

MINING PROJECT BUSINESS PLAN

APRIL 2024

AT

**KARUMWA AREA - MWAMAZENGO
VILLAGE IN MISUNGWI DISTRICT MWANZA REGION -TANZANIA**



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Non-Disclosure and Confidentiality Agreement

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Date

Signature

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1. Executive Summary

Tanzania is abundant in minerals and natural resources, such as gold, diamonds, coal, and natural gas. As of 2021, nearly 500 active licenses explored over 40 types of minerals in the country. Unsurprisingly, mining activities constitute a prominent industry in Tanzania's economy. Mining and quarrying accounted for roughly seven percent of the Tanzanian GDP in 2020 with export earnings surpassing 3.6 billion U.S. dollars.

Database indicate that gold found in Tanzania is grouped into the major Metallic Minerals category. The small-scale mining industry makes significant contribution to the country's economy making Tanzania the seventh largest gold miner in Africa behind Ghana, Mali, Burkina Faso, South Africa, Sudan, Guinea, and Tanzania. Previously, Gold Mining Industry in Tanzania was owned and controlled by the government, but now mining laws allow for private ownership. Given the nature of the industry and the fact that it is rapidly growing especially on small-scale mining, it is challenging to get an accurate figure in employment. However, estimates indicate that there are over one million people in artisan mining operations.

1.1 Business Opportunity

WSM Tanzania Mining Limited is aiming to improve its small-scale mining business at Mwamazengo Village in Misungwi District Mwanza, and Mwakang'ombe District Katavi to medium-scale mining business. To improve productivity the company has come up with the following specific areas of improvement.

- Establish a fully furnished CIP processing plant and workforce to operate the system.
- Mechanize the mining project estate.
- Increase gold ore production.
- Hire experienced miners in the industry.
- Improve safety and environmental care.
- Engage with the local community for the development of Mwamazengo village.

The company intends to generate a net profit margin of \$12,208,800 by the end of **the** first year. This will be achieved by maintaining a minimum amount of cash balance, lowering year-over-year wastage by increasing work efficiency and sales. In turn, this will result to 10% annual revenue increase year-over-year.

1.2 Product/Service Description

Gold is a chemical element with the symbol Au and the atomic number 79. In its pure form, it is a bright, slightly orange-yellow, dense, soft, malleable, and ductile metal. Chemically, gold is a transition metal, a group 11 element, and one of the noble metals discovered in the Middle East before 6000 BC. Gold or golden is a yellowish orange color, or orange-tan color that is a bit like the color of the metal gold. The actual color of the metal, used for example in gilding, is called Metallic gold.

Gold, also called golden, is a color tone resembling the gold chemical element. The web color gold is sometimes referred to as golden to distinguish it from the color metallic gold. The use of gold as a color term in traditional usage is more often applied to the color "metallic gold".

The American Heritage Dictionary defines the color metallic gold as "A light olive-brown to dark yellow, or a moderate, strong to vivid yellow." Of course, the visual sensation usually associated with the metal gold is its metallic shine. Reminiscent of luxury, success, achievement, triumph, royalty, and fortune, the color Gold is named after the precious metal of the same name. The meaning of the color Gold is multifaceted, often denoting generosity and compassion, as well as being synonymous with divinity and power in many religious settings.

Undoubtedly, gold is a metal. It is a part of the transition metals and fall in the same periodic table column in which the next other two precious metals-Silver and Copper-sit. There are different types of Gold: Colors, Karats as follows:

- Yellow Gold. Yellow gold is gold in its original, naturally occurring golden color.
- White Gold. White gold is created from yellow gold that is alloyed with nickel or palladium and zinc.
- Rose Gold.
- Gold Plated.
- Gold-Filled.
- Gold Vermeil.
- Solid Gold.

1.3 Current Business Position

WSM Tanzania Mining Limited is a registered company with TIN 154-502-084 and Primary Mining Licenses number 001876WLZ; 00559KTV; 00560KTV; 00561KTV; and 00562KTV. The company has been dealing with gold business for more than 10 years, however lack of mechanized mining equipment resulted to minimal production.

1.4 Financial Potential

Tanzania has great potential for different types of minerals, including gold, diamond, gemstones, and a variety of industrial minerals. Geological survey indicate availability of gold deposits are all over the country, therefore small-scale miners can be found across the land prospecting for gold using hazardous traditional mining tools and practices. One of the great challenges facing the mining sector in Tanzania is lack of capital funds for plant and equipment purchases. Mobilized successively with informed capital funds made available, mining industry is guaranteed to be a major contributor to the country's GDP.

1.5 The Request

WSM Tanzania Mining Limited is requesting Euros100,000,000 (approx \$108,520,000) under a planned annual return rate of 6%. The loan repayment shall be fixed and be completely repaid within ten years period.

2. Company Background

The company has been in place for a number of years, but lack of modern machinery and processing facilities to handle abundance of Gold has hindered production. Therefore we realize that there is salient need to mechanize and construct a Carbon-in-Pulp (CIP) and Carbon-in-Leach (/CIL) processing plant to promote production.

2.1 Business Description

WSM Tanzania Mining Limited is a Limited Liability Company engaged in mining and processing, buying and selling of gold ore.

2.2 Company History

For over ten years WSM Tanzania Mining Limited has been operating on the simplest prospecting, quarrying, unearthing and tunneling methods which exposed miners to safety hazards. In spite of using non-mechanized tools and stringent capital funds the company still averaged 5kg to 8kg per month, and managed to sustain through operational challenges and market price fluctuations. This output level was enough to convince the company to explore ways to get modern equipment that would ensure exponential production growth.

