

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED

BUSINESS PLAN

FOR

GOLD PROCESSING

PREPARED FOR

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED

Dar es Salaam

1.0. Executive Summary

This business plan outlines the establishment of a gold processing plant with an investment cost of **USD 25 3,325,000**. The project aims to process gold ores into refined gold bullion and other by-products, targeting both domestic and international markets. The facility will be strategically located in a gold-rich area of **Kinyambwiga Village, Bunda district, Mara region**, Tanzania, ensuring steady supply of raw materials, minimizing logistics costs, access to power, water, and transport routes.

The project is being developed ZHENG ZE TIAN CHEN MINING COMPANY LIMITED a new company incorporated in Tanzania with Certificate of Incorporation No. 167599354 dated 9th September, 2023, the company is owned by foreign investors from China.

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED is planning to invest in the plant will have a processing capacity of producing **25 kg of gold per year**. The project leverages modern gold extraction technologies such as **CIP (Carbon-in-Pulp)** or **CIL (Carbon-in-Leach)** for high recovery rates (90–95%).

1.2 Objective of Study

The purpose of this study is to work out the technical and commercial details and financial viability of the project.

1.3 Business Objectives

- Establish a sustainable gold processing facility with modern, environmentally friendly methods.
- Secure supply contracts with local miners and cooperatives.
- Achieve breakeven within [4 years].

- Generate employment and contribute to local value addition in mining.

2.0 Company Overview

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED a new company incorporated in Tanzania with Certificate of Incorporation No. 167599354 dated 9th September, 2023.

The company is owned by two shareholders one being corporate and the second one is an individual

Share Holders	% of Share	Nationality
ZHENG ZE TIAN CHEN MINING COMPANY LIMITED	999	Chinese
Qilong Chen	1	Chinese

The project is based in Mara region, Tanzania, the board of directors are determined in creating a company which is environmentally responsible gold processor in Africa through sustainable gold processing.

3.0 Industry and Market Analysis

3.1 Global Gold Market

- Gold demand remains strong, driven by investment, jewelry, and industrial applications.
- Global prices in 2025 average **USD 2,200–2,400/oz** (volatile but bullish outlook).

3.2 Major global trading hubs

The landscape for wholesale gold trading is quite complex and constantly evolving. The three most important gold trading centers are the London OTC market, the US futures market, and the Shanghai Gold Exchange (SGE). These markets comprise more than 90% of global trading volumes and are complemented by smaller secondary market centers around the world (both OTC and exchange-traded).

3.3 The London OTC market

The London OTC market has historically been the center of the gold trade and today comprises approximately 70% of global notional trading volume per our estimates. The London market attracts participants from all around the world and sets the twice-daily global reference benchmark for gold, the LBMA Gold Price. Uniquely the market in London trades 400-ounce bars ‘Good Delivery’ bars which are stored in the member vaults of the London Precious Metals Clearing Limited (LPMCL) and the Bank of England. London’s unique vaulting infrastructure with its strictly enforced chain of custody, as well as the sizeable stocks of gold that reside within it, contribute to London often being referred to as the ‘terminal market’. The London market also enjoys a time zone advantage, bridging Asian and US trading hours, and benefits from its status as a leading global financial services hub.

Notwithstanding the London market’s pre-eminence, it has been losing a relative share of global trading volumes. In 2015 banks operating in the market stopped submitting forward offered rates (GOFO rates) which were used to establish the market’s forward curve, one of several symptoms of a market that has become increasingly fragmented. The World Gold Council’s initiative

to partner with a consortium of leading financial players and the London Metal Exchange to introduce LMEprecious is a direct response to these pressures. This suite of exchange-traded contracts seeks to modernize and introduce efficiencies to the heart of the gold trading market.

