

PROSPEROUS MINING COMPANY LIMITED

BUSINESS PLAN

ON

GRANITE QUARRYING PROJECT, AT

MARECHELA VILLAGE, CHAMWINO DISTRICT

– DODOMA REGION

Prepared by

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1.0 THE PROJECT

1.1 Introduction of the Company

Prosperous Mining Company Limited is a foreign limited liability company, established on 13th December, 2024 under Certificate of Incorporation No.180420215 and it is licensed to carry out a business in the mining sector. It is a newly established mining company with the aim of Granite quarrying. The company has its headquarters based in Dodoma, Area C Plot Number 15, Block 37 Mlimwa West

1.2 Location of the Project

The project will be based at Marechela village, Segala ward in Chamwino District – Dodoma region in the Central Tanzania. Chamwino District is one of the seven districts of the Dodoma Region of Tanzania. Chamwino District is bordered to the north by Chemba District, to the east by Manyara Region, Kongwa District and Mpwapwa District, to the south by Iringa Region, and to the west by Singida Region. Its administrative seat is the town of Chamwino.

The area is lies on the central plateau of Tanzania in the western bearing along Dar es Salaam road which accessible through tarmac road. Paved trunk from Morogoro to Dodoma and paved trunk road from Dodoma to Iringa pass through the district. The central railway of Tanzania passes through Chamwino district as well. The new Standard Gauge Railway passes through and there is passenger station at Igandu.

2.0 INVESTMENT OBJECTIVE, SECTOR AND PRODUCTS

2.1 The Investment Objective

The objective of this project is to establish a plant for granite quarrying Marechela Village – Segala ward of Chamwino district, in Dodoma Region. The company decided to establish such project following the high demand of granite in the domestic and the external market coupled with the presence of granite deposits at Marechela village of Chamwino district in Dodoma region.

2.2 Investment Sector

The interested sector of Investment is Mining sector. The company decided to invest in Mining because Tanzania’s mineral sector has experienced a boom that coincided with high and stable economic growth. The mineral sector expanded rapidly following the mineral policy reforms of 1997.

The mining sector in Tanzania is among dependable sources of foreign exchange earnings, employment and revenue for the nation. For instance, mineral export earnings have been increasing gradually and remarkably from an average of 1% of total export in 1997 to 52% in 2023.

According to the National Bureau of Statistics (NBS) Economic Survey Report of 2022, the value of Tanzania’s total mineral exports in 2022 was \$3,395.3 million, equivalent to 47.0% of the total value of the nation's exports for the year, up from \$3,116.4 million in 2021 (46.1% of the total value of exports). Therefore investing in mining sector is promising and will increase the country’s export earnings.

2.3 The Product

The product of choice for investment is granite. Tanzania is an investor friendly East African country, which is also highly endowed with prospective geology. In

addition to other incentives, the recently ongoing exploration work on industrial minerals, it was found that the country is highly endowed with a vast of granite deposits. The other reasons to the choice of investing in granite are:

- Investing in Granite quarrying presents several potential benefits, making it an attractive option for long-term investors. Firstly, granite is a natural stone that's used in many ways, including construction, decoration and other projects. It's a popular choice because of its durability, beauty and stain resistance
- Granites role in the building sector. It is one the toughest construction materials and has been used for thousands of years. It is used in the construction of bridges, monuments and other large structures
- It is crucial in paving. Granite is used for paving stones, curbstones and other exterior surfaces
- It is also an Architectural element. Granite is used for columns, capitals, molding and other architectural trim
- Apart from that Granite is very useful in decoration. In decoration is highly vital in sculpture, interior finishes, fireplace surrounds, bathroom materials, kitchen worktops, tabletops and is used as gemstone.

3.0 INVESTMENT COSTS AND SOURCES OF FINANCES

3.1. Investment Costs

The project cost is estimated at **US\$ 3,483,600** which will be contributed by Prosperous Mining Company Limited as part of their technical support assistance. The investment breakdown will be as allocated below

S/N	Type of Asset	Amount of Investment in USD
1	Land and Building	950,000
2.	Plant and Machinery	888,600
2	Vehicles	350,000
3	Furniture and Fittings	20,000
4	Pre-Expenses	75,000
5	Others	550,000
5	Working capital	650,000
	Total	3,483,600

3.2 Sources of Finance

To finance the project the Prosperous Mining Company proposes to finance the above investment costs on foreign equity basis in the following phases:

Phases	Source	US\$
Phase I (12 Months)	Foreign Equity	1,500,000
Phase II (12 Months)	Foreign Equity	1,983,600
TOTAL INVESTMENT		3,483,600

3.3 The Promoters of the Project

The promoters of the project is Mr. Sisti Sylvester Mganga under Technical assistance of Prosperous Mining Company Limited

4.0 SOURCES OF SUPPLY OF INPUTS

Most of the inputs used in granite quarrying will be imported from outside the country except the granite deposit which is found in Marechela Village – Segala ward in Chamwino district. Granite quarrying techniques include drilling, blasting, cutting and splitting. The methods used depend on the rock's structure and composition.

The common machines and equipment needed in granite quarrying are excavators, wheel loaders, bulldozers, crushers, trucks, block making machines, and wire sawing machines to mention only the common. All these machines and facilities needed in the process will be imported from abroad particularly India under the Prosperous Mining Company Limited as part of their technical assistance

5.0 THE MARKET

Analysis of the demand of granite in Tanzania and worldwide has revealed that there is a need to invest in quarrying, especially in granite quarrying due to high demand of granite. Granite is a hard, tough, natural igneous rock that's been used for thousands of years. It's made up of quartz and orthoclase or microcline. Granite is used for many purposes, including construction, decoration and monuments.

In Construction, some important uses in construction are:

- **Building materials:** Granite is used in the construction of bridges, public buildings and monuments.

- **Paving:** Granite is used in roads, pavements, and other paving projects.
- **Concrete and asphalt:** Crushed granite is used in concrete and asphalt for highways and other infrastructure projects.

In Decoration, granite has many uses:

- **Kitchen countertops:** Polished granite slabs are used in kitchens.
- **Flooring:** Polished granite tiles are used in floors.
- **Wall cladding:** Granite is used for wall cladding and paneling.
- **Tabletops:** Granite is used for tabletops.
- **Fireplace surrounds:** Granite is used for fireplace surrounds and mantles.
- **Bathroom materials:** Granite is used in bathrooms.

In Monuments, granite is vital for:

- **Architectural elements:** Granite is used to create architectural elements such as columns, capitals, and moldings.
- **Ornamental stone:** Granite is used as ornamental stone.

Following these uses, the demand for granite is very high domestically and in the external market, thus executing the project will increase both domestic and foreign exchange earnings. The mining sector in Tanzania is among dependable sources of foreign exchange earnings, employment and revenue for the nation.

According to Mining Sector Investor's Guide 2024, mineral export earnings have been increasing gradually and remarkably from an average of 1% of total export in 1997 to 52% in 2023. According to the National Bureau of Statistics (NBS) Economic Survey Report of 2022, the value of Tanzania's total mineral exports in 2022 was \$3,395.3 million, equivalent to 47.0% of the total value of the nation's exports for the year, up from \$3,116.4 million in 2021 (46.1% of the total value of

exports). The rising mineral export earnings will likely to soar when this project will be executed.

Despite the fact that there are many granite deposits in the country, very few are exploited and utilized, so executing this project will place Tanzania in the center in East Africa as the major supplier of granite products especially granite blocks and slabs that are highly needed as industrial minerals for construction, decoration and monuments making.

6.0 PROJECT IMPLEMENTATION

6.1 Project Implementation Schedule

The Project is expected to commence on 30th, March, 2025 and will be implemented in five years in two phases as analyzed below;

Phase 1: Primary Phase

This phase is expected to commence on 30th, March, 2025. In this phase the following activities will be carried out:

- Land Acquisition
- Building Construction
- Electricity Installation
- Granite Quarrying and Block Selling

In this phase the granite blocks and slabs will be produced and sold in the domestic and external market for further processing

Phase 2: Secondary Phase

In this phase the major four activities will be carried out:

- Granite Quarrying
- Plant and Machinery Installation
- Granite Processing
- Selling (Raw Material and Finished Products)

Granite quarrying techniques include drilling, blasting, cutting, and splitting. The methods used depend on the rock's structure and composition.

Drilling

- **Pneumatic impact machines and drills:** Create holes in the rock to weaken it
- **Jet-burner channeling:** A miniature rocket motor burns a pressurized fuel and air mixture to channel a hole into the stone

Blasting

- **Explosives:** Holes are filled with explosives, often a mixture of ammonium nitrate and fuel oil (ANFO)
- **Controlled drilling and blasting:** Large granite stone blocks are blasted to create manageable-sized pieces

Cutting

- **Diamond-wired saws:** Cut through solid granite
- **Circular blade saws:** Cut granite

Splitting

- **Hydraulic splitters:** Split granite
- **Explosives:** Split granite

Other techniques

- **Revolving closed loop networks of steel cables:** These cables are studded with diamond and tungsten tipped cutting heads
- **Heavy equipment:** Lifts benches of stone
 - The goal of granite quarrying is to obtain manageable-sized blocks for transport and processing.

In this phase, granite processing plant will be installed and thus finished granite products will be sold in the domestic and external market and direct use. Products such as counter tops, floor tiles, paving stones, curbing, stair treads, building veneer and cemetery monuments to mention few will be produced and sold

The project implementation schedule is summarized in the Gantt chart below.

Activity name	Year 1(Months)												Year 2	Year 3	Year 4	Year 5	
	1	2	3	4	5	6	7	8	9	10	11	12					
Phase 1: Primary Phase																	
Land Acquisition	█	█															
Building Construction			█	█													
Electricity Installation					█	█											
Quarrying and Block Selling							█	█	█	█	█	█					
Phase 2: Secondary Phase																	
Granite Quarrying													█	█			
Plant and Machinery Installation													█	█			
Granite Processing													█	█			
Selling (Raw Material and Finished Products)													█	█			

6.2 Capacity of the Project

At full operation the project will produce 10,200 cubic meters (cbm) of granite per annum.

