

COAL MINING EXPANSION PROJECT

ACQUIRING MINING EQUIPMENT & COMMERCIAL TRANSPORT VEHICLES



Presented to

Tanzania Investment Centre (TIC)

P. O. Box 938, Dar es Salaam



Presented by

Ruvuma Coal Limited

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1. Executive Summary

Introduction

This study is done with an objective of preparing an Investment Plan and Detailed Project Report for M/s Ruvuma Coal Limited, for a project of expansion of Coal Mining by acquiring mining equipment and commercial transport vehicle, at company's coal mines located at Mchuchuma and Ngaka coal fields in Ruhuhu Basin in South of Tanzania.

Demographic Indicators & Development – Tanzania

Following two decades of sustained growth, Tanzania reached an important milestone in July 2020, when it formally graduated from low-income country to lower-middle-income country status.

The new Sixth Phase administration has adjusted its policies and programs to reflect an evolving social and economic context, but the broad policy objectives remain guided by the Tanzania Development Vision 2025 and its supporting five-year development plans.

Economic activity in Tanzania gradually recovering in the third quarter of 2021, with ***the surge mainly driven by the hospitality, mining, and electricity sectors***. Leading indicators such as cement production, electricity generation, private-sector credit, goods and services exports, nonfuel goods imports, telecommunications, mobility, and tourist arrivals all improved in 2021, though activity in most sectors remains below pre-pandemic levels.

The World Bank estimates a real GDP growth rate of 4.3 percent and a GDP per capita growth rate of 1.3 percent in 2021, following a 1.0 percent per capita GDP contraction in 2020.

Global Coal Production & Consumption Scenario

The world's consumption of coal is set to rise slightly in 2022, taking it back to the record level it reached nearly a decade ago, according to an International Energy Agency (IEA) report of 28 July 2022, which notes that significant uncertainty hangs over the outlook for coal as a result of slowing economic growth and energy market turbulence.

Based on current economic and market trends, global coal consumption is forecast to rise by 0.7% in 2022 to 8 billion tonnes, assuming the Chinese economy recovers as expected in the second half of the year. This global total would match the annual record set in 2013, and coal demand is likely to increase further next year to a new all-time high.

Tanzania Coal Mining Scenario

Tanzania's coal reserve is estimated at 1.9 billion tons, 25 percent proven (Tanzania Invest).

According to Tanzania Invest, coal projects are located in south-western Tanzania and include the Ngaka coal mine, the Rukwa coalfields, and the Kiwira coal mine.

Mchuchumba coal deposits only, located in the Southern Highlands in Tanzania, have massive deposits estimated at 540 million tons of reserves, enough to produce 600 MW for over 100 years (The Citizen).

Over time, coal mining in Tanzania has grown. Coal production reached 712,136 tons in 2019, compared to 257,321 tons in 2015.

Coal in Tanzania is used for industrial applications. Tanzania's industries use coal for thermal applications, particularly in cement factories and agro-processing industries.

Tanzania's coal mining landscape is featured with attractive investments.

Genesis & Details of the Project

Ruvuma Coal Limited is the owner of two coal mining licenses in the south of Tanzania that has been operating for almost five years and commenced its sales in 2020.

Considering the continuously growing demand and positive global outlook for Coal consumption, the management of RCL has decided to make additional investment of about USD 34.43 million towards acquisition of new mining machinery & equipment and commercial transport vehicles.

Project Cost and Means of Finance

The development cost of the entire expansion project has been estimated to be around US\$ 34.43 million. The major factors contributing towards the cost of the project is the cost of machinery, equipment, and commercial transport vehicles. The project will be funded in the ratio of Debt to Equity of 70:30.

Financial Projections

Details of financial projections are attached as appendices to this report. However, in brief the annexed project financials show that the project will be one with a full proof financing scheme.

Considering the consumption and demand of Coal locally and internationally, it can be safely presumed that the premises will safely extract and sell 60,000 tons per month of coal from year 01 and then 10% increase every year.

With the continuous increase in efficiency of the production the project is expected to have gross profit margins ranging from 21% up to 32%.

Over a period of four years operations the total amount of Reserves generated shall be to the tune of US\$ 42,194,896/-. It indicates a comfortable position for the company.

Project Benefits to Tanzania

Ruvuma Coal is one of the largest private coal mining projects in Tanzania. With the proposed additional investment Ruvuma Coal Limited intends to achieve multi-faceted benefits to the Tanzanian communities and to the nation.

The notable benefits are the large investment, sizable forex revenues, employment taxes, royalties, development of communities in mining region and employment to thousands of Tanzanian citizens.

Conclusions and Recommendations

The study's outcome indicates that this is a project of major significance to provide impetus to overall economy of Tanzania. The present need of the country, to engage itself in international trade, would also be met through this project. It is recommended that the financial institutions should come forward with positive outlook and provide finance for this innovative and hi-tech project.

It is important to note that this project also qualifies and conforms to all the requirements for it to be awarded a status of Strategic Investment Project.

2. Introduction

Project Report objective

This study is done with an objective of preparing an **Investment Plan and Detailed Project Report** for M/s Ruvuma Coal Limited, of Plot 2/3, Keko Mwanga, Gerezani, P. O. Box 7283, Dar es Salaam, Tanzania for a project of expansion of Coal Mining by acquiring mining equipment and commercial transport vehicle, at company's coal mines located at Mchuchuma and Ngaka coal fields in Ruhuhu Basin in South of Tanzania.

The management of Ruvuma Coal Limited has decided to implement the whole project in three phases. The implementation shall be done in Thirty-Six months.

Scope of work

The scope of services for the proposed Investment Plan for development of manufacturing unit in Arusha includes:

- Market assessment (current industry status, growth rate, future demand forecast).
- Development program (project configuration, construction plan).
- Civil works (cost of building and civil works).
- Project Cost (Basis, Cost of Land and Building, Cost of Equipment, Furniture & Fixtures, Professional Consultancy Fees and other Pre-operative expenses, Total project cost, and Means of Financing). Financial Statements - Annual Expenses, Sales Revenue, Profit and Loss Statement, Cash Flow Statement, Balance Sheet.
- Conclusions and recommendations.

Approach and methodology

Approach

The overall approach comprised a combination of secondary and primary research. A multi-disciplinary team of appropriate personnel with experience in techno economic studies and market research were deployed for undertaking this assignment.

Methodology

The assignment commenced with a detailed planning for the primary and secondary research. Initially, our team interacted with Ruvuma Coal Limited management & officials to understand the requirements of the study. Later, the team continuously interacted with Ruvuma Coal Limited for their inputs on the plan of acquiring mining equipment, commercial transport vehicles, overall project cost, financing etc.

➤ Secondary Research

A detailed desk research was undertaken to gain a fair understanding of the global coal mining & consumption, its trends, market size, best practices etc. The sources from which the secondary data was collected included in-house database, internet, and various periodicals. The secondary research was used for planning the primary research for the study and identifying the data to be collected by way of Primary research.

➤ Primary Research

Interview guidelines were developed for the compilation of the necessary information by way of interview.

Data Analysis and Report Preparation

The data obtained from the secondary and primary research has been analysed and incorporated in the report. A worksheet model has been prepared for feasibility calculations.

Report Format

The report is presented in 10 sections.

Section 1 Executive Summary

Section 2 Introduction

This chapter outlines the objectives, scope, approach & methodology for the study.

Section 3 Demographic Indicators & Development - Tanzania

This chapter discusses about the demography of Tanzania and the macro-economic developments that are taking place in the Country.

Section 4 Global Coal Production & Consumption Scenario

The chapter presents the details of the trends in the consumption and demand of Coal in international market. It also discussed the outlook of Coal in future.

Section 5 Tanzania Coal Mining Scenario

The chapter presents the details of the availability of Coal deposits, its exploration, the exploration and opportunities that have developed in recent years in Tanzania.

Section 6 Genesis & Details of the Project

The chapter discusses the initiation of the project, the stakeholders, location, site details, components of the projects, employment details and other relevant details.

and benefits of the proposed project. This also includes the market for company's products.

Section 7 Project Cost and Means of Finance

The chapter presents the elements of the project cost and discusses the means of financing for the project.

Section 8 Financial Projections

Financial statements including projected income statement, projected cash flow statement and projected balance sheet for the first 06 years of operation are presented in this chapter.

Section 9 Project Benefits to Tanzania

This chapter enumerates how economy and community of Tanzania will be benefited as a result of the proposed project investment.

Section 10 Conclusions and Recommendations

The chapter discusses the conclusions derived from the study and recommendations how to go ahead.

Annexure

Limitations

The report is prepared on the basis of best of the information provided by the various stakeholders and associations / agencies. The information in the report shall not be claimed and be used as evidence for any purpose.

3. Demographic Indicators and Development - Tanzania

Tanzania – The Developing Economy

Following two decades of sustained growth, Tanzania reached an important milestone in July 2020, when it formally graduated from low-income country to lower-middle-income country status. Tanzania's achievement reflects sustained macroeconomic stability that has supported growth, in addition to the country's rich natural endowments and strategic geographic position.

