

LUMINA RESOURCES LIMITED

BUSINESS PLAN

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Executive Summary

TO KEY STAKEHOLDERS

We, **Lumina Resources Limited** (“the Company”), are delighted to present to you our project proposal, with the objective of conveying our company profile and the resources required necessary to commence mining of gold at the company’s blocks.

In summary, the company was incorporated in November 2024 as a private company limited by shares, with principal activity being mining and production of gold as a small-scale mining company. The company’s initial investment cost **is estimated to be United States Dollars Six Million Eighty Thousand Ninety (US\$ 6,080,090)** being cost of license fees, acquisition land, development of land and buildings, purchase of machinery and equipment, setting up of a processing plant, purchases of other assets and short-term working capital.

The breakdown of investment costs is as summarized in the table below.

S/No.	Item	Amount (USD)	Reference
1	Licenses and permits	7,590	Page 5
2	Land, Buildings and Infrastructure	2,294,500	Page 6 – 7
3	Machinery and equipment	1,808,500	Page 8 – 11
4	Other assets	1,387,500	Page 12 – 14
5	Working capital	582,000	Page 15
	Total	6,080,090	

The company’s operational plan is to establish an underground mine and extract the gold ore by way of long hole stopping in the company’s blocks. Further, the company intends to produce at least five (5) to seven (7) kilograms monthly once production commences. In the short-term future, it is the company’s intention to enter into gold futures contracts with potential buyers in order to manage the liquidity of the company’s operations.

We believe this document will assist our key stakeholders understand the resources required to commence the project and make informed decisions on matters related to the project such as funding and investment. For all interested parties, kindly feel free to contact us for more details and/or queries.

By Order of The Board of Directors

Introduction

Lumina Resources Limited is a company established under the Company Ordinary Act (Cap 212), incorporated on 1st of November 2024 with incorporation no: 179285452. The company's principal activity is mining of metals ores and related activities.

We have attached the Memorandum and Articles of Association of the company, together with the Certificate of Incorporation and the Extract from the Registrar as appended in **Appendix 1** of this report.



Shareholding and Governance Structure

The authorised share capital of the company is 100,000 shares each valued at nominal value of TZS 100,000 per share. The company's shareholding structure, based on issued shares is as below:

S/No.	Shareholder Name	Number of shares	Value (TZS)	%
1	Nabil Ahmed Abdallah	9,900	990,000,000	90%
2	Nurmohamed Hussein Nurmohamed	100	10,000,000	10%
	Total	10,000	1,000,000,000	100%

Kindly note that, the share capital of the company will be updated, i.e., increased to match the current level of investment as the project progresses.

The affairs of the Company are directed by a competent Board of Directors. The Board of Directors of the company is composed of directors as detailed below.

S/No.	Name	Position	Qualification
1	Nabil Ahmed Abdallah	Chairman and Managing Director	Businessman
2	Nurmohamed Hussein	Non-Executive Director	Businessman



Mission and Vision

Our mission is to **responsibly and sustainably extract gold** to create lasting value for our community, employees, and stakeholders. We are committed to **maintaining the highest standards of environmental stewardship, ethical practices, and safety, while fostering local economic development**. By prioritizing transparency, innovation, and respect for the land and people, we aim to build a mining operation that not only meets today's needs but also ensures a better tomorrow for future generations.

Introduction (continued)



Operational Plan

Developing an underground mine of approximately 1 – 2 kms deep for a small-scale operation involves several stages, from initial planning to the actual extraction of ore, and selling of the final product. Here's a general outline of our process:

1. Planning and Permitting

- **Mine Design:** Geologists and engineers design simple mine layout, including the access points (shafts or declines) and ventilation pathways.
- **Permitting:** Securing the necessary permits is crucial and involves environmental impact assessments. This step is essential to ensure compliance with regulations.
- **Environmental and Social Impact Assessments:** We shall account for potential environmental impacts, especially concerning water use, pollution, and land rehabilitation.

