



Mining Engineering Services (Tanzania) Limited Project Proposal Report

Project: Establishment of a state-of-the-art manufacturing plant that specialises in underground split sets, mine mesh, and galvanizing services

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Executive Summary

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1.0 Executive Summary

1.1 Forward

Tanzania's industrialization policy is guided by the Tanzania Development Vision 2025 and the Five-Year Development Plans, which prioritize transforming the economy from agriculture-based to industry-driven. The government emphasizes value addition in natural resources, agro-processing, manufacturing, and export-oriented industries. Key policy objectives include:

- Promoting import substitution and export-led growth through manufacturing.
- Supporting SMEs and industrial clusters to boost competitiveness.
- Encouraging public-private partnerships (PPPs) and foreign direct investment (FDI).
- Improving infrastructure, energy supply, and special economic zones (SEZs) to lower production costs.
- Enhancing skills development, technology transfer, and innovation.

The policy aligns with regional integration under the EAC and SADC to expand market access, aiming to position Tanzania as a competitive industrial hub in East Africa.

The strategic sectors and key priorities within this policy covers the following:

- Agro processing
- Textiles and garments
- Leather and footwear
- Construction materials
- Mining and mineral beneficiation
- Pharmaceuticals and chemicals

1.2 Objectives

In line with Tanzania's industrialization policies, Mining Engineering Services (Tanzania) Limited aims to establish a state-of-the-art manufacturing plant specializing in underground split sets, mine mesh, and galvanizing services to support Tanzania's rapidly growing mining, power and construction industries.

The company will focus on producing high-quality, durable mining support materials essential for ensuring safety and efficiency in underground mining operations. Located strategically near key mining regions, the plant will leverage advanced manufacturing technologies and galvanizing processes to meet strict industry standards.

The goal is to become the leading local supplier, reducing reliance on imports while promoting cost-effective, reliable, and timely delivery of mining infrastructure materials across Tanzania.

1.3 Mission Statement

"To provide high-quality, durable, and cost-effective underground mining support solutions through innovative manufacturing of split sets, mine mesh, and galvanizing services, ensuring the safety and efficiency of Tanzania's mining, power and construction industry while fostering sustainable local economic growth."

1.4 Key to success

Key success factors for Mining Engineering Services (Tanzania) Limited in manufacturing underground split sets, mine mesh, and galvanizing services include:

- **Product Quality and Durability:**
Consistently producing mining supports that meet or exceed industry standards for strength and corrosion resistance to ensure customer trust and safety.
- **Advanced Manufacturing Technology:**
Utilizing modern, automated welding and galvanizing equipment to ensure precision, efficiency, and cost-effectiveness in production.
- **Strategic Location:**
Establishing the plant near major mining hubs to reduce logistics costs and improve delivery timelines.
- **Strong Supplier Relationships:**
Securing reliable sources of high-quality raw materials to maintain production continuity and control costs.
- **Customer-Centric Approach:**
Building strong client relationships through responsive service, customization options, and technical support tailored to mining needs.
- **Regulatory Compliance:**
Adhering strictly to Tanzanian mining and environmental regulations to avoid legal issues and build market credibility.
- **Skilled Workforce:**
Hiring and training competent staff in manufacturing processes, quality control, and safety standards.
- **Effective Marketing and Networking:**
Proactively engaging with mining companies, contractors, and engineering consultants to secure contracts and establish brand presence.

- **Financial Management:**
Maintaining robust cost control and cash flow management to sustain growth and profitability.

1.5 The Company

Mining Engineering Services (Tanzania) Limited was incorporated on the 7th of December 2024 in Mainland Tanzania under the certificate of incorporation number 180271953. The company has obtained Tax Identification Number 180-271-953.

We aim to register with Tanzania Investment Centre for set up of our multipurpose manufacturing facility for a Galvanizing Plant and Underground Support items. The Manufacturing Plant is situated at Plot No. P65893, Vumilia Ukooni, Kigamboni District, Dar Es Salaam. The registered admin office is located at Plot No. 1303, Block 148, Jamhuri Street, Dar Es Salaam.

1.6 Project Promotors

The project is being promoted by a team of suitably qualified professionals who have extensive commercial acumen and many years of demonstrated experience. They have capitalized on the new company adequately to venture into the new intended lines of the business in Tanzania. Mining Engineering Services (Tanzania) Limited has the following shareholders:

Name	Nationality	Shareholding
Chirag Kiritkumar Tanna	Tanzania	36%
Pulin Sanjay Manek	Tanzania	15%
Dheyanshi International FZCO	N/A	15%
Vin Tech Chemical & Engineering Services	N/A	34%

1.7 The Project

Mining Engineering Services (Tanzania) Limited has been incorporated with the primary objective of manufacturing Mining Mesh, split sets and galvanizing services for assisting Mining companies. The aim is to reduce reliance on imported products and manufacture within Tanzania. This will help save foreign exchange reserves of the country and achieve sovereign objectives.

1.8 Location

Our strategically located, centralized manufacturing facility in close proximity to major mining operations provides significant competitive advantages. This optimal positioning enables us to offer expedited delivery times and substantially reduce shipping costs compared to our competitors. By leveraging our geographical advantage, we can ensure timely supply of critical ground support products, enhancing our clients' operational efficiency and cost-effectiveness.

1.9 Process and Technology

Mining Engineering Services (Tanzania) Limited Ground Mine Support's manufacturing facility will be strategically located in Kigamboni District in Tanzania, positioning us in close proximity to major industries operations. This location offers significant advantages, including reduced shipping costs and faster delivery times for our clients. The facility will occupy a 6000 square meter built-up structures on an parcel of land spanning 29 Acres, providing ample space for our production lines, storage, and future expansion.

Our state-of-the-art facility will house specialized equipment for the production of high-quality mine mesh and split sets. For mesh production, we will utilize a Mesh Welding Machine from reputed European spec Machine Manufacturer, known for their superior quality and ability to meet underground mining requirements and experience in similar industries. This line, while more expensive than Chinese or Indian alternatives, ensures the production of mesh that meets the highest industry standards. Raw materials for mesh production, specifically galvanized wire, will be imported from reputable sources in South Africa, China, Turkey, or other reliable suppliers.

The split set production line will feature a specialized, forming machine, hydraulic punch machines, ring forming machines and automatic welding lines. These will be sourced from Taiwan and India, respectively. Our primary raw material for split sets will be Steel Coils of high strength grade, which is the current standard required by major mining companies like Barrick, Shanta and Geita Gold Mine.

Our Fully integrated Galvanising Plant which aims to be the first of its kind in Tanzania will compliment not of the underground mine products but will be a business segment on its own. It will allow us to further enhance the product offerings in Tanzania of providing high quality corrosion protection services to the power, mining, infrastructure and construction sectors in Tanzania.

The facility's layout will be designed to optimize production flow, with dedicated areas for raw material storage, production lines, quality control, and finished product warehousing. Our centralized location and advanced manufacturing capabilities will enable us to offer expedited delivery times and maintain stringent quality control measures, positioning Mining Engineering Services (Tanzania) Limited as a key local supplier in the Tanzanian and broader East African mining, energy and construction sectors.

By establishing local production of these critical mining consumables, Mining Engineering Services (Tanzania) Limited aims to address the need for more cost-effective mine support options, reduce transportation costs, and offer value-added services such as inventory reduction and vendor-managed inventory solutions. Our startup is well-positioned to become a key supplier in the Tanzanian and broader East African mining industry, offering locally manufactured, high-quality ground support products that meet the diverse needs of underground mining operations and open up the market to supplementary industry offerings through our galvanizing plant.

