

UBORA MINERALS COMPANY LIMITED

BUSINESS PLAN

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1. Executive Summary

1.1 Company Overview

Ubora Minerals Company Limited is a private company that is owned by Double Dragons Global Limited and Dong Naiming. Double Dragons Global Limited is a Chinese company that is well experienced in mineral exploration, extraction and production. The directors of the company are Han Xuewen and Cai Yuan. Han Xuewen who is the Chief Executive Officer of the Company is well experienced in the mining industry with over 10 years' experience working in related industry prior to forming Ubora Minerals Company Limited. He will be working with a team of professionals to build the business and grow it to enviably heights.

1.2 Products and Services

Ubora Minerals Company Limited intends to acquire land leases on properties known to have Tin concentrate deposits. The business will then develop Tin metal mines on these properties with the intent to extract, smelt, and package the Tin metal for sale onto the open market.

It should be noted that at all times, the business will comply with all applicable government and local laws (including OSHA) in order to ensure the safety of all employees working at the Tin Mine site.

1.3 Financing

At this time, Ubora Minerals Company Limited has raised funds that were initially used to acquire the land for exploration to determine the deposit. Tentatively, the funds will also be used for confirmation drilling and purchase of equipment and machinery will commence. 60 percent of the funding will come from Double Dragons Global Limited and the rest will be from bank loans from China and third party funding. The projected Capital Cost of the project is \$5,480,000 which includes land acquisition, development costs (exploration and feasibility study), processing plant, mining machinery and equipment and infrastructure.

1.4 Mission Statement

Ubora Minerals Company Limited's mission is to cost effectively extract Tin concentrate from known precious metal deposits with the intent to sell the Tin metal to the open market.

1.5 Management Team

Ubora Minerals Company Limited was founded by two companies Double Dragons Global Limited and Dong Naiming. Mr. Han Xuewen has more than 10 years of mining experience. Through his expertise, he will be able to bring the operations of the business to profitability within its first 5 years of operations.

1.6 Expansion Plan

Ubora Minerals Company Limited expects that the business will aggressively expand during the first five years of operation. As the business becomes profitable it will make substantial reinvestments into the Company's Tin mining infrastructure. Additionally, Ubora Minerals Company Limited may seek to acquire additional land leases on proven grounds for Tin mining.

2. Company and Financial Summary

2.1 Registered Name & Corporate Structure

Ubora Minerals Company Limited with an incorporation number 173368615 registered on 26 March 2024 is a company registered under the laws of Tanzania with the intention of becoming the leading Tin mining company in Tanzania.

2.2 Description of the Project

Murongo Tin project located in the northwest part of Tanzania, Mining License area is about 8.7km². Murongu is a village located beside the Tanzania/Uganda border, it is situated about 180 km west of Bukoba. This area started to mine tin and tungsten from the 1920s, until now, there are still many artisanal mining activities in this region, most that use inefficient and traditional methods. Every month it produces about 20 tons of tin concentrate.

Ubora Minerals Company Limited acquired this project in 2024, and did geological mapping and sampling on the surface, defined alluvial placer tin resources. In the next stages, Ubora Minerals will bring a professional team and equipment to start the professional exploration and mining program on this project.

At the first stage of the Project the Company applied for the Permit for Exploration and Feasibility Study and to undertake exploration works and feasibility study accordingly. It is the legal requirement that the Environmental Impact Assessment must be done and the EIA report must accompany the application for Production Permit. Ubora Minerals Company Limited therefore will facilitate the EIA report for submitting the application for Production Permit.

As stated before, the project covers an area of 8.7km² which constitutes deposit area, mineral processing plant site, residential quarters for laborers, office buildings, industrial buildings, material supply stores, internal access roads, tailing dump and other auxiliary structures. Yearly production is targeted at 200 tons of tin concentrates assaying a minimum of 70 % metallic tin content.

The open pit dry mining method will likely be selected for the development and exploitation of ore in which separate earth moving equipment fleets will be used for ore and waste excavation, hauling and dumping. The proposed average tin production is 200 tonnes concentrate per year. Since mining operation is based on selective mining where higher grade ores will be mined first, monthly volumes of ore mined during the initial months of

the operations will be less than the later months as grades of the ore are getting lower necessitating mining larger volumes of ore. During the initial stage of production, ore will be processed using gravity separation equipment to produce saleable grade tin-in-concentrates whilst other heavy minerals will be recovered and stockpiled for future processing using additional separation equipment such as magnetic separators and high tension separators.

2.3 Corporate Social Responsibility

Ubora Minerals Company Limited has categorized stakeholders into different groups but the beneficiaries of the project will be the local community.