2.3 Current Position and Business Objectives

The company is a small scale mining operation guided by the following protocols:

Objectives

- To have capacity to produce best quality of gold per time
- To perform mining activities by complying with government policy, rules, mining acts, and realize projected revenue

Mission

WSM Tanzania Mining Limited seeks to deliver high grade of gold to its market. The company is going to ensure that its contracted clients receive highest quality product on a consistent basis. It will accomplish this through continued testing and selective mining of premium gold. The company will also synthesize gold using modified drilling methods and state of the art drying equipment to remove any impurities and maintain the structural integrity of the gold in the country.

Core Values

Our working philosophy is based on;

- Impeccable customer care
- Best quality product and commodity
- Efficient services

- Integrity
- Market strategics
- Corporate responsibility
- Uniqueness
- Reasonable prices
- Competitions
- Transparency
- Accountability

2.4 Ownership

The company is a corporation founded and owned by two primary shareholders, Mr. Wankyo Simon Mkono and Ms. Suzana Kassian Kahanda.

3. Products

Gold is usually found in a type of rock called ore. Gold can also occur as a rock in its pure form. This is called native gold. Or, it can be found as an alloy in certain rocks, for example electrum and auricupride. Electrum, natural or artificial alloy of gold with at least 20 percent silver was used to make the first known coins in the Western world. Most natural electrum contains copper, iron, palladium, bismuth, and perhaps other metals. Auricupride is a natural alloy that combines copper and gold. Its chemical formula is Cu_3Au . The alloy crystallizes in the cubic crystal system in the L12 structure type and occurs as malleable grains or plate masses. It is an opaque yellow with a reddish tint. It has a hardness of 3.5 and a specific gravity of 11.5. The major ores of gold contain gold in its native form and are both exogenetic (formed at the Earth's surface) and endogenetic (formed within the Earth). The best-known of the exogenetic ores is alluvial gold. Alluvial gold refers to gold found in riverbeds, stream-beds, and floodplains.

The precious metal is also the main mineral sourced in Tanzania with the main gold mines concentrated in greenstone belts around Lake Victoria. Large and medium scale producers account for roughly 70 percent of the Tanzanian gold production, which reached nearly 47 metric tons in 2020. Just in the Geita Gold Mine, one of the biggest gold mines in Africa, the output stood at 623,000 ounces of gold (around 17.7 metric tons). That same year, gold exports amounted to nearly three billion U.S dollars, making the precious metal Tanzania's main export item.

WSM Tanzania Mining Limited has been and will be engaged in extracting endogenetic gold ore that is found within the Earth

3.1 Product Overview

The gold mining operation stage represents the productive life of a gold mine, during which ore is extracted and processed into gold. Processing gold involves



transforming rock and ore into a metallic alloy of substantial purity – known as doré – typically containing between 60-90% gold. This is a semi-pure alloy of gold and silver. It is usually created at the site of a mine and then transported to a refinery for further purification. The proportions of silver and gold can vary widely. Dore bars weigh as much as 25 kg.

During its life, a number of factors – such as the price of gold or input costs – will affect which areas of an ore body are deemed economically profitable to mine. In times of higher prices, mining low-grade ore will become profitable as the higher price offsets the increased cost of extracting and milling greater volumes. When the price is lower or costs rise, it might only prove profitable to extract and process higher-grade ores. Mine plans are regularly re-assessed as market conditions change, new technical information comes to light, and process and technological enhancements are considered.

Increasingly, technological advancements are making the gold mining process smarter, cleaner and more efficient. Mines are now designed with these technologies in mind and electrification, digitization and automation are becoming increasingly common elements reshaping gold mine operations and processes.

3.2 Competitive Analysis

There are several gold mining companies located across Tanzania. The Victoria Lake region where WSM Tanzania Limited is located and plans to expand its operations is dominated by a few major companies such as Geita Gold Mine (GGM) a subsidiary of AngloGold Ashanti Limited; Bulyankulu Gold Mine (BGM) owned and operated by African Barrick Gold (ABG), a wholly owned subsidiary of Barrick Gold Corporation; Buzwagi Gold Mine, wholly owned and operated by African Barrick

Gold (ABG), a subsidiary of Barrick Gold Corporation. North Mara Gold Mine (NMGM) indirectly owned by Barrick while operated by Placer Dome after the acquisition. These are global conglomerates with enough market share which sets them apart from medium and small scale miners' competition.

WSM Tanzania Limited is smaller than most of these competing firms in the country, therefore it can be more flexible and able to adapt quickly to changes in the market where larger companies cannot change their production methods easily. With enough funding, WSM Tanzania Limited will be able to acquire surrounding small scale mining land and even as far as Singida region in central Tanzania.

3.3 Suppliers and Inventory

The supply of gold depends largely on the mine production while production, in turn, depends on two factors. The companies with higher reserves of gold work harder to extract their gold when the price of gold increases following standard theory that quantity supplied increases with price. Similarly, the expectation of higher prices in the future prompts speculators to explore for new reserves.

3.4 Research and Development

Adequate funds availability will allow the company to expand operations by acquiring additional prospecting land in the country.

4. Services

The company's top priority is to keep employees motivated and happy while controlling expenses and maximizing production. WSM Tanzania Mining Limited will not only grow its operation by generating more revenue but will need to maintain a competitive employee welfare for optimum yield per head. Therefore, to ensure employees are motivated the company established the following standards:

- High quality employee boarding and lodging facilities.
- Provision of modern and superior working tools.

Implement Opinion Poll and other human resource research means to ensure employee's satisfaction.

4.1 Service Descriptions

For the company to be able to achieve the set objectives, management is expected to have solid knowledge of the entire value chain gold mining industry. The goal is to create an innovative business in which both the employee and the customer, experience efficient service. A well chosen and targeted selection of offerings will complement this strategy. Both aspects are a core requirement to build employee loyalty while established repeat customer market is expected to generate revenues of 10% and more. Although this strategy is likely to require additional investments it is expected that revenues per customer will increase significantly and range above industry average. Moreover, this strategy will provide a clear deterrent for prospective competitors.

