

ABC MINING LIMITED

**BUSINESS PLAN FOR PROVIDING MINING
TECHINICAL SUPPORT SERVICES**

ABC MINING LIMITED

P. O. Box 75775, DARES SALAAM, Email: huashenggreenenergycolimited@outlook.com, Mob: +2550787323282,

1.0 INTRODUCTION

ABC MINING LIMITED is a company incorporated in Tanzania with certificate No. 178522671 dated January 4th October ,2024 as private limited company under the Tanzanian Companies Act, 2002. ABC MINING LIMITED is engaged in providing technical mining support services that include Some technical services include 3D geologic modeling, database audits, property evaluation, resource estimation, mine design and scheduling, metallurgy, process engineering, operations audits, and more.

1.1 OUR MISSION

To become a leading technical mining support services company in East Africa providing business enabling solutions and exceeding customer expectations.

1.2 OUR VISION

To deliver customized and unique technical mining support services, ensuring time and cost savings for customers in a responsible and sustainable manner.

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1.3 OUR VALUES

At ABC MINING LIMITED, we believe the customer comes first; we are focused to ensure customer delight, superior quality of delivery and increased customer profitability.

1.4 COMPANY OWNERSHIP

ABC MINING LIMITED is promoted by two shareholders who are very experienced in providing mining technical support services in Tanzania.

Name of shareholders	% of shares	Nationality
NICHOLAUS PATRICK FABIAN	900	TANZANIA
FEDSON MALIMA NGUGI	20	TANZANIA

1.6 PROJECT LOCATION

Project location of transportation is located at **Chokaa**, **Chunya District, Mbeya Region, Tanzania**

1.7 ORGANISATION FLOW CHART

ABC MINING LIMITED management is headed by Managing Director, HR and Admin Manager, Logistics Manager, Chief Accountant and Junior accounting clerks. operational

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managers and includes drivers and cleaners. Total of **10** Employees to be employed on full scale operation.

2.0 Mining technical services support

Our team provides a full range of geological studies and services, including:

- **Mine Studies & Planning**

We assess mineral deposits and plan for effective resource extraction, focusing on long-term productivity and profitability.

- **Mine Design & Modelling**

Utilizing cutting-edge technology, we craft precise 3D models for safe and efficient mine construction and operations.

- **Project Management & Support**

Our project management ensures your mining operations are completed on time, within budget, and to the highest standards.

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- **Technical Services**

Offering a suite of technical services, we apply the latest innovations for enhanced safety and environmental sustainability in mining.

- **Feasibility Studies**

Our comprehensive feasibility studies determine the economic, technical, and legal viability of projects to ensure successful outcomes.

- **Engineering Designs**

We develop practical, sustainable engineering solutions that combine cost-efficiency with advanced technology.

3.0 PROJECT ESTIMATED REVENUE

The project has estimated that technical services will generate income of **US\$5,200,000** per year increasing by 25% every year

4.0 PROJECT OPERATING COST

The company has estimated that the project operating cost and other cost to be 70% of the total annual revenue

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4.1 PROJECT FINANCING

The company has estimated that the project will be financed by equity 100 .

4.2 PROJECT COST

The project has budgeted to cost the followings:

Land and Buildings	50,000
Machinery & Equipment	1,000,000
Motor Vehicles	70,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	5,000
Working Capital	500,000
TOTAL	1,655,000

5.0 SWOT ANALYSIS

STRENGTHS

Strengths of the business are –

- Promoters have sound experience in this business and have talented Management.
- Rapid growth in sector due to effective management
- Influence & Networking of Directors in the Business Sector.

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- Business location is at prominent place.
- Confirmed business via agreement entered with few companies.

WEAKNESSES

Weakness of the business are –

- New entry in market
- Fluctuation of price of raw minerals from local suppliers
- Limited availability of raw materials

OPPORTUNITIES

Opportunities of the business are –

- Potential market encourages investors
- Increasing market share due to increase of mining investment related activities
- Augmented demand for world –class mineral products

THREATS

Threats of the business are –

- Complex Tax Structure
- Unorganised sector and competition
- Different laws in different countries

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6.0 COMPETITIVE ADVANTAGES

- Localized services: established business contact
- Cost advantage: located in area with mining deposit.
- Professional qualifications
- Policy support: In line with the Tanzanian government's strategic direction of increasing the added value of minerals

7.0 FINANCIAL ASPECTS FOR THE PROJECT

(i) Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 5years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$1,078,700** in the 1st year to **US\$ 8,895,578** in the 5th year.

(ii) Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 1,097,700** in the first year to **US\$ 8,990,578** at the end of 5th years of the project's operations.

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(iii) Projected Balance Sheet

The owners' equity is shown in Appendix III. Owners' equity grows from US\$ 1,655,000 in the first year to US\$ 10,550,578 at the end of 5th years of the project's operation

(iv) Payback Period

Total investment is US\$ 1,655,000 cash accumulation in 2nd year US\$ 2,468,400 which is more than the initial investment, the project payback Period is exactly 2 years.

