

EXTREME GOLD MINE LIMITED

**BUSINESS PLAN
FOR
GOLD MINING AND PROCESSING PROJECT IN GEITA
REGION, TANZANIA**

FIVE YEARS: 2025-2029

**Prepared by;
Extreme Gold Mine Limited
Dar es Salaam, Tanzania**

SEPTEMBER, 2025

CORPORATE INFORMATION

Date of Incorporation : 2nd April,2025

Company Registration

Number : 183730878

TIN : 183-730-878

Project Activity: Mining, processing, buying and selling of all types of minerals and gemstones in Tanzania and foreign markets.

Shareholders:

Name	Address	Number of shares
1. MELISSA ERDINTCH MOUSTAFA	P.O.BOX 20464, DAR ES SALAAM	30
2. ERDINTCH ARIF MOUSTAFA	P.O.BOX 20464, DAR ES SALAAM	70

Registered Office & Address:

Region: Dar Es Salaam, District: Kinondoni, Ward: Makumbusho, Postal code :14107, Street: KIJITONYAMA, Road: MIKOCHENI, Plot number 20, Block number 3, House number A.

Contact:

P.O. Box 20464, Dar Es Salaam.

Email: Azor.eod@gmail.com

Mob no/Tel no: 0710159161

Table of Contents

CORPORATE INFORMATION	I
LIST OF ABBREVIATIONS	III
1.0 EXECUTIVE SUMMARY	4
1.1 COMPANY VISION, MISSION AND CORE VALUES	4
1.2 PROJECT OBJECTIVES	5
1.3 PROJECT COMPONENTS AND COSTS	6
1.4 IMPLEMENTATION PLAN	7
1.5. PROJECT RATIONALE	8
2.0 PROJECT DESCRIPTION	9
2.1 KEY SUCCESS FACTORS	10
2.2 OUR STAFF	11
2.3 MACHINERY AND EQUIPMENT	11
3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS	12
3.1 BUSINESS ENVIRONMENT.....	12
4.0 MARKETING PLAN.....	13
4.1 MARKETING STRATEGIES.....	14
4.1.1 SWOT ANALYSIS	14
4.2 REVENUE COLLECTION.....	16
5.0 OPERATIONAL/MANUFACTURING AND MANAGEMENT PLAN	17
5.1 OPERATIONAL PLAN	17
5.2 MANUFACTURING PROCESS.....	17
5.3 THE ORGANIZATION STRUCTURE.....	19
5.3 MANAGEMENT	20
6.0 PROJECT MONITORING AND EVALUATION	21
7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS.....	22
8.0 FINANCIAL PLAN	23
8.1 SOURCES OF FUNDS.....	23
8.2 FINANCIAL ASSUMPTIONS.....	23
8.3 PROJECTED FINANCIAL SSTATEMENTS	24
9.0 ECONOMIC ASPECTS	27
9.1 NATIONAL ECONOMIC AND SOCIAL BENEFITS	27
10.0 CONCLUSION	27

LIST OF ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
EAC	-	East African Community
GDP	-	Gross Domestic Product
SADC	-	Southern African Development Community
SWOT/SWOC-		Strengths, Weaknesses, Opportunities and Threats/Challenges
US\$	-	United Stated Dollar

1.0 EXECUTIVE SUMMARY

Mining is a major contributor to Tanzania's economy. In the 2023/24 fiscal year, the mining sector contributed about **9.1% of GDP**, with revenue and employment steadily increasing. Mineral exports are a large part of Tanzania's export basket. Minerals like gold, gemstones. Tanzania stands as one of Africa's prominent gold producers, ranking fourth on the continent after South Africa, Ghana, and Mali. The nation's gold mining sector is a cornerstone of its economy, contributing significantly to export earnings, employment, and foreign direct investment.

Extreme Gold Mine Limited is a private company limited by shares, duly registered in Tanzania, with the primary objective of engaging in the mining, processing, buying, and selling of minerals. The company has secured a mining area at Elimu Village, Rwamgasa Ward, in Geita Region through a leasing agreement, positioning itself in one of Tanzania's most productive gold belts.

