

MLAWAJI COMPANY LIMITED
BUSINESS PLAN

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EXECUTIVE SUMMARY

Mlawaji Company Limited is Tanzanian citizen mining company, whose Principal activities are the exploration, development, mining and selling of Gypsum and Limestone. Gypsum and Limestone are used as major input raw materials in the cement production process, so are the cement producing companies in Tanzania

The company acquired its first registration with the Tanzanian Business Registration and Licensing Agency (BRELA) on 23rd June 2022 as a limited liability company, with its registered office in Dar es Salaam, Tanzania and two other resident operational offices in Lindi Region where the mine sites are located. Currently, the company has acquired a total of 253 acres in four different villages for mine sites within Lindi region, namely Matapwa village (85 acres), Kiwawa village (100 acres), Hoteli tatu village (40 acres) and Makangaga village (28 acres). Primary Mining Licenses (PML) has already been obtained for all the four mine sites, so are ready to kick off and start operations

The Company is owned by four Tanzanian individuals, the majority shareholder of the company is Mr. Juma Mlawa who is the visionary founder of the company.

Four years prior to formation of the Company, Mr. Juma Mlawa, the founder, carried out a vast extensive and detailed scrutiny of gypsum and limestone market and it's availability in Tanzania, where he realized that, the cement manufacturing industry in Tanzania has been frequently hit severely by shortage in supply of gypsum and limestone, in some occasions, the shortage necessitated cement manufacturing companies to import Clinker which is a blend of gypsum and limestone

In his search for gypsum and limestone underground reserves in Lindi region, he spotted protruded rocks which preliminarily indicated to be rich in gypsum and some others rich in Limestone, samples were taken from these rocks to different laboratories for testing, laboratory results proved that the samples taken from the above four mentioned villages were Gypsum and Limestone positive and very rich. Further, Ngalandu Mining was engaged for an extensive exploration in those areas to determine whether, there is viable economic quantity of Gypsum ore

and Limestone ore in the area to justify making a mine site investment. Exploration results came out very impressive, the quantity is viable with estimated 32 Million metric tons (MT) of mineable gypsum and 47,442,500 metric tones (MT) of mineable limestone. Gypsum ore was found to be covering total area of 96 acres and Limestone ore covering total area of 157 acres.

A technical mining consultant was engaged to develop Mine plan in order to determine Life Of the Mine (LOM) and to ensure mining operations will be carried out in an orderly and efficient manner, also the mine plan covers suggested setup for the Mine and infrastructures such as mine patterns, mine bench sizes, waste pad, rom pad, ore hauling roads, office location and workshop location, it also covers restoration plans at the end of the mine. The current mine plan indicate that life of the mine is estimated to be 50 years.

Short-term plans of the company is to start operations by only mining and selling of raw gypsum and limestone to cement manufacturing companies

Long term plans of the company is to invest on clinker production plant, where limestone will be used in the clinker production plant as raw material, this will add more value. This will create more employment and result to higher company's value and returns

Currently, Management is in final discussion with five major potential customers from cement manufacturing industry in the country, all of them have expressed their interests to buy gypsum and limestone from the company once we start production

Todate, a sum of TZS 670,000,000/= has been incurred as pre-operational costs and a sum of additional TZS 4,217,200,000 is needed for capital investment and working capital requirements to start operations.

The Board has resolved to borrow a sum of 4,200,000,000/= (Tanzania Shillings Four Billion, Two Hundred Million)

Juma Mlawa
Chief Executive Officer

BUSINESS OVERVIEW

Introduction

The company was registered on 23 June 2022 in Tanzania with certificate of registration No. 156588814 as a limited liability company with total 10,000 authorized ordinary shares of TZS 10,000/- each, totade total issued shares amount to

Company's business

The company is registered to carry on business of exploration, development, mining and selling of Gypsum and Limestone, these materials are used in the construction industry, whereby gypsum and Limestone are used as major input raw materials in the cement production process, other uses of gypsum and limestone are as raw materials in the manufacturing of roofing materials and tiles manufacturing industries.

Share holders

The Company is owned by four Tanzanian individuals, the majority shareholder of the company is Mr. Juma Mlawa who is the visionary founder of the company, other shareholders are Mr. Seleman Juma Said, Ms. Amina Abdallah and Mr. Nashon Abdallah Mchopa

Mr. Juma Mlawa is involved in day to day running activities of the company as Chief Executive Officer (CEO), he is also a director of the company. Other shareholders are Non executive directors. Below are shareholders details in brief;

No.	Name	Position	Nationality	Age
1	Mr. Juma Mlawa	Director	Tanzanian	41
2	Mr. Seleman J. Said	Director	Tanzanian	54
3	Ms. Amina Abdallah	Director	Tanzanian	33
4	Mr. Nashon A. Mchopa	Director	Tanzanian	34

Share capital and share holding

Total issued share capital of the Company and shareholding are detailed below

No.	Name	Nationality	% holding	Shares	Value
1	Mr. Juma Mlawa	Tanzanian	71%	7,100	71,000,000
2	Mr. Seleman Said	Tanzanian	10%	1,000	10,000,000
3	Ms. Amina Abdallah	Tanzanian	10%	1,000	10,000,000
4	Mr. Nashon Mchopa	Tanzanian	9%	900	9,000,000
			100%	10,000	100,000,000

