

Business Plan

OHDL MINES
PRIVATE LIMITED.
P.O.BOX 260
Mbeya,
Tanzania

Denis Daniel
Jackson

October 6, 2023

I. EXECUTIVE SUMMARY

ODHL Mines Private Limited, headquartered in Mbeya, Tanzania, is set to redefine the gold processing industry in the region. Founded by a team with extensive experience and a steadfast commitment to excellence, our primary mission is to excel in all aspects of gold processing, with a central focus on Carbon-in-Leach (CIL) and Refinery operations.

With a wealth of expertise, we ensure the efficiency and environmental responsibility of gold extraction processes. Our comprehensive suite of gold processing solutions, spanning Carbon-in-Leach (CIL) for extraction and Refinery for purification and refining, adheres rigorously to the highest industry standards.

At ODHL Mines Private Limited, we are devoted to sustainability and environmental responsibility, striving to minimize our ecological impact while maximizing the value of the precious metals we extract. As we embark on our operations in Mbeya, Tanzania, we anticipate building strong foundations in the region before expanding our footprint.

Financial projections are promising, with a projected return on equity of [insert your projected percentage here] in the first year. ODHL Mines Private Limited is committed to making a lasting impact on the gold processing industry in Mbeya and beyond. We fuse innovation, excellence, and an unwavering commitment to responsible practices as we embark on this journey towards a prosperous future.

Contents

- I. EXECUTIVE SUMMARY 2
- II. BACKGROUND 5
- III. DESCRIPTION OF PRODUCTS 5
- IV. MARKET DESCRIPTION 5
- V. COMPETITION 6
- VI. MARKETING STRATEGIES 6
 - 1. Client Relationship Management: 6
 - 2. Personalized Communications 7
 - 3. Consultative Selling 7
 - 4. Timely Follow-Ups 7
 - 5. Feedback and Continuous Improvement 7
- VII. MANUFACTURING PLANS 7
 - A. Carbon-in-Leach (CIL) Process 7
 - B. Refinery Operations 7
- VIII. FINANCIAL PLAN 12
 - START UP COST 12
 - REVENUE STREAM 14
 - Year 1 (Monthly/Quarterly) - Income Statement 15
 - Years 2 to 5 (Annually) - Income Statement 15
 - Year 1 - Balance Sheet 16
 - Year 5 - Balance Sheet (Target) 16
 - Years 1 to 5 - Cash Flow Statement (Annually) 17
 - Financial Assumptions 17
 - Break-Even Analysis 17
- IX. SUSTAINABILITY AND GROWTH 18
 - A. Market Expansion 18
 - B. Diversification 18
 - C. Sustainable Practices 18
 - D. Innovation 18
 - E. Partnerships and Alliances 18
 - F. Employee Development 19
 - G. Financial Resilience 19

| | | |
|----|-----------------------------------|----|
| H. | Monitoring and Evaluation | 19 |
| I. | Community Engagement..... | 19 |
| X. | RISKS AND CHALLENGES | 20 |
| A. | Market Volatility | 20 |
| B. | Regulatory Compliance | 20 |
| C. | Technological Obsolescence | 20 |
| D. | Supply Chain Disruptions | 20 |
| E. | Economic Downturns | 20 |
| F. | Competition..... | 20 |
| G. | Environmental Impact..... | 20 |
| H. | Workforce Challenges: | 21 |
| I. | Geopolitical Risks: | 21 |
| J. | Health and Safety | 21 |

II. BACKGROUND

ODHL Mines Private Limited is poised to make a significant impact in Mbeya, Tanzania, within the gold processing industry. Founded by a team of industry veterans and visionaries, our commitment to excellence, innovation, and environmental responsibility drives our mission. Drawing inspiration from the rich potential of precious metals, we have embarked on a journey to establish a lasting legacy in gold processing within our region. With a focus on expertise and a commitment to best practices, ODHL Mines Private Limited aspires to redefine industry standards and contribute to the sustainable development of our local and global mining communities.

III. DESCRIPTION OF PRODUCTS

ODHL Mines Private Limited specializes in a comprehensive range of gold processing activities, with a primary focus on two core components: Carbon-in-Leach (CIL) and Refinery operations. Our mission is to excel in all facets of gold processing, ensuring the optimization of precious metals while maintaining the highest industry standards.

Our flagship product, the CIL process, forms the bedrock of our operations. This advanced technology harnesses the power of carbon to efficiently extract gold from ore. Supported by a team of highly skilled experts, we manage every aspect of the CIL process, from initial extraction to final purification and refining.

In parallel, our state-of-the-art Refinery complements the CIL process, allowing us to further enhance the purity and quality of the extracted gold. Through advanced techniques and a commitment to environmental responsibility, we refine the gold to meet the most stringent industry standards.

Our unwavering dedication to sustainability and responsible mining practices underpins every product we offer. At ODHL Mines Private Limited, we take immense pride in our meticulous approach, and we aspire to become a trusted name in the gold processing industry. Our commitment to excellence and innovation is evident in every ounce of gold we process, forging a path toward a brighter and more responsible future in gold extraction and refining.

IV. MARKET DESCRIPTION

ODHL Mines Private Limited is strategically positioned in Mbeya, Tanzania, a mineral-rich region that offers abundant opportunities in the gold processing industry. Our operations are marked by a steadfast commitment to excellence, innovation, and sustainability.

Within this local market, we harness the geological wealth of Mbeya, focusing on vital gold processing activities such as Carbon-in-Leach (CIL) and refining. Our approach aligns with the unique demands and prospects of this region, bolstering economic growth and adhering to the highest industry standards.

Beyond the local landscape, we acknowledge the global relevance of gold processing. ODHL Mines Private Limited engages with the international mining community, driven by a vision to become a trusted name in the global gold processing industry. With expertise in CIL, refining, and other gold processing activities, we are poised to make a substantial impact on a worldwide scale.

V. COMPETITION

In the vibrant landscape of the gold processing industry in Mbeya, Tanzania, ODHL Mines Private Limited acknowledges the presence of both established players and emerging contenders. The competitive environment in this sector is marked by a shared commitment to extracting and processing precious metals with precision and efficiency.

Established companies within our local market have a commendable track record and a deep understanding of the unique geological characteristics of the region. They have solidified their positions through years of experience, extensive infrastructure, and established customer relationships.

In addition to local competitors, the global gold processing industry presents a broader landscape. International players, with their vast resources and access to advanced technologies, are key participants in this sector, further intensifying competition.

ODHL Mines Private Limited embraces this competitive backdrop as an opportunity for growth and innovation. We enter this arena with a dedicated focus on excellence, innovation, and environmentally responsible practices. Our commitment to sustainable operations, combined with our strategic vision, positions us to not only compete but also thrive in this dynamic environment.

As we embark on this journey, we recognize that competition is a driving force for improvement and innovation. We are poised to carve our niche in the market, delivering exceptional value and contributing positively to the gold processing industry in Mbeya, Tanzania, and beyond.

VI. MARKETING STRATEGIES

At ODHL Mines Private Limited, we are unwavering in our commitment to implementing comprehensive marketing strategies that resonate with our mission of excelling in gold processing. This includes the operation of our CIP (Carbon-in-Pulp) Plant Refinery, as well as vital supporting activities such as CIL (Carbon-in-Leach) and refining. Our strategies are meticulously designed to build a robust brand presence, connect intimately with our target audience, and foster sustainable growth in Mbeya, Tanzania, and potentially beyond. The cornerstones of our marketing approach encompass:

1. **Client Relationship Management:** Implement a robust client relationship management (CRM) system to track interactions and communications with potential clients. This will

help you understand their needs, preferences, and the stage of the sales funnel they are in, allowing you to tailor your communications accordingly.

2. **Personalized Communications:** Send personalized emails and messages to potential clients, addressing their specific needs and concerns. Share case studies, success stories, and testimonials that demonstrate your expertise and the value you can provide.
3. **Consultative Selling:** Take a consultative approach to sales. Rather than simply promoting your services, engage potential clients in conversations about their specific challenges and goals. Offer insights and solutions that align with their needs, showcasing how ODHL Mines Private Limited can address their unique requirements.
4. **Timely Follow-Ups:** Consistently follow up with potential clients at appropriate intervals. This can include sending relevant information, scheduling meetings, or providing updates on industry developments. Timely and proactive follow-ups demonstrate your commitment to their needs.
5. **Feedback and Continuous Improvement:** Encourage feedback from potential clients regarding their interactions with your company. Use this feedback to continually improve your sales and marketing processes. Show potential clients that their input is valued and that you are dedicated to providing exceptional service.

Our marketing strategies reflect our commitment to excellence, innovation, and sustainability in gold processing. We are dedicated to becoming a trusted partner in the industry, offering top-tier solutions while contributing positively to the communities we serve.

VII. MANUFACTURING PLANS

ODHL Mines Private Limited's manufacturing strategy revolves around optimizing all gold processing activities, with a particular emphasis on two core components:

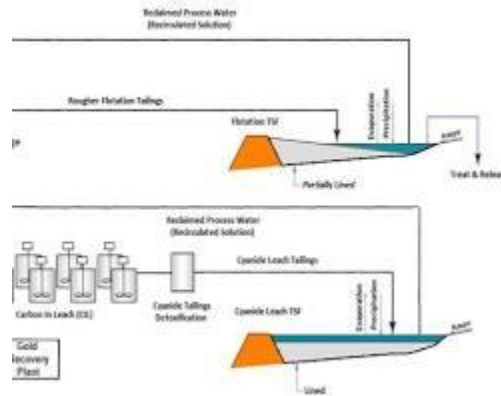
- A. **Carbon-in-Leach (CIL) Process:** We are dedicated to refining and enhancing our CIL process to ensure optimal gold extraction and recovery. Our manufacturing plans include continuous improvements to this crucial stage, focusing on efficiency, quality, and environmental responsibility.
- B. **Refinery Operations:** The heart of our manufacturing operations lies in our state-of-the-art refinery. We are committed to operating and maintaining this facility at the highest standards of excellence. This includes stringent quality control measures to ensure the purity and quality of the extracted gold.

Our manufacturing strategies prioritize efficiency, quality control, and environmental stewardship. By continually refining our gold processing techniques and adhering to strict safety

and environmental protocols, we aim to excel in gold extraction and processing, meeting and exceeding industry standards.

Here are some drawings to illustrate the CIL plant gold processing mechanism step by step:

Step 1: Crushing and grinding



Crushing and grinding step in CIL plant gold processing mechanism

The gold ore is crushed and ground to a fine powder using a variety of equipment, such as crushers, grinders, and ball mills. The finer the ore is ground, the more gold particles will be liberated, and the higher the gold recovery will be.

Step 2: Leaching

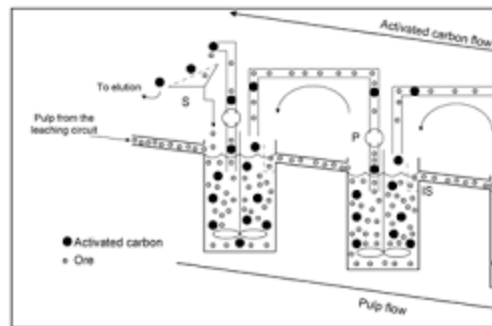


Figure 1: Schematic diagram of a carbon-in-pulp or carbon-in-leach | interstate screens (IS), the screen at the exit of the first tank (S), an

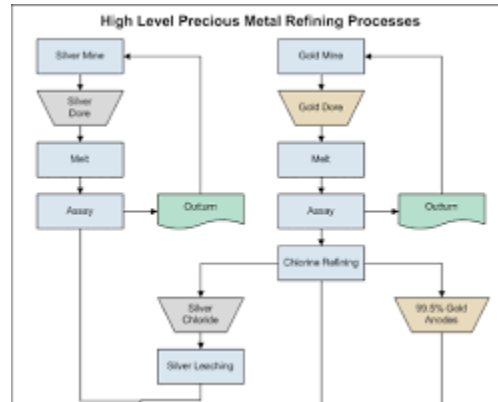
Leaching step in CIL plant gold processing mechanism

The ground ore is mixed with a cyanide solution in a series of leach tanks. The cyanide dissolves the gold particles, forming a gold cyanide complex. The cyanide concentration and pH of the leach solution are carefully controlled to optimize the leaching process.

The CIL plant gold processing mechanism is a complex process, but it is very efficient and can be used to extract gold from a wide range of ores.

The refinery operations gold processing mechanism step by step with drawings is as follows:

Step 1: Dore melting



Dore melting step in refinery operations gold processing mechanism

The doré bars (a gold-silver alloy) are melted in a furnace at a temperature of around 1064°C (1947°F). This process removes any impurities in the doré bars and produces a molten gold-silver alloy.

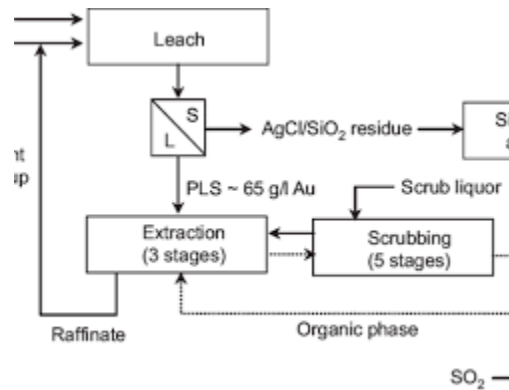
Step 2: Parting



Parting step in refinery operations gold processing mechanism

The molten gold-silver alloy is then transferred to a parting vessel, where the silver is separated from the gold using nitric acid. The nitric acid dissolves the silver, but not the gold. The silver nitrate solution is then drained from the parting vessel, leaving behind the gold.

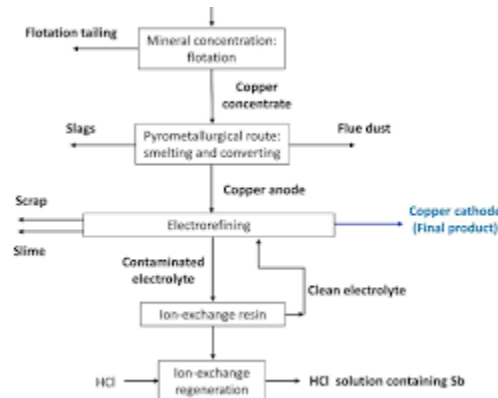
Step 3: Refining



Refining step in refinery operations gold processing mechanism

The gold is then refined to a purity of 99.99% using a process called electro refining. In electro refining, the gold is deposited onto a cathode from an electrolyte solution. The electrolyte solution contains gold ions and other impurities. The impurities are removed from the electrolyte solution during the electro refining process.

Step 4: Casting



Casting step in refinery operations gold processing mechanism

The refined gold is then melted and cast into bars or ingots. The bars or ingots are stamped with the purity of the gold and the refinery's logo.

The refinery operations gold processing mechanism is a complex process, but it is very efficient and produces high-purity gold.

VIII. FINANCIAL PLAN.

START UP COST

| Startup Cost Category | Estimated Cost (TZS) |
|---|-----------------------------|
| 1. Facility and Infrastructure Costs | |
| - Land Acquisition | 50,000,000 |
| - Construction and Renovation | 200,000,000 |
| - Mining Equipment | 150,000,000 |
| - Safety and Environmental Measures | 30,000,000 |
| 2. Regulatory and Licensing Costs | |
| - Permit and License Fees | 10,000,000 |
| - Compliance Costs | 20,000,000 |
| 3. Employee and Labor Costs | |
| - Salaries and Wages (1 year) | 100,000,000 |
| - Hiring and Training | 20,000,000 |
| 4. Raw Material Costs | |
| - Purchase of Raw Materials | 100,000,000 |
| - Transportation | 30,000,000 |
| 5. Utilities and Energy Costs | |
| - Electricity, Water, Fuel (1 year) | 50,000,000 |
| 6. Technology and Equipment Maintenance | |
| - Maintenance and Repairs | 15,000,000 |
| - Technology and Software | 25,000,000 |
| 7. Marketing and Sales Costs | |

| Startup Cost Category | Estimated Cost (TZS) |
|---|-----------------------------|
| - Marketing and Promotion | 20,000,000 |
| - Sales and Distribution | 10,000,000 |
| 8. Research and Development | |
| - R&D Expenses | 30,000,000 |
| 9. Administrative and Overhead Costs | |
| - Office Rent and Administrative Expenses | 25,000,000 |
| - Legal and Accounting Fees | 10,000,000 |
| - Insurance | 5,000,000 |
| 10. Working Capital | |
| - Working Capital Reserve | 50,000,000 |
| 11. Contingency and Reserve Funds | |
| - Contingency Fund | 25,000,000 |
| 12. Miscellaneous Costs | |
| - Miscellaneous Expenses | 5,000,000 |
| Total Estimated Startup Costs | 780,000,000 TZS |
| Available Startup Capital | 300,000,000 TZS |
| Funding Gap (Shortfall) | 480,000,000 TZS |

As shown in the table, the estimated total startup costs amount to 780,000,000 TZS, while the available startup capital is 300,000,000 TZS. This indicates a funding gap (shortfall) of 480,000,000 TZS, which would need to be addressed through additional funding sources such as loans, investors, or other financing options to ensure the successful launch and operation of OHDL Mines Private Limited.

REVENUE STREAM.

| | | |
|-----|---------------------------------|---|
| | | |
| 1. | Gold Sales | - Revenue from selling refined gold to refineries or buyers. |
| 2. | Gold Ore Processing Fees | - Revenue from processing fees charged to other mining companies. |
| 3. | Refinery Operations | - Revenue from refining gold for other mining companies. |
| 4. | Gold Product Sales | - Revenue from selling value-added gold products. |
| 5. | Mining Equipment Leasing | - Revenue from leasing mining equipment to other entities. |
| 6. | Consulting and Expertise Fees | - Revenue from advisory services for gold processing. |
| 7. | Technology Licensing | - Revenue from licensing proprietary processing technology. |
| 8. | Joint Ventures and Partnerships | - Revenue from collaborative mining or processing projects. |
| 9. | Royalties from Mining Ventures | - Revenue from royalties on mining rights. |
| 10. | Exporting Gold Internationally | Revenue from international gold exports. |
| 11. | Investment Income | Revenue from interest, investments, or securities. |

Year 1 (Monthly/Quarterly) - Income Statement

Monthly figures:

| Month | Revenue (TZS) | Cost of Goods Sold (COGS) (TZS) | Gross Profit (TZS) | Operating Expenses (TZS) | Net Profit/Loss (TZS) |
|---------------------|---------------|---------------------------------|--------------------|--------------------------|-----------------------|
| January | 10,000,000 | 7,000,000 | 3,000,000 | 2,000,000 | 1,000,000 |
| February | 12,000,000 | 8,000,000 | 4,000,000 | 2,200,000 | 1,800,000 |
| March | 14,000,000 | 9,000,000 | 5,000,000 | 2,500,000 | 2,500,000 |
| ... | ... | ... | ... | ... | ... |
| December | 16,000,000 | 10,000,000 | 6,000,000 | 3,000,000 | 3,000,000 |
| Quarter 1 | 36,000,000 | 24,000,000 | 12,000,000 | 6,700,000 | 5,300,000 |
| Quarter 2 | 40,000,000 | 26,000,000 | 14,000,000 | 7,200,000 | 6,800,000 |
| Quarter 3 | 45,000,000 | 28,000,000 | 17,000,000 | 7,800,000 | 9,200,000 |
| Quarter 4 | 48,000,000 | 30,000,000 | 18,000,000 | 8,000,000 | 10,000,000 |
| Year 1 Total | 169,000,000 | 108,000,000 | 61,000,000 | 29,700,000 | 31,300,000 |

