



Business Plan for JIAHE Mining Investment Company Limited

Gold Mining Project

Mpanda, Katavi Region, Tanzania

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1. Executive Summary

JIAHE Mining Investment Company Limited, incorporated on August 10, 2022, under Tanzania's Companies Act 2002 (Certificate No. 154321987), is a foreign-owned private company based in Dar es Salaam, with operations in Mpanda, Katavi Region. Through joint ventures with local Primary Mining License (PML) holders, the company aims to establish a

medium-capacity gold mining operation, targeting 1,000 ounces annually by Year 2, scaling to 2,000 ounces by Year 5. The project focuses on producing high-purity gold (99.9%) for domestic refining and export to the UAE, China, Switzerland, and India.

The venture requires \$1 million in startup costs, funded by \$750,000 in foreign equity (including \$550,000 share capital) and a \$250,000 short-term loan at 5% interest over three years. Operations leverage Tanzania’s rich gold deposits and proximity to Dar es Salaam Port (600 km). The initial workforce of 20 (10 local, 10 foreign) will expand to 40 by Year 3, fostering economic growth in Mpanda. By Year 3, we project \$3.6 million in revenue with a 25% profit margin, tapping into the \$2 trillion global gold market (2024). This plan outlines the market opportunity, operational framework, financial projections, risk management, and sustainability initiatives.

2. Company Description

JIAHE Mining Investment Company Limited, registered in Dar es Salaam, operates under joint venture agreements with local PML holders in Mpanda, Katavi Region. Incorporated under the Companies Act 2002, its scope includes gold, copper, and gemstone extraction, with a current focus on gold mining.

Legal Structure

Attribute	Details
Incorporation Date	August 10, 2022
Certificate Number	154321987
Registered Office	P.O. Box 42156, Dar es Salaam
Share Capital	\$550,000 (1,000 shares at \$550 each)
Ownership	Foreign-owned (Shanghai, China)
Directors	Jianhong Li, Wei Chen (up to 5 allowed)

Shareholders

- Jianhong Li (700 shares, 70%) – Principal investor and director, 20 years in mining investments.
- Mei Zhang (200 shares, 20%) – Co-founder overseeing operations, supply chain expert.
- Wei Chen (50 shares, 5%) – Technical advisor, gold processing specialist.
- Lin Wang (50 shares, 5%) – Financial strategist, trade financing expert.

Joint Ventures

JIAHE partners with local PML holders in Mpanda, covering 50 hectares of gold-rich deposits. Local partners provide land access and regulatory knowledge, while JIAHE contributes capital, equipment, and expertise, with profit-sharing agreements ensuring community benefits.

Strategic Objectives

- Produce 1,000 ounces of gold annually by Q4 2026, scaling to 2,000 by 2030.
- Export 80% to UAE, China, Switzerland, and India.
- Create 40 direct jobs by Year 3, with 70% local hires.
- Implement sustainable practices, including water recycling and land rehabilitation.
- Support Tanzania’s Vision 2025 through export earnings.

3. Vision, Mission, and Values

Vision: To be East Africa’s leading medium-scale gold producer, integrating advanced technology, sustainable practices, and community-driven innovation.

Mission: To deliver high-purity gold meeting global standards while fostering Tanzania’s economic development and minimizing environmental impact.

Core Values:

- **Quality Excellence:** Adherence to LBMA standards for purity and traceability.
- **Sustainability:** Eco-friendly mining and community welfare.
- **Integrity:** Transparent operations and ethical partnerships.
- **Innovation:** Adoption of modern mining technologies.
- **Community Empowerment:** Local employment and skills training.

4. Market Analysis

The global gold market, valued at \$2 trillion in 2024, is driven by jewelry (50%), investment (30%), and industrial uses (20%). Stable prices of \$2,500–\$3,000/ounce through 2030 are supported by geopolitical uncertainties and central bank demand. Tanzania, Africa’s fourth-largest gold producer, has untapped reserves in Katavi, with opportunities for value addition due to limited local refining capacity.

Market Segmentation

Segment	Description	Share
Domestic Refineries	Processors in Dar es Salaam	15%

Segment	Description	Share
Domestic Jewelers	Small-scale jewelry manufacturers	5%
UAE Bullion Traders	Investment and retail markets	40%
Chinese Manufacturers	Industrial and jewelry sectors	20%
Swiss Refineries	High-purity bar production	15%
Indian Jewelers	Retail jewelry market	5%

Competitive Analysis

Type	Local Competitors	International Competitors
Profile	Artisanal miners in Katavi	Large producers (South Africa, Ghana)
Output	100–200 ounces/year	100,000+ ounces/year
Strengths	Low-cost labor	Advanced technology
Weaknesses	Inconsistent quality	High costs (\$1,200/ounce)

Competitive Advantages

- Proximity to Dar es Salaam Port (600 km), reducing logistics costs by 15%.
- Joint ventures with local PML holders for regulatory and community support.
- Production costs of \$900/ounce, 25% below large-scale competitors.
- Commitment to ethical, traceable gold.

Market Trends

- Demand for conflict-free, LBMA-certified gold.
- Growth in blockchain-based gold trading platforms.
- Tanzania’s push for in-country processing.
- Preference for sustainable mining practices.

Market Entry Strategy

- Secure contracts with Dar es Salaam refineries and jewelers.
- Attend trade fairs (e.g., Dubai Precious Metals Conference).
- Pursue LBMA and ISO 14001 certifications by Year 2.
- Partner with EAC trade bodies for regional markets.

5. Products and Services

Products

- **Gold Bullion:** 99.9% purity, 1 kg bars for investment.

- **Gold Dore:** 90–95% purity bars for refineries.
- **Gold Concentrates:** 50–70% gold content for processing.

Product Specifications

Product	Specifications
Gold Bullion	99.9% purity, 1 kg bars, LBMA-compliant
Gold Dore	90–95% purity, 500 g–1 kg bars, assay certificates
Gold Concentrates	50–70% gold content, 25 kg sacks

Services

- **Export Logistics:** Secure packaging, freight forwarding, customs clearance.
- **Technical Support:** Assay reports, refinery coordination.
- **After-Sales:** Quality guarantees, customer feedback surveys.
- **Consulting:** Market trend analysis for buyers.

Production Process

1. Exploration: Geological surveys using ArcGIS.
2. Extraction: Open-pit and underground mining.
3. Processing: Crushing, gravity separation, cyanidation.
4. Quality Control: Assay testing, LBMA compliance.
5. Packaging: Tamper-proof, weatherproof containers.

6. Operations Plan

Location

- **Mining Sites:** Joint venture PMLs covering 50 hectares in Mpanda, Katavi.
- **Processing Facility:** 3,000 sqm leased site near mines.
- **Logistics Hub:** 15 km from sites, linked to Mpanda–Tabora highway.

Infrastructure Assessment

Item	Available	To Develop	Cost (\$)
Electricity	None	Solar panels, generators	60,000
Water Supply	None	Borehole, tanks	25,000
Access Roads	Gravel	Grading, compaction	15,000
Processing Plant	None	Shed, utilities	250,000
ICT Connectivity	Mobile	Fiber optic, ERP	20,000

Item	Available	To Develop	Cost (\$)
Worker Housing	None	Cabins	30,000

Equipment Inventory

Category	Item	Cost (\$)
Mining	Excavators (2 units)	200,000
Mining	Diamond drills	60,000
Mining	Compressors	30,000
Processing	Jaw crushers	80,000
Processing	Gravity separators	50,000
Processing	Cyanidation tanks	40,000
Transport	Dump trucks (2 units)	80,000
Transport	Forklift	25,000
Safety	PPE kits, dust suppression	15,000

Workforce Plan

- **Year 1:** 20 employees (10 local, 10 foreign).
- **Year 3:** 40 employees (25 local, 15 foreign).
- **Roles:** Quarry supervisor, technicians, drivers, community liaison.
- **Training:** Safety drills, equipment handling, assay training (50 trainees/year).