Political Context

President Samia Suluhu Hassan was sworn in on March 19, 2021, as the United Republic of Tanzania's sixth, and first woman, president, following the death of President John Magufuli on March 17, 2021.

The new Sixth Phase administration has adjusted its policies and programs to reflect an evolving social and economic context, but the broad policy objectives remain guided by the Tanzania Development Vision 2025 and its supporting five-year development plans. The government is prioritizing implementation of a new strategy to contain the COVID-19 pandemic, and in July 2021 it started implementing the COVID-19 National Vaccine Deployment Plan.

Enhancing accountability within the civil service continues to be a focus. The government is also proactively engaging with multilateral and bilateral partners in the region and worldwide; and it has reaffirmed the private sector as the engine of economic growth by addressing major constraints on private investment.

Economic Overview

Economic activity in Tanzania gradually recovering in the third quarter of 2021, with ***the surge mainly driven by the hospitality, mining, and electricity sectors***. Leading indicators such as cement production, electricity generation, private-sector credit, goods and services exports, nonfuel goods imports, telecommunications, mobility, and tourist arrivals all improved in 2021, though activity in most sectors remains below pre-pandemic levels.

The World Bank estimates a real GDP growth rate of 4.3 percent and a GDP per capita growth rate of 1.3 percent in 2021, following a 1.0 percent per capita GDP contraction in 2020. Meanwhile, the national poverty rate is estimated to have declined marginally from 27.1 percent in 2020 to 27.0 percent in 2021, driven by the recovery of employment and nonfarm business revenue.

Official GDP data for Zanzibar shows expansion during the first half of 2021 but with uneven growth rates across sectors. The services sector, accounting for nearly 50 percent of Zanzibar's GDP,

expanded by 9.4 percent in the first half of 2021, while the agriculture sector expanded more slowly at 7.1 percent, and the industrial sector contracted by 8.7 percent. An estimated 60,000 jobs are directly or indirectly linked to Zanzibar's tourism sector. Between January and September 2021, the number of tourist arrivals increased to 252,937, albeit still well below the 376,732 recorded during the same period in 2019. Nevertheless, rising tourist arrivals supported the growth of accommodation and food service, while public administration also contributed to the expansion of services.

Although exports have increased, Tanzania's current-account deficit widened slightly, reaching 2.0 percent of GDP at end-September 2021, as import growth more than offset export growth. Services and manufacturing exports to East African Community member states significantly, but the implementation of capital projects spurred a sharp rise in imports of oil and capital goods. The current-account deficit was funded largely by external loans and foreign direct investment.

The Tanzanian shilling (TZS) remained relatively stable against the currencies of major trading partners in 2021. The authorities have continued to implement an expansionary monetary policy, but the growth rate of credit to the private sector remained relatively low at 5.6 percent in October 2021. Tanzania's inflation rate rose to 4.1 percent in November 2021, its highest level in the past three years, but it remains among the lowest and least volatile in the EAC.

Growth is expected to strengthen over the next two years, assuming pandemic conditions ease and the external environment improves. The real GDP growth rate is projected to reach 4.5–5.5 percent in 2022 and average about 6 percent over the medium term as exports and domestic demand recover. Risks to Tanzania's economic outlook have moderated, but the recovery continues to hinge on external developments and domestic health policies, as well as continued support to the private sector. The evolution of the pandemic and the pace of vaccination, both globally and domestically, will be the most crucial factors driving Tanzania's outlook. An accelerated domestic vaccination program; increased regional trade and cooperation; and policy reforms designed to improve the business environment and support the growth of the private sector have somewhat mitigated downside risks.

4. Global Coal Production & Consumption Scenario

Coal as we know

Coal is a combustible black or brownish-black sedimentary rock with a high amount of carbon and hydrocarbons. Coal is classified as a non-renewable energy source because it takes millions of years to form. Coal contains the energy stored by plants that lived hundreds of millions of years ago in swampy forests.

Layers of dirt and rock covered the plants over millions of years. The resulting pressure and heat turned the plants into the substance we call coal.

Types of coal

Coal is classified into four main types, or ranks: anthracite, bituminous, subbituminous, and lignite. The ranking depends on the types and amounts of carbon the coal contains and on the amount of heat energy the coal can produce. The rank of a coal deposit is determined by the amount of pressure and heat that acted on the plants over time.

- **Anthracite** contains 86%–97% carbon and generally has the highest heating value of all ranks of coal.
- **Bituminous** coal contains 45%–86% carbon. Bituminous coal is used to generate electricity and is an important fuel and raw material for making coking coal or use in the iron and steel industry.
- **Subbituminous** coal typically contains 35%–45% carbon, and it has a lower heating value than bituminous coal.
- **Lignite** contains 25%–35% carbon and has the lowest energy content of all coal ranks. Lignite coal deposits tend to be relatively young and were not subjected to extreme heat or pressure. Lignite is crumbly and has high moisture content, which contributes to its low heating value. Lignite is mostly used to generate electricity.

Global Coal Demand Trends

The world's consumption of coal is set to rise slightly in 2022, taking it back to the record level it reached nearly a decade ago, according to an International Energy Agency (IEA) report of 28 July 2022, which notes that significant uncertainty hangs over the outlook for coal as a result of slowing economic growth and energy market turbulence.

Based on current economic and market trends, global coal consumption is forecast to rise by 0.7% in 2022 to 8 billion tonnes, assuming the Chinese economy recovers as expected in the second half of the year. This global total would match the annual record set in 2013, and coal demand is likely to increase further next year to a new all-time high.

The new report highlights the significant turmoil in coal markets in recent months, which has important implications for many countries where coal remains a key fuel for electricity generation and a range of industrial processes. At the same time, the world's continued burning of large amounts of coal is heightening climate concerns, as coal is the largest single source of energy-related CO₂ emissions.

Worldwide coal consumption rebounded by about 6% in 2021 as the global economy recovered rapidly from the initial shock of the Covid pandemic. That sharp rise contributed significantly to the largest ever annual increase in global energy-related CO₂ emissions in absolute terms, putting them at their highest level in history.

Global coal demand is being propped up this year by rising natural gas prices, which have intensified gas-to-coal switching in many countries, as well as economic growth in India. Those factors are being partly offset by slowing economic growth in China and by the inability of some major coal producers to ramp up production.

Demand for coal in India has been strong since the start of 2022 and is expected to rise by 7% for the full year as the country's economy grows and the use of electricity expands. In China, coal demand is estimated to have declined by 3% in the first half of 2022 as renewed Covid lockdowns in some cities slowed economic growth, but an expected increase in the second half of the year is likely to bring coal consumption for the full year back to the same levels as last year. China and India together consume double the amount of coal as the rest of the world combined, with China alone accounting for more than half the world's demand.

Coal consumption in the European Union is expected to rise by 7% in 2022 on top of last year's 14% jump. This is being driven by demand from the electricity sector where coal is increasingly being used to replace gas, which is in short supply and has experienced huge price spikes following Russia's invasion of Ukraine. Several EU countries are extending the life of coal plants scheduled for closure, reopening closed plants or raising caps on their operating hours to reduce gas consumption. However, Europe only accounts for about 5% of global coal consumption.

As soaring natural gas prices have made coal more competitive in many markets, international coal prices have risen in turn, hitting three all-time peaks between October 2021 and May 2022. Sanctions and bans on Russian coal following Russia's invasion of Ukraine have disrupted markets, and issues in other major exporters have contributed to supply shortages. With other coal producers facing constraints in replacing Russian output, prices on coal futures markets indicate that tight market conditions are expected to continue well into next year and beyond.

5. Tanzania Coal Mining Scenario

Coal Deposits in Tanzania

Tanzania has more than gold and natural gas reserves. It has coal reserves, too, in abundance. Tanzania's coal reserve is estimated at 1.9 billion tons, 25 percent proven (Tanzania Invest).

According to Tanzania Invest, coal projects are located in south-western Tanzania and include the Ngaka coal mine, the Rukwa coalfields, and the Kiwira coal mine.

Mchuchumba coal deposits only, located in the Southern Highlands in Tanzania, have massive deposits estimated at 540 million tons of reserves, enough to produce 600 MW for over 100 years (The Citizen).

Coal Mining in Tanzania

Over time, coal mining in Tanzania has grown. Coal production reached 712,136 tons in 2019, compared to 257,321 tons in 2015.

Coal in Tanzania is used for industrial applications. Tanzania's industries use coal for thermal applications, particularly in cement factories and agro-processing industries

Tanzania's coal mining landscape is featured with attractive investments. In September 2011, a Chinese company, Sichuan Hongda Co. Ltd, signed a \$3 billion deal with Tanzania to mine coal through the Mchuchuma Coal mine and iron ore, yet another big win for the sector (Global Energy Monitor – GEM).

The current agreement comes to supplement the existing efforts the government of Tanzania and other private actors made to enhance coal mining.

In January 2021, it was reported that Tanzania China International Mineral Resource Ltd. (TCIMRL) requested tax incentives on import duty on goods to be imported for the construction work, incentives on spare parts and machinery, and relief on fuel.

Tanzania's coal mining operations are extensive. Another vital project is the Ngaka coal project, one of the largest operational coal mines in Tanzania and East Africa. The project began operations in 2011, and it was expected to produce between 2-3 million tonnes of coal for export (GEM).

