

# **KATAVI MINING COMPANY LIMITED**

**Business Plan**

**For**

**Cargo Transportation by Road**

## **1.0 INTRODUCTION**

KATAVI MINING COMPANY LIMITED is a company incorporated in Tanzania with certificate No. 75376 dated 10/03/2010 as a private limited company under the Tanzanian Companies Act, 2002. KATAVI MINING COMPANY LIMITED is engaged in the business of Transportation and Logistics. Across Tanzania, Travel agency activities, Hotel and hospitality industry services, etc., KATAVI MINING COMPANY LIMITED is currently planning to provide cargo transportation by road and logistics supply management within the country, East Africa, East, and Central Africa region.

### **1.1 KATAVI MINING COMPANY LIMITED MISSION**

To become a leading cargo transportation and logistics management company providing business-enabling solutions and exceeding customer expectations.

### **1.2 KATAVI MINING COMPANY LIMITED VISION**

To deliver customized and unique logistics solutions ensuring time and cost savings for customers.

### **1.3 KATAVI MINING COMPANY LIMITED VALUES**

At KATAVI MINING COMPANY LIMITED, we believe the customer comes first; the company management is focused to ensure customer delight, superior quality of delivery and increased customer profitability.

At KATAVI MINING COMPANY LIMITED, our operations all over the country, we practice an enduring value system based on an open culture, honest and fair business and personal conduct, earning the confidence and trust of our Associates and Customers.

At KATAVI MINING COMPANY LIMITED, we practice transparency with all agencies that we are involved with.

At KATAVI MINING COMPANY LIMITED, we value the importance of our colleagues, evolving a sense of togetherness and passion to deliver.

1.4 **COMPANY OWNERSHIP AND BOARD OF DIRECTORS**

KATAVI MINING COMPANY LIMITED is promoted by three shareholders who are very experienced in transport and logistic business, the share capital of the company is Tanzania shillings 100,000,000/ ordinary

Share Holders	% of Share	Nationality
AHMED ALI AHMED AL-HOQANI	28	Oman
ISSA ALI AHMED AL HOQANI	28	Oman
SULAIMAN AHMED SAID AL HAWQANI	16	Oman
RASHID SAIF MOHAMMED AL RAJHI	28	Oman

## 1.6 PROJECT LOCATION

The registered office of KATAVI MINING COMPANY LIMITED is located at **Region Dar Es Salaam, District Ilala CBD, Ward Upanga Magharibi, Street Ally Hassan Mwinyi, Road, Plot number Viva Tower, Block number, Viva Tower, House number 09(Office), yard Mpanda- KATAVI**

## 1.7 FLEET SIZE

KATAVI MINING COMPANY LIMITED is planning to

Item	Quantity
Pulling (Tractor) Trucks	300
Tankers and Trailers	300
Cargo Trucks (5-18) Tons	50
P/Up Vehicles	5

With a capacity of carrying **15** tons of truck and trailer, one truck conducting **3** trips per month operating for ten months per year, carrying **135,000** tons per year

KATAVI MINING COMPANY LIMITED **management** intends to continue building its fleet to a level of 300 trucks by 2028

A required number of trailers will also be added to the existing fleet in order to cater to additional requirements in line with truck additions.

### 1.8 PROJECT ESTIMATED REVENUE

The company has estimated that the projected revenue to be US\$ 5000 per trip and one truck will conduct 3 trips per month and 30 trips per year

### 1.9 PROJECT OPERATING COST

The company has estimated that the project operating cost and another cost to be 70% of the total annual revenue

### 1.10 PROJECT FINANCING

The company has estimated that the project will be financed by a long-term loan amounting to 70% and shareholders and cash generated from the business contribution of 30%

### 1.11 PROJECT COST

The project has budgeted to cost the followings:

PARTICULAR	AMOUNT USD
Land and Buildings	508,000.00
Machinery & Equipment	230,000.00
Motor Vehicles	24,300,000.00
Office Furniture	40,000.00
Pre expenses	25,000.00
Others	10,000.00
Working Capital	500,000.00
<b>TOTAL</b>	<b>25,613,000.00</b>

## 2.0 ORGANISATION FLOW CHART

KATAVI MINING COMPANY LIMITED management is headed by AHMED ALI AHMED AL-HOQANI, ISSA ALI AHMED AL HOQANI, SULAIMAN AHMED SAID AL HAWQANI and RASHID SAIF MOHAMMED AL RAJHI who will form the board of company directors team to be assisted by, 1 HR and Admin Manager, 1 Logistics Manager, 1 Chief Accountant, and 2 Junior accounting clerks. The operational team is headed by 3 operational managers and includes drivers and cleaners.

