

**STONEFLOWER COMPANY LIMITED**

**P.O.BOX 14112**

**DAR ES SALAAM**

**TANZANIA**

**BUSINESS PLAN FOR MINING AND MINERALS ORES PROCESSING**

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## **BRIEF SUMMARY PROJECT**

COMPANY: STONEFLOWER COMPANY LIMITED

LOCATION: KYERWA WARD,KYERWA DISTRICT,ISINGIRO VILLAGE,KAGERA REGIONS

CONTACTS: P. O. Box 14112-DAR ES SALAAM,

OBJECTIVE: TO ESTABLISH PROJECT FOR MINING AND PROCESSING OF  
MINERAL ORES.

PROJECT VALUE: USD 505,000

BENEFITS: ,JOBS CREATION, GOVERNMENT INCOME, FOREING CURRENCY

IMPLEMENTATION PERIOD: 5YEARS

## 1.0 PREAMBLE

**STONEFLOWER COMPANY LIMITED** is locally Incorporated Company planning to invest mining and processing of mineral ores and specifications. Company's products will contain the experience and know-how of nearly 10 years. By producing TIN and NICKEL with a purpose to increase mining efficiency, ensure that the government is getting foreign currency and expanding the mining sector.

### **Rationality**

The Mining sectors contribution to the Gross Domestic Product (GDP) has been increasing yearly in the year 2020/2021 the mineral sector contribution to GDO rose to 7.2% from 6.7% in 2019/2020. following the notable development, the sector became the economy's leading foreign exchange earner **STONEFLOWER COMPANY LIMITED** has come to try to bridge that gap and contribute to a large extent so that the Country can benefit from its Natural resources

### **Report's Objective**

This report is documented to show the commercial viability, the operational feasibility and the social economic impact of establishing such project in a Kagera Region. It shows the plan for establishing such a project and then; the financial efficiency, positive environmental impact and benefits borne by the project. It is intended to be submitted to Tanzania Investment center for acquiring the Certificate of Incentives, to be submitted to the Board of Directors for the resource's authorization, to guide the project implementers, and be submitted to other stakeholders for the project development.

### **Project's Objective**

The main objective by which this study is presented is to inform all stakeholders on the purposeful and solid intention of the **STONEFLOWER COMPANY LIMITED** Tanzania Company Limited to establish and operate a mining field and processing plant that will cater the needs of clients' and the community as a whole.

### **Registration and Ownership**

The company was established in Tanzania after being registered with the registrar of companies on the 22<sup>nd</sup> day of May, 2024 as a limited company by liabilities. Its registration No. is 165747062 and has the authorized total number of shares 1000 each share at the sum of 1000. **STONEFLOWER COMPANY LIMITED.**

Company Limited is owned by Three shareholders namely;

<b>Shareholders' Names</b>	<b>% Share</b>	<b>Nationality</b>
HUSENI ABDALA KIYAUKA	200	TANZANIA
BYEONGKWEN KIM	400	SOUTH KOREA
HOUJENG PARK	400	SOUTH KOREA

## **LOCATION**

The site for the project establishment within 1 acres, at Kyerwa Ward, Kyerwa District, Isingiro Village, KAGERA Region.

The above stated location is ideal for the Factory and processing site because it is an area which has a lot of access.

## **2.0 NEED FOR THE PROJECT**

This project is needed now and has been purposely ~~h~~ mean a lot to the country of investment and the owners, the newly elected of **sixth Government emphasizing industrialization** Tanzania like any other country still need various people to investing in the Mining sector, by having such project the company intend to complement government efforts as far as the Mining sector is concerned.

## **2.1 PROJECT SUPPORT**

On merit, the project is highly supported by the national investment promotion policy 2007, industrial policy, industrialization strategy and 6<sup>th</sup> Government popular with famous slogan of **Kaziinaendelea** and government initiative of ~~h~~ of Tanzania economy, these policies require and highly recommend mining sector.

## **2.2 CONSTRUCTION**

The project planned for this development in the production of factory and mineral processing site factory.

The plan will involve construction of structures for:

### **I. Offices:**

This will be a one-storey building with two main partitions, the first section containing the main reception, purchases, strongroom and sales offices. The second Section will be for financial controls and for Directors' offices. This structure will require building materials, furniture and electronics.

### **II. Production:**

This will contain four parts. One for materials designing selection, another for processing, smelting section ~~to~~ other for quality control. This will be the main section of the factory. It will involve construction of shade structures, installation of machines.

