BUSINESS PLAN

OF

JIYUN MINING COMPANY LIMITED

FROM

2024 TO 2029

TO

TANZANIA INVESTMENT CENTRE.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

1.1 Company Overview

JIYUN MINING COMPANY LIMITED is a company duly registered under the laws of United Republic of Tanzania on 27th day of NOVEMBER, 2024 and granted certificate of incorporation Number **171462215,** engaged in Mining industry. With a strategic focus on leveraging synergies across its diverse operations, the company aims to achieve sustainable growth and maximize shareholder value.

1.1.1Offices:

Offices of the company are located at Mwenge-Kinondoni-Dar es Salaam.

1.1.2 Project Location.

Project is located at KYERWA-KAGENYI-KAGERA-TANZANIA.

3.0 COMPANY PROFILE

3.1JIYUN MINING COMPANY LIMITED

Is a company owned by Two Chinese and one Tanzanian. With its 10000authorized shares all divided between the shareholders. The authorized share capital of the company is Tshs. 500,000,000 (USD 189,179 as per BOT exchange rate of Tsh. 2643 per USD of 30th June, 2024) that is divided into 10000 ordinary shares of Tshs. 50000 each. **Table 1 gives key details on shareholdings.**

Table 1: Company Shareholding Details.

3.2 Share Holding Structure of The Company

Name	Number of shares taken by each subscriber	Share percent %
XIANMING HE	5500	55%
PAUL JOHANNES IGOGO	2500	25%
ZHENHONG CHEN	2000	20%

This project focuses on conglomerate engaged in industry of mining. The capital planned is USD **5,000,000**which 75% from foreign source and 25% will come from local source.

Through the analysis conducted the shareholders of the company have realized feasibility of this project. The market analysis conducted has revealed that the services will penetrate the market and the company can establish its niche. The financial analysis has shown that the investment will pay-off as it has been predicted to make profits.

The object of this business plan is to present the business idea so that Tanzania Investment Centre so that it can provide the company with Certificate of Incentive. The incentives will help this project to develop and since this is a financially, socially and fiscally rational project the management believes that it deserves the incentives.

4.0 STRATEGICPLAN FOR JIYUN MINING COMPANY LIMITED

4.1 Company Vision:

To be a leading diversified conglomerate known for excellence, innovation, and sustainable growth in mining industry.

4.2 Company Mission:

To deliver high-quality products and services, foster innovation, and create value for our customers, shareholders, and communities through responsible and sustainable business practices.

4.2.1 Strategic Goals:

Market Leadership:

Achieve and maintain market leadership in all business segments by offering superior products and services.

- **Sustainable Growth:**

Foster sustainable growth through strategic investments, innovation, and operational excellence.

Customer Satisfaction:

Enhance customer satisfaction by providing exceptional service, quality products, and reliable after-sales support.

Mining and Mineral Processing:

- Resource Discovery: Discover and develop at least three new mineral deposits within the next five years to ensure sustainable long-term growth.
- Operational Efficiency: Reduce mining and processing costs by 10% over the next three years through the adoption of advanced technologies and process improvements.

- Safety Improvement: Achieve a zero-incident safety record by implementing comprehensive safety training and protocols. Environmental Compliance:* Ensure 100% compliance with all environmental regulations and achieve certification for sustainable mining practices within the next two years.

mining and mining dealer company typically engages in a range of activities related to the extraction, processing, and sale of minerals. Key activities include:

5.0Company Activities

1. **Exploration**

•Conduct geological surveys to locate mineral deposits.

•Use drilling and sampling methods to assess the quality and quantity of resources.

2. **Mining Operations**

•Surface Mining: Open-pit or strip mining for resources close to the surface.

•Underground Mining: Tunneling to extract deeper minerals.

•Safety measures and environmental controls are essential during extraction.

3. **Processing**

•Crushing, grinding, and separating the ore from waste materials.

•Concentration of valuable minerals (e.g., producing concentrates like makinikia).

•Refining to purify the minerals for sale.

4. **Logistics and Export**

•Transportation of raw or processed minerals to local or international markets.

•Compliance with export regulations, including permits and customs.

5. **Sales and Trading**

•Selling minerals to local buyers or international markets.

•Dealing with contracts, pricing, and market trends in commodities.

6. **Environmental and Social Responsibility**

•Rehabilitation of mining sites post-extraction.

•Engagement with local communities, ensuring fair practices and sustainable development.

7. **Regulatory Compliance**

•Adherence to government laws, including licenses and environmental protection standards.

•Payment of royalties and taxes related to mining operations.

Mining companies focus on extraction, while dealers specialize in buying, selling, and exporting minerals.

5.1 Sector overview

Mining leading industrial sector in Tanzania with the value of mineral exports constantly increasing for the past several years. The sector is comprised of both small- and large-scale operations. Mining in Tanzania includes metals (gold, iron ore, nickel, copper, cobalt, silver), industrial minerals (diamonds, tanzanite, ruby, garnet, limestone, soda ash, gypsum, salt, phosphate, gravel, sand, dimension stones and graphite), and fuel minerals (coal, uranium). Tanzania is also home to many rare earth and critical minerals that are currently in the exploration stage.

Tanzania earned around 2.3 billion U.S. dollars with minerals exports in 2019, a significant increase over 2018 level of 1.6 billion U.S. dollars. Gold had the highest contribution to the value of mineral exports. Tanzania is the 4th largest gold producer in Africa after South Africa, Ghana and Mali and is the world's sole producer of the precious stone Tanzanite. Gold production currently stands at roughly 40 tons a year, copper at 2980 tones, silver at 10 tones and diamond at 112,670 carats.

Mining and quarrying activities had a very large contribution to Tanzania's Gross Domestic Product (GDP) growth in the first quarter of 2021. The sector recorded 10.2 percent of the GDP equivalent to 1,473,804 million TZS.

The Tanzania mining industry remains attractive to investors, given the next few years of significant diversification to the mining of nickel, uranium and coal. There is also availability of investment incentives and supply chain opportunities in the mining sector.

5.2 Sub-Sector Best Prospects

The mining sector depends on imported machinery and supplies, and investors can import capital goods at zero duty. There are significant opportunities for the export of U.S. technology, machinery, and services. Mining companies have significant demand for better power alternatives as they currently rely on diesel generators. The Tanzanian Government encourages mining companies to procure local goods and services whenever possible, and many of the

foreign mining executives would like to increase local consumption to support the Tanzanian economy. There is significant opportunity to supply foodstuffs, clean water, training, consultancy and other services. With an unreliable power grid and rail system, alternative energy and transport solutions are also in high demand.

5.3 Opportunities

- Establishment of gold refinery activities
- Supply equipment and explosives, grinding media, mill liners, etc., under joint venture with Tanzania entrepreneurs
- Establishment of value-added activities
- Gemstone cutting and polishing (lapidary). In 2010, the Government passed a new legislation banning the export of unprocessed gemstones in a bid to spur local value addition.
- Rock and mineral carvings
- Jewelry manufacturing utilizing gold and gemstones
- Mineral processing industry e.g smelters
- New areas in mineral exploration
- Drilling

5.4 Market analysis

Minerals export accounted for USD 1.37bn of the total value of Tanzania's export in 2015 (i.e. 24%) with gold representing more than 90% of minerals export.

Tanzania is endowed with a variety of industrial minerals and precious metals as well as gemstones.

The minerals include iron ore, soda ash, coal, clay soil, uranium and gold.

Tanzania has a variety of gemstones, including aquamarine, garnet, ruby, sapphire, tourmaline and tanzanite.

Key Minerals Tanzania is a significant producer of gold, diamonds, tanzanite, and a variety of other gemstones. Gold is the most lucrative mineral export for Tanzania, with the country being Africa's fourth-largest gold producer.

5.5 Regulatory Environment:

Tanzania has made changes to its mining regulations in recent years to increase government revenues from the sector. This includes increased royalty rates and mandatory government ownership of a stake in mining projects.

5.6 Challenges

The mining sector in Tanzania has faced challenges such as inconsistent regulatory environment, infrastructure constraints, illegal mining activities, and disputes between mining companies and local communities.

5.7 Investment Despite challenges,

Tanzania continues to attract foreign investment in the mining sector due to its mineral potential. Major mining companies operating in Tanzania include Barrick Gold Corporation and AngloGold Ashanti.

5.9 Local Participation

There have been efforts to increase local participation in the mining sector through initiatives like the Tanzanian government's policy to promote local content in the industry.

5.10 Infrastructure:

Infrastructure remains a challenge for the mining sector in Tanzania, including issues with power supply, transportation, and logistics.

5.11 Environmental Concerns:

Environmental concerns related to mining activities, such as water pollution and land degradation, have also been raised in Tanzania.

5.12 Global Market Trends:

Global market trends, such as fluctuations in commodity prices and demand for minerals, impact the Tanzanian mineral market.

5.13 SUMMARY OF PROJECT DESCRIPTION.

ANNUAL INVESTMENT PLAN.	The company intends to produce 20 Mineral concentratesper year.
EMPLOYMENT CREATION.	THE PROJECT INTENTS TO EMPLOY MORE THAN 1000 EMPLOYEES AT THE RATIO OF; 410- SKILLED LABOURS. 590-UNSKILLED LABOURS. 860-LOCAL EMPLOYEES. 140-FOREIGN EMPLOYEES. THE NUMBER IS NOT FIXED SHALL BE INCREASING AS THE PROJECT EXPAND EACH AND EVERY TIME.
ACTIVITIES	1. **Exploration:** Identifying and evaluating potential mining sites through geological surveys, sampling, and drilling. 2. **Drilling and Blasting**: Using explosives to break up rock and access ore deposits. 3. **Excavation: Removing** overburden and extracting the ore using heavy machinery like excavators, shovels, and loaders. 4. **Haulage**: Transporting the extracted ore and waste material to designated locations using trucks, conveyors, or rail systems. 5. **Ore Processing**: Crushing, grinding, and concentrating the ore to extract valuable minerals. 6. **Tailings Management**: Handling, storing, and disposing of waste material generated during ore processing. 7. **Mine Planning**: Designing the layout of the mine and scheduling operations to optimize resource extraction and ensure safety. 8. **Environmental Management**: Implementing measures to minimize

	the environmental impact of mining activities, including land reclamation and water treatment. 9. **Health and Safety**: Ensuring the safety and well-being of workers through training, equipment maintenance, and adherence to regulations. 10. **Reclamation**: Restoring the land to a natural or usable state after mining operations are completed. 11. **Crushing and Grinding**: Breaking down large chunks of ore into smaller pieces to facilitate further processing. 2. **Screening and Classification**: Separating particles by size and preparing them for the next stage. 3. **Concentration**: Using physical or chemical methods to increase the concentration of valuable minerals. 4. **Separation:** Techniques such as flotation, magnetic separation, and gravity separation to isolate valuable minerals from waste material. 5. **Dewatering:** Removing water from the ore concentrate and tailings to reduce moisture content. 6. **Sampling and Analysis**: Regular testing of ore samples to monitor the quality and efficiency of the processing. 7**. Tailings Management**: Handling and storage of waste materials safely to minimize environmental impact. 8. **Metallurgical Accounting**: Tracking the flow of materials and assessing the efficiency of the plant's operations. 9. **Maintenance and Repair**: Keeping equipment in optimal condition to ensure continuous and efficient operation.
TECHNOLOGY TO BE USED	1. **GPS and GNSS**: Global Positioning System (GPS) and Global Navigation Satellite System (GNSS) technologies are used for precise positioning of equipment and monitoring the movement of vehicles in open-pit mines.

	2. **Autonomous Vehicles**: Autonomous haul trucks, drills, and other equipment are increasingly being used in mines to improve efficiency and safety by reducing the need for human operators in hazardous environments. 3. **Drones**: Drones are used for aerial surveys, mapping, monitoring stockpiles, and inspecting equipment in mines. They can provide valuable data quickly and cost-effectively. 4. **Remote Sensing**: Remote sensing technologies, such as LiDAR and satellite imagery, are used for geological mapping, monitoring land subsidence, and environmental monitoring in and around mining sites. 5. **IoT and Sensors**: Internet of Things (IoT) devices and sensors are used to collect data on equipment performance, environmental conditions, and worker safety in real-time, allowing for predictive maintenance and improved decision-making. 6. **Big Data and Analytics**: Big data analytics are used to process and analyze large volumes of data collected from various sources in mines to optimize operations, improve efficiency, and identify trends and patterns. 7. **Virtual Reality (VR)** and Augmented Reality (AR): VR and AR technologies are used for training, simulation, and maintenance purposes in mines to enhance safety, improve skills, and optimize processes. 8. **Robotics:** Robotics technology is used for tasks such as underground mapping, inspections, and maintenance in hazardous environments where human access is limited. 9.**Communication Systems**: Advanced communication systems, such

	as underground Wi-Fi networks, mesh networks, and real-time location tracking systems, are used to improve communication and safety for miners working in remote or dangerous areas. 10. **Ventilation and Monitoring** Systems: Automated ventilation systems and air quality monitoring technologies help ensure a safe working environment for miners by controlling airflow and detecting harmful gases and particulates. 11. **Crushers and Grinders**: Equipment for crushing and grinding ore to the required size. 12. **Screening Machines**: Separating ore particles by size. 13**. Gravity Separation Equipment:** Using gravity to separate minerals, such as jigs and shaking tables. 14. **Flotation Cells:** Using flotation techniques to separate minerals based on their hydrophobic properties. 15**. Magnetic Separators**: Using magnetic fields to separate magnetic minerals from non-magnetic ones. 16. **Hydrometallurgical Equipment**: Using chemical processes like leaching to extract metals from ores. 17. **Thickeners and Filters**: Concentrating slurry and removing water to produce a solid concentrate. 18. **Cyclones:** Using centrifugal forces to classify particles by size and density. 19. **Electrostatic Separators**: Using electric fields to separate minerals based on their electrical properties. 20**. Automated Sampling and Analysis Systems**: Regularly testing ore samples to monitor quality and efficiency. 21. **Dewatering Equipment**: Removing moisture from ore concentrates and tailings. 22. **Conveyors and Material Handling Systems:** Transporting materials efficiently within the plant.

	23. **Process Control Systems:** Using sensors, automation, and software to monitor and control processing operations in real-time. 24. **Reagent Feed Systems**: Automated systems for adding chemicals to aid in mineral processing. 25. **Wear-resistant Materials and Linings**: Enhancing the durability and lifespan of processing equipment.
EQUIPMENT	1. **Crushers and Grinders**: Equipment for crushing and grinding ore to the required size. 2. **Screening Machines**: Separating ore particles by size. 3. **Gravity Separation Equipment**: Using gravity to separate minerals, such as jigs and shaking tables. 4. **Flotation Cells**: Using flotation techniques to separate minerals based on their hydrophobic properties. 5. **Magnetic Separators**: Using magnetic fields to separate magnetic minerals from non-magnetic ones. 6**. Hydrometallurgical Equipment**: Using chemical processes like leaching to extract metals from ores. 7. **Thickeners and Filters**: Concentrating slurry and removing water to produce a solid concentrate. 8. **Cyclones:** Using centrifugal forces to classify particles by size and density. 9. **Electrostatic Separators**: Using electric fields to separate minerals based on their electrical properties. 10. **Automated Sampling and Analysis Systems**: Regularly testing ore samples to monitor quality and efficiency. 11. **Dewatering Equipment**: Removing moisture from ore concentrates and tailings. 12. **Conveyors and Material Handling Systems**: Transporting materials efficiently within the plant. 13. **Process Control Systems:** Using sensors, automation, and software

	to monitor and control processing operations in real-time. 14. **Reagent Feed Systems:** Automated systems for adding chemicals to aid in mineral processing. 15. **Wear-resistant Materials and Linings:** Enhancing the durability and lifespan of processing equipment. 16**.Crushers**: Jaw crushers, cone crushers, and impact crushers for reducing large rocks into smaller pieces. 17. **Grinding Mills**: Ball mills, rod mills, and SAG (semi-autogenous grinding) mills for grinding ore to fine particles. 18. **Screening Machines**: Vibrating screens and rotary screens for separating particles by size. 19.**Gravity Separation Equipment**: Jigs, shaking tables, and spiral concentrators for separating minerals based on density. 20.**Flotation Cells**: Mechanized and pneumatic cells for separating minerals through froth flotation. 21**Magnetic Separators**: Drum, roll, and belt magnetic separators for extracting magnetic minerals. 22**. Hydrometallurgical Equipment**: Leaching tanks, reactors, and autoclaves for chemical processing. 23**Thickeners:** For concentrating slurry and reducing water content. 24. **Filters:** Vacuum, pressure, and belt filters for dewatering ore concentrates and tailings. 25. **Cyclones**: For particle size classification and separation. 26. **Electrostatic Separators**: For separating minerals based on electrical conductivity. 27. **Dewatering Equipment**: Centrifuges filter presses, and belt presses for removing moisture. 28 **Conveyors:** Belt, screw, and pneumatic conveyors for material transport. 29. **Pumps:** Slurry pumps, water pumps, and chemical pumps for moving liquids and slurries.

	30. **Reagent Feed Systems**: Automated systems for adding processing chemicals. 16. **Mixers and Agitators**: For blending and maintaining slurry uniformity. 17. **Sampling Systems**: Automated and manual systems for collecting and analyzing ore samples. 18. **Process Control Systems**: Sensors, PLCs (programmable logic controllers), and SCADA (supervisory control and data acquisition) systems for monitoring and controlling processing operations. 19. **Wear-resistant Linings and Components**: To enhance equipment durability and reduce maintenance. 20. **Material Handling Systems:** Chutes, hoppers, and bins for efficient material storage and movement.

9.0 PROJECTFINANCING.

Table; Project Financing.

Details	Amount (USD)	Percentage
Local		
Equity	625,000	12.5%
Loan	625,000	12.5%
Sub-total	1,250,000	25%
Foreign		
Equity	1,875,000	37.5%
Loan	1,875,000	37.5%
Sub-total		75%
GRAND TOTAL	5,000,000	
Total Equity	2,500,000	50%
Total Loan	2,500,000	50%

9.1 Financial Project Items

The invested capital of **USD 5,000,000** will cover various item in the project include land and buildings, vehicles and other items as shown on table 6 below.

Table 6: Financing of Items.

ITEMS	**FINANCING IN USD**
Land & Buildings	1,500,000
Development Costs	2,200,000
Operating Expenses	200,000
Contingency Reserves	200,000
Financing Costs	250,000
Miscellaneous	70,000
TOTAL	5000,000

9.2Financial Projections

9.2.1 Sales Projections.

The company has projections of steadily growing sales over the first five years of the operations of the project. From year 1 to year 5 the company expect to attain sales amounting to USD 3,270,000: 3,852,288: 4,656,808, 5,186,078 and 5,849,557 respectively. The costs of the sales are projected to be USD 156,000: 198,016: 360,145:502,393 and 644,767 for the first five years of the project.

The Table below gives the details, including those of the projected gross profit for the first five years.

9.3 Table: Gross profit Projection.

Years	Y1	Y2	Y3	Y4	Y5
Sales	3,270,000	3,852,288	4,656,808	5,186,078	5,849,557
Cost of Sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790

The project promises to yield gross profit throughout the first five years of operation. In year 1 the profit is expected to be the lowest as it is the year of investment - even in promotion campaigns- which implies much spending while the brand is relatively respected new in the market and thus sales are picking up.

9.4 Income Projection.

Through the first five years the project is expected to be making profits. The projected profits are as shown on Table 8 for the first respectively years.

Years	Y1	Y2	Y3	Y4	Y5
Total	3,270,00	3,852,288	4,656,808	5,186,078	5,849,557
Less :Cost of sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790
Less operating expenses	170,300	155,046	186,176	197,762	226,051
EBIT	2,943,700	3,499,226	4,110,487	2,485,924	4,978,739
Less; Loan Interest	2,859,600	3,414,126	4,026,387	4,401,824	4,894,639
Less; taxes (30%)	857,880	1,024,538	1,207,916	1,320,547	1,468,392
Net Profit(Loss)	2,001,720	2,390,588	2,818,471	3,081,277	3,426,247
Dividend (20%)	400,344	478,188	563,694	616,255	685,249
Retained Earnings	1,601,376	1,912,471	2,254,777	2,465,021	2,740,998

10.0Project Conclusion

10.1Overview

The project mining and mining processing, with a total investment of$5,000,000 USD. Sector was aimed at achieving specific goals that contribute to the overall success and sustainability of the company.

10.2Key **Achievements**

Mining and Mining Processing Plant:

Successfully set up mining operations, achieving an annual extraction rate of 1 million tons of ore. Implemented advanced processing technologies, increasing yield by 25%. Met all regulatory requirements, ensuring sustainable and responsible mining practices.

11.0Conclusion

The project has successfully met its primary objectives, establishing a solid foundation for future growth. The strategic investments and initiatives have not only provided substantial financial returns but also positioned the company as a leader in its diversified business domains. Moving forward, the company is well-equipped to capitalize on emerging opportunities, ensuring sustained success and growth.