

Business Plan

1.0 INTRODUCTION

The mining sector is a cornerstone of Tanzania's economy, contributing significantly to national development. To realize its full potential, there is a need to modernize and enhance the processing of its abundant mineral resources. KRONOS TECHNICAL SUPPLY LIMITED is proposing to establish a state-of-the-art mineral exploration, processing, and trading operation in Tanzania. This venture requires an investment of US\$1,065,000.

A market opportunity of this size has attracted the company to open a business in Tanzania to curb the demand for a high-quality geological practical training requirement from customers.

Our company is diverse, offering top-notch mineral exploration training to benefit society. KRONOS TECHNICAL SUPPLY LIMITED has considerable capabilities and areas of expertise including design, engineering, fabrication and mentoring, and the ability to produce high-end mineral exploration knowledge that will spur further growth in the mining sector.

KRONOS TECHNICAL SUPPLY LIMITED aims to establish a robust mining exploration operation in Tanzania, one of Africa's most promising mineral resource regions. KRONOS seeks to uncover and develop significant mineral deposits to capitalize on global demand.

KRONOS TECHNICAL SUPPLY LIMITED will have its niche markets and as well as services that will help it become more successful in accessing markets in a new country. The shareholders are operating various businesses worldwide and will facilitate the implementation of the project in Tanzania.

1.2 LOCATION

The project will be based at Raskazoni, near Mkonge Hotel, Central, Tanga CBD, Tanga, Tanzania.

1.3 MISSION

KRONOS TECHNICAL SUPPLY LIMITED is committed to establishing a leading mineral exploration and processing operation in Tanzania. We will focus on sustainable resource development, community engagement, and contributing to the economic growth of Tanzania through responsible and efficient mining practices.

1.4 THE PROJECT PROMOTERS

The project is being promoted by **KRONOS TECHNICAL SUPPLY LIMITED**, a private company registered under the Companies Act 2002, the company is owned by three shareholders.

Name Subscribers	% Shares subscribed	Nationality
CHORNOSHTAN VALENTYN superle4719@ukr.net UKRAINE, KYIV, 20A GEROYV, STALYNGRADA STR, AP 259	35	UKRANIAN
OLEKSANDR KORNIETS aa2853aa@gmail.com UKRAINE, KYIV, BUDARINA STR, 7, FL. 13, UKRAINE, 03179	25	UKRANIAN
SHATALOVYCH YURII drpcrx@meta.ua UKRAINE, KYIV, 20A GEROYV , STALYNGRADA STR, AP 259	40	UKRANIAN

1.5 PROJECT MANAGEMENT

The management of KRONOS TECHNICAL SUPPLY LIMITED will be overseen by a competent team, guided by the Board of Directors. The Managing Director will handle finance and administration, supported by a team of 20 employees, including 6 foreign experts with specialized knowledge in mineral processing.

Under this management, **KRONOS TECHNICAL SUPPLY LIMITED** is expected to grow steadily from a small mineral exploration training center and services serving local markets only to medium scale operation serving East African Region

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	1	3	2	6
Men	5	5	10	20
TOTAL	6	8	12	26

1.6 LEGAL STRUCTURE

KRONOS TECHNICAL SUPPLY LIMITED is a legally registered entity in Tanzania under the Business Registration and Licensing Authority (BRELA) with incorporation number 170482514.

1.7 OBJECTIVE OF STUDY

This study aims to evaluate the technical, commercial, and financial viability of establishing a mineral exploration and processing operation and training center in Tanzania.

2.0 TANZANIA OVERVIEW

Tanzania is a rapidly growing economy, with the mining sector playing a pivotal role. The country is rich in minerals such as gold, diamonds, iron

ore, and rare earth elements. However, challenges like limited access to finance, inadequate technology, and lack of skilled labor have hindered the full exploitation of these resources.