Further, it was estimated the project to carry a maximum production rate of 4-5 million tonnes per annum, "the Ngaka Coal project has sufficient proven coal resources for over 50 years of profitable, low-cost production" GEM.

However, the new agreement is setting a whole new bar for the coal mining and shipment landscape in Tanzania.

Over the past five years, Tanzania has worked tirelessly to reshuffle its mining sector by placing strategic plans and institutional frameworks for the betterment of attracting investment and operations.

Tanzania is working on utilizing every form of fuel, including coal, on boosting energy production.

Market Opportunities – Tanzania

- There is a strong demand in local market with a decent price range.
- Government has banned coal imports to incentivize local mining activities. This will enhance the local demand & sales of Coal.
- There is approximately 1 million tons of coal demand in Tanzania arising from an expanding manufacturing sector lead by the cement industry to supply ongoing construction and infrastructure projects.
- RCL supplies high quality coal with Calorific Value (CV) ranging from 8% to 12% Ash, Sulphur, and other specifications which are within international quality standards needed for industrial use.

6. Genesis & Details of the Project

Introduction

RCL is one of the first and largest private company engaged in Coal Mining. It has developed a strong network of buyers locally, among the landlocked neighbouring countries and the international markets.

RCL has been exporting Coal to India, China, Senegal, Egypt and European Markets. Considering a bright outlook for consumption and demand of Coal globally, the Board of RCL has decided to make a large investment towards acquisition of additional mining equipment and commercial transport vehicles to boost its operations.

As mentioned by RCL's representative, the company has expressed gratitude to the government for improving the port infrastructure at Mtwara. In the past, they could transport only once in every three months but with facility improvement at the port, RCL has been receiving two to three ships for the purpose every month.

Ruvuma Coal Limited is the owner of two coal mining licenses in the south of Tanzania that has been operating for almost five years and commenced its sales in 2020. A few notable things of RCL and the business are:

- Life of mine could exceed 70 years for the total reserves that are estimated to be around 150 million tons.
- RCL is privately owned by three shareholders with majority being Tanzanian.
- The company supplies to local clients with contracts ranging from 1 to 5 years.
- Current market share of RCL is above 30% and is expected to go above 40% in next few years.

Considering the continuously growing demand and positive global outlook for Coal consumption, the management of RCL has decided to make additional investment of about USD 34.43 million towards acquisition of new mining machinery & equipment and commercial transport vehicles.

Incorporation of the company

M/s. Ruvuma Coal Limited is a private limited liability company registered under the Companies Act 2002, on 21 July 2016 with the registration number 128019. The registered office of the company is located at Plot 2/3, Block 4, Keko Mwanga, Keko Industrial Area, Gerezani, Dar es Salaam, Tanzania.

The principal business of the company is exploration, mining and supplying of coal. The company has responded to Tanzania's call for industry for establishment of central economy whereas decided to engage in mining of coal in Ruvuma region.

Ownership

According to the present records of Registrar of Companies in Tanzania the Paid-Up Capital of the company is TZS. 150,000,000/- divided in 20,000 equity shares of TZS. 7,500/- each with the shareholding pattern as follows: -

No.	Name of Shareholder	No. of Shares	Nationality	% Shareholding
01.	Mr. Ali Afif Fawaz	8,000	Tanzanian	40%
02.	Mrs. Fatma Hassan Abdulbari	8,000	Tanzanian	40%
03.	Mr. Ryan Wienand	4,000	South African	20%
	TOTAL	20,000		100%

- 80% of shares are held by Tanzanian citizens and thus is a Tanzanian company.

Experienced & Qualified Directors

Mr Ali Afif Fawaz is a renowned businessman of Dar es Salaam. He is having a vast experience of decades of successfully establishing and conducting businesses in Mining & Exploration, Plastics, Recycling of Scrap Metals, Clearing & Forwarding, Inland Container Depot, Transit Cargo, Domestic Courier Service, Online E-commerce Services etc. in Tanzania. He is on Board of Directors in many companies.

With his invaluable experience he has gained expertise as and in the fields of Director, International Transportation Supply Chain, and Mining & Explorations. He is professional and licensed Customs Broker with proven track record with adequate experience in the field of operation management, revenue, pricing, and strategy performance. He demonstrates strong, healthy leadership skills managing and implementing projects, coordinator and solutions, decisions resulting in both cost savings and revenue growth.

Mr. Ryan Wienand is a results-driven Founder & C-Suite leader with over a decade of experience constructing growth and customer-centric business initiatives with complete oversight and execution of operations. As founder and managing director of four companies throughout Africa, it has been his passion to locate and utilize opportunities to set up and grow new businesses. Experienced in dynamic working environments, he is dedicated to cultivating sustainable growth

and development for both businesses and stakeholders alike. As an entrepreneur, he is self-motivated, and goal orientated with a fervent aspiration to foster career opportunities and help people harness their talent to their best abilities.

His areas of expertise include:

- Leader of Multi-Cultural Teams
- Project Management
- Financial Management
- Supply Chain Management
- Tender Evaluation and Analysis
- Marketing
- Mining Management and field support
- Inter-African Transport & Logistics
- Wildlife Area Management & Logistics
- Lodge and Camp building

Location

While the registered office of RCL is located in Keko Industrial Area, Gerezani, Dar es Salaam, the company's coal mine projects areas are located in the Mchuchuma and Ngaka coal fields in the Ruhuhu basin in the South of Tanzania.

The company have been granted two mining licenses ML 617/2019 and 618/2019 on August 01 2019, under which they have been conducting the exploration and mining activities.

Day to day management

Mr. Ali Fawaz is the CEO and all operations are executed under his able leadership. The company has an adequate organization structure that is complex but efficient.

Mr. Woensdreght Henn is the CFO and manages finances and books for the company.

The management of the company has the required expertise in-house. The day-to-day activities would be managed by individuals appointed for the said purpose, respectively.

Employment

Mining is a labour-intensive business and hence RCL has a large work force. RCL directly employs 747 Tanzanians and 14 expatriate staff. The payroll is segregated into functional areas of mining, transport and administration.

Strategies

In order to achieve the objectives, it is planned to implement the following strategies.

- Establish an effective preventive maintenance program of the equipment, which will ensure sustainable equipment availability for operation.
- Establish a quality assurance and control system that will ensure provision of quality products and services.
- Conduct regular evaluations of production and servicing processes to ensure optimum costs of products and services.
- Device and implement productivity improvement measures.
- Develop and implement an effective international marketing policy.
- Develop and implement an advertising and promotion program.

Commitment to Corporate Social Responsibilities

Ruvuma Coal Limited is committed to provide support to local authority services and to reform the livelihood of Ruvuma region by enhancing development of the mining area through increased business activities to provide direct employment and adequate training being provided in mining sector

Furthermore, in collaboration with the local government bodies the project at Paradiso – Mbinga at Songea, with well renowned, efficient management team of experts are committed to provide infrastructure and support to various village government development programs

7. Project Cost and Means of Finance

Cost of Project

The development cost of the entire expansion project has been estimated to be around US\$ 34.43 million. The major factors contributing towards the cost of the project is the cost of machinery, equipment, and commercial transport vehicles. The table below indicates the detailed cost of project:

Cost of Project				
Units: USD				
No.	Description	Unit Price	No. of Units	Total
A	Civil Construction			
1	Upgrading Staff Accommodation Facilities	350,000	1	350,000
2	Upgrading Office and Operational Infrastructure	350,000	1	350,000
B	Mining Equipment & Other Machinery			
1	Excavator - KOMATSU PC300	170,000	2	340,000
2	Excavator - HITACH -870	750,000	2	1,500,000
3	Excavator - KOMATSU 210	145,000	1	145,000
4	Excavator - HITACHI ZX220LC	125,000	4	500,000
5	Mobi Screen - Kleemann MS 953 EVO	275,500	4	1,102,000
6	Crushing Plant - Kleemann MC110R EVO	60,000	3	180,000
7	Drill Rig - THOR 5000 DRILL RIG	130,000	2	260,000
8	Drill Rig/Blasting - PRD HC5000	130,000	2	260,000
9	Roller - BOMAG BW211-D40	122,000	3	366,000
10	Bulldozer - D155A-6R KOMATSU	455,000	3	1,365,000
11	Motor Grader - CAT 140M	255,000	1	255,000
12	Wheel Loader - Liebherr 550L	185,000	15	2,775,000
13	Back Hoe - HITACHI Bobcat b730	36,000	2	72,000
14	Tipper - FAW	72,000	50	3,600,000
15	ADT Dump truck - BELL B45E	650,000	4	2,600,000
16	ADT Dump truck - KOMATSU HM400-3R	475,000	2	950,000
17	Isuzu - D-MAX Double Cabin	33,000	10	330,000
18	Staff Buses - COASTER	55,000	3	165,000
19	Generator - APM/PSCE 60	65,000	5	325,000
C	Commercial Transport Vehicles			
1	Trucks & Trailers	100,000	150	15,000,000
D	Contingencies			
		1,639,500	1	1,639,500
	TOTAL COST OF PROJECT			34,429,500

Considering the size of this project, and also keeping in mind the **36 months** of implementation period, the contingencies have been estimated at US\$ 1,639,500/-.