Operational Timeline

Period	Milestone
Q3 2025	Site preparation, equipment installation
Q4 2025	Trial production (100 ounces)
Q1 2026	Initial production (500 ounces/year)
Q4 2026	Full capacity (1,000 ounces/year)
Q4 2027	\$2.4 million revenue

Licensing and Compliance

- **PMLs:** Joint ventures with local owners, valid for 7 years.
 - **Environmental:** EIA scheduled for Q3 2025, including tailings management.
 - **Safety:** Compliance with OSHA standards, regular audits.
 - **Taxation:** VAT, payroll taxes, 6% royalties.
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7. Technology Integration

Key Technologies

- **Geological Mapping:** ArcGIS for vein identification, reducing costs by 20%.
- **Processing Systems:** Automated gravity separators, 95% recovery rate.
- **ERP System:** Cloud-based inventory and payroll management.
- **Dust Suppression:** Wet systems for environmental compliance.
- **Solar Power:** 100 kW panels, saving \$10,000/year.

Implementation Plan

- Q3 2025: Install geological and processing systems.
 - Q4 2025: Train 10 staff on ERP and automation.
 - Q1 2026: Commission solar and dust suppression systems.
 - Year 2: Upgrade technologies based on performance.
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8. Marketing and Sales Strategy

Branding

- **Positioning:** “Tanzanian Gold – Ethical, Sustainable, High Purity.”
- **Logo:** Gold nugget with green leaf.
- **Tagline:** “Crafting Wealth from Tanzania’s Heart.”

Marketing Channels

Channel	Description
Digital	Website (jiahemining.co.tz), LinkedIn, Alibaba
Trade Shows	Dubai Precious Metals Conference, Tanzania Mining Expo
Print Media	Mining Review Africa, local brochures
Networking	Tanzania Chamber of Mines, EAC councils
Community Events	Sponsor Mpanda festivals

Sales Strategy

- **Pricing:** Bullion at \$2,400/ounce, dore at \$2,200/ounce.
- **Contracts:** 6–12 month agreements, 10 clients by Year 2.
- **Promotions:** 10% first-order discount, free assays.

Export Plan

Market	Share	Strategy
UAE	40%	Dubai bullion traders via Jebel Ali Port
China	20%	Industrial buyers via Tianjin Port
Switzerland	15%	LBMA refineries
India	5%	Mumbai jewelers

9. Financial Plan

Startup Costs

Item	Cost (\$)
Mining Equipment	290,000
Processing Equipment	125,000
Infrastructure	380,000
Working Capital	180,000
Legal and Permits	25,000
Total	1,000,000

Funding Structure

- **Equity:** \$750,000 (including \$550,000 share capital).
- **Loan:** \$250,000 (5% interest, 3 years, \$90,000/year).
- **Future Funding:** \$1 million equity raise in Year 3.

Revenue Projections

Year	Output (Ounces)	Price (\$/Ounce)	Revenue (\$)	Profit Margin
Year 1 (2026)	500	2,400	1,200,000	15%
Year 2 (2027)	1,000	2,400	2,400,000	20%
Year 3 (2028)	1,500	2,400	3,600,000	25%
Year 4 (2029)	1,800	2,400	4,320,000	25%
Year 5 (2030)	2,000	2,400	4,800,000	27%

Expense Breakdown (Year 3)

Item	Cost (\$)
Cost of Goods Sold	1,800,000
Labor	400,000
Transport and Logistics	300,000

Item	Cost (\$)
Utilities	100,000
Marketing	150,000
Administrative	100,000
Loan Repayment	90,000
Total	2,940,000

Break-Even Analysis

- **Fixed Costs:** \$600,000/year.
- **Variable Costs:** \$1,200/ounce.
- **Break-Even Volume:** 667 ounces/year (Year 1, Month 8).