Capital structure

The directors consider the right mode of financing the business to be a mix of both internal and external financing where equity and debt instrument will be used

Equity financing

This portion of financing is made up of shareholders to the tune of their shareholdings. In future shareholders will receive dividends in return of their investments in the business

Debt financing

This part of financing will be through loans from financial institutions, currently the directors are working on securing the right institution with reasonable terms in providing such finance facility

Need for the business

The present rapid growth in the construction industry in the country and the frequent cement shortages experienced in Tanzania has created the opportunity in more supply of gypsum and limestone. Currently there are lot of ongoing construction of strategic projects and infrastructures in Tanzania, such as the Standard Gauge Railway (SGR), Julius Nyerere Hydropower Station, the new Mtumba Government city in Dodoma, etc. Also the Tanzania government has restricted importation of cement in the country in order to protect the local cement manufacturers, all these factors combined with the growing population of the East Africa Community (EAC) has increased the potential for this business.

The Industry

Construction industry in the country has always been growing up, 15 years back there were very few cement manufacturers in the country, recently there has been a rapid growth in the number of manufacturers so as to keep up with cement demand in the country. Recently there has been introduction of new members in the EAC such as Democratic Republic of Congo and South Sudan, this increase demand for cement and gypsum, and in turn will increase players in the industry, hence more gypsum and limestone demand

Products

Directors have resolved short-term plans of the company to start operations by only mining and selling of raw gypsum and limestone to both cement manufacturing companies and those who are in need of only gypsum as it can be used in the manufacturing of roofing materials without blending it with limestone

In the long run, directors considers investing on clinker production plant, where gypsum and limestone will be used in the clinker production plant as raw materials to produce clinker, therefore, then after, the company will be presenting three products in the market, ie gypsum, limestone and clinker

Entry strategy

Knowing the shortage experienced by cement manufacturing companies in the country in supply of gypsum and limestone, our management team approached major cement manufacturing companies during the final stage of our exploration phase (when already had preliminary lab. results), in order to establish business relationship with them and to understand their needs in-terms of gypsum and limestone qualities which conforms with their production standards. In so doing, we provided our products samples to them, which were then tested in their in-house laboratories, all of them were impressed with quality of samples we presented to them, to the extent some of them wanted to partner with us so that they can secure assurance of getting the supplies from us.

We used the strategy of providing samples for testing in potential customers' laboratories, in order to introduce our products to them and be able to win them at once, since at that time we were in the final stage of exploration and were sure of our product's quality.

Currently, Management is in final discussion with the following five major potential customers who have expressed their interests to buy gypsum and limestone from the company once we start production

- Dangote Cement Company
- Mtwara Cement
- Diamond Cement
- Camel Cement
- Tangy Abns Company Limited

SWOT- Analysis

Strengths

- Location of the mine sites – Our mine sites are located in Lindi region, this gives us advantage of being closer to most of large cement producing companies whose production plants are located within Mtwara, Tanga, pwani and Dar es Salaam, currently some of these companies are sourcing gypsum and limestone from Dodoma which is far compared to Lindi
- Gypsum and limestone from our sites are of high quality
- We will start mining gypsum and limestone from our sites at a very shallow depth
- Diverse management team - some are specialized in the technical aspects and others in managerial and financial aspects of the business.

Weaknesses

- Rough roads from Lindi township to mine sites will have negative impact on trucks and roads maintenance costs
- Borrowing costs, we may incur substantial borrowing costs as big part of our funding is from external source
- Difficulties in getting the right and experienced staff from within Lindi region

Opportunities

- Increased population has positive impact in the construction industry, hence more demand for gypsum and limestone
- Presence of pozzolana rocks in land which is already acquired by the company creates opportunity for the company to offer another product in the market
- Recruitment of more countries as members in the EAC will increase market for construction materials (Cement, gypsum roofing materials and Pozzolana)
- Possibility to increase and acquire more land with gypsum limestone and pozzolana
- Presence of Mable rocks in land which is already acquired by the company creates opportunity for the company to offer another product in the market

Threats

- Main and local Government regulations
- Society inversion in the mine site with invalid claims against the company – This is an industry practice
- Increasing borrowing interest rates
- Climatic changes

Strategies to overcome weaknesses and threats

- Owner's commitment and close monitoring of operations to ensure speedy loan repayment
- Instituting our board's finance and advisory committee to monitor closely financial aspects of the company
- Investing on tamed road from mine site to Lindi township
- Being open-minded and accepting criticism from customers. This will enable the business to change its strategies to the needs of the market.
- Having procedures to keep our team todate with changing regulations.
- Maintaining bank accounts with credit providers so as to track company's creditworthiness.

