

M'COIN LIMITED

BUSINESS PLAN

House Number 86, Block Number RR, Plot Number 129, Gilitu road, Gilitu Street, Shinyanga
CBD, Shinyanga - Tanzania

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M'COIN LIMITED

Business Profile

A. Executive Summary

1. Company & Project concept

M'COIN LIMITED is a limited liability Company incorporated in Tanzania under the Company Act of 2002. The Company was incorporated on 08/02/2021, and bears a Certificate of Incorporation number **150465591**, The Company implements a project which is under the Mining and Mineral Processing Sector in Tanzania.

M'COIN LIMITED is located at Coastal region, Tanzania. The outreach Office is located at House Number 86, Block Number RR, Plot Number 129, Gilitu road, Gilitu Street, Shinyanga CBD, Shinyanga - Tanzania.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable, and ethical company, building relationships with customers, suppliers and investors. **M'COIN LIMITED** aims to become one of the leading miners and mineral processors in Tanzania.

2. Company Goals and Objectives:

In Summary **M'COIN LIMITED** aims to: -

- Mine and process Mineral in The United Republic of Tanzania and other parts of Africa.
- To prepare and implement human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involvement.
- Build relationships with investors in the Mining and Mineral Processing Sector.
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local content requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts.
- To provide a one- stop solution covering the entire spectrum of Mining and Mineral Processing Sector

3. Purpose of Business Plan

This document is prepared to serve the purpose as a business plan report for **M'COIN LIMITED** for investment in the Mining and Mineral Processing Sector in the United Republic of Tanzania.

4. The project promoter

The project will be managed and operated by **M'COIN LIMITED** which is owned by private individuals with the following shareholders percentages distribution is listed below;

| NAME OF SHAREHOLDERS | NATIONALITY | SHARES% |
|------------------------|-------------|---------|
| MIKAYEL HARUTYUNYAN | Armenian | 60% |
| ANTELM AUGUSTINE CHUWA | Tanzanian | 40% |

5. Intended investment Amount:

The Company intends to investment a total amount of Tanzania Shillings Ten Billion (TZS 10,000,000,000/=).

6. Company Legality

The legal certificates, and documents such as Memorandum and Article of Association, Certificate of Incorporation and Tax Identification Number, justify that **M'COIN LIMITED** is operating within the ambit of the law of the Land, and has been legally registered to operate in the United Republic of Tanzania.

7. Project Organization Structure

The management of **M'COIN LIMITED** is constituted by the following organization set up, the Board of Directors who are responsible on the supervision on the entire operations of the Company.

8. Investment Structure

The project is estimated to cost a total approximation of Tanzania Shillings Ten Billion (TZS 10,000,000,000/=), which will increase from time to time. The money will cover working Capital, material importation and other company expenses. However, a financial policy of the Company state that the profits generated will be re-invested.

B. Statement of Purpose

This Profile is drawn for the purpose of continuation of the business and application for the Certificate of Incentives with the Tanzania Investment Centre from the Tanzania Investment Centre.

C. Purpose of Investment

This document is prepared to serve the purpose as a feasibility study for **M'COIN LIMITED** on the continuation of an established Mining and Mineral Processing Company in the United Republic of Tanzania.

D. Summary of the Expected Results

At the end, the project is expected to achieve the following: -

- Ensure the enlargement of Mining and Mineral Processing activities in Tanzania, East Africa and the whole of Africa.
- Increase direct employment opportunities.
- Direct Domestic investment of more than USD 500.000 within 2023 -2028
- Increase tax contribution to the government
- Generate foreign currency.
- Increase of the country's market economy and competition with other worldwide markets

E. Mission and Vision

The company vision is to be one of the leading companies in mining and processing of minerals in the United Republic of Tanzania for local markets and export purposes.

F. Operations

The project will be managed and operated by **M'COIN LIMITED**. The Company has finalized acquisition of operation permits to implement the mining and mineral processing business, as it has been awarded with mining licenses with registration numbers **PML0487TBR** and **PML0488TBR** together with a dealer's license registered under Dealer's License Number **DL001/SHY, 034**, and also the Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

G. Project Location

- The project shall be located at town planning drawing no: 11/IGA/338/0222, located at IGULUBI, IGUNGA DISTRICT, TABORA – TANZANIA.