2. Development and Access

- **Creating Access Points:** For underground mining, access to the ore body is typically established via a vertical shaft or an inclined ramp (decline). For small-scale operations, the access point is generally smaller in scale.
- **Initial Excavation:** After creating access, additional tunnelling (drifting) is done to reach the ore body.
- **Ventilation Systems:** Ventilation is set up to ensure a supply of fresh air and to remove hazardous gases. In small mines, these systems are simpler but are still a critical safety feature.

3. Ore Extraction

- **Drilling and Blasting:** Drilling machines create holes in the rock, which are then filled with explosives. Blasting loosens the ore, which is then removed for processing.
- **Mucking and Hauling:** This is the process of collecting blasted ore and hauling it to the surface.
- **Safety Measures:** Even in small-scale mining, safety equipment and protocols are essential. Proper training in handling explosives, ventilation management, and emergency response is required.

Introduction (continued)



Operational Plan

4. Processing and Recovery

- **On-Site Processing:** We shall set up processing equipment like crushers, aggregators and/or gravity separation units.
- **Chemicals:** Chemicals play an essential role in gold mining, particularly in processes such as **ore extraction** and **gold recovery**. The company intends to use Cyanide for gold recovery instead of Mercury.
- **Waste Management:** Proper disposal or containment of mine tailings (waste) is crucial to minimize environmental impact.

5. Closure and Rehabilitation

- Once the mine is exhausted or deemed non-profitable, proper closure is necessary to minimize environmental impact. For small-scale mines, this shall involve sealing tunnels, replanting vegetation, and monitoring water quality.

Challenges in Small-Scale Underground Mining

- **Limited Capital:** Small-scale miners often work with constrained budgets, which can impact the depth of exploration, technology, and safety measures.
- **Safety Risks:** The confined space, risk of collapse, and air quality issues make underground mining inherently hazardous, requiring proper safety protocols.
- **Environmental Concerns:** Small-scale mines need to manage waste and prevent contamination to avoid long-term environmental impacts.

Licenses and permits



Compliance with laws and regulations

The company is required to be compliant with Tanzania's laws and regulations in order to commence operations. Below is a table of applicable licenses and permits from different government agencies and regulatory bodies which the company has to possess, with their respective fees.

Primary Mining License (PML)

PMLs are issued for the period of seven (7) years to individual, company or cooperate with **Tanzanian Citizenship** at the area where the applicant applied to conduct prospecting and mining activities. The company has a total of 23 blocks in Chunya (11) and Ikungi (12) districts. The application fees is as below.

S/No.	Location	Size (hectares)	Number of Blocks	License fee per block (USD)	Total (USD)
1	Mbeya – Chunya District	10	11	330	3,630
2	Singida – Ikungi District	10	12	330	3,960
Total					7,590

Other Licenses and permits

The company understands that there are other licenses and permits required for mining operations as well as business operations. However, the fees are not significant.

Land, Buildings and Infrastructure

The company intends to purchase land with known prospects of mineral reserve and resources, i.e., gold ores in Chunya (Mbeya) and Ikungi (Singida). Further, the company intends to develop the site suitable for mining operations.

The estimated cost of land acquisition, development of infrastructure and construction of buildings is **United States Dollars Two Million Two Hundred Ninety-Four Thousand Five Hundred (US\$ 2,294,500)**, as detailed below.


S/No.	Item	Description	Estimated cost (USD)
1	Chunya, Mbeya	275 acres situated at Saza, Itumbi, Kasanga, Makongolosi and Sangambi villages. The entire area comprises of 11 blocks / plots for mining operations. We have estimated the cost per acre, plus goodwill, to be around US\$ 2,000.	550,000
2	Ikungi, Singida	300 acres situated at Sambaru village. The entire area comprises of 12 blocks / plots for mining operations. We have estimated the cost per acre, plus goodwill, to be around US\$ 2,000.	600,000
3	Fence	Construction of fence together with setting up watch towers and gates. The cost is an estimate of 50 acres in total which equates to 202,350 sqm. Estimated cost of setting up a barbed wire fence together with towers and gates is US\$ 40,000	250,000
4	Tents	Tents for each block / plot to provide for both cover and temporary rest/work points. Estimate of 23 tents at the cost of \$1,500 per tent.	34,500
5	Utilities Set Up	Utilities such electricity infrastructure, wells, water reserve tanks (fixed) and water bowser, etc. We estimate the budget for setting up utilities to be: <ul style="list-style-type: none"> - Electricity infrastructure @US\$ 200,000 - Water tanks and bowsers @US\$ 40,000 - Drilling wells (4) @US\$ 60,000 	300,000
BALANCE C/F			1,734,500