MARKETING STRATEGY

Target market

The company's potential customers are cement manufacturing companies and gypsum roofing materials manufacturers

Competition

There are few small scale miners within Lindi region and others in Dodoma city, however, we are confident to beat competition since we have the following advantages against them;-

- They operate in small scale
- Our mine sites are located in the best strategic geographical location
- We have the best high quality gypsum and limestone

Size

Competitors from within Lindi region operates in small scale level with very low capital investment and poor management.

Competitor from Dodoma is a medium sized one, however they are disadvantaged by their geographical location and quality of gypsum and limestone.

Service comparison

The competitors are focusing on only mining and selling of raw gypsum and limestone while disadvantaged with low product quality and low capital investment on plants and equipment. Our short-term plan is to start mining and selling high quality raw gypsum and limestone, then investing on clinker plant in long term, this will add more value on our side and make one more additional product in the market

Competitive advantage

Market experience as competitors has been in existence for a while before our presence

Overall, all competitors' advantages are outshined by competitive advantages we have as mentioned above earlier

Pricing strategy

Price calculation method

Selling prices of gypsum and limestone are predetermined by the Government in order to protect cement end users, since these two products are the main inputs in cement manufacturing. Below are the current on-site selling price ranges for the two products.

Product	Price/Tone range	
	Lower (TZS)	Upper (TZS)
Gypsum ore	80000	95000
Limestone ore	110,000	125,000

Selling Price

We have set our onsite selling prices below by considering our production costs and competitors' selling prices

Product	Price/T (TZS)
Gypsum ore	90,000
Limestone ore	100,000

Factors affecting pricing

The company expects the following factors to affect its pricing strategy;

- Government regulations
- Escalating fuel prices which impacts our production costs
- Competitors' strategies
- Scale of the company's operations

Sale tactics

Our management team will make continuous visits to cement manufacturing companies to understand their changing gypsum, limestone and clinker requirements and upkeep ourselves with those requirements in order to maintain and grow the market

Promotion tactics

Our promotion strategy is to engage with the Association of cement producers in Tanzania and keep in touch with them, in so doing we will be able to understand all new players in the industry and give us an easy penetration the new emerging markets

OPERATION

Introduction

The core operational activity of the company is mining and selling of gypsum and limestone.

The two pictures below show part of the virgin land within the mine site with limestone rich rock

The top view of the land with Limestone rich rock



The cross sectional view of the same limestone rich rock



The top view picture show the limestone rich rock protruded on the surface and displaced the top soil, there shall be minimal work to clear the rock ready for mining.

The cross sectional view picture show the land, whose one side was eroded leaving the limestone rich rock exposed in the remaining part of the standing tall land

Production cycle and stages

In the short-run, the operation will be in three main stages as below;



- Site clearing
- Cut and benching
- Consumables requirement
- Equipment requirement
- Consumables Stock levels
- Safety planning
- Risk management
- Waste striping & dumping
- Drilling and blasting
- Safety assurance
- Ore loading & haulage
- Crushing
- Ore pile management
- Rompad management
- Pit management
- Trucks loading
- Delivery
- Stock management

In the long run, the company shall introduce one more stage between mining and selling to make a total number of four stages as below;



The company will be performing own mining, whereby all core mining activities will be carried and performed by company's own team using company's own Plant, Property and Equipment (PPE), also any hired equipment will be operated by the company's staff members

Planning

This is a crucial part of production in running daily operations, planning is a continuous ongoing process to ensure smooth un-interrupted mining activities, weekly mining activities are planned one week ahead, The company has a dedicated team of two staff to perform planning for all mining activities, planning team is always working together with mining team to ensure they all understand each others' expectations, necessary

inputs and requirements for the week ahead. Planning team ensures all equipment, tools, materials and consumables such as rig, explosives, safety gears, lubricants etc needed for the week ahead are in place

Mining activity

Mining activities are performed by special team of miners, this is a core function of the company, it involves the following key elements;-

- **Striping and waste dumping** – This involves removal of top soil in order to expose the gypsum/limestone rich rock for mining, exploration results indicates that top soil layer ranges from 1 meter to 4 meters in different areas of the site, waste materials will be compacted around the pit to create water stream protecting wall for safety purpose. Plant, equipment, tools and consumables involved in this part are;- excavators, dump trucks, fuel and safety gears
- **Drilling and blasting** – This require a team of drillers and certified blasters, drillers will follow drill patterns as planned and communicated by the planners, then blasters will charge all drilled holes with explosives and blast the rock. Plant, equipment, tools and consumables involved in this part are ;- High pressure air compressor, drill rig, jack hummer, drill rods, drill bits, lubricants, fuel, safety gears, Explosives (busters, detonating cord and AMFO) and detonators
- **Ore loading and haulage** – This involves moving all gypsum/limestone rock ore from the pit to the rompad. Plant, equipment, tools and consumables involved in this part are;- excavators, dump trucks, fuel and safety gears
- **Crushing** – crushing will be performed on large pieces of rock that come from the pit
- **Rompad and ore pile management** – This is the destination of rock ore from the pit, all materials will be stocked here in a surveyable conical shape

Selling

Our selling point will be at the rompad, customer's trucks will be loaded at this point and leave our site, daily stock pile measurements will be taken and reconciled with production records. Plant, equipment, tools and consumables involved in this part are;- excavators, dump trucks, fuel and safety gears