The company is owned and managed by experienced persons in the mining and mineral processing. The total project requirement amounts to **US\$ 600,000 (United States Six Hundred Thousand only)**. During the first year of operations, the project intends to employ at least 20 locals and 5 foreigners, making a total of 25 direct employment, and more than 100 indirect jobs.

1.1 Company Vision, Mission and Core Values

Our Vision: Our vision is to emerge as the best practitioner in mining and processing of gold and other minerals for the local and foreign markets.

Our Mission: Our mission is to responsibly mine and process gold and other minerals using innovative technologies, sustainable practices, and skilled expertise to deliver high-quality products that meet the needs of both local and international markets. We are committed to creating value for our stakeholders, supporting community development, and safeguarding the environment while driving growth in the mining sector.

Our Belief: Is that, success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

Core Values: Through our dedicated, competent, professional and motivated organization, modernized, and experienced personnel, we are committed to the following principles:

- We ensure total continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve;
- We are by international standards and a system that is uncompromised quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

1.2 Project Objectives

The main objective of our project is to establish a small-scale gold mining and processing operation that efficiently extracts gold from ore, minimizes environmental impact, and generates a steady supply of gold for local and international markets.

Specific Objectives include the following:

1. To adopt modern mining and processing technologies that improve efficiency, productivity, and recovery rates of gold and other minerals.
2. To implement environmentally friendly mining and processing methods that minimize ecological impact and support long-term sustainability.
3. To establish and expand strong trade relationships with local buyers and international markets for increased competitiveness.
4. To contribute to local social and economic development through employment opportunities, skills training, and corporate social responsibility initiatives.
5. To deliver consistent returns to shareholders while maintaining transparency, accountability, and responsible governance.

1.3 Project components and costs

The project is expected to commence its activities in October, 2025 with preliminary activities, mobilizing of resources and application for project permits. The project shall be implemented in two phases. Phase one shall include preliminary stages such as site preparations, construction, office installation and procurement and installation of machineries and equipment. Phase two shall include activities for project expansion such as the construction of more production facilities; new equipment purchases and the installation of a new plant. The activities in phase two shall commence in January, 2027 through the rest of the project.

Table 1.1: Project Requirements (Cost in US\$)

Descriptions	Quantity	Value per unit (USD)	Total value (USD)
Land and Buildings:			
Buildings	Lampsum		150,000
Fencing and Site Preparations	Lampsum		50,000
Sub-total Land & Buildings			200,000
Plant & Machinery			
Jaw Crusher	1	30,000	30,000
Ball Mill / Hammer Mil	1	30,000	30,000
Shaking Table	1	10,000	10,000
Centrifugal Concentrator	1	20,000	20,000
Smelting Furnace (small electric)	1	10,000	10,000
Supporting Equipment (pumps, generator, safety gear, lab tools)	Lampsum	100,000	100,000
Sub-total Plant			200,000
Motor Vehicles			
Double Cabin Pick-up	1	50,000	50,000
Sub-Total Vehicles			50,000
Others			
Furniture & Fixtures	Lampsum		20,000
Working Capital	Lampsum		130,000
Sub-Total Others			150,000
TOTAL			600,000

The project requirement amounts to **US\$ 600,000 (United States Dollar Six Hundred Thousand only)** which covers the cost of land, buildings, plant and equipment and working capital required at the commencement of the project.

1.4 Implementation Plan

The envisaged project is expected to be implemented from October,2025 beginning with preliminary activities including site preparations, construction and acquiring relevant permits and other requirements of the project. The implementation programme is well described in the Table 1.2

Table 1.2: Implementation Schedule

	DESCRIPTION		PHASE I			PHASE II
No.	Activities	October- Dec 2025	Jan- June, 2026	July- Dec 2026	Jan- Dec,2027	Jan 2028- Dec 2029
1	Permits acquisition, Site preparations and mobilization of resources.					
2	Purchase of machineries, equipment					
3	Building Construction and Installation of the Plant					
4	Procurement of materials, Recruitments of Staff, engagements					
5	Commencement of Production					
6	Project Expansion, setting up the New Plant.					