- III. **Inventory section:** the plant will have double inventory structures to handle both the raw minerals stock and the processed minerals stock.
- IV. **Water reservoirs:** there will be 4 tanks for clean water storage each with a capacity of 1,000,000 liters. The water is for the factory production use and human use.
- V. **Fuel reservoirs:** one tank of 100,000 liters will be constructed to keep the fuel oil while another steel tank of 100,000 kgs will be installed for gas.
- VI. **Sewage:** The sewage system will be constructed to handle both liquid sewage and solid sewage. There will be a water treatment section where dirty water will be purified and then recycled for reuse in the factory system.

## IMPLEMENTATION PLAN

Time	Activity
August- November, 2024	Construction & Renovation
November – January, 2025	Machinery, generator & Installations
April – June 2025	Run test of smelting factory
July – August 2025	Adjustments & servicing
September 2025	Official opening

The investors are so far committed to fulfil their duties basing on this implementation plan. They are all optimistic on the operationalization of their idea of this venture. The only limitation that can change the plan is the failure to secure

various authoritative licenses on time. This is not the promoters' intention but the experience learnt during the feasibility study took more than two years and revealed both positive and negative issues around investments. The assumption is that when most of the main requirements are covered and the permits are in place, the implementation will remain done as planned.

**PROJECT INVESTMENT**

**Project Investment Cost** the estimated capital investment cost of the project is **US\$ 505,000**

**STONE FLOWER COMPANY LIMITED COST STRUCTURE**

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	25,000.00
Machinery & Equipment	220,000.00
Motor Vehicles	75,000.00
Furniture & Fixtures	5,000.00
Pre exp	0.00
Others	5,000.00
Working Capital	175,000.00
<b>TOTAL</b>	<b>505,000.00</b>

## 5.0 QUALITY ASSURANCE

Quality is one of the key issues which will have a strong investment fulfilment, because it determines the qualification of the project to keep on producing and gives the plant an assurance of customers' various minerals such as Nickel and Tin.

Each individual stage of work at the smelting factory will be subjected to strict quality controls. Local laboratories check the manufacturing process and the quality of minerals on an ongoing basis. This is how we shall ensure that each individual glass piece meets all quality standards.

## 6.0 PRODUCTS' MARKETING AND DISTRIBUTION

The project will market our minerals to various buyers by using manufacturers associations and chamber of commerce, building big show rooms, participating in various trade fairs like the Dar es Salaam International Trade Fair, Canton Trade Fair. Also, mass media instruments like radios, newspapers and Television stations will be used to advertise on the project products to the communities.

### 1. INNOVATION AND TECHNOLOGY

- a. R &D Investment. The company aims to invest in research and development to innovate and improve mineral processing and smelting
- b. Technological integration. Integrate advanced technologies such as Advance smelting, optimize production processes

## 0 PROJECT MANAGEMENT AND MANPOWER

**Management:** The project will be managed by **150** key staffs; the Management Officer will be the Chairperson. Under him/her will be the General manager, the Chief Engineer, the Production manager, Mining engineers, Geologists, the Finance Manager and the Actuarial scientists.

**Manpower:** The project will have a high -tech installment of machinery and new mining technology application

Employees Distribution Summary

<b>Employment</b>	<b>Foreign Skilled</b>	<b>Local Skilled</b>	<b>Local Unskilled</b>	<b>Total</b>
Women	02	05	10	17
Men	03	45	80	128
<b>TOTAL</b>	<b>05</b>	<b>50</b>	<b>100</b>	<b>100</b>

### **Workers' Welfare**

Training: All workers at the mining factory inclusive will benefit from the internal training for proper operations, quality and security observance. There will be out-dooring trainings for recommended staffs depending on their working requirements. Generally, the plant will apply sophisticated machinery of high technology, it is through the trainings that the Management team plans to transfer technology and skills to local workers and make sure, those foreign workers are employed where inevitable.

Health and Insurance: The project will provide medical treatments to its workers as per Country policy requirements and will enroll workers to social security institutions as per the country policy too.

## **8.0 Financial Analysis**

### **8.1 Considerations and Assumptions:**

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied. Revenues have been conservatively estimated based on experience of the promoters and trends in the packaging materials products industry.

### **8.2 Project Investment**

The estimated capital investment cost of the project is US\$ **505,000** out of which US\$**375,000** will be fixed investment costs.