The development and promotion of a corporate identity is another central task for management. Given the similarity of businesses in this industry the development of a corporate identity will markedly increase sales revenue and build a customer base. Furthermore, a corporate identity will support expanding the business to target a larger international market.

4.2 Competitive Comparison

Several small-scale miners at Mwamazengo and at Mwakang'ombe are not fully authorized to conduct mining operations in the area, this is due to lack of approved mining license rights and the issue of enough funds required to carrying the mining exercise going. Nearly 85% of small-scale miners do not have access to proper funding in the area. WSM Tanzania Mining Limited competitive edge is its exclusive potential access to funds, and by acquiring anticipated funding will be able to turn around mining perspective at Mwamazengo, and at Mwakang'ombe.

Mwamazengo, and Mwakang'ombe villages are some of the last remaining strongholds of artisan and small-scale miners in the Victoria Lake zone area, easily accessible in terms of transportation and other logistics. This business has huge market demand as witnessed by the growing price gain of about \$41.42 per gram from 2015 to 2024, which describes promising business profit going forward.

4.3 Service Delivery

Mining industry is naturally intense, and in most cases, done in remote areas where employees are required to stay in camps away from their homes. Therefore, to keep employees motivated and eager to perform their duties with inspired loyalty the company will provide good boarding and lodging facilities and services. Also, there are plans to furnish the camp with recreational facilities for employees to unwind and revitalize after tedious hours of hard work, such as Gym equipment as well as indoor and outdoor sports paraphernalia. Above all, provision of good modern working tools and the use of mechanized equipment correlates with increased productivity.

4.4 Research and Development

SWOT Analysis

This analysis evaluates our strengths, our weakness, our opportunities, and the threats that we are likely going to be exposed to. Here is a breakdown of what we got from the critically conducted SWOT Analysis for Gold Mining investment.

Strength

- Invest in the best mining equipment, mining technique and trucks that will position us to produce preferable gold products
- Quality control mechanism that assures consistent quality through testing and analysis.

Weakness

- Access to additional operating capital funds.

- Gold price fluctuation in world market.

Opportunities

- Company involvement in cooperate social responsibilities
- Employment opportunities
- Revenue to for the government at large.

Threat

- Unforeseen legal issues that arise in mining industry in general,
- Political changes that can pose consequences to the mining sector.

5. The Industry, Competition and Market

People in hard hats working underground is what often comes to mind when thinking about how gold is mined, yet mining the ore is just one stage in a long and complex process. Long before any gold can be extracted, significant exploration and development needs to take place, both to determine as accurately as possible, the size of the mineral deposit, as well as how to extract and process the ore efficiently, safely and responsibly. It requires significant time, financial resources and expertise in many disciplines – e.g. geography, geology, chemistry and engineering. Once basic facts about the local geology and potentially viable deposit are established, the gold ore body can be modeled in detail.

5.1 Industry Definition

Gold production in Tanzania ranks as the seventh largest in Africa. The precious metal is also the main mineral sourced in Tanzanian with the main gold mines concentrated in greenstone belts around Lake Victoria. Tanzania is a country with more than one million miners, mechanized, non-mechanized artisan miners, and consequently many competing gold dealers as well.

5.2 Primary Competitors

There are four major players in the gold industry in Tanzania, Geita Gold Mining Limited (GGML) being the largest and a subsidiary of the global gold mining conglomerate AngloGold Ashanti. In the financial year, 2018/2019 GGML held 43 percent of the country's gold production contributing nearly \$82.4 million U.S. dollars (about 190 billion Tanzanian shillings to government revenue. North Mara Gold Mine Limited (NMGML) was the second main producer, with a market share of 25 percent, and contributed \$37 million U.S. dollars (85.6 billion Tanzania Shillings). Together with Buzwagi Gold Mine and Bulyanhulu Gold Mine, North Mara belongs to Twiga Minerals Corporation, a joint venture between the global Barrick Gold Corporation and the Government of Tanzania.

5.3 Market Size

Gold has always been one of the world's most precious and coveted metals, and the primary reason for its value is its rarity. Estimates on the global gold mine reserves fluctuated slightly from year to year during the past decade, and in 2023 increased to 59,000 metric tons. The countries with the largest estimated reserves are Australia, Russia, and South Africa. Approximately 3,000 metric tons of gold was produced from mines worldwide in 2023. Currently, China is the world's leading gold mining country followed by Australia and Russia.

Worldwide gold demand amounted to 4,740.8 metric tons in 2023, an increase from 4,448.3 metric tons in the previous year. However, the corona-virus pandemic in year 2020 had a devastating effect in the industry in that for the first gold production was lower than 4,000 metric tons.

Gold is one of the most highly-desired and useful metals in the world. Gold occupies an important place in our culture and society. It symbolizes power, beauty, purity, and accomplishment. Many people are familiar with the use of gold in jewelry and investment. Not only that, gold is also used for a number of things in our daily life and across many industries.

Following are the top seven uses of gold and the most common uses of gold in daily life.

Wealth protection

Unlike currencies and other financial securities, gold has intrinsic value. A currency note can be easily torn or otherwise destroyed. Gold, on the other hand, is an inert metal that cannot be destroyed. All of this and its rarity make gold appreciated as a precious commodity.

The general trend observed over the past 100 years is that gold is a haven investment (value remains stable even when the economy is not stable). Gold investments are likely to outperform other investment options during recessions and economic downturns. That is why gold is the ideal tool for wealth protection, and minimal risk to investors during economic and political troubles.

