

BUSINESS PLAN

JINZHAO MINING (TANZANIA) CO. LIMITED

Prepared by:

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SUMMARY

Introduction

Africa is rich in natural resources and has a lengthy mining history, but the continent has not yet benefited from these resources' contributions to development. Historically, this can be linked to the inadequate incorporation of Africa's mining industry into the continent's economic and social endeavors. By developing the Africa Mining Vision, the Heads of State and Government of the African Union (AU) have consciously moved to solve this shortcoming (AMV).

Despite having a long history of mining and abundant natural resources, Africa has not yet benefited from these minerals' potential for development. Due to Africa's mining industry's poor integration with the country's social and economic activities, this has happened in the past. Africa Mining Vision was created by the Heads of State and Government of the African Union (AU) in an intentional effort to remedy this deficit (AMV).

Vision

"To be a leading and socially responsible mining company, recognized for excellence in sustainable practices, community engagement, and the responsible utilization of Tanzania's mineral resources to contribute to the nation's development."

Mission

"At Jinzhao Mining (Tanzania) CO. LTD, our mission is to extract, process, and deliver mineral resources with the highest standards of safety, environmental stewardship, and operational efficiency. We are committed to fostering positive relationships with local communities, promoting socio-economic development, and upholding the values of integrity, transparency, and innovation in all our endeavors. Through responsible mining practices, we aim to contribute significantly to Tanzania's growth and prosperity, ensuring a harmonious coexistence with the environment and society."

LONG-TERM VISION TARGET

By obtaining excellent mineral resources, smelting and refining them into metal, and distributing them to the market, we are improving society. to offer value addition in the non-ferrous metals materials business.

Mineral resources

- Expand our resource interests
- Pursue our own profit in mining business
- Stable procurement of raw

Materials

- Growth in the environment & energy domain
- Development of new materials
- Continuous structural reform

Smelting & refining

- Develop globally by being highly competitive
- Smelting technologies of less environmental impact
- Expand recycling of valuable metals

Strength support strategy

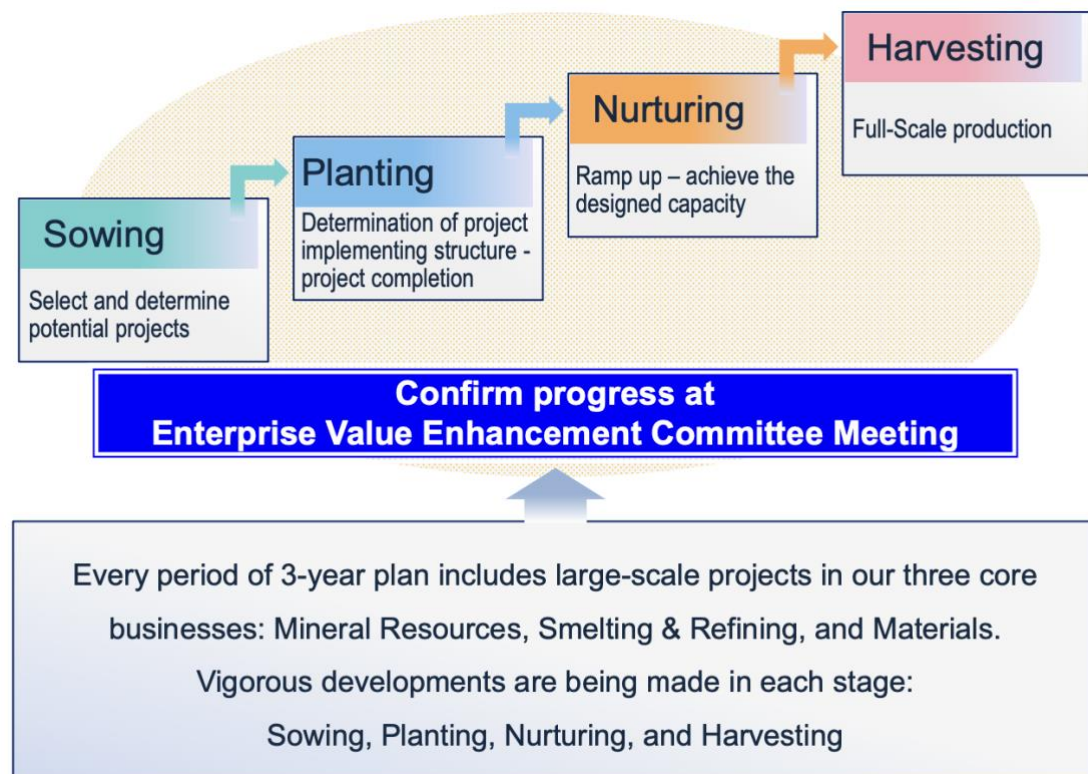
Increasing sales and enhancing company value by putting a continual growth strategy into practice.



