
ZHONG JIN MINING COMPANY LIMITED

Business Proposal for the Proposed

MINING ACTIVITIES IN

LAKE ZONE

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EXECUTIVE SUMMARY

One of the key strategic goals as outlined in the Zhong Jin Mining Company Limited memorandum and Articles of Association is to carry on business of prospectors, Miners and Mining works. The low capacity of mineral processing companies which results from the rapidly increased artisans and small-scale miners. Zhong Jin Mining Company Limited like other mining companies in Tanzania realizes and accepts its economic obligation to contribute towards addressing and solving this problem, the company planned to increase production and processing capacity from 80,000 grams carat 24 of gold year 2025 to 300,000 grams carat 24 by the year 2029 in both production and processing of from artisans and small-scale miners.

The most challenge issue that the Country is facing in meeting its mining development targets includes shortages in gold mineral processing capacity in Lake Zone which limits gold production. There is also restricted employment capacity as well as clean mineral processed. This, proposal aimed to overcome the main challenge that affects the United Republic of Tanzania targets on utilizing fully its mineral resources to attain its Tanzania National Development Vision 2025. Thus, the Zhong Jin Mining Company Limited office comes up with the proposed project on construction mining company for processing and gold production. The total amount of equity financing is amounting to Tshs.10,000 000,000.00.

The projected accumulated net income expected to be generated within five years is Tshs. 12,629,655,375

The completion of the project will not only increase gold production capacity but also will enhance financial capacity to employees. Further, the generated funds will be used for further expansion within mining sector. Not only the project will gear the achievement of the goals stipulated in Tanzania National Development Vision 2025 but also the project will benefit Zhong Jin Mining Company Limited community and the neighbours around the mining due to the economies of scale generated from the project.

CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.0 Introduction and Company background

The management of Zhong Jin Mining Company Limited has a pleasure to submit this Business Proposal to be used for different purposes including seeking for exemption from TIC, permission to carry on business prospectors, Miners and Mining works, including geological survey and mineral exploration.

Zhong Jin Mining Company Limited is a private limited liability company which is registered in Tanzania under the Companies Act cap. 212 on 24th August, 2023 with a Certificate of Incorporation number 168016964. The company's office is located at Dae es salaam, Kinondoni District, Mali street at Msasani ward, Peninsula Road, Plot Number 964, Block 11, House No 51. The company was registered to incorporate a business in mineral exploration and mining activities.

The company is private owned by four directors Wang Gang, Wang Zhigang, Li Qiyuan and Li Wei.

The management of Zhong Jin Mining Company Limited has agreed that in future will expand their business in new prospects including mining of chemical and fertilizers minerals, support activities for petroleum and natural gas extraction also growing of cereals (except rice), leguminous crops and oil seeds.

1.2 Description of the Project

Given the important and benefits of mineral business in Tanzania and around the world at large, Zhong Jin Mining Company Limited envisages developing a mining project located at Geita by starting with exploration and extraction of minerals (gold), gold processing and later manufacturing of metallic mineral products. Moreover our project will further expand their business in new prospects including mining of chemical and fertilizers minerals, support activities for petroleum and natural gas extraction also growing of cereals (except rice), leguminous crops and oil seeds.

The proposed project will involve exploration for and evaluation of mineral resources, up to the point where it is technical feasible and commercially viable of extracting mineral resources are demonstrated.

1.3 Estimated production of the Project

Table 1.1: The estimated gold production and processing per gram for five consecutive years

Year of production	PRODUCTION PER YEAR (IN GRAMS CARAT 24)	PROCESSING PER YEAR (IN GRAMS CARAT 24)
2024	20,000	60,000
2025	40,000	80,000
2026	70,000	120,000
2027	80,000	150,000
2028	100,000	200,000

1.4 Proposed financing structure

It is proposed that the financing structure of the proposed mining project cost should be through equity contribution from the promoters.