6.3 Environmental Aspect

Generally, Tanzania has environmental regulations governing the operation of mining sectors as stipulated on National Environmental Management Council (NEMC). Nevertheless, the company will take precautions to ensure that during project implementation the issue of environmental protection will be taken into consideration.

6.4 Social and Economic Impact

The proposed project will result into the following social and economic impacts:

- Employment creation. In Phase I the project will provide employment to about 50 people. In Phase II about 100 people will be employed
- The project will foster domestic manufacturing industry as it will provide raw materials for those sanitary ware in the sector
- The project will attract other investors who depend on granite as their raw material
- The project will foster economic development as granite is highly needed for various uses but the most crucial use is in construction, decoration and monument
- The government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury

7.0 FINANCIAL PROJECTION OF THE PROJECT

Following the current national and global trend on the demand of granite in construction, decoration and monument, investing in granite is ideal in the near future. The financial projections of the project is as indicated in the table below,

Project Financial Projections (USD)

S/N	Particulars	1 st Year		2 nd Year		3 rd Year		4 th Year		5 th Year	
		Cost (p.m)	Cost (p.a)	Cost (p.m)	Cost (p.a)	Cost (p.m)	Cost (p.a)	Cost (p.m)	Cost (p.a)	Cost (p.m)	Cost (p.a)
1	Diesel	25,000	300,000	45,000	540,000	85,000	1,020,00	100,000	1,200,000	135,000	1,620,000
2	Spares and consumables	1,1500	18,000	4,000	48,000	7,000	84,000	12,000	144,000	20,000	240,000
3	Oils and Lubricants	1,000	12,000	2,000	24,000	3,000	36,000	5,500	66,000	8,000	96,000
4	Repairs and Maintenance	500	6,000	1,500	18,000	3,000	36,000	7,000	84,000	15,000	180,000
5	Staff Salaries - Indians	12,000	144,000	15,000	180,000	16,000	192,000	22,000	264,000	25,000	300,000
6	Local staff salaries	2,500	30,000	6,000	72,000	7,000	84,000	15,000	180,000	18,000	216,000
7	Food expenses	3,500	42,000	6,000	72,000	7,000	84,000	15,000	180,000	17,500	210,000
8	Visa and permits	1,500	18,000	2,000	24,000	2,000	24,000	3,500	42,000	4,500	54,000
9	Travelling charges	2,000	24,000	2,500	30,000	2,500	30,000	5,000	60,000	6,000	72,000
10	Office expenses	500	6,000	750	9,000	1,500	18,000	2,500	30,000	4,500	54,000
11	Royalty	2,700	32,400	4,950	59,400	7,650	91,800	10,800	129,600	15,300	183,600
12	Electricity charges	1,000	12,000	2,000	24,000	3,000	36,000	5,000	60,000	8,000	96,000
13	Guest house rent	500	6,000	600	7,200	800	9,600	2,000	24,000	2,500	30,000
14	Machine installments	5,000	60,000	5,000	60,000	5,000	60,000	5,000	60,000	5,000	60,000
15	Contingencies	1,000	12,000	2,000	24,000	2,000	24,000	5,000	60,000	6,000	72,000
	Total Cost	60,200	722,400	99,300	1,191,600	152,450	1,829,400	215,300	2,583,600	290,300	3,483,600
	Production (in cbm)	150	1800	275	3300	425	5100	600	7200	850	10200
	Cost per cbm	401	401	361	361	359	359	359	359	342	342
	Sales price per cbm	450	450	450	450	450	450	450	450	450	450
	Sales	67,500	810,000	123,750	1,485,000	191,250	2,295,000	270,000	3,240,000	382,500	4,590,000
	Profit	7,300	87,600	24,450	293,400	38,800	465,600	54,700	656,400	92,200	1,106,400
	Percentage of Profit	12%		25%		25%		25%		32%	

8.0 ECONOMIC DEVELOPMENT CONSIDERATION

- **Employment Creation:** The project will create approximately 50 employments in Phase I of the project and about 100 people in Phase II additional jobs will with created as the project expands.
- **Government revenue:** The government and other agencies will benefit from various taxes, fees and commissions that will paid to the Treasury.
- **Social and Economic Impact:** The proposed project will result into the Increase the provision of high-quality services in the distribution of domestic products in the country. It will also Increase the availability of quality distribution and marketing products alongside competitive prices of these products will result in increased healthy competition among all trading and quarrying companies
- **Economies of Scale:** The presence of the project will not only benefit the people directly employed by the company but also the people around the Itiso village and Chamwino district as well will benefit indirectly through the influx of people from other areas who will be attracted by the presence of the factory

9.0 CONCLUSION AND RECOMMENDATIONS

The brief financial analysis indicates that the proposed project will be financially and economic viable. The project will generate significantly to the social and economic progress by way of increasing the provision of employment. Therefore, it is strongly recommended that the investors of Prosperous Mining Company Limited be availed with the required institutional assistance so as to enable them to implement the intended Granite quarrying project