Jewelry, adornments and medals

Jewellery, and other decorative gold products, have always been and remain the largest global use of gold. Gold jewellery, rings, earrings, chains, cuff-links, bracelets and other items have existed for many centuries. In the modern world, jewellery made of gold shows high status and carries aesthetic beauty, but many of the buyers will also have an eye on its investment value. Besides jewellery, gold is used to increase the value of a huge range of decorative items, such as medals and badges.

Electronics

Gold doesn't corrode or tarnish as quickly as copper and silver making it a great conductor of electricity and is highly resistant to heat. Physically, gold is a soft, pliable metal and can be easily stretched or plated into thin coatings. For these reasons, gold is used in connectors, connecting wires, and connection strips in electronic devices, among other things. All electronic devices have small traces of gold, even microwaves and smartphones.

Space exploration

Space exploration and satellites are other growing consumers of gold. Besides the numerous electronic components, space travel and exploration also need gold particles to reflect infrared radiation from the sun.

Medicine, dentistry, and aesthetic cosmetology

Because it is non-reactive and non-toxic, gold has for many years been used in dentistry and medicine. Small amounts of gold are injected as a treatment for Rheumatoid arthritis and muscle damage. Radioactive gold is used in oncology for the diagnosis and treatment of malignant tumors.

People also use gold threads in aesthetic cosmetology. There are gold-containing skin care products because gold can help elimination of skin problems and their rejuvenation, thanks to the antimicrobial action of the metal.

Meanwhile, in dentistry, the use of gold dates back to as early as 700 BC, when dentists used gold wire to fasten replacement teeth into their patient's mouths. Gold alloys are also used for fillings, crowns, bridges and orthodontic appliances because the precious metal is non-allergenic and easy to work with.

Food production

Gold is registered as a food additive with code E175. In some countries, there are such popular products as beer with golden flakes, olive oil with golden leaves, pizza or coffee with tiny gold particles. It is believed that the food supplement E175 does not interfere with digestion, and even has hypoallergenic properties. But, it is usually used in small quantities due to its high cost.

Architecture and building materials

Gold is actively used in glass making. In modern climate-controlled buildings, gold helps reflect solar radiation, which helps buildings to stay cool in hot weather, and reflects internal heat inward that helps to save warmth in winter.

5.4 Market Growth

Gold is subject to cyclical volatility in its rate of return, and many investors speculate on its value. However, for historic reasons many view it as a symbol of price stability. After World War II, the Bretton Woods system tied the price of all major currencies to the price of gold until the 1970s. This legacy means that most countries still maintain large gold reserves. While this can drive gold demand, it also reduces the supply of gold in circulation by locking huge amounts of gold in central bank vaults. Gold demand was noticeably higher following the 2006/2008 Global Financial Crisis until the corona-virus pandemic hit in 2020. Many investors look to gold in periods of market turmoil because they believe that it holds value throughout recessions better than other assets.

5.5 Customer Profile

Gold customers may visit your store or website as often as platinum customers, but they are more price sensitive and more likely to shop competitors for better deals. If the business is very profitable with gold tier around 21st to 50th percentile in

profitability, customers may still provide a profit.

The biggest gold consumers in the world in the year 2023 were China, India, United States of America, United Arab Emirates, and Indonesia. China is the worldwide leader of the most gold purchasing nations closely followed by India.

6. Marketing Plan

WSM Tanzania Mining Limited goal is to bring the company mining plant to 100% capacity after the arrival of new machinery and professional personnel has been hired. In order to accomplish this, the company will keep resolute focus on sales and marketing efforts.

6.1 Competitive Advantage

As a small scale mining company, once investment funds are made available, the company will have added advantage over other miners of the same category. The company will be well positioned to increase production aggressively and therefore generate more revenue.

6.2 Pricing

The price of Gold is always determined by foreign exchange stability. According to recent years' price analysis, gold price is still at its best value. The company is looking forward to producing between 100kg to 110kg monthly in the first year with 10% year-over-year increment reaching at 140kg to 150kg monthly by the end of year five.

Live Gold Spot Price	Gold Spot Price Today	
• Gold Price per Gram	\$77.71	€71.53
• Gold Price per Kilo	\$77,707	€71,528
• Gold Price per Ounce	\$2,416.96	€2,224.77

*Source: Statista.com
May 20, 2024*

Nonetheless, price quotations while preparing financial projections for this proposal were projected at a lower \$75363 per kilo to provide room for price fluctuation. To manage risk, the company shall conduct routine price analysis and market expansion. In addition, foreign currency exchange update analysis shall be done continually, daily at the hour.