The sponsor will be contributing (100%) of the planned project cost. An estimated of the investment cost of Tzs.10,000,000,000 will be used and the contributions would be as follows:-

Table 1.2: Ownership Structure

Contributor	Equity (Tzs)
Owner Equity	10,000,000,000
Financial Institutions	0.00
Sub – Total	10,000,000,000
Grand Total	10,000,000,000

1.5 Our Products

Zhong Jin Mining Company Limited is established with the aim of maximizing profits in the gold industry. We want to compete favorably with leaders in the industry which is why we have put in place a competent team that will ensure our products are of high quality.

We will work hard to ensure that Zhong Jin Mining Company Limited is not just accepted in the United Republic of Tanzania, but also in other countries of the world where we intend supplying our products as listed below:

- Gold ore mining
- Gold ore beneficiation and
- Jewels

1.6 Our Vision Statement

To be a recognized gold mining company focused on growing sustainable production, delivering on our commitments for excellence and valuing and developing our employees.

1.7 Our Mission Statement

Create and grow sustainable value for our stakeholders through the application of best practices in mining and our commitment on protecting the health and wellbeing of our employees and the environment in the communities where we work.

1.8 The Organization and Management Structure

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

In view of that, we have decided to hire qualified and competent hands to occupy the following positions at Zhong Jin Mining Company Limited;

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

Roles and Responsibilities

Chief Executive Officer – CEO (Owner):

- Increases management's usefulness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; collaborating values, strategies, and objectives; assigning accountabilities; preparing, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Answerable for fixing prices and signing business deals
- Responsible for providing direction for the business
- Makes, connects, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Accountable for signing checks and documents on behalf of the company
- Evaluates the success of the organization

Gold Mining Site Manager

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

Human Resources and Admin Manager

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

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones

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

Gold Mining Casual Workers

- Liable for operating excavators and other machines in the gold and silver mining site
- Handles the mining of gold and silver
- Assist in loading and offloading of our gold and silver into and out of the trucks

Accountant

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

Truck Drivers

- Assists in loading and unloading gold and silver et al
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment

- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Reports defects, accidents or violations

Client Service Executive

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

1.9 Company Ownership

The Company is a Limited Liability Company based in Tanzania. It is Wang Gang, Wang Zhigang, Li Qiyuan and Li Wei.

Table 1.3: Distribution of ownership

No	Name	% Owned	Nationality	Education/professional qualification	Address/contact
1	Wang Gang	35	Chinese	Bachelor Degree	Dar es salaam, Kinondoni District, Mali Street, Msasani Ward, Peninsula Road, Plot Number 964, Block 1, House No 51
2	Wang Zhigang,	25	Chinese	Bachelor Degree	Dar es salaam, Kinondoni District, Mali Street, Msasani Ward, Peninsula Road, Plot Number 964, Block 1, House No 51

3	Li Qiyuan	25	Chinese	Bachelor Degree	Dar es salaam, Kinondoni District, Mali Street, Msasani Ward, Peninsula Road, Plot Number 964, Block 1, House No 51
4	Li Wei	15	Chinese	Bachelor Degree	Dar es salaam, Kinondoni District, Mali Street, Msasani Ward, Peninsula Road, Plot Number 964, Block 1, House No 51

1.10 The contact person

All communications should be directed to the Managing Director, Mr. Wang Zhigang of Dar es salaam, Kinondoni District, Mali Street, Msasani Ward, Peninsula Road, Plot Number 964, Block 1, House No 51

Mobile phone number is 0753-558 888

CHAPTER TWO

GOLD MARKET ANALYSIS

2.0 General Information on the World Gold Market

2.1 Market Trends

Gold mining is a lucrative business in the world especially United States and Canada and in looking at the trends of these mega countries over the course of gold's bull, it is apparent that the results vary quite substantially; China and Russia that have experienced the biggest growth over this stretch. China in particular has carved out an incredible growth story, with its production volume up a staggering 92 percent since 2001.

Talking about the two North American land giants, their gold-mining trends have been ugly over the last decade or so. Incredibly, both the US and Canada have seen output fall by nearly a third to 2011's respective tallies of 237mt and 110mt. Their mature gold-mining infrastructures were just decimated by the secular bear that preceded the current bull.

Up until the 1990s the US and Canada's gold-mining industries operated like well-oiled machines, with the miners consistently putting forth sizeable capital towards exploration and development. Exploration was successful in renewing and growing the reserves that were being mined, and continual expansion and new development sustained and even grew production.

It is common trend in the gold ore mining line of business to find mining companies positioning their business in locations and communities where they can easily have access to mines and of course cheap labor. If you make the mistake of positioning this type of business in a location where you would have to travel a distance before you can access gold mines, then you would have to struggle to make profits and maintain your overhead and logistics.

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

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

2.3 Our Target Market

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

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

2.4 Our Competitive Advantage

Some of our competitive advantages are availability of resource, ability to forward sell production when appropriate and of course the ability to comply with environmental laws. As a standard and licensed gold mining company, we know that gaining a competitive edge requires a detailed analysis of the demographics of the surrounding area and the nature of the existing competitors. And even if you are successful at first, new competitors could enter your market at any time to steal your regular customers. Hence we will not hesitate to adopt successful and workable strategies from our competitors.

Another competitive advantage we have is the vast experience of our management team; we have people on board who understand how to grow a business from the scratch to becoming a national phenomenon. Our large and robust distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

2.5 Sales and Marketing Strategy

2.5.1 Sources of Income

Zhong Jin Mining Company Limited will generate income by simply supplying and processing of Gold

2.5.2 Sales Forecast

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

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

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

Below are the sales and gold processing projections for Zhong Jin Mining Company Limited, it is based on the location of our business and other factors as it relates to small scale and medium scale gold mining company startups in the United Republic of Tanzania.;

- **First Fiscal Year:** Sales on production Tshs 3,000,000,000 and Processing income Tshs 600,000,000
- **Second Fiscal Year:** Sales on production Tshs 6,000,000,000 and Processing income Tshs 1,600,000,000
- **Third Fiscal Year:** Sales on production Tshs 10,500,000,000 and Processing income Tshs 2,400,000,000
- **Fourth Fiscal Year:** Sales on production Tshs 12,000,000,000 and Processing income Tshs 3,000,000,000
- **Fifth Fiscal Year:** Sales on production Tshs 15,000,000,000 and processing income Tshs 4,000,000,000

N.B: This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same product and customer care services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher. **Sales from gold are estimated to be Tshs 150,000 per gram carat 24 and processing income Tshs 20,000 per gram carat 24.**

2.6 Marketing Strategy and Sales Strategy

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

We hired experts who have good understanding of the gold ore mining line of business to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market.

Zhong Jin Mining Company Limited will adopt the following sales and marketing approach to sell our raw gold;

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

2.7 Publicity and Advertising Strategy

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

Zhong Jin Mining Company Limited has a long-term plan of exporting our product all across the United Republic of Tanzania and other countries of the world. This is why we will deliberately build our brand to be well accepted in Dar es Salaam before venturing out to other cities all across the United Republic of Tanzania and other countries of the world.

As a matter of fact, our publicity and advertising strategy is not solely for selling our products but to also effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise Zhong Jin Mining Company Limited;

- Place adverts on both print (community-based newspapers and magazines) and electronic media platforms
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like Instagram, Facebook, Twitter, et al to promote our brand

- Ensure that all our staff members wear our customized clothes, and all our official cars and distribution trucks are customized and well branded.
- Also, participating in social corporate responsibilities and environmental conservation and management.

2.8 Our Pricing Strategy

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

2.9 Payment Options

The payment policy adopted by Zhong Jin Mining Company Limited is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the United Republic of Tanzania.