Land, Buildings and Infrastructure (continued)


S/No.	Item	Description	Estimated cost (USD)
BALANCE B/F			1,734,500
7	Staff Buildings	Buildings blocks for Staff – General Manager Residence, Staff Residence (4 buildings), Canteen Area (2), Public Washrooms.	250,000
8	Office Building	Main office building to accommodate administration activities of the mining activities	25,000
9	Storage Building – Consumables	Storage of consumables such as PPE items, chemicals, spare parts, etc.	15,000
10	Storage Building – Explosives	A dedicated storage space for explosives given the sensitivity of the items.	100,000
11	Storage Building – Strong Room	A dedicated storage space for finished goods (gold) for safety.	100,000
12	Workshop for repairs and maintenance	A dedicated space for machinery, equipment and vehicles repairs	70,000
TOTAL			2,294,500

Plant, machinery and equipment

The company's mining operations require a resource mobilization, among others, plant, machinery and equipment. The company projects an estimated cost of **United States Dollars One Million Eight Hundred Eight Thousand Five Hundred (US\$ 1,808,500)**. The company's plant, machinery and equipment required have been classified in each of the mining activities as detailed below.

 Excavation, Drilling, Crushing and Processing					
S/No.	Asset Name	Function	Units	Cost per unit (USD)	Estimated cost (USD)
1	XCMG 25MT Excavator.	<p>Excavators are used to dig and move large amounts of overburden, clearing the way to reach the mineral deposits beneath.</p> <p>XCMG excavators, produced by Xuzhou Construction Machinery Group, are known for their durability, advanced technology, and competitive pricing.</p>	2	150,000	300,000
2	Wheel Loader – Front End Loader	Wheel loaders are primarily used to load mined materials, like ore and waste rock, into haul trucks for transport to processing plants or waste areas.	1	150,000	150,000
3	Backhoe Loader	A backhoe loader dual-purpose design makes it an essential tool for tasks that require both loading and excavation, delivering flexibility and cost efficiency to small and large-scale operations alike.	2	80,000	160,000
BALANCE B/F					610,000

Plant, machinery and equipment

 Excavation, Drilling, Crushing and Processing					
S/No.	Asset Name	Function	Units	Cost per unit (USD)	Estimated cost (USD)
BALANCE B/F					610,000
4	Tipper trucks (dump trucks) – 20CBM	Tipper trucks are widely used in mining operations due to their capacity for moving and unloading heavy materials efficiently.	5	72,500	362,500
5	Tipper trucks (dump trucks) – 5CBM		2	50,000	100,000
6	Drilling rig – 200m	Drilling rigs are integral to mining operations, facilitating resource exploration, extraction, and the preparation of blasting holes.	1	80,000	80,000
7	Compressor	Compressors are vital for providing the high-pressure air needed to power various equipment and tools. Their primary function is to generate compressed air, which is then used for operations such as drilling, blasting, ventilation, and operating pneumatic tools.	3	25,000	75,000
8	Mining winch – 5MT	Mining winches are versatile tools that support safe, efficient, and continuous operations across a wide variety of tasks, from daily production to emergency situations.	2	5,000	10,000
9	Ball Mill 3t/h	Ball mill in mining is a type of grinding mill used to grind materials into fine powder. Ball mills are primarily used for mineral processing, particularly in grinding ores to a size suitable for further processing, such as flotation or leaching.	2	30,000	60,000
10	Ball Mill 1t/h		2	15,000	30,000
BALANCE C/F					1,327,500