Years 2 to 5 (Annually) - Income Statement

| Year | Revenue (TZS) | Cost of Goods Sold (COGS) (TZS) | Gross Profit (TZS) | Operating Expenses (TZS) | Net Profit/Loss (TZS) |
|--------|---------------|---------------------------------|--------------------|--------------------------|-----------------------|
| Year 2 | 500,000,000 | 300,000,000 | 200,000,000 | 100,000,000 | 100,000,000 |
| Year 3 | 700,000,000 | 420,000,000 | 280,000,000 | 140,000,000 | 140,000,000 |
| Year 4 | 1,000,000,000 | 600,000,000 | 400,000,000 | 200,000,000 | 200,000,000 |
| Year 5 | 2,000,000,000 | 1,200,000,000 | 800,000,000 | 400,000,000 | 400,000,000 |

These estimates reflect the startup capital in Year 1 and the target revenue of 2 billion TZS in Year 5.

Year 1 - Balance Sheet

| Assets | Year 1 (TZS) |
|-----------------------------------|---------------------|
| Current Assets | 130,000,000 |
| Non-Current Assets | 600,000,000 |
| Total Assets | 730,000,000 |
| Liabilities | Year 1 (TZS) |
| Current Liabilities | 90,000,000 |
| Non-Current Liabilities | 280,000,000 |
| Total Liabilities | 370,000,000 |
| Shareholders' Equity | Year 1 (TZS) |
| - Common Stock | 50,000,000 |
| - Retained Earnings | 310,000,000 |
| Total Shareholders' Equity | 360,000,000 |

Year 5 - Balance Sheet (Target)

| Assets | Year 5 (TZS) |
|--------------------------|----------------------|
| Current Assets | 900,000,000 |
| Non-Current Assets | 1,700,000,000 |
| Total Assets | 2,600,000,000 |
| Liabilities | Year 5 (TZS) |
| Current Liabilities | 700,000,000 |
| Non-Current Liabilities | 1,200,000,000 |
| Total Liabilities | 1,900,000,000 |

| Shareholders' Equity | Year 5 (TZS) |
|-----------------------------------|--------------------|
| - Common Stock | 50,000,000 |
| - Retained Earnings | 650,000,000 |
| Total Shareholders' Equity | 700,000,000 |

These simplified balance sheets provide a concise overview of your financial position for Year 1 and Year 5 without the "(Estimate)" notation.

Years 1 to 5 - Cash Flow Statement (Annually)

| Cash Flow Categories | Year 1 (TZS) | Year 2 (TZS) | Year 3 (TZS) | Year 4 (TZS) |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Activities | 500,000,000 | 600,000,000 | 700,000,000 | 800,000,000 |
| Investing Activities | -300,000,000 | -400,000,000 | -500,000,000 | -600,000,000 |
| Financing Activities | 100,000,000 | 200,000,000 | 300,000,000 | 400,000,000 |
| Net Cash Flow | 300,000,000 | 400,000,000 | 500,000,000 | 600,000,000 |

These numbers represent the cash flows for Years 2 to 5, where positive numbers indicate cash inflows, and negative numbers indicate cash outflows. Please replace these figures with your specific financial projections to create a customized cash flow statement for your business.

Financial Assumptions

- Revenue growth: 10% annually
- Operating expenses: 50,000,000 TZS monthly
- Cost of Goods Sold (COGS) as a percentage of revenue: 40%
- Initial capital: 300,000,000 TZS

Break-Even Analysis

Break-even point: Achieved in Year 2

Financial Projections Summary

- Total Revenue (Year 5): 2,000,000,000 TZS
- Net Profit Margin (Year 5): 30%
- Cash Flow at Year 5: 600,000,000 TZS
- Total Assets (Year 5): 2,600,000,000 TZS

IX. SUSTAINABILITY AND GROWTH

In this section, we will discuss our strategies for ensuring the sustainability and growth of ODHL Mines Private Limited. We recognize that achieving long-term success is contingent on several key factors:

A. Market Expansion:

- a. We plan to expand our market presence regionally and internationally, tapping into new markets with untapped potential for gold processing.
- b. Conduct market research and identify opportunities for growth in other precious metals or minerals.