### Employees Distribution Summary

Employment	Foreign	Local	Total
Women	2	50	52
Men	8	320	328
<b>TOTAL</b>	<b>10</b>	<b>370</b>	<b>380</b>

## 3.0 TANZANIA TRANSPORT OVERVIEW

The Tanzanian transport sector comprises surface transport (including roads, and railways), inland waterways (lakes and rivers), air transport, and sea transport.

Tanzania's transport sector contributed 8.1% to the country's real GDP in 2018 with USD 3.8 billion, compared to USD 2.8 billion in 2014, representing an increase of 33%.

Main growth drivers include the increase in the number of passengers carried and freight handled through road transport.

According to Tanzania's 2025 Development Vision, investments in infrastructure, particularly in the development of the road network, are the Government's top priority.

The World Bank (WB) and the African Development Bank (AfDB) support Tanzania in achieving its infrastructure development goals by providing grants and credits for projects.

### Tanzania Road Transport

Road transport is the most widely used form of transport in Tanzania, carrying over 90% of the passengers and 75% of the freight traffic in the country.

The road network in Tanzania currently comprises 86,472 kilometers of roads, of which 12,786 kilometers are trunk roads, 21,105 kilometers are regional roads and the remaining 52,581 kilometers are district, urban and feeder roads.

Tanzania's Ministry of Works, Transport, and Communication through the Tanzania National Roads Agency (TANROADS) is managing the national road network of about 33,891 kilometers, comprising 12,786 kilometers of trunk and 21,105 kilometers of regional roads.

The remaining network of about 53,460 kilometers of urban, district and feeder roads is under the responsibility of the Prime Minister's Office Regional Administration and Local Government (PMO-RALG).

### **Tanzania Rail Transport**

Railway transport is the second most important mode of transport after road and critical for long distance freight along the main transport corridors in Tanzania.

Tanzania has a total of 3,676 kilometers of railway lines operated by two railway systems, Tanzania Railways Corporation (TRC) and Tanzania – Zambia Railways (TAZARA).

The mainline of TRC comprises the central corridor between the port of Dar es Salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west.

The TAZARA line is 1,860 kilometers in length, of which 975 kilometers is in Tanzania and 885 kilometers in Zambia.

### **Tanzania Air Transport**

The total number of air passengers in Tanzania reached 6.2 million in 2019, compared to 5.2 million in 2015, representing an increase of 18%.

Currently (2020), there are 19 airline operators in Tanzania, including some of the leading international air carriers such as British Airways, KLM, Qatar Airways, and SWISS.

There are 58 airports in Tanzania and more than 300 private airstrips owned by mining companies and tour operators.

The Julius Nyerere International Airport (JNIA), located in Dar es Salaam, is the largest and busiest airport in Tanzania, accounting for over 70% of Tanzania's air passengers.

In August 2019, Tanzanian President John Magufuli inaugurated Terminal 3 of the JNIA. The new terminal, which cost USD 314 million set the airport capacity at 8 million passengers annually.

In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. The new airport will be built in the district of Msalato, 12 kilometers from the capital Dodoma.

The new facility is expected to handle at least 50,000 aircrafts and one million passengers per year.

### **Tanzania Water Transport**

Tanzania has a coastline of about 720 kilometers on the Indian Ocean, and also borders Lake Victoria, Lake Nyasa, and Lake Tanganyika.

Both sea and inland waterways ports in Tanzania are managed and operated by the Tanzania Ports Authority (TPA).

The TPA's main Indian Ocean ports are Dar es Salaam, Mtwara, and Tanga. Minor seaports serving coastal traffic include Lindi, Kilwa Masoko, Mafia Island, Bagamoyo, Pangani, and Kwale.

