

BUSINESS PLAN
BLUE OCEAN MINING AND EXPLORATION LIMITED
REG NO: 163992833



1. Industry Overview

The Mining activities of Blue Ocean Mining and Exploration Limited include the development of mine sites at Ruangwa District. The industry revenue is largely a function of production volume and commodity prices. For the Gold, Graphite industry, output volumes and sales prices for both Gold, Graphite have increased over the past five years, leading to significant industry expansion.

Meanwhile, demand from manufacturers of electrical equipment, electronic products and jewelry, which comprises the industry's primary markets, has seen to also increase or even inclined over the past five years as a result of high export and positive government assistance. Overall, industry revenue is expected to decline increase even further by 2026.

We expect the industry to grow at a 10.0 + percent annual rate. Geita Gold Mining Ltd, Bulyanhulu Gold Mine, Buzwagi Gold Mine are the market leaders in this industry in Tanzania; they have the lion market share in the industry

2. Executive Summary

Our business goal as a limited liability company incorporated in the United Republic of Tanzania is to become the number one choice of mining and exploration as a business, we are willing to go the extra mile to invest in owning our own environmentally friendly mines and also to hire efficient and dedicated employees.

We have been able to secure permits and licenses from relevant departments in compliance with The Mining (Mineral Rights) Regulations, 2018.

The demand for gold, graphite is not going to plummet any time soon which is why we have put plans in place to continue to explore all available market around Tanzania. In the nearest future, we will ensure that we create a wide range of distribution channels all across East Africa.

Blue Ocean Mining and Exploration Limited will at all-time demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely.

Blue Ocean Mining and Exploration Limited has signed a Memorandum of Understanding with M/S Sylvester Mwita who is the holder of the Primary Mining License PML0700LND.

Mr. Abdul Samad Abdul Wahid who is the Chief Executive Officer of the Company has wide experience in Mining Technology with over 5 years' experience working in related industry as a senior manager cum mining engineer prior to starting Blue Ocean Mining and Exploration Limited. He will be working with a team of professionals to build the business and grow it to enviably heights.

3. Our Product and Service Offerings

Blue Ocean Mining and Exploration Limited is established with the aim of maximizing profits in the gold, graphite mining industry. We want to compete favorably with leaders in the industry which is why we have but in place a competent team that will ensure that our products are of high standard.

We will work hard to ensure that Blue Ocean Mining and Exploration Limited is not just accepted in the United Republic of Tanzania, but also in other countries of the world where we intend supplying the processed gold, graphite.

4. Our Mission and Vision Statement

- Our vision as a gold, graphite mining company is to eventually own gold, graphite mines all across the United Republic of Tanzania; we want to become the number one brand in the gold, graphite mining industry.
- Our mission is to establish a standard gold mining company that in our own capacity will favorably compete with leaders in the industry at the global stage. We want to build a gold, graphite mining company that will be listed amongst the top 5 gold, graphite mining companies in the world.

Our Business Structure

As part of our plan to build a top flight gold, graphite mining company in Tanzania which will favorably compete with leaders in the industry, we have perfected plans to get it right from the onset which is why we are going the extra mile to ensure that we have competent employees to occupy all the available positions in our company.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions at Blue Ocean Mining and Exploration Limited:

- Chief Executive Officer (Owner)
- Gold Mine Manager
- Human Resources and Admin Manager
- Sales and Marketing Officer
- Accountants/Cashiers
- Gold and Graphite Mining Casual Workers
- Truck Drivers
- Customer Service Executives

5. Job Roles and Responsibilities

Chief Executive Officer – CEO (Owner):

- Increases management's usefulness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; collaborating values, strategies, and objectives; assigning accountabilities; preparing, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.

- Answerable for fixing prices and signing business deals
- Responsible for providing direction for the business
- Makes, connects, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Accountable for signing checks and documents on behalf of the company
- Evaluates the success of the organization

Gold Mining Site Manager

- Oversees the smooth running of operations in the mine
- Makes sure that quality is maintained at all times
- Maps out strategies that will lead to efficiency amongst workers in the organization
- Responsible for training, evaluation and assessment of the workforce
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Ensures that our gold and graphite mining site meets the expected safety and health standard at all times.

Human Resources and Admin Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Defines job positions for recruitment and managing interviewing process
- Carries out induction for new team members
- Responsible for training, evaluation and assessment of employees
- Oversees the smooth running of the daily business activities.