Here are the payment options that Zhong Jin Mining Company Limited will make available to her clients;

- Payment through bank transfer
- Payment through online bank transfer
- Payment through cheque
- Payment through bank draft

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

2.10 Startup Expenditure (Budget)

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

Table 2.1: Preliminary Costs Estimate for mining

PROPOSED CONSTRUCTION MINING

PRELIMINARY COST ESTIMATE

Item	Element Description	Element total TZS	Total TZS	% of Total
1	EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES			
A	Cost to acquire a right to explore	10,000,000.00		
B	Heavy Machinery and Equipments	635,000,000.00		
C	Resources for Environmental Protection Tshs 1,000,000,000 (The PV of Future cost to restore the area in it's original condition after 20 years completion of mining activities with a relevant BOT interest rate)	148,643,628.00		
D	Geological Evaluation	87,850,000.00		
E	Operations Staff and Training	50,000,000.00		
F	Topographical Survey	120,000,000.00		
G	Geochemical Survey	87,850,000.00		
H	Trenching and Drilling	112,000,000.00		
I	Evaluation Activities	120,000,000.00		
		1,371,343,628	1,371,343,628	14%

2	BUILDING 992 SQUARE METRES AT THE RATE OF 2,833,399.75 TZS PER SQUARE METRES			
A	Concrete works, reinforcement, formworks, up to finishing level	1,196,100,000.00		
B	Electrical Installation (INCLUDING STANDBY GENERATOR), (provisional sum)	400,000,000.00		
C	Plumbing Installation (provisional sum)	16,000,000.00		
D	ICT Installation (provisional sum)	50,000,000.00		
E	Topography survey (provisional sum)	15,000,000.00		
F	Geotechnical (provisional sum)	20,000,000.00		
		1,697,100,000.00	1,697,100,000.00	17%
3	EXTRACTION WORKS			
A	Heavy Machinery and Equipment's (Excavator and Gold mining Processing Plant, Jaw crusher, Ball mill, Vibrating screen, Spiral classifier, Belt conveyors, Hydro cyclone, Thickener, Leaching Tanks, Electro winning and desorption device and Gold smelting furnace)	5,600,000,000.00		
B	Quality Control Laboratory	50,000,000.00		
		5,650,000,000.00	5,650,000,000.00	57%
		Sub-total 1	9,338,443,628.00	

4	Preliminaries and General Costs	4.00%	373,537,745.12	4%
		Sub-total 2	373,537,745.12	
5	ADD: RISK REGISTER/CONTINGENCIES	5.00%	466,922,181.40	
		Sub-total 3	466,922,181.40	4%
6	ADD: Professional fees and Disbursement cost for Consultants (Architect, Quantity Surveyor, Structural Engineers, Service Engineers)-8% of Total cost		400,000,000.00	
		Sub-total 4	400,000,000.00	4%
7	TOTAL COST		9,903,103,555	100%

CHAPTER THREE

3.0 FINANCIAL NEEDS AND ANALYSIS

3.1 Fund requirement.

The total funds required for the completion of the proposed mining project is Tshs. 10,578,903,555 (VAT inclusive). This amount involves construction cost, consultancy fee and acquisition of mining equipment's.

3.2 Cash flow projection

The completion of the proposed mining project will increase gold production in the United Republic of Tanzania. It is assumed that the production capacity will be fully utilized after five years. And the project production capacity will be amended depends with the mineral availability in terms of both production and processing from Artisanal and small mining scale producers, it is assumed that, gold production at year five will be 80,000 grams carat 24 and gold processing from artisanal and small-scale producers will reach to 150,000 grams carat 24, which implies an increase of 400% and 250% of both gold production and processing from year one respectively.

Table 3.1: Projection Statement of profit or loss for the proposed mining project (TShs.)