Dar es Salaam is Tanzania's principal port with intrinsic capacity of 10.1 tonnes per year. The port handles over 92% of the total maritime ports' throughput.

The port serves land-linked countries of Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi, and Uganda.

These countries are connected to the port through two railway systems (TRL-1.0 metre gauge and TAZARA-1.067 cape gauge), road network, as well as the TAZAMA oil pipeline to Zambia.

TPA also operates Tanzania's lake ports, maintaining around 20 ports on Lake Victoria. Some major ports include Bukoba, Kemono Bay, Musoma, and Nansio.

Principal lake ports on Tanganyika include Kigoma and Kasanga. Additionally, there are 15 smaller ports along the lake. These ports provide trade connections between Burundi, Eastern Democratic Republic of the Congo, and Zambia.

Lake Nyasa has 4 important ports, Itungi, Mbamba Bay, Liuli, and Manda. There are up to 10 other smaller TPA ports on the lake that facilitate passenger movement along the lake and between the countries of Malawi, Mozambique, and Tanzania.

#### **4.0 TANZANIAN BUSINESS ENVIRONMENT**

In the African continent, TANZANIA is among the top ten investment destinations in Africa, thanks to reforms and a conducive investment environment set by the government.

The Rand Merchant Bank (RMB) ranked the country tenth in investment attractiveness, in the Where to Invest in Africa 2021 report released recently.

#### **4.1 THE TANZANIA DEVELOPMENT CORRIDORS**

The development of transport corridors has been one of the main strategies adopted by the Government of Tanzania to facilitate

trade. Tanzania serves as a transit country for the import and export of Malawi, Zambia, DR Congo, Burundi, Rwanda, and Uganda, using the port of Dar es Salaam. The main rail and road connections in Tanzania are, therefore, in an east-west direction, linking the ports with the hinterlands of those neighbouring countries. Tanzania is devoting much attention to the corridor concept in its development policy by concentrating efforts in the Mtwara Corridor, Dar-es-Salaam Corridor, Central Corridor and the Tanga Corridor. The major challenge is to link import, export and transit traffic from and to

neighbouring countries with transport development efforts, making Tanzania a natural regional hub.

The geography of Tanzania, including its size, diversity and dispersion, give roads a special position in the integration of the national economy. In particular, roads serve rural areas, where the majority of the people live, more effectively than any other mode of transport. The current Tanzania Road Network length is about 85,000 km, which includes trunk and regional roads (35,000 km) managed by the Tanzania National Roads Agency (TANROADS), and the urban, district and feeder roads with a total of 50,000 km, managed by Local Government Authorities (LGA). There are also some unclassified roads, such as those managed by the Tanzania Parks Authority (TANAPA), and by the Mining Companies and village authorities.

## **5.0 SWOT ANALYSIS**

### **STRENGTHS**

Strengths of the business are –

- Promoters have sound experience in this business and have talented Management.
- Rapid growth in sector due to effective management
- Influence & Networking of Directors in the Business Sector.

- Business location is at prominent place.
- Good roads and highway in Tanzania.
- Confirmed business via agreement entered with few companies.

## WEAKNESSES

Weakness of the business are –

- New entry in logistics market
- Stiff competition from local market
- Limited market share growth

## OPPORTUNITIES

Opportunities of the business are –

- Potential market encourages foreign investors
- Increasing market share due to rail transport limitations
- Augmented demand for world-class logistics and warehousing services
- Increased use of logistics services in sectors such as technology, consumer retail, automotive and industrial

## THREATS

Threats of the business are –

- Complex Tax Structure
- Unorganised sector and competition
- Different laws in different countries

- Increasing fuel rates, therefore, increasing transportation costs

## **6.0 SERVICES OFFERED BY KATAVI MINING COMPANY LIMITED**

KATAVI MINING COMPANY LIMITED Management understands that your supply chain needs are unique and that's exactly why the company has engaged the best minds in the Transport industry to create specific transport solutions customized to suit your ever-changing cargo movement environment. KATAVI MINING COMPANY LIMITED transport vans, trucks, and trailers (closed body trailers, flatbed trailers, and low loaders) from precision transport are designed for seamless execution, KATAVI MINING COMPANY LIMITED dedicated cargo transportation professionals are engaged at every step of the way to provide the services with the most accurate transport and economical transportation arrangement that the industry has to offer.