1.10 The Management

The company is managed and runs to the highest professional standards in the industry. It has 3 broad layers of management as below:

- Board of Directors – BoD
- Executive Leadership Team - ELT
- Functional Management Team - FMT

1.12.1 Board of Directors

The Board of Directors will comprise of individuals from diverse field to provide expert knowledge and exert influence on the decision-making process and comprises of the Independent Board Members, the Chairman and the Directors. Mining Engineering Services (Tanzania) Limited Board of Directors will be responsible for:

- Establishing a governance framework, including a compliance framework to ensure the company meets its obligations
- Set the strategic direction to help the company achieve its goals
- Oversee financial performance of the company
- Oversee a risk management strategy and risk management performance
- Play an active role in building company culture and values
- Oversee the performance and remuneration of the company head
- Operate within its statutory powers and policies
- Oversee the occupational health and safety of the company
- Manage Key Stakeholders

The Board has responsibility to keep certain procedures and documentation in order. They will need to:

- Follow Company's rules on holding meetings and making decisions
- Keep records of meetings
- Follow the code of conduct for directors
- Establishing frameworks and policies
- Set up processes to deal with conflicts of interest in directors
- Keep good financial records for at least 3 years for auditing

1.12.2 Executive Leadership Team

The Executive leadership team will be appointed by the Board of Directors of the company and will comprise the following with a brief description of their roles and responsibilities:

1. Chief Executive Officer (CEO)
 - Provides overall strategic direction and leadership
 - Oversees operations, finance, and growth initiatives
 - Key liaison with investors, partners, and government stakeholders
2. Chief Operating Officer (COO)
 - Manages day-to-day plant and manufacturing operations
 - Ensures production efficiency, quality control, and safety standards
 - Leads process optimization and technology adoption
3. Chief Financial Officer (CFO)
 - Oversees financial planning, reporting, and risk management
 - Manage funding, cost control, and investment planning
 - Ensures compliance with tax and regulatory requirements

1.12.3 Functional Management Team

The Functional management team will be appointed by the Executive management team of the company and will comprise the following with a brief description of their roles and responsibilities:

1. HOD of Mining Engineering Services (Tanzania) Limited
 - Leads product development for split sets and mine mesh solutions
 - Provides technical expertise for underground ground support systems
 - Interfaces with mining clients for customized solutions

2. HOD of Galvanizing Plant

- Leads product development for Galvanizing Line
- Provides technical expertise for corrosion protection systems
- Develops new markets
- Oversee the plant operations

2. HOD of Sales & Marketing

- Drives client acquisition and regional market expansion
- Develops brand recognition and customer relationships
- Oversees contracts with mining corporations and construction firms

4. HOD of Business Development

- Drives Market Expansion by Identifying new business opportunities across Tanzania, East Africa, and export markets
- Responsible for Client Acquisition & Relations and building and maintaining strategic relationships with mining corporations, contractors, and industrial partners
- Oversees Partnership Development through Negotiation of joint ventures, distributor agreements, and supplier alliances
- Overall in charge of Revenue Growth: Develops proposals, pursues contracts, and ensures alignment with company's growth targets
- Provides Strategic Insights and market intelligence to guide product development and corporate strategy

4. HOD of Human Resources

- Leads staff recruitment, retention, and training programs
- Implements employee development and succession planning
- Manages health, safety, and employee welfare programs

1.11 Implementation

Major activities include registration and approval by the Tanzania Investment and Special Economic Zones Authority and mobilization of funds from sponsors and banking institutions. Civil works design, tendering and construction will be carried out immediately after the project is approved. Manufacturing in the initial phase is to produce according to the market demand. But the production capacity is huge and will cater to the long-term demand. Mining mesh Machinery has a longer lead time, so it has been ordered with Promoter's equity. Land is also acquired with the same equity from Promoters.

1.12 Recommendation

Mining Engineering Services (Tanzania) Limited is looking to position itself in a strong market niche as the first fully integrated galvanizing services provider in Tanzania. The company benefits from key growth drivers like industrialization, mining sector expansion, and government support for local industries. However, Mining Engineering Services (Tanzania) Limited must continue to scale up its operations, manage capacity constraints, and maintain its competitive advantage through service quality and regional expansion. By aligning itself with national industrialization goals and leveraging its integrated service model, Mining Engineering Services (Tanzania) Limited can cement its position as a key player in Tanzania's industrial services market.

The Project

- 2.1 • Products and Services
- 2.2 • Supplier Base and Management
- 2.3 • Manufacturing Equipment and Raw Material List
- 2.4 • Project Timelines and Milestones
- 2.5 • Project Risk Summary

2.0 The Project

Mining Engineering Services (Tanzania) Limited aims to be a specialized manufacturing business dedicated to producing essential underground mining support products, including split sets and mine mesh, alongside galvanizing services to ensure product durability and corrosion resistance and capitalise on the incentives offered in Tanzania Economic drive of industrialization.

The Tanzania Mining Commission's initiative to enhance local sourcing and production has been the driving force to explore the manufacturing of underground support consumables within Tanzania.

The primary consumables used in ground support are mine mesh and split sets, also known as friction bolts. The rationale for establishing manufacturing operations in Tanzania includes:

- Addressing the need for more cost-effective mine support options to improve profitability
- Localizing production to align with government directives, as these products are currently imported from South Africa, China, and Australia
- Reducing high transportation costs associated with the bulky nature of these goods
- Potential to access markets in neighbouring landlocked countries such as Zambia and the Democratic Republic of Congo
- Offering value-added services, including inventory reduction and vendor-managed inventory solutions
- Providing shorter lead times for product delivery
- Enabling clients to benefit from reduced inventory costs and storage requirements, resulting in improved operational expenditure (OPEX)

Mining Engineering Services (Tanzania) Limited will operate a manufacturing plant combining split set manufacturing, wire mesh fabrication, and a galvanizing line. Our factory's primary output will serve underground mining operations by delivering rock reinforcement solutions with corrosion-resistant properties. The company will be incorporated in Tanzania and aim to contribute to local economic growth by creating jobs, partnering with local suppliers, and supporting sustainable mining practices.

The company operates within Tanzania's expanding mining sector, aiming to supply high-quality, reliable, and customized steel reinforcement materials that enhance the safety and efficiency of underground mining operations.

The business focuses on manufacturing split sets, which are high-tensile steel bolts used to stabilize rock formations in underground mines, and mine mesh, which consists of welded or woven steel wire designed to control loose rock and

support tunnel walls. Both products are critical for maintaining mine integrity and protecting workers. Complementing these products, the galvanizing plant applies a protective zinc coating to steel materials, extending their lifespan by preventing corrosion in the humid and harsh underground environment.

Strategically located near key Tanzanian mining hubs, Mining Engineering Services (Tanzania) Limited sources premium raw materials locally and internationally to ensure superior product strength and quality. The facility employs modern automated welding and fabrication equipment, coupled with a hot-dip galvanizing line that meets industry standards. Quality assurance processes are integral at every production stage, guaranteeing products meet the stringent technical and safety requirements of mining companies.

The company’s market includes large and medium-scale mining operations, mining contractors, and infrastructure projects with a demand for durable ground support systems. By offering tailored product solutions, responsive customer service, and timely delivery, Steel Solutions Tanzania Limited addresses current market gaps caused by dependence on imported supplies that often face delays and higher costs.

Overall, the business positions itself as a local, innovative, and reliable manufacturer contributing to the sustainable development of Tanzania’s mining industry through enhanced safety, operational effectiveness, and economic growth by creating jobs and fostering local supply chains. This comprehensive manufacturing approach supports the sector's ongoing demand for quality mining infrastructure materials essential for underground mining success.

Business Segmentation

Mining Engineering Services (Tanzania) Limited focuses on specialized industrial production lines serving construction and mining sectors. Below is the detailed segmentation of our business operations:

Segment	Description
Fully Integrated Galvanizing Plant	Complete galvanizing line ensuring long-term corrosion protection.
Split-Sets (Friction Bolts) Manufacturing Line	Manufacture of friction bolts for mining support applications.
State of the art Mesh Line for BRC and Mine Mesh	Advanced mesh production line serving building and mining sectors.