H. Postal Address

**M'COIN LIMITED,
P.O. BOX 12317,
SHINYANGA CBD,
TANZANIA**

I. Mining and Mineral Processing Industry

a. Mining and Mineral Processing Industry in Tanzania

Tanzania's mining and mineral processing sector has approximately contributed 8.1% to the country's real GDP and 4% annual growth rate. Most of the mining and mineral processing activities are centered on local trade, and also international trade representing an increase of 33% to the mining and mineral processing sector in the United Republic of Tanzania. Main growth includes the increase in the number of miners and mineral processors in the mining and mineral processing industry.

According to Tanzania's 2025 Development Vision, investments in mining sector, particularly in the development of the mining industry, is among the Government's top priority.

b. Mining Industry in Tanzania

This mainly involves the mining of different minerals in the whole of Tanzania. There are believed to be about 15 private Tanzanian companies operating in this sector. The mining and mineral processing industry in Tanzania consists mainly gold processing (24%), tanzanite and other minerals (10%), chemicals (8.5%) and other minerals

c. Project Justification

The proposed project is under management of **M'COIN LIMITED** and is in line with Tanzania Government efforts in attempt to revamp that mining and mineral processing sector. This also has been complemented by the fact that the government is making a critical effort in improving the mining sector, by implementing mining policies and other local content regulations to ensure an ultimate aim of improving business environment for all mining companies operating in the land of the United Republic of Tanzania.

Regarding the initiative undertaken by **M'COIN LIMITED**, is justified by the following facts: -

- The Company have a special invested interest in the mining and mineral processing industry therefore, the establishment of a company carrying its mining and mineral processing business activities as its main activities.
- The involvement of the company in the mining and mineral processing sector will boost the Country's economy, and at the same time strengthen

the mining sector in Tanzania. The Company's marketing strategy and intention is to have a wide customer base both locally and internationally which focuses on solving private and public companies' mining issues.

d. Social and Economic Impact of the Project

The proposed project will result into the following social and economic impacts:

- Improve and increase the mining and mineral processing sector through its mining and mineral processing activities towards processing various gold and other minerals for the purpose of exporting and also selling from within the geographical boundaries within and outside the United Republic of Tanzania.
- Increased competitiveness among local miners and local mineral processors and export markets in Tanzania.
- The project will provide employment for people in Tanzania and training the employees to further improve and enlarge their knowledge on the industry in general.
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company