Upon completion of site preparations, construction, and installation of the Plant, machinery and equipment, and other facilities, the process of hiring and engaging qualified personnel shall follow. The project shall pay attention to expertise in the

sector. Then the production shall start after having installed machinery, equipment and staff allocation. The project shall conduct a periodical assessment of its machinery and equipment and replace obsolete ones through disposal and procurement of new equipment. Project monitoring and evaluation shall be maintained throughout the duration of five years.

1.5. Project Rationale

The mining and mineral processing sector plays a critical role in Tanzania's economic growth, contributing significantly to GDP, employment creation, and foreign exchange earnings. Tanzania is endowed with vast mineral resources, including gold, nickel, coal, gemstones, copper, and industrial minerals, which remain underexploited or exported in raw form with limited local value addition.

Despite these abundant resources, challenges such as low technological capacity, limited processing infrastructure, dependency on foreign markets, and environmental concerns continue to constrain the sector's full potential. A modern, responsible, and integrated mining and mineral processing project directly addresses these gaps by:

1. **Value Addition and Export Growth** – Establishing local processing plants ensures that minerals, particularly gold and other valuable resources, are refined domestically, capturing higher value in the global supply chain and reducing dependency on raw mineral exports.
2. **Employment and Skills Development** – The project creates direct and indirect jobs while offering training opportunities to Tanzanians in modern mining, processing, and environmental management practices.
3. **Economic Diversification** – By expanding beyond extraction to include mineral processing, the project strengthens Tanzania's industrial base and supports economic diversification in line with the national development agenda.
4. **Regional and International Competitiveness** – By supplying both local and international markets with high-quality processed minerals, the project enhances Tanzania's competitiveness in global trade.

5. **Community and Environmental Stewardship** – The project incorporates corporate social responsibility programs and sustainable mining practices, ensuring community benefits and minimizing environmental impact.
6. **Alignment with Government Priorities** – The project supports Tanzania's mining policies and Vision 2025 goals, which emphasize industrialization, beneficiation, local content participation, and attracting foreign investment.

2.0 PROJECT DESCRIPTION

The project seeks to invest in modern gold mining and mineral processing operations, with the aim of producing high-quality gold and associated minerals for both the domestic and international markets. Through the application of efficient mining practices, value addition, and compliance with environmental and safety standards, the company intends to maximize resource utilization while contributing to local community development and the broader Tanzanian economy.

The project shall be operated through the following model.

1. Ownership and Governance

- Operates as a private company limited by shares, registered under Tanzanian law.
- Shareholders provide capital investment and strategic direction.
- Managed by a Board of Directors and an Executive Management Team (Operations, Finance, Marketing, Compliance, and Community Relations).

2. Mining Operations

- **Resource Acquisition:** Operate under a legally binding leasing agreement for the Elimu Village, Rwamgasa Ward mining area.
- **Exploration & Geological Surveys:** Continuous geological assessments to determine resource reserves.
- **Mining Activities:** Use modern, semi-mechanized or mechanized mining techniques (open-pit/underground, depending on the deposit).
- **Environmental Management:** Implement rehabilitation plans and comply with NEMC and Ministry of Minerals regulations.

3. Processing and Value Addition

- Establish an on-site mineral processing plant for crushing, milling, concentration, and gold recovery.
- Incorporate mercury-free and eco-friendly technologies (such as cyanidation or gravity concentration) to maximize yield and ensure sustainability.
- Explore by-product recovery (silver, copper, industrial minerals) where available.

4. Sales and Marketing

- Domestic Market: Sell refined minerals through the Mineral Trading Hubs established by the Government of Tanzania.
- Export Market: Partner with licensed international buyers and refiners to access global markets, ensuring compliance with Tanzania's export procedures.
- Brand Positioning: Market as a responsible and sustainable gold producer aligned with global ethical sourcing standards.

5. Community and Stakeholder Engagement

- Implement Corporate Social Responsibility (CSR) programs in Elimu Village and Geita region, focusing on health, education, and local infrastructure.
- Create employment opportunities for local residents with skills training.
- Maintain strong relationships with Tanzania Mining Commission, local authorities, and community leaders.

