

SUBMITTED TO: Tanzania Investment
Centre

Business Plan

Tanzania Investment Centre

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1. PROJECT SUMMARY

Naitham Mining Company Limited has been able to observe the significant rise in the gold prices in the world and has been able to grasp an opportunity in Tanzania of acquiring a mine site at Mfyalime area Kilindi District, Tanga region, where there is abundant gold with a lot of people around with no capital.

Naitham Mining Company Limited led by its Managing Director, Mt El Haytham Abderahman, and Mr Loai, a seasoned miner from North Sudan, have decided to team up with Tanzanian Shareholders in exercising this Multi Million Dollars Project at Kilindi.

2. OPERATORS' DESCRIPTION

OUR HISTORY

Founded by two Sudanese Nationals, with extensive experience in the mining industries, Naitham Mining Company Limited has got a competitive advantage of having founders who are very much exposed in the world of Mining.

Apart from their physical experience themselves, the exposure in trading from various parts of the world including Turkey and China, the founding partners of Naitham Mining Company Limited have been able to access the first hand technology in Mining from China as well as coming into contact with various experts in the sector of mining.

OUR MANAGEMENT TEAM

Naitham Mining Company Limited has the management that ensures control, supervision, and the management of safety and security outcomes. The system ensures that operational positions within the scope of mining are filled by personnel on the basis of knowledge, skills, training and experience appropriate for the position.

OUR FOCUS

Our focus is on effective mining management and cost control. We have made a significant investment in technology. Our dedicated programmers and staff are committed in developing and customizing mining in gold extraction to ensure that the production is maximized and our key managers have immediate access to reliable information on the advancement of latest technology in the mining sector.

MISSION STATEMENT

"From rocks to riches, mining never misses"

SERVICES WE OFFER

- Geological expertise in gold extraction
- Mining of Gold and supply to the minerals market all over Tanzania
- Advise to the local community on how best to extract gold from their sites

OUR OFFICES LOCATIONS

- Dar es Salaam – Headquarter
- Tanga – Branch



CERTIFICATIONS

- Certified to conduct mining operations including Mining License
- Certified geologists on the ground to guide the whole process of extraction
- Certified mining engineers and operators to ensure smooth operations.

OUR TEAM

Here at Naitham Mining Company Ltd, we are serious about surrounding ourselves with bright, experienced people who can help us grow our business. We seek to build and maintain our team with a wide range of experiences and competencies. And we look for people who are passionate about the industry and our current strategies, and can help us adapt them to our ever-growing markets. In average the experience of the management team exceeds seven years in the aviation industry.

COMPETITIVE ADVANTAGE

As a partially owned Tanzania company, we are committed to the delivery of quality services that showcase Tanzania as a premier Mining Industry.

The following are competitive advantages that differentiate Naitham Mining Company Ltd from other Mining Industries:

- an experienced and competent staff
- a variety of marketing strategies to maximize opportunities for
- state-of-the-art technology to assist in our delivery of excellent customer service
- a proven history of extending a friendly, professional representation
- delivery of accurate and timely reports, as required
- the performance of proven quality management and quality assurance activities to support the delivery of our service and safeguard assets in our custody

We are the modern, dependable company that is ready to support Mining Commission through the innovation and change that the future will most certainly bring. In support of our authorization to conduct the proposed business activities, we submit our company legal documents, below.

OPERATION DESCRIPTION

HOURS OF SERVICE

We are able to operate seven (7) days a week and our working hours will depend on the operation time of the respective airport.

PERIOD OF PERFORMANCE

We understand that if we are successful in our bid, we will be granted a concessions agreement of five (5) years renewable for another five (5) years subject to instruction to proceed.

3. SERVICE(S) DESCRIPTION

Naitham Mining Company Limited is specialized mining Company focusing in geological survey, and Gold extraction all over Tanzania. We are determined to support all the local miners



by entering into a joint venture arrangements for the purpose of making the most out of the resources available.

4. MARKET ANALYSIS

MARKET SIZE

It has been observed that every year, the number of people opting for air travel is increasing due to the rising disposable income of people across the globe and growing number of mine sites.

Research analysis on the global baggage packaging service market identifies that the rising number of air passengers will be one of the major factors that will have a positive impact on the growth of the market. The positive economic scenario will further boost the number of air travel passengers. This in turn, results in an increased demand for the global baggage packaging service.

Several companies are increasingly focusing on expanding the market and services by providing services at different avenues such as mine sites. As a result, the increasing opportunities at mine sites are identified as one of the key trends that will stimulate growth in the mining sector and increase in government revenue through royalties and taxes.

MARKET OPPORTUNITY

Tanga is estimated to have several unexploited natural resources such as minerals and agricultural activities. Recently the region has witnesses an increasing interest for investors and visitors coming to visit the area.