Suppliers

The company will be dealing with suppliers of the following main consumables and equipment:

- Fuel – Most the equipment such as excavators, generator, trucks and motor vehicle are diesel powered, fuel will be sources from the nearest fuel station
- Explosives – This is one of the consumables that will be highly consumed regularly for blasting rocks
- Equipment hire – This category consist of excavators and loaders, excavators will be used for loading trucks from with the pit while loaders will be used for loading trucks from the rompad
- Plant and equipment – This category consist of those plant and equipment such as generators, compressors, drill rig etc that will be purchased and owned by the company

Inventory

The company will maintain on site a desirable level of inventory of consumables such as explosives, safety gears, tools, equipment spare parts, fuel, drilling rods, drill bits, lubricants etc in order to ensure un-interrupted operation.

Explosives require special handling and attention due to the risks associated with, these will have a separate isolated warehouse with restricted access, due to procedures and requirements involved in ordering and transporting explosives to site, management intend to maintain stock level of explosives equivalent to three months

consumption. Explosives to be stocked and consumed mostly are busters, detonating cord (Cotex), AMFO(urea), delaying switches and detonators

Due to high demand of gypsum and limestone in the market, the company expects that all production will be sold instantly, therefore the stock of gypsum and limestone ore will be very minimal, however, there procedures in place for proper ore stock pile inventory management, this include daily ore stock pile measurement

The company will have a team of two staff to manage stocks and will be using and integrated inventory management system for proper management.

PERSONNEL REQUIREMENT

Below is a description of staff requirements to start operations and kick off in a short term period of one year, these numbers have taken to consideration double shifts in the production department

Staff description	No.
Chief Executive Officer (CEO)	1
Finance manager	1
Production manager	1
Human resource and Administration	1
Workshop and maintenance	2
Planning team	2
Mining team	35
Sales and marketing	7
Finance team	1
Laborers	60
TOTAL	112

Our promotion strategy is to engage with the Association of cement producers in Tanzania and keep in touch with them, in so doing we will be able to understand all new players in the industry and give us an easy penetration the new emerging markets

The company consider the following in developing it's human resources

- More emphasis will be on Internal Training
- Technical and external training will be specific on capacity building, job related training
- Enhance Leadership Management training to all members of Management.

Succession Planning, Appraisal System and Graduate Trainees Program

- Continue with efforts of ensuring that there is proper and clear alignment on succession.
- Enhance the formal use of staff appraisal and evaluation system.

- The company will institute its internship programme that aims at recruiting cream candidates and train them for later recruitment by the company. This will help the company to develop a pool of talents and be able to retain them for a reasonable time.
- The company will continue making structural changes to align with business demands.

The following considerations are given to increase staff productivity

- Strong performance evaluation and monitoring system.
- Capacity building and staff training
- Extensive staff training
- Team ownership on accountability on agreed strategies.
- Quarterly strategic review
- Bonus scheme on overall Performance.

Regulatory environment

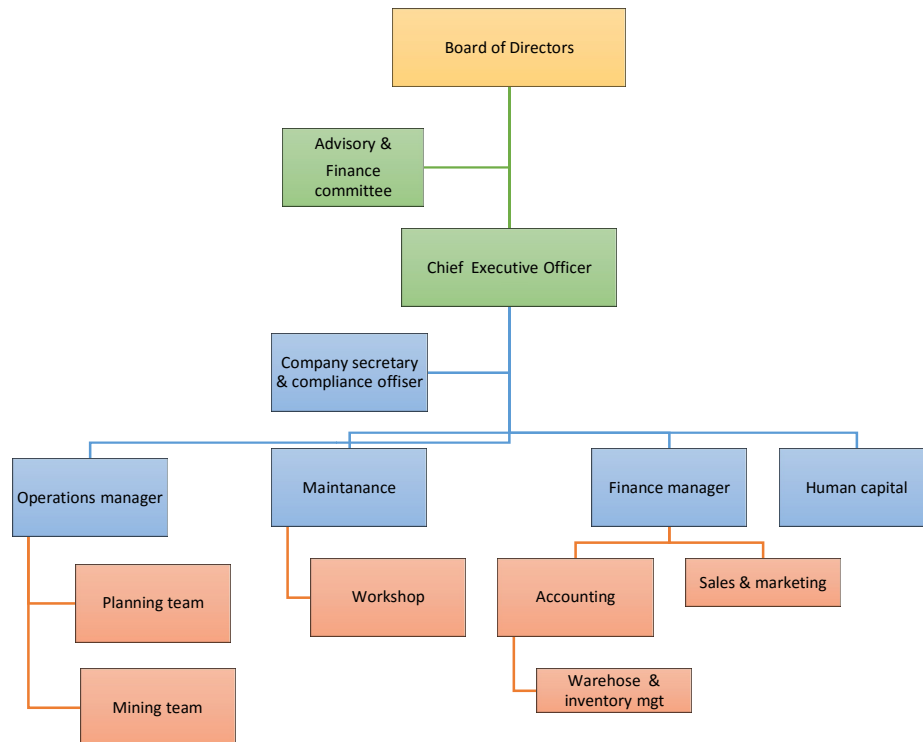
The company operates in a highly regulated industry, therefore, the company has designated one staff to keep track and ensure compliance of all regulations and statutory requirements subjected to the company, below are identified laws, regulations and authorities which the company is subjected to;-