Sensitivity Analysis (Year 3)

Scenario	Gold Price (\$/Ounce)	Revenue (\$)	Profit (\$)
Base Case	2,400	3,600,000	660,000
Low Price (-10%)	2,160	3,240,000	300,000
High Price (+10%)	2,640	3,960,000	1,020,000

10. Risk Analysis and Mitigation

Risk Assessment

Risk Type	Description	Mitigation
Geological	Low gold yield	Survey (\$15,000), phased extraction
Operational	Equipment failure	Maintenance contracts, spares
Market	Price volatility	Long-term contracts, hedging
Financial	Currency depreciation	USD exports, \$100,000 contingency
Regulatory	Stricter laws	EIA compliance, audits
Social	Community disputes	Transparent joint ventures

Contingency Plan

- **Short-Term:** Lease equipment, reduce marketing spend.
- **Long-Term:** Diversify into gemstones, seek grants.

SWOC Analysis

Strengths	Weaknesses
Strategic location	Limited local expertise
Joint ventures	Brand recognition gap
Cost efficiency	Loan dependence
Opportunities	Challenges
Ethical gold demand	Price volatility
Beneficiation policies	Infrastructure delays
Export market growth	Artisanal competition

11. Sustainability and Community Impact

Environmental Sustainability

- **Dust and Noise Control:** Wet suppression, sound barriers.
- **Water Management:** Closed-loop recycling, 70% water reduction.
- **Tailings Management:** Safe storage, regular monitoring.
- **Rehabilitation:** Reforest 5 hectares by Year 5.

Social Responsibility

Initiative	Description
Employment	70% local hires by Year 3
Skills Training	Workshops for 100 trainees/year
Infrastructure	Fund water pumps, schools (\$2,000/year)
Health	Mobile clinic visits (4/year)
Cultural Support	Sponsor Mpanda festivals

Economic Contributions

- **Local Spending:** \$500,000/year by Year 3.
- **Foreign Exchange:** \$2.88 million exports by Year 3.
- **Taxes:** \$150,000/year by Year 5.

Monitoring

- Annual sustainability reports with KPIs.
 - Third-party audits from Q4 2026.
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12. Stakeholder Engagement

Key Stakeholders

Stakeholder	Engagement Strategy
Local PML Holders	Monthly meetings, profit-sharing
Mpanda Community	Quarterly town halls, project funding
Government	Compliance reports, EIA consultations
Employees	Safety training, incentives
Buyers	Surveys, 24/7 support hotline
NGOs	Environmental monitoring partnerships

Communication Plan

- **Internal:** Weekly briefings, intranet.
 - **External:** Monthly newsletters, biannual reports.
 - **Crisis Management:** PR team for disputes.
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13. Growth Strategy

Short-Term (Years 1–2)

- Produce 1,000 ounces/year by Q4 2027.
- Secure 5 domestic, 5 export contracts.
- Optimize costs to \$900/ounce.

Medium-Term (Years 3–4)

- Scale to 1,800 ounces/year.
- Expand exports to 85%, target Singapore.
- Obtain LBMA, ISO 14001 certifications.
- Invest \$500,000 in secondary processing.

Long-Term (Year 5+)

- Reach 2,000 ounces/year, \$4.8 million revenue.
- Diversify into gemstones.
- Open Nairobi office for EAC markets.
- Double workforce to 80 (80% local).

Key Milestones

Date	Milestone
Q3 2025	Site setup, mine 50 ounces
Q1 2026	Process 100 ounces, first export
Q4 2026	500 ounces/year, positive cash flow
Q4 2027	1,000 ounces/year, \$2.4 million
Q4 2030	2,000 ounces/year, \$4.8 million