Plant, machinery and equipment



Excavation, Drilling, Crushing and Processing

S/No.	Asset Name	Function	Units	Cost per unit (USD)	Estimated cost (USD)
BALANCE B/F					1,327,500
11	Jaw Crusher – 10T/H	The main function of the jaw crusher is to reduce large rocks and ore into smaller, manageable sizes for further processing in grinding or milling stages.	3	30,000	90,000
12	Double Roller Crusher	Double roller crushers offer a robust solution for reducing large, hard materials in mining operations. Their efficiency in providing a consistent size distribution and low fines production make them suitable for a range of industrial and mining applications.	2	65,000	130,000
13	Conveyor Belts – 7m and 11m	Conveyor belts shall be used in moving of minerals and ores from the crusher to the plant for processing.	2	2,000	4,000
14	Centrifugal Concentrate	A centrifugal concentrator is a device used in mining and mineral processing to separate fine particles of valuable minerals from other non-valuable materials	2	20,000	40,000
15	Slurry Pump	Slurry pumps are crucial for handling abrasive, high-density materials, making them indispensable in mining and mineral processing for transporting slurries effectively and maintaining the flow of operations.	2	10,000	20,000
BALANCE C/F					1,611,500

Plant, machinery and equipment




Excavation, Drilling, Crushing and Processing

S/No.	Asset Name	Function	Units	Cost per unit (USD)	Estimated cost (USD)
BALANCE B/F					1,611,500
16	HydroCyclone	A HydroCyclone is a device that uses centrifugal force to classify, separate, or dewater particles in a liquid slurry. In mining and mineral processing, hydro cyclones are widely used for their ability to efficiently separate solid particles from a liquid stream.	2	4,000	8,000
17	Drilling Rock (Digger)	These machines use high-pressure air or hydraulic systems to drive drill bits into rock surfaces, allowing them to break down the material efficiently.	3	50,000	150,000
18	Drilling pipe – 100m	A drilling pipe (or drill pipe) is a hollow, steel pipe used in drilling operations to transmit drilling fluid and rotational power from the drilling rig at the surface to the drill bit downhole.	5	3,000	15,000
19	Agitator for mining slurry	An agitator is a mechanical device used to stir, mix, or agitate liquids and slurries in various processes to ensure that solids remain in suspension, achieving a homogeneous mixture. Agitators are crucial in processes where mixing of particles in a solution is required for effective chemical reactions, material processing, and mineral separation.	4	6,000	24,000
TOTAL					1,808,500

Other Assets

In the context of mining or industrial operations, "other assets" can refer to various assets that support the mining process. These assets may not directly include the core mining machinery (such as drills or excavators), but they play a vital role in supporting the overall business operations. The total estimated cost of Other Assets amounts to **United States Dollars One Million Three Hundred Eighty-Seven Thousand Five Hundred (US\$ 1,387,500)**.

Below is a list of Other Assets and their estimated cost.

 Other Assets					
S/No.	Asset Name	Function	Units	Cost per unit (USD)	Estimated cost (USD)
1	FAW Tractor head	FAW truck head functions as a powerful, efficient, and manoeuvrable engine that connects to trailers for long-distance transportation, ensuring the safe and effective movement of minerals and ores.	3	54,000	162,000
2	Lowbed Trailer	The lowbed trailer is used in transporting heavy and oversized loads, offering stability, easy loading/unloading, and compliance with road regulations.	2	45,000	90,000
3	Flatbed Trailer	A flatbed trailer is an essential tool for transporting large, heavy, or unusual loads, offering flexibility in loading/unloading, securement, and cost-effectiveness. It's a common solution for industries that need to move substantial materials or equipment across short or long distances.	2	30,000	60,000
BALANCE C/F					312,000

