

**BUSINESS PLAN FOR THE
IMPLEMENTATION PROGRAMME**

OF

M/S MARS GROUP LIMITED

IN

**ESTABLISHING AND OPERATING A PROJECT FOR
GOLD PROCESSING IN MBANGALA - SONGWE**

**PREPARED BY
M/S MARS GROUP LIMITED
P. O. BOX 10233 DAR ES SALAAM**

**M/S MARS GROUP LIMITED
TABLE OF CONTENTS**

	Page
1. Investment Plan	2
2. Company's Background	3
3. Market Potential	4
4. The Company's Objectives	5
5. Plan/Prospects	6
6. Shareholders (Promoters)	7
7. Location	7
8. Capital Investment Cost	9
10. Financial Plan (Source of Funds)	9
11. Submission	9
12. Economic Growth	10
13. Competition/Market	10
14. Advertisement	11
15. Business Strategy	11
16. Environmental Issue	11
17. Project Management	12
18. Manpower and Transfer of Technology	12
19. Conclusion and Economic Analysis	13
20. Financial and Economic Analysis	13-16

**M/S MARS GROUP LIMITED
ESTABLISHING AND OPERATING A PROJECT FOR
GOLD PROCESSING/GOLD REFINERY**

1. INVESTMENT PROPOSAL

The Feasibility study has been prepared by **M/S MARS GROUP LIMITED** for the company's implementation programme in establishing and operating a project for Gold Processing/ Gold refinery in Mbangala - Songwe.

The Business Proposal has also been prepared to give an analysis of the financial, human, technical and other resources required for the proposed Gold Processing project by setting up facilities for Gold Refinery & smelting Plant in Mbangala - Songwe and also assess its economic viability and commercial viability in order to allocate funds for the Gold Refinery & smelting Plant and allied Machinery, Equipment, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure etc

The certificate of incentives will enable the project to qualify for duty exemption on Gold Refinery & smelting Plant and allied Machinery, Equipment, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure etc and enjoy services under one stop shop at Tanzania investment Centre such as approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

2. COMPANY'S BACKGROUND

M/S MARS GROUP COOL LIMITED is a private owned company incorporated in Tanzania by Registrar of Companies under company's ordinance on 13th day of 08th November 2021 with Certificate of Incorporation No: 154041389

M/S **MARS GROUP LIMITED** was incorporated with major objectives of Gold Processing/ Gold refinery in Mbangala - Songwe and currently is importing Gold processing/ Refinery and smelting plant, related machinery, equipment, steel structure, Pre-fabricated buildings, utility vehicles, generators, transformer etc.

The company determines to produce high quality refined Gold bars to the market. Goodwill, promptness and reliability are the business strategies for the Project.

In addition to that the refined Gold bars brought to the market will correspond with the clients' demand especially in this competitive market. The quality of refined gold bar will be made by the Company will make the Intended Project to dominate the export/ external Market.

There is high demand for high quality refined gold to the local and foreign market. It is on the basis of the above reasons the management resolved to set up the facility for gold smelting & refining in the country as always Government urged to process in the Country before export. Refined Gold bars made to meet the clients demand and make the project economically viable

In the establishment programme; the proposed Gold refinery Project will import Gold Processing & smelting Plant & related Machinery, Equipment, Moulds and furnace, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure and allied facilities etc.

Hence the establishment programme of three years in setting up facilities for intended project is estimated to be USD 50,000,000. The estimated capital investment cost of USD 50,000,000 will be on Gold Processing & smelting Plant & related Machinery, Equipment, Moulds and furnace, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure and allied facilities etc.

3. TARGETED MARKET

There is very big market potential for the Refined Gold in the Country refined by the Company. Therefore By this reasons the Shareholders of the Company resolved to establish such Project for the Company's clients. The Gold Processing Project will produce the best quality Refined Gold bars which will be targeted to ready mainly for export/ foreign markets. The Intended Project is aiming at Producing and supplying well refined Gold bars ready for:

M/S **MARS GROUP LIMITED** ready clients are:

1. Gold Jewelry,
2. Ornaments,
3. Medals,
4. Wedding rings,
5. Art and Decorations (decorative gold items)
6. Export markets etc

The recent market survey undertaken by the company has realized that there is high demand for quality refined Gold bars.

Considering the growing industrialization due to the government call and economic activities has caused the rise demand for refined gold bars in the Country especially for decorative gold items, wedding rings, jewelries, export markets etc.

High quality gold refinery & smelting/ processing Plant and related Machinery, technology, efficiency and goodwill are the factors which will make the intended refinery project to be economically and financial viable. There are quite number of local gold refinery projects and importers of refined gold which can compete with the company's refined gold bars.

The Company will win the market due to High quality scintillating processed/refined gold bars and having new technology with sophisticated Production line.