KATAVI MINING COMPANY LIMITED Transportation and the company Customs Brokerage Service allow the company to complete the supply chain, and cargo transit offer truly door-to-door

Transportation service in the freight industry. The company-optimized transportation translates to fast transit service and the door-to-door delivery of your freight on time, safely transported and damage free.

Transport integration with Customs Brokerage Service

- Allows KATAVI MINING COMPANY LIMITED Transport Logistics to complete the supply chain and offer truly door-to-door transportation service in the market
- Eliminates unnecessary customs delays, and transport dispatch and improves communication between the shipping line, Customs, Client, and our transport department.
- Provides greater control, handling, and security of your freight transportation
- Full range of freight forwarding services are offered, including customs clearance, warehousing, in-bond storage, transportation, etc.
- Customer receives a single itemized invoice for door-to-door transportation eliminating additional administrative requirements

KATAVI MINING COMPANY LIMITED Transport Logistics plans to customize and design transportation solutions to transport clients' freight quickly and easily. KATAVI MINING COMPANY LIMITED Management has been in the transport logistics and our transport segment delivers freight to Numerous customers spread across east Africa: Tanzania, Uganda, Northern Tanzania, Burundi, Rwanda, Southern Sudan, and DR Congo.

KATAVI MINING COMPANY LIMITED Plan to combine the economy of rail transport with road transport handling for seamless door-to-door service and savings. The company's transport network throughout Tanzania, Uganda, Northern Tanzania, Burundi,

Rwanda, Southern Sudan, and DR Congo and large transport trucks, closed body trailers, flatbed trailers, and low loaders fleets are aligned to offer transport applications suitable for all transportation needs. Whether the client's freight requires rail transport or road transportation service, door-to-door transport, or coast-to-coast.

Transport, or cross-border transportation, KATAVI MINING COMPANY LIMITED Transport Logistics is the solution.

Benefits of the optimized door-to-door delivery and transportation

- KATAVI MINING COMPANY LIMITED Transportation is dedicated to creating win-win solutions by investing talent, capital, and transport resources.
- Dynamic transport route optimization systems at clients' disposal to create a supply-chain door-to-door and reduce transport costs.
- The largest transportation truckload fleet and terminal network in the transport industry.
- Satellite tracking on our transport
  
- Modern fleet of transport trucks
- One of the Safest operating fleets in the transport industry
- Heavy and fragile equipment transported using air hydraulic low loaders.
- Door-to-door control of transport equipment = less handling, better security, and increased efficiency

- Fully multilingual experienced transport staff to cater all our transportation routes
- Strict requirements for transport department staff and constant integrity checks for transport and delivery.

### **Container Transport Mode (Container on Flat Bed)**

KATAVI MINING COMPANY LIMITED Capital offers a complete door-to-door service for all of your container transport requirements. Our road transport fleet is comprised of 400 trucks and transport trailers. The company plans to have the most modern container transport fleet in the transport industry and our container transport trucks are all equipped with satellite tracking, permitting real-time tracking of your loads.

KATAVI MINING COMPANY LIMITED Transport Logistics also supplements the road transport fleet with our access to our East Africa railway transport line. KATAVI MINING COMPANY LIMITED Transport Logistics is capable of transporting heavy and bulk cargo on Low Loader, and rail and can also transport transit cargo on rail and low-loaders.

### **Heavy Haulage – Low-Loader Transportation**

KATAVI MINING COMPANY LIMITED transportation Low Loaders comprise of a variety of unique low loader trailer configurations, KATAVI MINING COMPANY LIMITED Capital is still constantly engineering new low loader transport solutions for our customers' Low Loader Transportation requirements. KATAVI MINING COMPANY

LIMITED Transportation Logistics is rapidly becoming the preeminent low loader transport provider for importers and exporters of many commodities, including earth-transporting equipment and engineering structures that have to be transported on low loaders. Low loader as the industry's most dynamic carrier, KATAVI MINING COMPANY LIMITED Transportation plans to expand our diverse portfolio of service-sensitive, specialty operations to meet our clients' low loaders needs.

