

**AG MINERALS PROCESSING LIMITED**

Business Plan

for

Gold Processing Plant Project

*PREPARED FOR*

*AG MINERALS PROCESSING LIMITED*

*Dar es Salaam*

## 1.0 EXECUTIVE SUMMARY

AG MINERALS PROCESSING LIMITED is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No.191345282 issued on 28th November, 2025.

The proposed project involves establishing gold processing plant with a capacity of 200kg of processed gold per year, achieving high gold recovery and profitable operations while complying with Tanzanian mining and environmental regulations.

- The proposed investment is estimated to cost US\$ 7.5 million
- Expected annual gold output IS 200kg
- Price is estimated to be USD\$ 160,000/kg gold

### 1.1 COMPANY OWNERSHIP

AG MINERALS PROCESSING LIMITED is promoted by local and foreign investors who are very experienced in transport and logistic business

Shareholder Name	% of ownership	Nationality
HARSHVARDHAN SINGHANIA	50	India
ABHISHEK GOEL	50	India

### 1.2 PROJECT LOCATION

The project head office will be located at un surveyed land at Mpomvu Area, Geita District, Geita Region.

**1.3 Vision:** To become a leading gold processor in Geita, providing high-quality doré bars.

**1.4 Mission:** To process gold efficiently, responsibly, and profitably while creating employment and contributing to Tanzania's economy.

## **2.0 Business Description**

AG MINERALS PROCESSING LIMITED will establish a gold processing plant to serve the growing gold mining sector in the Geita region. The plant will:

- Process gold-bearing ore into doré bars (approx. 90–95% pure gold).
- Use gravity separation, cyanidation, and smelting.
- Ensure environmental compliance and safety in operations.

## **3.0 Gold Industry Overview**

### **3.1 Global Gold Industry**

- Market Size:
  - Global gold production is ~3,300–3,500 tons per year.
  - Major producers: China, Australia, Russia, USA, and South Africa.
  - Global gold market value: ~USD 200–250 billion annually.

- **Uses of Gold:**

- Jewelry: ~50% of global demand.
- Investment: Bullion, coins, ETFs (~30%).
- Industrial: Electronics, medical devices (~10–15%).

- **Price Trends:**

- Gold is a hedge against inflation and currency fluctuations.
- Price fluctuates based on economic conditions, geopolitical tensions, and central bank policies.
- Average price 2025–2026: USD 60,000–65,000 per kg (~\$1,900–\$2,100 per oz).

### **3.2 Industry Structure:**

- Large-scale mining companies: Own major mines, advanced processing, global supply chains.
- Medium-scale operations: Serve local/regional markets.
- Artisanal and small-scale miners (ASM): Often informal, provide raw ore to local processors or exporters.

### **3.3 Gold Industry in Africa**

- Africa contributes ~20% of global gold production.
- Key African producers: South Africa, Ghana, Mali, Sudan, Tanzania.

- Mining is a major source of foreign exchange, government revenue, and employment.
- Challenges: illegal mining, environmental degradation, infrastructure gaps.

### 3.4 **Gold Industry in Tanzania**

- **Production:**

- Tanzania is Africa's 4th largest gold producer.
- Annual production: ~50–55 tons.
- Main gold-producing regions: Geita, Mwanza, Shinyanga, Mara, Lindi.
- Both large-scale mines (e.g., Geita Gold Mine, Bulyanhulu) and artisanal miners operate.

- **Economic Contribution:**

- Gold accounts for ~30% of Tanzania's export earnings.
- Provides employment to thousands of people.
- Supports local infrastructure and social projects via corporate social responsibility (CSR).

- **Mining Structure:**

- Large-scale: Operated by multinational companies with advanced processing plants.

- Small-scale/artisanal mining (ASM): Contributes ~20–25% of total production; often informal and less regulated.