INCOME SOURCE	2025	2026	2027	2028	2029
Mineral processing from Artisanal and small-scale mining in Tanzania					
Expected income.	3,000,000,000	6,000,000,000	10,500,000,000	12,000,000,000	15,000,000,000
Revenue sales of own produced gold					
Sales of gold	600,000,000	1,600,000,000	2,400,000,000	3,000,000,000	4,000,000,000
Sub Total 1: Revenue	3,600,000,000	7,600,000,000	12,900,000,000	15,000,000,000	19,000,000,000
EXPENSES					
Legal expenses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Business Consultant	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Insurance	5,280,000	5,280,000	5,280,000	5,280,000	5,280,000
Rental	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Stationery, phones and Utilities	22,200,000	22,200,000	22,200,000	22,200,000	22,200,000
Salary and wages	33,000,000	73,000,000	130,000,000	230,000,000	330,000,000
Depreciation	495,155,178	495,155,178	495,155,178	495,155,178	495,155,178
Sub Total: Expenses	660,635,178	700,635,178	757,635,178	857,635,178	957,635,178
Profit or(Deficit) before taxation	2,939,364,822	6,899,364,822	12,142,364,822	14,142,364,822	18,042,364,822
Corporate taxation @30%	881,809,447	2,069,809,447	3,642,709,447	4,242,709,447	5,412,709,447
Net Profit or(Deficit) for the year	2,057,555,375	4,829,555,375	8,499,655,375	9,899,655,375	12,629,655,375

INCOME SOURCE	2025	2026	2027	2028	2029
Mineral processing from Artisanal and small-scale mining in Tanzania					
Expected income.	3,000,000,000	6,000,000,000	10,500,000,000	12,000,000,000	15,000,000,000
Revenue sales of own produced gold					
Sales of gold	600,000,000	1,600,000,000	2,400,000,000	3,000,000,000	4,000,000,000
Sub Total 1: Revenue	3,600,000,000	7,600,000,000	12,900,000,000	15,000,000,000	19,000,000,000
EXPENSES					
Legal expenses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Business Consultant	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Insurance	5,280,000	5,280,000	5,280,000	5,280,000	5,280,000
Rental	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Stationery, phones and Utilities	22,200,000	22,200,000	22,200,000	22,200,000	22,200,000
Salary and wages	33,000,000	73,000,000	130,000,000	230,000,000	330,000,000
Depreciation	495,155,178	495,155,178	495,155,178	495,155,178	495,155,178
Sub Total: Expenses	660,635,178	700,635,178	757,635,178	857,635,178	957,635,178
Profit or(Deficit) before taxation	2,939,364,822	6,899,364,822	12,142,364,822	14,142,364,822	18,042,364,822
Corporate taxation @30%	881,809,447	2,069,809,447	3,642,709,447	4,242,709,447	5,412,709,447
Net Profit or(Deficit) for the year	2,057,555,375	4,829,555,375	8,499,655,375	9,899,655,375	12,629,655,375

Table 3.2: Projection Statement of financial position for the proposed mining project (TShs.)

	2025	2026	2027	2028	2029
Non-Current Assets					
Property plant and equipment					
Equipment					
Intangible assets	8,708,421,930	8,250,083,934	7,791,745,938	7,333,407,941	6,875,069,945
(Exploration and Evaluation)	699,526,447	662,709,265	625,892,084	589,074,902	552,257,721
	9,407,948,377	8,912,793,199	8,417,638,021	7,922,482,844	7,427,327,666
Current Assets					
Cash					
	2,649,606,999	7,974,317,552	16,969,128,105	27,363,938,658	40,488,749,211
Total Assets	12,057,555,375	16,887,110,751	25,386,766,126	35,286,421,502	47,916,076,877
Equity and liabilities					
Equity					
Share capital	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Accumulated profit	2,057,555,375	6,887,110,751	15,386,766,126	9,899,655,375	12,629,655,375
	12,057,555,375	16,887,110,751	25,386,766,126	35,286,421,502	47,916,076,877

Table 3.3: Projection Statement of Cash flows for the proposed mining project (TShs.)