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritize, and reach out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with customers
- Develops, executes and evaluates new plans for expanding sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

Gold and Graphite Mining Casual Workers

- Liable for operating excavators and other machines in the gold, graphite mining site
- Handles the mining of gold, graphite

- Assist in loading and offloading of our gold, graphite and out of the trucks

Accountant/Cashier

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

Truck Drivers

- Assists in loading and unloading gold and graphite et al
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Reports defects, accidents or violations

Client Service Executive

- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make enquiries (answer customer queries regarding our gold and graphite ore mining business)
- Finds out the customer's needs, recommend, select and help locate the right merchandise, describe a product's features and benefits.
- make suggestions and encourage purchase of products

6. SWOT Analysis

Due to our drive for excellence when it comes to running a standard gold mining company, we were able to engage some of the finest business consultants in the United Republic of Tanzania to look through our business concept and together we were able to critically examine the prospect of the business and to assess ourselves to be sure we have what it takes to run a standard gold, graphite mining business that can compete favorably in the industry.

In view of that, we were able to take stock of our strengths, our weakness, our opportunities and also the threats that we are likely going to be exposed to in Tanzania. Here is a of what we got from the critically conducted SWOT Analysis for Blue Ocean Mining and Exploration Limited:

- **Strength:**

Our strength lies in the fact that we have state of the art gold, graphite mining equipment and trucks that has positioned us to meet the demand of our clients even if the demand tripled overnight.

Another factor that counts to our advantage is the background of our Chief Executive Office; he has a robust experience in the industry and also a pretty good academic qualification to match the experience acquired which has placed him amongst the top flight players in the gold, graphite mining industry.

We are not ignoring the fact that our team of highly qualified and dedicated workers will also serve as strength for our organization.

- **Weakness:**

We do not take for granted the facts that we have weaknesses. In fact, the reality that we are setting up a gold mining company in the Tanzania might pose a little challenge. In essence our chosen location might be our weakness.

- **Opportunities:**

The opportunities available to us are unlimited. There are loads of jewelry making companies and other manufacturing companies that make use of raw gold, graphite all across the globe and all what we are going to do to push our products to them is already perfected.

- **Threat:**

The threat that is likely going to confront us is the fact that we are competing with already established gold, graphite mining companies in the Tanzania and other countries of the world. Of course, they will compete with us in winning over the available market. Another threat that we are likely going to face is unfavorable government policies and economic downturn.

7. MARKET ANALYSIS

- **Market Trends**

Gold, graphite is a lucrative business in Tanzania and in looking at the trends of these mega countries over the course of gold's bull, it is apparent that the results vary quite substantially.

Exploration was successful in renewing and growing the reserves that were being mined, and continual expansion and new development sustained and even grew production. It is common trend in the gold, graphite mining line of business to find mining companies positioning their business in locations and communities where they can easily have access to mines and of course cheap labor.

If you make the mistake of positioning this type of business in a location where you would have to travel a distance before you can access gold, graphite mines, then you would have to struggle to make profits and maintain your overhead and logistics.

Also, another trend in this line of business is that most registered and well organized mining companies look beyond the market within their locations or state; they ensure that they strike business deals with leading jewelry making companies in Tanzania and East Africa and eventually other countries of the world.

The truth is that if as a gold, graphite company you are able to become a vendor to one or more jewelry making giants in the Country or in other countries of the world, you will always continue to smile to the bank.

8. Our Target Market

When it comes to supplying product from gold, graphite mines, there is indeed a well-defined market. This goes to show that the target market for products from gold mining companies is far reaching. In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in supply of raw gold and graphite to the following organizations;

- Jewelry production companies
- Electronic components manufacturing companies
- Art and culture companies
- Gold and graphite merchant

Our Competitive Advantage

Some of our competitive advantages are availability of resource, ability to forward sell production when appropriate and of course the ability to comply with environmental laws.

As a standard and licensed gold mining company, we know that gaining a competitive edge requires a detailed analysis of the demographics of the surrounding area and the nature of the existing competitors. And even if you are successful at first, new competitors could enter your market at any time to steal your regular customers.

Hence we will not hesitate to adopt successful and workable strategies from our competitors. Another competitive advantage that we have is the vast experience of our management team; we have people on board who understand how to grow a business from the scratch to becoming a national phenomenon.

Our large and robust distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives.

We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

9. SALES AND MARKETING STRATEGY

- **Sources of Income**

Blue Ocean Mining and Exploration Limited will generate income by simply supplying the following;

- Gold
- Graphite

10. Sales Forecast

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

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

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

Below are the sales projections for Blue Ocean Mining and Exploration Limited, it is based on the location of our business and other factors as it relates to small scale and medium scale gold, graphite mining company startups in Tanzania.