### **Heavy Equipment Transport**

Whether it is around town or interstate KATAVI MINING COMPANY LIMITED Transportation has low loaders and heavy transport equipment to transport any sized machines. We have low loader expertise required to transport, arrange all the permits, liaise with police, and load and unload cranes.

### **Mining Equipment Transport**

KATAVI MINING COMPANY LIMITED Low loader transport offers transportation services for heavy equipment utilizing their low loader trailers and has experienced transporting a range of Mining equipment including Hitachi Excavators, Zoom Lion Cranes, Caterpillars and Komatsu Dump Trucks, concrete mixers, graders and bulldozers on low loaders.

### **Local cargo**

KATAVI MINING COMPANY LIMITED offers the fastest Local cargo service in Tanzania. This airport-to-airport service puts your cargo, and other packages on the first scheduled flight and deliver them to the

recipient at the airport of arrival within one hour after the landing time. No advance reservations are required for this service.

Tanzanian Cargo provides around-the-clock Local cargo service with same-day delivery across Tanzania.

### **Transit Cargo**

KATAVI MINING COMPANY LIMITED strives to extend standard services across vast distances and rough terrain all across East Africa. Our motivated staff and our expertise in the industry always keep us on schedule by rail and road.

KATAVI MINING COMPANY LIMITED provides relocation and movement of both of bulk and containerized goods. KATAVI MINING COMPANY LIMITED offer a variety of transport solutions, be it grouping or other transport services such as part and full load shipments by road, railways or a combination of two

## **7.0 COMPETITION**

According to data available, there are more than 15,000 trucks registered in Tanzania and KATAVI MINING COMPANY LIMITED plan to compete favorably with local and foreign companies

## **8.0 FINANCIAL ASPECTS OF THE PROJECT**

### **(i) Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow

from. **US\$ 7,586,748** in the 1<sup>st</sup> year to **US\$ 78,345,154** in the 8<sup>th</sup> year.

**(ii) Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 21,826,536** in the first year to **US\$ 132,678,625** at the end of the 8<sup>th</sup> year of the project's operations based on the 50 trucks and trailers obtained.

**(iii) Projected Balance Sheet**

The project's assets' cash flows are shown in Appendix III. Owners' equity grows from **US\$ 7,683,900** in the first year to **US\$ 86,029,054** at the end of the 8<sup>th</sup> year of the project's operations

**(iv) Payback Period**

Total investment is **US\$25,613,000.00** cash accumulation in 3<sup>rd</sup> year is **US\$ 27,883,750**, which is more than the initial investment by **US\$2,270,750**, The project payback Period is exactly 3 years. The project has a relatively short payback period.

**(v) Loan repayment**

The total investment loan is **US\$ 17,929,100** to be repaid within 5 years.

## 9.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

### (i) Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 80 people. This is a significant contribution coming from local investors.

### (ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

### (iii) Foreign Exchange Earning

Since the project's clientele is mostly towards neighbouring countries the project will thus earn foreign currency for the

United Republic of Tanzania. Out of all project expected cargo overhauling transactions will be settled in foreign currencies. In this study we have assumed that the project will be paid in foreign currency

## 10.0 CONCLUSION

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 380 people.

- (iii) The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

#### 11.0 **RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including Tanzania

Revenue Authority, TRA, and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability,

since it is technical feasible, economically viable and socially acceptable.

## KATAVI MINING COMPANY LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
-								
Revenue (	45,000,000.00	47,250,000.00	49,612,500.00	52,093,125.00	54,697,781.25	57,432,670.31	60,304,303.83	63,319,519.02
<b>Operating Expenses:</b>	31,500,000	33,075,000	34,728,750	36,465,188	38,288,447	40,202,869	42,213,013	44,323,663
<b>Gross Profit Before Interest and Depreciation</b>	13,500,000	14,175,000	14,883,750	15,627,938	16,409,334	17,229,801	18,091,291	18,995,856
<b>Interest</b>	1,434,328	1,434,328	1,434,328	1,434,328	1,434,328	-	-	-
<b>Depreciation</b>	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460
<b>Gross Profit</b>	10,838,212	11,513,212	12,221,962	12,966,150	13,747,546	16,002,341	16,863,831	17,768,396
Tax (30%)	3,251,464	3,453,964	3,666,589	3,889,845	4,124,264	4,800,702	5,059,149	5,330,519
<b>Profit After Tax</b>	7,586,748	8,059,248	8,555,373	9,076,305	9,623,282	11,201,639	11,804,682	12,437,877
Accumulated Profit	7,586,748	15,645,996	24,201,370	33,277,674	42,900,957	54,102,596	65,907,277	78,345,154