2.1 Products and Services

Mining Engineering Services (Tanzania) Limited Ground Mine Support specializes in the manufacture of high-quality mine mesh and split sets (also known as friction bolts) to provide critical ground support solutions for underground mining operations. Our products are meticulously engineered to stabilize and reinforce mine walls and ceilings, effectively preventing cave-ins and significantly enhancing the safety of miners working in challenging subterranean environments.

Products Range:

Split Set Friction Bolts

- High-strength steel bolts used for rock stabilization.
- Manufactured using premium steel rods, cut, threaded, and heat-treated for durability.

Mine Mesh

- Welded and woven wire mesh in various sizes and specifications.
- Designed to contain loose rock and support tunnel walls.

Galvanizing Plant

- Hot-dip galvanizing line to coat split sets and mesh with zinc for corrosion resistance.
- Enhances product lifespan, especially in humid underground environments.

Additional Services

- Custom orders and engineering support for product specifications.
- Technical consultation on ground support installations.

A key component of our manufacturing process is our state-of-the-art galvanizing plant, which is essential to produce our split sets. This facility not only serves our primary mining support products but also positions us to offer comprehensive galvanizing solutions to a broader market. We can extend our services to cater to the general steel industry, telecommunications sector, and construction markets, providing high-quality galvanization that enhances the durability and corrosion resistance of various steel products.

By diversifying our product range and leveraging our advanced manufacturing capabilities, Mining Engineering Services (Tanzania) Limited Ground Mine Support is well-positioned to meet the evolving needs of the mining industry while also tapping into adjacent markets. This strategic approach allows us to maximize our resources, expand our customer base,

and ensure sustainable growth in the competitive landscape of industrial manufacturing and support services.

2.2 Supplier Base & Management

we anticipate our supply base to be varied and robust in meeting our raw material requirements. We will need support from the Government of Tanzania Ministry of Finance and Trade in allowing us duty remissions for our list of raw materials that are critical for our operations. We also need support in protection of the industry from cheaper imports through dumping strategies from countries like China. A brief overview of our supply base and Supplier management approach is shown below:

2.2.1. Supplier Base

- **Steel & Raw Materials:** Local and regional steel mills, international suppliers for specialty alloys
- **Chemicals & Coatings:** Galvanising inputs (zinc, fluxes, acids), sourced from certified chemical suppliers
- **Equipment & Spare Parts:** OEMs and local distributors for mining and manufacturing equipment
- **Logistics & Transport:** Local haulage firms and regional transporters for raw material inflows and product deliveries

2.2.2. Supplier Management Approach

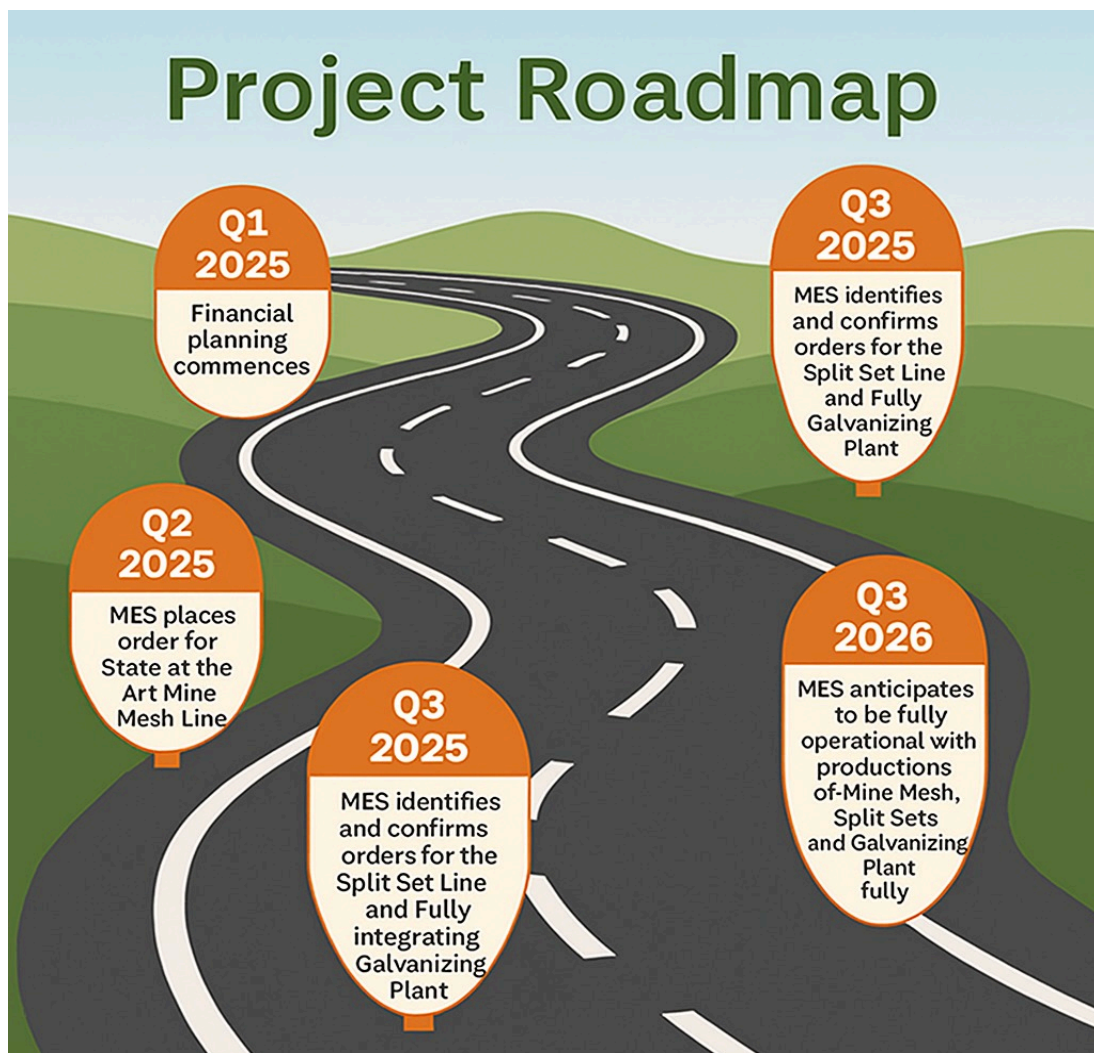
- **Diversification:** Multiple supplier partnerships to reduce dependency risks
- **Quality Assurance:** Strict vetting and continuous monitoring for compliance with international standards
- **Long-term Partnerships:** Strategic contracts with key suppliers to ensure price stability and reliability
- **Sustainability Focus:** Preference for suppliers meeting ESG (Environmental, Social, Governance) standards
- **Digital Tracking:** Use of ERP systems to monitor inventory, supplier performance, and delivery timelines

2.3 Manufacturing Equipment & Raw Material List (Non – exhaustive)

- Weld Mesh Line
- Roll Forming Line
- Hydraulic presses for forming split sets
- Cutting and shearing equipment
- Automatic Welding Lines
- Galvanizing Line
- Forklift and material handling machinery
- Quality control testing apparatus
- Hot Dip Galvanizing Plant

- Pickling Acids
- Degreaser Agents
- Fluxing Chemicals
- Zinc
- Wire Rod
- Hot Rolled Coils
- EOT's
- Water Treatment Plants
- Light Vehicles
- Heavy Trucks and Trailers
- Cranes
- Water Storage Tanks
- Chemical Storage Tanks

2.4 Project Timelines and Milestones



2.4.1 Strategic Priorities

- **Install Manufacturing Capacity** – set up galvanizing plant and mesh production lines
- **Market Penetration** – deepen presence in Tanzania, expand to Zambia, DRC, and East Africa
- **Operational Excellence** – implement lean manufacturing and safety-first culture
- **Innovation & R&D** – develop advanced ground support solutions for underground mines
- **Sustainability & ESG** – adopt green technologies and strengthen community engagement