KRONOS TECHNICAL SUPPLY LIMITED seeks to address these challenges by setting up modern mineral processing facilities, thereby adding value to Tanzania's mineral resources and positioning the country as a key player in the global minerals market.

2.1 BUSINESS OVERVIEW

The global demand for processed minerals continues to rise, driven by technological advancements and infrastructure development. Tanzania's strategic location and rich mineral reserves offer a prime opportunity for investment in mineral processing. KRONOS TECHNICAL SUPPLY LIMITED plans to focus on processing minerals such as gold, copper, and rare earth elements to meet both local and international demand.

3.0 PRODUCTS AND SERVICES

KRONOS TECHNICAL SUPPLY LIMITED will provide the following products and services:

Geological Surveys

- Conduct detailed geological mapping and sampling.
- Utilize advanced geophysical and geochemical techniques for precise analysis.

Drilling and Sampling

- Implement state-of-the-art drilling methods to extract core samples.
- Analyze samples to assess mineral content and economic viability.

Mineral Processing

- Establish a cutting-edge processing facility for refining minerals.
- Employ advanced technology to ensure high recovery rates and product quality.

Data Analysis and Reporting

- Use cutting-edge software for data processing and interpretation.
- Produce detailed reports and feasibility studies for decision-making.

Environmental and Social Management

- Implement sustainable practices to minimize environmental impact.
- Engage with local communities and comply with Tanzanian regulations.

3.2 LONG TERM AIM OF THE BUSINESS

KRONOS TECHNICAL SUPPLY LIMITED aims to reduce the exportation of raw minerals by processing them locally, thereby adding value and creating more jobs. We plan to invest in mineral exploration, processing, banking, and manufacturing to boost Tanzania's economy. Our goal is to establish a sustainable and profitable operation that contributes to Tanzania's development.

Initially, we intend to employ Twenty (20) local employees and then in a year, we will grow to 20+ local employees. The growth of the local people & the growth of Tanzania's economy is KRONOS TECHNICAL SUPPLY LIMITED's success.

4.0 ANALYSIS

We have assessed the market for strengths, weaknesses, opportunities and threats, both for KRONOS TECHNICAL SUPPLY LIMITED as well as

other institutions and for the industry as a whole in Tanzania. While most institutions did identify their own situation, fewer firms provided an opinion on the industry as a whole or provided identical answers to those for their own institutions.

In the lists below, items are arranged in order from most frequently mentioned to the least mentioned.

4.1 **STRENGTHS**

Strengths of KRONOS TECHNICAL SUPPLY LIMITED were identified both in terms of business capabilities and in terms of specific products. This entails the capability to offer a variety of services and flexibility in terms of meeting customers' requirements.

- Top-notch expertise and experience in the mineral exploration industry
- State-of-the-art machinery design
- Quality: ISO-certified products
- Employees - skilled workers
- Fabrication and manufacturing: top-of-line machinery mineral exploration machines from China, Ukraine, and Germany among others.

4.2 **WEAKNESSES**

We have identified the following weaknesses:

Our competitors have expressed the initial lack of skilled workers, Dependence on foreign expertise and lack of technology and machinery, as major weaknesses. We can erase these problems using our offices in Ukraine and across the globe to find experienced workers who can train the local workforce.

4.3 **OPPORTUNITIES**

The growing economy of Tanzania will give us great opportunities to cater for the shortage of mineral exploration expertise, knowledge and skill in the country. The government has made numerous efforts to make sure Tanzania is recognized for the minerals mined and extracted in the country to no avail due to lack of value added in the production that is due to lack of mineral exploration expertise, machinery and technology. We forecast the need of these skills and machinery to grow over the years to come due to the never-ending discovery of mineral ores in Tanzania that will be a result of our company's activities in Tanzania.

4.4 THREATS

As we have mentioned on the weakness section the threat will also fall back on the lack and shortage of skilled labour and experts. Appropriate training is required and also to make sure trained personnel do not leave their jobs by providing competitive salaries. Another threat would be price undercutting by competitors. We have to fight this problem by identifying our quality workmanship as well as the great quality products we offer to our customers.