APPENDIX II

KATAVI MINING COMPANY LIMITED PROJECTED CASH FLOWS US\$

	0	1	2	3	4	5	6	7	8
<b>SOURCES:</b>									
Profit before interest and depreciation	-	25,078,000	23,850,540	22,623,080.00	21,395,620	20,168,160	18,940,700.00	17,713,240.00	16,485,780.00
Equity	7,683,900								
Loan	17,929,100								
<b>Total Sources</b>	<b>25,613,000</b>	<b>25,078,000</b>	<b>23,850,540</b>	<b>22,623,080</b>	<b>21,395,620</b>	<b>20,168,160</b>	<b>18,940,700</b>	<b>17,713,240</b>	<b>16,485,780</b>
<b>Applications:</b>									
Capital expenditure	25,078,000		-	-	-	-			
working Capital &Others	535,000								
Cash	-	21,826,536	20,396,576	18,956,491	17,505,775	16,043,896	14,139,998	12,654,091	11,155,261
Tax	-	3,251,464	3,453,964	3,666,589	3,889,845	4,124,264	4,800,702.33	5,059,149.34	5,330,518.71
<b>Sub total</b>	<b>25,613,000</b>	<b>25,078,000</b>	<b>23,850,540</b>	<b>22,623,080</b>	<b>21,395,620</b>	<b>20,168,160</b>	<b>18,940,700</b>	<b>17,713,240</b>	<b>16,485,780</b>
<b>Total applications</b>	<b>25,613,000</b>	<b>25,078,000</b>	<b>23,850,540</b>	<b>22,623,080</b>	<b>21,395,620</b>	<b>20,168,160</b>	<b>18,940,700</b>	<b>17,713,240</b>	<b>16,485,780</b>
Accumulated cash		21,826,536	42,223,112	61,179,604	78,685,379	94,729,275	108,869,273	121,523,363	132,678,625

## APPENDIX III

## KATAVI MINING COMPANY LIMITED PROJECTED BALANCE SHEET US\$

<b>Fixed Assets</b>	1	1	2	3	4	5	6	7	8
Opening balance	-	25,078,000	23,850,540	22,623,080	21,395,620	20,168,160	18,940,700	17,713,240	16,485,780
<b>Total Long-term Assets</b>	-	<b>25,078,000</b>	<b>23,850,540</b>	<b>22,623,080</b>	<b>21,395,620</b>	<b>20,168,160</b>	<b>18,940,700</b>	<b>17,713,240</b>	<b>16,485,780</b>
Less depreciation	-	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460	1,227,460
<b>Closing balance</b>	-	<b>23,850,540</b>	<b>22,623,080</b>	<b>21,395,620</b>	<b>20,168,160</b>	<b>18,940,700</b>	<b>17,713,240</b>	<b>16,485,780</b>	<b>15,258,320</b>
Working capital	535,000	7,550,000	7,550,000	7,550,000	7,550,000	7,550,000	7,550,000	7,550,000	7,550,000
Accumulated cash	-	21,826,536	42,223,112	61,179,604	78,685,379	94,729,275	108,869,273	121,523,363	132,678,625
<b>Total assets</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>
Financed by									
Equity	7,683,900	7,683,900	7,683,900	7,683,900	7,683,900	7,683,900	7,683,900	7,683,900	7,683,900
Accumulated profit	-	7,586,748	15,645,996	24,201,370	33,277,674	42,900,957	54,102,596	65,907,277	78,345,154
Total equity	7,683,900	15,270,648	23,329,896	31,885,270	40,961,574	50,584,857	61,786,496	73,591,177	86,029,054
Bank Loan	17,929,100	14,343,280	10,757,460	7,171,640	5,000,000	-	0	0	0
<b>Total debts</b>	<b>17,929,100</b>	<b>10,757,460</b>	<b>10,757,460</b>	<b>7,171,640</b>	<b>3,585,820</b>	-	-	-	-
<b>Total equity and debts</b>	<b>25,613,000</b>	<b>26,028,108</b>	<b>34,087,356</b>	<b>39,056,910</b>	<b>44,547,394</b>	<b>50,584,857</b>	<b>61,786,496</b>	<b>73,591,177</b>	<b>86,029,054</b>

