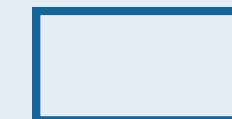




MAGANGA MATITU MINERALS CORPORATION LIMITED



Business Plan

2025

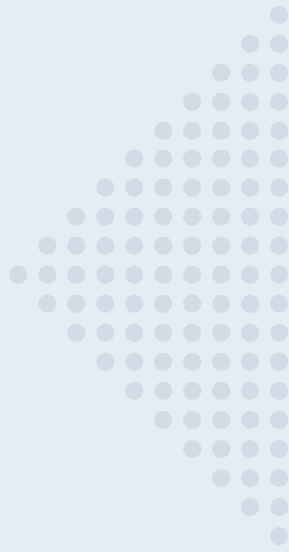
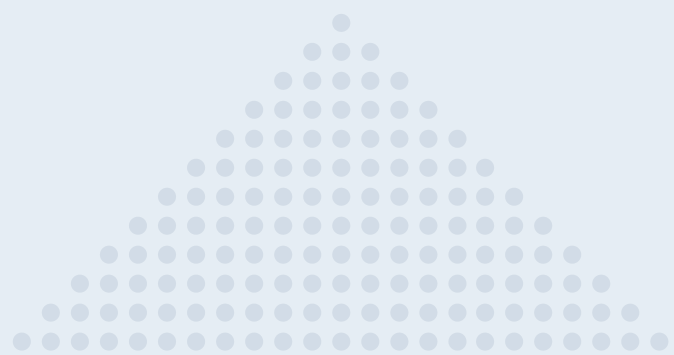




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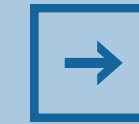
Executive Summary



Project Objectives



**Permits,
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**Incentive & Policy
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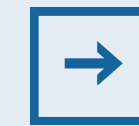
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**Investment
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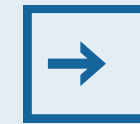
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**Job Creation &
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**Case A: Beneficiation +
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(5 years)**



Conclusion



**Case B: Beneficiation-
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Project snapshot (what & where)

Project snapshot (what & where)

Maganga Matitu (one of the Liganga iron-ore hills) in Ludewa, Njombe. Government policy carves Maganga Matitu for a local sponge-iron (DRI) value chain using Katewaka coal.

→ Area & scale: Project footprint about 19.63 km²; positioning is as part of the wider Liganga complex.

→ Resource context: Liganga complex has titaniferous magnetite with potential vanadium and titanium by-products (in the integrated complex). (Reserve figure for Liganga area ~126 Mt.

Executive Summary

The Maganga Matitu Project is a large-scale iron ore mining and processing development located in Ludewa District, Njombe Region, Tanzania, carved out as part of the Liganga Iron Ore Complex. The project will be developed in phases:

- Phase I (Beneficiation Plant): Mining and processing of 2.0–2.2 Mtpa of titaniferous magnetite ore to produce ~1.0–1.1 Mtpa of iron concentrate (62–65% Fe).
- Phase II (Value Addition): Construction of pelletizing and Direct Reduced Iron (DRI) facilities using Katewaka coal, producing ~300 ktpa sponge iron for domestic steelmakers.

The project aligns with Tanzania's industrialization drive, replacing steel imports with domestic feedstock, creating jobs, and promoting local value addition.

Project Objectives

- Develop Tanzania's first integrated iron ore beneficiation and sponge iron project at Maganga Matitu.
- Support import substitution by supplying local industries with domestic iron products.
- Maximize national value addition by producing concentrate, pellets, and sponge iron locally instead of exporting raw ore.
- Create long-term employment and skills transfer for the Ludewa and Njombe regions.
- Operate responsibly with strong commitments to environment, safety, and community development.
- Deliver investor returns through phased development, leveraging government incentives and market demand for steel inputs.

Investment Highlights

Reserves: ~100 Mt iron ore (titaniferous magnetite).

Capex: Phase I \$140m; Phase II \$220m.