2.1 Key Success Factors

Provision of high-quality products to meet the local and foreign markets demands is our core competency. The project is designed to have modern, decent, well-managed facilities with immaculately humanitarian services during service delivery. We will ensure we have enough materials and equipment's that are operated by highly professional persons, who are ready to utilise the area for maximum production.

2.2 Our Staff

Extreme Gold Mine Limited is well placed to implement its policy of “safety-first” that guarantees safe production methods. The project shall maintain its policy to hire staff who have years of experience in the extraction sectors. The hired staff shall comprise both Tanzanians and foreigners, creating opportunity for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team building seminars so that our staff continue to be on the same page and properly trained to meet our objectives.

2.3 Machinery and Equipment

The project will ensure that appropriate machinery and equipment are installed and modern technology in place for concrete poles manufacturing.

Key Machinery and Equipment for our project include the following;

1. Crushing and Grinding

- **Jaw Crusher:** for primary crushing of ore into smaller sizes.
- **Hammer Mill / Ball Mill:** for grinding crushed ore into fine powder to release gold particles.

2. Classification and Screening

- **Vibrating Screen / Trommel Screen:** to separate fine particles from oversized material.
- **Cyclone or Classifier** (optional): for separating fine particles during milling.

3. Concentration / Separation

- **Gold Knelson Concentrator** or **Centrifugal Concentrator** → for recovering free-milling gold.
- **Shaking Table:** for gravity separation of gold from lighter materials.
- **Sluice Box with Matting** (low-cost option): for trapping gold particles during washing.

4. Gold Recovery / Extraction

- **Gold Smelting Furnace;** for small electric or gas-fired furnace for smelting gold concentrate into dore bars.

- **Crucibles, Molds, and Fluxes;** for gold melting and purification.

5. Auxiliary Equipment

- **Diesel Generator / Power Supply:** reliable power source for machinery.
- **Water Pumps and Piping System:** essential for sluicing, concentration, and dust control.
- **Air Compressor** (if pneumatic equipment is used).
- **Safety Gear & Lab Equipment:** gloves, masks, testing kits for gold purity, and weighing scales.

3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

3.1 Business environment

Businesses may be affected by factors beyond owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. Thus, analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

Economically; Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people's interactions is increasing as trade grows in the East African Region, SADC and AfCFTA. This has called for a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and continuous fall in domestic currency this would lead to increased cost of operations as the price of materials are rising.

Politically; Tanzania has enjoyed political stability since it gained her independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aims at making the business environment more conducive.

Social-Cultural: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 61 million people. The increase in population necessitates increase in demand of goods and services.

Technological factors: Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the environment analysis. Our project considers technology as an integral part and important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

4.0 MARKETING PLAN

Tanzania's market for gold is readily available, where demand exceeds its current production capacity. The main market is characterized by a diverse array of buyers, ranging from local dealers to international traders. The Bank of Tanzania has become a significant buyer in the gold market. In 2024, it mandated that all mining firms and traders reserve at least 20% of their gold for sale to the central bank. This directive aims to bolster the country's foreign reserves. The reserved gold is required to be submitted to two major mineral refineries in Dodoma and Mwanza.

Similarly, there is huge export potential to neighboring countries. The pace of regional integration within EAC and SADC blocs with recent ratification of AfCFTA paves way for more trade in the region. Our motive is to cater for this need, especially through providing high-quality products and related products that will be sold locally and at international markets.

4.1 Marketing Strategies

4.1.1 SWOT Analysis

The SWOT analysis is conducted in order to assess our internal strengths and drawbacks that we need to improve. We have also analyzed external factors which may provide opportunities or pose threats to our project. Finally, we have indicated how we can best utilize the available opportunities and mitigate potential threats and overcome our weaknesses.