- Tanzanian Company Act.
- Tanzanian Mining Act
- Tanzanian Explosives Act
- Income tax Act
- Tanzania Revenue Authority
- Local Government Authority

ORGANIZATION STRUCTURE AND GOVERNANCE

Organisation structure

Here is the company’s organization structure



Corporate governance

The Board of Directors

The Board consist of seven directors. The company has engaged management team for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management against budgets and business plans including a comprehensive system of internal control policies and procedures, and for compliance with sound corporate governance principles.

The company has a total of seven directors as detailed below;

No.	Name	Position	Nationality	Age
1	Mr. Juma Mlawa	Director	Tanzanian	41
2	Mr. Seleman J. Said	Director	Tanzanian	54
3	Ms. Amina Abdallah	Director	Tanzanian	33
4	Mr. Nashon A. Mchopa	Chairman	Tanzanian	34
5	Mr. Stephen Obare	Director	Tanzanian	37
6	Mr. Issa Mohamed	Director	Tanzanian	38
7	Mr. Rajab O. Makame	Director	Tanzanian	41
8	Mr. Khalid B.Hamrani	Director	Tanzanian	48

The Board is chaired by a Non-Executive Director, who has no executive functions. The roles of Chairman and CEO are separate, with each having set responsibilities.

The Board is confident that its members have the knowledge, talent and experience to lead the Company. The Non-Executive Directors are independent of management and exercise their independent judgment. With their depth of experience, they add value to Board deliberations.

The Board is required to meet at least four times a year. The Board delegates the day-to-day management of the business to the CEO assisted by senior management. Senior management is invited to attend Board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

All Directors have access to the Company Secretary and his services and may seek independent professional advice if necessary. It is the Company's philosophy to manage and control its business on a decentralized basis. Senior management meets on a monthly basis to review the results, operations, key financial indicators and the business strategy of the Company.

Board advisory and finance committee

This Board Committees was appointed and delegated with authority to decide on finance and fund raising issues and to give recommendations to the Board for approval. The Board Committee is responsible for analyzing the best funding(borrowing) options available, and advise the board the best option to take, the committee will also work with management to ensure terms and conditions including repayment schedules of the approved option will be adhered to. The committee is made up three members, namely Issa Mohamed, Rajab Makame and Khalid Amrani

Performance evaluation and reward

The Company is going to utilize the results of market surveys to ensure market related salaries will be paid and that market related trends shall be followed in terms of changes in benefits, while at the same time taking into account the intrinsic value of individual contributions.

Risk management and internal control

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding the following;-

The effectiveness and efficiency of operations;

- The safeguarding of the Company's assets (including information);
- Compliance with the applicable laws, regulations and supervisory requirements;
- The reliability of the accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

The Board has assessed the internal control systems and procedures instituted which will be applied throughout and is of the opinion that they meet acceptable criteria.

Ethical behavior

The Company's Code of Conduct will governs all its activities, internal relations and interactions with stakeholders in accordance with its ethical values. It is expected of all staff to maintain the higher level of integrity and honesty in dealing with customers, suppliers, service providers and colleagues.

Compliance with the Code of Conduct is the ultimate responsibility of the Chief Executive Officer and the Human Resource-Head, with day-to-day monitoring delegated to line management with the support of personnel officer

Business ethics and organizational integrity

The Company's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its Directors, managers, employees, customers, suppliers, competitors, investors, shareholders and the public in general. The Directors and staff are expected to fulfill their ethical obligations in such a way that the business will run strictly according to fair commercial competitive practices.

Financial reporting and auditing

The Directors accept final responsibility for the preparation of the annual financial statements which fairly present:

- The financial position of the Company as at the end of the year
- The financial results of operations, as well as;
- The cash flows for that period.

The responsibility for compiling the annual financial statements shall be delegated to management.

The following considerations are given to increase staff productivity

Health and safety

The Company has facilities and equipment in place, which meet the requirements contained in the Occupational Health and Safety Act, 2003 and other relevant legislation concerning industrial safety. The Company considers the health and safety awareness campaign as an on-going process.