5.0 COMPETITIVE EDGE

KRONOS TECHNICAL SUPPLY LIMITED's competitive edge includes advanced processing techniques, sustainable practices, and strong industry partnerships. Key differentiators include:

- **Advanced Exploration Techniques:** Utilization of cutting-edge technology and methodologies for precise mineral identification and analysis.
- **Sustainable Practices:** Emphasis on environmental conservation, community engagement, and adherence to international standards.

- **Strong Industry Partnerships:** Collaboration with local and international partners to leverage expertise and resources.

6.0 EXPORT SALES DIVISION

The project aims to export high-quality processed minerals, reducing the need to export raw materials. Training and seminars will be provided to introduce our services.

6.1 SALES STRATEGY

We will leverage our management's experience to identify and secure clients for our processed mineral products.

6.2 PROMOTION

Promotion will be carried out in consultation with experts to effectively market our services and products.

6.3 ASPECTS OF PROJECT SUSTAINABILITY

The project sponsors having studied market conditions are convinced that the project will be able to operate undisturbed. The growing demand for quality mineral exploration expertise gives assurance of a steady market.

6.4 QUALITY CONTROL SYSTEM

A stringent quality control system will ensure consistent product standards.

6.5 ENVIRONMENT PROTECTION

We will adhere to Tanzania's environmental laws and global guidelines to ensure sustainable operations.

7.0 Project Investment Cost

The estimated capital investment cost for the project is **US\$1,065,000**, with detailed costs outlined as follows:

KRONOS TECHNICAL SUPPLY LIMITED COST STRUCTURE

PARTICULAR	US\$
Machinery & Equipment	520,000.00
Motor Vehicles	150,000.00
Furniture & Fixtures	40,000.00
Pre exp	25,000.00
Others	30,000.00
Working Capital	300,000.00
TOTAL	1,065,000.00

For the project to be a reality a total investment amounting to US\$1,065,000.00 is needed

(i) Machinery and Other equipment: US\$ 520,000

Some US \$ 520,000 is anticipated to be spent on the purchase of various machines, equipment and other tools which will accommodate new technology

(ii) Motor Vehicles:US\$150,000

The project will need 4 trucks, 1 double single pick up. These vehicles will be used to facilitate project business.

(iii) Furniture: US\$40,000

This investment cost item has been estimated to cost US\$40,000. It will consist of, tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

(iv) Pre-Operational Expenses: US\$ 25,000

They cover things like company registration, expenses spent in exploring the viability of the project, especially the market/client identification exercise. Also included under this item are issues like consultancy fees, legal fees and recruitment and training costs of personnel.

(v) **Initial Working Capital: US\$300,000 and others US\$ 30,000**

An assumption for working capital requirements has been budgeted at US \$ 300,000 and unplanned expenses US\$30,000

4.1 Financing pattern

The financing pattern for KRONOS TECHNICAL SUPPLY LIMITED's project includes:

Equity Financing

- Shareholders' Equity: USD 500,000
- Private Investors: USD 200,000

Debt Financing

- Bank Loans: USD 365,000

5.0 Project operating costs

To realize its intended objective, the project will have to meet service and trading expenses amounting to 70% of total revenue.

6.0 Financial Analysis

6.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs 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 the experience of the promoters and trends in the industry.

The company is expecting to explore 1000 hectares of land a year and sell at approximately US\$ 200,000 to 500,000 per geological land survey depending on the rarity and demand of the metal

6.2 Financial Statements:

6.3 Projected Revenue

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

KRONOS TECHNICAL SUPPLY LIMITED PROJECTED REVENUE LTD

	1	2	3	4	5
Revenue	1,200,000	1,296,000	1,399,680	1,511,654	1,632,586.