	2025	2026	2027	2028	2029
Cash flows from operating profit- Indirect Method					
Profit for the year					
Adjusted for:-	2,939,364,822	6,899,364,822	12,142,364,822	14,142,364,822	18,042,364,822
Depreciation					
Operating profit	495,155,178	495,155,178	495,155,178	495,155,178	495,155,178
Less Corporate Tax Paid	3,434,520,000	7,394,520,000	12,637,520,000	14,637,520,000	18,537,520,000
	(881,809,447)	(2,069,809,447)	(3,642,709,447)	(4,242,709,447)	(5,412,709,447)
	2,552,710,553	5,324,710,553	8,994,810,553	10,394,810,553	13,124,810,553
Cash flows from Investing activities					
Acquisition of Non- Current Assets	(9,903,103,555)	-	-	-	-
Cash flows from financing activities	10,000,000,000	-	-	-	-
Net cash and cash equivalent	2,649,606,999	5,324,710,553	8,994,810,553	10,394,810,553	13,124,810,553
Cash and Cash equivalent at start	-	2,649,606,999	7,974,317,552	16,969,128,106	27,363,938,659
Cash and Cash equivalent at end	2,649,606,999	7,974,317,552	16,969,128,106	27,363,938,659	40,488,749,212

3.1 Operating and Maintenance expenses

It was determined that operational cost will be the same within four years. Operating cost will cover salaries and wages cost. It is suggested that there will be no routine maintenance cost for the first 12 months due to the fact that machines and equipment will be new and therefore it has been assumed that after that time, the amount 1% of the total income will be used as capital expenditures to maintain the quality and capacity machines and equipment.

3.2 Funding system

The proposed funding system for the proposed project is capital financing. Capital financing is a method of raising funds required to setting down of the company in public subscription, retention of retained earnings. The project will be done as follows in a distribution of the company because they have assumed responsibility outside of the company.

CHAPTER FOUR

4.0 RISK AND RISK MANAGEMENT

Risk management contributes to a better view of possible consequences resulting from unmanaged risks and how to avoid them. Another benefit of working with risk management is increased level of control over the whole project and more efficient problem-solving processes which can be supported on a more genuine basis.

Several factors can stimulate risk occurrence. The most often are financial, environmental (the project's surrounding, location and overall regulations), time, availability and quality of mineral produced. There are a number of risks which can be identified in the proposed project includes availability of minerals in the ground. The further in the process, changes in price of machine and equipment due to currency fluctuation, the more additional resources, time and cost, those changes require. Project completion ahead of time may be as troublesome as delays in a schedule. Too quick completion may be a result of insufficient planning or design problems which in fact shorten the completion time but on the other hand led to a low quality of final installed machine and increased overall cost. Being behind the schedule generates greater costs for both the company and mining experts due to non-compliance with contracted works. Suggested mitigation strategies include contingency planning, quality assurance, separation or relocation of activities and resources, tight contract terms and conditions, insurance and crisis management or disaster recovery plans.

Table 4.1: Some of the identified risk and suggested risk mitigation

S/No	RISK	RISK MANAGMENT
1.	Unavailability of enough underground minerals	Exploration for and evaluation of mineral resources to be done correctly and ensure that technical feasibility and commercial viability of extracting mineral resources are demonstrated.
2.	Price inflation of machine and equipment	Choose an appropriate type of contract such forward contract to transfer the risk to other parties or to add a contingency premium
3.	Excessive approval procedures in administrative departments government	Establish a competent team to obtain the approval from government agencies

CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATION

The Zhong Jin Mining Company Limited plan is to increase gold production as one of its main contribution towards the national development. Zhong Jin Mining Company Limited shall be the only large and modernized processing mining company in Lake Zone. The company shall generate income which shall be used for various purposes including expansion of mining and improve other artisanal and small scale miners surrounding the company.

The proposed project is anticipated to increase employment especially to young people and energetic people who are currently unemployed. The proposed funding sources for the project are equity financing to ensure that the project is successfully implemented and operationalize.

Further the financial projection show that the project will generate more income to Zhong Jin Mining Company Limited hence the project will enhance internally generated.

The management of is recommended to support the project idea for the purpose of increasing income of the Zhong Jin Mining Company Limited which will lead to country economic growth and meet the 2025 development goals.

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