e. Industry Analysis

a. Sales Literature, Sourcing and Technology

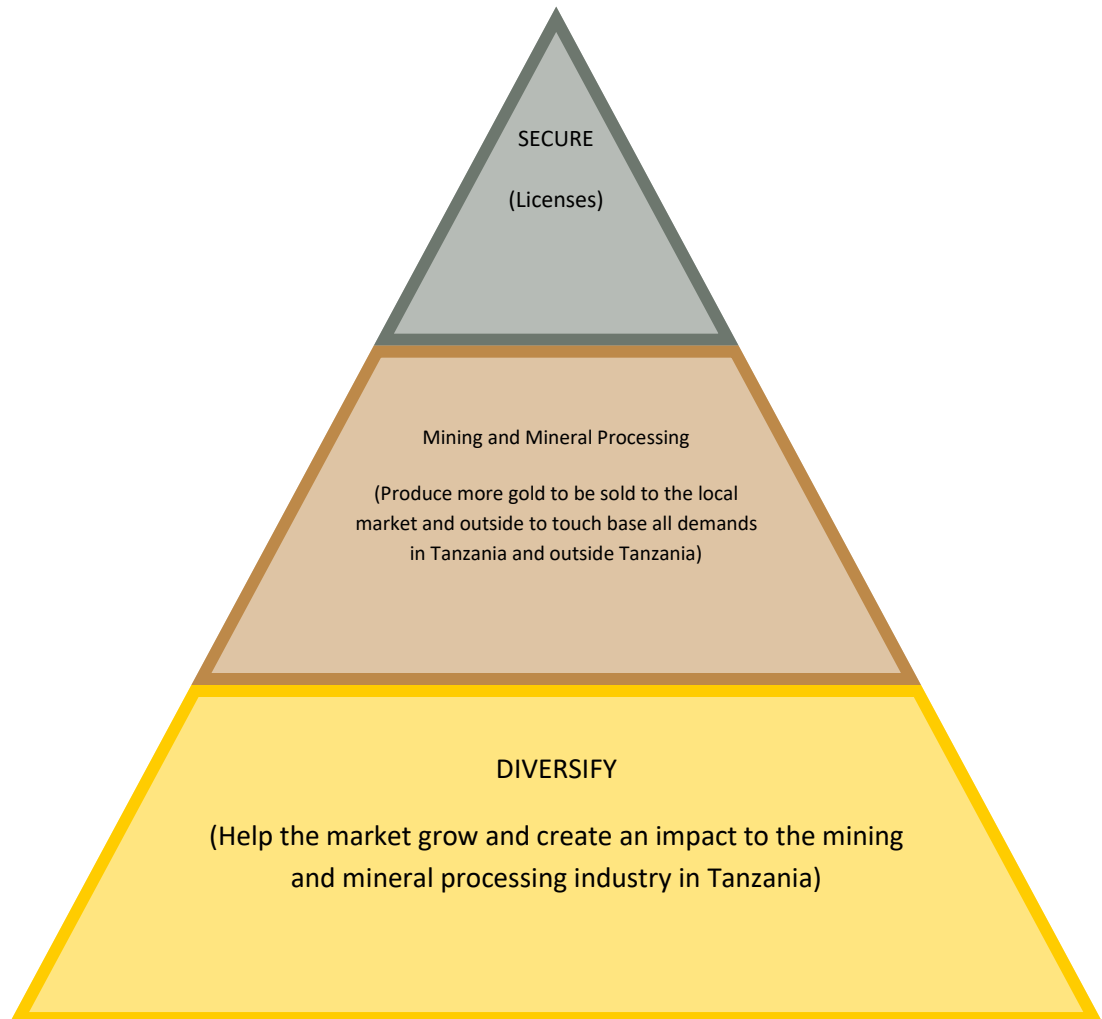
i. Sales Literature

The company shall use different materials and trainings about their services to customers including but not limited to specification sheets, brochures, catalogs, and other materials.

ii. Technology

The company aims to mine and process gold, and that the technology that is expected to be used in the entire processing phase shall include materials such as machines both imported and locally obtained materials together with advanced machinery for mining and mineral processing purposes.

Strategy Pyramid



b. Competitive Edge

The Company will have a rather bigger advantage from their competition due to the following reasons: -

- The processed gold mined by the company will be advanced and with higher capacity compared to the competitors.
- Most mining and mineral processing companies provide services at a very high price as dealers, and whereas this company will provide services at a much and more affordable prices, to ensure market enlargement and follow all the required policies and regulations for the operation of the Company in Tanzania
- The opening of Tanzania for international investment will create a huge demand for mining and mineral processing projects which will create a huge market for the company and ensure the return of investment in a short period of time.

f. Opportunities

a. Increased demand for miners and mineral processors activities

Tanzania now is witnessing the increase in mining and mineral processing sector due to increased demands both in and outside Tanzania, and better facilities. Despite that Tanzania has also executed several international agreements to ensure the development and improvements of the mining and mineral processing business in Tanzania.

b. Uniqueness location of the project

M'COIN LIMITED's project will be one of the mining and mineral processing project, with its activities located at IGULUBI, IGUNGA DISTRICT, TABORA – TANZANIA. The location of this project provides an opportunity to **M'COIN LIMITED** to capture easily the market around regions rich in minerals and other Regions such as Dar es Salaam Region and even extending its borders to the new road that connects to Morogoro and other central regions of other parts of Tanzania.

c. Government Policy

The Government of Tanzania has made various policies, laws and regulations that intends to improve and promote the mining industry locally and across borders.

