

TRANSATLANTIC GOLD CORP LIMITED

PROPOSED BUSINESS PLAN

FOR

THE ESTABLISHMENT OF GOLD PROCESSING PLANT - NAMPALAHALA VILLAGE, BUKOMBE DISTRICT, GEITA REGION, TANZANIA.



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List of Abbreviations

CAPEX – Capital Expenditure
CIF – Cost Insurance and Flight
CSI - Corporate Social Investment
EIA – Environment Impact Assessment
GDP – Growth Domestic Products
GOT- Government of Tanzania
IRR – Internal rate of return
TGCL -Transatlantic Gold Corp
Limited MW – Mega Watts
NBS – National Bureau of standard
NEMC – National Environment Management Council
NGO – Non-Governmental Organization
OPEX – Operating Expenditure
PPP- public-private partnership
SWOC – Strength Weakness Opportunity and Challenge
TANESCO – Tanzania Electric Supply Company
GEWASA – Geita Water Supply and Sewerage Authority
TZS – Tanzania Shilling
US\$ - United State Dollar
USA - United state of America
VAT – Value Added tax

EXECUTIVE SUMMARY

Tanzania has a unique geological environment that hosts a variety of economic minerals. The most famous deposit is the Lake Victoria Greenstone belt in the central and north-central part of the country. Gold discovery and exploitation by German colonialists started towards the end of the 19th century in Tanzania and was at peak level in 1940 when it contributed to about 90% of the value of the mineral production. Tanzania has become one of the fastest-emerging gold producers in Africa, and is the continent's third-largest gold-producing country after South Africa and Ghana. A number of large international mining companies (Barrick Gold Corporation, AngloGold, Ashanti Mining, Resolute Limited) are now involved in operations in the country.

Transatlantic Gold Corp Limited as mining company in Tanzania, aimed to establish her production capacity by purchasing modern machines for extraction, drilling and hiring machineries and equipment for mining in Bukombe District. The company is already involved in development by purchasing machineries and equipment's at mining site, the company has experience in mining sector headed by Alnitak Resources Company Limited Founder's an experienced group of company in Arusha region working in the mining industry.

Transatlantic Gold Corp Limited seek the opportunity by establish mining extraction and hiring machines and equipment.

The proposed project is estimated to cost a total of US\$ 6,000,000 whereas own equity is 100%. The company current asset is estimated to 856,976US\$, with total liquidity of 1,341,646US\$ with total asset of US\$ 7,576,228, the project will be implemented within 10 years.

The objectives of this study are two-fold. First is to determine the viability of the proposed project and serve as a business plan for the company's development program. Secondly, the business plan will act as a supporting document in the company's application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997). The Company is looking at providing direct employment to at least 42 permanent jobs on full implementation and operation of the project.

The estimated revenue gain in 3,014,766US\$ annually excluding Value Added Tax during the first year in operation of the Company, Net profit before tax is 1,341,646US\$ for the first year, and increases to second year to 1,442,190US\$, third years increases tremendously, Percentage of gross contribution for the first year 45%, 46% second years and increases to 57% to the 10th year, Net profit after tax and depreciation for the first years in operational is 856,976US\$ and increases positively, the project is able to pay corporate tax 367,976US\$ which has positive contribution to GDP of the country

The development of a large and complex project such as Transatlantic Gold Corp Limited is necessarily accompanied by multiple risks during all the phases of the

project development, construction, operation and maintenance. The right approach to manage the project in a manner which is fairly and adequately address the multiple risks in a comprehensive as well as systematic manner is to use the risk analysis and management methodology which identifies the risk issues and their instrumental cause. In this regard, the risk is eliminated or effectively managed by the party best suited with capacity to handle or deal with the risk factors.

The development of this company will be funded by private finances. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 6,000,000US\$ and the amount will be raised from promoters' own equity of 100%. Shareholders will fund the development of the project for mining industries by importing machineries and equipments as stated on this business plan.

1.0. MINING SECTOR OVERVIEW IN TANZANIA.

1.1. Overview - Gold Processing Business in Tanzania.

Tanzania has a unique geological environment that hosts a variety of economic minerals. The most famous deposit is the Lake Victoria Greenstone belt in the central and north-central part of the country. Gold discovery and exploitation by German colonialists started towards the end of the 19th century and lasted until the First World War. During the British colonial era (1918-1961) mineral production and revenue were mainly from gold, diamonds, lead, mica, salt and tin. Gold was at a peak level in 1940 when it contributed to about 90% of the value of the mineral production. Following independence in 1961, many industrial sectors including the mining industry, were nationalized by the government.

In 1986 Tanzania agreed to a structural adjustment program designed by the World Bank. Internal and external trade was liberalized, and the government opened up for foreign investment in the country. The liberalization of mining, accompanied by the legalization of the buying and selling of gold and gemstones through banks and designated dealers, had immediate effects.

Now Tanzania has become one of the fastest-emerging gold producers in Africa, and is the continent's third-largest gold-producing country after South Africa and Ghana. A number of large international mining companies (Barrick Gold Corporation, Anglo Gold, Ashanti Mining, Resolute Limited) are now involved in operations in the country.

However, the sector most relevant to operations conducted by Alnitak Resources company Limited will be largest scale and artisanal sectors. Estimates for the number of artisanal miners operating in the country are usually taken to be around 500,000 people. There are approximately 6000 small scale claim holders for gold in Tanzania. Assuming the number of people employed on each site is between 30 and 60. This leads to an estimate of 270,000 people working on government sanctioned claims. There are also a large number of miners working on non- government sanctioned claims.

Currently in Tanzania there is a dichotomy between the large multinational mining companies and the artisanal miners. Transatlantic Gold Corp Limited will seek to exploit this dichotomy. It will operate in a way that will add value to artisanal miners while not troubling the larger mining companies.

There are a small number of companies that are carrying out similar gold leaching operations in Tanzania. These companies have appeared in the last few years following the gold price rises of 2005 where such business models became feasible.

1.2. Government support - Gold industrial development

Following advice from the World Bank¹, and hoping for economic growth and independence from donors, a number of African countries have opened up opportunities for large-scale mining by foreign investors over the last decade and a half. Tanzania, one of the 'new' mining countries, is now among the largest gold producers in Africa, but investor-friendly contracts have resulted in extremely low government revenues from mining, totaling less than 5 percent of what the country receives in development aid. In response to widespread discontent, and acknowledging the plight of affected communities, the government amended the 1998 Mining Act in 2010. In June 2018, the Government review her 1998 Mining Act and formulate new investment policy which that support investment incentives to investors, review existence of the legal framework and the role of bilateral investment treaties to ensure secure investment environment.