6.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow from. **\$293,930 in** the first year to **\$321,773 in** the 5 years, **Refer to Appendix III**

6.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow from year 1st, i.e., US\$ **317,390 of** operation to the 5th year i.e., US\$ **2,311,529, Refer Appendix IV**

6.6 Projected Balance Sheet

The projected Balance Sheet of the project is shown in the financial statements under the same heading. Total equity of the project increases from US\$ **481,000** in the first year of operation to US\$ **802,773** in the 5th year. **Refer appendix V**

6.7 Projected payback period

Total investment is US \$ 1,065,000 cash accumulation third year is US\$ 1,245,575. which is more than the initial investment by US\$ US\$ 180,575 the project payback Period is within 3 years,

The project has a relatively short payback period. It is remarkably. **Refer appendix VI**

7.0 Economic Aspects

KRONOS TECHNICAL SUPPLY LIMITED's mining exploration operation contributes to Tanzania's economic development through:

- **Job Creation:** Providing employment opportunities for local communities and enhancing skills development.
- **Tax Revenue:** Contributing to government revenues through taxes and royalties.
- **Local Supply Chain:** Supporting local businesses and service providers through procurement and partnerships.

Implementation of this project will have the following social and economic values

- The project is an ideal option for the utilization of business opportunities available in the Tanzania market and foreign market
- The project will create employment for 26 people on a permanent contract basis as well as temporarily.
- It will generate substantial revenue for the government in the form of corporate tax, value-added tax and pay-as-you-earn.

- The project will have a transfer of knowledge and skills as far as mineral exploration training is concerned

8.0 Implementation

Project implementation is expected to be relatively very short once the project has been approved, it is estimated that implementation of the project will be as follows: -

Phase 1: Planning and Permitting (Months 1-3)

- Obtain necessary exploration licenses and permits.
- Develop a detailed project plan and timeline.

Phase 2: Exploration and Surveying (Months 4-12)

- Conduct geological surveys and sampling to identify mineral deposits.
- Implement drilling and analysis to assess resource potential.

Phase 3: Feasibility and Evaluation (Months 13-18)

- Analyze exploration data and prepare feasibility studies.
- Evaluate economic viability and develop a detailed business plan.

Phase 4: Development and Production (Months 19-36)

- Develop infrastructure and facilities for mineral extraction.
- Commence production activities and establish supply chains.

Phase 5: Expansion and Growth (Year 4 onwards)

- Explore opportunities for expansion within Tanzania and the broader East African region.
- Invest in technology and innovation to enhance efficiency and sustainability.

9.0 Conclusion and Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

KRONOS TECHNICAL SUPPLY LIMITED's mining exploration operation in Tanzania presents a promising opportunity to capitalize on the country's rich mineral resources and favourable investment climate. By leveraging our experienced team, strategic location, and commitment to sustainability, we aim to establish a profitable and responsible mining venture.

Recommendations

- Proceed with securing necessary licenses and permits to commence exploration activities.
- Focus on building strong relationships with local communities and stakeholders.
- Invest in technology and innovation to enhance exploration efficiency and resource discovery.
- Continuously monitor market trends and adjust strategies to align with global demand.

KRONOS TECHNICAL SUPPLY LIMITED is poised to become a leader in Tanzania's mining sector, contributing to economic growth and sustainable development.

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 Act, 1999.

APPENDIX (I)**KRONOS TECHNICAL SUPPLY LIMITED COST STRUCTURE**

PARTICULAR	US\$
Machinery & Equipment	520,000.00
Motor Vehicles	150,000.00
Furniture & Fixtures	40,000.00
Pre exp	25,000.00
Others	30,000.00
Working Capital	300,000.00
TOTAL	1,065,000.00

APPENDIX (II)**KRONOS TECHNICAL SUPPLY LIMITED PROJECTED REVENUE**

	1	2	3	4	5
Revenue	1,200,000.00	1,296,000.00	1,399,680.00	1,511,654.40	1,632,586.75