The establishment of East African Community (EAC) integration and common market has brought closer our neighboring countries such as the Republic of Burundi and Rwanda hence increasing business flow, demand for the countries resources.

MARKET PROFITABILITY

The main aim of a business is to earn profit. Thus a company has to attract and retain those customers who are profitable. Our studies show that the business sector in remote areas such as Kilindi in Tanga do struggle to break even due to limitation to generate enough revenue to overcome fixed and variable costs as well. This is due to shortage of frequencies landing at the respective roads. However, the financial analysis for Tanga indicates that the business is profitable and will continue to generate the net profit margin at the level between of 55%.

Naitham Mining Company Ltd has noted the significant part of costs is contributed by labor costs. In an endeavor to cut the costs of operation the company has already started to invest in equipment to shift from labor to capital intensive.

TARGET MARKET/CUSTOMERS

There has been a significant increase of demand of Gold in Tanzania and outside Tanzania. Currently the central bank of Tanzania has also advertised that they will be buying gold at a very good rate. This has created certainty of the market for gold. Increase of demand will mean stable market for the gold producers in Tanzania including Naitham Mining Company Limited.



KEY TO SUCCESS

Cost effective maintenance

- Keeping the airport facilities safe and well maintained at all times of the year, at reasonable
- cost and in an effective and efficient manner;
- Being proactive through regular and routine inspections, electronic monitoring of key systems,
- external audits and repair programs in identifying defects and carrying out repairs;
- Monitoring the structural condition of the facilities, ensuring that replacement programs are carried out at the optimum time, thereby minimizing the whole life cost of maintaining the
- infrastructure
- Safety
- Through a proactive Safety Management System to integrate aviation safety, occupational health and safety and aviation security requirements. The SMS also promotes a just-culture of safety and incident reporting.
- To proactively monitor and manage reporting to provide trend analysis and annual targets for safety improvements, thereby reducing risk and providing a safer working environment.

Social

- Promoting the social and economic benefits for miners.
- Provide out of supporting services in the neighboring areas like sports facilities and other social services.

Environment

- To implement, monitor and if necessary adapt noise reduction measures at mine site and around its immediate environs, including noise abatement procedures.
- Enhancing the safety and appearance of the mine site through appropriate investment in the site through hard and soft landscaping measures
- To support the use of Fixed Electrical Ground Power and offer initiatives for third-parties to invest in electric airside vehicles, to reduce emissions
- To maximize opportunities to reduce waste and increase recycling.

STRATEGIES

1. Expand Presence in Emerging Markets

- Partnering through joint venture, where are required by local regulations or deemed beneficial from a business perspective, we will seek to expand our presence through joint ventures, provided attractive margins can be achieved. Entering into joint ventures in new markets can be beneficial from a risk management perspective, as it enables us to take advantage of the local knowledge of our joint venture partners for example, a Joint venture agreement made between Naitham Mining Company Limited and Najim and Company Limited over extraction and Mining of Gold at Tanga region.



- Outsourcing and deregulations, aim to capitalize on the trend of machines outsourcing ground handling services. We also expect more opportunities for market entries, arising from deregulation, which we believe will yield a positive revenue contribution in the next few years.

2. Invest in People, Infrastructure and Equipment

We invest in training, state-of-the-art facilities, IT systems and equipment to further enhance our service delivery through the following: -

- Empowering our front-line staff, in addition to staff training and development, innovation and technology also play a central role in customer service. Our staffs are equipped with equipment handling skills. Cost management, pricing and commercial governance are a key focus of our organization
- Commercial governance, through maintaining pricing discipline and contract governance, we pursue an active management of our commercial portfolio across the organization. We focus on agreements which contribute value to our business and apply corrective measures to those not viable. This adds stability to our network, which is to the benefit of our client.

3. Participation Approach and Integration

Naitham Mining Company Limited has developed a participatory policy where we engage and facilitate the activities of other stake holders actively promoting the general mining Industries, for example, we have been participating on different mining forums.

4. Marketing and Advertisement

Naitham Mining Company Limited has set an effective advertising plan or strategy which clearly defines business goals, identifying behavior changes necessary to achieve those goals, selecting the appropriate behavioral strategy and developing creative ideas based on the selected behavioral strategies. We have large proportion in our development budget covering advertisement, and promotion of services we offer, and invested much on technical capabilities to penetrate the market by application of different marketing strategies, the use of technical and well qualified marketing personnel while modernizing the promotion equipment.

5. PERSONNEL PLAN

The prepared staffing plan aims to ensure the project has sufficient staff with the right skills and experience to ensure a successful project completion.

ROLE REQUIREMENTS

The following is a detailed breakdown of the roles required to execute the project. It includes: the project role, the project responsibility of the role, skills required, number of staff required fulfilling the role.