- Ubora Minerals Company Limited will ensure the local community has improved roads, electricity, water and health centers.
- Ubora Minerals Company Limited will create approximately 300 jobs and 30% of the jobs will be for women.
- Ubora Minerals Company Limited will train over 100 skilled workers which will benefit the community as a whole.
- Ubora Minerals Company Limited will work with the local municipality to identify the government projects that will need the company’s expertise whether it be through funding or using the skilled labor that the company possesses.

2.4 Projected Capital Cost

For the Murongo Tin project to kick start, the capital cost of \$ is required. Below is the breakdown of the capital cost.

Projected Startup costs	
Land acquisition	1,500,000
Development costs (Exploration and Feasibility)	1,100,000
Excavator x3	558,960
Dump Trucks x8	694,672
Pumps x4	18,000
Generator x2	209,000
Machines for welding etc	20,000
Vehicles	210,000
Equipment	100,000
Processing Plant	300,000
Infrastructure	350,000
Working Capital	420,000

Total Capital Costs	5,480,632
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2.5 Exit Strategy

The Management has discussed and planned for three possible exit strategies. The first strategy would be to sell the Company to a larger entity at a significant premium. Since, the precious metals mining industry maintains a moderately low risk profile once the business is established; the Management feels that the Company could be sold for ten to fifteen times earnings.

3. Products and Services

As stated in the executive summary, Ubora Minerals Company Limited intends to operate in a tin mining capacity. Prior to the onset of operations, Ubora Minerals Company Limited will have acquired land on a property that is known to have tin concentrate deposits. At this time, it is unclear as to the method that Ubora Minerals Company Limited will use in order to extract tin concentrate.

Ubora Minerals Company Limited is also sourcing the necessary equipment so that the business can immediately begin its operations once the exploration and feasibility studies are done. The tin mining facility will also have all of the necessary chemical treatment and smelting equipment to allow the business to shape its collected tin concentrate into tin metal bars for resale to the open market.

4. Strategic & Market Analysis

4.1 Economic Outlook

This section of the analysis will detail the economic climate, the tin mining industry, the customer profile, and the competition that the business will face as it progresses through its business operations. Currently, the economic market condition in Tanzania is moderate. The increasing fuel prices has led many people to believe that Tanzania and the world in general is on the cusp of a double dip economic recession. This slowdown in the economy has also greatly impacted real estate sales, which has halted to historical lows. However, metal mines operate with great economic stability as it is a product that is in continued demand. This is especially true in today's economic environment as inflation has pushed the per ton price of tin up substantially over the last 12 months. As long as commodity prices continue to rise, the business should have no issues producing a continuous profit from its tin mining operations.

4.2 Industry Analysis

The global supply chain for tin is facing a critical shortage, with demand for the metal increasing due to the growing use of electronics, the rise of the Internet of Things, and the renewable technology revolution. Tin is a crucial component in high-tech hardware, AI,

electrical vehicles, robotics, and renewable technology, and is commonly referred to as the "glue" of metals, as it binds electrical components together.

Currently, 97% of the world's tin supply comes from developing economies, and approximately 40% of it comes from artisanal and small-scale miners, making the industry highly unsustainable. Moreover, the majority of the world's tin is obtained through alluvial mining, which is detrimental to the environment.

Since 1985, only four new tin mines have been put into production, and there are currently only a few operating and sustainable projects. This situation, combined with the fact that leading tin-producing nations have exhausted their near-surface high-grade tin deposits and their mines are getting deeper, lower grade, and more expensive has led to a depleted supply chain. The London and Shanghai Exchanges are experiencing historically low levels of tin supply, and deficits are expected to persist in the foreseeable future.

China is the world's largest tin producer and consumer, accounting for approximately 30% of the global tin supply and 47% of the global tin consumption in 2022. However, China's tin production has consistently declined over the past 15 years along with the global tin reserves. According to USGS projections, this trend is expected to continue, and the supply deficit is expected to worsen beyond 2030.

Recent events have further worsened the global tin supply situation. In the first quarter of 2023, Minsur, the second-largest refined tin producer in the world, suspended operations due to protests in Peru. Although Minsur's operations have resumed, it is likely they will face continued disruptions through the remainder of the year. Additionally, the eighth largest tin producer, EM Vinto in Bolivia, faced difficulties sourcing enough coal from Peru to power its smelter, leading to a severe reduction in production. EM Vinto's smelting operations have continued; however, further disruptions are not out of the question. Indonesia, the second-largest tin-producing nation, has announced plans to limit or ban tin exports with the intention to create economic benefit within its borders by processing the metal in-country. Myanmar (Burma), the third-largest tin-producing nation, has declared a complete ban on mining from August 2023 to protect its remaining mining resources. The country accounted for 77% of China's tin ore imports in 2022.