d. Government Incentives package

The Government has enacted laws that offer reasonable incentives example removal of taxes on some importations and deferment.

d. Analysis of Strengths, Weaknesses, Opportunity, and Threats

Table below present the analysis of the company's Strengths, Weaknesses, Opportunities and Threats (SWOTS)

| | |
|---|--|
| <p>Strengths</p> <ul style="list-style-type: none"> • Availability of Markets • Connection to stakeholders • Provision of incentives and accessibility to markets and stake holders • Access to reliable high technology such as standard equipment’s that simplifies the entire procedure | <p>Weaknesses</p> <ul style="list-style-type: none"> • Capital Injection |
| <p>Opportunities</p> <ul style="list-style-type: none"> • Good government suitable facilitative policy. • Government development of the sectors and huge demand of the services | <p>Threats</p> <ul style="list-style-type: none"> • Unawareness of the new entrants in the industry in the same location • Increment of inflation |

The company has prepared for the action plans by doing the following: -

e. Marketing Information

The company will employ qualified people to conduct the marketing of the processed minerals product.

g. Marketing Strategy

i. Overview

The success of **M’COIN LIMITED** will be achieved by providing high quality services, providing friendly service, and employing an aggressive marketing plan to build customer traffic. Today's market requires more than just mining and mineral processing services to make **M’COIN LIMITED** successful.

M’COIN LIMITED will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts. Management will endeavor to create and maintain a **BUSINESS PLAN FOR M’COIN LIMITED**

positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales and distribution.

ii. Customer Database

M'COIN LIMITED will aggressively seek to build a database of Customers. Customers will have an opportunity to be included in the database so they can participate in sales promotions such as birthday or anniversary cards; email notification of upcoming specials; discounts; etc. The database will be gathered and maintained in the system. **M'COIN LIMITED** will gather names in a variety of manners including staff requests; business card drop for free lunch; guests' signup book with promotional signage; promotion; etc.

iii. Advertising

M'COIN LIMITED will adopt an aggressive advertising strategy. Also, we will process outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure. **M'COIN LIMITED** will utilize both traditional non-- traditional methods of advertising. Management's viewpoint on advertising is state in your own words, and the philosophy, also we will adopt towards the use of traditional advertising such as radio, newspaper, billboards, or television to reach the best customers in and outside Tanzania for the purpose of increasing the entire market.

iv. Costing and Pricing

The costing and pricing are done by the management of **M'COIN LIMITED**. The costing takes into consideration various aspects depending on the cost which has already been incurred, inflation factor and Operating costs. The project promoters of the company are in business for long time i.e., they are business-oriented personnel and thus they are competent to ensure the project is implemented with maintainable costs and attractive profits.

v. Customers

M'COIN LIMITED is targeting to all regions in Tanzania and whole of East Africa specifically targeting the companies, businesses, and individual customers.

As it has been explained in preamble chapters, **M'COIN LIMITED** will set project which will be indulging in Mining and mineral processing business of minerals such as Gold etc.

vi. Marketing Plan

The company has both short term and long-term marketing plan:

The short-term marketing plan includes:

- Building sustainable long-term relationships with customers, suppliers, and investors.
- Training of sales staff sales, and Marketing.

Long Term Plans includes:

- Join to the network of mining and mineral processing companies to market to exploit more business opportunities.
- Investing in Market Research and Development

g. Management & Administration

a. Management

The management team of **M'COIN LIMITED** planned to be constituted by the following management team: -

i. Board of Directors

M'COIN LIMITED will be managed by the board of Directors which is the apex body for strategic decision making of the project in line with the resolutions from the shareholders.

ii. Accountant

An internal accountant will be employed to work with the existing external accountant who is expected to have good experience in accounting system as well as he will be responsible in managing cash of **M'COIN LIMITED**, but also keeping books of accounts properly.