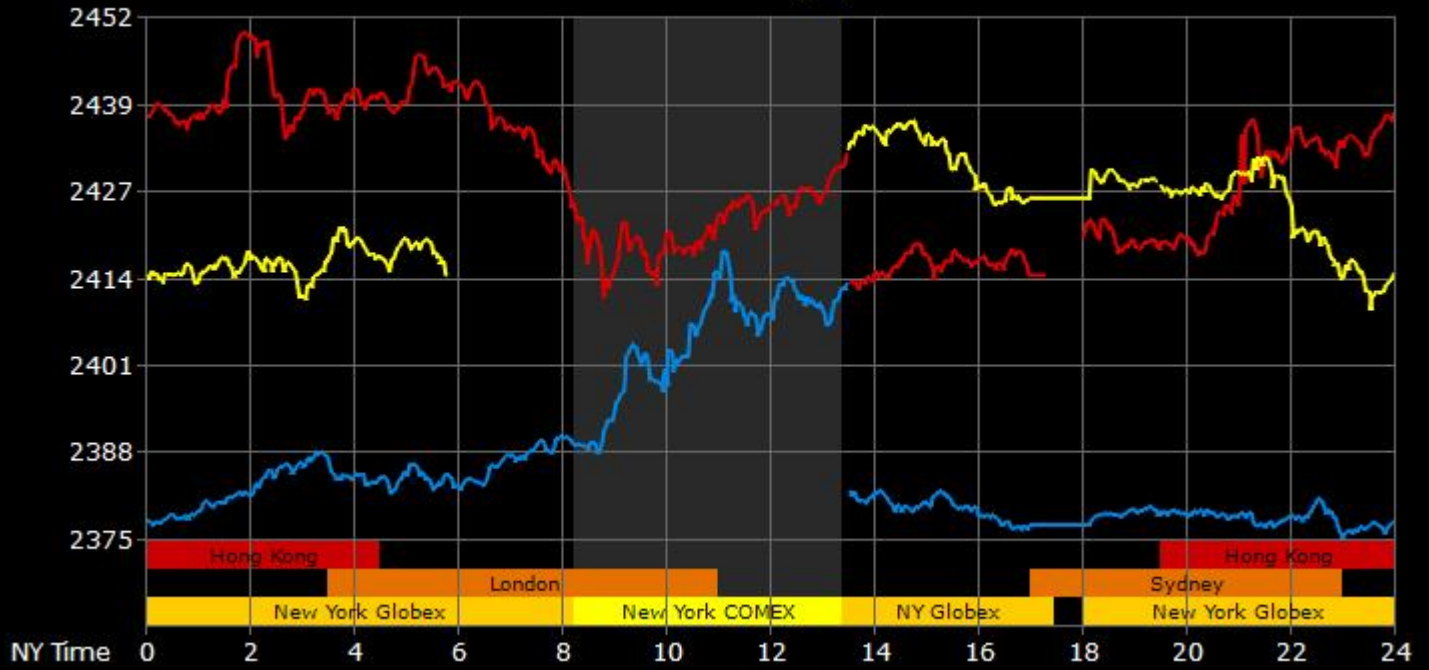
Figure 4: Yearly gold price review from <https://goldprice.org/>

Spot Gold Price (Mid) USD/oz

High: 2436.82

Low: 2408.28

- 17 May COMEX Close	2417.76	▲39.51	▲1.66%
- 20 May COMEX Close	2426.39	▲8.63	▲0.36%
- 21 May Spot Gold	2414.16	▼12.23	▼0.50%



May 21, 2024 at 05:47 NY Time

goldprice.org (mid)

6.3 Distribution Channels

Moreover, the company plans to employ the global gold supply chain on the range of activities required to move a commodity from production to consumption.

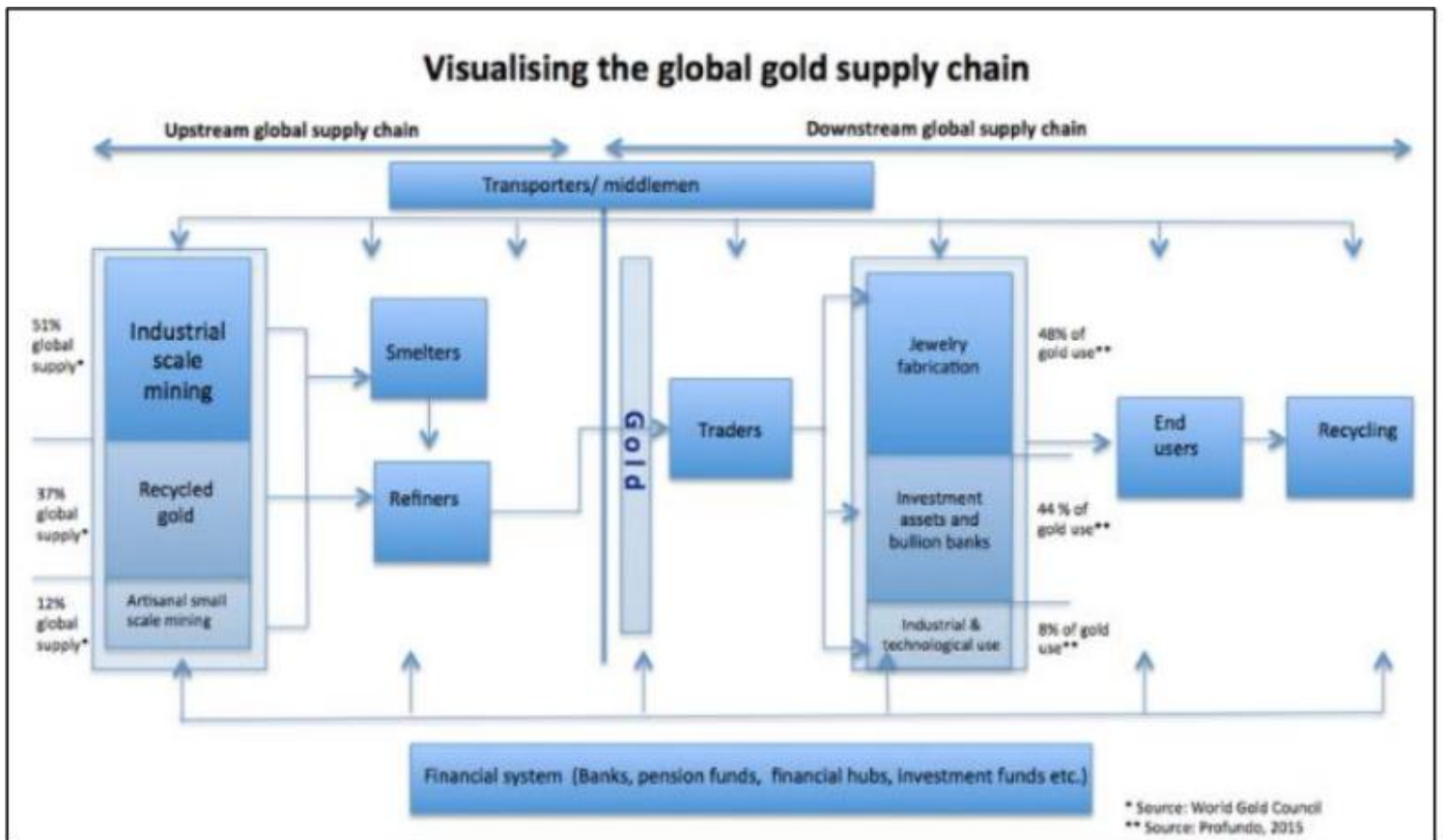


Figure 3: Global gold supply chain after Profundo, 2015

The chain usually involves an often complex combination of physical changes, input from various producer services, transfers of ownership and deliveries. Commodity value chains are increasingly recognized as providing a solid framework for the analysis of the public and private sector stakeholders within them, as well as the overall performance of markets.