Strategies for achieving long-term strategies

- Promote and establish operations in Tanzania
- Ensure smooth launch of operations
- Implement structural reforms in the Materials Business and stable acquisition of own profit

System supporting strategies



Our business principle

- i. Ethical conduct and integrity
 - Conduct all business activities with the highest standards of integrity, honesty, and transparency.
 - Uphold ethical conduct in dealings with employees, stakeholders, and the communities in which we operate.
- ii. Safety and well-being
 - Prioritize the safety, health, and well-being of all employees, ensuring a secure working environment. Implement rigorous safety protocols and continuous training programs to mitigate risks and promote a culture of safety.
- iii. Environmental responsibility
 - Embrace a commitment to sustainable and environmentally responsible mining practices. Strive to minimize ecological impact, implement efficient waste management, and actively engage in conservation efforts.
- iv. Community engagement and development

- Actively engage with and listen to the needs of local communities, respecting their cultural values and traditions.
 - Contribute to the social and economic development of the regions by creating employment opportunities, supporting education, and investing in community infrastructure.
- v. **Innovation and technological advancement**
- Foster a culture of innovation, encouraging employees to explore and implement cutting-edge technologies in mining and processing.
 - Continuously invest in research and development to improve operational efficiency and reduce environmental impact.

Our Core Value

- i. **Integrity** - Uphold the highest standards of honesty, transparency, and ethical conduct in all aspects of business.
- ii. **Safety first** - Prioritize the safety and well-being of our employees, contractors, and communities, ensuring a secure and healthy working environment.
- iii. **Environmental responsibility** - Demonstrate a deep commitment to sustainable mining practices, minimizing our environmental impact and contributing to biodiversity conservation.
- iv. **Innovation** - Foster a culture of innovation, encouraging employees to explore new technologies and continuous improvement in mining and processing techniques.
- v. **Community partnership** - Actively engage with and listen to the needs of local communities, cultivating strong and mutually beneficial partnerships.
- vi. **Social responsibility** - Contribute positively to the social and economic development of the regions in which we operate, creating sustainable value for communities.
- vii. **Accountability** - Foster a culture of accountability at all levels, where individuals take responsibility for their actions and decisions.

General Company Overview

Registration and Office location

Jinzhao Mining Tanzania Company Limited has been registered with a certificate Incorporation of a company as a private business that is solely owned by the three shareholders and assigned the registration No. 172059295. It has also been registered with Tanzania Revenue Authority and assigned Taxpayer Identity Number (TIN) 172-059-295. The office is situated in Dodoma, Miyuji ward.

Management

Jinzhao Mining Tanzania Co. Limited has three directors LIU NANHUI, CHU ZHAOYUN LIONING and JOHN GIDAMALI MONJA. Both directors have robust experience qualifications and skills in mining industry, that will help to grow the business to the profitability within the shortest time possible.

Job creation

Jinzhao Mining Tanzania Co. Limited intends to grow big in order to compete favorably with leading mining companies in Tanzania. We are aware of the importance of Mining sector in building the economy of the nation. That is why we are committed to employ more qualifiable workers in each area including transport officers, managers, drivers, mechanicals, engineers, processors and supervisors. We intend to employ 20 drivers, 4 transport and logistic officers, 2 supervisors, 4 engineers, 5 mineral processors and 2 managers.

Operations

Operations for mineral processing will be overseen by a skilled Metallurgist or a Mining Engineer, supported by on-site supervisors who will be present daily.

The project will employ a total of 35 personnel, including 5 security guards hired through an agency. Administrative tasks will be handled by a bookkeeper and a warehouse clerk, accompanied by a service driver, a cook, and a helper. Additionally, two maintenance personnel will provide support for operational maintenance. An Environmental Technician will be hired to monitor the

environmental protection facilities installed in the area.

The site organization will be composed of the following:

1. Site Supervisor - responsible in the supervision of the entire operations both the Mining & Crushing/Agglomeration and the continuous 24 hour Heap Leach Operations.
2. Bookkeeper – responsible in the administration and recording of accounts and the payroll of personnel. Reports directly to the Site Supervisor and indirectly responsible to the Accounts Manager stationed on-site.
3. Warehouse Clerk – in charge in the administration of the small material supplies of the project. Reporting directly to the Bookkeeper and indirectly to the Materials and Contracts Manager stationed onsite for the supplies movement and stock inventory of the needed supplies and material of the project.
4. Security Officer – responsible of the project security administration and operations. Reporting directly to the Site Supervisor.
5. Community Relations Officer – responsible of the social and community aspect. Reporting directly to the Site supervisor and indirectly to VP on Community Relations.
6. Surveyor, Mechanic, Electrician, 3 Samplers/survey aid, 3 Heavy Equipment checker, 3 Heap and 4 Recovery Plant Operators and 4 Helpers, a Staff cook and a helper, service and truck drivers, an Environmental sampler and 5 Agency Security Guards.

SWOT Analysis

<p>Strength</p> <ul style="list-style-type: none"> i. Commitment to ethical conduct, transparency, and responsible mining practices, contributing to a positive corporate image ii. Skilled and well -trained workforce capable of implementing cutting-edge technologies and best practices in mining iii. Innovation and invest in technology to optimize mining operations, enhance efficiency and reduce environmental impact 	<p>Weakness</p> <ul style="list-style-type: none"> i. Vulnerability to fluctuations in commodity prices which can impact revenue and profitability ii. Despite sustainable practices, there may be challenges in completely mitigating the environmental impact of mining operations iii. Start-up funding needed iv. Infrastructure limitations in certain regions may affect the efficiency of mining and processing operations
<p>Opportunities</p> <ul style="list-style-type: none"> i. Diversification of minerals ii. Collaborate with global organizations and initiatives to share best practices iii. Leverage emerging technologies to further enhance mining efficiency, reduce costs, and improve environmental performance 	<p>Threats</p> <ul style="list-style-type: none"> i. Fluctuations in commodity prices pose a threat to revenue and profitability ii. Intense competition in the mining industry may impact market share and pricing iii. Possible new regulations iv. Political and economic instability in the region

FINANCIAL PLAN

Project Finances and Source of Funds

Mining is a new business for Jinzhao Mining Tanzania Co. Limited. The startup costshare related to the purchase machinery, land/ building, plant and working capital. The shareholders are seeking to obtain a TZS 1,200,000,000 investment.

Sales Forecast

One thing is certain when it comes to the mining industry if you have a good customer care and best trucks and machinery, you will always attract more customers and that will translate to increase in revenues generations for the business. We are positioned to take on the available market within and outside Tanzania and we are quite optimistic that we will meet our set of targets of generating enough profits from the first six months of operations and grow the business and our clientele base. We have been able to critically examine the business and we have been able to come up with the following forecasts;

Second Fiscal year (2025) = TZS 500,000,000

Third Fiscal year (2026) = TZS 70,000,000

Fourth year (2027) = TZS 900,000,000,000

Fourth year (2028) = TZS 1,000,000,000

Fifth year (2029) = TZS 1,100,000,000

N.B: These projections were done based on what is obtained in the industry and with the assumption that there won't be any major economic meltdown, and there won't be any major competitors offering customer care services as good as ours. Please note that the above projections might lower and at the same time might be higher.

Expenditure Breakdown

These are the key areas where we will spend our startup capital

- i. Lease agreement and building TSH. 50,000,000/=
- ii. Machinery TSH. 150,000,000/=
- iii. Working capital = 1,000,000,000/= TZS
- iv. Total investment capital = 1,200,000,000 TZS

JINZHAO TANZANIA MINING LIMITED

PROJECTED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023-
2027

PARTICULARS	TZS 2024	TZS 2025	TZS 2026	TZS 2027	TZS 2028
Revenue	500,000,000.00	70,000,000.00	900,000,000.00	1,000,000,000.00	1,100,000,000.00
Cost of sales	4,339,150.00	6,942,640.00	11,108,224.00	17,773,158.40	28,437,053.44
Gross profit	495,660,850.00	63,057,360.00	888,891,776.00	982,226,841.60	1,071,562,946.56
Distribution costs	48,000.00	76,800.00	122,880.00	196,608.00	314,572.80
Administration costs	708,000.00	1,132,800.00	1,812,480.00	2,899,968.00	4,639,948.80
Other costs	108,000.00	172,800.00	276,480.00	442,368.00	707,788.80
Operating profit	494,796,850.00	61,674,960.00	886,679,936.00	978,687,897.60	1,065,900,636.16
Finance costs	-	-	4,000.00	4,000.00	4,000.00
Profit before tax	494,796,850.00	61,674,960.00	886,675,936.00	978,683,897.60	1,065,896,636.16
Income tax	96,000.00	153,600.00	245,760.00	393,216.00	629,145.60
Profit after tax	494,700,850.00	61,521,360.00	886,430,176.00	978,290,681.60	1,065,267,490.56
<u>Other comprehensive incomes</u>					
Exchange gain from foreign operations	-	6,000,000.00	9,600,000.00	15,360,000.00	24,576,000.00
Fair value gain on financial assets	-	-	-	-	-
Income tax relating to other comprehensive incomes	-	-	-	-	-
Total other comprehensive incomes	-	6,000,000.00	9,600,000.00	15,360,000.00	24,576,000.00
Total comprehensive income for the year	494,700,850.00	61,527,360.00	886,439,776.00	978,306,041.60	1,065,292,066.56

JINZHAO TANZANIA MINING
LIMITED
PROJECTED STATEMENT OF FINANCIAL POSITION AS A 31
DECEMBER 2023-2027

PARTICULARS	TZS	TZS	TZS	TZS	TZS
YEAR	2024	2025	2026	2027	2028
ASSETS					
Non current assets					
Land and building	600,000,000.00	600,000,000.00	600,000,000.00	600,000,000.00	600,000,000.00
Property, plant and equipments	614,000,000.00	614,000,000.00	614,000,000.00	614,000,000.00	614,000,000.00
current assets					
cash	90,000,000.00	100,000,000.00	110,000,000.00	109,000,000.00	130,000,000.00
inventory	-	5,000,000.00	9,000,000.00	9,000,000.00	12,000,000.00
Trade receivables	-			30,000,000.00	3,000,000.00
prepayments	-	-	-	7,000,000.00	10,000,000.00
Total Assets	1,304,000,000.00	1,319,000,000.00	1,333,000,000.00	1,369,000,000.00	1,369,000,000.00
EQUITY AND LIABILITIES					
Equity					
share capital	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00
liabilities					
current liabilities					
trade payables	-	35,000,000.00	34,000,000.00	50,000,000.00	45,000,000.00
short term provisions	50,000,000.00	30,000,000.00	45,000,000.00	65,000,000.00	70,000,000.00
current tax payable	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
total equity and liabilities	1,304,000,000.00	1,319,000,000.00	1,333,000,000.00	1,369,000,000.00	1,369,000,000.00

JINZHAO TANZANIA MINING LIMITED
 PROJECTED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31
 DECEMBER 2023-2027

DETAIL	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
CURRENCY	TZS	TZS	TZS	TZS	TZS
BALANCE AT THE BEGINNING OF THE YEAR	-	350,000,000.00	230,000,000.00	920,000,000.00	1,620,000,000.00
CASHINFLOW	500,000,000.00	70,000,000.00	900,000,000.00	1,000,000,000.00	1,100,000,000.00
CASHOUTFLOW	150,000,000.00	190,000,000.00	210,000,000.00	300,000,000.00	400,000,000.00
BALANCE AT THE END OF THE YEAR	350,000,000.00	230,000,000.00	920,000,000.00	1,620,000,000.00	2,320,000,000.00