Role	Project Responsibility	Skills Required	Number of Staff Required	Current Count	Vacancies



Accountant/In charge	<ul style="list-style-type: none"> ▪ Overall in charge of all operations ▪ Financial Controller 		1	0	1
Cashier/customer service agent	<ul style="list-style-type: none"> ▪ Communicating with customers ▪ Acknowledging and receiving customer complaints ▪ Receive payment by cash ▪ Issuance of receipts ▪ Daily Backings 		1	0	1
Machine Operator/Loader	<ul style="list-style-type: none"> ▪ Observe machine operations ▪ Ensure Quality & Conformity of field or package product to standard 		2	0	2

STAFF PROJECTED COST

The following is a detailed breakdown of the proposed staff assigned to the project role, the estimated annual labor cost per personnel and contract period.

Role	Number of Staff Required	Estimated Start Date	Estimated End contract Date	Estimated labor cost/annum-TZS-Yr1	Estimated labor cost/annum-TZS-Yr2	Estimated labor cost/annum-TZS-Yr3
Accountant/In charge	1	01/01/2020	31/12/2022	6,000,000	6,300,000	6,615,000
Cashier	1	01/01/2020	31/12/2022	4,800,000	5,040,000	5,292,000



Machine Operator/Loader	2	01/01/2020	31/12/2022	7,200,000	7,560,000	7,938,000
Estimated Total Employment Cost				18,000,000	18,900,000	19,845,000

6. ORGANIZATION SETUP AND MANAGEMENT

Our consistent approach to quality management and quality control enables us to expand service and deliver measurable, repeatable results.

Management System

Naitham Mining Company Limited has the management that ensures control, supervision, and the management of safety and security outcomes.

Management Compliance Monitoring

Compliance monitoring as a whole begins with

- The requirements Naitham Mining Company Limited seeks to comply by meeting national and international standards plus any other specific standards and the compliance monitoring objectives, targets.
- The next part of compliance monitoring is that part which defines the day to day operations or working practices by which the standards will be achieved.
- The third part of compliance monitoring is the method by which the organization complies in compliance with the defined standards and works in accordance with the defined procedures.

This is the compliance monitoring program, which includes the audit and inspection procedures, reporting system, follow up, corrective action procedures and feedback, management evaluations/reviews, recording system, compliance monitoring training and schedule for compliance monitoring program.



ORGANIZATIONAL STRUCTURE WITH JOB DESCRIPTIONS, TITLES, QUALIFICATIONS

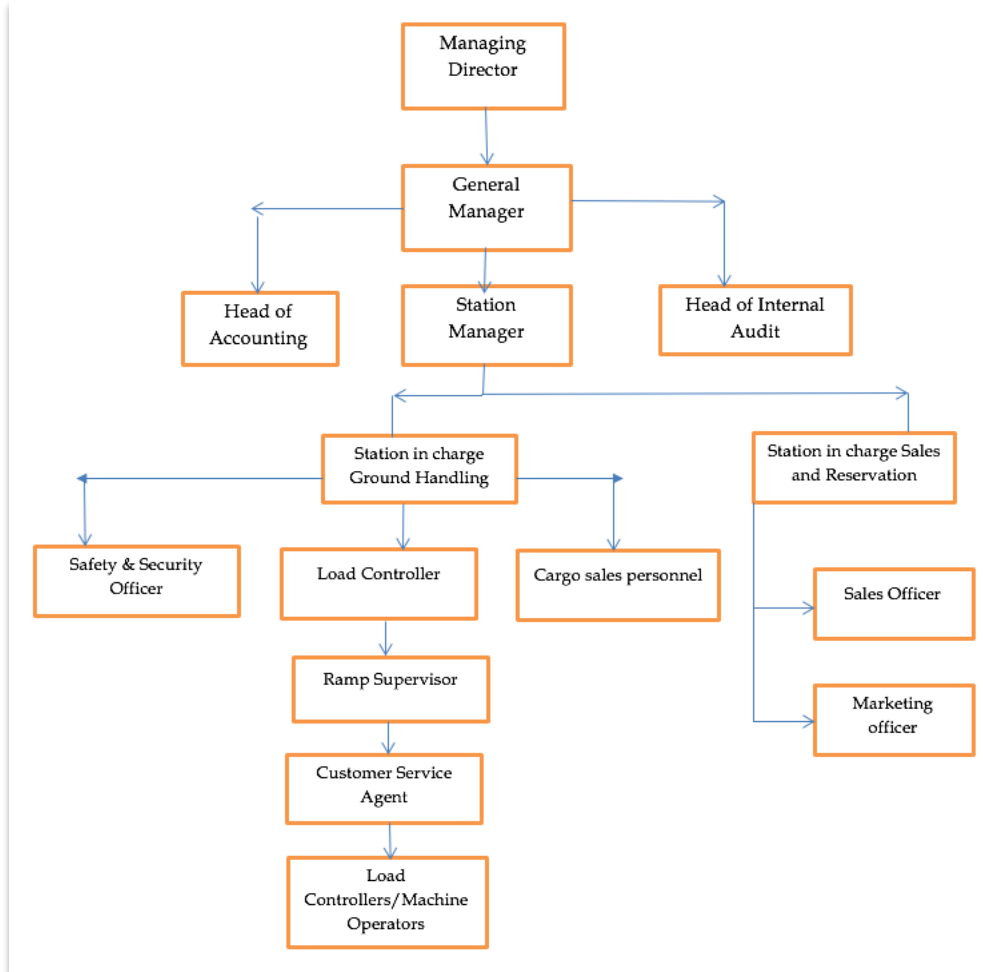


Figure 1: Our Organization Structure

7. FINANCIAL PLAN

- Startup costs

S/N	Equipment/Facility	Unit	Price/Quantity(TZS)	Amount(TZS)
1	Excavator Machines	2	150,000,000	300,000,000
2	Dozzer		120,000,000	240,000,000
3	Mobilization costs		50,000,000	50,000,000
4	Total Startup costs			100,000,000

NB:

Mobilization costs include the following:

- Hiring costs
- Camp Building Costs
- Transportation costs



- Relocation costs

Sources of Funds/Financial Capability

We expect to cover these costs from internal revenue sources and the Capital injected by the shareholder Mr Elhaytham Abderahmann.

- *Projections*

Please see our sales, income, expenditure and cash flow projections in attached in separate Excel Sheet under Appendix 1. Our projections have based on the following assumptions:

Important Project Assumptions

- We assume that the operation/variable costs will not change significantly to affect the projections.
- We assume that the sales will grow at the rate of 5% for the first year and the rest.
- We assume that the operational costs increase at the rate of 5% in the future years
- The Government's plan to rehabilitate airport remains intact
- All transaction are cash based

Key Financial Indicators

- The largest indicator with regard to our business success is sales growth. In order to succeed we must achieve early sales success and build on that success to generate sales growth. A dominant share of our launch effort will be to generate their early sale; the other key indicators are like the current ratio, quick ratios and the return on sales on assets. We shall maintain acceptable ratio to make the business variable.
- Finally, we must control costs. Since variable costs are very difficult to control, we must operate in a conscious cost-controlling manner.

Revenue and Profitability

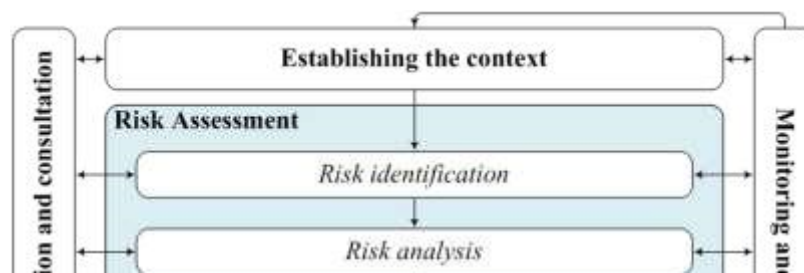
With all the above stated positive gains to the country and region, it is strong recommended that the project be implemented with immediate effect to avoid cost overrun.

8. RISK ANALYSIS

Naitham Mining Company Limited, in order to systematically identify, review and prioritize risks faced by ground operations and to develop and implement mitigation measures, as appropriate. The framework was developed in line with best practices of risk management in the public and private sectors and was adapted to company's needs. It bridges the various risk management policies and practices already in place it within the organization.

The company follows a relatively simple risk management process, which has been integrated into the operations management cycle - from the planning and resource allocation stage, throughout implementation, to the monitoring and reporting stage.

Figure 2 below shows the risk management process adopted by Fastlink Safaris & Tours Ltd.





9. CONCLUSION

Naitham Mining Company Limited is confident that our business plan will benefit your organization. We sincerely hope that Tanzania Mining Commission will consider us as a long-term partner and allow us to enter into a mutually beneficial relationship with other small miners all over Tanzania. We are available to answer any questions you may have and look forward to discussing this opportunity further.

After reviewing this document, the following steps should be performed in order to come to a final agreement.

- Submission of questions/Suggestions
- Counter proposal or approval of our business plan
- Negotiation of fees, terms, clauses and conditions

We declare this offer to be binding and free of errors or omissions. Due diligence has been performed in order to ensure compliance with your requirements and particular situation.

Thank you for your interest,

Sincerely,

Okare Joshua Emesu
Company Secretary
Naitham Mining Company Limited.