

BUSINESS PLAN

FOR

ESTABLISHMENT

OF

GUARDIAN TRADING COMPANY LIMITED

Plot No. 55,
Amani Street,
Buguruni-Ilala,
DAR ES SALAAM

TABLE OF CONTENTS

1	INVESTMENT PLAN	1
1.1	Executive Summary	1
1.2	Company Background	1
1.3	Targeted Market	2
1.4	Business with Far Region in Tanzania Mainland.....	Error! Bookmark not defined.
1.5	Economic Growth.....	2
1.6	Mining Transportation Facilities	2
2	THE COMPANYS OBJECTIVES	3
3	PLAN OR PROSPECTS	3
4	PLAN OBJECTIVES	3
5	THE PROJECT PROMOTERS	4
6	PROJECT LOCATION:	4
7	PROJECT DURATION	4
8	IMPLEMENTATION SCHEDULE	4
8.1	November - 2023	4
8.2	December - 2023.....	4
8.3	January - 2024.....	5
9	CAPITAL INVESTMENT COST	5
9.1	Costs and Estimate Value	5
9.2	Fixed capital depreciation	6
9.3	PERIOD OF INVESTMENT & CAPITAL RETURN	7
10	PROJECT FINANCING	7
11	FINANCIAL PLAN (SOURCE OF FUNDS)	7
12	MINING OF NICKEL AND COPPER REQUIREMENTS AND PROCESS.....	7
13	SUBMISSION.....	8
14	ECONOMIC GROWTH	8
15	COMPETITION OR MARKET.....	8
16	ADVERTISEMENT	8
17	BUSINESS STRATEGY	9
18	ENVIRONMENTAL ISSUE	9
19	PROJECT MANAGEMENT	9
20	MANPOWER AND TRANSFER OF TECHNOLOGY	9

21	CONCLUSION AND RECOMMENDATION	10
22	FINANCIAL AND ECONOMIC ANALYSIS.....	10
22.1	Projected Profit and Loss Account;	10
22.2	Projected cash flows;.....	10
22.3	Proposed balanced sheet;	10
23	SENSITIVITY ANALYSIS	11
	Appendix 1	12
	Appendix II	13
	Appendix III	14
	Appendix IV	15

GUARDIAN TRADING COMPANY LIMITED

SETTING UP FACILITIES FOR OPERATING A GUARDIAN TRADING COMPANY LIMITED PROJECT

1 INVESTMENT PLAN

1.1 Executive Summary

GUARDIAN TRADING COMPANY LIMITED is a domestic company limited by shares registered in Tanzania under the Companies Ordinance (CAP 212) now Companies Act, 2002 with Certificate of Incorporation number 169565619 given in 24th October 2023.

1.2 Company Background

1.2.1 **GUARDIAN TRADING COMPANY LIMITED** is the project based in Dar es Salaam and with intention to increase mining facilities for mining of nickel and copper. The main purpose of the proposed project is to undertake the business to correspond with the clients of **GUARDIAN TRADING COMPANY LIMITED** that is mining of nickel and copper.

1.2.2 The company focuses to ensure sustainable growth of the company by having synergy with all stake holders and maximization of return, while following best practice of corporate governance and promoting ecological balance and mineral conservation ; to share developmental benefits with people living in & around mines, while improving the welfare of employee; to ensure high level of customer satisfaction ; to achieve international standards of productivity by scientific mining & adequate thrust power consumption, environment standards, preservation water resources ; and to expand the mining activities in other mineral in all over Tanzania by acquiring new mines.

1.2.3 The quality of company business will guarantee clients satisfaction in proposed program. Our decades of experience, innovation and exceptional people differentiate our approach to delivering integrated solutions in a diverse and changing marker. Since its establishment, integral to the company's business strategy have always been its commitment to "Structured Innovation".

1.2.4 The word "structured" expresses the company's ability to deliver products and services according to a tested method. "Innovation" reflects the important attribute of meeting challenges with effective engineered solutions. It is important to emphasize the existence of our integrated quality management system that underpins every aspect of operation and also empower employees to live its corporate values.

1.2.5 There is a very big demand for such facility in Tanzania, East and Central Africa to serve customers' needs, the project services will be efficiently provided by the GUARDIAN TRADING COMPANY LIMITED. It is on the basis of the above reasons the management resolved to invest in establishing and operating a project for the mining business. In setting up the facility, the intended project will export mining and mineral products.

1.2.6 Hence the establishment programmer of five years, in setting up facilities for the project is estimated to be USD 2,500,000. The estimated capital investment cost of USD 2,500,000 will be on trucks, tractors, pickups, hardtop, fork lift, trailers, forklifts, crane, reach stacker, communication equipment, workshop equipment, generators etc.