**KRONOS TECHNICAL SUPPLY LIMITED PROJECTED INCOME & EXPENDITURE
STATEMENT US\$**

	1	2	3	4	5
Revenue	1,200,000	1,296,000	1,399,680	1,511,654.40	1,632,586.75
Operating Expenses	720,000.00	907,200.00	979,776.00	1,058,158.08	1,142,810.73
Profit before Depreciation &Interest	480,000.00	388,800.00	419,904.00	453,496.32	489,776.03
Interest	30,000.00	22,500.00	15,000.00	7,500.00	-
Depreciation	30,100.00	30,100.00	30,100.00	30,100.00	30,100.00
Gross Profit	419,900.00	336,200.00	374,804.00	415,896.32	459,676.03
Tax (30%)	125,970.00	100,860.00	112,441.20	124,768.90	137,902.81
Profit After Tax	293,930.00	235,340.00	262,362.80	291,127.42	321,773.22
Accumulated Profit	293,930.00	529,270.00	791,632.80	1,082,760.22	1,404,533.44

APPENDIX (IV)

KRONOS TECHNICAL SUPPLY LIMITED PROJECTED CASH FLOW US\$

	0	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	0	443,360.00	491,388.00	559,238.00	626,839.00	701,785.00
Equity	481,000.00					
Loan	500,000.00					
Total Sources	981,000.00	443,360.00	491,388.00	559,238.00	626,839.00	701,785.00
Applications:						
Capital expenditure	672,000.00	-	-	-	-	-
working Capital & Others	309,000.00	-	-	-	-	-
Cash	0	317,390.00	481,388.00	446,797.00	502,071.00	563,883.00
Tax	-	125,970.00	100,860.00	112,441.20	124,768.90	137,902.81
Sub total	981,000.00	443,360.00	582,248.00	559,238.20	626,839.90	701,785.81
Total applications	981,000.00	443,360.00	582,248.00	559,238.20	626,839.90	701,785.81
Accumulated cash		317,390.00	798,778.00	1,245,575.00	1,747,646.00	2,311,529.00

KRONOS TECHNICAL SUPPLY LIMITED PROJECTED BALANCE SHEET US \$

Fixed Assets		1	2	3	4	5
Opening balance	<u>0</u>	672,000	641,900	611,800	581,700	551,600
Total Long-term Assets	-	672,000.00	641,900.00	611,800.00	581,700.00	551,600.
Less depreciation	-	30,100.00	30,100.00	30,100.00	30,100.00	30,100.00
Closing balance	-	641,900.00	611,800.00	581,700.00	551,600.00	521,500.
Working capital	309,00	309,000.00	309,000.00	309,000.00	309,000.00	309,000.
Accumulated cash	-	317,390.00	798,778.00	1,245,575	1,747,646	2,311,529
Total assets	309,000	1,268,290.	1,719,578.	2,136,275.	2,608,246.	3,142,029
Financed by						
Equity	481,000.0 0	481,000.00	481,000.00	481,000.00	481,000.00	481,000.0 0
Net profit	-	293,930.00	235,340.00	262,362.80	291,127.42	321,773.2 2
Total equity	481,000.	774,930.00	716,340.00	743,362.80	772,127.42	802,773.2 2
Long term loan	500,000	375,000	250,000	125,000	0	0
Total debts	500,000	375,000.00	250,000.00	125,000.00	-	-
Total equity and debts	981,000.	1,149,930	966,340.00	868,362.80	772,127.42	802,773.2 2

APPENDIX (VIII)**KRONOS TECHNICAL SUPPLY LIMITED PROJECTED PAYBACK PERIOD**

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	293,930.00	30,100.00	324,030.00	324,030.00
2	235,340.00	30,100.00	265,440.00	589,470.00
3	262,362.80	30,100.00	292,462.80	881,932.80
4	291,127.42	30,100.00	321,227.42	1,203,160.22
5	321,773.22	30,100.00	351,873.22	1,555,033.44