However, improved legal provisions may have limited effect if the present governance challenges are not resolved. In due respect, the 5th Government of Tanzania support local investors by removing some of duties imposed to investors in this case investor can imported machinery, capital goods at zero duty. There are significant opportunities for the export of technology, machinery, and services. The Tanzanian Government encourages mining companies to procure local goods and services whenever possible, and many of the foreign mining executives would like to increase local consumption to support the Tanzanian economy. There is significant opportunity to supply foodstuffs, clean water, training, consultancy and other services.

1.3. Project concept Transatlantic Gold Corp Limited

The proposed project aimed to expands her production capacity by purchasing modern machines for mining processing in Bukombe District, Geita region. However, the company is already involved in development of processing site in Bukombe District, extraction by importation of machineries and equipment such as 7 dumpers trucks, 6 Excavator - Caterpillars 320DL, 3 back-hole loaders, bulldozers, 3 motor graders, 4 trailers and generators, laboratory for noble metal testing; and environmental protection plant equipment. Other major capital expenditure will involve procurement of workshop tools and equipment, modern processing machines and equipment; purchase of utility motor vehicles, furniture and fittings, and fencing of the project sites.

Transatlantic Gold Corp Limited, located in in Mwanza City but major activities are located in Bukombe district, the company is general contracting mining firm based in extraction of gold in Geita region. The company is headed by Alnitak Resource

¹

https://www.researchgate.net/publication/270778022_Gold_and_governance_Legal_injustices_and_lost_opportunities_in_Tanzania

Company as the main shareholder and Adam Kilenyengicisse and Benedict Kaaya as shares holders these Founders have experienced business of gold and mining processing and drilling industry.

Transatlantic Gold Corp Limited will focus on processing and hiring working equipment to major company nearby the mining sites in Geita and nearby regions. The project will be managed from start to finish, with some services provided by employees of TGCL and some by subcontracted specialists. Founders, through experienced management will be the lead in addition to currently running projects; founders will hold webinars on mining extraction concerns and best practices for potential clients and the community. Transatlantic Gold Corp Limited is a company from Tanzania. Our system shows that this company is In Business. More precise status of company is Incorporation. The date of incorporation is 155867132

Transatlantic Gold Corp Limited will primarily registered (BRELA) with the following activities, Mining of hard coal, Mining of other non-ferrous metal ores, Extraction of crude petroleum, Quarrying of stone, sand and clay, Support activities for other mining and quarrying, Mining of iron ores and Extraction of natural gas. Currently the company deals with processing of gold in Bukombe district, in Geita region. The company is currently involving in extraction of Mining at in Arusha region, Tanzania and is part of the Gold & Silver Mining Industry.

TGCL will seek ongoing relationships with Geita Gold Mine Ltd for multiple- home contracts and mining site in Bukombe District. In such realization we a special care should be taken and do something or people in such situation this project was proposed. The proposed company will be one of the prominent constructing firms in Tanzania, which will provide equipments hiring services and extraction. The project anticipates to start in September 2022 and is being mainly run by importing additional machines from Europe.

2.0. PROJECT OVERVIEW

2.1 The project location and ownership structure

Transatlantic Gold Corp Limited is Limited is a Tanzanian company registered in Tanzania with certificate of incorporation number 155867132 issued on 19th April, 2022. The office of the company is located at Rumumba in Mwanza city. The permanent is P O Box 2675Mwanza region while the project will be carried out in Nampalala Village, Bukombe district, Geita region.

The initial Authorized Share Capital of the company is TZS 30,000,000/= divided into 100 ordinary shares of TZS 300,000 each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles or Association. The liability of the members is limited and the following names compromise the company ownership and principal shareholding as illustrated on Table 1 below.

Table 2.1: Company Ownership and Principal Shareholders

S/No	Shareholder's Name	Address	Occupation of Subscriber	Number of Shares
1.	ALNITAK RESOURCES COMPANY LIMITED (Tanzanian company)	P o Box 14446 ARUSHA, TANZANIA	Private Company by Share, Domicile in Tanzania- Incorporate Number 155867132	50
2.	BENEDICT SAMWEL KAAYA (Tanzanian) (BUSINESS MAN)	P o Box 2675, MWANZA, TANZANIA	Private Company by Share, Domicile in Tanzania- Incorporate Number 15586132	25
3.	ADAM AKILINYINGI CISSE (Tanzanian) (BUSINESS MAN)	P o Box 2675, MWANZA, TANZANIA	Private Company by Share, Domicile in Tanzania- Incorporate Number 155867132	25

2.2. Project site analysis

Based on physical inspection of the proposed site, the availability of basic and essential industrial infrastructure such transport, water supply, effluent disposal, electric power supply, telecommunication system and security were all checked out. The current physical condition of infrastructure and utilities on the proposed site is as shown on the pictorial overview of the project site as follows:

2.2.1. Utilities and Other supporting Facilities

The realization of the project development requires successful completion of a number of necessary activities and facilities to enable a successful development of the project. Strategic and situational analysis of project, the project needs reliable supplies of energy, water, transportation, telecommunications services, waste disposal and other services. The regional government under GEWASA" Geita district water Supply Authority" and TANESCO has distribute power and water to ensure water network reaches peri urban areas especially where the project will be located. The following are reliable utilities found at the site;

A. Electricity Supply

The proposed site will be supplied with industrial production 3-phase standard power supply from Tanzania Electric Supply Company (TANESCO), the electricity is available through the National Grid Line from Mwanza to Bukombe District, and if possible, the institute will request installation electric Transformer in case the available power supply is not enough to feed the Company.

As part of project budget, the Company will be installed with a stand by generator with a capacity of 100KVA that will be installed for power supply. Solar energy will be alternative source for administration and other miscellaneous activities and not processing activities.

B. Water supply

The proposed site has close to GEIWASA water network, the agency is major supplier of water to urban and peri urban area in the city. While depending on water supply from GEWASA, Transatlantic Gold Corp Limited. Plan to find alternative source of water while Hydrological surveys are ongoing on the project area to determine availability and sustainability of water supply.

C. Transportation network

The project is located just 80Km from Bukombe District and the project is accessible in all mean of transport, such as heavy vehicles, Light Vehicle and public transports and air time.

D. Communication system.

The mobile tower operators and service providers available to the project area are such as Vodacom, Tigo, Airtel and Halotel. The particular business communication system with external world/entities is expected to improve once the company becomes operational. The National Fibre Optical line transmission is closer to the project area, actually just like 3 meters closer to the project area.

2.3. Project description

2.3.1. Background information of the project

TRANSATLANTIC GOLD CORP LIMITED is the private mining company offering gold processing and hiring machines and equipment's to small miners based in Tanzania. The company intends to expand extraction work to her Primary mining Licenses (PML) in Namplalala village, in Bukombe district Mining sites by purchase heavy equipments for extractions work.



The proposed aimed to expand her extraction and drilling services by purchasing modern machines for the following activities; Exploitation and Development Surface Drilling, Exploration and development Reverse, Circulation Drilling, Grade Control Drilling, Blast Hole Drilling, Weep Hole Drilling, and Provision of Shot Firing Services. However, the company is already involved in purchasing of said Exploration services equipments as will result of the significant investment in Tanzanian operations, the company is looking to register at the Tanzania investment Center. For that purpose, this business plan is prepared to outline the required information about the company and the operations being conducted for the Tanzania Investment Centre only. It is to be considered private and confidential.

Transatlantic Gold Corp Limited seek the opportunity by investing in gold processing and drilling services and find interlinking advantages of her experience since 1989 to be part on internship to the anticipated established firm.

2.3.2. Modernizing and expansion working machineries and equipment's in Bukombe district

The second phase of this project proposal entails setting up mining extraction facilities using modern technology. The proposed project will therefore involve the following activities:

- ❖ Acquisition of adequate mining sites to ensure maximum production
- ❖ Development of camps and infrastructure
- ❖ Construction of buildings and storage warehouses, workshops and offices
- ❖ Procurement and installation of environmental protection plant equipment
- ❖ Importation and installation of equipment, machinery and plants,
- ❖ Procurement of heavy-duty trucks fleet for transportation of mining materials and building materials,
- ❖ Purchase of furniture, equipment, fittings and administration motor vehicles, fencing of the factory compound and storage yard.

2.4. Project Cost & Financing Pattern

The proposed project is estimated to cost a total of US\$ 6,000,000 whereas own equity is 100%. The company current asset is estimated to 856,976US\$, with total liquidity of 1,341,646US\$ with total asset of US\$ 7,576,228 – see annex III, no loanable funds from commercial banks.

The project will be implemented within 10 years.

Equity figures in US\$	
Loan (0%)	0
equity (100%)	6,000,000
Total Equity	6,000,000

2.5. Business Plan Objectives

The objectives of this study are two-fold. First is to determine the viability of the proposed project and serve as a business plan for the company's development program. Secondly, the business plan will act as a supporting document in the company's application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties, VAT deferrals and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997).

The project promoters have commissioned a reputable engineering and project planning consulting firm to advise on detailed technical and economic evaluation of the project and in determining its viability. As the report will be used to raise fund financing for the project, it is tailored to meet standard requirements of financial institutions in the region.

2.6. Product: Market and pricing Analysis

Transatlantic Gold Corp Limited target mining site works. In her strategies, the company during the start of project will ensure sets of essential machineries and equipment at site this will provides comprehensive for client requirement by employ reputable engineers to work efficiently at the site. Advocacy will be more support to enable the Company to provide the services at subsidized costs.

The company will work in a piece mil paid in squire meter and cubic meters. Anticipated price range between 10 to 15US\$. The promoters' own shares from gold processing as source of capital gain in investments. The main source of revenues is from commission share capital and the company anticipates gained shares from gold is 1,103,896US\$ and revenues gained from hiring and extraction of machineries and equipment's is 1,910,869.6US\$.

2.7 Technical Characteristic of the project and related cost

2.7.1. Land acquisition and Buildings

Based on physical inspection of the proposed site, the availability of basic and essential industrial development is in place. The shareholder already purchased the land and the cost of is 20,000US\$ included to this business plane. The estimated sum of land and buildings is 120,000US\$ which include Parking yard, stores and administration block.

2.7.2. Machinery and Equipment.

Proper Company machinery and equipment selection is one of the key problems in the development extraction and drilling in Tanzania. The machinery and equipment must suit the two-fold requirements of the developing countries, i.e., it should be up-to-date to allow quality delivery of extraction and drilling activities. In view of the foregoing, an effort has been made to choose from modern technological alternatives, a level that strikes a balance between fixed costs based on depreciation and variable costs based essentially on wages.

The requirements of various items of equipment have been worked out taking into consideration the quality provision of extraction activities and drilling services, average equipment utilization and normal productivity level of an professional worker etc. While working out details of equipment required, it has been assumed that the Company will work day 365 days a year.

The projects machinery and equipment will be sourced from Europe and recommended machinery and equipment producer in the world according to their experience. Estimated total cost is 4,935,000US\$.

The project will purchase more modern machineries and equipment's such as Excavators, backhoe loaders, dumper trucks, graders etc. Calculated depreciation of machines and other working facilities is estimated to cost 117,394US\$

2.7.3. Motor Vehicles

The project anticipated to purchase 6 motor vehicles costing to 400,000US\$. Administrative vehicle 2 and utility vehicle 4. Light vehicle will facilitate general work at the compound and administrative work.

2.7.4. Furniture & Fittings and office equipment's

This cost item includes the purchase of various office furniture: tables, chairs cabinets, safes, telecommunication gadgets, firefighting equipment, air conditioners etc. A budget of 10,000US\$ will be allocated for office equipment furniture and as part of purchasing furniture the company will allocate 30,000 as miscellaneous cost for purchasing other office facilities in case the budget goes above limit.