8.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 15 people. This is a significant contribution coming from local investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

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- **Foreign Exchange Earning**

Since the project's products will be exported, the project will thus earn foreign currency for the United Republic of Tanzania.

- **Increase the added value of minerals**

Help Tanzania shift from resource exports to value enhancement, in line with the government's economic development strategy

- **Promote the standardized development of the mining industry**

Enhance the international reputation of Tanzanian mineral products

- **Technical support for small miners**

provide professional services to artisanal and small-scale miners to improve their operating conditions

9.0 CONCLUSION

Conclusion on the feasibility of the project

Comprehensive analysis shows that it is highly feasible to establish a professional mineral product testing laboratory in Tanzania:

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- i. Clear market demand: With the development of Tanzania's mining industry and the growth of international trade, the demand for local minerals value addition continue to increase
- ii. Favorable policy environment: The government is promoting mining upgrades and value-added enhancement, and mineral value addition project is in line with this direction
- iii. Considerable economic benefits: The investment payback period is expected to be about 4 years, and the medium- and long-term profitability is good
- iv. The project is profitable and contributes to government revenue by way of taxes.
- v. The project provides employment to 15 people.
- vi. The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

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10.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

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APPENDIX I

ABC MINING LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5
Revenue	5,200,000	6,500,000	8,125,000	10,156,250	12,695,313
Operating Expenses:	3,640,000	4,550,000	5,687,500	7,109,375	8,886,719
Profit before Depreciation & Interest	1,560,000	1,950,000	2,437,500	3,046,875	3,808,594
Interest	–	–	–	–	–
Depreciation	19,000	19,000	19,000	19,000	19,000
Gross Profit	1,541,000	1,931,000	2,418,500	3,027,875	3,789,594
Tax (30%)	462,300	579,300	725,550	908,363	1,136,878
Profit After Tax	1,078,700	1,351,700	1,692,950	2,119,513	2,652,716
Accumulated Profit	1,078,700	2,430,400	4,123,350	6,242,863	8,895,578

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APPENDIX II

ABC MINING LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	–	1,560,000	1,950,000	2,437,500	3,046,875	3,808,594
Equity	1,655,000					
Total Sources	1,655,000	1,560,000	1,950,000	2,437,500	3,046,875	3,808,594
Applications:						
Capital expenditure	1,130,000	–	–	–	–	–
working Capital & Others	525,000					
Cash	–	1,097,700	1,370,700	1,711,950	2,138,513	2,671,716
Tax	–	462,300	579,300	725,550	908,363	1,136,878
Sub total	1,655,000	1,560,000	1,950,000	2,437,500	3,046,875	3,808,594
Total applications	1,655,000	1,560,000	1,950,000	2,437,500	3,046,875	3,808,594
Accumulated cash		1,097,700	2,468,400	4,180,350	6,318,863	8,990,578

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APPENDIX III

ABC MINING LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets	-	1	2	3	4	5
Opening balance	-	1,130,000	1,111,000	1,092,000	1,073,000	1,054,000
Total Long-term Assets	-	1,130,000	1,111,000	1,092,000	1,073,000	1,054,000
Less depreciation	-	19,000	19,000	19,000	19,000	19,000
Closing balance	-	1,111,000	1,092,000	1,073,000	1,054,000	1,035,000
Working capital	525,000	525,000	525,000	525,000	525,000	525,000
Accumulated cash	-	1,097,700	2,468,400	4,180,350	6,318,863	8,990,578
Total assets	525,000	2,733,700	4,085,400	5,778,350	7,897,863	10,550,578
Financed by						
Equity	1,655,000	1,655,000	1,655,000	1,655,000	1,655,000	1,655,000
Accumulated profit	-	1,078,700	2,430,400	4,123,350	6,242,863	8,895,578
Total equity	1,655,000	2,733,700	4,085,400	5,778,350	7,897,863	10,550,578
Total equity and debts	1,655,000	2,733,700	4,085,400	5,778,350	7,897,863	10,550,578

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APPENDIX IV

ABC MINING LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

	1	2	3	4	5
Land And Buildings	50,000	49,000	48,000	47,000	46,000
Machinery, Tools & Equipment	1,000,000	990,000	980,000	970,000	960,000
Motor Vehicles	70,000	63,000	56,000	49,000	42,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000
Total	1,130,000	1,111,000	1,092,000	1,073,000	1,054,000
DEPRECIATION	1	2	3	4	5
Land and buildings	1,000	1,000	1,000	1,000	1,000
Machinery tools & Equipment	10,000	10,000	10,000	10,000	10,000
Motor Vehicles	7,000	7,000	7,000	7,000	7,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000
ANNUAL DEPRECIATION	19,000	19,000	19,000	19,000	19,000

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APPENDIX V

ABC MINING LIMITED PROJECTED INVESTMENT COST US\$

Land and Buildings	50,000
Machinery & Equipment	1,000,000
Motor Vehicles	70,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	5,000
Working Capital	500,000
TOTAL	1,655,000

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