Table 4.1: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Ability of the project implementers to solicit required funds for the project. • Modern equipment and facilities and safe environment. • Excellence in production from highly skilled management and staff. 	<ul style="list-style-type: none"> • Sourcing of required resources including finances may cause delay in starting operations on time. • No appropriate data on the current and projected market demand.
OPPORTUNITIES	THREATS/CHALLENGES
<ul style="list-style-type: none"> • Growing demand for gold and other minerals in the country. • Government commitment to purchase at least 20% of gold production. • Economic growth and rising in purchasing power of individuals provides opportunities for the project. 	<ul style="list-style-type: none"> • Regulatory requirements in the mining sector. • Ensuring adherence with environmental issues. • Infrastructure problems that may cause difficulties in supplying materials and inputs to the mining areas.

From the SWOT analysis, we have been able to identify our strengths, weaknesses, opportunities and threats. The project will capitalize on the key strengths to provide

best services to customers. The available opportunities create a room for business expansion and the company sees that this prevailing opportunity cannot be left in vain. The project shall make use of the marketing mix in making sure that high quality product is maintained in the market, our services reach to high demand locations (place), reasonable price is charged to our clients and appropriate promotional tools are employed to increase awareness of our products and services.

Product: The modern equipment and facilities shall be an added advantage to compete in the market through determination to provide high quality products and services. A sufficient budget shall be allocated for repair and maintenance to ensure that all machineries and equipment and facilities remain in a good quality all the time so as to maintain products of high quality.

Pricing: The objectives of price strategy depend on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market based. With demand and completions orientation concepts, a fair price will be set which customers are willing to pay at the same time covers operational costs with some profit margin. In this regard, price setting shall be based on demand, and competition but also cost of operation.

Place: The project shall invest in modern and sophisticated technology and facilities and conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

Promotion: Branding and Media advertisements both digital and print media shall be widely employed by the project. We will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisement of the available services via a number of media such as local newspaper, leaflets, TV, radio, social media and Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

4.2 Revenue collection

Revenue collections will be done on cash basis and bank transfers. For the first year of the project, net sales is estimated to be **USD 1,250,000** per annum. The description of revenue projections is shown in the Table below.

Table 4.1: Description of Revenue Projections

Revenue Source	Qty/ per month (grams)	Price/ unit (USD)	Amount/Month (USD)	Amount/year (USD)
Gross Sales	918.1	122	112,007.17	1,344,086
Less: Royalty fee (7%)			7,840.51	94,086
Net Sales	918.1		104,166.66	1,250,000

5.0 OPERATIONAL/MANUFACTURING AND MANAGEMENT PLAN

5.1 Operational Plan

The operation is subject to government regulations and acquiring relevant permits and licenses before commencement of the business. All necessary licensing and permits shall be obtained prior to commencement of the project.

5.2 Manufacturing Process

The project will employ modern customized technology that integrates high-recovery centralized mechanisms for both gravity concentration and leaching, complemented by a digitized elution recovery system to ensure maximum efficiency and minimal gold losses. The entire gold production process will be carried out in five main phases as outlined below:

- Mining
- Crushing & Milling
- Gravity recovery
- Leaching recovery
- Final recovery



1. Mining

Ore extraction will be carried out using both open-pit and underground mining methods, depending on the ore body and location. Controlled blasting and excavation techniques will be applied to ensure safety and maximize ore recovery. The output is Ore delivered to the processing plant with minimal dilution and optimal grade for downstream processing. Emphasis will be placed on environmental management, tailings handling, and community safety around mining sites.

2. Crushing & Milling

The extracted ore will be subjected to a two-stage crushing process (primary and secondary crushers) to reduce ore size, followed by milling in ball mills or semi-autogenous grinding (SAG) mills. The aim is to achieve a uniform particle size that enhances gold liberation for subsequent gravity and leaching recovery processes. The used Technology: Modern dust suppression systems and energy-efficient equipment will be utilized to reduce operating costs and environmental impacts.

3. Gravity Recovery

After milling, the slurry will pass through gravity concentrators (centrifugal concentrators) to separate free gold particles from gangue material. This helps to recover coarse and free-milling gold at an early stage, reducing the gold load that requires chemical treatment. The output is high-grade gravity concentrates, which will be directly sent to the refining process. The outcome of this method is reduced use of chemicals, improved recovery rates, and lower operating costs.

3. Leaching Recovery

The remaining slurry, containing fine gold particles, will be subjected to a cyanidation leaching process in agitated tanks. Activated carbon will be used in the Carbon-in-Leach (CIL) or Carbon-in-Pulp (CIP) process to adsorb dissolved gold. This helps to maximize gold recovery from ore that is not captured during gravity concentration. This uses a digitized monitoring system which will control leaching parameters (pH, temperature, cyanide dosage, and oxygen levels) to optimize efficiency. The expected output is Gold-laden carbon ready for final elution and recovery.

4. Final Recovery

The gold-loaded carbon will undergo elution and electrowinning, where gold is desorbed from the carbon using heat and chemical solutions, then deposited onto cathodes. This is followed by smelting, where the recovered gold is refined into dore bars (semi-pure gold bars). The Objective is to produce market-grade dore bars for

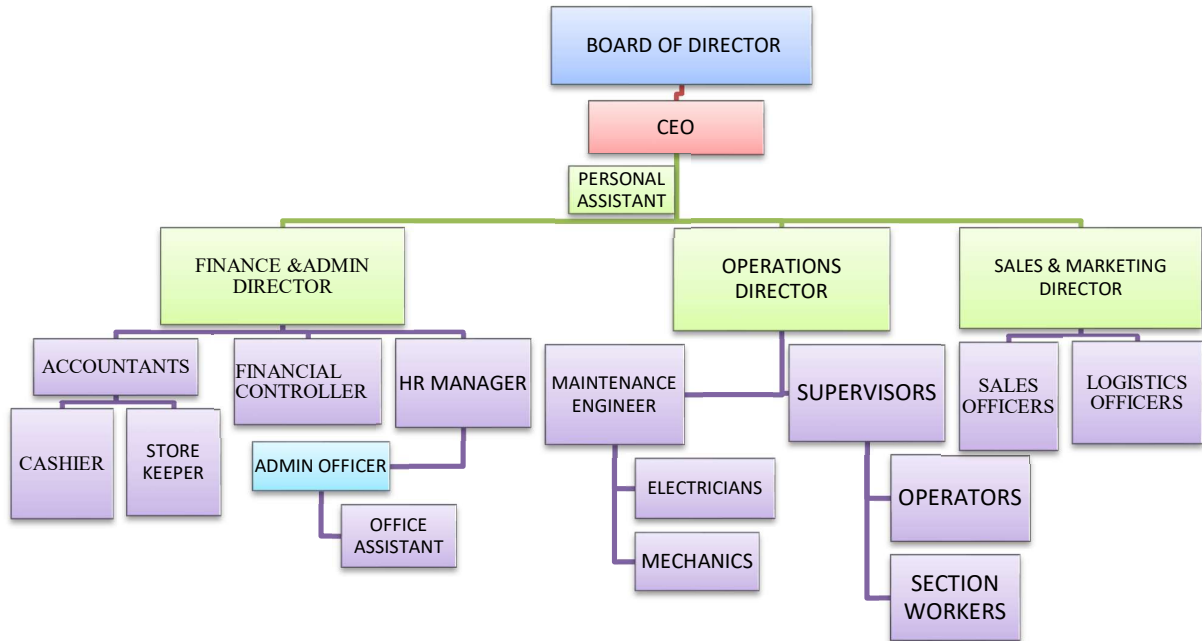
sale in local and international markets. The expected output is High-purity gold bars ready for export or refining into pure gold. Tailings from the process will be treated and managed to minimize environmental impacts in compliance with regulatory standards.

5.3 The Organization Structure

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises of the Project Implementation Team led by the CEO and other supporting staff.

The Organization structure comprises of three main departments which shall report to the CEO; Finance and Admin Department which shall include the Finance and Administrative Director, Accountants, Cashiers, revenue collectors and store keepers; HR Officers, Administrative Officers and Office Assistants as well as watchmen/security guards and drivers. Marketing and Sales Department shall include the Director of Sales and Marketing, Marketing Manager; Sales Officers and Logistic Officers. The Operations Department shall include the Director of Operations, Technical and maintenance Manager, Mechanics, Electricians, Machine Operators, Drivers and section workers; The figure 5.1 describes the organization structure and the reporting lines for each category.

Figure 5.1 Organization Chart



5.3 Management

The Chief Executive Officer shall be responsible for day-to-day running of the project and direct reports to the Board of Directors. Director of Operations shall be responsible for day-to-day operational activities of the project including sourcing of materials, manage the personnel under him, repair and maintenance and control the timetable for trucks. Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues respectively. The financial controller shall ensure monitoring resource allocation especially funds and making sure that the fund is used in a desired manner.

6.0 PROJECT MONITORING AND EVALUATION

The project will be monitored and evaluated on a regular basis to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and reduction in service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

The project has the potential to significantly improve the efficiency of transport service in Dar es salaam and hence promote increase in economic activities and incomes of people. However, there are also a number of risks associated with the project. Some of the key risks may include:

- i) **Price changes:** Due to inflation, the price of materials is expected to rise up particularly fuel and spare parts. In order to cater for this price increase, the project shall review the project panning, timelines and make price adjustments from time to time.
- ii) **Accidents:** Factories are prone to accidents. One of the major causes of these accidents is overworking of employees without being given enough time to rest. We intend to employ qualified staff and use modern technology to ensure labour gets enough rest. The company also intends to secure the machineries and equipment through a comprehensive insurance cover in case of any accident, theft or any other disaster.
- iii) **Environmental Risks:** In adherence to regulations, the company obtained environment clearance from National Environment Management Council regarding concrete poles production project. The environment factors shall be considered in order to protect environment as well as to comply with other regulatory bodies including OSHA after commencement of production.

Despite likelihood of these risks, the project potentials to make significant contribution to the economic development are inevitable. If the project is successful, it could help to improve the development of the sector and ensuring availability of high-quality products in the country and ultimately boost economic growth.

8.0 FINANCIAL PLAN

8.1 Sources of Funds

The project financing is expected to be through both owners' equity and debt financing through both internal and external sources of financing. At the beginning of the project, owners shall finance the project through equity. The project shall consider external financing for expansion during later stages of project development. The amount of revenue shall be clearly allocated to the parties as per profit calculations of the project. The project financing shall be in the following mode;

Table 8:1 Project Financing

S/N	Type of Financing	Source	Amount (\$)
1	Equity	Local	600,000
2	Loan		-
TOTAL			600,000

8.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and current financial market environment. These are as noted below;

- (i) The focus market shall be both domestic market and foreign markets including EAC, SADC, ACFTA and beyond the African Continent.
- (ii) Investment shall be progressively made throughout the project;
- (iii) The annual sales are projected to grow by 10% per annum; while operating expenses will rise at the rate of 5%. The revenue is expected to double in year 3 after having installed the additional plant.
- (iv) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;

(a) Buildings	5%
(b) Furniture & Fittings	10%
(c) Equipment	10%
(d) Motor vehicles	20%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume that there are no unforeseen changes in economic policy to make our products immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property Plant and Equipment
- Corporate tax is 30% of Net Income

8.3 Projected Financial Sstatements

The projected financial statements for five years indicate that the company shall be able to generate substantial amounts of profits after two years of operations as detailed below.

Table 8.2: Projected Income Statements for Five Years

Description	YEAR 1 (USD)	YEAR 2 (USD)	YEAR 3 (USD)	YEAR 4 (USD)	YEAR 5 (USD)
Revenue	1,250,000	1,564,200	2,326,995	2,767,414	3,340,235
Less: Cost of sales	378,000	577,500	606,375	636,694	668,528
Operating Profit	872,000	986,700	1,720,620	2,130,720	2,671,707
<i>Less: Op. expenses</i>	642,067	674,170	434,751	415,758	486,546
Earnings Before Interest and Tax	229,933	312,530	1,285,869	1,714,962	2,185,161
Less: Charges					
Interest	-	-	-	-	-
Earnings Before Tax	229,933	387,935	1,285,869	1,714,962	2,185,161
<i>Corporate Tax (30%)</i>	68,980	116,381	385,761	514,489	655,548
Earnings After Tax (Loss)	98,623	271,554	900,108	1,200,474	1,970,851
<i>Dividends (30%)</i>	29,587	81,466	270,032	360,142	591,255
Retained Earnings	69,036	190,088	630,076	840,332	1,379,596