2.4.2 Implementation Roadmap

- **Short Term (0–12 months)**
 - Finalize supplier contracts and optimize raw material sourcing
 - Strengthen domestic sales force and capture key mining clients
 - Improve plant efficiency with digital monitoring tools
- **Medium Term (1–3 years)**
 - Maximize capacity utilization of galvanizing and mesh manufacturing lines
 - Establish regional distribution hubs (Zambia, DRC)
 - Introduce new products tailored to African mining conditions
- **Long Term (3–5 years)**
 - Position company as regional leader in mine ground support solutions
 - Pursue export opportunities in Southern Africa and global markets
 - Embed ESG leadership in mining supply chain partnerships

2.5 Project Risk Summary

During the planning phase, detailed risk analysis was conducted using the best available information available. Following is a summary of the important risk items which are followed by risk mitigation strategy:

Key Risks Summary:

Key Risk	Impact
Reliance on Borrowings from the Bank	Low
Skilled Resources availability	Moderate
High Dependency on Government Approval / Support	Moderate
Importation of Mining mesh from SADC Countries	Severe

Risk Mitigation Strategy:

Risk Areas	Mitigation Plan
Reliance on Bank Borrowings	Got the pre-approval from banks to release funds for this project
Skilled Resources Availability	Hiring local recruitment agency to help with extensive search, also overseas agencies will help with recruitment of expatriates
Government Approval dependability	Initial discussions with Government officials held and response for this project is very positive, also to minimise tendering process time
Continued Importation of Mining Mesh	Importing raw materials in bulk and efficient manufacturing process resulting in lower cost of Mining Mesh to help stop/reduce importation

Project Cost and Funding

3.1

- Project Costs Summary

3.2

- Project Costs Funding

3.3

- Operating Cost

3.0 Project Costs and Funding

3.1 Project Costs Summary

The project capital costs are detailed and summarised below:

Description of the Investment	Amount US \$
Land	\$ 1,435,020
Building & Other Civil construction	\$ 3,027,800
Computer & Networking	\$ 36,000
Machine for Mine Mesh, 358 Fencing, BR	\$ 1,375,325
Roll Forming Machine**	\$ 936,410
Hydraulic Press for Dome / Washer Plate	\$ 126,250
Galvanising Line & GAS System	\$ 700,000
Galvanising Line set up	\$ 100,000
P & M-Electrical	\$ 200,000
Electrical Installation	\$ 25,000
EOT Crane	\$ 60,000
Forklift	\$ 50,000
Vehicles and Fixtures RO Plant	\$ 90,000
Delivery Vehicle	\$ 60,000
Equipment & Appliances	\$ 7,410
Prelim\Pre Op. Exp.	\$ 18,520
Lab.	\$ 250,000
Contingency On P&M	\$ 52,264
Working Capital Including	\$ 1,850,000
Zinc Raw Material for 1st Fill	\$ 600,000
Total Investment Required	\$ 11,000,000

3.2 Project Costs Funding

The project funding source has the following mix

Source of the Funds	Amount in US\$	% of Total
Equity	\$ 1,500,000	13.6%
Shareholders Loan	\$ 2,000,000	18.2%
Bank Loan	\$ 7,500,000	68.2%
Total Investments Required	\$ 11,000,000	100.0%

3.3 Operating Costs

The operating costs will be US\$0.3m in the first year increasing to US\$0.6m in the 5th year of operation.

Management & Organisation

4.1

- Governance Body Management Team

4.2

- Executive Leadership Team

4.3

- Functional Management Team

4.0 Management and Organisation

The company will be managed and run to the highest professional standards in the industry. It will have 3 broad layers of management as below:

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- Leads process optimization and technology adoption

3. Chief Financial Officer (CFO)

- Oversees financial planning, reporting, and risk management
- Manage funding, cost control, and investment planning
- Ensures compliance with tax and regulatory requirements

The executive team is characterized by 3 vital threads that run through everything they do.

- **Strategic focus**

Executive team will establish a vision for the organization and invest considerable time and energy at the strategic level. They will balance risk and innovation, anticipate future needs and opportunities, and seek to ensure the organization's sustainability.

- **Collective approach**

Executive team will work together, taking an enterprise-wide view of their individual and team functions. They model for the entire company ways to break down silos and develop solutions to business problems together. Individuals on top-performing executive teams prioritize the interests of the organization over individual gains.

- **Team interaction**

Finally, they will be intentional in their interactions. They value their differences, listen and communicate well, seek input from each other, and trust and respect one another. These behaviors make teams more effective. Crucially, they also model for the rest of the enterprise what team interactions should look like.

The executive team is responsible for managing the senior executives from the different functions of the company. Functional and Departmental heads will look up to them to seek clarification, guidance and inspiration.

4.3 Functional Management Team

The Functional management team will be appointed by the Executive leadership team of the company and will comprise the following with a brief description of their roles and responsibilities:

1. HOD of Mining Engineering Services (Tanzania) Limited

- Leads product development for split sets and mine mesh solutions
- Provides technical expertise for underground ground support systems
- Interfaces with mining clients for customized solutions

2. HOD of Galvanizing Plant

- Leads product development for Galvanizing Line
- Provides technical expertise for corrosion protection systems
- Develop new markets
- Oversee the plant operations

3. HOD of Sales & Marketing

- Drives client acquisition and regional market expansion
- Develops brand recognition and customer relationships
- Oversees contracts with mining corporations and construction firms

4. HOD of Business Development

- Drives Market Expansion by Identifying new business opportunities across Tanzania, East Africa, and export markets
- Responsible for Client Acquisition & Relations and building and maintaining strategic relationships with mining corporations, contractors, and industrial partners
- Oversees Partnership Development through Negotiation of joint ventures, distributor agreements, and supplier alliances
- Overall, in charge of Revenue Growth: Develops proposals, pursues contracts, and ensures alignment with company's growth targets
- Provides Strategic Insights and market intelligence to guide product development and corporate strategy

5. HOD of Human Resources

- Leads staff recruitment, retention, and training programs
- Implements employee development and succession planning
- Manages health, safety, and employee welfare programs

The Market

5.1

- Marketing Strategy

5.2

- Market Analysis – Underground Mine Support Solutions

5.3

- Market Analysis - Galvanizing Services

5.4

- Key Market Drivers

5.5

- Competitive Landscape

5.6

- Target Markets

5.7

- SWOT Analysis

5.8

- Market Segmentation

5.9

- Competitive Analysis

5.10

- Advertising and Promotions

5.0 The Market

Mining Engineering Services (Tanzania) Limited marketing plan is strategically designed to capitalize on the Tanzania Mining Commission's and Tanzania Economic Development initiative to promote local manufacturing. As the premier local manufacturer of high-quality mine mesh and split sets and potentially the first fully integrated high volume and high-capacity Galvanising Plant in Tanzania, we are uniquely positioned to meet the growing demand for domestically produced ground support products and offer galvanising services to various complementary industries. Our marketing efforts will focus on highlighting our competitive advantages, including our strategic location, stringent quality control measures, and commitment to customer satisfaction.

5.1 Marketing Strategy

Our primary marketing strategy revolves around our unique selling propositions:

- Local manufacturing, aligning with government directives and reducing supply chain complexities
- Rigorous quality control practices and third-party independent testing to ensure products meet the highest safety standards
- Competitive pricing, offering better value than imported products of similar specifications and quality
- Fast turnaround times and responsive customer service
- Strategically located facility for expedited delivery and reduced shipping costs

To effectively reach our target market segments, including large-scale underground mining operations, international mining firms, and emerging mining companies, we will implement a multi-faceted marketing approach:

- Direct sales outreach to key decision-makers in mining companies
- Participation in industry trade shows and conferences to showcase our products
- Collaboration with the Tanzania Mining Commission to promote our role in supporting local industry growth
- Collaboration with Tanesco in awareness creation of product and service capabilities for local Galvanising and potential for local manufacturing of transmission towers, electrical power poles and others.
- Collaboration with Tanroads for promotion of enhancing the use of safety barriers such as Guard Rails made in Tanzania.
- Development of case studies and testimonials highlighting the benefits of our products
- Digital marketing campaigns targeting mining professionals and procurement specialists

As we establish our presence in Tanzania, we will simultaneously leverage our regional offices and partners in Congo and Zambia to capture the export market for our range of products and services. This expansion strategy will allow us to tap

into the broader East African mining, power and construction industries, positioning Mining Engineering Services (Tanzania) Limited as a key regional supplier of high-quality, locally manufactured mine support products, road safety and power transmission consumables and galvanising services.