Environmental

The Company aim it's operations to follow the ISO 22000 of 2005 quality system, and to have a formal environmental control accreditation program

FINANCIAL PLAN

Initial costs

Below is a summary of initial costs for the company to start operations, this include pre-operational costs incurred to date, and additional startup costs which include capital expenditure and working capital requirements

	TZS
Pre-operational cost	670,000,000
Add; startup cost	
Capital expenditure and working capital needed	<u>4,217,200,000</u>
Total	<u>4,887,200,000</u>

Pre-operational costs were funded by shareholders and include the following:-

- Market research costs for gypsum and limestone
- Costs incurred in search for potential mine site land
- Private laboratories sample testing fees
- Company registration fees
- Business license, Primary Mining License (PML) and establishment costs
- Cost incurred on acquisition of 253 acres in four different villages for mine sites within Lindi region, namely Matapwa village (85 acres), Kiwawa village (100 acres), Hoteli tatu village (40 acres) and Makangaga village (28 acres).
- Exploration cost
- Cost incurred to develop mine plan
- Legal and technical consultation fees

Start-up costs

Management has made cost estimates on capital expenditure and working capital requirements in order to start operations as summarized below:-

Start-up cost summary	TZS
Capital expenditure	2,480,650,000
Working capital	<u>1,736,550,000</u>
Total startup cost	<u>4,217,200,000</u>

Refer **Appendix I** for detailed capital expenditure and **Appendix II** for detailed working capital requirements

Start-up costs funding

Directors have resolved to have discussion with The **Peoples' Bank of Zanzibar Limited** for loan facility which will enable the company to start operations.

Our proposed loan facility from the bank is TZS 4,200,000,000 (Tanzanian Shillings Four Billion, Two Hundred Million), Considering viability of the business, management is confident that will repay the whole loan amount and interest within 16 months from the date of the receipt of the loan, with the first repayment installment starting four months after the receipt of the loan, with this facility, the company will be able to start its operations and go uninterrupted for three months. Below is a demonstration of our loan proposal, Note, 20% interest rate has been applied for demonstration purpose only.

Mlawaji Company Limited**Business Plan August 2022**

MLAWAJI COMPANY LIMITED**PROPOSED LOAN REPAYMENT SCHEDULE FOR THE YEAR 2023**

Year	Month	Principal TZS	Interest TZS	Total TZS
Loan 2022	September	4,200,000,000		4,200,000,000
	October	-	-	-
	November	-	-	-
	December	-	-	-
Repayment 2023	January	350,000,000	70,000,000	420,000,000
	February	350,000,000	70,000,000	420,000,000
	March	350,000,000	70,000,000	420,000,000
	April	350,000,000	70,000,000	420,000,000
	May	350,000,000	70,000,000	420,000,000
	June	350,000,000	70,000,000	420,000,000
	July	350,000,000	70,000,000	420,000,000
	August	350,000,000	70,000,000	420,000,000
	September	350,000,000	70,000,000	420,000,000
	October	350,000,000	70,000,000	420,000,000
	November	350,000,000	70,000,000	420,000,000
	December	350,000,000	70,000,000	420,000,000
	Total	4,200,000,000	840,000,000	5,040,000,000

Financial projections

The company has a total of seven directors as detailed below;

Assumptions

The financial projections have been prepared based on the following assumptions;

- a) It has been generally assumed that the country will continue to enjoy the political stability and the projections on country's economic performance will be as per the plan.
- b) Bank loan of TZS 4,200,000,000 (Tanzanian Shillings Four Billion, Two Hundred Million) for start-up costs financing will be received by the end of August 2022
- c) Bank loan repayment installments (principal and interest) will be made in twelve months starting from January 2023 to December 2023
- d) The month of September 2022 will be used for site preparation and resources mobilization
- e) Actual mining operations will commence early October 2022
- f) Business will grow at the rate of 25% in second year (year 2024) and at the rate of 20% in third year (Year 2025)
- g) After the first three months since commencement of operations, the company will be able to generate enough funds for capital investment and working capital
- h) All customers will send their trucks to pick up gypsum and lime stone from our site, therefore only on site selling prices have been applied
- i) Operation costs per unit for all direct expenses and indirect expenses will not exceed 10% increase over the three projected years

- j) There shall be no scarcity in operation supplies such as explosives, drilling consumables

For detailed three years projected results, refer to statement of profit or loss and other comprehensive income in **Appendix III**

For detailed projected financial positions as at the end of years 2022, 2023, 2024 and 2025, refer to the statement of financial position in **Appendix IV**

CONCLUSION

Shareholders and Management are eager to see immediate bank loan repayment as there are very good business prospects, management is confident that the business will be able to generate enough cash three months after commencement of the operations, therefore will repay the loan within a year and will still be able to meet day to day cash demand and making capital investments

Shareholders are willing to capitalise on the available opportunities which require huge capital investment on plants and machinery in long term, therefore they will not call for dividend in a short term

Appendix I - Detailed capital expenditure

No.	ASSAET/ITEM	Purchase price TZS	Installation	Total cost TZS
			cost TZS	
Trucks				
1	Howo tipper - 18 T	90,000,000	-	90,000,000
2	Howo tipper - 18 T	90,000,000	-	90,000,000
3	Howo tipper - 18 T	90,000,000	-	90,000,000
4	Howo tipper - 18 T	90,000,000	-	90,000,000
5	Howo tipper - 18 T	90,000,000	-	90,000,000
6	Howo tipper - 18 T	90,000,000	-	90,000,000
7	Scania 124 horse - 30T	160,000,000	-	160,000,000
8	Scania 124 horse - 30T	160,000,000	-	160,000,000
9	Scania 124 horse - 30T	160,000,000	-	160,000,000
10	Scania 124 horse - 30T	160,000,000	-	160,000,000
11	Scania 124 horse - 30T	160,000,000	-	160,000,000
12	Scania 124 horse - 30T	160,000,000	-	160,000,000
Motor vehicles				
13	Probox	20,000,000	-	20,000,000
14	Nissan extrail	30,000,000	-	30,000,000
15	Nissan extrail	30,000,000	-	30,000,000
16	Toyota Coaster	55,000,000	-	55,000,000
Motor cycles				
17	TVS 8 pcs @ 2.8M	22,400,000	-	22,400,000
Machinery				
18	Weigh bridge	40,000,000	20,000,000	60,000,000
19	Generator	70,000,000	15,000,000	85,000,000
20	Drill rig	200,000,000	10,000,000	210,000,000
21	High pressure air compressor	60,000,000	-	60,000,000
22	Filling station	22,000,000	-	22,000,000
23	Crusher	140,000,000	-	140,000,000
24	Jack hummer - SECO 2 pcs @ 7M	14,000,000	-	14,000,000
Tools				
25	Tool box	800,000	-	800,000
26	Wrenches and other tools	8,000,000	-	8,000,000
27	Grease pump	250,000	-	250,000
28	Compressor	3,000,000	-	3,000,000
Sub- total				<u>2,260,450,000</u>

Appendix I - Detailed capital expenditure

No.	ASSAET/ITEM	Purchase price TZS	Installation cost TZS	Total cost TZS
	Sub-total from previous page			2,260,450,000
	Security equipment			
29	CCTV and car-track devices	21,200,000	-	21,200,000
	Equipments			
30	Container	3,000,000	-	3,000,000
31	Container	3,000,000	-	3,000,000
32	Fence wire mesh	26,000,000	-	26,000,000
33	Tools	14,000,000	-	14,000,000
	Buildings			
34	Structure	35,000,000	-	35,000,000
35	Workshop	24,000,000	-	24,000,000
36	Toilets and sewage system	9,000,000	-	9,000,000
37	First aid and medical care	20,000,000	-	20,000,000
	Infrastructures			
38	Water wells	35,000,000	-	35,000,000
	Furniture & fittings			
39	Office furniture and fittings	30,000,000	-	30,000,000
	TOTAL CAPEX REQUIREMENT			<u>2,480,650,000</u>

Appendix I - Detailed working capital requirement

No.	COST ITEM/CATEGORY	Unit price TZS	Qty	Total cost TZS
	Direct costs			
	Fuel			
1	Fuel - M/vs - 6000 lts for 3 months	17,500,000	1	17,500,000
2	Fuel - Tippers - 70 lts/day - 3 months	22,000,000	6	132,000,000
3	Fuel - trucks - 7 trips/month (600 lts/trip)	36,750,000	6	220,500,000
4	Fuel – Plants and equipment	94,500,000	4	378,000,000
	Machine hire			
5	Excavator hiring - 4 machines for 3 months	103,500,000	4	414,000,000
6	Trailers hiring - 6 trailers @ 1,800,000/M	5,400,000	6	32,400,000
	Salaries and wages			
7	Salaries - 23 staff	119,000,000	1	119,000,000
8	Wages - 70 laborers	126,000,000	1	126,000,000
9	Explosives	226,600,000	1	226,600,000
	Lubricants			
10	Lubricant - Sae 140. 2 drums @ 2M	4,000,000	1	4,000,000
11	Lubricant - Sae 90. 2 drums @ 1.8M	3,600,000	1	3,600,000
12	Grease 10 buckets @ 300K	3,000,000	1	3,000,000
	Hydraulic			
13	Hydraulic No. 60 5 Drum @ 1.8 M	9,000,000	1	9,000,000
14	Hydraulic No. 30 2 Drum @ 1.3	2,600,000	1	2,600,000
	Drilling consumables			
15	Drill rods - Jack hummer	1,600,000	1	1,600,000
16	High pressure pipe 9 pcs @ 500K	4,950,000	1	4,950,000
17	Drill rods – Jumbo	4,000,000	1	4,000,000
18	Drill bits - Jack hummer	2,500,000	1	2,500,000
19	Drill bits – Jumbo	6,000,000	1	6,000,000
	Maintenance			
20	Machines	3,000,000	1	3,000,000
21	Roads	6,000,000	1	6,000,000
22	Trucks	8,900,000	1	8,900,000
	Operational costs			
23	Office rent - 15 months	9,000,000	1	9,000,000
24	outsourced Security	2,400,000	1	2,400,000
	Total start-up working capital			1,736,550,000

Appendix III - Projected Statements of profit or loss and other Comprehensive income

MLAWAJI COMPANY LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDING 31 DECEMBER**

	2022 3 Months TZS	2023 TZS	2024 TZS	2025 TZS
Revenue	52,200,000,000	261,000,000,000	326,250,000,000	391,500,000,000
Direct cost				
Fuel	(823,130,000)	(7,243,544,000)	(15,283,877,840)	(29,039,367,896)
Hiring of machineries	(491,040,000)	(4,321,152,000)	(9,117,630,720)	(17,323,498,368)
Salaries and wages	(186,600,000)	(1,642,080,000)	(2,955,744,000)	(4,138,041,600)
Drilling consumables	(19,050,000)	(167,640,000)	(353,720,400)	(495,208,560)
Explosives	(249,260,000)	(2,193,488,000)	(4,628,259,680)	(6,942,389,520)
Lubricants	(11,660,000)	(102,608,000)	(216,502,880)	(411,355,472)
Hydraulic fluid	(12,760,000)	(112,288,000)	(236,927,680)	(355,391,520)
Maintenance	(17,900,000)	(157,520,000)	(332,367,200)	(631,497,680)
Depreciation	(122,947,024)	(983,576,190)	(1,475,364,286)	(1,967,152,381)
	(1,934,347,024)	(16,923,896,190)	(34,600,394,686)	(61,303,902,997)
Gross profit	50,265,652,976	244,076,103,810	291,649,605,314	330,196,097,003
Operating expenses				
Pre-operational costs	(670,000,000)	-	-	-
Site set up cost	(150,000,000)	(890,000,000)	(1,200,000,000)	(1,600,000,000)
Exploration costs	(850,000,000)	(2,100,000,000)	(2,400,000,000)	(2,600,000,000)
Salaries, wages and benefits	(82,900,000)	(671,490,000)	(940,086,000)	(1,410,129,000)
Workman compensation	(20,000,000)	(80,000,000)	(110,000,000)	(165,000,000)
Contribution to NSSF	(21,560,000)	(185,085,600)	(311,666,400)	(443,853,648)
Fees	(12,000,000)	(28,000,000)	(59,080,000)	(88,620,000)
Royalties	(1,440,000,000)	(7,200,000,000)	(9,000,000,000)	(10,800,000,000)
Rent	(1,800,000)	(7,200,000)	(12,000,000)	(14,000,000)
Security	(7,200,000)	(43,200,000)	(44,120,000)	(52,000,000)
Insurance	(70,000,000)	(148,000,000)	(218,000,000)	(280,000,000)
Council levy	(15,660,000)	(78,300,000)	(97,875,000)	(117,450,000)
Maintenance and rehab.	(69,000,000)	(262,200,000)	(553,242,000)	(829,863,000)
Selling expenses	(22,800,000)	(177,840,000)	(375,242,400)	(562,863,600)
Provision for restoration - COM	(17,500,000)	(70,000,000)	(70,000,000)	(70,000,000)
Other administrative expenses	(80,000,000)	(624,000,000)	(1,316,640,000)	(1,974,960,000)
	(3,530,420,000)	(12,565,315,600)	(16,707,951,800)	(21,008,739,248)
Operating profits	46,735,232,976	231,510,788,210	274,941,653,514	309,187,357,755
Finance costs - Interest	-	(840,000,000)	-	-
Profit before tax	46,735,232,976	230,670,788,210	274,941,653,514	309,187,357,755
Income tax expense	(12,585,819,893)	(62,612,382,177)	(74,388,714,626)	(83,157,498,755)
Net profit	34,149,413,083	168,058,406,032	200,552,938,889	226,029,859,000

Appendix IV - Projected Statements of financial position

MLAWAJI COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT YEAR END 31 DECEMBER

ASSETS	2022 TZS	2,023 TZS	2,024 TZS	2,025 TZS
Non-current assets				
Property, plant and equipment	2,357,702,976	13,977,723,810	17,966,585,714	22,955,447,619
	2,357,702,976	13,977,723,810	17,966,585,714	22,955,447,620
Current assets				
Inventories	11,540,640,000	107,603,150,920	130,330,912,182	155,712,051,205
Trade and other receivables	6,784,000,000	7,900,025,793	8,290,790,359	8,961,999,035
VAT recoverable	606,300,000	1,703,600,000	1,386,620,000	1,508,274,990
Cash and cash equivalents	17,249,710,107	37,073,500,000	42,851,500,000	37,228,962,000
	36,180,650,107	154,280,276,713	182,859,822,541	203,411,287,230
TOTAL ASSETS	38,538,353,083	168,258,000,523	200,826,408,255	226,366,734,850
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	100,000,000	100,000,000	100,000,000	100,000,000
Retained earnings	34,149,413,083	168,058,406,032	200,552,938,889	226,029,859,000
Total equity	34,249,413,083	168,158,406,032	200,652,938,889	226,129,859,000
Non-current liabilities				
Long term loan	4,200,000,000	-	-	-
Provision for restoration - COM	17,500,000	87,500,000	157,500,000	227,500,000
	4,217,500,000	87,500,000	157,500,000	227,500,000
Current liabilities				
Trade and other payables	71,440,000	12,094,490	15,969,367	9,375,850
	71,440,000	12,094,490	15,969,367	9,375,850
Total liabilities	4,288,940,000	99,594,490	173,469,367	236,875,850
TOTAL EQUITY AND LIABILITIES	38,538,353,083	168,258,000,522	200,826,408,256	226,366,734,850