Means of Finance

The finance for the project is already arranged for by the promoters. The table below indicates in detail the manner in which the investment is going to be arranged:

Source of Funds / Financed By		
		Units: USD
No.	Particulars	Amount
1	Contribution by Shareholders as Equity	10,328,850
2	Long Term Loan from Banks & Financial Institutions	24,100,650
	TOTAL FINANCING	34,429,500

8. Financial Projections

Details of financial projections are attached as appendices to this report. However, in brief the annexed project financials show that the project will be one with a full proof financing scheme.

The financing is so prudently designed that the smooth cash flow position is guaranteed throughout the period of operations of next 6 years.

Assumptions

For the purpose of calculations and projections the following assumptions were made:

Assumption for Calculation of Projected Financial Statements			
No.	Description	Units	Value / Amount
1	Exchange Rate 1 USD =	TZS	2,320.00
2	Exchange Rate 1 USD =	ZAR	17.20
3	Mining & Production of Coal in Tons per Month	Tons	60,000.00
4	Number of months of operation per year	Months	12.00
5	Annual increase in Mining & Production of Coal		10.00%
6	Percentage of Total Sales in Tanzania & Neighbouring Countries		60.00%
7	Percentage of Total Sales from Export Markets		40.00%
8	Selling Price of Coal in USD per Ton in Local Market and Landlocked Countries	USD	42.00
9	Selling Price of Coal in USD per Ton from Export Markets	USD	68.00
10	Annual increase in Selling Price		5.00%
11	Direct Mining Cost in USD per Ton	USD	35.00
12	Annual increase in Direct Mining Cost		5.00%
13	Annual Interest on Term Loan or Financial Facilities		9.50%
14	Amount of Coal transported in one trip in Tons	Tons	27.00
15	Transportation Charges of Coal in USD per Ton	USD	52.00
16	Number of Trips a Truck does in a month		7.00
17	Annual increase in Transportation Changes		5.00%
18	Percentage of Investment in Year 1		60.00%
19	Percentage of Investment in Year 2		25.00%
20	Percentage of Investment in Year 3		15.00%
21	Contingencies as % of total cost		5.00%
22	Commission Expenses as % of Turnover		1.00%
23	Annual increase in Administrative Expenses		10.00%
24	Annual increase in Salaries & Wages of employed staff		12.00%
25	No. of Days of Debtors / Creditors for Working Capital Requirement		
	Stock of Consumables	Days	60.00
	Sundry Debtors	Days	30.00
	Other Payables	Days	30.00
	Sundry Creditors	Days	45.00

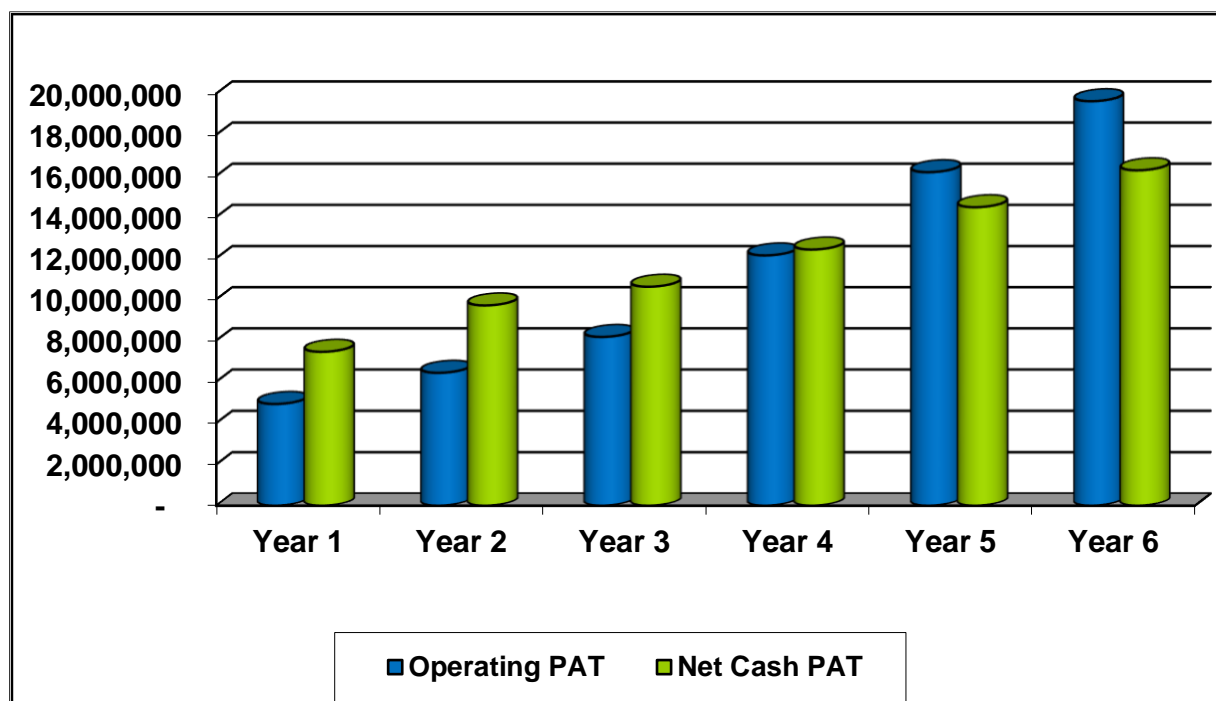
Financial Indicators

Considering the consumption and demand of Coal locally and internationally, it can be safely presumed that the premises will safely extract and sell 60,000 tons per month of coal from year 01 and then 10% increase every year. The detailed calculations of the projected financials are given in the annexure.

The detailed financials annexed herein affirms that the business will have comfortable cash flow and hence there won't be any hiccups with regards to either working capital requirement or repayment of long-term loan. With the continuous increase in efficiency of the production the project is expected to have gross profit margins ranging from 21% up to 32%.

The chart below indicated the summary of the projected profits of the company from the first four years of the operations:

Table: Projected Profits for the Company (USD)



Over a period of four years operations the total amount of Reserves generated shall be to the tune of US\$ 42,194,896/-. It indicates a comfortable position for the company.

9. Project Benefits to Tanzania

Ruvuma Coal is one of the largest private coal mining projects in Tanzania. With the proposed additional investment Ruvuma Coal Limited intends to achieve multi-faceted benefits to the Tanzanian communities and to the nation.

Benefits of such project

This project would be beneficial not only for nation's economic growth but also in many other ways.

A few significant advantages can be summarised as follows: -

- The project will bring in a total investment of USD 34/- million over a period of just three years.
- Since 40% of the coal produced is expected to be exported, it will generate a significant amount of Forex Revenues.
- RCL already employs 747 Tanzanians and has offered indirect employment to may thousands. As a result of the additional investment RCL is estimated to provide direct employment to more than 1000 Tanzanians and indirect employment to more than 5000 Tanzanian.
- RCL is expected to contribute an estimated amount of USD 13.3 million by way of employment taxes in a period of 6 years.
- RCL is expected to contribute an estimated amount of USD 10.0 million by way of Royalties in extraction, sales and exports of Coal.
- The transportation of Coal from the mine to the port or to any neighbouring is one important component of the business. As a result of which fuel happen to be a major expense. RCL is expected to contribute a large sum in form of Fuel Levy as well.
- The project will support and increase economic activities in Ruvuma and regions around it.
- The rich mineral deposits will be extracted and converted to economic benefits to the national by multiple folds.
- RCL is committed to develop and maintain medical and educational infrastructure in surrounding areas of the project site, as their CSR.
- Access to financial services.
- Better rural infrastructure hindering effective rural-urban linkages.

10. Conclusions & Recommendations

The economic impact from implementing and operating it is extremely positive.

Benefits should arise from capital inflows, technology transfer leading to innovation and productivity increase, upgrading domestic production, quality improvement, employment creation, backward and forward linkages and multiplier effects through local sourcing of labour.

Since the project is technically feasible, financially and economically viable, socially and from nation's point of view desirable a fast implementation thereof is recommended. It is important that there are no cost overruns so as to enable the realization of the benefits as outlined above.

It may be mentioned here that total investment of US\$ 34.43 million will play a humungous role in boosting the economy of the nation. The project would bring high technology in the field of coal mining. This would generate additional foreign exchange reserves in the country.

The study's outcome indicates that this is a project of major significance to provide impetus to overall economy of Tanzania. The present need of the country, to engage itself in international trade, would also be met through this project. It is recommended that the financial institutions should come forward with positive outlook and provide finance for this innovative and hi-tech project.

It is important to note that this project also qualifies and conforms to all the requirements for it to be awarded a status of Strategic Investment Project.