3.3 The US futures market (COMEX)

Despite London's leading role in the physical market, the COMEX derivatives exchange operated by CME Group has become an increasingly important venue in driving price discovery. Trading activity on COMEX is primarily concentrated on the 'active month' (nearest dated) contract which acts as a proxy for the spot price. Only a small number of contracts physically settle into the delivery of bars into COMEX vaults but the market is nonetheless tightly linked to physical markets through a very active Exchange for Physical (EFP) market. Notably, a steadily increasing share of COMEX volume is transacted during Asian market hours reflecting the exchange's success of tapping into Asian market growth.

3.4 The Chinese market (SGE & SHFE)

The largest purely physical spot exchange in the world is the Shanghai Gold Exchange. Established in 2002 under close oversight of the People's Bank of China, SGE has enjoyed a rapid rise to prominence that has mirrored China's growing importance in the gold market. In 2016 SGE introduced the Shanghai Gold Price benchmark to cement China's role as a price-setter, to help the internationalization of the RMB, and to broaden international participation in the Chinese market. It should be noted that SGE's spot and deferred contracts are complemented by very active futures trading on the Shanghai Futures Market (SHFE), although the two exchanges are not directly linked.

3.5 Secondary market centers

Other important markets include Dubai, India, Japan, Singapore and Hong Kong. There are exchanges in all these markets offering a range of spot trading facilities or listed contracts but these have not attracted the liquidity seen on the market's primary venues. Nonetheless, these markets play an important role to varying degrees in serving local demand or acting as regional trading hubs. For example, Hong Kong has long acted as a gateway to the Chinese market and Singapore is establishing itself as an important focal point for trading in the ASEAN region.

3.6 Gold price forecasts 2024-2050

Price per ounce

Source / Year	2024	2025	2030	2040	2050
Bloomberg	\$1,913.63 - \$2,224.22	\$1,709.47 - \$2,727.94	*	*	*
The World Bank	\$1,950	*	*	*	*
JP Morgan Chase & Co	\$2,175	*	*	*	*
Goldman Sachs	\$2,050	\$1,970 - \$2,050	*	*	*
ING	\$2,031	*	*	*	*

3.7 Gold price forecasts 2024

JPMorgan Chase & Co. foresees an opportunity in gold ahead of a potential US recession that could be caused by a new cycle of rate cuts by the US Federal Reserve. It had predicted that prices would push past \$2,000 an ounce by the end of 2023. In December 2023, gold prices hit \$2,071, reacting to a new central bank monetary policy and rising haven demand. As interest rates start

to fall, prices could hit fresh records in 2024. JP Morgan has an average price target of \$2,175 per ounce for bullion in the final quarter of 2024.

- Gold's price forecast for Q1 2024 at Bloomberg Terminal is between \$1,913.63-\$2,224.22.
- Goldman Sachs commodity analysts expect the potential upside of the gold price to be closely tied to changes in US interest rates and dollar movements, leading them to raise the gold price target for 2024 to \$2,050 an ounce. Increasing consumer demand from China and India could also affect the price of gold.

3.8 Gold price forecasts 2025

Many banks, including Goldman Sachs, Citi, ANZ, and Commerzbank, raised their initial forecasts for gold, as they were faced with the possibility of a banking crisis. Goldman Sachs analysts initially expected the price of gold to remain stable in the period between 2023 and 2026, at around \$1,970 an ounce. They hiked their 12-month gold forecasts to \$2,050 an ounce.

Gold's price forecast for 2025 at the Bloomberg Terminal is between \$1,709.47 and \$2,727.94.

Bloomberg Intelligence Strategist Mike McGlone predicts that both gold and its "digital version," bitcoin, will appreciate by 2025. The price of gold has shown divergence strength, being up 84% since 2015, when the Fed just started its tightening, and could be heading for \$7,000 by 2025.

3.9 Gold price forecasts beyond 2025

It is generally believed by commodity analysts that the price of gold will keep rising in the long term. However, it is difficult to accurately forecast the price of gold or the price of any commodity for the next two decades, as the price depends on several different factors. These include the inflation rate, the strength of the US dollar, central bank interest rates, and the increase in the money supply.