2.7.5. Pre-Operational Expenses

Under pre-operational expenses are considered costs like company formation, preliminary project studies, business plan preparation costs, licenses, permits and authorization, including processing of Incentives, and legal fees, travelling expenses, initial recruitment and training expenses, and interest accrued during project construction period. Budget allocated for this is 160,000US\$

2.7.6. Initial Working Capital

This item will mainly cover initial imports of chemicals for gold processing materials to last for the first three months of operations. Otherwise, raw materials will generally be maintained at one month's stock and debtors at one month's sales volume constitute the biggest portion of current assets. Trade credits will be 15 days for the items listed. The initial working capital allocated budget is 250,000US\$

2.7.7. Project Capital Investment Summary

INVESTMENT SUMMARY - TRANSATLANTIC GOLD CORP LIMITED				
S/NO	CAPITAL ITEM	No. OF UNITS	UNIT OF MEASURE	COST US\$
NB	ALL FIGURES IN USD			
A. LAND AND BUILDINGS				
1	Land acquisition			20,000
2	Buildings (administration block)			60,000
3	Store for chemical, spare parts, etc			15,000
4	Parking Yard			25,000
	SUB TOTAL			120,000
B. MACHINERY EQUIPMENT				
1	Excavator - Caterpillars 320DL	6	unit	1,500,000
2	Back hoe Loaders	2	unit	240,000
3	Loaders	3	unit	360,000
4	Dumper Trucks	7	unit	1,400,000
5	Bulldozer	2	unit	400,000
6	Motor Graders	3	unit	450,000
7	Trailers	4	unit	400,000
8	ICT equipment's and accessories	Lump sum		5,000
9	Miscellaneous Tools and Equipment	Lump sum		30,000
10	Standby Generator	1	unit	150,000
	SUB TOTAL			4,935,000
C. MOTOR VEHICLES				
1	Administrative Vehicles	2	unit	100,000
2	Utility Vehicles	4	unit	300,000
	SUB TOTAL			400,000
D. FURNITURE				
1	Office Furniture	set in lump sum		10,000
2	Contiguous	Lump sum		30,000
	SUB TOTAL			40,000
	TOTAL FIXED ASSET			5,495,000
E. CURRENT ASSETS				
1	Pre operational expenses	lump sum		160,000
2	Initial working capital	lump sum		345,000
	SUB TOTAL			505,000
	TOTAL INVESTMENT			6,000,000
EQUITY + LOAN				
1	LOAN (0%)			-
2	EQUITY (100%)			6,000,000
	TOTAL FINANCING			6,000,000

2.7.8. Project Financing

The project costs, including fixed costs (machinery, equipment, building renovations, motor vehicles, office furniture and equipment and pre-operation expenses will be financed by a shareholder and if need be, the combination of bank term loan and shareholders own resources. Working capital requirements will b

financed by short term bank financing in form of overdraft facility. The project promoters are planning to finance project cost in the following pattern:

2.7.9. Project Implementation

Full implementation of the project is planned to take place by July 2021. Machineries and motor vehicles will be imported immediately while mobilization of resources is in process.

2.7.10. Auxiliary Materials/ services

Falling under this category of extraction and drilling services, utilities and service facilities must be considered,

Utilities and service facilities that will need to be provided in this plant are as follows:

- (i) Workshop
- (ii) Electric power
- (iii) Water supply
- (iv) Miscellaneous facilities {Canteen; First Aid Kit, Storage and transport and Office Facilities}

(i) Workshop

It is necessary to make provision for a small workshop in the Company premises so that certain maintenance operations could be carried out following sudden breakdowns and major routine matters.

The facility will comprise of necessary machines like small centre lathe, drilling machine, welding set, soldering and gas-cutting equipment including complete electrical kit to take care of necessary electrical maintenance as well as to replace worn-out parts and periodic oil and greases needs for the Company. Equipment provision has been restricted to the minimum.

(ii) Electric Power and Generator

The proposed site will be supplied with industrial production 3-phase standard power supply from Tanzania Electric Supply Company (TANESCO), the electricity is available through the National Grid Line from Mwanza to Geita Region. As part of an alternative power supply, the Company will heavy duty 100KVA power generator automated generator that will be connected to the all-necessary Company compound for standby power supply. The Company will install an online UPS system that secures clean and uninterrupted power free of surges, brownouts, fluctuations and other power problems.

(iii) Water Supply

Apart from the needs of electric power, water is also required for the actual process and other social needs. The proposed site has close to TAWASA water network, the agency is major supplier of water to urban and peri urban area in the city. While depending on water supply from TAWASA, the main line is close to the proposed industry from bukombe district-urban area. The main line from this source will be tapped and let to the land site and water collected in an overhead reservoir provided at the top of the building of the plant. Adequate provision has been made in the project cost for the overhead tank and supply and laying of pipelines etc.

(iv) Miscellaneous Facilities e.g. First Aid Kit, Storage and Transport, Office Facilities etc

- Provision has been made in the project costs for necessary facilities for external telephones and fire alarm system;
- Sickness and ill-health are recognized to be among the cause of absenteeism and low morale leading to decreased provision of health care, increased waste and bad employee-management relations. Therefore, necessary provision has been made for the canteen and first aid facilities in case of accidents, sudden sickness etc.
- Storage and transport needs of the Company have been duly recognized and been attempted mostly manual,
- Necessary provision for furniture and office equipment has been made in the Capital Cost estimates.

2.7.11. Waste management for industry

In order to create a sustainable society, it is necessary to develop effective utilization of all sorts of wastes. One of the major wastes from our living is fiber wastes. Fiber wastes are generally divided to nonindustrial (organic chemicals) and industrial wastes (inorganic Chemicals). In her strategic management for a Company; the industry has to move from an understanding of improvement at all costs to an understanding of continuous and balanced improvement once established. In modern times, environmental protection is being implemented not because it is enforced law, but as an administrative philosophy.

Rapid degradation in environmental conditions has changed at attitude of industrial managers toward ecological environment and had them consider ecology a significant factor while taking decisions related to industrial management. Parameters responsible for environmental pollution include chemicals discharged into air, water and soil as well as energy pollution all these will take into consideration of the proposed project.

3.0. MANPOWER AND PROPOSED SALARY BUDGET

3.1. Employment

The Company is looking at providing direct employment to at least 42 permanent jobs on full implementation and operation of the project. The project is divided into 2 Departments; Administration and finance (4) and Operational department which include supervisor (2) machineries' operators (27) drivers (8) and supporting staff (3).

3.2. Recruitment

Recruitment of the 27 persons will be carried out by giving first preference to ex-technician from our local technical institutes such as Vocation Education Training Authority "VETA" and employees of company in Tanzania, based on demonstration of skills and aptitude basis and their willingness to work for Transatlantic Gold Corp Limited. Careful methodology is being worked out by a competent management consultant who will set the job descriptions. To ensure that the right calibre is recruited. Recruitment of expatriate personnel will be carried out in consultation with the relevant authorities in Government and the collaborating agencies.

3.3. Training and the use of consultants

The Transatlantic Gold Corp Limited plans to initially carry out on the job training for most of the technical staff to be dispatched to the project site by the suppliers of the machineries and equipment's of the Company which will be specified under sales agreement. In general, the Company will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.

Whereas the Company will endeavor to obtain the best talents to fill the permanent posts in the organization, it is intended where necessary, to continue with the policy of hiring out some specialized skills by way of consultants (Visiting staff). Alternatively, those skills not required throughout the year will be left to consultants. The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses, guidance to management and regularly monitor and evaluate performance of the project.

Table 3.1. Proposed manpower requirement:

S/No.	DEPARTMENT	NUMBER S	MONTHLY SALARY US\$	ANNUAL BUDGET US\$
A	ADMINISTRATION AND FINANCE			
	Project Manager	1	1,500	18,000
	Cash Officer	1	750	9,000
	Supplies Officer	1	600	7,200
	Personal Secretaries	1	300	3,600
	SUB TOTAL	4		37,800
B	OPERATION			
	Supervisor (Civil & Mechanics Engineers)	2	1,100	26,400
	Excavator - Caterpillars 320DL - Operators	6	600	43,200
	Back hole Loaders-Operator	2	600	14,400
	Loaders - Operators	3	500	18,000
	Dumper Trucks - Operators	7	500	42,000
	Bulldozer - Operators	2	450	10,800
	Motor Graders - Operators	3	450	16,200
	Trailers - Operators	4	500	24,000
	Drivers	8	300	28,800
	Support Staff	3	250	9,000
		SUB TOTAL	38	
	GRAND TOTAL	42		270,600

4.0. FINANCIAL ANALYSIS

4.1. Production, Revenue and project viability

- ❑ The estimated revenue gain in providing 3,014,766US\$ annually excluding Value Added Tax during the first year in operation of the Company,
- ❑ Net profit before tax is 1,341,646US\$ for the first year, and increases to second year to 1,442,190US\$, third years increases tremendously,
- ❑ Percentage of gross contribution for the first year 45%, 46% second years and increases to 57% to the 10th year as shown in income statement,
- ❑ Net profit after tax and depreciation for the first years in operational is 856,976US\$ and increases positively, the project is able to pay corporate tax 367,976US\$ which has positive contribution to GDP of the country,
- ❑ The expected sales increase annually is 5% while expenses increase by 3% which depends on inflation rate of the country
- ❑ Total investment cost of the project is 6,000,000US\$ whereas the own equity is 100% and loan-able amount ZERO, project current assets for the first year is 856,976 US\$, fixed asset 5,495,000US\$, Project liquidity is 1,341,622US\$
- ❑ The end balance of project in cash flow statement is positive and increases tremendous.
- ❑ Cash generated from operation and net cash from operational activities increases positively of project (see cash flow sheet)
- ❑ The Discounted Cash flow yields an Internal Rate of Return (IRR) of 14.06%, which is well above the assumed cost of capital at 8% (estimated average interest to commercial banks in Tanzania for US\$) of project is within 6 years. This confirms the financial viability of the proposed project.
- ❑ Return on Investment is anticipated to 14.5% which is above bank interest rate, which show strength in recover bank loan within project economic life - see balance sheet,
- ❑ Depreciation of fixed assets and amortization of the pre-operational expenses rates used are as follows: land 5%, Civil Works/ Structures/Buildings 5.00% on straight line basis, Plant Machinery & Technical Equipment 12.50% on straight line basis, Motor Vehicles. 20.00% on straight line basis. The business plan use 12.5% as depreciation factors,
- ❑ Salaries and Wages have been based on the prevailing scales in the industry. There is provision of 20% to cover company contribution to

NSSSF (10%) and other social welfare (10%). Included to the total amount (see Income statement)

- Corporate Tax is fixed at 30% of taxable profits.
- The business plan has an assumption all capital investment will be recovered within 6 years for 10 year projected economic life,

4.2. Capacity Utilization

For projection purposes, it is assumed that the Company will operate for a single shift with approximately of 8 hours per single shift, (makes 24 hours/day) in a day, 30 days a month or 365 days per year.

5.0. RISK ANALYSIS

5.1. Risk Analysis

Risk is the probability that an event or action will adversely affect the organization. Risk assessment is the identification and analysis of risks associated with the achievement of operations, financial reporting and compliance goals and objectives. Risk management is a central part of the Company. The industry's management will determine the level of operations, financial and compliance risk they are willing to assume. Risk assessment is one of the Collage's management responsibilities.

5.2. Macroeconomic risk analysis

Since early 1986, the government of Tanzania has launched a comprehensive economic policy and stabilization plan with the aim to enhance the amount of infrastructure construction and improve the lives of the poor. During this time the main economic indicators significantly improved. However, uneven development of various region in the country, lack of relevant infrastructure in transportation, telecommunications, networking, health facilities, electricity and water supplies have proven to be investment barriers. Overall, Tanzania has a weak economic foundation but the project can achieve a greater impact in attaining social and economic goals for the country.

5.3. Finance risk analysis

- a) **Supply Risk:** The risk in consumable good relates to supply of raw material, transportation and price fluctuations. There is no assurance of enough supply of raw materials in the local market instead mostly of raw materials are imported.
- b) **Processing Risks:** The technology, machines and equipment used in in rudimentary stages all of which contribute to reducing output efficiency. Also quality/food safety and standards consideration in the Company environment is limited.
- c) **Sales/market risk:** Placing on the consumer markets bears risk of demand fluctuations and rejections through the implementation. Furthermore, consumers are not aware of the Company and safety criteria and are usually very pricing sensitive.

5.4. Other potential external risk

- a) **Lack of Governance:** the governance mechanism in the value chain is underdeveloped, actors operate in an uncoordinated and unorganized fashion, and if rules exist they are often ignored;
- b) **Lack of market coordination:** No lead organization has a coordinating role in relation to markets, technology and information such that producers and processors have no incentives for improving neither their product nor the chain process to promote sustainable income earning opportunities;
- c) **Unclear and conflicting roles regulatory authorities:** Regulatory Agencies are responsible for quality control as well as enforcing TBS, Ministries and their bodies, NEMC etc, are regulatory role in issuing licensing etc
- d) **Industry associations:** Associations are weak at all levels of the chain;
- e) **Operating procedures:** Standard procedures are inadequately enforced, or not enforced at all, because of relaxed production and trade regulations; and
- f) **Integration:** there is little vertical integration of importers, mid chain actors and processors.