Annexures

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Projected Financial Statements

Assumption for Calculation of Projected Financial Statements			
No.	Description	Units	Value / Amount
1	Exchange Rate 1 USD =	TZS	2,320.00
2	Exchange Rate 1 USD =	ZAR	17.20
3	Mining & Production of Coal in Tons per Month	Tons	60,000.00
4	Number of months of operation per year	Months	12.00
5	Annual increase in Mining & Production of Coal		10.00%
6	Percentage of Total Sales in Tanzania & Neighbouring Countries		60.00%
7	Percentage of Total Sales from Export Markets		40.00%
8	Selling Price of Coal in USD per Ton in Local Market and Landlocked Countries	USD	42.00
9	Selling Price of Coal in USD per Ton from Export Markets	USD	68.00
10	Annual increase in Selling Price		5.00%
11	Direct Mining Cost in USD per Ton	USD	35.00
12	Annual increase in Direct Mining Cost		5.00%
13	Annual Interest on Term Loan or Financial Facilities		9.50%
14	Amount of Coal transported in one trip in Tons	Tons	27.00
15	Transportation Charges of Coal in USD per Ton	USD	52.00
16	Number of Trips a Truck does in a month		7.00
17	Annual increase in Transportation Changes		5.00%
18	Percentage of Investment in Year 1		60.00%
19	Percentage of Investment in Year 2		25.00%
20	Percentage of Investment in Year 3		15.00%

Assumption for Calculation of Projected Financial Statements			
No.	Description	Units	Value / Amount
21	Contingencies as % of total cost		5.00%
22	Commission Expenses as % of Turnover		1.00%
23	Annual increase in Administrative Expenses		10.00%
24	Annual increase in Salaries & Wages of employed staff		12.00%
25	No. of Days of Debtors / Creditors for Working Capital Requirement		
	Stock of Consumables	Days	60.00
	Sundry Debtors	Days	30.00
	Other Payables	Days	30.00
	Sundry Creditors	Days	45.00

<i>Cost of Project</i>				
				Units: USD
No.	Description	Unit Price	No. of Units	Total
A	Civil Construction			
1	Upgrading Staff Accommodation Facilities	350,000	1	350,000
2	Upgrading Office and Operational Infrastructure	350,000	1	350,000
B	Mining Equipment & Other Machinery			
1	Excavator - KOMATSU PC300	170,000	2	340,000
2	Excavator - HITACH -870	750,000	2	1,500,000
3	Excavator - KOMATSU 210	145,000	1	145,000
4	Excavator - HITACHI ZX220LC	125,000	4	500,000
5	Mobi Screen - Kleemann MS 953 EVO	275,500	4	1,102,000
6	Crushing Plant - Kleemann MC110R EVO	60,000	3	180,000
7	Drill Rig - THOR 5000 DRILL RIG	130,000	2	260,000
8	Drill Rig/Blasting - PRD HC5000	130,000	2	260,000
9	Roller - BOMAG BW211-D40	122,000	3	366,000
10	Bulldozer - D155A-6R KOMATSU	455,000	3	1,365,000
11	Motor Grader - CAT 140M	255,000	1	255,000
12	Wheel Loader - Liebherr 550L	185,000	15	2,775,000
13	Back Hoe - HITACHI Bobcat b730	36,000	2	72,000
14	Tipper - FAW	72,000	50	3,600,000
15	ADT Dump truck - BELL B45E	650,000	4	2,600,000
16	ADT Dump truck - KOMATSU HM400-3R	475,000	2	950,000
17	Isuzu - D-MAX Double Cabin	33,000	10	330,000
18	Staff Buses - COASTER	55,000	3	165,000
19	Generator - APM/PSCE 60	65,000	5	325,000
C	Commercial Transport Vehicles			
1	Trucks & Trailers	100,000	150	15,000,000
D	Contingencies		1	1,639,500
	TOTAL COST OF PROJECT			34,429,500

Source of Funds / Financed By		
		Units: USD
No.	Particulars	Amount
1	Contribution by Shareholders as Equity	10,328,850
2	Long Term Loan from Banks & Financial Institutions	24,100,650
	TOTAL FINANCING	34,429,500

Projected Sales from Coal Mining Business							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Mining and Production of Coal in Tons per year	720,000	792,000	871,200	958,320	1,054,152	1,159,567
2	Sales in Tons per annum in Tanzania & Neighbouring Countries	432,000	475,200	522,720	574,992	632,491	695,740
3	Selling Price in USD/Ton in Tanzania & Neighbouring Countries	42.00	44.10	46.31	48.62	51.05	53.60
4	Projected annual sales in Tanzania & Neighbouring Countries	18,144,000	20,956,320	24,204,550	27,956,255	32,289,474	37,294,343
5	Sales in Tons per annum from Export Markets	288,000	316,800	348,480	383,328	421,661	463,827
6	Selling Price in USD/Ton in Export Markets	68.00	71.40	74.97	78.72	82.65	86.79
7	Projected annual sales in Export Markets	19,584,000	22,619,520	26,125,546	30,175,005	34,852,131	40,254,211
	Total Annual Projected Sales from Coal Mining	37,728,000	43,575,840	50,330,095	58,131,260	67,141,605	77,548,554

Projected Sales from Transportation Business							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Trucks Operating	100	150	150	150	150	150
2	Amount of Coal transported in one trip by one truck in Tons	27	27	27	27	27	27
3	Transportation Charges in USD per Ton	52.00	54.60	57.33	60.20	63.21	66.37
4	Number of trips made by a truck in a month	7	7	7	7	7	7
	Total Annual Projected Sales from Transportation	11,793,600	18,574,920	19,503,666	20,478,849	21,502,792	22,577,931

Projected Direct Expenses for Coal Mining Business							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Direct Production Cost in USD per Ton	25,200,000	26,460,000	27,783,000	29,172,150	30,630,758	32,162,295
	<i>Mining Clearing & Inspection Fee</i>	1,261,199	1,324,259	1,390,472	1,459,996	1,532,996	1,609,645
	<i>Mining Royalty Fee</i>	4,355,315	4,573,081	4,801,735	5,041,822	5,293,913	5,558,609
	<i>Export Permit</i>	380,385	399,404	419,374	440,343	462,360	485,478
	<i>Port and Handling Charges (TASAC)</i>	1,926,278	2,022,592	2,123,722	2,229,908	2,341,403	2,458,474
	<i>Mtwara Operation Expenses</i>	291,413	305,984	321,283	337,347	354,215	371,925
	<i>Bagging Costs</i>	51,599	54,179	56,888	59,733	62,719	65,855
	<i>Diesel (Mining Fuel)-Purchase Accounts</i>	4,851,533	5,094,109	5,348,815	5,616,255	5,897,068	6,191,922
	<i>Drilling & Rig & Blasting</i>	680,567	714,595	750,325	787,842	827,234	868,595
	<i>Engineering Services</i>	1,688,570	1,772,999	1,861,649	1,954,731	2,052,468	2,155,091
	<i>Equipment & Machine Hrs</i>	3,880,800	4,074,840	4,278,582	4,492,511	4,717,137	4,952,993
	<i>Geological Survey of Tanzania</i>	5,981	6,280	6,594	6,923	7,270	7,633
	<i>Licensing</i>	64,603	67,833	71,225	74,786	78,525	82,452
	<i>Mining Equipment Spares & Others</i>	4,485,600	4,709,880	4,945,374	5,192,643	5,452,275	5,724,889
	<i>Site Coal Haulage</i>	1,003,839	1,054,031	1,106,732	1,162,069	1,220,172	1,281,181
	<i>Site Operations</i>	264,238	277,450	291,323	305,889	321,183	337,242
2	Direct Salaries and Wages - Coal Mining	1,161,776	1,456,010	1,867,280	2,159,619	2,484,202	2,806,736
3	NSSF, PAYE, SDL, WCF & Other Employee Expenses	580,888	728,005	933,640	1,079,809	1,242,101	1,403,368
4	Depreciation on Plant & Machinery for Coal Mining	1,942,999	2,302,819	2,558,135	2,046,508	1,637,206	1,309,765
	Total Annual Direct Production Cost for Coal in USD	28,877,583	30,938,350	33,133,148	34,448,734	35,984,446	37,671,853

Projected Direct Expenses for Transport Business							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Direct Expenses for Transport Business						
	<i>Direct Salary & Wages - Transport</i>	343,050	942,046	1,386,512	1,552,894	1,735,171	1,947,950
	<i>NSSF, PAYE, SDL, WCF & Other Employee Expenses</i>	171,525	471,023	693,256	776,447	867,586	973,975
	<i>Service Charge - MOWARA</i>	787,998	1,241,097	1,303,152	1,368,309	1,436,725	1,508,561
	<i>Transportation Expenses (Subcontractors)</i>	1,540,828	2,426,803	2,548,144	2,675,551	2,809,328	2,949,795
	<i>Truck Fuel - Trip Expenses</i>	3,891,888	6,129,724	6,436,210	6,758,020	7,095,921	7,450,717
	<i>Trucks - Spare parts expenses</i>	1,415,232	2,228,990	2,340,440	2,457,462	2,580,335	2,709,352
2	Depreciation on Commercial Vehicles (Transport)	1,954,181	2,763,345	2,210,676	1,768,541	1,414,833	1,131,866
3	Other Misc. Direct Expenses	100,000	110,000	121,000	133,100	146,410	161,051
	Total Annual Direct Expenses for Transport Business in USD	10,204,701	16,313,027	17,039,389	17,490,323	18,086,309	18,833,266