**KATAVI MINING COMPANY LIMITED PAYBACK PERIOD**

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	7,586,748	<b>1,227,460</b>	<b>8,814,208</b>	8,814,208
2	8,059,248	<b>1,227,460</b>	<b>9,286,708</b>	18,100,917
3	8,555,373	<b>1,227,460</b>	<b>9,782,833</b>	27,883,750
4	9,076,305	<b>1,227,460</b>	<b>10,303,765</b>	38,187,515
5	9,623,282	<b>1,227,460</b>	<b>10,850,742</b>	49,038,257

**PROJECTED LONG-TERM LOAN REPAYMENT**

Year	principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	3,585,820	1,434,328	5,020,148	17,929,100
2	3,585,820	1,434,328	5,020,148	14,343,280
3	3,585,820	1,434,328	5,020,148	10,757,460
4	3,585,820	1,434,328	5,020,148	7,171,640
5	3,585,820	1,434,328	5,020,148	3,585,820

**KATAVI MINING COMPANY LIMITED PROJECTED DEPRECIATION SCHEDULE**

US\$

<b>NAME OF ASSETS</b>	<b>1</b>	<b>2</b>		4.00	5.00	6	7	8
Land And Buildings	508,000	497,840	487,680	477,520	467,360	457,200	447,040	436,880
Machinery, Tools & Equipment	230,000	227,700	225,400	223,100	220,800	218,500	216,200	213,900
Motor Vehicles	24,300,000	23,085,000	21,870,000	20,655,000	19,440,000	18,225,000	17,010,000	15,795,000
Furniture & Fixtures	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>Total</b>	<b>25,078,000</b>	<b>23,850,540</b>	22,623,080	21,395,620	20,168,160	18,940,700	17,713,240	16,485,780
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	4	5	6	7	8
Land and buildings	10,160	10,160	10,160	10,160.00	10,160.00	10160	10160	10160
Machinery tools & Equipment	2,300	2,300	2,300	2,300.00	2,300.00	2300	2300	2300
Motor Vehicles	1,215,000	1,215,000	1,215,000	1,215,000.00	1,215,000.00	1215000	1215000	1215000
Furniture & Fixtures	0	0	0	-	-	0	0	0
<b>ANNUAL DEPRECIATION</b>	<b>1,227,460</b>	<b>1,227,460</b>	<b>1,227,460</b>	<b>1,227,460.00</b>	<b>1,227,460.00</b>	<b>1,227,460.00</b>	<b>1,227,460.00</b>	<b>1,227,460.00</b>

**KATAVI MINING COMPANY LIMITED PROJECT IMPLEMENTATION SCHEDULE**

	<b>ACTIVITY</b>	<b>PERIOD</b>
1.	Processing TIC Certificate of Incentive	April 2022
2.	Funds Mobilization	May – Dec 2023
3.	Ordering of Vehicles	Jan 2022 – Dec 2023
5.	Arrival of Vehicles	Feb 2022– Jan 2024
6.	Trial Operations	March 2024
7.	Commercial Operations	May 2024

**KATAVI MINING COMPANY LIMITED PROJECTED LONG-TERM LOAN REPAYMENT**

<b>Year</b>	<b>Profit After Tax</b>	<b>Depreciation</b>	<b>Total Cash Flow</b>	<b>Accumulated Cash Flow</b>
1	7,586,748	<b>1,227,460</b>	<b>8,814,208</b>	8,814,208
2	8,059,248	<b>1,227,460</b>	<b>9,286,708</b>	18,100,917
3	8,555,373	<b>1,227,460</b>	<b>9,782,833</b>	27,883,750
4	9,076,305	<b>1,227,460</b>	<b>10,303,765</b>	38,187,515
5	9,623,282	<b>1,227,460</b>	<b>10,850,742</b>	49,038,257