The company also intends to increase volume of Gold processed/ refined gold bars by installing new Refinery & smelting plant to fulfill the demand of the local clients and external markets.

4. THE COMPANY'S OBJECTIVES

M/S MARS GROUP LIMITED is a project for Gold Refinery in Mbangala - Songwe by installing New / Sophisticated Processing & smelting Plant & related Machinery to produce quality refined gold bars as per clients demand.

The mission of the intended Gold processing project is basically aimed at Production and marketing/ promotion of the refined gold bars which is important for decorative gold items, jewelries, trophies for company's esteemed clients local and external markets. The Gold refinery & smelting plant will make the proposed project operate smoothly and increase the capacity/ volume of refined gold bars. The Proposed refinery Project will make quality gold bars refined so as to achieve the following objectives.

- To foster the growth of Gold Refinery industry in Tanzania.
- To reduce dependence on imported refined gold by installing processing & smelting plant and allied facilities in Mbangala- Songwe.
- To promote Industries, Business, cleanness & quality Gold refinery for local and export etc
- To promote growth and expansion of private sector.

- The Company will create more employments.
- Skill development (human resources development) through on job training and use of new Plant & Machinery and new technology application.
- Income generation, alleviation of poverty and improve their social welfare employees.
- The Company contributes to the government revenue through taxes and other levies like Corporate taxes, PAYE etc

5. PLAN/PROSPECTS

- High performance of Gold Refinery & smelting plant/ Gold Processing Plant by installing new Processing/ Refinery as production line.
- To increase production and supply to clients hence resulting addition foreign earnings in prevailing local and external markets.
- To increase the volume/ capacity of refined gold bars and Supply to the local & foreign Market.

6. SHAREHOLDERS (PROMOTERS)

M/S **MARS GROUP LIMITED** is a project for Gold processing & Gold refinery. The following are the shareholders/ promoters of **MARS GROUP LIMITED** and their shareholder's position are:-

No	Name of Shareholders	Nationality	Percent %
1.	Arif Omary Awadh	Tanzanian	70%
2.	Milfat Mohamed Nahdi	Tanzanian	30%
	TOTAL		100%

Therefore, the authorized capital of the company is Tshs. 10,000,000 divided into 100 ordinary shares of Tshs. 100,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

7. LOCATION

The company's Business Premise is located at Mbangala - Songwe- District. Songwe Region. Postal Address P. O. Box 10233 Dar es salaam.

8. COMPANY'S IMPLEMENTATION SCHEDULE

8.1 APRIL - 2025

- Preparing feasibility study for establishing and operating a project for Gold Processing/ Gold Refinery in Mbangala - Songwe.
- Registration of Gold Processing project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- Getting Certificate of Incentives

8.2 MAY - 2025

- Application for Duty exemption on Capital/ Deemed Capital Goods such as Gold Refinery & smelting Plant, Related Machinery, Equipment and allied facilities.
- Importing Gold Refinery & smelting Plant & Allied Machinery, Equipment, Prefab Buildings, Steel Structure, generator, Forklift, Utility Vehicles etc.
- Clearing the Refinery Plant & Machinery, Equipment, Prefab Buildings, Steel Structure, generator, Forklift, Utility Vehicles from customs control.

8.3 JUNE - 2025

- Recruiting workers and other administration staffs.
- Fully commencement of Gold Processing/ Refinery process.

9. CAPITAL INVESTMENT COST

Land/Building	USD \$	7,000,000
Plant/Machinery	USD \$	40,000,000
Vehicles	USD \$	1,500,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	500,000
Other expenses	USD \$	500,000
Working Capital	USD \$	<u>500,000</u>
TOTAL CAPITAL	USD \$	<u>50,000,000</u>

The proposed programme for Gold Processing Project is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended Project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

10. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S MARS GROUP LIMITED has firmed up finances for the implementation programme by its own fund and loan: -

Own fund (equity)	USD \$	40,000,000
Local loan	<u>USD \$</u>	<u>10,000,000</u>
TOTAL	USD \$	50,000,000

11. GOLD REFINING/GOLD PROCESSING FACILITIES

- Production line,
- Refinery & smelting Plant & Machinery, Equipment, Moulds and allied facilities,
- Generator, transformer, Forklift etc

12. SUBMISSION

M/S MARS GROUP LIMITED wishes to submit its investment proposal and application to Tanzania Investment Centre (TIC) for registration and award of certificate of incentives for the commencement of gold refinery/ gold refinery mainly for export market.

The Intended gold processing Project will soon commence after the Company is registered by Tanzania Investment Centre and being issued with the Certificate of incentives. Thereafter the Company will import Refinery & smelting Plant & Machinery, Equipment, furnace, Moulds and allied facilities, Generator, transformer, Forklift etc

The Project will qualify for tax exemption on Capital/Deemed Capital Goods which are Production line, Gold Refinery & Smelting Plant & Machinery, Equipment, Moulds and allied

facilities, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure etc

13. ECONOMIC GROWTH

Mining is one of the leading sectors in Tanzanian economy as it brings a lot of foreign earnings to Tanzania. Positive economic growth which had been registered in Tanzania, have attracted more investments such as Industries, Agriculture, Mining, transportation and business in Tanzania The gold refinery Project is very important especially in providing other projects raw materials in decorative items industries, trophies, wedding manufacturing projects etc. That's why shareholders of M/S MARS GROUP LIMITED resolved to set up such Project. Besides Industrialization/ processing is the Call of the Government.

14. SWOT ANALYSIS

- M/S **MARS GROUP LIMITED** has incorporated the SWOT Analysis and Identified the Strengths, Weakness, Opportunities and Threats.

15. COMPETITION/MARKET

Despite having a number of Gold processing/ refinery for Gold refined bars in Tanzania. The supply is not enough compared to the level of demand and quality for local and foreign market.

However, the intended project will supply quality refined gold suitable to the need of clients. M/S **MARS GROUP LIMITED** intends to win the local and export market due to efficiency and quality products. The project ensures high quality, technology, best gold bar, promptness and goodwill.

16. ADVERTISEMENT

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

17. BUSINESS STRATEGY

In order to meet the high productivity for refined gold bars the management of the company will develop and implement additional strategies which will run our project smoothly

- Technology, Gold refinery & smelting Plants from the Best Brand
- Advertisement/promotion,
- Employing qualified and experienced staffs,
- On job training,
- Business Discipline etc.

18. ENVIRONMENTAL ISSUE

The Gold refinery & smelting for High Quality and shining gold bars mainly for export market and the whole practice is environmental friendly and will not cause any harm to people.

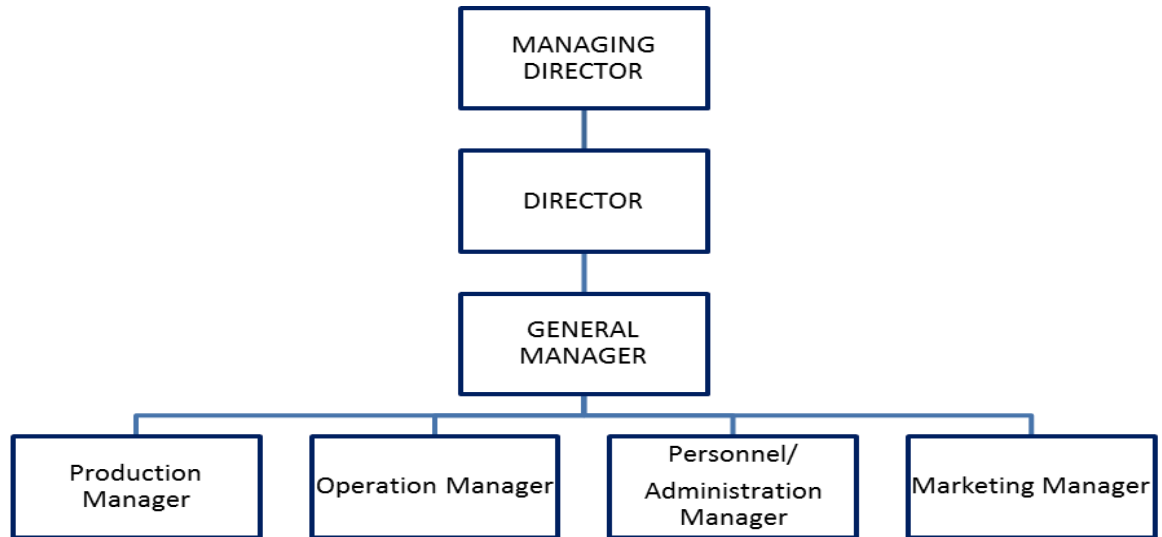
19. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr. Arif Omar Awadh is the Managing Director of the Company; he is well versed in Industries operations. The other Director is Milfat Mohamed Nahdi.

THE
CHART

COMPANY'S

ORGANIZATION



20. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being Gold refinery & smelting by installing Production line - smelting Plant & related Machinery in its establishment programme will usher in the technology (Transfer of knowledge/technology) by using new Plant and Technology. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Furthermore the country can reduce its dependence on importation of gold bars from other countries in addition to that those imported gold bars which are not of good quality.

The establishment of Packaging materials project will be successful by installing Production line and will cause more people to be employed and about 50 local people (Technicians) and 5 expatriates. These local people will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on training and in a long run will improve the technical competence in the field of minerals processing by refinery & smelting Plant & allied Machinery.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of such Project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the Gold refinery Project by installing Production line, Plant & Machinery, equipment so that the project will import and enjoy tax exemption on Capital/Deemed Goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 4,500,000 this operating year. The profit amount is expected to steadily rise to USD \$ 5,000,000 in year two, USD \$ 5,500,000 in year three and USD \$ 6,000,000 in year four. 5TH YEAR - 6,500,000

22.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

22.3 Proposed Balance Sheet:

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

23. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S MARS GROUP LIMITED**

23.1 Effect of cost increase on profitability (on the basis of year II GOLD PROCESSING/ GOLD REFINERY **INCOME** in “000” USD \$)

Income	Costs	Increase	Profit before depreciation
10,530	5,530.00	%	5,000.0
10,530	5,805.50	5%	4,724.0
10,530	6,083.00	10%	4,447.0

23.2 Effect of GOLD PROCESSING/ GOLD REFINERY **INCOME** decrease/drop on profitability (on the basis of year II costs in “000” USD \$)

Income	Income Decrease	Cost	Profit before depreciation
10,530.00	%	5530	5000.0
10,003.50	5%	5530	4,473.50
9,477.00	10%	5530	3,947.0

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to

maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

M/S MARS GROUP LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	1,000.0	10,530.0	11,060.0	11,590.0	12,120.0
Total Income	10,000.0	10,530.0	11,060.0	11,590.0	12,120.0
Utilities	5000.0	5000.0	5000.0	5000.0	5000.0
Salaries and wages	100.0	100.0	100.0	100.0	100.0
Transportation/fuel	150.0	160.0	170.0	180.0	190.0
Administrative Expenses	200.0	210.0	220.0	230.0	240.0
Other Expenses	50.0	60.0	70.0	80.0	90.0
Total Expenditure	5,500.0	5,530.0	5,560.0	5,590.0	5,620.0
Net Profit (pre tax and depreciation)	4,500.0	5,000.0	5,500.0	6,000.0	6500.0

Appendix II

M/S MARS GROUP LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V
Cash inflow					
Income from operation	4,500.0	5,000.0	5,500.0	6000.0	6500.0
	4,500.0	5,000.0	5,500.0	6000.0	6500.0
Cash outflow					
Interest payments	1000.0	900.0	800.0	700.0	600.0
Loan re-payment	1000.0	1000.0	1000.0	1000.0	1000.0
Wear & tear	20.0	22.0	24.0	26.0	28.0
Taxes	20.0	25.0	30.0	40.0	45.0
	2,040.0	1,947.0	1,854.0	1,766.0	1,673.0
Surplus cash generated	2,460.0	3,053.0	3,646.0	4,234.0	4827.0

M/S MARS GROUP LIMITED

Appendix III
(Fig. USD \$ '000')

Year	VI	VII	VIII	IX	X	Total
Cash inflow						
Income from operation	7000.0	7500.0	8000.0	8500.0	9000.0	67,500.0
	7000.0	7500.0	8000.0	8500.0	9000.0	67,500.0
Cash outflow						
Interest payments	500.0	400.0	300.0	200.0	100.0	5500.0
Loan re-payment	1000.0	1000.0	1000.0	1000.0	1000.0	10,000.0
Wear & tear	30.0	32.0	34.0	36.0	38.0	290.0
Taxes	50.0	55.0	60.0	65.0	70.0	460.0
	1,580.0	1,487.0	1,394.0	1,301.0	1,208.0	16,250.0
Surplus cash generated	5,420.0	6,013.0	6,606.0	7,199.0	7,792.0	51,250.0

M/S MARS GROUP LIMITED

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$ '000')

Year	Repayment			
	Principal	Interest	Total	Amount
O				10,000.0
I	1000.0	1000	2000	9,000.0
II	1000.0	900	1900	8,000.0
III	1000.0	800	1800	7,000.0
IV	1000.0	700	1700	6,000.0
V	1000.0	600	1600	5,000.0
VI	1000.0	500	1500	4,000.0
VII	1000.0	400	1400	3,000.0
VIII	1000.0	300	1300	2,000.0
IX	1000.0	200	1200	1,000.0
X	1000.0	100	1100	0.0

Appendix 1V

M/S MARS GROUP LIMITED

PROJECTED BALANCE SHEET

Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV
	Source of funds				
1.	Shareholders' funds	500.0	550.0	600.0	650.0
2.	Long term Loan	2000.0	1900.0	1800.0	1700.0
3.	Associated Cos/ Directors	500.0	600.0	700.0	800.0
4.	Current Liabilities	200.0	250.0	300.0	350.0
		3,200.0	3,300.0	3,400.0	3,500.0
	Application of funds				
	Fixed Assets	2,500.0	2,500.0	2,500.0	2,500.0
	Current Assets	700.0	800.00	900.0	1,000.0
		3,200.0	3,300.0	3,400.0	3,500.0