6.4 Promotional Plan

There are quite a number of domestic and international Trade Exhibition Shows which WSM Mining Limited will attempt to participate. Here are some of the shows:

- **NEBU EXPO FOR GOLD & JEWELRY** is Africa's first and only trade fair to host 100 buyers from companies with serious gold and jewelry sourcing intent.

Minexpo Africa Tanzania is the region's showcase of the latest technology in the mining & processing of minerals, earth-moving, safety equipment and much more. Tanzania's mining industry is expected to reach \$1.28 billion in 2024 according to a study by Business Monitor International (BMI). The country

could be the 4th largest gold producer in Africa.

- **Mining Indaba South Africa** is where the African mining value chain comes together to gain valuable industry insights, network with influential players, and explore cutting-edge technology in mining and processing.
- **Dar es Salaam International Trade Fair Tanzania (DITF).**
- **International Jewellery & Watch Show (JWS) Abu Dhabi** Exhibits Diamond, Gold, Pearls, Precious and Semi-Precious Gemstones, Silver jewelry and Fine watches.

6.5 Feedback

WSM Tanzania Mining Limited has two plans to identify customer satisfaction and help modify approach to better serve customers, as follows:

Customer Surveys

Each customer will be asked to fill out a survey upon completion of a sale. This survey will be handed to each customer as they leave the property, and consist of a prepaid postcard. The survey will have questions regarding quality of care, attentiveness of the staff, environment, and all around service level.

Repeat Business

The Sales and Marketing Team will monitor the number of customers who come back for additional services. The customers who do not return will be called to identify if they have chosen another competitor, and if so, where WSM Tanzania Mining Limited was lacking in its performance.

The Director Sales and Marketing will analyze the results of the customer surveys and make calls to identify where service is lacking. With this information, the company will improve by addressing the customer concerns.

7. Operating Plan

WSM Tanzania Limited will hire professional management team with qualified knowledge and experience in gold mining in remote locations. They will be expected to be people oriented who will keep the employee motivated, the goal being to create a conducive work environment which in turn will yield high production. A well-chosen, and targeted selection of offerings will complement this strategy. These are some of the core aspects required to build workforce loyalty. Although this strategy would require additional investments it is expected that revenues will increase significantly.

7.1 Location

The proposed project location is referenced by QDS 47 and it is bounded by latitude 3' 00 to 3' 30' S and latitudes 32' 30"E to 3' 30" 00" E. The QDS is situated in the regions of Mwanza to the North and Shinyanga to the South.