#### **STONE FLOWER COMPANY LIMITED COST STRUCTURE**

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	25,000.00
Machinery & Equipment	220,000.00
Motor Vehicles	75,000.00
Furniture & Fixtures	5,000.00
Pre exp	0.00
Others	5,000.00
Working Capital	175,000.00
<b>TOTAL</b>	<b>505,000.00</b>

For the project to be a reality a total investment amounting to US \$505,000 is needed

### 8.3 Financing pattern

The project will be financed by equity **US\$375,000** and loan **US\$ 130,000**

### 8.4 Project operating costs

In order to realize its intended objective, the project will have to meet operating cost not exceeding 15% of annual total revenue and 75% of total revenue is cost of sales

### 8.5 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from the project commences from the first year of operation.

#### STONE FLOWER COMPANY LIMITED OF REVENUE "US\$"

	1	2	3	4	5
Revenue	2,610,000	2,818,800	3,044,304	3,287,848	3,550,876

### 8.6 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years' period. The position depicted is that the project earns profit throughout its life.

Accumulated after tax profits grow from. US\$ in first year **154,875 to US\$** in the year **5<sup>th</sup> 858,503**

**STONE FLOWER COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Revenue	2,610,000.00	2,818,800.00	3,044,304.00	3,287,848.32	3,550,876.19
<b>Cost of Sales</b>	1,957,500.00	2,114,100.00	2,283,228.00	2,465,886.24	2,663,157.14
<b>Operating Expenses</b>	391,500.00	422,820.00	456,645.60	493,177.25	532,631.43
<b>Profit before Depreciation &amp; Interest</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.40</b>	<b>328,784.83</b>	<b>355,087.62</b>
<b>Interest</b>	24,000.00	180,000.00	16,000.00	6,000.00	-
<b>Depreciation</b>	15,750.00	15,750.00	15,750.00	15,750.00	15,750.00
<b>Gross Profit</b>	<b>221,250.00</b>	<b>86,130.00</b>	<b>272,680.40</b>	<b>307,034.83</b>	<b>339,337.62</b>
Tax (30%)	66,375.00	25,839.00	81,804.12	92,110.45	101,801.29
<b>Profit After Tax</b>	<b>154,875.00</b>	<b>60,291.00</b>	<b>190,876.28</b>	<b>214,924.38</b>	<b>237,536.33</b>
Accumulated Profit	154,875.00	215,166.00	406,042.28	620,966.66	858,503.00

**8.7 Projected Cash Flows**

This is shown in the financial statements. The project has a positive end of year cash flow from year 1 US\$**194,625.** of operation to the 5th year US\$ **1,183,252**

**STONEFLOWER COMPANY LIMITED PROJECTED CASH FLOWS STATEMENT (US\$)**

	0	1	2	3	4	5
<b>SOURCES:</b>						
Profit before interest and depreciation	0	261,000.00	281,880.00	304,430.40	328,784.83	355,087.62
Equity	205,000.00					
Loan	300,000.00					
<b>Total Sources</b>	<b>505,000.00</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.40</b>	<b>328,784.83</b>	<b>355,087.62</b>
<b>Applications:</b>						
Capital expenditure	325,000.00		-	-	-	-
working Capital & Others	180,000.00	-	-	-	-	-
Cash	0	194,625.00	256,041.00	222,626.00	256,674.00	253,286.00
Tax	-	66,375.00	25,839.00	81,804.12	92,110.45	101,801.29
<b>Sub total</b>	<b>505,000.00</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.12</b>	<b>348,784.45</b>	<b>355,087.29</b>
<b>Total applications</b>	<b>505,000.00</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.12</b>	<b>348,784.45</b>	<b>355,087.29</b>
Accumulated cash		194,625.00	450,666.00	673,292.00	929,966.00	1,183,252.00

### 8.8 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Shareholder's equity increases from US\$**205,000** in the first year of operation to US\$**547,536** in the 5<sup>th</sup> year.