iii. Management Agreements

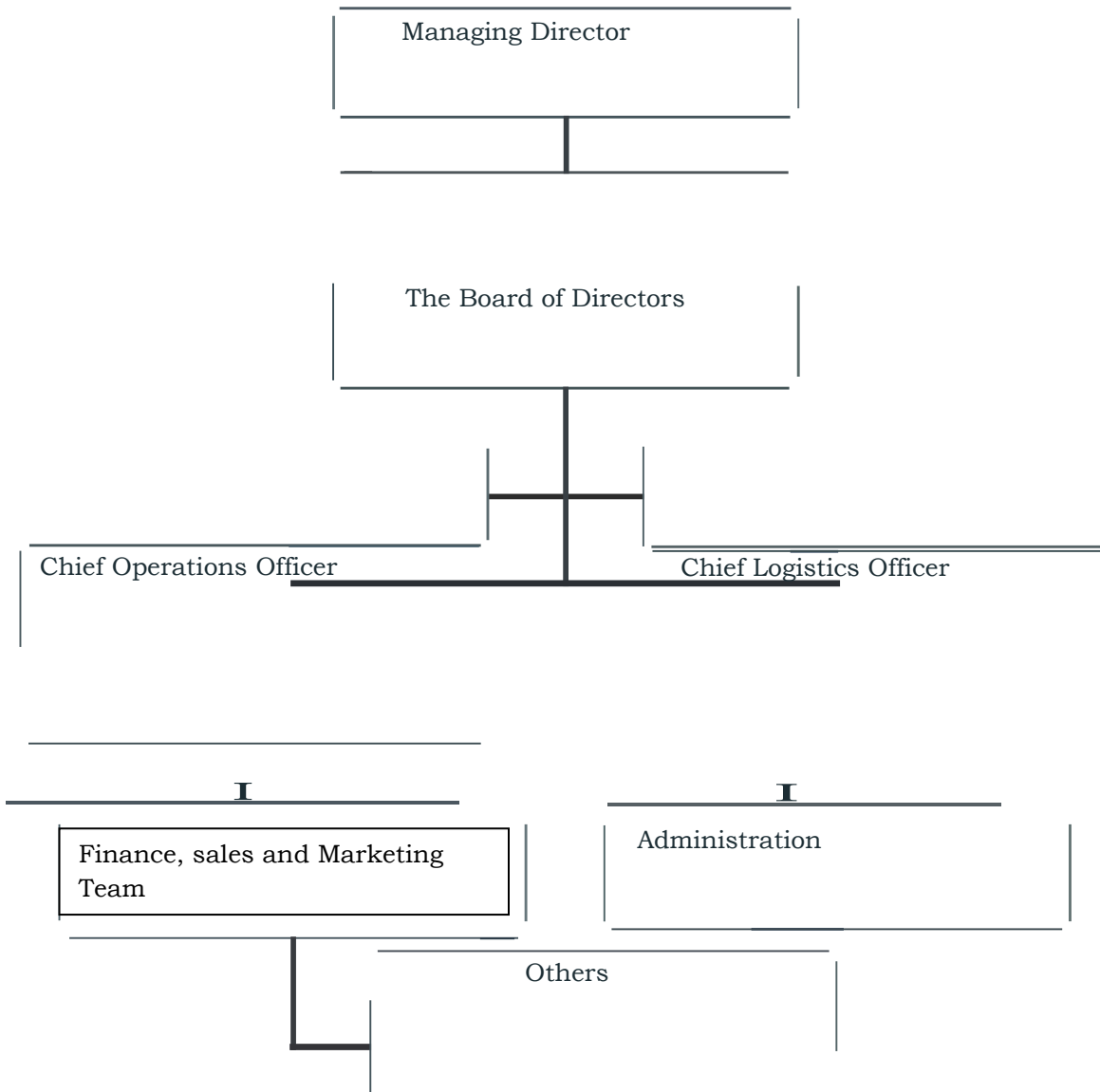
Management Agreements will be executed between **M'COIN LIMITED** and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

iv. Confidentiality Agreements

M'COIN LIMITED will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our mining and mineral processing business, operating systems, policies, and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets and show our employees that we take our business seriously.

v. Organization Structure

The management of **M'COIN LIMITED** is planning to have the following organization structure.



