand to the targeted markets the company has come up with the following marketing strategy;

- Participation in Tourism exhibitions in specific hospitality, the focus will be on exhibition in America, Europe, Dubai and Far East (China).
- Billboard Advertising and radio campaign for local tourism promotion
- Advertising through internet and social medias, through the use of influencer's both local and international (sports and music celerities)
- Translating the company website
- Opening up an overseas agent in UAE, America Middle east countries and Europe
- Joining membership to various travel and trade associations.

Thus a successful implementation of the outlined plan will yield the desired level or threshold of client from worldwide focus