**STONEFLOWER COMPANY LIMITED PROJECTED BALANCE SHEET STATEMENT (US\$)**

<b>Fixed Assets</b>		1	2	3	4	5
Opening balance	-	<b>325,000</b>	<b>290,250</b>	<b>255,500</b>	<b>220,750</b>	<b>186,000</b>
<b>Total Long-term Assets</b>	-	<b>325,000.00</b>	<b>290,250.00</b>	<b>255,500.00</b>	<b>220,750</b>	<b>186,000</b>
<b>Less depreciation</b>	-	15,750.00	15,750.00	15,750.00	15,750	15,750
<b>Closing balance</b>	-	<b>309,250.00</b>	<b>274,500.00</b>	<b>239,750.00</b>	<b>205,000</b>	<b>170,250</b>
Working capital	180,000	180,000.00	180,000.00	180,000.00	180,000	180,000
Accumulated cash	-	194,625.00	450,666.00	673,292.00	929,966	1,183,252
<b>Total assets</b>	<b>180,000</b>	<b>683,875.00</b>	<b>905,166.00</b>	<b>1,093,042.00</b>	<b>1,314,966</b>	<b>1,533,502</b>
Financed by						
Equity	205,000	310,000.00	310,000.00	310,000.00	310,000	310,000
Net profit	-	<b>154,875.00</b>	<b>60,291.00</b>	<b>190,876.28</b>	<b>214,924</b>	<b>237,536</b>
Total equity	205,000	464,875.00	370,291.00	500,876.28	524,924	547,536
Long term loan	<b>300,000</b>	225,000	150,000	75,000	0	0
<b>Total debts</b>	<b>300,000</b>	<b>225,000.00</b>	<b>150,000.00</b>	<b>75,000.00</b>	-	-
<b>Total equity and debts</b>	<b>505,000</b>	<b>689,875.00</b>	<b>520,291.00</b>	<b>575,876.28</b>	<b>524,924</b>	<b>547,536</b>

**8.9 PROJECTED PAYBACK PERIOD**

Total investment is **US\$505,000** cash accumulation in 54<sup>th</sup> years is **US\$683,966** which is more than the initial investment by **US\$ 17,8966**, the project payback Period is within 3 year

**STONEFLOWER COMPANY LIMITED PROJECTED PAYBACK PERIOD STATEMENT  
(US\$)**

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	<b>154,875.00</b>	15,750.00	170,625.00	170,625.00
2	<b>60,291.00</b>	15,750.00	76,041.00	246,666.00
3	<b>190,876.28</b>	15,750.00	206,626.28	453,292.28
4	<b>214,924.38</b>	15,750.00	230,674.38	683,966.66
5	<b>237,536.33</b>	15,750.00	253,286.33	937,252.99

**8.10 Projected loan repayment**

Total loan is **US\$505,000** to be repaid within 4years with interest of 8%

**STONE FLOWER COMPANY LIMITED PROJECTED LONG TERM LOAN REPAYMENT**

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
<b>0</b>				
1	75,000	24000	99,000	<b>300,000</b>
2	75,000	18000	93,000	225,000
3	75,000	12000	87,000	150,000
4	75,000	6000	81,000	75,000
5	0	0	0	0
6	0	0		0

## 9.0 ECONOMIC BENEFIT OF THE PROJECT

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

### PROFIT GENERATION

- Revenue Growth: The primary aim is to generate substantial revenue through exportation of minerals ores in Asia countries like China, South Korea, Bangladesh.
- Market Expansion: Tapping into both local and international markets, increasing market share and driving sales volume which as a consequence will increase our foreign currency
- Cost Efficiency: Aiming to achieve economies of Scale in minerals Processing to reduce costs and improve profit margins

### JOB CREATION

- Local Employment. Provide employment to the local community, boosting the local mining economy and reducing unemployment rates in the United Republic of Tanzania.
- Skill Development: Improving the skills of the work force.

### ECONOMIC DEVELOPMENT

- Stimulation of the local minerals supply chain, benefiting small miners, suppliers and related business
- Enhancing the exportation potential of the region, contributing to the national economy through foreign exchange earning

## 10.0 CONCLUSION

**STONE FLOWER COMPANY LIMITED** set out a proposal to invest in the mining and processing of minerals ores (TIN and Nickels) to be located in Kyerwa District in Kagera.

The Executive Summary highlights indicate that the proposed project will be financial and economically viable, the project will generate significantly to the social and economic progress by way of increasing the provision best minerals ores in the country. It is recommended that the project be accorded the required institutional support to pave the way for its expeditious establishment and development.

In that regard; we strongly recommended that the project be approved by Tanzania Investment Centre and be granted TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to enable smooth implementation

## **11. RECOMMENDATIONS**

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently. It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment