

**BUSSINESS PLAN**

**FOR**

**MINING PROJECT**

**Prepared by:**

**HONGYUAN RESOURCES COMPANY LIMITED  
P.O.BOX 03  
SONGWE , TANZANIA**

# 1. Executive Summary

## **Company& Project concept**

HONGYUAN RESOURCES COMPANY LIMITED is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 05<sup>th</sup> July 2024, and bears Certificate of Incorporation 174829217. Company implements project which is Mining.

HONGYUAN RESOURCES COMPANY LIMITED will be located at Region Songwe ,Street Mkwajuni near Mkwajuni ward office.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable and ethical company, building relationships with customers, suppliers and investors.

## **Company Goals and Objectives:**

In Summary HONGYUAN RESOURCES COMPANY LIMITED aims to;

- Import machines, spare parts and equipment.
- Manage HONGYUAN RESOURCES COMPANY LIMITED by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- Build relationships with investors in many sectors,
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts

**Purpose of Business Plan**

This document is prepared to serve the purpose as a Pre-feasibility study report for HONGYUAN RESOURCES COMPANY LIMITED for investment in Mining at Songwe Region. But also, the Pre-feasibility study report shall be submitted to TIC for an award of Certificate of Incentives. The implementation of this project will comprise the following activities: -

- Import of machines, spare and equipment.
- Installation Machinery and Equipment for this project.
- Equipping the project with all necessary modern furniture and facilities
- To analyze the relevant market and other factors impacting up on the Mining projects.
- To carry on the business of selling Mining product.

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**The project promoter,** the project will be managed and operated by HONGYUAN RESOURCES COMPANY LIMITED is owned by a Chinese nationals from China with the following share distribution.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
GUO YONGQIAO	CHINESE	49
NOEL STEVEN SHAYO	TANZANIAN	51

**Company Legality,** the legal certificates and documents such as Memorandum and Articles of Association, Certificate of Incorporation, Tax Identification Number. Justify that HONGYUAN RESOURCES COMPANY LIMITED is operating within the ambit of the law of the Land

**Investment Structure,** the project is estimated to cost \$700,000, the money covers building structures but also allocated fund include investment in, building structure, Machineries and Equipment, furniture and fittings, pre-expenses and working Capital. The equity contributed by the shareholders is \$700,000 equivalent to 100%. However, a financial policy of the Company state that the profits generated will be re-invested

Forecasted financial Information, Financial information of HONGYUAN RESOURCES COMPANY LIMITED is projected within five years. The company projected profit andLoss, account show a respectable turnover (for refence you shall see on the last page)

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## **Purpose of Project**

This document is prepared to serve the purpose as a feasibility study for HONGYUAN RESOURCES COMPANY LIMITED for establishment of Mining project . The implementation of the project will comprise of the following: -

- Procurements and installation of Machineries and Equipment for this project.
- Equipping the project with all necessary modern furniture and facilities
- Procurement of semi-processed raw materials
- Employing more than 25 people.

## 2.3 Summary of the Expected Results

At the end, the project is expected to achieve the following: -

- Import modern machine in warehouses to accommodate manufacturing process and introduce new technology in Tanzania
- Increase 40 direct employment opportunities.
- Increase tax contributed to the government
- Generate foreign currency.

## 3. BUSINESS DESCRIPTION

HONGYUAN RESOURCES COMPANY LIMITED is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 05<sup>th</sup> July 2024, and bears Certificate of Incorporate # 174829217. Company implements project which is under Mining sector.

The Company will be responsible among others activities, operating and managing recycling of tires activities.

### **3.1.1. Legal Status**

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates Justify that HONGYUAN RESOURCES COMPANY LIMITED is operating within the ambit of the law of the Land.

### **3.1.2. Mission and Vision**

The company vision is to be one of the leading companies in Mining Sector.

The current mission of the company is to penetrate the markets within Mining sector in Tanzania. The company can achieve this through

- Establishing sustainable business relationship all business sectors in Tanzania
- Proper and reasonable remuneration of the personnel
- Continuing networking with our esteemed clients.

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### **3.1.3. Project Promoters**

The project promoter, the project will be managed and operated by HONGYUAN RESOURCES COMPANY LIMITED. The Company is owned by . Current shareholding status is hereby shown below.

<b>NAME OF SHAREHOLDERS</b>	<b>NATIONALITY</b>	<b>SHARES %</b>
GUO YONGQIAO	CHINESE	49
NOEL STEVEN SHAYO	TANZANIAN	51

### **3.1.4. Operations**

The project will be managed and operated by HONGYUAN RESOURCES COMPANY LIMITED. The Company is finalizing acquisition of operation permits and Tax exemption clearance for machinery and equipment to start the implementation of the project. Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

### **3.1.5. Project Location**

The project shall be implemented at constructed warehouses, administration block which will be spacious to accommodate project of this nature. The project shall be located at SONGWE-TANZANIA

### **3.1.6. Postal Address**

HONGYUAN RESOURCES COMPANY LIMITED  
P. O. Box 03  
SONGWE, TANZANIA

## **4. Core Activities of the company**

HONGYUAN RESOURCES COMPANY LIMITED will be dealing with establishing and operating the following facilities;

### **4.1.1. Landscaping of the Area for Investment**

In the first phase of the implementation of this project, the Company shall lease a warehouse, import machines, spare parts and equipment.

### **4.1.2. Installation of Machines.**

In this stage the company shall install machines and equipment imported from

## **4.2. Technical requirements of the project**

The project implementation shall require some of technical facilities among others include: -

- Machines to be installed in warehouses

## **5. MINING INDUSTRY**

### **5.1 MINING INDUSTRY IN TANZANIA**

Tanzania Mining industry is highly important since it accounts for a significant share of the country's export revenues. The Government plans to have this sector contribute 10% of GDP by 2025

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 tonnes a year, copper at 2980 tonnes, silver at 10 tonnes and diamond at 112,670 carats.

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**5:2 IMPORTANCE OF MINING SECTOR IN TANZANIA**

Tanzania Mining industry is highly important since it accounts for a significant share of the country's export revenues. The Government plans to have this sector contribute 10% of GDP by 2025

Tanzania is a land rich in minerals. Mining makes up more than 50% of the country's total exports, of which a large part comes from gold. The country has gold reserves of 10 million ounces, generating revenue of over a billion USD. Diamonds are also found in significant amounts.

Mined materials are needed to construct roads and hospitals, to build automobiles and houses, to make computers and satellites, to generate electricity, and to provide the many other goods and services that consumers enjoy.

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### **5.3 MINING IN TANZANIA**

Tanzania is a land rich in minerals. Mining makes up more than 50% of the country's total exports, of which a large part comes from gold. The country has gold reserves of 10 million ounces, generating revenue of over a billion USD.[1] Diamonds are also found in significant amounts. Since it was opened in 1940, the Williamson diamond mine has produced 19 million carats (3,800 kg) of diamonds.

Gemstones, nickel, copper, uranium, kaolin, titanium, cobalt and platinum are also mined in Tanzania. Illegal mining and corruption are ongoing problems. In 2017, the government passed a series of bills aimed at increasing revenue from minerals after a scandal which caused the dismissal of the Minister for Energy and Minerals.

### **5.4 PROJECT JUSTIFICATION**

The proposed project is under management of HONGYUAN RESOURCES COMPANY LIMITED is in line with Tanzania Government efforts in accordance to support investment . This has also been noted of recent drive of attracting investors in Tanzania in order to maximize annual earnings from investment and also compete effectively with regional competitors. This also has been complemented by following measures

The government is making a critical review of all existing laws and regulations, taxation and policies with ultimate aim of improving and creating conducive environment for private sector Investment..

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Therefore, the establishment and operations for the Poultry farm and processing facility will boost and at the same time strength Agriculture sector in Tanzania. The Company's marketing strategy and intention is to have a wide products base which focuses both to Ordinary consumers and national use.

#### **5:5 SOCIAL AND ECONOMIC IMPACT OF THE PROJECT**

The proposed project will result into the following social and economic impacts:

- Improve and increase of Mining products in Tanzania
- Increased competitiveness among Mining industries in Tanzania
- The project will provide employment for more than 25 people
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.

## **6. OPPORTUNITY DRIVERS**

### **1.1 Uniqueness location of the project**

HONGYUAN RESOURCES COMPANY LIMITED.'s project will be among Mining Companies in Tanzania. Location of the Project shall be at SONGWE -TANZANIA .

### **1.2 Government Policy**

The Government of Tanzania has made the policy that intends to improve and promote Mining Industry. This sector employs many people and it is a key driver towards transforming and developing the national economy.

## **8. Marketing Information**

### **8.1. Marketing Strategy**

#### **8.1.1. Overview**

The success of HONGYUAN RESOURCES COMPANY LIMITED will be achieved by providing high tech products, providing friendly service and employing an aggressive marketing plan to build customer traffic. Today's market requires more than just products and service to make a HONGYUAN RESOURCES COMPANY LIMITED successful. HONGYUAN RESOURCES COMPANY LIMITED will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts.

Management will endeavour to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales.

## **9. Management & Administration**

### **9.1. Management**

The management team of HONGYUAN RESOURCES COMPANY LIMITED planned to be constituted by the following management team: -

#### **9.1.1. Board of Directors**

HONGYUAN RESOURCES COMPANY LIMITED be managed by the board of Directors which is the apex body for strategic decision making of the project. Directors of the Company are the ones who having shares in HONGYUAN RESOURCES COMPANY LIMITED, The Company which shall manage this project.

#### **9.1.2. General Manager**

Immediate after Board of Director the shall be a General Manager who will be responsible to take care of mater pertaining operation and managing daily activities of the project as well as other staffs' welfares and report them to the board of directors.

#### **9.1.3. Production Manager**

Production Manager will be employed who expected to have an extensive background in the Poultry processing industry. As the production Manager will be directly responsible for all processing functions including processing of poultry and related products.

Under production manager there shall be reasonable number of technical staffs who will be involved in daily processing within this project.

#### **9.1.4. Accountant/cash**

An accountant will be employed who expected to have good experience in accounting system as well as he will be responsible in managing cash of HONGYUAN RESOURCES COMPANY LIMITED but also keeping books of accounts properly.

#### **9.1.5. Management Agreements**

Management Agreements will be executed between HONGYUAN RESOURCES COMPANY LIMITED and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

#### **9.1.6. Confidentiality Agreements**

HONGYUAN RESOURCES COMPANY LIMITED will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our products, operating systems, policies and procedures. Having confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

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## **10. Conclusion**

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- Revenue will be contributed to the Government through various taxes.
- The project will offer continuous direct employment to almost 25 people and create other indirect employment to other people.
- The company looks technically feasible and financially viable. It is therefore recommended that the project be supported.

# HONGYUAN RESOURCES COMPANY LIMITED

## INVESTMENT COST PLAN

<i><b>COST INVESTMENT STRUCTURE</b></i>	<b>\$</b>
<b>Property and equipment</b>	
Land/Building	200,000
Plant	100,000
Vehicles	50,000
Furniture and fixtures	30,000
Pre expenses	50,000
Others	70,000
Working Capital	200,000
<b>Total</b>	<b>700,000.00</b>

**HONGYUAN RESOURCES COMPANY LIMITED**  
**FINANCIAL PROJECTION SUMMARY FROM 2024 TO 2028**  
**PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2024 - 2028**

	2024	2025	2026	2027	2028
<b>DETAILS</b>					
<b>CURRENCY</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
PPE	84,000	85,000	86,000	89,000	90,000
<b>TOTAL NON-CURRENT ASSET</b>	<b>84,000</b>	<b>85,000</b>	<b>86,000</b>	<b>89,000</b>	<b>90,000</b>
<b>CURRENT ASSET</b>					
Inventory	330,460	350,989	356,000	299,690	370,000
Trade Receivables	50,000	54,000	54,000	106,800	57,500
Working Capital	130,000	130,000	130,000	130,000	130,000
Cash and Cash Equivalent	20,000	25,600	25,800	26,900	27,000
<b>TOTAL CURRENT ASSET</b>	<b>530,460</b>	<b>560,589</b>	<b>565,800</b>	<b>563,390</b>	<b>584,500</b>
<b>TOTAL ASSETS</b>	<b>614,460</b>	<b>645,589</b>	<b>651,800</b>	<b>652,390</b>	<b>674,500</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share Capital	280,000	280,000	280,000	280,000	280,000
Retained Earnings	90,909	91,455	92,100	93,000	126,800
<b>TOTAL EQUITY</b>	<b>370,909</b>	<b>371,455</b>	<b>372,100</b>	<b>373,000</b>	<b>406,800</b>
<b>LIABILITIES</b>					
Trade Payables	130,551	145,589	148,260	146,900	133,900
Other Payables	113,000	128,545	131,440	132,490	133,800
<b>TOTAL LIABILITIES</b>	<b>243,551</b>	<b>274,134</b>	<b>279,700</b>	<b>279,390</b>	<b>267,700</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>614,460</b>	<b>645,589</b>	<b>651,800</b>	<b>652,390</b>	<b>674,500</b>

HONGYUAN RESOURCES COMPANY LIMITED  
 FINANCIAL PROJECTION SUMMARY FROM 2024 TO 2027  
 PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 5 YEARS

DETAILS	2024	2025	2026	2027	2028
CURRENCY	USD	USD	USD	USD	USD
SALES	640,000	880,000	898,000	<b>986,000</b>	<b>900,000</b>
<b>TOTAL INFLOW</b>	<b>640,000</b>	<b>880,000</b>	<b>898,000</b>	<b>986,700</b>	<b>900,000</b>
<b>COST OF SALES</b>					
Opening Inventory	0	330,260	350,689	356,000	299,990
Add: Production Cost	498,000	498,000	499,000	496,000	495,000
Less: Closing Inventory	-330,260	-350,689	-356,000	-299,990	-370,000
	<b>167,740</b>	<b>477,571</b>	<b>493,689</b>	<b>552,010</b>	<b>424,990</b>
<b>GROSS PROFIT</b>	<b>472,260</b>	<b>402,429</b>	<b>404,311</b>	<b>434,690</b>	<b>475,010</b>
<b>OPERATING EXPENSES</b>					
Administration Expenses	150,200	90,400	90,500	90,600	100,000
Sales and Distribution Expenses	100,100	92,300	90,200	90,300	102,000
Finance Cost	100,100	92,300	90,400	90,500	90,900
Depreciation Expense	8,000	8,000	8,000	8,000	8,000
-	0	0	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>358,400</b>	<b>283,000</b>	<b>279,100</b>	<b>279,400</b>	<b>300,900</b>
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<b>PROFIT FOR THE YEAR</b>	<b>113,860</b>	<b>119,429</b>	<b>125,211</b>	<b>155,290</b>	<b>174,110</b>