Projected Administrative Expenses							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A	Administrative Expenses						
1	<i>Accommodation and Traveling Expenses</i>	47,933	52,727	57,999	63,799	70,179	77,197
2	<i>Advertising</i>	3,966	4,362	4,798	5,278	5,806	6,387
3	<i>Audit Fee</i>	5,500	6,050	6,655	7,321	8,053	8,858
4	<i>Casual Labour - HQ</i>	225,000	247,500	272,250	299,475	329,423	362,365
5	<i>Employee Related Taxes</i>	112,500	123,750	136,125	149,738	164,711	181,182
6	<i>Commission Expenses</i>	377,280	435,758	503,301	581,313	671,416	775,486
7	<i>Customs & Excise Duty</i>	72,000	79,200	87,120	95,832	105,415	115,957
8	<i>General Expenses</i>	55,000	60,500	66,550	73,205	80,526	88,578
9	<i>Immigration Exp</i>	25,000	27,500	30,250	33,275	36,603	40,263
10	<i>Insurance Premium</i>	65,000	71,500	78,650	86,515	95,167	104,683
11	<i>ICT, Internet & Telecom Services</i>	42,000	46,200	50,820	55,902	61,492	67,641
12	<i>LATRA(Land Transport Regulatory Authority)</i>	8,500	9,350	10,285	11,314	12,445	13,689
13	<i>Legal Expenses</i>	28,000	30,800	33,880	37,268	40,995	45,094
14	<i>Loading & Offloading Border Fee</i>	15,000	16,500	18,150	19,965	21,962	24,158
15	<i>Motor Vehicle Fuel Exp</i>	303,000	333,300	366,630	403,293	443,622	487,985
16	<i>Office Expenses</i>	26,000	28,600	31,460	34,606	38,067	41,873
17	<i>Permission & Subscription & CSR</i>	53,879	59,267	65,194	71,713	78,885	86,773
18	<i>Permits & Visa</i>	24,000	26,400	29,040	31,944	35,138	38,652
19	<i>Port and Handling charges (TPA)</i>		-	-	-	-	-
20	<i>Printing & Stationary & Courier</i>	26,000	28,600	31,460	34,606	38,067	41,873
21	<i>Rent Expenses</i>	430,000	473,000	520,300	572,330	629,563	692,519
22	<i>Rental Container Office</i>	60,000	66,000	72,600	79,860	87,846	96,631
23	<i>Repair & Maintenance Expenses</i>	411,000	452,100	497,310	547,041	601,745	661,920
24	<i>Security, Parking & Waiting Chgs</i>	22,000	24,200	26,620	29,282	32,210	35,431

Projected Administrative Expenses							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
25	<i>Truck Trip Exp</i>	326,000	358,600	394,460	433,906	477,297	525,026
26	<i>Vehicle Hire</i>	125,000	137,500	151,250	166,375	183,013	201,314
27	<i>Weight and Measure</i>	12,000	13,200	14,520	15,972	17,569	19,326
28	<i>Other Misc Expenses</i>	50,000	55,000	60,500	66,550	73,205	80,526
	Total Annual Administrative Expenses	2,951,558	3,267,464	3,618,177	4,007,677	4,440,416	4,921,386

Projected Salaries and Wages for Direct Coal Mining Staff							
Units: USD							
No.	Staff Details & Their Number	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Articulated Dump Truck Operator	4,009	4,490	5,028	5,632	6,308	7,065
	Number of Staff	20	20	25	25	25	25
2	Mine Manger	18,621	20,855	23,358	26,161	29,300	32,816
	Number of Staff	1	1	1	1	1	1
3	Assistant Screen Operator	2,028	2,271	2,543	2,849	3,190	3,573
	Number of Staff	16	16	18	18	18	18
4	Assistant / Junior Supervisor	3,879	4,345	4,866	5,450	6,104	6,837
	Number of Staff	5	5	7	7	7	7
5	Blaster	6,166	6,905	7,734	8,662	9,702	10,866
	Number of Staff	1	1	1	2	2	2
6	Boiler Maker	2,597	2,908	3,257	3,648	4,086	4,576
	Number of Staff	1	1	1	2	2	2
7	Bulldozer Operator	3,621	4,055	4,542	5,087	5,697	6,381
	Number of Staff	8	8	8	8	8	8
8	Carpenter	2,509	2,810	3,147	3,524	3,947	4,421
	Number of Staff	4	4	6	6	8	8
9	Drill Operator	10,148	11,366	12,730	14,258	15,969	17,885
	Number of Staff	2	2	4	4	4	4
10	Drill Rig Team	1,940	2,172	2,433	2,725	3,052	3,418
	Number of Staff	9	9	11	11	14	14
11	Driller	3,181	3,563	3,990	4,469	5,005	5,606
	Number of Staff	6	6	8	8	8	10
12	Excavator Operator	3,879	4,345	4,866	5,450	6,104	6,837
	Number of Staff	21	21	25	25	30	30
13	Exploration Geologist	5,431	6,083	6,813	7,630	8,546	9,571
	Number of Staff	1	1	1	1	1	1

Projected Salaries and Wages for Direct Coal Mining Staff							
Units: USD							
No.	Staff Details & Their Number	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
14	Foreman	14,845	16,626	18,621	20,856	23,359	26,162
	Number of Staff	1	1	1	2	2	2
15	Grader Operator	3,569	3,997	4,477	5,014	5,616	6,290
	Number of Staff	3	3	3	5	5	5
16	Head Construction	3,993	4,472	5,009	5,610	6,283	7,037
	Number of Staff	1	1	1	1	1	1
17	Lab Assistant	3,259	3,650	4,088	4,578	5,128	5,743
	Number of Staff	1	1	1	1	1	1
18	Laboratory Analyst	5,431	6,083	6,813	7,630	8,546	9,571
	Number of Staff	2	2	2	2	2	2
19	Laboratory Operator	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	2	2	2	2	2	2
20	Lowbed Operator	2,509	2,810	3,147	3,524	3,947	4,421
	Number of Staff	1	1	1	1	1	1
21	Mason	2,405	2,694	3,017	3,379	3,785	4,239
	Number of Staff	2	2	2	2	2	2
22	Ass. Mason	1,397	1,564	1,752	1,962	2,198	2,461
	Number of Staff	2	2	2	2	2	2
23	Off Siders	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	8	8	8	8	10	10
24	Roller Operator	2,933	3,285	3,679	4,120	4,615	5,169
	Number of Staff	1	1	1	1	1	1
25	Safety Manger	14,793	16,568	18,556	20,783	23,277	26,071
	Number of Staff	1	1	1	1	1	1
26	Safety Supervisor	3,497	3,916	4,386	4,912	5,502	6,162
	Number of Staff	2	2	2	2	2	2

Projected Salaries and Wages for Direct Coal Mining Staff							
Units: USD							
No.	Staff Details & Their Number	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
27	Screen Operator	2,933	3,285	3,679	4,120	4,615	5,169
	Number of Staff	8	8	8	8	8	8
28	Screen Technician	4,138	4,634	5,191	5,813	6,511	7,292
	Number of Staff	3	3	3	3	3	3
29	Screen Cleaner & Sorter	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	3	3	3	3	3	3
30	Senior Welder/Boiler Maker	10,345	11,586	12,977	14,534	16,278	18,231
	Number of Staff	1	1		1	1	1
31	Site Security	1,500	1,680	1,882	2,107	2,360	2,644
	Number of Staff	55	60	65	70	75	80
32	Spotter- Pit	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	5	5	5	5	5	5
33	Stores Administrator	4,086	4,577	5,126	5,741	6,430	7,201
	Number of Staff	4	4	4	4	4	4
34	Production Supervisors	6,724	7,531	8,435	9,447	10,581	11,850
	Number of Staff	8	8	8	8	8	8
35	Tally man & woman	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	15	15	15	15	15	15
36	Technical Mining Specialist	19,790	22,164	24,824	27,803	31,139	34,876
	Number of Staff	1	1	1	1	1	1
37	Tipper Driver Operator	3,450	3,864	4,328	4,847	5,429	6,080
	Number of Staff	92	117	142	142	142	142
38	Training Officer	10,345	11,586	12,977	14,534	16,278	18,231
	Number of Staff	1	1	1	1	1	1
39	Water Pump Attendant	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	3	3	3	3	3	3

Projected Salaries and Wages for Direct Coal Mining Staff							
Units: USD							
No.	Staff Details & Their Number	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
40	Weigh Bridge Clerk	2,933	3,285	3,679	4,120	4,615	5,169
	Number of Staff	3	3	3	3	3	3
41	Welder	7,759	8,690	9,732	10,900	12,208	13,673
	Number of Staff	3	3	3	3	3	3
42	Wheel Loader Operator	4,448	4,982	5,580	6,250	6,999	7,839
	Number of Staff	21	31	36	36	36	36
	Total Number of Direct Coal Mining Staff	348	388	443	454	471	478
	Total Annual Salaries & Wages for Direct Coal Mining Staff	1,161,776	1,456,010	1,867,280	2,159,619	2,484,202	2,806,736
	NSSF, PAYE, SDL, NHIF, WCF & Other Staff Related Statutory Payments	580,888	728,005	933,640	1,079,809	1,242,101	1,403,368