Our marketing strategy focuses on highlighting our unique selling propositions, including local manufacturing, rigorous quality control practices, competitive pricing, and fast turnaround times. We will implement a multi-faceted approach, including direct sales outreach, participation in industry trade shows, and collaboration with the Tanzania Mining Commission to promote our role in supporting local industry growth.

The sales team will consist of two highly skilled techno-commercial members with rock engineering backgrounds, responsible for representing our company and promoting our products to potential clients. These professionals will travel extensively, participate in industry exhibitions, and provide on-site demonstrations and technical support.

5.2 Market Analysis – Underground Mine Support Solutions

Mining Engineering Services (Tanzania) Limited Ground Mine Support aims to serve several key market segments within the mining industry:

- Large-scale underground mining operations in Tanzania that require high-volume orders of mine mesh and friction bolts. These operations often have extensive tunnel networks and require consistent, reliable ground support systems to ensure worker safety and operational efficiency.
- International mining firms seeking reliable, high-quality alternatives to South African mining products. These companies are looking for solutions that offer equivalent quality but with a lower overall cost of ownership. Factors such as reduced shipping costs, faster delivery times, and potentially favourable exchange rates may contribute to this cost advantage.
- Emerging mining companies considering underground mining as their primary extraction method. For example, Tembo Nickel and similar ventures that are exploring or developing new underground mining projects in Tanzania and the surrounding region. These companies often require comprehensive ground support solutions as they establish their operations.

Additionally, Mining Engineering Services (Tanzania) Limited Ground Mine Support will consider targeting:

- Medium-sized underground mines that are expanding their operations and require increased quantities of ground support materials.
- Mining contractors specializing in underground development and tunneling projects, who need a steady supply of high-quality mine mesh and friction bolts.

- Government agencies or private companies involved in large-scale infrastructure projects, such as tunnel construction for transportation or hydroelectric facilities, which may require similar ground support products.

By focusing on these market segments, Mining Engineering Services (Tanzania) Limited Ground Mine Support can position itself as a key supplier in the Tanzanian and broader East African mining industry, offering locally manufactured, high-quality ground support products that meet the diverse needs of underground mining operations.

5.3 Market Analysis - First Fully Integrated Galvanizing Services Provider in Tanzania

Mining Engineering Services (Tanzania) Limited is a company that is establishing itself as a pioneer in providing fully integrated galvanizing services in Tanzania. As a key player in the industrial sector, Mining Engineering Services (Tanzania) Limited will position itself as a comprehensive provider of corrosion protection services, primarily through the process of galvanizing metals to extend their lifespan and resistance to rust.

Galvanizing involves coating steel or iron with a layer of zinc to prevent corrosion, making it crucial for industries such as construction, infrastructure, manufacturing, and mining. The company's unique offering of fully integrated services (from initial metal treatment to final product delivery) is aimed at addressing the growing demand for high-quality metal protection solutions in Tanzania and surrounding East African markets.

5.4 Key Market Drivers

1. Growing Industrialization in Tanzania:

- **Infrastructure Development:** As Tanzania continues to grow as a regional hub for infrastructure development, particularly in sectors like construction, energy, and transportation, demand for galvanizing services is expected to rise. Steel used in construction, power plants, and transportation infrastructure needs to be protected against rust and corrosion.
- **Mining Industry Expansion:** With Tanzania's mining sector being one of the most lucrative in the region (particularly in gold, coal, and other precious metals), the demand for durable, corrosion-resistant materials for mining equipment, machinery, and infrastructure is increasing.

2. Government Support for Local Industries:

- **Industrialization Policy:** The Tanzanian government has been implementing policies to encourage industrialization, including support for local

manufacturing and processing industries. This will likely favor companies like Mining Engineering Services (Tanzania) Limited, which provide vital services to key sectors such as construction and mining.

- Import Substitution: There is a national drive towards reducing reliance on imported goods. Mining Engineering Services (Tanzania) Limited's local galvanizing services support this by offering an alternative to importing galvanized materials, which can be more expensive and subject to supply chain disruptions.
3. Sustainability and Longevity in Infrastructure:
- Durability of Galvanized Steel: As global awareness around sustainability and long-term asset management grows, galvanized steel is becoming more attractive due to its resistance to corrosion and reduced need for frequent repairs. This aligns with both the government's and private sectors' focus on maintaining sustainable infrastructure.

5.5 Competitive Landscape

1. Lack of Local Competition:

- As the first fully integrated galvanizing service provider in Tanzania, Mining Engineering Services (Tanzania) Limited has a significant first-mover advantage. While there may be small local players offering partial galvanizing services (e.g., hot-dip galvanizing), Mining Engineering Services (Tanzania) Limited stands out by offering end-to-end solutions, making them more attractive to clients needing comprehensive service packages.

2. Regional Competition:

- Mining Engineering Services (Tanzania) Limited's competitors may include regional players from neighbouring countries like Kenya, South Africa, or Uganda, where galvanizing services are offered. However, these competitors are often less integrated and may not offer the same level of service within Tanzania, giving Mining Engineering Services (Tanzania) Limited a competitive edge in terms of proximity and service availability.

3. Challenges in Local Infrastructure:

- While the lack of competition is an advantage, Mining Engineering Services (Tanzania) Limited faces the challenge of ensuring sufficient capacity and skilled labor to meet growing demand. The company will need to invest in training and infrastructure to scale up operations to match potential industry demand.

5.6 Target Markets

1. Construction and Infrastructure Development:
 - Demand Drivers: The demand for galvanizing services in Tanzania is likely to be driven by major construction projects, including bridges, highways, buildings, and power plants. Steel structures exposed to harsh weather conditions (e.g., coastal areas) will be primary candidates for galvanizing.
2. Mining and Industrial Machinery:
 - Mining Equipment and Structures: With Tanzania's mining sector showing robust growth, mining companies will increasingly require galvanized materials for their equipment, pipelines, and structural supports, which are exposed to corrosive environments.
3. Energy and Power Plants:
 - Transmission Lines and Towers: With the country investing in energy projects, especially in renewable energy sources like hydroelectric and wind power, there will be a steady demand for galvanized steel in transmission lines, substations, and other power infrastructure.

5.7 Market Segmentation and SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
Fully integrated galvanizing plant ensures durability	High capital and operational costs	Rising demand in Sub-Saharan mining sector	Global steel price volatility
Local manufacturing reduces lead times	Dependence on mining industry cycles	Expansion into regional export markets	Competition from international suppliers
Diversified product lines reduce risk	Limited brand recognition vs global suppliers	Supportive local content policies	Regulatory and environmental compliance risks
Strong alignment with regional construction and mining opportunities	Skills gap in advanced technologies	Diversification into construction sector	Political/economic instability in markets
Customisable client solutions		Eco-friendly galvanizing as a differentiator	Supply chain disruptions
Potential First-Mover Advantage		Government support creating opportunities for MESL to gain more government contracts	
Local Expertise			
Integrated Services			

5.8 Market Segmentation – By Industry, Geography, Customer Type & Product Line

By Industry

Category	Details
Mining (Core Market)	Underground mines; Open-pit operations
Construction & Infrastructure	Roads, bridges, commercial projects; Power transmission towers; Poles
Industrial Manufacturing	Steel fabricators; Heavy equipment manufacturers

By Geography

Region	Details
Domestic (Tanzania)	Tanzanian mining hubs; Construction projects; Infrastructure projects
Regional (East Africa)	Zambia, DRC, Kenya, Uganda
Export Markets	Southern Africa and global specialized mining markets

By Customer Type

Customer Type	Details
Large Mining Corporations	Require high-volume, long-term contracts; Contract manufacturing opportunities
Medium/Small Mines	Need flexible, customized solutions
Construction Contractors	Demand mesh and galvanized products

By Product Line

Product Line	Details
Galvanized Steel Products	Anti-corrosion for infrastructure
Split Sets	For underground mining safety
Mine Mesh & BRC Mesh	Reinforcement for mining & construction

Tanzania's mining sector is one of the country's largest foreign exchange earners, with substantial underground mining activities in gold, precious stones, and base metals. Ground support, including split sets and mesh, is critical for safe mining, particularly with increased underground exploration and operations.