EBITDA potential: \$40–65m per annum depending on phase and pricing.

Strategic importance: Supply Tanzania's infrastructure, construction, and manufacturing sectors with high-quality iron products.



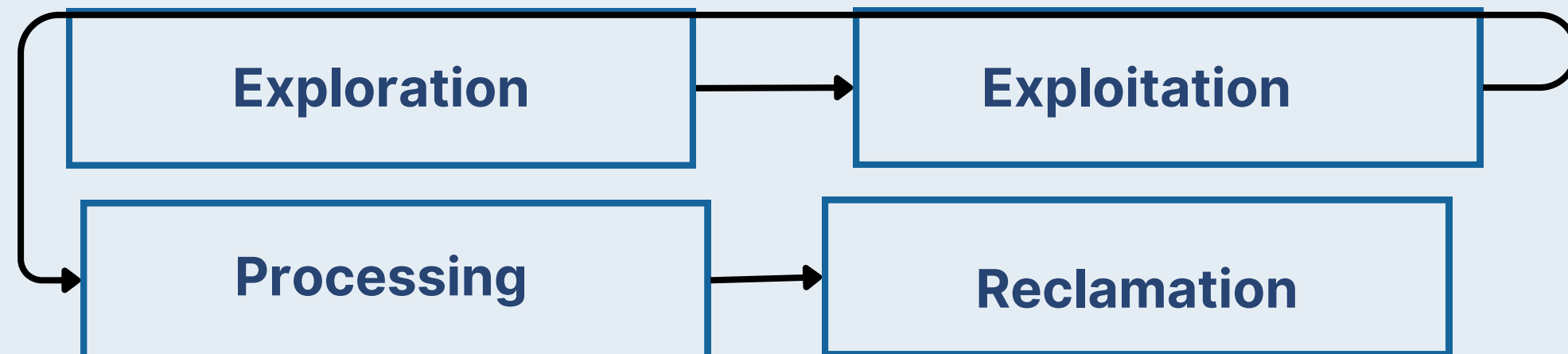
Strategy & scope (mineral processing-first)

Goal: Commission a Phase I beneficiation plant to produce magnetite concentrate (62–65% Fe), then Phase II pelletizing + coal-based DRI for local steelmaking.

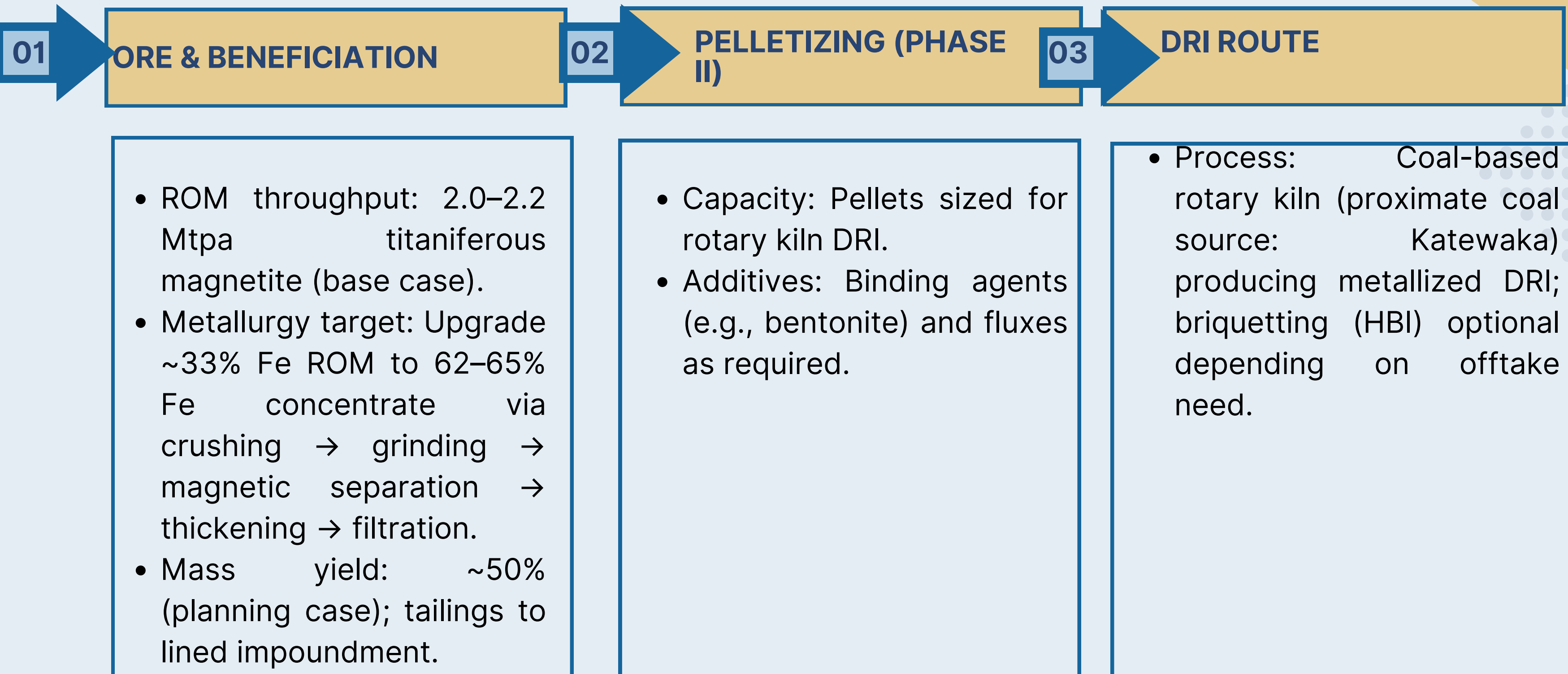
Phasing

- Phase I (Years 1–2): Mine & beneficiate ROM ore to produce ~1.0 Mtpa concentrate (base case).
- Phase II (Years 3–5): Add pelletizing and a 300 ktpa DRI (sponge iron) unit using Katewaka coal; divert concentrate to pellets → DRI (internal value-add).

Main Processes in Mining



Technical plan (high-level)



Infrastructure & utilities

- Power: TANESCO industrial supply; captive backup (HFO/coal) for critical circuits.
- Water: Borefield + raw water dam; return water circuits for tailings/thickener.
- Logistics: Mine-plant haul, regional road links to Ludewa & Mtwara corridor; domestic offtake to re-rollers/EAFs.



Case A: Beneficiation + Pelletizing + 300ktpa DRI (5 years)

Year	Ore (Mt)	Concentrate (Mt)	DRI (kt)	Revenue (US\$m)	Opex (US\$m)	EBITDA (US\$m)	Net Income (US\$m)	Capex (US\$m)	FCF (US\$m)
1	2	1	–	100	58	42	16	140	-122
2	2	1	–	100	58	42	16	5	7
3	2.2	1.1	300	220	155	65	12	228	-156
4	2.2	1.1	300	220	155	65	12	8	25
5	2.2	1.1	300	220	155	65	12	8	25

Case B: Beneficiation-Only (5 years)

Year	Ore (Mt)	Concentrate (Mt)	Revenue (US\$m)	Opex (US\$m)	EBITDA (US\$m)	Net Income (US\$m)	Capex (US\$m)	FCF (US\$m)
1	2	1	100	58	42	12	140	-101
2	2.2	1.1	105	64	41	12	5	15
3	2.2	1.1	105	64	41	12	5	15
4	2.4	1.2	114	70	44	13	6	18
5	2.4	1.2	114	70	44	13	6	18

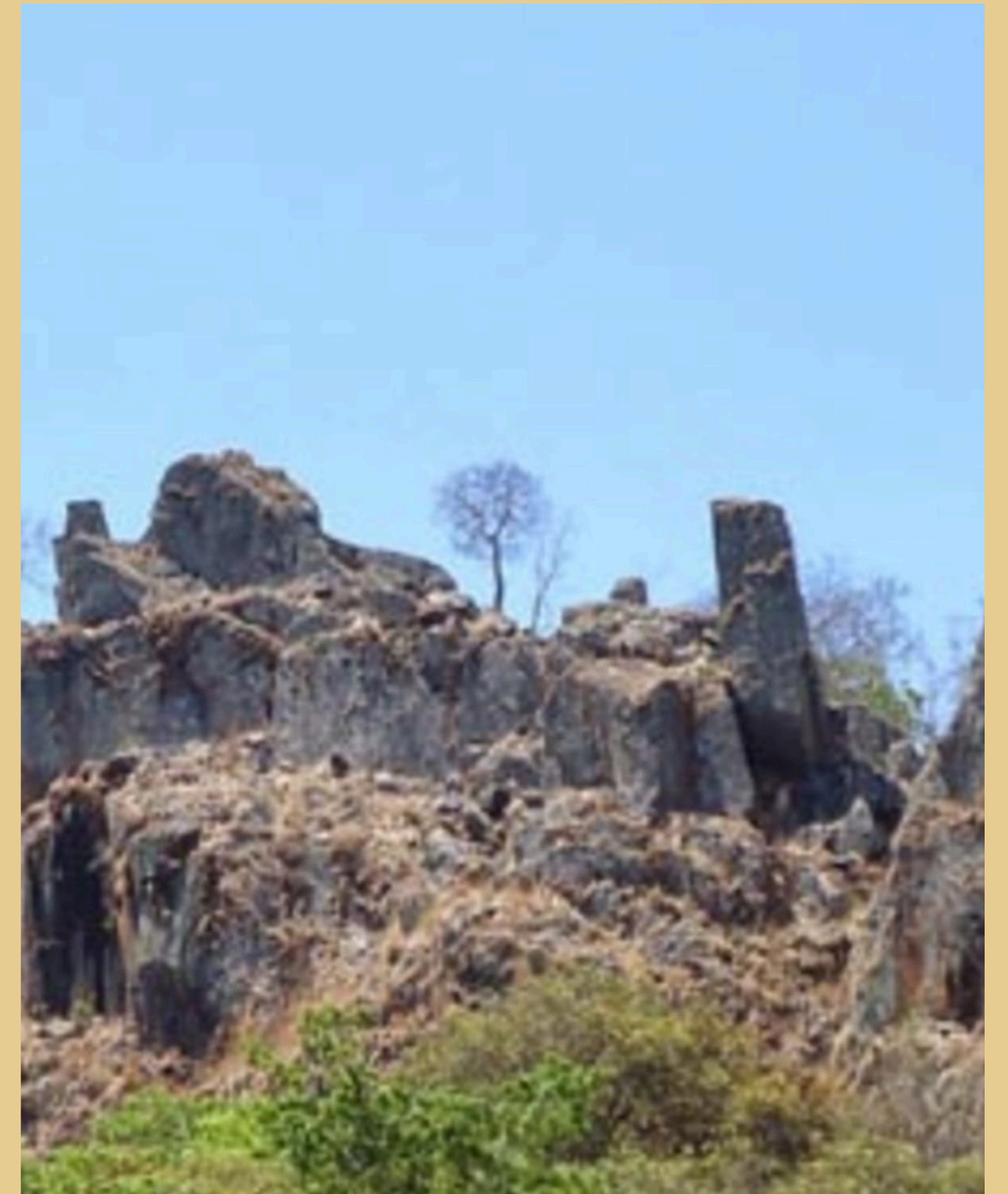
Marketing & offtake

- Phase I: Domestic sales of magnetite concentrate to local pellet/DRI users and/or near-region buyers.
- Phase II: DRI (sponge iron) sales (or internal feed if you integrate a mini-mill later). Government messaging emphasizes DRI to supply Tanzania's infrastructure build-out & import substitution.



Permits, compliance & ESG

Mining title & plan (Tanzania Mining Commission), ESIA & NEMC certificate, water rights, OSHA, tailings & ARD management plan, local content plan, and TIC/TISEZA incentives if qualifying as strategic/SEZ. (Liganga program previously obtained ESIA & water rights for parts of the complex; reuse where applicable with new scopes).



Incentives & policy alignment

National policy fit: Import substitution (steel inputs), local value-addition and jobs in Ludewa; fits the government's stated intention to push Maganga Matitu into sponge-iron production using Katewaka coal.

Actions: Engage TIC/TISEZA for strategic investor status, import duty/VAT relief on capex, expedited utilities, and potential SEZ siting for the DRI plant.



Risk register & mitigations

- Metallurgy/yield risk: Complete variability testwork (composites per ore domain); pilot magnetic separation; design with surge capacity.
- Power reliability: N-1 redundancy, captive gensets/WHR, premium feeders with TANESCO.
- Capex inflation: Early vendor engagement, fixed-price EPC modules, contingency $\geq 12-15\%$.
- Market pricing: Secure index-linked offtakes (DRI premia vs scrap); diversify buyers.
- Permitting/community: Early ESIA scoping, transparent RAP/compensation, local supplier & jobs plan.
- Water & tailings: Closed-circuit water balance; lined TMF, ANC monitoring, emergency action plan.



Environment & ESG

Environmental Stewardship

- ESIA & permitting: Comprehensive Environmental and Social Impact Assessment (ESIA) will be carried out and approved by NEMC before operations.
- Tailings management: Engineered lined tailings storage facility with water recycling and seepage control to prevent contamination.
- Water & energy efficiency: Closed-circuit water usage, groundwater monitoring, and waste heat recovery systems in Phase II.
- Carbon footprint: Using coal-based DRI initially, but planning to transition toward gas-based DRI or green hydrogen as infrastructure becomes available.
- Biodiversity & land rehabilitation: Progressive land reclamation and reforestation post-mining.

Social Responsibility & Governance (ESG)

- Governance: Transparent reporting, compliance with Tanzanian Mining Act, and adherence to international standards (IFC Performance Standards).
- Community engagement: Ongoing dialogue with Ludewa communities on land access, compensation, and local participation.
- Transparency: Alignment with Tanzania's Extractive Industries Transparency Initiative (TEITI).



Job Creation & Socio-Economic Impact

- Construction phase: 1,500–2,000 jobs (civil works, plant erection, logistics).
- Operations phase: ~800–1,000 permanent jobs across mining, processing, maintenance, logistics, and administration.
- Indirect jobs: Estimated 2,500–3,000 through supply chains, transport, and services.
- Local content: Preference for Tanzanian suppliers in civil works, catering, logistics, and consumables.
- Training & skills transfer: Technical training in beneficiation, metallurgy, and mechanical maintenance.

Community benefits:

- Improved roads and power infrastructure in Ludewa.
- Social development programs (schools, clinics, water supply).
- Contribution to local government revenue via royalties, fees, and PAYE from employment.



Conclusion



The Maganga Matitu Mineral Processing Project represents a landmark opportunity for Tanzania to establish a domestic iron and steel value chain, anchored on one of the country's most strategic mineral assets. By implementing a phased development approach—starting with beneficiation and expanding into pelletizing and sponge iron production—the project provides a clear pathway to import substitution, industrial growth, and national economic transformation.

The financial projections show that beneficiation-only operations can deliver sustainable cash flows and positive long-term returns, while the expansion into pelletizing and DRI offers significant upside potential if supported by premium pricing, competitive financing, and government incentives. Beyond profitability, the project is designed to generate thousands of jobs, enhance infrastructure, and foster skills transfer to the local workforce.

Commitment to environmental stewardship, community engagement, and transparent governance ensures that the project will not only drive economic value but also align with Tanzania's sustainability goals and international ESG standards.