### 3.5 Processing & Refining

- Most gold is exported as doré bars or concentrate.
- Some medium-scale processing plants (like the one you plan) exist to serve ASM miners.
- Environmental and regulatory compliance is increasingly emphasized.

### 4.0 Challenges in Tanzania’s Gold Industry

Challenge	Impact
Illegal mining & smuggling	Loss of revenue, unsafe practices
Environmental degradation	Deforestation, water pollution, tailings risks
Fluctuating gold prices	Profit margin uncertainty
Energy & infrastructure	High cost of electricity, water, transport

### 5.0 Opportunities

- High global demand for gold, especially in jewelry and investment.

- ASM miners need reliable processing facilities—great market for small-to-medium processing plants.
- Government incentives for formalization and value addition.
- Growing export potential to international refineries.

## **6.0 Future Outlook**

- Gold demand is expected to remain strong due to investment and jewelry markets.
- Tanzania is likely to increase production as regulations improve and large-scale investments continue.
- Medium-scale processing plants like yours are well-positioned to serve artisanal miners, capture value locally, and provide employment.
- Environmental compliance and modern technology adoption will be key differentiators.

## **7.0 Market Analysis**

### **7.1 Industry Overview:**

- Tanzania is Africa's fourth-largest gold producer.
- Geita is the leading gold-producing region.
- High demand for gold both locally and internationally.

### **7.2 Target Market:**

- Local gold miners needing processing services.

- Export markets (gold refineries and bullion traders).

## 8.0 Marketing & Sales Strategy

- Establish agreements with local miners for ore supply.
- Direct sales to Tanzanian gold exporters or licensed refineries.
- Promote reliability, security, and high gold recovery rates.
- Maintain relationships with financial institutions for secure gold trading.

## 9.0 Competitive Analysis:

- Competitors include local small-scale processors and large-scale mining companies.
- Our competitive advantage: modern processing technology, high recovery rates, compliance with environmental regulations, and strong security measures.

## 10.0 Risk Analysis & Mitigation

Risk	Mitigation
Gold price volatility	Hedging, forward contracts
Ore grade variability	Detailed sampling, flexible process
Cyanide handling risks	Proper training, detox systems
Power shortages	Backup diesel generators
Theft / Security	Fencing, CCTV, secure storage

## **11.0 Technical Plan & Operations**

### **11.1 Ore Source**

- Local gold-bearing ore from Geita mines.
- Average grade: 2–5 g/t.
- Expected processing capacity: 200kg of gold year.

### **11.2 Processing Technology**

- **Crushing & Grinding:**
  - Jaw crusher → cone crusher → ball mill.
- **Concentration:**
  - Gravity separation: jigs, shaking tables, centrifuges.
  - Flotation (if required for sulfide ore).
- **Cyanidation / Leaching:**
  - Carbon-in-Leach (CIL) or Merrill-Crowe process.
  - Recovery: 90–98% depending on ore type.
- **Smelting & Refining:**
  - Produces 90–95% pure doré bars.
  - Optional electro-refining for 99.99% purity.

### 11.3 Infrastructure & Equipment

- Plant buildings: crushing, grinding, processing, gold room.
- Tailings storage facility (TSF).
- Diesel generators / grid connection.
- Water treatment system.
- Security: fencing, CCTV, secure storage.

### 12.0 Environmental & Regulatory Compliance

- Comply with Tanzanian Mining Act, Environmental Management Act, and Mineral Rights Act.
- Conduct Environmental Impact Assessment (EIA).
- Tailings management and cyanide detoxification.
- Air and water pollution control measures.

### 13.0 Organizational Structure

<b>Position</b>	<b>No. of Staff</b>
Plant Manager	1
Metallurgists / Engineers	3
Operators & Technicians	20
Security & Administration	12
<b>Total Staff</b>	<b>36</b>

#### 14.0 Implementation Timeline

Phase	Duration (Months)
Feasibility study, licensing	1-3
Procurement of equipment	4-6
Civil works & plant installation	7-12
Trial runs & commissioning	13-15
Full-scale production	16-18

#### 15.0 Project Operating Cost

The company has estimated that the project operating cost and other cost to be 85% of the total annual revenue.