- **First Fiscal Year:** \$900,000
- **Second Fiscal Year:** \$2 million
- **Third Fiscal Year:** \$4.5 million

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

- **Marketing Strategy and Sales Strategy**

Before choosing a location to start Blue Ocean Mining and Exploration Limited, we conducted thorough market survey and feasibility studies in order for us to penetrate the available market in Tanzania. We have detailed information and data that we were able to utilize to structure our business to compete with other gold and graphite mining companies.

We hired experts who have good understanding of the gold, graphite mining line of business to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market. Blue Ocean Mining and Exploration Limited will adopt the following sales and marketing approach to sell our raw gold and graphite;

- Introduce our business by sending introductory letters to production companies and other stakeholders in and around Tanzania and East Africa.
- List our business and products on yellow pages' ads (local directories)
- Leverage on the internet to promote our product cum business
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)

11. Publicity and Advertising Strategy

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

Blue Ocean Mining and Exploration Limited has a long term plan of exporting our product all across the Country and other countries of the world. As a matter of fact, our publicity and advertising strategy is not solely for selling our products but to also effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise Blue Ocean Mining and Exploration Limited:

- Place adverts on both print (community based newspapers and magazines) and electronic media platforms
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like Instagram, Facebook, Twitter, et al to promote our brand
- Ensure that all our staff members wear our customized clothes, and all our official cars and distribution trucks are customized and well branded.

12. Our Pricing Strategy

Blue Ocean Mining and Exploration Limited will keep the prices of our products below the average market rate by keeping our overhead low and by collecting payment in advance from well – established jewelry manufacturing companies that would require constant supply of raw gold and graphite.

- **Payment Options**

The payment policy adopted by Blue Ocean Mining and Exploration Limited is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Tanzania. Here are the payment options that Blue Ocean Mining and Exploration Limited will make available to clients;

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

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

13. Financial Projections for Year 1 – Year 5:

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

	Year 1 USD	Year 2 USD	Year 3 USD	Year 4 USD	Year 5 USD
INFLOWS					
Income	\$ 900,000.00	\$ 2,000,000.00	\$ 4,500,000.00	\$ 8,000,000.00	13,000,000
Local share capital injection	\$ 50,000.00	\$ -	\$ -	\$ -	-
Foreign share capital injection	\$ 3,800,000.00	\$ -			
Local loans and borrowings	\$ 150,000.00	\$ -	\$ -	\$ -	-
Foreign loans and borrowings	\$ 500,000.00	\$ -	\$ -	\$ -	-
TOTAL INFLOWS	\$ 5,400,000.00	\$ 2,000,000.00	\$ 4,500,000.00	\$ 8,000,000.00	\$ 13,000,000.00
OUTFLOWS					
Permits, licenses and lease rentals for mining site	\$ 270,000.00	\$ 600,000.00	\$ 2,700,000.00	\$ 4,800,000.00	\$ 7,800,000.00
Accounting and audit fees	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 25,000.00	250,000
Advertisement and business development expenses	\$ 15,000.00	\$ 15,000.00	\$ 25,000.00	\$ 25,000.00	25,000
Corporate tax	\$ 90,000.00	\$ 200,000.00	\$ 450,000.00	\$ 800,000.00	\$ 1,300,000.00
Purchase of heavy machineries, vehicles and equipment for Mining	\$ 3,350,000.00	\$ 250,000.00	\$ -	\$ 1,000,000.00	2,000,000
Salaries, wages and statutory payroll taxes and contributions	\$ 300,000.00	\$ 400,000.00	\$ 550,000.00	\$ 750,000.00	1,000,000
Office and administrative expenses	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Postage, telecommunication and internet expenses	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Staff training	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Staff welfare	\$ 30,000.00	\$ 40,000.00	\$ 55,000.00	\$ 75,000.00	\$ 100,000.00
Repayment of loans and borrowings (Local and Foreign) + Interest charges	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	150,000
TOTAL OUTFLOWS	\$ 4,411,000.00	\$ 1,861,000.00	\$ 4,136,000.00	\$ 7,811,000.00	\$ 12,811,000.00
NET CASH FLOW	989,000	139,000	364,000	189,000	189,000
BALANCE B/F	-	989,000	1,128,000	1,492,000	1,681,000
BALANCE C/F	989,000	1,128,000	1,492,000	1,681,000	1,870,000

14. Sustainability and Expansion Strategy

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

One of our major goals of starting Blue Ocean Mining and Exploration Limited is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to supply our raw gold and graphite a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

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

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