Most major banks and financial data providers, such as Bloomberg, provide only short-term price predictions. An additional reason is that commodity markets can be highly volatile, and small changes in supply or demand factors, along with external events like geopolitical tensions or extreme weather events, can lead to unexpected price swings. This volatility can challenge the accuracy of predictions.

Despite the complexity of long-term price predictions, there are different scenarios and long-term price forecasts for gold from 2030-50. Those range from gold reaching \$10,000 per ounce, replacing the US dollar alongside Bitcoin, and even the scenario of the world running out of gold by 2050, faced with growing demand.

3.10 Gold price forecasts 2030

The \$7,000 an-ounce scenario seems to persist in gold forecasts for 2030. In the Rational Case for \$7,000 Gold by 2030, economist Charlie Morris predicts the \$7,000 price milestone. Morris describes gold as the leading major asset class in the 21st century, which is an extraordinary achievement given that gold doesn't pay a yield.

Investment analyst Jim Puplava predicts a significant bull market by 2030, citing demographics and globalisation as the primary reasons for the price increase. At the turn of the century, when gold was below \$300, Puplava correctly predicted a 10-year bull run in precious metals.

3.11 Local/Regional Market

Gold mining is a key contributor to the economy in **Tanzania**. In 2024, Tanzania's mining sector, heavily reliant on gold, contributed 10.1% to the national GDP, a significant milestone that exceeded government targets and positioned the country as a leading mining economy in East Africa. This contribution involved substantial tax revenue, increased export earnings, and the creation of numerous jobs, highlighting gold mining's crucial role in diversifying the economy, boosting overall growth, and enhancing foreign exchange reserves.

Processing gap exists, a significant gold processing gap exists in Tanzania, as large quantities of gold are exported in raw or semi-processed forms, leading to lost revenue and diminished economic benefits. This gap is attributed to weak domestic value addition, a lack of modern processing and cutting technologies, insufficient capital for value-added industries, and challenges in accessing markets for processed products. To address this, the Tanzanian government is promoting investment in processing industries and value addition through initiatives like establishing gemstone processing centers and improving the investment environment.

4.0 Target Customers

- Licensed gold exporters
- Central banks and bullion traders
- Jewelry manufacturers
- International gold refineries

4.1 Project Description

4.2 Plant Capacity

- **Gold recovery:** 90–95%
- **Annual production:** Approx. 25Kg per year of refined gold
- The average gold Price in Tanzania per Kilo\$103112
-

4.2 Processing Method

- Crushing & Grinding- reduce ore size.
- Gravity Separation- recover free gold
- Carbon-in-Pulp (CIP) / Carbon-in-Leach (CIL)- dissolve remaining gold and extract gold from solution
- Electrowinning- recover gold
- Smelting & Refining- produce dore bars.

4.3 Technology

Gravity concentration + Cyanidation + Carbon-in-Pulp (CIP) or alternatives depending on ore.

4.4 Facilities

- Processing plant site in proximity to mining communities.
- Facilities: Crushing unit, milling, gravity concentrators, leaching tanks, CIP/CIL unit, smelting furnace, laboratory.

4.5 Environmental & Social Responsibility

- Use of cyanide management systems aligned with international standards.
- Tailings management and water recycling.
- Local community development programs.

4.6 Competitive Advantage

- Closer to mining areas than large refineries.
- Faster turnaround for artisanal miners.
- Lower processing costs through modular plants.
- Environmentally responsible technology (mercury-free).

4.7 Risk Analysis

- **Supply Risk:** inconsistent ore supply from miners.
- **Price Risk:** fluctuation in international gold prices.
- **Technical Risk:** processing inefficiency, equipment downtime.
- **Regulatory Risk:** stricter environmental rules.

4.8 Mitigation

Long-term ore contracts, flexible processing, hedging strategies, strong compliance.

5.0 Implementation Plan

- Phase 1 (0–6 months): Feasibility studies, permits, land acquisition.
- Phase 2 (6–18 months): Plant design, procurement, and construction.
- Phase 3 (18–24 months): Installation of machinery, recruitment, and training.
- Phase 4 (24–30 months): Test runs and commercial production.

6.0 Management & Staffing

- General Manager (Mining Engineer/Metallurgist).
- Operations Manager.
- Plant Supervisors.
- Metallurgical Technicians.
- Safety & Environmental Officer.
- Finance & Admin team.
- Skilled & unskilled laborers.

7.0 Environmental & Regulatory Compliance

- EIA (Environmental Impact Assessment).
- Compliance with mining and processing regulations.
- Waste management: Tailings dam or dry-stack.
- Mercury-free technology to reduce environmental harm.

8.0 Financial Plan

8.1 Project's Investment Capital

The estimated capital investment cost of the project is US\$ 3,325,000.

Land and Buildings	1,000,000
Machinery & Equipment	1,500,000
Motor Vehicles	200,000
Furniture & Fixtures	5,000
Pre exp	20,000
Others	100,000
Working Capital	500,000
TOTAL	3,325,000

8.2 Financing pattern

The project will be financed by long term loan US\$3,000,000 and equity and cash generated from investment US\$ 325,000

8.3 Operating Costs

- Ore procurement / toll processing fees.
- Chemicals (cyanide, lime, carbon).
- Power & water.
- Labor & administration.
- Maintenance.

The company has estimated the cost of goods available for sale plus other operating costs to be 65% of the total revenue

9.0 Financial Analysis

9.1 Considerations and Assumptions:

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 promoters' experience and industry trends.

9.2 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 8 years. The position depicted is that the project earns profit throughout its life. refer Appendix II

9.3 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow from the year, refer Appendix III

9.4 Projected Balance Sheet Statement

The projected shareholder's equity increase, refer Appendix IV

9.5 Projected payback period

The project payback period is within 5 years, refer Appendix IV

10.0 Economic Aspects

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

- The project is an ideal option for utilization of the available gold mineral resources
- The project will create employment for 25 people on a permanent contract basis as well as on a temporary basis.
- It will create more business opportunities to local suppliers which will also have a economic trickledown.
- It will generate substantial revenue to the government in the form of corporate tax; value added tax and pay as you earn.
- The project will have transfer of knowledge and skills to gold process management
- Increase of foreign currency

11.0 Conclusion & Recommendations

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

It is recommended that the project be approved by TISEZA and be granted the Certificate of Incentives with its associated privileges and benefits as provided for under the TISEZA Act, 2025.

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED COST STRUCTURE US\$

Land and Buildings	1,000,000
Machinery & Equipment	1,500,000
Motor Vehicles	200,000
Furniture & Fixtures	5,000
Pre exp	20,000
Others	100,000
Working Capital	500,000
TOTAL	3,325,000

Appendix II

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED PROJECTED FIXED ASSETS (US\$)

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	1,000,000	980,000	960,000	940,000	920,000	900,000	880,000	860,000
Machinery, Tools & Equipment	1,500,000	1,485,000	1,470,000	1,455,000	1,440,000	1,425,000	1,410,000	1,395,000
Motor Vehicles	200,000	180,000	160,000	140,000	120,000	100,000	80,000	60,000
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000	2,500	2,000	1,500
Total	2,705,000	2,649,500	2,594,000	2,538,500	2,483,000	2,427,500	2,372,000	2,316,500
DEPRECIATION	1	2	3	4	5	6	7	8
Land and buildings	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Machinery tools & Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Motor Vehicles	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Furniture & Fixtures	500	500	500	500	500	500	500	500
ANNUAL DEPRECIATION	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500