vi. Job creation

The following table illustrates the forecasted job creation throughout the coming five years

| Job Title /Year | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|-----------------------|------|------|------|------|------|-------|
| Country Manager | 1 | 0 | 0 | 0 | 0 | 1 |
| Finance Manager | 1 | 0 | 0 | 0 | 0 | 1 |
| Office Manager | 1 | 0 | 0 | 0 | 0 | 1 |
| Sales Manager | 1 | 0 | 0 | 0 | 0 | 1 |
| Operations Manager | 1 | 0 | 0 | 0 | 0 | 1 |
| Miners | 180 | 0 | 0 | 0 | 0 | 180 |
| Mechanical Technician | 25 | 0 | 0 | 0 | 0 | 25 |
| Grand Total | 210 | 0 | 0 | 0 | 0 | 210 |

Appendix I

M'COIN LIMITED – PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 6,560,000.00 | 6,625,600.00 | 6,691,856.00 | 6,758,774.56 | 6,826,362.31 | 6,894,625.93 |
| Operating Expenses: | 5,576,000.00 | 5,631,760.00 | 5,688,077.60 | 5,744,958.38 | 5,802,407.96 | 5,860,432.04 |
| Profit before Depreciation & Interest | 984,000.00 | 993,840.00 | 1,003,778.40 | 1,013,816.18 | 1,023,954.35 | 1,034,193.89 |
| Interest | | | | | | |
| Depreciation | 246,000.00 | 246,000.00 | 246,000.00 | 246,000.00 | 246,000.00 | 246,000.00 |
| Net Profit | 738,000.00 | 747,840.00 | 757,778.40 | 767,816.18 | 777,954.35 | 788,193.89 |
| Tax (30%) | 221,400.00 | 224,352.00 | 227,333.52 | 230,344.86 | 233,386.30 | 236,458.17 |
| Profit After Tax | 516,600.00 | 523,488.00 | 530,444.88 | 537,471.33 | 544,568.04 | 551,735.72 |
| Accumulated Profit | 516,600.00 | 1,040,088.00 | 1,570,532.88 | 2,108,004.21 | 2,652,572.25 | 3,204,307.97 |

M'COIN LIMITED – PROJECTED CASH FLOW US\$

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| SOURCES: | | | | | | | |
| Profit before interest and depreciation | 0 | 984,000.00 | 993,840.00 | 1,003,778.40 | 1,013,816.18 | 1,023,954.35 | 1,034,193.89 |
| Equity | 4,200,000.00 | | | | | | |
| Loan | | - | - | - | - | - | |
| Total Sources | 4,200,000.00 | 984,000.00 | 993,840.00 | 1,003,778.40 | 1,013,816.18 | 1,023,954.35 | 1,034,193.89 |
| Applications: | | | | | | | |
| Capital expenditure | 3,150,000.00 | - | - | - | - | - | |
| working Capital & Others | 1,050,000.00 | 1,050,000.00 | 1,050,000.00 | 1,050,000.00 | 1,050,000.00 | 1,050,000.00 | 1,050,000.00 |
| Cash | 0 | 735,000 | 751,905.00 | 769,198.82 | 786,890.39 | 804,988.87 | 823,503.61 |
| Tax | - | 221,400.00 | 224,352.00 | 227,333.52 | 230,344.86 | 233,386.30 | 236,458.17 |
| Sub total | 4,200,000.00 | 984,000.00 | 993,840.00 | 1,003,778.40 | 1,013,816.18 | 1,023,954.35 | 1,034,193.89 |
| Total applications | 4,200,000.00 | 984,000.00 | 993,840.00 | 1,003,778.40 | 1,013,816.18 | 1,023,954.35 | 1,034,193.89 |
| Accumulated cash | | 735,000.00 | 1,486,905.00 | 2,256,103.82 | 3,042,994.20 | 3,847,983.07 | 4,671,486.68 |

Appendix III

FINANCING PLAN FOR M'COIN LIMITED – FOR NEXT 5 YEAR TERM

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|-----------|
| Revenue (USD) | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| Debt (USD) | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| Self-Financing (USD) | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |