



PAMOJA MINING COMPANY LIMITED

**BUSINESS PLAN FOR FINANCING PAMOJA MINING COMPANY LTD
GOLD MINING & PRODUCTION AT KEREZIA SITE, USHIROMBO-GEITA**



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Executive Summary:

The Pamoja Mining Company Limited-PMCL, is seeking financing for the scaling up and expansion of its mining production activities. PMCL has been in this business for over 20 years and is proud for being among the pioneers of CIP gold processing technology Geita. The company owns and operates a medium range CIP gold processing plant and has a proven track record of producing high-quality gold. PMCL intends to expand the gold production to the highest levels and would like to utilize the availability of gold reserve potentials in the solicited site through a joint venture agreement. The site is located in Ushirombo, Geita Region under licenses nos. PML0511GTA and PML0512GTA .**The Funding sought is at a Total of USD 33.205 Million (US Dollars Thirty-Three Million, Two Hundred and Five Thousand only)** The loan will be repaid from the increased revenue generated by the project.

1.0 Business Description:

1.1 The Company:

Pamoja Mining Company Limited-PMCL is a private company incorporated for the purpose of trading in metals and minerals, crushing, washing, trading, purifying, polishing, sell, dispose of or otherwise dealing with gold, silver, and other precious metals.

The company proposes to seek for funding to ensure operations of the Kerezia Site based at Ushirombo in Geita Region. In particular company aims at soliciting funds necessary for engaging into large-scale gold mining, processing and sale.

PMCL owns the Nyarugusu CIP Gold Processing Plant; a well-established business that has been in operation for several years. The plant specializes in the processing of ore to produce high-quality gold. The plant is located in a prime location with access to key transportation routes and a skilled labor force. The company therefore has a strong management team with extensive experience in the mining industry.

1.2 The Kerezia Site:

In summary, the major components of the project shall involve, establishment of mining site section (through both open cast method and underground shaft method), establishment of the 1200-ton capacity CIP gold processing plant (with full-fledged equipment and machines including also elution machines) and purchase of major equipment and machinery including also for ore excavation, ore transportation and delivery etc.; as well sale of gold to an international market.

The extraction of gold (from both open pit and underground mines) involves land usage and a considerable quantity of equipment. In addition, effective processing of these ore materials and expected optimal production is highly dependent on the reliable equipment with required rating/capacity.

2.0 PLANT OPERATIONS:

2.1 Plant Processing Capacity:

The gold processing plant has the capacity to process 1,200 tons of tailings per day equivalent to 36,000 tons per month. With the acquisition of the mining equipment the plant will operate to the capacities that will translate to production levels of 3,600 grams of pure gold daily. The plant's excellent working condition would therefore be expected that the above-assumed minimum levels of production will be achieved.

2.2 Gold Ore Reserves:

The Mine Site is within the rich gold belt of the Lake Victoria basin. The area is known for rich gold ore reserves with grade ranging from 1.5 -4 grams per ton. Major sources for the tailings for this particular project are under licenses nos. PML0511GTA and PML0512GTA; PMCL sites the company has solicited that have abundant deposits.

3.0 MARKETS ANALYSIS:

3.1 Market Perspective:

The demand for gold is expected to grow in the coming years due to increasing industrialization and economic growth. The plant is well positioned to capitalize on this growth and has already established relationships with key customers. The plant's product portfolio is diverse, and it has a strong reputation for producing high-quality products.

Gold is a precious metal that has a market worldwide. It has a store of value measured against major world currencies i.e., the USD, Great Britain Pound (GBP), the SDR and the EURO. The market and markets of the product is therefore not a problem that needs serious consideration to justify the project feasibility. No serious effort is involved in this case since marketing of the gold is now handled through the Gold Markets recently opened. Geita Gold Market is one among and is already operational.

3.2 Gold Market Prices:

The market prices of gold are controlled by the world bullion markets in Europe, America, and Asia. For purpose of this report however selling price of USD 62 (approx. TZS 145,700) per gram has been used. This is based on current market price as obtained from local gold dealers through which the company shall sell its gold.

3.3 Marketing Strategy:

The plant will continue to focus on building relationships with key customers and expanding its customer base. The plant will also invest in marketing to increase awareness of its products and services. The plant will participate in trade shows and other industry events to showcase its products and build relationships with potential customers.

4.0 Operations Plan:

The financing will be used to run the plant's mining production activities. This will allow the plant to enhance production capacity, meet growing demand from customers, and improve operating efficiency. The plant will also invest in new technology and equipment to improve operational efficiency.

4.1 Organization Structure:

The organization structure of the business reflects limited resources available. It consists of three (3) divisions under the Director (General Administration & Finance) as described under:

4.1.1 Director –General Administration & Finance-1

4.1.2 Finance & Administration Division – (under Director – Admin & Finance)

- Accounting and Finance Office/Accountant-1

4.1.3 Operations/Technical Division- (under Director Operations)

- Plant Engineer /Operations Supervisor-1

- Operators-2

- Laboratory Technician-1

4.1.4 Procurement &Logistics Division- (under Director-External Relations)

- Procurement and Logistics Officer-1

- Storekeeper-1

- Others (security, canteen, attendants)-5

- Laborers-25

5.0 FINANCIAL ANALYSIS:

The funding will be used to finance the establishment of the plant's mining production activities. The funding will be repaid from the revenue generated by the project. The plant's financial projections show strong revenue growth and profitability in the coming years. The plant would have a strong balance sheet and is expected to produce positive cash flow.

5.1 Assumptions and Considerations:

5.1.1 Going Concern: The business is a going concern that will continue running as a going concern.

5.1.2 Processing Plant: The processing plant would have the capacity to process 1,200 tons of ore daily. The operations have however been assumed to operate at 70% of capacity in year 1 increasing to 80% by third and subsequent years.

5.1.3 Gold Ore Reserves: The mine site is located within rich gold ore reserve presently dominated by Small Scale Gold Miners. The ore materials are in abundance, which assures the business with adequate raw materials for processing.

5.1.4 Operating Costs: Operating costs are based on current market costs for various inputs and services to be purchased by the plant.

5.2 The Plan and Trends/ Income Statements:

Schedules in annexes provide a detailed account of the Business Plan and has projected income trends and positive cash flows for the period of 5 years.

6.0 CONCLUSION & SUBMISSION:

The Company's Kerezia Site project is expected to produce high-quality gold and has established relationships with key customers in the industry. The financing will allow the plant to enhance production capacity, meet growing demand from customers, and improve operating efficiency. The investment will be repaid from the revenue generated by the project, and the plant's financial projections show strong revenue growth and profitability in the coming years.

Based on the technical and financial analysis carried out in this report, the business proposal by Pamoja Mining Company Ltd to solicit **USD 33.205 Million (US Dollars Thirty-Three Million, Two Hundred and Five Thousand only)** from potential investors for the purpose of financing of the mining project is viable and feasible.

7.0 ANNEXES

7.1 INITIAL PROJECT COSTS

SN	DESCRIPTION	QTY	AMOUNT IN USD
a)	Mining Site Preparation, Drilling And Exploration.	1	400,000
b)	Mining Machinery, Equipment & Transportation.	1	500,000
c)	Design And Build Gold Processing Plant.	1	7,500,000
d)	Design Gain Approval Licenses, Construct Tailing Facility.	1	3,000,000
e)	Administration, Accommodation & Communication Setup.	1	400,000
f)	Contingency	1	600,000
	TOTAL INITIAL COSTS		12,400,000

7.2 ANNUAL INCOME

SN	DESCRIPTION	TON	GRAMS	RATE (\$)	AMOUNT IN USD
a)	Daily ore recovery	1,200	3,600	62	223,200
b)					*300
	ANNUAL INCOME (<i>Assumption:300 Days/year</i>)				66,960,000

7.3 OPERATIONAL COSTS

SN	DESCRIPTION	QTY	AMOUNT IN USD
a)	Mining Costs (\$8.2 Per Tonne Of Ore)-Daily	1	8,200
b)	Processing Costs (\$15 Per Tonne Of Ore)-Daily	1	15,000
c)	Tailings Processing (\$15 Cubic Meter)-Daily	1	15,000
d)	Admin, Miscellaneous, Taxes, Transport, Etc.- Daily	1	18,800
e)			*365
	TOTAL INITIAL COSTS		20,805,000

7.4 NET CASHFLOW/PROFIT

DESCRIPTION	QTY	USD
a) Annual Income	1	66,960,000
b) Initial Project Costs	1	(12,400,000)
c) Operational Costs	1	(20,805,000)
d) Total Cost (Financing Request)	1	(33,205,000)
e) NET CASH FLOW/PROFIT	1	33,755,000