Appendix III

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

Revenue	2,577,800	2,706,690	2,842,025	2,984,126	3,133,332	3,289,999	3,454,499	3,627,223
Operating Expenses:	1,675,570	1,759,349	1,847,316	1,939,682	2,036,666	2,138,499	2,245,424	2,357,695
Profit before Depreciation &Interest	902,230	947,342	994,709	1,044,444	1,096,666	1,151,500	1,209,074	1,269,528
Interest	240,000	192,000	144,000	96,000	48,000	-	0	0
Depreciation	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500
Gross Profit	606,730	699,842	795,209	892,944	993,166	1,096,000	1,153,574	1,214,028
Tax (30%)	182,019	209,952	238,563	267,883	297,950	328,800	346,072	364,208
Profit After Tax	424,711	489,889	556,646	625,061	695,216	767,200	807,502	849,820
Accumulated Profit	424,711	914,600	1,471,246	2,096,307	2,791,523	3,558,723	4,366,225	5,216,045

Appendix IV

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED PROJECTED CASH FLOW STATEMENT US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	902,230	947,342	994,709	1,044,444	1,096,666	1,151,500	1,209,074	1,269,528
Equity	325,000								
Loan	3,000,000								
Total Sources	3,325,000	902,230	947,342	994,709	1,044,444	1,096,666	1,151,500	1,209,074	1,269,528
Applications:									
Capital expenditure	2,705,000	-	-	-	-	-			
working Capital & Others	620,000								
Cash	-	720,211	737,389	756,146	776,561	798,716	822,700	863,002	905,320
Tax	-	182,019	209,952	238,563	267,883	297,950	328,800	346,072	364,208
Sub total	3,325,000	902,230	947,342	994,709	1,044,444	1,096,666	1,151,500	1,209,074	1,269,528
Total applications	3,325,000	902,230	947,342	994,709	1,044,444	1,096,666	1,151,500	1,209,074	1,269,528
Accumulated cash		720,211	1,457,600	2,213,746	2,990,307	3,789,023	4,611,723	5,474,725	6,380,045

ZHENG ZE TIAN CHEN MINING COMPANY LIMITED PROJECTED BALANCE SHEET US \$

Fixed Assets		1	2	3	4	5	6	7	8
Opening balance	-	2,705,000	2,649,500	2,594,000	2,538,500	2,483,000	2,427,500	2,372,000	2,316,500
Total Long-term Assets	-	2,705,000	2,649,500	2,594,000	2,538,500	2,483,000	2,427,500	2,372,000	2,316,500
Less depreciation	-	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500
Closing balance	-	2,649,500	2,594,000	2,538,500	2,483,000	2,427,500	2,372,000	2,316,500	2,261,000
Working capital	620,000	620,000	620,000	620,000	620,000	620,000	620,000	620,000	620,000
Accumulated cash	-	720,211	1,457,600	2,213,746	2,990,307	3,789,023	4,611,723	5,474,725	6,380,045
Total assets	620,000	3,989,711	4,671,600	5,372,246	6,093,307	6,836,523	7,603,723	8,411,225	9,261,045
Financed by									
Equity	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Accumulated profit	-	424,711	914,600	1,471,246	2,096,307	2,791,523	3,558,723	4,366,225	5,216,045
Total equity	325,000	749,711	1,239,600	1,796,246	2,421,307	3,116,523	3,883,723	4,691,225	5,541,045
Long term loan	3,000,000	2,400,000	1,800,000	1,200,000	6,000,000	-			
Total debts	3,000,000	2,400,000	1,800,000	1,200,000	6,000,000	-	-	-	-
Total equity and debts	3,325,000	3,149,711	3,039,600	2,996,246	8,421,307	3,116,523	3,883,723	4,691,225	5,541,045

HENG ZE TIAN CHEN MINING COMPANY LIMITED PROJECTED LONG TERM LOAN REPAYMENT SHEET US \$

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	600,000.00	240,000.00	840,000.00	3,000,000.00
2	600,000.00	192,000.00	792,000.00	2,400,000.00
3	600,000.00	144,000.00	744,000.00	1,800,000.00
4	600,000.00	96,000.00	696,000.00	1,200,000.00
5	600,000.00	48,000.00	648,000.00	600,000.00