5.5. Mitigating potential risk

The development of a large and complex project such as Transatlantic Gold Corp Limited is necessarily accompanied by multiple risks during all the phases of the project development, construction, operation and maintenance. The right approach to manage the project in a manner which is fairly and adequately address the multiple risks in a comprehensive as well as systematic manner is to use the risk analysis and management methodology which identifies the risk issues and their instrumental cause. In this regard, the risk is eliminated or effectively managed by the party best suited with capacity to handle or deal with the risk factors.

6.0. ECONOMIC AND SOCIAL ASPECTS

6.1. Broad Socio-Economic impact of the project

In the Business field, what still really matters most is “*What is the return on investment of your project?*” The challenge thus created is to determine the relationship between community and social impact and business value (or return on investment). Many public, private and community stakeholders have over the past few decades become disappointed about the potential social impact and value of Corporate Social Investment (CSI) projects. Transatlantic Gold Corp Limited will apply the CSI perspective, social impact assessment as a tool that will be used to qualify and quantify the social, economic and environmental changes and outcomes that will occur over a period of time, within the development context, as the result of the factory investment. In order to address the impact assessment framework, the company will apply the Impact Investment Index, which will show through evaluation and assessment, the social impact of the project through a blend of indicators that are able to prove positive short-, medium- and long-term impacts.

Impact Investment Index Framework

Impact Investment Index		
Frame Work for TRANSATLANTIC GOLD CORP LIMITED		
Performance Area	Quantitative Indicator	Remarks
Investment Capital	Total investment capital, CAPEX and OPEX 6,000,000US\$	Substantial amount of capital invested into the domestic economy
Income Tax Annually	Indicative Annual audit report 367,276US\$	Increased GDP of the national
Job requirements	Job creation after establishment of the project is 42 DIRECT TANZANIAN JOBS	Reasonable number of direct jobs created to local Tanzanians with direct impact on poverty reduction through enhanced income generation
Technology applied	High Tech Environmentally friendly machinery	Applied technology which is free from environmental pollution
Other Implied Project Benefits		
<ul style="list-style-type: none"> ▪ Increased sales to the Utility Companies providing services of 		

electricity, water and sewerage, telecommunications;

- Increased business transacted by local banks and institutions providing financial services;
- Business opportunities for local contractors and sub-contractors during the construction phase;
- Increased regional intra-trade and international trade due to better infrastructure facility and links to markets; and
- Contribution to GDP growth through increased economic activities

Based on the Impact Investment Index analysis, the Institute can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements. In this regard therefore, Transatlantic Gold Corp Limited will promote the good health and increases Tanzania life span, create employment, attract new technologies, expand earnings and ultimately contribute substantially to the country's economic growth.

7.0. FINANCIAL MODELLING AND ANALYSIS

The Financial Modelling and analysis, is the main source of information for assessing the potential financial viability of the Transatlantic Gold Corp Limited. The analysis is based on the assumptions that have been taken for the implementation of the site development, demand and the associated potential investment requirements for a 10-year time period. The purpose of establishing this Company is to speed up the country's economic development by being a catalyst for restructuring the existing collage to set up and attracting new, both foreign and domestic entrepreneurs to a liberalized legal business framework.

7.1. Project investment inputs and revenue

Table 7.1. Project investment inputs and revenue

A. Commission from chare capital	
Monthly gold production in Kilograms 2%	2.5
Annual production of gold	30.00
selling price per MT	36,796.54
Annual commission from Mining	1,103,896.10
Subtotal US\$	1,103,896.10
B. Commission from hiring machines and equipments	
Excavator - Caterpillars 320DL @ 6	469,565.22
Back hole Loaders @ 2	130,434.78
Loaders @ 3	176,086.96
Dumper Trucks @ 7	456,521.74
Bulldozer @ 3	195,652.17
Motor Graders @ 3	176,086.96
Trailers @ 4	208,695.65
Miscellaneous Tools and Equipment	78,260.87
Standby Generator	19,565.22
Sub Total in US\$	1,910,869.57
GRAND TOTAL in US\$	3,014,765.7

7.2. Objective and Scope of Financial Model

7.2.1. Objective

The main objective of the financial modelling and analysis is to setup a financial model framework for potential generated revenues and operational & maintenance costs for the full operation of Transatlantic Gold Corp Limited based on the assumptions taken for the Market Analysis, the plan for the facility development, unit production costs and other overhead and operational charges.

7.2.2. Scope

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the Company on the Market Analysis. The financial model has been developed in excel spread sheet and include information on costs, expenses and the subsequent sales revenue based on the average market prices and linked to the financial cash flow.

ANNEX I - INCOME STATEMENT

(all numbers in US\$)