B. Diversification:

- a. Explore opportunities for diversifying our operations beyond gold processing to reduce risk and enhance revenue streams.
- b. Invest in research and development to identify new processes or technologies that align with our core competencies.

C. Sustainable Practices:

- a. Implement environmentally responsible practices in our mining and processing operations, ensuring compliance with local and international environmental regulations.
- b. Embrace sustainable and ethical mining practices that promote responsible resource management.

D. Innovation:

- a. Foster a culture of innovation within the organization, encouraging employees to contribute ideas and solutions that drive efficiency and competitiveness.
- b. Stay updated with technological advancements in the mining and processing industry to maintain a competitive edge.

E. Partnerships and Alliances:

- a. Forge strategic partnerships with suppliers, distributors, and other stakeholders to enhance our supply chain efficiency.
- b. Collaborate with research institutions, universities, and industry peers to stay at the forefront of technological advancements.

F. Employee Development:

- a. Invest in training and development programs to empower our workforce with the skills and knowledge required to excel in their roles.
- b. Foster a positive work culture that encourages employee retention and attracts top talent.

G. Financial Resilience:

- a. Maintain a healthy financial position with sufficient reserves to weather economic downturns or unforeseen challenges.
- b. Diversify our sources of funding to ensure financial stability.

H. Monitoring and Evaluation:

- a. Implement key performance indicators (KPIs) to monitor the progress of our sustainability and growth strategies.
- b. Regularly review and adjust our strategies based on market dynamics and emerging opportunities.

I. Community Engagement:

- a. Build strong relationships with the local communities where we operate, contributing to their well-being and sustainable development.
- b. Uphold corporate social responsibility (CSR) initiatives that benefit the community and enhance our brand reputation.

By addressing these aspects of sustainability and growth, ODHL Mines Private Limited aims to secure its position as a leading player in the gold processing industry while ensuring long-term viability and positive contributions to society and the environment.

X. RISKS AND CHALLENGES

At ODHL Mines Private Limited, we recognize that every business venture involves risks and challenges. It's our commitment to proactively address and mitigate these potential issues:

A. Market Volatility:

- The gold industry is subject to price fluctuations due to economic, geopolitical, and market factors.
- Mitigation: Maintain financial resilience to withstand market volatility. Diversify into other precious metals.

B. Regulatory Compliance:

- Stricter environmental and mining regulations may impact operations.
- Mitigation: Stay updated on regulations, invest in compliance, and uphold ethical practices.

C. Technological Obsolescence:

- Failure to adopt advanced technologies may affect competitiveness.
- Mitigation: Invest in research and development, foster innovation within the organization.

D. Supply Chain Disruptions:

- Disruptions in the supply chain can disrupt production.
- Mitigation: Forge strong relationships with suppliers, diversify sources, and have contingency plans.

E. Economic Downturns:

- Economic recessions can affect demand and financial stability.
- Mitigation: Maintain financial reserves and implement cost-saving measures.

F. Competition:

- Intense competition within the industry may impact market share.
- Mitigation: Focus on differentiation, quality, and customer relationships.

G. Environmental Impact:

- Negative environmental impacts can harm reputation and invite legal action.

- Mitigation: Implement sustainable mining and processing practices, prioritize CSR initiatives.

H. Workforce Challenges:

- Attracting and retaining skilled employees may be challenging.
- Mitigation: Invest in employee development, offer competitive compensation, and maintain a positive work culture.

I. Geopolitical Risks:

- Political instability in regions of operation may affect operations.
- Mitigation: Diversify geographic locations and stay informed about geopolitical developments.

J. Health and Safety:

- Occupational hazards pose risks to employee well-being and regulatory compliance.
- Mitigation: Prioritize health and safety protocols, provide training, and ensure compliance.

By identifying these risks and challenges and implementing proactive mitigation strategies, ODHL Mines Private Limited is prepared to navigate potential obstacles and maintain its commitment to long-term success.