Table 8.3 Projected Balance Sheet for Five Years

DESCRIPTIONS	YEAR 1 (\$)	YEAR 2 (\$)	YEAR 3 (\$')	YEAR 4 (\$)	YEAR 5 (\$)
NON-CURRENT ASSETS					
Land & Buildings	190,000	180,000	170,000	160,000	150,000
Machinery & Equipment	192,000	175,200	115,800	156,400	172,400
Motor vehicles	40,000	53,600	45,200	76,800	48,400
Total Non-Current Assets	232,000	228,800	161,000	233,200	220,800
Stocks	128,132	299,825	517,419	652,794	762,657
Debtors & Prepayments	155,693	121,255	211,500	215,400	663,239
Cash and Bank balance	182,586	174,221	395,185	368,389	421,220
Total Current Assets	466,411	595,301	1,124,104	1,236,583	1,847,116
TOTAL ASSETS	698,411	824,101	1,285,104	1,469,783	2,067,916
Equity Capital	600,000	600,000	600,000	600,000	600,000
Retained Earnings	69,036	190,088	630,076	840,332	1,379,596
Total Equity	669,036	790,088	1,230,076	1,440,332	1,979,596
Bank loan	-	-	-	-	-
Total Non-Current Liability	-	-	-	-	-
Trade Creditors and Accruals	20,500	14,250	44,289	10,951	70,220
Taxation	8,875	19,763	10,739	18,500	18,100
Total Current Liabilities	29,375	34,013	55,028	29,451	88,320
TOTAL EQUITY & LIABILITIES	698,411	824,101	1,285,104	1,469,783	2,067,916

Table 8:4 Projected Cash Flow for Five Years

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Receipts:					
Sales	1,250,000	1,564,200	2,326,995	2,767,414	3,340,235
Capital injection	600,000	-	-	-	-
Total Receipts:	1,850,000	1,564,200	2,326,995	2,767,414	3,340,235
Less: Payments					
Cost of sales	378,000	577,500	606,375	636,694	668,528
Operating Expenses	642,067	674,170	434,751	415,758	486,546
Tax Payments	68,980	116,381	385,761	514,489	655,548
Dividends	29,587	81,466	270,032	360,142	591,255
Purchase of assets	450,000	-	250,000	336,834	597,208
Other purchases	98,780	123,048	159,112	530,293	288,319
Total Payments	1,667,414	1,572,565	2,106,031	2,794,210	3,287,404
<i>Beginning Cash Balance</i>	-	182,586	174,221	395,185	368,389
Ending Cash Balance	182,586	174,221	395,185	368,389	421,220

9.0 ECONOMIC ASPECTS

9.1 National economic and social Benefits

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

a) Direct economic impact

Direct positive economic impact is expected to come from the following factors, namely,

- 1) Raising gold production, together with addressing challenges faced by smallholder miners and thus improving living standards,
- 2) Employment opportunities generation; more than 25 direct jobs expected to be created and more than 100 indirect jobs through related activities,
- 3) Technology and skills transfer from expertise hired from different parts of the world.
- 4) Strengthen Tanzania economy through payment of royalties and taxes.

b) Indirect economic impact

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project and participation in economic development activities of the country.

10.0 CONCLUSION

The project promotes social-economic goals and objectives stated in the Tanzania five years development plans. The analysis of the project is found to be financially viable and generate profit within the project life span. Such results induce the project owners to reinvest the profit which therefore increase the investment magnitude in the region and hence increase employment opportunities and taxes. In the project life under consideration, the Government will collect various taxes. Such results create additional fund for the government that will be used in expanding social and other basic services' project will support electrification and communication services in Tanzania by using concrete poles which support environment protection in replacing wooden poles. Furthermore, the project is expected to create employment opportunity to several

citizens of the country and enhance the multiplier effect to the people of Geita region surrounded by the project.