Revenue												
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>TOTAL</u>
COMMISSION - SHARED CAPITAL	-	1,103,896	1,159,091	1,217,045	1,277,898	1,341,793	1,408,882	1,479,326	1,553,293	1,630,957	1,712,505	13,884,687
COMMISSION FROM HIRING		1,910,870	2,006,413	2,106,734	2,212,070	2,322,674	2,438,808	2,560,748	2,688,785	2,823,225	2,964,386	24,034,712
Total Operating Revenue	-	3,014,766	3,165,504	3,323,779	3,489,968	3,664,467	3,847,690	4,040,074	4,242,078	4,454,182	4,676,891	37,919,399
Expected Expenses												
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Total</u>
Salaries		270,600	278,718	287,080	295,692	295,692	304,563	304,563	313,700	313,700	323,111	2,987,416
Social Charges & Pension Payments		54,120	55,744	57,416	59,138	59,138	60,913	60,913	62,740	62,740	64,622	597,483
Consumable goods - raw materials		180,000	185,400	190,962	196,691	196,691	202,592	202,592	208,669	208,669	214,929	1,987,195
Administrative expenses		144,000	148,320	152,770	157,353	157,353	162,073	162,073	166,935	166,935	171,944	1,589,756
Fuel and lubricants		288,000	296,640	311,472	327,046	327,046	343,398	343,398	360,568	360,568	378,596	3,336,731
Security services		86,400	88,992	91,662	94,412	94,412	97,244	97,244	100,161	100,161	103,166	953,854
Work wear and other facilities		144,000	148,320	152,770	157,353	157,353	162,073	162,073	166,935	166,935	171,944	1,589,756
Licensing and other charges		36,000	37,080	38,192	39,338	39,338	40,518	40,518	41,734	41,734	42,986	397,439
Utilities -		60,000	61,800	63,654	65,564	65,564	67,531	67,531	69,556	69,556	71,643	662,398
Other Costs		410,000	422,300	434,969	448,018	448,018	461,459	461,459	475,302	475,302	489,561	4,526,389
Total Operating Costs		1,673,120	1,723,314	1,780,946	1,840,604	1,840,604	1,902,363	1,902,363	1,966,301	1,966,301	2,032,502	18,628,417
Net Earnings before Depreciation, I & Tax		1,341,646	1,442,190	1,542,833	1,649,364	1,823,863	1,945,327	2,137,712	2,275,777	2,487,880	2,644,389	19,290,982
<i>%age Gross Contribution</i>		45	46	46	47	50	51	53	54	56	57	1
Depreciation at 12.5% (Machine.)		117,394	126,192	134,998	144,319	159,588	170,216	187,050	199,130	217,690	231,384	1,736,188
Net Earnings before Tax & Interest		1,224,252	1,315,999	1,407,835	1,505,045	1,664,275	1,775,111	1,950,662	2,076,646	2,270,191	2,413,005	17,554,793
Interest Paid (Bank Loan)		-	-	-	-	-	-	-	-	-	-	-
Tax (30%)		367,276	394,800	422,351	451,514	499,282	532,533	585,199	622,994	681,057	723,902	5,280,906
Net Earnings		856,976	921,199	985,485	1,053,532	1,164,992	1,242,578	1,365,463	1,453,652	1,589,134	1,689,104	12,322,115

ANNEX II -CASH FLOW FROM OPERATING ACTIVITIES

Cash Flow statement from Investing Activities for ten years										
(all numbers in US\$	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>										
Cash receipts from Sales	3,014,766	3,165,504	3,323,779	3,489,968	3,664,467	3,847,690	4,040,074	4,242,078	4,454,182	4,676,891
Cash paid to suppliers and employees	(1,673,120)	(1,723,314)	(1,780,946)	(1,840,604)	(1,840,604)	(1,902,363)	(1,902,363)	(1,966,301)	(1,966,301)	(2,032,502)
Cash generated from operations	1,341,646	1,442,190	1,542,833	1,649,364	1,823,863	1,945,327	2,137,712	2,275,777	2,487,880	2,644,389
Dividends received*	0	0	0	0	0	0	0	0	0	0
Interest received	0	0	0	0	0	0	0	0	0	0
Interest paid	0	0	0	0	0	0	0	0	0	0
Tax paid	(367,276)	(394,800)	(422,351)	(451,514)	(499,282)	(532,533)	(585,199)	(622,994)	(681,057)	(723,902)
Net cash flow from operating activities	974,370	1,047,391	1,120,483	1,197,851	1,324,580	1,412,794	1,552,513	1,652,783	1,806,823	1,920,488
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>										
Replacement of equipment	0	0	0	0	0	0	0	0	0	0
Proceeds** from sale of equipment	0	0	0	0	0	0	0	0	0	0
Net cash flow from investing activities	0	0	0	0	0	0	0	0	0	0
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>										
Proceeds from capital contributed	6,000,000	0	0	0	0					0
Proceeds from loan	0	0	0	0	0					0
Payment of loan	0	0	0	0	0	0	0	0	0	0
Net cash flow from financing activities	6,000,000	0	0	0	0	0	0	0	0	0
<u>NET INCREASE/ DECREASE IN CASH</u>	6,879,370	1,047,391	1,120,483	1,197,851	1,324,580	1,412,794	1,552,513	1,652,783	1,806,823	1,920,488
Cash at the beginning of the period	856,976	921,199	985,485	1,053,532	1,164,992	1,242,578	1,365,463	1,453,652	1,589,134	1,689,104
Cash at the end of the period	7,736,346	1,968,590	2,105,968	2,251,383	2,489,573	2,655,372	2,917,976	3,106,435	3,395,957	3,609,591

ANNEX III – PROFOMA BALANCE SHEET

Pro forma balance sheet										
(all numbers in US\$)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ASSET										
Current asset	856,976	921,199	985,485	1,053,532	1,164,992	1,242,578	1,365,463	1,453,652	1,589,134	1,689,104
Fixed asset	5,495,000	5,377,606	5,251,414	5,116,416	4,972,097	4,812,509	4,642,293	4,455,243	4,256,113	4,038,423
Liquidity	1,341,646	1,442,190	1,542,833	1,649,364	1,823,863	1,945,327	2,137,712	2,275,777	2,487,880	2,644,389
TOTAL ASSET	7,693,622	7,740,995	7,779,732	7,819,312	7,960,952	8,000,414	8,145,468	8,184,672	8,333,127	8,371,916
NET ASSET MINUS DEPRECIATION	7,576,228	7,614,804	7,644,735	7,674,993	7,801,364	7,830,198	7,958,418	7,985,542	8,115,437	8,140,532
EQUITY & LIABILITIES										
Equity	5,905,000	5,609,750	5,329,263	5,062,799	4,809,659	4,569,176	4,340,718	4,123,682	3,917,498	3,721,623
Reserves	0	0	0	0	0	0	0	0	0	0
Total Own Equity	6,000,000	5,609,750	5,329,263	5,062,799	4,809,659	4,569,176	4,340,718	4,123,682	3,917,498	3,721,623
Provisions	1,186,558	1,484,063	1,758,124	2,016,361	2,332,834	2,558,272	2,845,452	3,039,736	3,299,193	3,463,623
Long term loan	0	0	0	0	0	0	0	0	0	0
Short term Liabilities	484,669	520,991	557,349	595,833	658,870	702,749	772,248	822,124	898,747	955,286
Total Equity & Liabilities	7,576,228	7,614,804	7,644,735	7,674,993	7,801,364	7,830,198	7,958,418	7,985,542	8,115,437	8,140,532
CL/CA	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57
DEBIT/CAPITAL RATIOS	0.22	0.26	0.30	0.34	0.38	0.42	0.45	0.48	0.52	0.54
ROI	14.5	16.4	18.5	20.8	24.2	27.2	31.5	35.3	40.6	45.4
BREAK EVEN POINT	4.10	3.73	3.40	3.10	2.73	2.47	2.17	1.96	1.71	1.53
BREAK EVEN RATIO	1.61	1.56	1.52	1.48	1.37	1.34	1.25	1.23	1.15	1.13
EQUITY/TOTAL LIABILITIES	78	74	70	66	62	58	55	52	48	46