Other Assets



Other Assets

S/No.	Asset Name	Function	Units	Cost per unit (USD)	Estimated cost (USD)
BALANCE B/F					312,000
4	Tipping Trailer	A tipping trailer (also known as a dump trailer or tipper trailer) is designed to transport bulk materials and unload them efficiently.	2	36,000	72,000
5	Diesel Tank Storage – 40,000 litres	The tanker is used to store diesel used in the mining operations by machinery, equipment and vehicles.	2	25,000	50,000
6	Double Cabin Pick Up – Hilux	Double cabin pickups are widely used in industries like construction, agriculture, and transportation, where a vehicle needs to carry both workers and equipment or materials.	3	70,000	210,000
7	Generator – 100KVA	Generators as power back up for mining activities as it is essential not to depend on the Grid for power supply only.	1	40,000	40,000
8	Generator – 50KVA		2	15,000	30,000
9	Motor bikes	These are used solely for movement of staff as well as petty goods.	3	2,000	6,000
10	Cargo Tricycle		3	3,000	9,000
11	Water pumps – Petrol engine (8HP)	Water pumps are essential in mining for managing water levels and maintaining safe and efficient operations.	3	1,500	4,500
BALANCE C/F					733,500

Other Assets



Other Assets

S/No.	Asset Name	Function	Units	Cost per unit (USD)	Estimated cost (USD)
BALANCE B/F					733,500
12	Concrete mixer – 500 litres	A concrete mixer is a machine designed to combine ingredients such as cement, sand, gravel, and water to create concrete.	2	7,000	14,000
13	Concrete moulding for concrete tunnels	Concrete moulding serves a variety of purposes to create durable structures and supports within underground and surface mining sites.	1	40,000	40,000
14	Chemicals	Chemicals play a crucial role in mining, particularly in ore extraction and processing to isolate and purify valuable minerals. The company intends to use Cyanide, and other reagents.	1	2,500 per tonne	50,000
15	Explosives	Explosives are required in the blasting activities. The company intends to dig holes of about 1km to 3kms deep. This will require between 91 tonnes to 310 tonnes of explosives, per block. The average price per tonne for bulk explosives is \$500.	600	500	300,000
16	Other assets and Misc.	Spare parts, electrical appliances, cement, sand, gravel, PPE items, etc.	1	250,000	250,000
TOTAL					1,387,500

Working Capital



Working Capital

Working capital for mining operations is the short-term funding required to cover the day-to-day operational costs of a mining project. This capital is essential for keeping operations running smoothly and covers expenses such as payroll, fuel, maintenance, utilities, raw materials, and other variable costs that can fluctuate with production needs.

Below, we have identified the basic items which shall require short-term financing for the project, considering commencement of the plant is eight months' away. The total estimated working capital is **United States Dollars Five Hundred Eighty-Two Thousand (US\$ 582,000)**.

S/No.	Item	Estimated cost (USD)
1	Payroll, operators and subcontractors	80,000
2	Security services	16,000
3	Utilities – Electricity and water	16,000
4	Fuel and lubricants	160,000
5	Professional services fees (incl. Geologists)	40,000
6	Transport costs	100,000
7	Repairs and maintenance	40,000
8	Staff welfare	30,000
9	Medical expenses	10,000
10	Safety and Training	5,000
11	Telephone and communication	5,000
12	Other charges	80,000
	Total	582,000

Project Timeline



Project Estimated Timeline

Implementation Schedule

The project will be implemented in several phases as detailed below.

Phase	Activity	Timeline
1.	Incorporation of an operating company and preparation of the project proposal.	Nov 2024 (Completed)
2.	Acquisition of Land and procurement of licenses and permits.	Nov – Dec 2025
3.	Sourcing of Funds, setting up of Finance and Accounts Department.	Nov – Dec 2025
4.	Acquisition of Assets, (details as per above)	Dec 2025 + subsequent months
5.	Mine sites Development	January – June 2026
6.	Hiring of Personnel, subcontractors and service providers	January – April 2026
7.	Commencement of mining operations – Pilot stage	June – August 2026
8.	Commencement of mining operations – Full scale implementation	September 2026 + subsequent months
9.	Monitoring and Evaluation	Ongoing

Conclusion

This report has been prepared using the best estimates and assumptions available, and as such the Shareholders and the Board of the Directors believe it to represent the best initial cost of investment of the project.

This report contains confidential information of commercial value relating to the business, commercial and financial affairs of the Company, the exposure of which to third parties could adversely affect the business affairs of the Company.

This information is supplied in confidence to you, on the strict condition that no part of it is disclosed to any third party, in particular to any person or organization, which may be in competition with the Company without the prior written consent of the Company.

We humbly submit.