1.3 Targeted Market

There is very big demand on export of nickel and copper, across the world.

1.4 Economic Growth

The economic growth influenced such movement of goods especially industries and businessmen as the demand is growing day by day. The GUARDIAN TRADING COMPANY LIMITED intends to increase the project production. The project promoter is a well-established business personal who is ready to carry out various businesses of mining of nickel and copper as well as export of such minerals and mineral products. Having seen the opportunity of exercising in this business the directors are now prepared to establish a mining project.

1.5 Mining Transportation Facilities

- (i) Fleet of trucks, tractors, fuel tankers, Tipper
- (ii) Supporting vehicles such as hardtops and pickups,

- (iii) Cargo handling equipment; forklift, reach stackers, cranes
- (iv) Communication equipment; Radio calls, Base station, GPS, car tracking systems.
- (v) Workshop machineries and Equipment, generators.

2 THE COMPANYS OBJECTIVES

The GUARDIAN TRADING COMPANY LIMITED is a project for Mining business in Tanzania Mainland. The mission of proposed project is basically to provide economic value by integrating the supply chain for customer and supplier in the markets we serve and develop new profitable product/market combinations which achieve sustainable growth for all our partners in the supply chain. We strive to be a reliable and competitive partner in the markets we serve and to support our customers and suppliers at each stage of their expansion and development. Our vision is to become a world class company with excellence in everything we do. This will be achieved through strong financial results and continuous investment in our people and infrastructure to enhance our customer satisfaction and best in class business process..

3 PLAN OR PROSPECTS

- a) Smooth running of the mining of nickel and copper business.
- b) For efficient and effectiveness in operation and increase of the project business to neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- c) To increase more facilities for the project work machinery and equipment with introduction of new technology.
- d) To increase the volume of the project or capacity of the project.

4 PLAN OBJECTIVES

The investment proposal was prepared to show clearly an analysis of the financial, human, technical and other resources required for the project and also assess its economic viability and commercial viability in order to allocate funds for the mining in the project. The document has been prepared to serve as a business plan for GUARDIAN TRADING COMPANY LIMITED for the operator project specializing in mining. The implementation of the project will comprise of the following activities:

- a) The construction of a modern office; and
- b) Purchasing CCTV and communication equipment.
- c) Equipping the company with relevant facilities and machinery.
- d) The purchasing of company vehicles and operating machinery

The proposed project is estimated to cost about USD 2,000,000.00. The project sponsors will provide full funding amounting USD 1,500,000.00 in terms of equity contribution while the rest USD 500, 000.00 will be reinvestment of cash generated from operations.

5 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 4 shareholders, namely;

Name, Postal Address and Description Of Subscribers	Number of Shares Taken	Nationality
Hamisi Daudi Mwakibete	6000	Tanzanian
Theresia Timoth Kavishe	4000	Tanzanian

6 PROJECT LOCATION:

The project head quarter and the operation of a mining plant location will be in Dar es Salaam at Plot No. 55, Amani Street, Buguruni Area, Ilala City, Dar es Salaam Region.

7 PROJECT DURATION:

The project duration will be five (5) years Whereby in the said duration the project sponsors will be able to reach annual turnover of USD 5,000,000.

8 IMPLEMENTATION SCHEDULE

8.1 November - 2023

- a) Preparing feasibility study for the land space and the project area.
- b) Registration of the project with Tanzania Investment Centre
- c) Getting the Certificate of Incentives.

8.2 December - 2023

- a) Application for import Duty exemption on trucks, tractors, lorries, supporting vehicles, workshop equipment and machinery, communication equipment, cargo

lifting-equipment after being awarded certificate of incentives in the establishment programmer.

- b) Ordering or exporting the graphite substance and importing of cargo lifting equipment, generators, transformers etc.

8.3 January - 2024

- c) Recruiting new employees especially miners, mechanics and other administration staff.

- d) Fully commencement of the project and the mining process.

9 CAPITAL INVESTMENT COST

9.1 Costs and Estimate Value

SN	Item	Description	Amount (In USD)
1	Investment Costs	Investment Cost	2,000,000.00
		Working Capital	500,000.00
		Total	2,500,000.00
2	Cost & Estimate Revenue Loss	Estimate of total annual revenue	3,000,000.00
		Total Operational Expenses of Project (Annual)	500,000.00
		Interest of bank Facilities	7%
		Commissioning cost 10% material Total annual depreciation expenses	200,000.00
		Annual Income Tax 30%	500,000.00
		Total Profit & Loss: (Annual)	1,000,000.00
3.	Project Fixed Capital	The costs before commissioning	1,500,000.00
		Land & Landscaping	500,000.00
		Civil & Building Implement	0.00
		Machinery, Office, Workshop & Lab Supplies	500,000.00
		Total	2,500,00.00
4.	The costs before commissioning	Costs before commissioning including feasibility study, periodical visits, acquiring investment permits,	200,000.00