Overall, the global tin supply chain is in a critical state, and the world needs to explore new sources of tin to ensure that demand is met sustainably in the future.

4.3 Customer Profile

As Ubora Minerals Company Limited intends to sell its tin metal directly to wholesalers in the open market, it is difficult to determine the "average customer" of the business. Any company engaged in the buying and selling of tin metal is a potential buyer for the Company.

4.4 Competitive Analysis

As stated above in the Industry Analysis, the global supply of tin is in shortage and the demand has increased. Therefore, the market entry is open and therefore Ubora Minerals Company Limited will have minimal competition from the market.

5. Marketing Plan

5.1 Marketing Objectives

- Develop relationships with exploration companies around Africa for other properties with tin deposits.
- Establish relationships with tin wholesalers within the targeted market.

5.2 Marketing Strategies

Prior to the onset of operations, Ubora Minerals Company Limited will develop ongoing purchase order relationships (based on market prices) with national and international tin metal dealers and wholesalers that will acquire the Company's inventory of mined tin metal.

In order to complete this aspect of Tin Mine marketing operations, Ubora Minerals Company Limited will directly contact well known tin wholesalers. As these buyers are constantly searching for new tin metal sources, developing these relationships will not be an issue.

Additionally, Ubora Minerals Company Limited will make its presence known among metal exploration firms that specialize in the sale and placement of leases for land that is known to carry precious metal deposits. Much like with the tin wholesalers/dealers, Ubora Minerals Company Limited will directly contact these companies in order to develop working relationships.

5.3 Pricing

Tin metal prices will be obtained from the London Metal Exchange which provides the market prices for all metals. On the day of the sale, the prices will be referred and customers can negotiate accordingly.

6. Organizational Plan and Personnel Summary

6.1 Corporate Organization



6.2 Management Biographies

The key personnel of the company are

1. **Han Xuewen** - is a Chief Executive Officer and will oversee the whole Murongo Tin project. With Mr. Han's experience in the mining industry and the network he has created over the years, Ubora Minerals Company Limited has trusted him with the success of the project.
2. **Cai Yuan** - will oversee the day to day operation of the Murongo Tin project and will ensure all administrative including legal, financial and other obligations are met for the project to be a success.

7. Financial Plan

7.1 Underlying Assumptions

- A. The shareholders will inject \$2,800,000 of equity funds to develop the project
- B. The other 40% of the funds will be obtain through bank loans and third party loans
- C. The discount rate used will be 5% which is the borrowing rate in China and Dubai
- D. The price used for tin metal is from the London Metal Exchange price
- E. The inflation rate in Tanzania is at 5%
- F. The government free carry interest is 16%

7.2 Sensitivity Analysis

In the event of an economic downturn, the business may have a decline in its revenues. In an economic recession, the demand for tin decreases as people will have less discretionary income. However, in today's economic climate, inflation has become a serious concern, and investors have driven up the per ton price of tin metal substantially as a safe investment to hedge against inflationary risks. As such, the business should have very few issues regarding top line income.

7.3 Source of Funds

Financing	
Shareholders	3,300,000
Bank Loans	1,000,000
Third Party Loans	1,180,000
Total Financing	5,480,000

7.4 Proforma Profit and Loss

Proforma Profit & Loss (Yearly)					
Year	1	2	3	4	5
Sales	1,755,377.33	3,545,862.20	4,297,584.98	4,340,560.83	4,383,966.44
Cost of Sales (Gov't Royalties)	(198,357.64)	(400,682.43)	(485,627.10)	(490,483.37)	(495,388.21)
Mining Costs	(156,000.00)	(312,000.00)	(327,600.00)	(343,980.00)	(361,179.00)
Processing Costs	(61,728.69)	(123,457.38)	(129,630.25)	(136,111.76)	(142,917.35)
Freight & Insurance	(12,000.00)	(24,000.00)	(25,200.00)	(26,460.00)	(27,783.00)
Operating Income	1,327,291.00	2,685,722.39	3,329,527.63	3,343,525.70	3,356,698.88
Expenses					
Payroll	(194,400.00)	(243,000.00)	(250,290.00)	(257,798.70)	(265,532.66)
General & Administrative	(10,400.00)	(14,400.00)	(14,832.00)	(15,276.96)	(15,735.27)
Marketing	(9,300.00)	(13,500.00)	(13,905.00)	(14,322.15)	(14,751.81)
Professional Fees & Licenses	(25,000.00)	(25,750.00)	(26,522.50)	(27,318.18)	(28,137.72)
Insurance Costs	(7,500.00)	(7,725.00)	(7,956.75)	(8,195.45)	(8,441.32)
Travel & Vehicle Costs	(15,000.00)	(15,450.00)	(15,913.50)	(16,390.91)	(16,882.63)
Rent & Utilities	(5,000.00)	(5,150.00)	(5,304.50)	(5,463.64)	(5,627.54)
Repairs & Maintenance	(24,000.00)	(24,720.00)	(25,461.60)	(26,225.45)	(27,012.21)
Payroll Taxes	(46,656.00)	(58,320.00)	(60,069.60)	(61,871.69)	(63,727.84)
Total Operating Costs	(337,256.00)	(408,015.00)	(420,255.45)	(432,863.11)	(445,849.01)

EBITDA	990,035.00	2,277,707.39	2,909,272.18	2,910,662.58	2,910,849.88
Depreciation Expenses	(306,161.71)	(268,067.84)	(234,713.77)	(205,509.74)	(179,939.39)
EBIT	683,873.29	2,009,639.54	2,674,558.41	2,705,152.85	2,730,910.49
Interest Expense	(100,061.00)	(79,923.16)	(58,755.01)	(36,503.86)	(13,114.30)
Earnings before Gov't Free Carry Interest	583,812.29	1,929,716.38	2,615,803.40	2,668,648.99	2,717,796.19
Gov't Free Carry Interest (16%)	(93,409.97)	(308,754.62)	(418,528.54)	(426,983.84)	(434,847.39)
Earnings	490,402.32	1,620,961.76	2,197,274.86	2,241,665.15	2,282,948.80
Corporate Tax (30%)	(147,120.70)	(486,288.53)	(659,182.46)	(672,499.54)	(684,884.64)
Net Profit	343,281.62	1,134,673.23	1,538,092.40	1,569,165.60	1,598,064.16

7.5 Proforma Cash Flow Analysis

Category	1	2	3	4	5
Cash at the Beginning	0.00	237,168.97	271,224.48	2,529,657.75	4,794,816.46
Operation Activities					
Cash Inflows	1,755,377.33	3,545,862.20	4,297,584.98	4,340,560.83	4,383,966.44
Cash Outflows	(807,515.35)	(1,662,515.53)	(1,980,396.70)	(2,038,898.26)	(2,097,460.38)
Net Cash Flow from Operations (\$M)	947,861.97	1,883,346.67	2,317,188.28	2,301,662.57	2,286,506.06
Investing Activities					
Cash Inflows					
Cash Outflows	(2,710,632.00)	(2,769,368.00)			
Net Cash Flow from Investing (\$M)	(2,710,632.00)	(2,769,368.00)			
Financing Activities					
Cash Inflows (\$M)	2,100,000.00	1,000,000.00			
Cash Outflows (\$M)	(100,061.00)	(79,923.16)	(58,755.01)	(36,503.86)	(13,114.30)
Net Cash Flow from Financing (\$M)	1,999,939.00	920,076.84	(58,755.01)	(36,503.86)	(13,114.30)
Net Increase/Decrease in cash (\$M)	237,168.97	34,055.51	2,258,433.27	2,265,158.71	2,273,391.76
Cash at the End of the Year (\$M)	237,168.97	271,224.48	2,529,657.75	4,794,816.46	7,068,208.22

7.6 Proforma Balance Sheet

Category	1	2	3	4	5
Assets					
Other Current Assets					
Cash/Cash Equivalent	237,168.97	271,224.48	2,529,657.75	4,794,816.46	7,068,208.22
Fixed Assets	2,460,632.00	2,154,470.29	1,886,402.44	1,651,688.67	1,446,178.94
Total Assets	2,697,800.97	2,425,694.76	4,416,060.19	6,446,505.14	8,514,387.16
Liabilities & Equity					
Current Liabilities					
Long-term Liabilities	1,786,389.55	1,372,641.24	937,724.78	480,557.17	0.00
Total Liabilities	1,786,389.55	1,372,641.24	937,724.78	480,557.17	0.00
Equity	911,411.42	1,053,053.52	3,478,335.41	5,965,947.97	8,514,387.16
Total Liabilities & Equity	2,697,800.97	2,425,694.76	4,416,060.19	6,446,505.14	8,514,387.16

9. Conclusion & Recommendation

The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially, additionally supported by management being experienced businessmen who possess ample managerial capabilities in various business disciplines as highlighted in the document.

The assessment of the viability of the proposed development demonstrates a high income earning capacity. On the basis of the analysis, the investment will generate an IRR, which is greater than the cost of capital and an acceptable payback period.

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 can operate and benefit from tax exemptions on capital and deemed goods and increase its production.