Target Market

- Large and medium-scale underground mining companies operating in Tanzania.
- Mining contractors specializing in ground support and tunnelling.
- Government and private mining infrastructure projects requiring galvanizing services.

Competitive Landscape

The market includes imported products and a few local fabricators. However, many miners face delays, high costs, and quality concerns due to reliance on foreign suppliers. Steel Solutions Tanzania Limited addresses this gap by producing compliant, affordable, and timely solutions locally.

5.9 Competitive Analysis

Currently, all underground mines in the region rely on imported mine support mesh and split sets, primarily sourced from China Australia and South Africa. This dependence on foreign suppliers has become a standard practice in the industry, with these countries dominating the market for underground mine support materials. The importation of these critical safety components highlights a significant gap in local manufacturing capabilities and presents potential challenges in terms of supply chain reliability, cost management, and quality control.

China, known for its vast manufacturing capacity and competitive pricing, has emerged as a major supplier of mine support mesh and split sets. South Africa, with its long history of mining and related industries, has also established itself as a key exporter of these essential mining materials. The reliance on these distant sources means that mining operations must contend with various factors that can impact their supply, including:

- Extended shipping times and potential delays
- Fluctuations in currency exchange rates
- International trade policies and tariffs
- Variations in product quality and consistency
- Limited ability to quickly address urgent supply needs

This situation underscores the opportunity for local manufacturing to meet the demand for high-quality, readily available mine support materials. By developing domestic production capabilities, mines could potentially benefit from reduced lead times, improved quality control, and greater flexibility in meeting specific requirements for their underground operations.

5.10 Advertising and Promotions

Our sales team will consist of highly skilled techno-commercial members with a strong preference for individuals possessing rock engineering backgrounds as well as Galvanizing plant professionals. These professionals will be responsible for representing our company, Mining Engineering Services (Tanzania) Limited Ground Mine Support, and promoting our mine mesh and split sets (friction bolts) to potential clients in the mining industry.

The ideal candidates for our sales team will demonstrate the following key qualities and responsibilities:

- Extensive knowledge of rock mechanics and ground support systems and galvanization industry.
- Excellent communication and presentation skills
- Ability to travel extensively, both domestically and internationally
- Willingness to participate in industry exhibitions and trade shows
- Strong technical understanding of our products and their applications
- Capacity to provide on-site demonstrations and technical support

Our sales representatives will be expected to travel frequently to mining sites, potential client offices, and industry events. This extensive travel is crucial for building and maintaining relationships with key decision-makers in the mining sector, as well as staying up-to-date with the latest industry trends and technologies.

Participation in exhibitions and trade shows will be a significant aspect of our sales strategy. These events provide excellent opportunities to showcase our mine mesh and split sets, network with industry professionals, and gain valuable insights into market demands and competitor offerings. Our sales team will be responsible for organizing and managing our company's presence at these events, including booth setup, product demonstrations, and follow-up with potential leads.

By assembling a sales team with strong technical backgrounds and industry-specific knowledge, we aim to position Mining Engineering Services (Tanzania) Limited Ground Mine Support as a trusted partner in providing high-quality ground support solutions to the mining industry. This approach will enable us to effectively communicate the value of our products and services, ultimately driving sales growth and establishing long-term client relationships.

Financial Analysis

6.1

- Basic Assumptions

6.2

- Projected Profit and Loss Account

6.3

- Projected Cash Flow

6.0 Financial Analysis

6.1 Basic Assumptions

In the financial analysis the following major assumptions have been made:

- a. Exchange rate considered as TSH 2,700 to 1 US\$ and TSH 150 to 1 RAND.
- b. Taxation is 10% of taxable profit.
- c. The project will be financed through term loan at the interest rate of 10% repayable over a period of 5 years.
- d. Total estimated project cost will be financed by 80% debt in USD and 20% equity.
- e. The fixed assets of the Company are depreciated on a straight-line method.
- f. Operating costs details are shown in annexes.
- g. Life of Civil 20 years, Plant & Machinery - 8 years, Equipment & Appliances 5 years.
- h. Production capacity of Mine Mesh machine has been considered as 5,300 tonnes per annum (2,208 Kg per hour*8 hrs*25 days*12 months) at 70% efficiency. Yield has been considered as 97%.
- i. It has been assumed that production will start from 1st of Jan 2026.
- j. Repairs & maintenance cost assumed to be 0.8% of Revenue

6.2 Projected Profit and Loss Account

The project will generate a net profit after tax of US\$ 0.1m in the first year to second year to US\$ 2.9m in the fifth year of operation.

6.3 Projected Cash Flow

The projected cash flow statement reveals a very healthy inflow throughout the project period with surplus cash rising from US\$149k in the first year of operation to US\$ 4,585k in the fourth year i.e. at the time of full repayment of bank loan. The forecasts show a very good cash position despite this being highly capital intensive in nature. There is a very high confidence that the project will be able to meet all its financial obligations including overdraft repayment and interest without any defaults.

Appendices

- 1 • Revenue
- 2 • Direct Cost
- 3 • Expenses
- 4 • Assets
- 5 • Financing
- 6 • Projected Profit & Loss
- 7 • Projected Balance Sheet
- 8 • Projected Cash Flow

Appendix - I

Revenue

REVENUE					
	2026	2027	2028	2029	2030
Total Revenue	\$ 3,441,215	\$ 13,764,860	\$ 13,764,860	\$ 13,764,860	\$ 13,764,860
Product A	\$ 130,680	\$ 522,720	\$ 522,720	\$ 522,720	\$ 522,720
Product B	\$ 322,502	\$ 1,290,010	\$ 1,290,010	\$ 1,290,010	\$ 1,290,010
Product C	\$ 470,210	\$ 1,880,842	\$ 1,880,842	\$ 1,880,842	\$ 1,880,842
Product D	\$ 1,177,155	\$ 4,708,618	\$ 4,708,618	\$ 4,708,618	\$ 4,708,618
Product E	\$ 568,161	\$ 2,272,644	\$ 2,272,644	\$ 2,272,644	\$ 2,272,644
Product F	\$ 586,575	\$ 2,346,300	\$ 2,346,300	\$ 2,346,300	\$ 2,346,300
Product G	\$ 46,719	\$ 186,876	\$ 186,876	\$ 186,876	\$ 186,876
Product H	\$ 139,213	\$ 556,851	\$ 556,851	\$ 556,851	\$ 556,851
Sales Revenue	\$ 3,441,215	\$ 13,764,860	\$ 13,764,860	\$ 13,764,860	\$ 13,764,860