		technology, TIC License of Incentive, Environment License, EWURA, Port Authority (TPA), Municipality, Road Administrative etc	
		Training Before Commissioning	10,000.00
		Total	210,000.00
5.	Land and Land Scaping	Project Land	500,000.00
		Landscaping Technical & Production Area)	500,000.00
		Total	1,000,000.00
6.	Machinery, Workshop & Lab Supplies	Spare Part	1,000,000.00
		Electricity	500,000.00
		Total	1,500,000.00
7.	Salary and Wages	Engineers	20,000.00
		Operators	15000.00
		Other Staffs	80,000.00
		Total	115,000.00

9.2 Fixed capital depreciation

S/N	Description	Production (Estimated)	Unit Price (USD)	Amount (USD)
1.	Production Average	10,000 T	500	5,000,000.00
Total Cash Income				5,000,000.00
Deduction (Current Costs)				1,500,000.00
Deduction (Depreciation Costs)				250,000.00
Deduction (Banking Fees 12%)				250,000.00
Net Profit (USD):				3,000,000 .00

9.3 PERIOD OF INVESTMENT & CAPITAL RETURN

1.	Period of Investment & Capital Return	Purchase of machinery, equipment, transport, set-up and putting into operation	1 year
		Commissioning, trial operation, financing & administrative affairs	1 year
		Operation	1 year
		Settling the principal with interest	1 year
		Capital Annual Rate	1 year

10 PROJECT FINANCING

Description	Total (USD)	Banking Loan	Customer Share
Fixed Costs of Project	2,000,000.00	1,000,000.00	1,000,000.00
Cost of Circulating Capital 15% of Current Expenses	-	-	-
Total	2,500,000.00	1,000,000.00	1,000,000.00

The intended project is to be implemented within 1 year. The company promoters (shareholders) have resorted to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

11 FINANCIAL PLAN (SOURCE OF FUNDS)

GUARDIAN TRADING COMPANY LIMITED has firmed up finances for the implementation programmer by its fund and Loan.

Own fund (Equity)	USD \$ 1,000,000
Local loan	<u>USD \$ 1,000,000</u>
TOTAL	USD \$ 2,000,000

12 MINING OF NICKEL AND COPPER REQUIREMENTS AND PROCESS

- a) Trucks and Cranes
- b) Weigh bridge, Generators, Transformer
- c) Pickups and Folk-lift.

- d) Mobile workshop, Tools boxes
- e) GPS and car Tracking system
- f) Plastic Extrusion Plant and Machinery

13 SUBMISSION

13.1 GUARDIAN TRADING COMPANY LIMITED submits the investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of Incentives for the commencement of the mining project.

- g) The project will soon commence after the company is registered by Tanzania Investment Centre and being issued the Certificate of Incentives. Thereafter the company will import the project facilities and machinery.
- h) The Certificate of Incentives will enable the project to qualify for Duty exemptions on Capital and Deemed Capital Goods etc.

14 ECONOMIC GROWTH

The current economic growth which had been registered in Tanzania, as the result of investment, business and mining have attracted more investments as well as processing and business in the Tanzania such as the intended mining project. The economic growth influenced growth of mining sector and friendly mining policy.

15 COMPETITION OR MARKET

Despite there being numbers of other mining companies in Tanzania, still the facility is not enough compared to the level of demand. However, the intended project will provide trustworthy, efficient and quality services to dominate the local and export market. Because the project is to ensure high quality, promptness and goodwill.

16 ADVERTISEMENT

Advertisement which forms part of the marketing-strategy will be embarked upon in the newspapers, street banners and later on in the television in a manner benefiting the promotional role of any company or private institutions.

17 BUSINESS STRATEGY

In-order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets.

- (i) Technology and quality fleet of vehicles.
- (ii) Advertisement and Promotion,
- (iii) Employing qualified and experienced drivers, mechanics,
- (iv) On job training,
- (v) Business Discipline.

18 ENVIRONMENTAL ISSUE

The project implementation is environmentally friendly. The workshop activities of services will not cause any harm to people.

19 PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. They are well versed in management and control of the project..

20 MANPOWER AND TRANSFER OF TECHNOLOGY

- 20.1 GUARDIAN TRADING COMPANY LIMITED being the mining project in its commencement will usher in the technology by using modern workshop activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.
- 20.2 Further the country can reduce its dependence on the mining project from neighbouring countries, hence Tanzania business men, famers.
- 20.3 The proposed project will cause more people to be employed in as drivers, turn boys, mechanic, security guards, accountant, logistic manager and about 100 local people and 2 foreigners will increase their income, improve their social welfare and pay-taxes; it is poverty alleviation programmer to them.