Site Accessibility

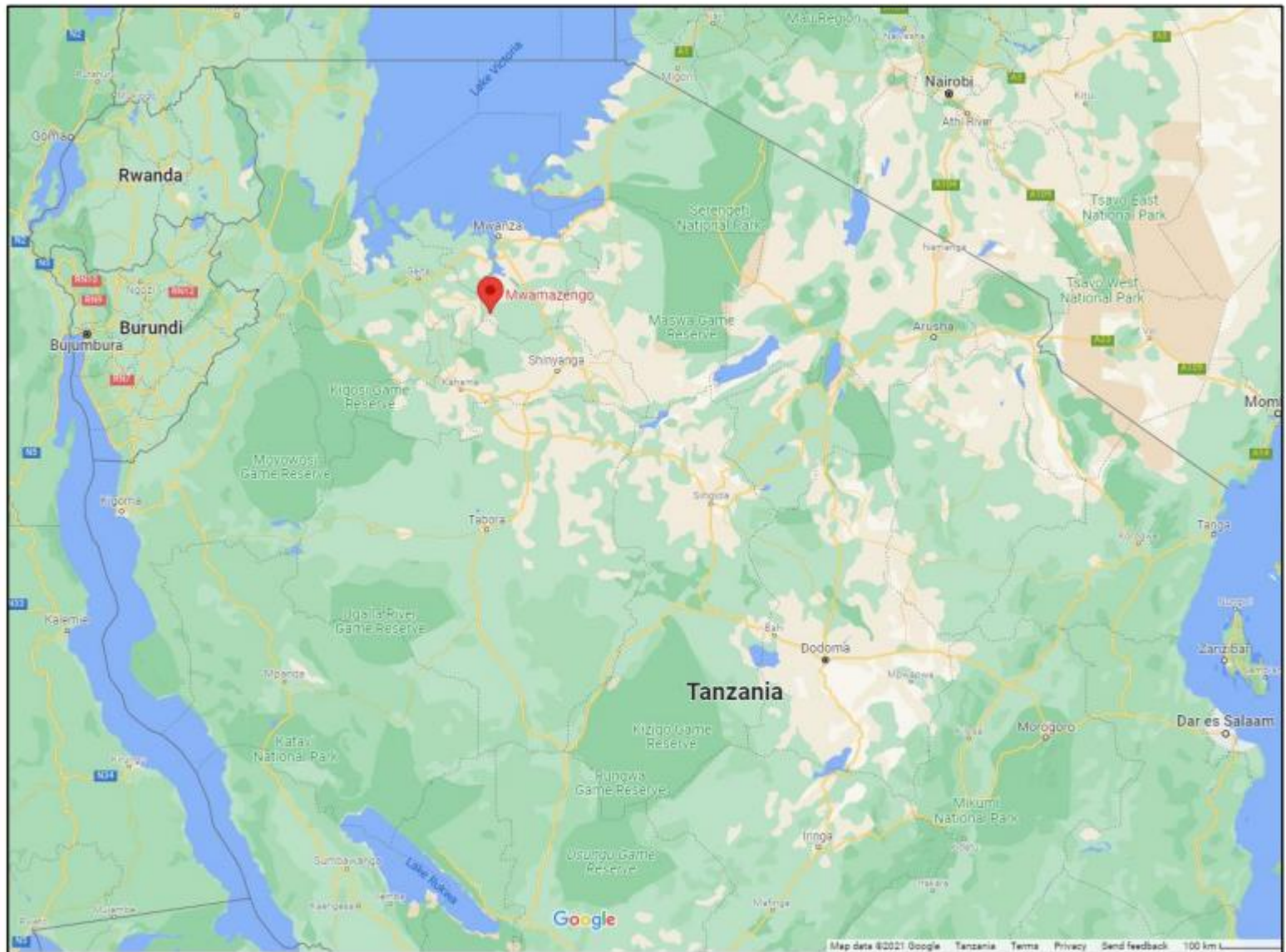


Figure 1: Tanzania map showing central to Northern part of the country highlighting Mwamazengo village

The site is easily accessed via the Geita Karumwa road. It can also be accessed from Kahama through Bukwimba. The eastern part is accessible from Mwanza – Dar es Salaam Road from Mwanangwa to Misasi Junction. From Misasi there is a good gravel road to Solwa. Solwa is also accessible from Shinyanga through Old Shinyanga - Mhangu Road.

7.2 Facility

WSM Tanzania Limited currently processes gold manually, but plan to construct a building plant and equipment on site for that purpose. The company will also have main building that will house administrative offices and employee cafeteria separate from the processing plant structure.



Figure 2: CIP or CIL schematic design diagram

There will also be 20 sleeping camp quarters and other recreational facilities such as sports field and gym for use by the entire mining team, including management and other staff members.

7.3 Operating Equipment

The company considers acquiring the following:

• Land Improvement	\$750,000
• Main Office Building	\$750,000
• 20 x Camp Cottages	\$2,500,000
• Signage	\$36,000
• 10TPH Plant Equipment	\$200,000***
• 2 x Excavators @\$3m	\$6,000,000***

• Processing Plant Building	\$2,000,000
• 40MW Back Up Diesel Generator	\$500,000***
• Water Pump & Storage Facility	\$11,550,000***
• 7 x HD Mining Dump Trucks @\$8m	\$56,000,000***
• 5 x Pick Up Trucks @\$70,000	\$350,000***
• 1 x Coaster 30 Seater Minibus	\$143,000***
• Computer Server, Computers & Peripherals	\$100,000***
• 2-Way Cobra 6-pack 22-channel Radio	\$1,000***
• Furniture & Fixtures	\$100,000
• Cafeteria/Canteen Kitchen Equipment	\$1,500,000***
• Legal & Consulting Fees 6.5%	\$7,053,800
• Marketing & Advertising	\$4,200,000
• Initial Working Capital & Start-Up Supplies	\$12,000,000
• <u>Contingency</u>	<u>\$2,786,200</u>
<u>TOTAL</u>	<u>\$108,520,000</u>



HD Dump Truck



Articulated Dump Truck



Front Loader (above) and Excavator (bottom)



30-Seater Mini Bus



Off-Road Pick Up Truck

7.4 Suppliers and Vendors

WSM Tanzania Limited will engage a Food and Drink catering company to provide service to the camp on one year renewable contract basis. There will also be emergency medical services available on contract 24 hours a day and 7 days a week to ensure all emergency incidents are attended to promptly.

7.5 Personnel Plan

As part of the plan to build a topflight gold mining company in Tanzania, the company aim to have competent employees to occupy all the available positions in our company as following positions.

- 1 x Chief Executive Officer (Owner)
- 1 x Gold Mine Engineer
- 1 x Camp Manager
- 1 x Human Resources and Administration Manager
- 1 x Sales and Marketing Manager
- 4 x Accountant/Cashier/Procurement/Office Assistant
- 2 x Metallurgy Supervisor team
- 24 x Technical Services team (Big rig drivers/Mechanics/Plant Processors)
- 30 x Operations team (Daily Casual Laborers)

This number is destined to add up as business demand grows.

7.6 General Operations

WSM Tanzania Mining Limited operations shall comply with all the industry requirements enforced by the government. Among others, these are Occupational Safety and Health Administration (OSHA), The National Social Security Fund (NSSF), Workers' Compensation Fund (WCF), Pay As You Earn Tax (P.A.Y.E), and Corporate Social Responsibility (CSR).

The company will continue operating two work shifts open-pit mining which is what has been practiced all along. However, with mechanized equipment available the company will qualify for 24 hours underground mining operations adapting three work shifts.

8. Management, Organization and Ownership

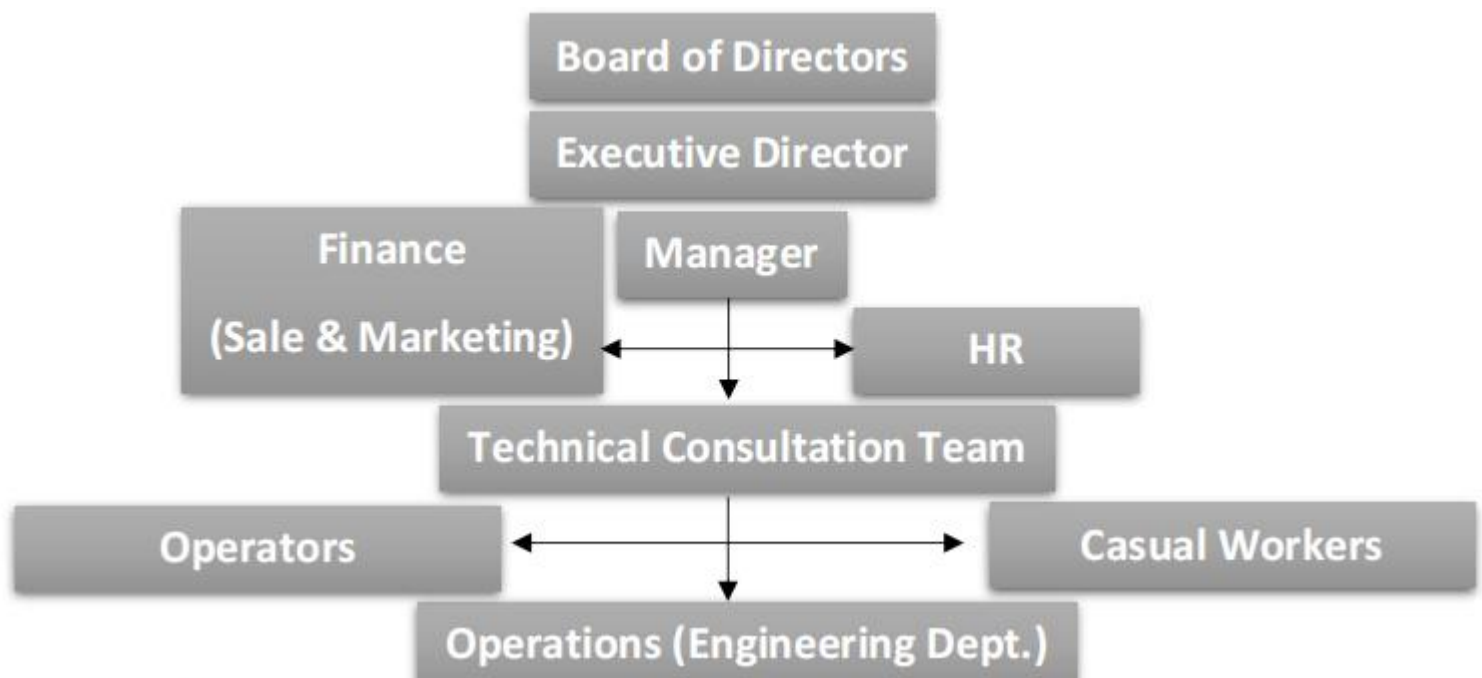
Management is the driver of any profit making or non-profit organization. WSM Tanzania Mining Limited has assembled a team of professional staff and consultants which will direct mining and processing activities to achieve company goals.

8.1 Management/Principals

WSM Mining Limited is governed by its Advisory Board of Directors and two principals namely, Wankyo Simon Mkono who is also the Chief Executive Director and Suzana Kassian Kahanda, the Company Secretary.

8.2 Organizational Structure

The following chart show the planned team of staff that will be managing the project:



8.3 Professional Consultants

WSM Mining Tanzania Limited has a long-time engagement with commendable technical experts at its disposal most of whom come from different consulting firms such as:

- Mining Corporate Attorney
- Mining Technical consultancy & Contractor (KMC Mining & Engineering Services)
- Auditing and Accounting Firm
- Debit and Credit consultancy firm

8.4 Ownership and Boards

Board Members are:

- Suzana Kassian Kahanda
- Paul Simon Mkono, and
- Lucy Simon Masiaga

Advisory Board of Directors will strictly be committed to provide professional guidance on application of best practices in mining industry. It will have between three and five members only.

9. Goals and Strategies

The company's primary goal is to evolve from small scale gold mining practices and be a leader among the rest of artisan miners in the country.

9.1 Business Goals

WSM Tanzania Mining Limited will only be able to achieve the desired evolution and maximize gold production by:

- Purchasing and applying superior mining equipment.
- Constructing a morning CIP/CIL processing plant for indoor gold extraction and refining, and
- Buying and selling of Gold bullion for worldwide exportation.

9.2 Keys to Success

To improve business, the company plans to undertake the following strategies:

- Improve Gold productivity through application of modern machines.
- Boost management and workers' motivation.
- Implement innovative marketing approaches.

- Upgrade capacity for technology development, training, and dissemination systems for local workers.
- Promotion of medium and large-scale processing industry.
- Enhance access to and maintenance of Equipment.
- Employ competent and qualified staff and hire professional consultancy.
- Conduct market and promotions to win our competitors.
- Provide quality services and products.
- Expand market base.
- Technical Project management, monitoring, and evaluation.
- The company shall conduct routine price analysis and marketing expansion. In addition, foreign currency exchange update analysis shall be done continually and daily at the hour.

9.3 Future Plans

WSM Tanzania Mining Limited intends to expand its gold prospecting interests by acquiring more surveyed areas in the country that is found to have potential gold ore deposit

10. Financial Assumptions

The financial projections for WSM Tanzania Mining Limited are based upon acquisition of loan and purchase of the pertinent equipment and processing machines. The assumptions are categorized as follows:

- Equipment and other pertinent apparatus as item 7.3 marked (***) - \$76,344,000
- All inclusive Initial Working Capital - \$32,176,000
- **Total International Loan - \$108,520,000 @ 6% over 10 years**

10.1 Assumptions

See appendices attached

11. Appendix

This section contains the following reports and supporting documentation:

- Income Projection
- Expense Projection
- Profit & Loss
- Balance Sheet
- Cash Plan
- Ratio Analysis