Appendix - II

Direct Cost

Direct Cost					
	2026	2027	2028	2029	2030
Total Direct Cost	\$ 1,448,981	\$ 6,116,615	\$ 6,217,307	\$ 6,327,328	\$ 6,447,450
Product A	\$ 288,867	\$ 288,867	\$ 288,867	\$ 288,867	\$ 288,867
Product B	\$ 704,047	\$ 704,047	\$ 704,047	\$ 704,047	\$ 704,047
Product C	\$ 1,025,411	\$ 1,025,411	\$ 1,025,411	\$ 1,025,411	\$ 1,025,411
Product D	\$ 1,598,259	\$ 1,598,259	\$ 1,598,259	\$ 1,598,259	\$ 1,598,259
Product E	\$ 654,521	\$ 654,521	\$ 654,521	\$ 654,521	\$ 654,521
Product F	\$ 474,474	\$ 474,474	\$ 474,474	\$ 474,474	\$ 474,474
Product G	\$ 38,474	\$ 38,474	\$ 38,474	\$ 38,474	\$ 38,474
Product H	\$ 165,715	\$ 165,715	\$ 165,715	\$ 165,715	\$ 165,715
Direct Manpower Cost	\$ 76,154	\$ 319,846	\$ 335,838	\$ 352,689	\$ 370,324
Power	\$ 550,000	\$ 605,000	\$ 665,500	\$ 732,050	\$ 805,255
Consumables (Welding Tips, Chemicals, Zinc)	\$ 220,000	\$ 242,000	\$ 266,200	\$ 292,820	\$ 322,102
Total Direct Cost	\$ 5,795,924	\$ 6,116,620	\$ 6,217,324	\$ 6,327,345	\$ 6,447,450

Appendix - III

Expenses

Expenses					
	2026	2027	2028	2029	2030
Total Expenses	\$ 222,281	\$ 509,394	\$ 504,843	\$ 505,301	\$ 505,768
Business Dev. & Guest Exp.	\$ 2,400	\$ 2,400	\$ 2,448	\$ 2,497	\$ 2,547
Bank Charges	\$ 923	\$ 923	\$ 923	\$ 923	\$ 923
Computer Maintenance Exp.	\$ 6,000	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367
Insurance Expense	\$ 36,850	\$ 36,850	\$ 36,850	\$ 36,850	\$ 36,850
Internet Expense	\$ 2,400	\$ 2,400	\$ 2,448	\$ 2,497	\$ 2,547
Legal & Professional Charges	\$ 923	\$ 923	\$ 923	\$ 923	\$ 923
Mv Expense	\$ 13,846	\$ 13,846	\$ 13,846	\$ 13,846	\$ 13,846
Office Exp	\$ 462	\$ 462	\$ 462	\$ 462	\$ 462
Postage And Courier Expense	\$ 1,200	\$ 1,200	\$ 1,224	\$ 1,248	\$ 1,273
Printing & Stationery Exp.	\$ 923	\$ 923	\$ 923	\$ 923	\$ 923
Recruitment Charges	\$ 7,000	\$ 5,000	\$ -	\$ -	\$ -
Repair & Maintenance-Equipment & Appliances	\$ 462	\$ 462	\$ 462	\$ 462	\$ 462
Telephone Expense	\$ 4,615	\$ 4,615	\$ 4,615	\$ 4,615	\$ 4,615
Travelling Expense	\$ 6,000	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367
Visa Expense	\$ 12,138	\$ 12,138	\$ 12,138	\$ 12,138	\$ 12,138
Safety Gear	\$ 4,401	\$ 4,452	\$ 4,541	\$ 4,632	\$ 4,724
Sataff Welfare / Conveyance Exp-Local	\$ 4,615	\$ 4,615	\$ 4,615	\$ 4,615	\$ 4,615
Security Expenses	\$ 18,462	\$ 18,462	\$ 18,462	\$ 18,462	\$ 18,462
Other Expenses	\$ 2,308	\$ 2,308	\$ 2,308	\$ 2,308	\$ 2,308
Repairs & Maintenance Cost	\$ 27,530	\$ 110,119	\$ 110,119	\$ 110,119	\$ 110,119
Sales & Marketing	\$ 68,824	\$ 275,297	\$ 275,297	\$ 275,297	\$ 275,297
Total Expenses	\$ 222,281	\$ 509,394	\$ 504,843	\$ 505,301	\$ 505,768

Appendix - IV

Assets

Assets						
	2025	2026	2027	2028	2029	2030
Total Assets	\$ 10,642,289	\$ 10,498,378	\$ 12,560,424	\$ 12,064,745	\$ 14,388,571	\$ 18,570,600
Current Assets	\$ 2,092,290	\$ 2,108,329	\$ 4,810,176	\$ 4,954,298	\$ 7,917,925	\$ 12,739,754
Cash	\$ 1,730,044	\$ 149,023	\$ 1,535,242	\$ 1,651,858	\$ 4,585,455	\$ 9,407,284
Account Receivable	\$ -	\$ 430,152	\$ 1,720,608	\$ 1,720,608	\$ 1,720,608	\$ 1,720,608
Inventory	\$ 362,245	\$ 1,529,154	\$ 1,554,327	\$ 1,581,832	\$ 1,611,862	\$ 1,611,862
Long-Term Assets	\$ 8,550,000	\$ 8,390,049	\$ 7,750,248	\$ 7,110,447	\$ 6,470,647	\$ 5,830,846
Land	\$ 1,435,020	\$ 1,435,020	\$ 1,435,020	\$ 1,435,020	\$ 1,435,020	\$ 1,435,020
Building & Other Civil construction	\$ 3,027,800	\$ 2,989,953	\$ 2,838,563	\$ 2,687,173	\$ 2,535,783	\$ 2,384,393
Computer & Networking	\$ 36,000	\$ 34,200	\$ 27,000	\$ 19,800	\$ 12,600	\$ 5,400
Machine for Mine Mesh, 358 Fencing, BRC MESH	\$ 1,375,325	\$ 1,340,942	\$ 1,203,409	\$ 1,065,877	\$ 928,344	\$ 790,812
Roll Forming Machine	\$ 936,410	\$ 913,000	\$ 819,359	\$ 725,718	\$ 632,077	\$ 538,436
Welding Robot	\$ 126,250	\$ 123,094	\$ 110,469	\$ 97,844	\$ 85,219	\$ 72,594
Galvanising Line	\$ 700,000	\$ 678,125	\$ 590,625	\$ 503,125	\$ 415,625	\$ 328,125
Galvanising Line set up	\$ 100,000	\$ 96,875	\$ 84,375	\$ 71,875	\$ 59,375	\$ 46,875
P & M-Electrical	\$ 200,000	\$ 195,000	\$ 175,000	\$ 155,000	\$ 135,000	\$ 115,000
Electrical Installation	\$ 25,000	\$ 23,750	\$ 18,750	\$ 13,750	\$ 8,750	\$ 3,750
EOT Crane	\$ 60,000	\$ 57,000	\$ 45,000	\$ 33,000	\$ 21,000	\$ 9,000
Forklift	\$ 50,000	\$ 47,500	\$ 37,500	\$ 27,500	\$ 17,500	\$ 7,500
Vehicles and Fixtures RO Plant	\$ 90,000	\$ 85,500	\$ 67,500	\$ 49,500	\$ 31,500	\$ 13,500
Delivery Vehicle	\$ 60,000	\$ 57,000	\$ 45,000	\$ 33,000	\$ 21,000	\$ 9,000
Equipment & Appliances	\$ 7,410	\$ 7,040	\$ 5,558	\$ 4,076	\$ 2,594	\$ 1,112
Prelim\Pre Op. Exp.	\$ 18,520	\$ 17,594	\$ 13,890	\$ 10,186	\$ 6,482	\$ 2,778
Lab.	\$ 250,000	\$ 237,500	\$ 187,500	\$ 137,500	\$ 87,500	\$ 37,500
Contingency On P&M	\$ 52,264	\$ 50,957	\$ 45,731	\$ 40,505	\$ 35,278	\$ 30,052
Total Assets	\$ 10,642,289	\$ 10,498,378	\$ 12,560,424	\$ 12,064,745	\$ 14,388,571	\$ 18,570,600