20.4 Local employees will get on training for mining in a long run will improve the technical competence in the project.

21 CONCLUSION AND RECOMMENDATION

21.1 The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

21.2 The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.

21.3 Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the project so that the project will operate and enjoy tax exemption on capital and deemed goods and increase its production capacity.

22 FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account;

The company envisages generating a profit of USD \$ 1,000,000 this operating year. The profit amount is expected to steadily rise to USD \$ 1,500,000 in year two, USD \$ 3,000,000 in year three, USD \$ 3,500,000 in year four and USD \$ 5,000,000.

22.2 Projected cash flows;

The projected cash flows for the next five years indicate that the company will have enough funds to service and repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

22.3 Proposed balanced sheet;

The projected balance sheet shows healthy financial situation. Short term liabilities are all times covered by fixed assets. Also, current liabilities are adequately covered by current assets.

23 SENSITIVITY ANALYSIS

23.1 To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavourable conditions that might negatively affect the operations of the project.

23.2 Effect of cost increase on profitability (on the basis of year II GUARDIAN TRADING COMPANY LIMITED. INCOME in “.....” USD \$)

INCOME	COSTS	INCREASE	PROFIT BEFORE DEPRECIATION
760,000	500,000	5%	260,000
760,000	525,000	5%	235,000
760,000	550,000	10%	210,000

23.3 Effect of GUARDIAN TRADING COMPANY LIMITED INCOME decrease/ drop on profitability (on the basis of year II costs in “.....” USD \$)

INCOME	INCOME DECREASE	COST	PROFIT BEFORE DEPRECIATION
760,000	1%	500,000	260,000
722,000	5%	500,000	222,000
684,000	10%	500,000	184,000

The viability/ profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients’ base.

APPROVED with the SIGNATURE of the Managing Director and OFFICIAL STAMP this 3 November, 2023.



For: MANAGING DIRECTOR,
GUARDIAN TRADING COMPANY LIMITED



GUARDIAN TRADING COMPANY LIMITED
PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

INCOME	1 st year	2 nd year	3 rd year	4 th year	5 th year
Sales Income	720.0	760.0	800.0	850.0	900.0
Total Income	720.0	760.0	800.0	850.0	900.0
Utilities	150.0	150.0	150.0	150.0	150.0
Salaries and wages	80.0	85.0	90.0	100.0	110.0
Transportation/fuel	100.0	105.0	110.0	120.0	130.0
Administrative					
Expenses	100.0	110.0	120.0	130.0	140.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
Total Expenditure	470.0	500.0	530.0	570.0	610.0
Net Profit (pre tax and depreciation)	250.0	260.0	270.0	280.0	290.0

GUARDIAN TRADING COMPANY LIMITED
PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

YEAR	I	II	III	IV	V	TOTAL
Cash inflow						
Income from operation	250.0	260.0	270.0	280.0	290.0	1350.0
Cash outflow	250.0	260.0	270.0	280.0	290.0	1350.0
Interest payments	50.0	45.0	40.0	35.0	30.0	200.0
Loan re-payment	50.0	50.0	50.0	50.0	50.0	250.0
Wear and tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	10.0	10.0	10.0	10.0	50.0
	120.0	117.0	114.0	111.0	108.0	570.0
Surplus cash generated	130.0	143.0	156.0	169.0	182.0	780.0

GUARDIAN TRADING COMPANY LIMITED
PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$'000')

YEAR	PRINCIPAL	INTEREST	TOTAL	AMOUNT
0				500.0
I	50.0	50.0	100.0	450.0
II	50.0	45.0	95.0	400.0
III	50.0	40.0	90.0	350.0
IV	50.0	35.0	85.0	300.0
V	50.0	30.0	80.0	250.0
VI	50.0	25.0	75.0	200.0
VII	50.0	20.0	70.0	150.0
VIII	50.0	15.0	65.0	100.0
IX	50.0	10.0	60.0	50.0
X	50.0	5	55.0	00.0

GUARDIAN TRADING COMPANY LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

NO.	ITEM	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of Funds					
1.	Shareholders' funds	100.0	150.0	200.0	250.0	350.0
2.	Long Term Loan	100.0	95.0	90.0	85.0	80.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current liabilities	200.0	250.0	300.0	350.0	400.0
		500.0	595.0	690.0	785.0	930.0
	Application of funds					
1.	Fixed Assets	300.0	300.0	300.0	300.0	300.0
2.	Current Assets	200.0	295.0	390.0	485.0	630.0
		500.0	595.0	690.0	785.0	930.0