#### 15.1 PROJECT FINANCING

The company has estimated that the project will be financed by long term loan amounting to US\$ 5,000,000 with interest rate of 9% repaid within 5 years and remaining US\$ 2,500,000 will be shareholders contribution and cashflows generated from business.

## 12.2 PROJECT COST

The project has budgeted to cost the followings:

Land and Buildings	2,200,000
Machinery & Equipment	3,500,000
Motor Vehicles	350,000
Furniture & Fixtures	45,000
Pre exp	50,000
Others	5,000
Working Capital	1,350,000
<b>TOTAL</b>	<b>7,500,000</b>

## 12.3 Revenue & Profit Estimate

- Average Grade: 3 g/t → 200 kg gold
- Gold Price: USD 160,000/kg → Revenue
- Operating Costs 85%

## 13.0 FINANCIAL ASPECTS FOR THE PROJECT

- **Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 2,901,850** in the 1<sup>st</sup> year to **US\$ 25,708,298** in the 8<sup>th</sup> year.

- **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\$ 3,556,350** in the first year to **US\$ 32,831,706** at the end of 8<sup>th</sup> years of the project's operations.

- **Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 2,500,000** in the first year to **US\$28,208,298** at the end of 8<sup>th</sup> years of the project's operations based

- **Payback Period**

Total investment is **US\$ 7,500,000** cash accumulation in 3<sup>rd</sup> year **US\$ 11,057,850** which is more than the initial investment. The project payback Period is exactly 3years. The project has a relatively short payback period.

- **Loan repayment**

Total investment loan is **US\$5,000,000** to be repaid within 5 years.

#### 14.0 **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 36 people. This is a significant contribution coming from investors.

- **Revenue to the Government**

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

- **Foreign Exchange Earning**

Project is planning to export, thus earn foreign currency for the United Republic of Tanzania.

## 15.0 **CONCLUSION**

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 36 people.
- 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.

## 16.0 **RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement

and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

## APPENDIX I

## AG MINERALS PROCESSING LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
Revenue	32,000,000	33,600,000	35,280,000	37,044,000	38,896,200	40,841,010	42,883,061	45,027,214
Total Cost	27,200,000	28,560,000	29,988,000	31,487,400	33,061,770	34,714,859	36,450,601	38,273,131
Profit before Depreciation & Interest	4,800,000	5,040,000	5,292,000	5,556,600	5,834,430	6,126,152	6,432,459	6,754,082
Interest	450,000	360,000	270,000	180,000	90,000	-	-	-
Depreciation	204,500	133,500	133,500	133,500	133,500	133,500	133,500	133,500
Gross Profit	4,145,500	4,546,500	4,888,500	5,243,100	5,610,930	5,992,652	6,298,959	6,620,582
Tax (30%)	1,243,650	1,363,950	1,466,550	1,572,930	1,683,279	1,797,795	1,889,688	1,986,175
Profit After Tax	2,901,850	3,182,550	3,421,950	3,670,170	3,927,651	4,194,856	4,409,271	4,634,407
Accumulated Profit	2,901,850	6,084,400	9,506,350	13,176,520	17,104,171	21,299,027	25,708,298	30,342,706

## AG MINERALS PROCESSING LIMITED PROJECTED CASH FLOWS US\$

<b>SOURCES:</b>		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	4,800,000	5,040,000	5,292,000	5,556,600	5,834,430	6,126,152	6,432,459	6,754,082
Equity	2,500,000								
Loan	5,000,000								
<b>Total Sources</b>	7,500,000	4,800,000	5,040,000	5,292,000	5,556,600	5,834,430	6,126,152	6,432,459	6,754,082
<b>Applications:</b>									
Capital expenditure	6,245,000	-	-	-	-	-			
working Capital & Others	1,255,000								
Cash	-	3,556,350	3,676,050	3,825,450	3,983,670	4,151,151	4,328,356	4,542,771	4,767,907
Tax	-	1,243,650	1,363,950	1,466,550	1,572,930	1,683,279	1,797,795	1,889,688	1,986,175
<b>Sub total</b>	7,500,000	4,800,000	5,040,000	5,292,000	5,556,600	5,834,430	6,126,152	6,432,459	6,754,082
<b>Total applications</b>	7,500,000	4,800,000	5,040,000	5,292,000	5,556,600	5,834,430	6,126,152	6,432,459	6,754,082
Accumulated cash		3,556,350	7,232,400	11,057,850	15,041,520	19,192,671	23,521,027	28,063,798	32,831,706

## AG MINERALS PROCESSING LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets		1	2	3	4	5	6	7	8
Opening balance	-	6,245,000	6,111,500	5,978,000	5,844,500	5,711,000	5,577,500	5,444,000	5,310,500
Total Long-term Assets	-	6,245,000	6,111,500	5,978,000	5,844,500	5,711,000	5,577,500	5,444,000	5,310,500
Less depreciation	-	133,500	133,500	133,500	133,500	133,500	133,500	133,500	133,500
Closing balance	-	6,111,500	5,978,000	5,844,500	5,711,000	5,577,500	5,444,000	5,310,500	5,177,000
Working capital	1,255,000	1,255,000	1,255,000	1,255,000	1,255,000	1,255,000	1,255,000	1,255,000	1,255,000
Accumulated cash	-	1,431,150	2,897,040	4,400,757	5,945,542	7,534,799	9,172,102	10,888,202	12,687,040
Total assets	1,255,000	8,797,650	10,130,040	11,500,257	12,911,542	14,367,299			
Financed by									
Equity	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	1,800,000	1,800,000	1,800,000
Accumulated profit	-	3,556,350	7,232,400	11,057,850	15,041,520	19,192,671	23,521,027	28,063,798	32,831,706
Total equity	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Long term loan	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-	-	-	-
Total debts	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-			
Total equity and debts	7,500,000	6,500,000	5,500,000	4,500,000	3,500,000	2,500,000	2,500,000	2,500,000	2,500,000

## APPENDIX IV

## AG MINERALS PROCESSING LIMITED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	2,200,000	2,156,000	2,112,000	2,068,000	2,024,000	1,980,000	1,936,000	1,892,000
Machinery, Tools & Equipment	3,500,000	3,465,000	3,430,000	3,395,000	3,360,000	3,325,000	3,290,000	3,255,000
Motor Vehicles	500,000	450,000	400,000	350,000	300,000	250,000	200,000	150,000
Furniture & Fixtures	45,000	40,500	36,000	31,500	27,000	22,500	18,000	13,500
Total	6,245,000	6,111,500	5,978,000	5,844,500	5,711,000	5,577,500	5,444,000	5,310,500
DEPRECIATION	160000	2	3	4	5	6	7	8
Land and buildings	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Machinery tools & Equipment	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Motor Vehicles	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Furniture & Fixtures	4,500	4,500.0	4,500	4,500	4,500	4,500	4,500	4,500
ANNUAL DEPRECIATION	133,500	133,500	133,500	133,500	133,500	133,500	133,500	133,500

AG MINERALS PROCESSING LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (9%)	Total Amount Paid	Loan Balance
1	1,000,000	450,000.00	1,450,000.00	5,000,000.00
2	1,000,000	360,000.00	1,360,000.00	4,000,000.00
3	1,000,000	270,000.00	1,270,000.00	3,000,000.00
4	1,000,000	180,000.00	1,180,000.00	2,000,000.00
5	1,000,000	90,000.00	1,090,000.00	1,000,000.00