Appendix - V

Financing

Financing						
	2025	2026	2027	2028	2029	2030
Amount Receipt	\$ 11,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Shareholder's Funds	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Term Loan	\$ 7,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Share holders' Loan	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Payments	\$ 300,000	\$ 1,596,429	\$ 2,989,288	\$ 4,989,288	\$ 1,992,858	\$ -
<u>Bank Term Loan</u>						
Principal Paid	\$ -	\$ 706,946	\$ 2,297,775	\$ 2,589,190	\$ 1,906,089	\$ -
Interest Paid	\$ 300,000	\$ 889,484	\$ 691,513	\$ 400,097	\$ 86,770	\$ -
<u>Shareholder's Loan</u>						
Principal Paid	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -
Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance	\$ 9,500,000	\$ 8,793,054	\$ 6,495,279	\$ 1,906,089	\$ -	\$ -
<u>Long Term Debt</u>						
Bank Term Loan	\$ 7,500,000	\$ 6,793,054	\$ 4,495,279	\$ 1,906,089	\$ -	\$ -
Share holders' Loan	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -
Balance	\$ 9,500,000	\$ 8,793,054	\$ 6,495,279	\$ 1,906,089	\$ -	\$ -

Appendix - VI

Projected Profit & Loss

Projected Profit & Loss Account						
	2025	2026	2027	2028	2029	2030
Sales Revenue	\$ -	\$ 3,441,215	\$ 13,764,860	\$ 13,764,860	\$ 13,764,860	\$ 13,764,860
Direct Costs	\$ -	\$ 1,448,981	\$ 6,116,615	\$ 6,217,307	\$ 6,327,328	\$ 6,447,450
Gross Margin	\$ -	\$ 1,992,234	\$ 7,648,245	\$ 7,547,553	\$ 7,437,532	\$ 7,317,410
Gross Margin %	0%	58%	56%	55%	54%	53%
Operating Expenses	\$ 57,710	\$ 323,486	\$ 676,030	\$ 679,811	\$ 689,022	\$ 698,675
Salary & Wages	\$ 19,932	\$ 101,205	\$ 166,636	\$ 174,968	\$ 183,721	\$ 192,907
Administration Charges	\$ 37,778	\$ 125,927	\$ 123,978	\$ 119,427	\$ 119,885	\$ 120,352
Repairs & Maintenance	\$ -	\$ 27,530	\$ 110,119	\$ 110,119	\$ 110,119	\$ 110,119
Sales & Marketing	\$ -	\$ 68,824	\$ 275,297	\$ 275,297	\$ 275,297	\$ 275,297
Operating Income	\$ (57,710)	\$ 1,668,749	\$ 6,972,215	\$ 6,867,742	\$ 6,748,510	\$ 6,618,735
Total Expenses	\$ 300,000	\$ 1,127,915	\$ 3,023,584	\$ 2,788,251	\$ 2,533,152	\$ 2,433,481
Interest Expense	\$ 300,000	\$ 889,484	\$ 691,513	\$ 400,097	\$ 86,770	\$ 0
Income Tax	\$ -	\$ 78,481	\$ 1,692,270	\$ 1,748,353	\$ 1,806,582	\$ 1,793,680
Depreciation and Amortization	\$ -	\$ 159,950	\$ 639,801	\$ 639,801	\$ 639,801	\$ 639,801
Net Profit	\$ (357,710)	\$ 540,833	\$ 3,948,631	\$ 4,079,490	\$ 4,215,357	\$ 4,185,254
Net Profit %		16%	29%	30%	31%	30%

Appendix - VII

Projected Balance Sheet

Projected Balance Sheet						
	2025	2026	2027	2028	2029	2030
Assets	\$ 10,642,289	\$ 10,498,378	\$ 12,560,424	\$ 12,064,745	\$ 14,388,571	\$ 18,570,600
Current Assets	\$ 2,092,290	\$ 2,108,329	\$ 4,810,176	\$ 4,954,298	\$ 7,917,925	\$ 12,739,754
Cash	\$ 1,730,044	\$ 149,023	\$ 1,535,242	\$ 1,651,858	\$ 4,585,455	\$ 9,407,284
Accounts Receivable	\$ -	\$ 430,152	\$ 1,720,608	\$ 1,720,608	\$ 1,720,608	\$ 1,720,608
Inventory	\$ 362,245	\$ 1,529,154	\$ 1,554,327	\$ 1,581,832	\$ 1,611,862	\$ 1,611,862
Long-Term Assets	\$ 8,550,000	\$ 8,390,049	\$ 7,750,248	\$ 7,110,447	\$ 6,470,647	\$ 5,830,846
Long-Term Assets	\$ 8,550,000	\$ 8,550,000	\$ 8,550,000	\$ 8,550,000	\$ 8,550,000	\$ 8,550,000
Accumulated Depreciation	\$ -	\$ (159,950)	\$ (799,751)	\$ (1,439,552)	\$ (2,079,353)	\$ (2,719,154)
Liabilities & Equity	\$ 10,642,289	\$ 10,498,378	\$ 12,560,424	\$ 12,064,745	\$ 14,388,571	\$ 18,570,600
Liabilities	\$ 9,500,000	\$ 8,815,255	\$ 6,928,670	\$ 2,353,501	\$ 461,969	\$ 458,744
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Taxes Payable	\$ -	\$ 19,620	\$ 423,068	\$ 437,088	\$ 451,645	\$ 448,420
Sales Taxes Payable	\$ -	\$ 2,581	\$ 10,324	\$ 10,324	\$ 10,324	\$ 10,324
Long Term Debt (incl. Share Holder Loan)	\$ 9,500,000	\$ 8,793,054	\$ 6,495,279	\$ 1,906,089	\$ -	\$ -
Equity	\$ 1,142,290	\$ 1,683,123	\$ 5,631,754	\$ 9,711,245	\$ 13,926,602	\$ 18,111,856
Paid-In Capital	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Retained Earnings	\$ (357,710)	\$ 183,123	\$ 4,131,754	\$ 8,211,245	\$ 12,426,602	\$ 16,611,856
Earnings	\$ (357,710)	\$ 540,833	\$ 3,948,631	\$ 4,079,490	\$ 4,215,357	\$ 4,185,254

Appendix - VIII

Projected Cash Flow

Projected Cash Flow						
	2025	2026	2027	2028	2029	2030
Net Cash from Operations	\$ (719,956)	\$ (874,076)	\$ 3,683,993	\$ 4,705,807	\$ 4,839,685	\$ 4,821,829
Net Profit	\$ (357,710)	\$ 540,833	\$ 3,948,631	\$ 4,079,490	\$ 4,215,357	\$ 4,185,254
Depreciation and Amortization	\$ -	\$ 159,950	\$ 639,801	\$ 639,801	\$ 639,801	\$ 639,801
Change in Accounts Receivable	\$ -	\$ (430,152)	\$ (1,290,456)	\$ -	\$ -	\$ -
Change in Inventory	\$ (362,245)	\$ (1,166,909)	\$ (25,173)	\$ (27,505)	\$ (30,030)	\$ -
Change in Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Income Tax Payable	\$ -	\$ 19,620	\$ 403,447	\$ 14,021	\$ 14,557	\$ (3,225)
Change in Sales Tax Payable	\$ -	\$ 2,581	\$ 7,743	\$ -	\$ -	\$ -
Net Cash from Investing	\$ (8,550,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Assets Purchased or Sold	\$ (8,550,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash from Financing	\$ 11,000,000	\$ (706,946)	\$ (2,297,775)	\$ (4,589,190)	\$ (1,906,089)	\$ -
Investments Received	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends & Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Long-term Debt	\$ 9,500,000	\$ (706,946)	\$ (2,297,775)	\$ (4,589,190)	\$ (1,906,089)	\$ -
Net Change	\$ 1,730,044	\$ (1,581,021)	\$ 1,386,218	\$ 116,617	\$ 2,933,596	\$ 4,821,829
Cash at the beginning of period	\$ -	\$ 1,730,044	\$ 149,023	\$ 1,535,242	\$ 1,651,858	\$ 4,585,455
Cash at the end of the period	\$ 1,730,044	\$ 149,023	\$ 1,535,242	\$ 1,651,858	\$ 4,585,455	\$ 9,407,284