ANNEX IV - LOAN PAYMENT SCHEDULE

Loan Information and Payment Schedule					
Loan Data	All number in US\$		Loan Summary		
Original Principal	-		Scheduled Payments		-
Loan Term (Years)	10.00		Scheduled number of payments		10.00
Annual Interest Rate	8%		Actual number of payments		10.00
Payments per Year	1.00		Total Early Payment		-
Payment	-		Total Interest		-

Year	Payment	Interest	Cumulative Interest	Principal	Balance
-					-
1.00	-	-	-	-	-
2.00	-	-	-	-	-
3.00	-	-	-	-	-
4.00	-	-	-	-	-
5.00	-	-	-	-	-
6.00	-	-	-	-	-
7.00	-	-	-	-	-
8.00	-	-	-	-	-
9.00	-	-	-	-	-
10.00	-	-	-	-	-
		-			

ANNEX V- INTERNAL RATE OF RETURN

IRR for the Project		
(all numbers in US\$)		
	Initial Investment	-6,000,000.00
Year 1	Additional Annual Net Profit	856,976
Year 2	Additional Annual Net Profit	921,199
Year 3	Additional Annual Net Profit	985,485
Year 4	Additional Annual Net Profit	1,053,532
Year 5	Additional Annual Net Profit	1,164,992
Year 6	Additional Annual Net Profit	1,242,578
Year 7	Additional Annual Net Profit	1,365,463
Year 8	Additional Annual Net Profit	1,453,652
Year 9	Additional Annual Net Profit	1,589,134
Year 10	Additional Annual Net Profit	1,689,104
	IRR (in 10 years)	14.06%

The IRR above indicates that the expected return on the TZS6,000,000 initial investment after 10 years is 14.09%.

ANNEX VI - PAYBACK PERIOD

Payback Period Analysis				
	Year	Beginning Balance	Net Cash Flows	Ending Balance
Cost of investment	0.00	6,000,000.00	0.00	6,000,000.00
	1.00	6,000,000.00	856,976.17	5,048,023.83
	2.00	5,048,023.83	921,199.09	4,126,824.74
	3.00	4,126,824.74	985,484.80	3,141,339.94
	4.00	3,141,339.94	1,053,531.57	2,087,808.38
	5.00	2,087,808.38	1,164,992.42	922,815.96
	6.00	922,815.96	1,242,577.75	319,761.79
	7.00	319,761.79	1,365,463.34	1,685,225.13
	8.00	1,685,225.13	1,453,652.28	3,138,877.41
	9.00	3,138,877.41	1,589,133.65	4,728,011.06
	10.00	4,728,011.06	1,689,103.58	6,417,114.64

Payback Period =	6.00	Years
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8.0. CONCLUDING REMARKS AND WAY FORWARD

8.1. Evidence of project viability based on financial model and policy framework support

On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the Company as prescribed on this business plan have shown that the project is commercially viable. Nonetheless, Transatlantic Gold Corp Limited through professional consultative manner, will continue to find ways of implementing cost effective options given time and financial resources that will be made available. Financial analysis results show that when the Company is financed 100% by shareholders totaling to 6,000,000US\$, in financial analysis the project it gives IRR of about 14.06%. The computed IRR is well above annual loan interest rate of 8.0% as ceiling rates to all foreign bank interest in Tanzania which is technically interpreted that the project is financially viable. The payback period for the project is estimated between 5-6 years, which is within the range for this type of investment. Sensitivity analysis results also favor the project. Financial analysis for the project has shown feasible returns. Based on the investment scope and the assumptions taken in this Business Plan, the project will not face any difficulties during establishment, according to the projected cash flow be in a position to accomplish repayment of the loan and start generating profit.

8.2. Policy Framework Support

The development of the Transatlantic Gold Corp Limited is designed to take advantages of the current Tanzanian market-oriented reforms. The Project will be developed and expanded to accelerate the industrialization process. The vision 2025 emphasizes the importance of the allocation of public funds for strategic investments and private sector financing for development investments.

The 15 years Perspective Plan (2020-2025); Prioritize private investment in the context of Public Private Partnership. The First Five Years Development Plan (2020-2025) recognizes the fundamental role of the private sector in enabling the government to allocate its fund to strategic projects to facilitate a higher level of development. MKUKUTA III (2020-2025) identifies Public Private Partnership as a means of increasing the level of stakeholder participation and of easing the financial burden on the government. It should be noted that existing public resources are clearly insufficient to meet Tanzanian's huge development needs. The increased use of private enterprises participation in development projects can help alleviate the financing gap. This approach is now applied by Transatlantic Gold Corp Limited to ensure development of one among the ultra- modern Mining company especially in Mining sector expanded in Bukombe,

Geita Region. Private sector and investment have been recognized as the most significant potential source of additional funding required to facilitate development projects.

8.3. Conclusive Remarks and Way Forward

The development of this company will be funded by private finances. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 6,000,000US\$ and the amount will be raised from promoters own equity of 100%. The company I will fund the development of the project for mining industries by importing machineries and equipments as stated on this business plan. Before the company engages into the development of this project as a private enterprise, it needs to accomplish the pre development activities to make way for the development of the designated project.

a) Conduct Environmental Impact Assessment.

The company has to engage a consultant to conduct EIA in order to ensure that environmental and possibly other sustainability aspects are considered effectively in policy, plan and project development. The EIA Directive aims at introducing systematic assessment of the environmental effects of strategic land use related plans and programs. It typically applies to regional and local, development, waste and transport plans, within the country. EIA ensures that plans and programs take into consideration the environmental effects they cause.

b) Mobilization of project requirements

The structure should include all vital service facilities described in this business plan. When possible, the process of design of the facility should be consultative inasmuch that it should allow and incorporate ideas from experienced professionals from the industry.

c) Mobilizing Funds

As previously discussed on the Financial Analysis of this business plan, financing mechanism for the Company should be scrutinized well before commencing the project implementation. There may be several options of financing the project development but the firm will find the best option. The investment team should do consultation with relevant financial institutions (Banks and non-bank Financial Institutions), both within and outside the country. This exercise should be more effective if the team works closely with central government agencies, particularly mining regulatory agency, PORALG, TRA, etc