Projected Salaries and Wages for Transport Business Staff

Units: USD

No.	Salaries & Staff Details	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	General Manager Transport	12,414	13,903	15,572	17,440	19,533	21,877
	Number of Staff	1	1	1	1	1	1
2	Logistics Support	3,000	3,360	3,763	4,215	4,721	5,287
	Number of Staff	1	1	1	1	1	1
3	Documentation Officer	2,597	2,908	3,257	3,648	4,086	4,576
	Number of Staff	2	2	2	2	2	2
4	Logistics Manager	12,372	13,857	15,520	17,382	19,468	21,804
	Number of Staff	1	1	1	1	1	1
5	Logistics Officers	3,466	3,881	4,347	4,869	5,453	6,107
	Number of Staff	4	4	4	4	4	4
6	Fleet/Transport Executive	11,752	13,162	14,741	16,510	18,492	20,711
	Number of Staff	1	2	2	2	2	2
7	Assistant Finance and Operations Manager	18,114	20,287	22,722	25,449	28,502	31,923
	Number of Staff	1	1	1	1	1	1
8	Fleet Tracker	4,138	4,634	5,191	5,813	6,511	7,292
	Number of Staff	1	1	1	1	1	1
9	Accounts Payable Clerk	2,586	2,897	3,244	3,633	4,069	4,558
	Number of Staff	1	1	1	1		1
10	Drivers	1,034	1,159	1,298	1,453	1,628	1,823
	Number of Staff	62	152	212	212	212	212
11	Heavy Duty Mechanic	12,931	14,483	16,221	18,167	20,347	22,789
	Number of Staff	1	3	5	5	5	5
12	Mechanic	5,172	5,793	6,488	7,267	8,139	9,116
	Number of Staff	13	38	48	48	48	48
13	Assistant Mechanic	2,333	2,613	2,926	3,277	3,671	4,111
	Number of Staff	7	22	32	32	32	32

Projected Salaries and Wages for Transport Business Staff							
Units: USD							
No.	Salaries & Staff Details	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
14	Auto- Electrician	5,819	6,517	7,299	8,175	9,156	10,255
	Number of Staff	6	21	31	31	31	31
15	Fuel Attendant & Operator	2,509	2,810	3,147	3,524	3,947	4,421
	Number of Staff	6	10	10	10	10	10
16	Grease Man & Assistant Mechanic	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	8	28	38	38	38	38
17	Trip Checker	2,845	3,186	3,569	3,997	4,476	5,014
	Number of Staff	8	10	12	12	12	12
18	Tyre man	3,621	4,055	4,542	5,087	5,697	6,381
	Number of Staff	3	20	25	25	25	25
	Total Number of Direct Transportation Business Staff	127	318	427	427	426	427
	Total Annual Salaries & Wages for Direct Transportation Business Staff	343,050	942,046	1,386,512	1,552,894	1,735,171	1,947,950
	NSSF,PAYE, SDL, NHIF, WCF & Other Staff Related Statutory Payments	171,525	471,023	693,256	776,447	867,586	973,975

<i>Projected Salaries and Wages for Directors & Amnistrative Staff</i>							
Units: USD							
No.	Salaries & Staff Details	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Documentation Officer	3,274	3,667	4,107	4,600	5,152	5,770
	Number of Staff	1	1	1	1	1	1
2	Management Accountant	17,338	19,418	21,749	24,359	27,282	30,555
	Number of Staff	1	1	1	1	1	1
3	Executive Assistant	15,517	17,379	19,465	21,801	24,417	27,347
	Number of Staff	1	1	1	1	1	1
4	Driver	3,574	4,003	4,483	5,021	5,624	6,299
	Number of Staff	5	10	15	15	15	15
5	Financial Controller	6,217	6,963	7,799	8,735	9,783	10,957
	Number of Staff	1	1	1	1	1	1
6	HR Manager	15,517	17,379	19,465	21,801	24,417	27,347
	Number of Staff	1	1	1	1	1	1
7	Data Capture	3,993	4,472	5,009	5,610	6,283	7,037
	Number of Staff	2	2	2	2	2	2
8	HR Assistant	2,131	2,387	2,673	2,994	3,353	3,756
	Number of Staff	1	3	5	5	5	5
9	Assistant Accountant	3,879	4,345	4,866	5,450	6,104	6,837
	Number of Staff	3	4	4	4	4	4
10	Debtors Administrator	14,912	16,702	18,706	20,950	23,464	26,280
	Number of Staff	1	2	2	2	2	2
11	Assistant Accountant - Accounts Payable	16,407	18,376	20,581	23,051	25,817	28,915
	Number of Staff	1	1	1	1	1	1
12	Receptionist	3,879	4,345	4,866	5,450	6,104	6,837
	Number of Staff	1	1	1	1	1	1
13	Cleaner	1,034	1,159	1,298	1,453	1,628	1,823
	Number of Staff	1	1	1	1	1	1

Projected Salaries and Wages for Directors & Amministrative Staff							
Units: USD							
No.	Salaries & Staff Details	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
14	Personal Assistant	7,262	8,134	9,110	10,203	11,427	12,798
	Number of Staff	1	1	1	1	1	1
15	Administration Clerk	3,621	4,055	4,542	5,087	5,697	6,381
	Number of Staff	1	2	2	2	2	2
16	Administration Officer Asst	3,269	3,661	4,101	4,593	5,144	5,761
	Number of Staff	1	2	2	2	2	2
17	Assistant Cook	1,500	1,680	1,882	2,107	2,360	2,644
	Number of Staff	2	2	2	2	2	2
18	Assistant Public Relation	2,509	2,810	3,147	3,524	3,947	4,421
	Number of Staff	1	1	1	1	1	1
19	Assistant Safety Officer	8,338	9,338	10,459	11,714	13,120	14,694
	Number of Staff	1	1	1	1	1	1
20	Bag Team	1,500	1,680	1,882	2,107	2,360	2,644
	Number of Staff	4	5	5	5	5	5
21	Bus Driver	2,586	2,897	3,244	3,633	4,069	4,558
	Number of Staff	6	9	9	9	9	9
22	Camp General Worker	1,552	1,738	1,946	2,180	2,442	2,735
	Number of Staff	8	8	8	8	8	8
23	Camp Manager	5,121	5,735	6,423	7,194	8,058	9,024
	Number of Staff	2	2	2	2	2	2
24	Canvas Man	1,810	2,028	2,271	2,543	2,849	3,190
	Number of Staff	11	11	11	11	11	11
25	Chef	4,578	5,127	5,742	6,431	7,203	8,067
	Number of Staff	2	2	2	2	2	2
26	Chef Assistant	2,069	2,317	2,595	2,907	3,256	3,646
	Number of Staff	4	4	4	4	4	4

Projected Salaries and Wages for Directors & Amministrative Staff							
Units: USD							
No.	Salaries & Staff Details	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
27	Cleaners	1,924	2,155	2,414	2,703	3,028	3,391
	Number of Staff	17	20	20	20	20	20
28	Construction Manager	3,491	3,910	4,380	4,905	5,494	6,153
	Number of Staff	1	1	1	1	1	1
29	Documentation Officer	3,145	3,522	3,945	4,418	4,948	5,542
	Number of Staff	2	2	2	2	2	2
30	Head of Sales	13,319	14,917	16,707	18,712	20,958	23,473
	Number of Staff	1	1	1	1	1	1
31	HR Officer	7,759	8,690	9,732	10,900	12,208	13,673
	Number of Staff	1	1	1	1	1	1
32	HSE Manager	9,078	10,167	11,387	12,753	14,284	15,998
	Number of Staff	1	1	1	1	1	1
33	ICT Officer	4,500	5,040	5,645	6,322	7,081	7,931
	Number of Staff	1	1	1	1	1	1
34	Informational Clark officer	2,933	3,285	3,679	4,120	4,615	5,169
	Number of Staff	1	1	1	1	1	1
35	PR Manager	14,845	16,626	18,621	20,856	23,359	26,162
	Number of Staff	1	1	1	1	1	1
36	Cleaners and Hygine Staff	1,500	1,680	1,882	2,107	2,360	2,644
	Number of Staff	9	9	9	9	9	9
37	Directors Remuneration	143,672	160,913	180,223	201,849	226,071	253,200
	Number of Staff	3	3	3	3	3	3
	Total Number of Direct Transportation Business Staff	102	120	127	127	127	127
	Total Annual Salaries & Wages for Direct Transportation Business Staff	782,679	946,987	1,088,389	1,218,995	1,365,275	1,529,108

<i>Projected Salaries and Wages for Directors & Amministrative Staff</i>							
Units: USD							
No.	Salaries & Staff Details	Annual Salary of the Employee					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	NSSF,PAYE, SDL, NHIF, WCF & Other Staff Related Statutory Payments	391,340	473,494	544,194	609,498	682,637	764,554
	Total Employees of RCL	577	826	997	1,008	1,024	1,032
	Total Annual Salaries & Wages of RCL	2,287,505	3,345,042	4,342,181	4,931,508	5,584,648	6,283,793
	Annual Employee Taxes for RCL	1,143,753	1,672,521	2,171,091	2,465,754	2,792,324	3,141,897

Projected Profit & Loss Statement							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total annual sales from Coal Mining	37,728,000	41,500,800	45,650,880	50,215,968	55,237,565	60,761,321
2	Total annual sales from Transport Business	11,793,600	18,574,920	19,503,666	20,478,849	21,502,792	22,577,931
3	Other Income	111,000	116,550	122,378	128,496	134,921	141,667
	Total Annual Sales	49,632,600	60,192,270	65,276,924	70,823,314	76,875,278	83,480,920
	Direct Production Related Expenses						
4	Total annual cost for production of Coal	28,877,583	30,938,350	33,133,148	34,448,734	35,984,446	37,671,853
5	Total annual direct expenses for Transport Business	10,204,701	16,313,027	17,039,389	17,490,323	18,086,309	18,833,266
	Total Direct Expenses	39,082,285	47,251,377	50,172,537	51,939,057	54,070,755	56,505,119
	Gross Profit	10,550,315	12,940,893	15,104,386	18,884,257	22,804,523	26,975,801
	Other Operating Costs						
6	Administrative Expenses	2,951,558	3,267,464	3,618,177	4,007,677	4,440,416	4,921,386
7	Interest On Term Loan	1,373,737	1,661,127	1,529,562	769,562	-	-
8	Interest on Overdraft Facility	-	-	-	-	-	-
9	Bank Charges	31,034	34,448	38,238	42,444	47,113	52,295
10	Other Salaries & Wages	782,679	946,987	1,088,389	1,218,995	1,365,275	1,529,108
11	NSSF,PAYE, SDL, NHIF, WCF & Other Staff Related Statutory Payments	391,340	473,494	544,194	609,498	682,637	764,554
12	Depreciation on Other Assets	104,766	135,520	121,287	108,698	97,554	87,681
	Total Operating Expenses	5,635,114	6,519,040	6,939,847	6,756,874	6,632,996	7,355,024
13	Operating Profits Before Tax	4,915,201	6,421,852	8,164,539	12,127,383	16,171,527	19,620,777
14	Corporate Tax @ 30%	1,474,560	1,926,556	2,449,362	3,638,215	4,851,458	5,886,233
15	Operating Profits After Tax	3,440,641	4,495,297	5,715,177	8,489,168	11,320,069	13,734,544
	Proposed Dividends	-	-	-	-	-	-
16	Cumulative Net Profit / (Loss) CF to BS	3,440,641	7,935,937	13,651,115	22,140,283	33,460,352	47,194,896
17	Net Cash Profits After Dividend & Cash	7,442,586	9,696,980	10,605,276	12,412,915	14,469,662	16,263,856

Projected Cash Flow Statement							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cash Inflow						
	Ordinary Equity Capital	6,197,310	2,582,213	1,549,328	-	-	-
	Term Loan from Bank	14,460,390	6,025,163	3,615,098	-	-	-
	Cash Profits from Operations	7,442,586	9,696,980	10,605,276	12,412,915	14,469,662	16,263,856
2	Total Inflow for the period	28,100,286	18,304,355	15,769,701	12,412,915	14,469,662	16,263,856
	Cash Outflow						
	Site Development, Land & Building	759,959	-	-	-	-	-
	Plant & Machinery for Coal Mining	9,714,993	3,742,100	3,579,400	-	-	-
	Other Plant & Machinery	534,143	328,000	-	-	-	-
	Commercial Vehicles (Transport Business)	9,770,905	6,000,000	-	-	-	-
	Change in Working Capital Requirement	5,899,353	1,295,517	505,580	611,892	665,289	726,612
	Repayment of Overdraft Facility	-	-	-	-	-	-
	Repayment of Long Term Loan	-	3,000,000	5,000,000	8,000,000	8,100,650	-
	Payment of Dividend	-	-	5,000,000	5,000,000	5,000,000	5,000,000
3	Total Outflow for the Period	26,679,353	14,365,617	14,084,980	13,611,892	13,765,939	5,726,612
4	Surplus / (Deficit)	1,420,933	3,938,738	1,684,721	(1,198,977)	703,723	10,537,245
5	Opening Cash Balance	-	1,420,933	5,359,671	7,044,392	5,845,415	6,549,138
6	Closing Cash Balance	1,420,933	5,359,671	7,044,392	5,845,415	6,549,138	17,086,383
	Cash Balance as per Balance Sheet	1,420,933	5,359,671	7,044,392	10,845,415	16,549,138	32,086,383

<i>Projected Balance Sheet</i>							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Non-Current Assets (Net Value)						
	Land & Building	721,961	685,863	651,570	618,992	588,042	558,640
	Plant & Machinery for Coal Mining	7,771,995	9,211,276	10,232,541	8,186,032	6,548,826	5,239,061
	Other Plant & Machinery	467,375	695,953	608,959	532,839	466,234	407,955
	Commercial Vehicles (Transport Business)	7,816,724	11,053,379	8,842,703	7,074,163	5,659,330	4,527,464
	Total Non-Current Assets	16,778,055	21,646,471	20,335,773	16,412,026	13,262,432	10,733,120
2	Current Assets						
	Stocks & Inventory of Consumables	2,407,274	2,985,650	3,134,932	3,291,679	3,456,263	3,629,076
	Sundry Debtors	6,119,088	7,420,965	8,047,840	8,731,641	9,477,774	10,292,168
	Cash & Bank Balances	1,420,933	5,359,671	7,044,392	10,845,415	16,549,138	32,086,383
	Total Current Assets	9,947,295	15,766,286	18,227,164	22,868,735	29,483,175	46,007,627
	Current Liabilities						
	Sundry Creditors	2,199,154	2,643,251	2,780,700	2,925,757	3,078,908	3,240,678
	Withholding Tax Payable	19,857	21,693	22,833	24,034	25,302	26,640
	Mining Royalty Payable	83,527	87,703	92,088	96,692	101,527	106,603
	Salaries & Wages Payable	188,014	274,935	356,892	405,329	459,012	516,476
	Taxes & Duties on Salaries & Wages Payable	94,007	137,467	178,446	202,665	229,506	258,238
	Other Payables / Liabilities	42,449	46,694	51,364	56,500	62,150	68,365
	Total Current Liabilities	2,627,009	3,211,744	3,482,322	3,710,978	3,956,405	4,217,001
	Net Current Assets	7,320,286	12,554,541	14,744,842	19,157,757	25,526,769	41,790,626
3	TOTAL ASSETS	24,098,341	34,201,012	35,080,615	35,569,783	38,789,202	52,523,746
	Liabilities						
	Ordinary Equity Share Capital	6,197,310	8,779,523	10,328,850	10,328,850	10,328,850	10,328,850
	Retained Earnings / Reserves	3,440,641	7,935,937	8,651,115	17,140,283	28,460,352	42,194,896
	Long Term Loan from Banks & Financial Institutions	14,460,390	17,485,553	16,100,650	8,100,650	-	-
4	TOTAL LIABILITIES	24,098,341	34,201,012	35,080,615	35,569,783	38,789,202	52,523,746

Projected Working Capital Requirement								
								Units: USD
No.	Particulars	No. of Days	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Current Assets							
	Stock of Consumables	60	2,407,274	2,985,650	3,134,932	3,291,679	3,456,263	3,629,076
	Sundry Debtors	45	6,119,088	7,420,965	8,047,840	8,731,641	9,477,774	10,292,168
	Sub-total		8,526,362	10,406,615	11,182,772	12,023,320	12,934,037	13,921,244
2	Current Liabilities							
	Sundry Creditors							
	Fuel Suppliers	30	718,637	922,507	968,632	1,017,064	1,067,917	1,121,313
	Supplier of Transport Services (Subcontractor)	30	126,643	199,463	209,436	219,908	230,904	242,449
	Suppliers of Spares & Other Stocks	30	864,148	968,423	1,016,845	1,067,687	1,121,071	1,177,125
	Supplier of other Goods & Services	30	489,726	552,858	585,787	621,098	659,016	699,792
	Withholding Tax Payable	7	19,857	21,693	22,833	24,034	25,302	26,640
	Mining Royalty Payable	7	83,527	87,703	92,088	96,692	101,527	106,603
	Salaries & Wages Payable	30	188,014	274,935	356,892	405,329	459,012	516,476
	Taxes & Duties on Salaries & Wages Payable	30	94,007	137,467	178,446	202,665	229,506	258,238
	Other Payables / Liabilities	30	42,449	46,694	51,364	56,500	62,150	68,365
	Sub-total		2,627,009	3,211,744	3,482,322	3,710,978	3,956,405	4,217,001
3	Net Working Capital Requirement		5,899,353	7,194,870	7,700,450	8,312,342	8,977,631	9,704,243

<i>Projected Schedule for Availing & Repayment of Term Loan</i>							
							Units: USD
No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Opening Balance	-	14,460,390	17,485,553	16,100,650	8,100,650	-
2	Term Loan Availed during the year	14,460,390	6,025,163	3,615,098	-	-	-
3	Repayment of Term Loan in the year	-	3,000,000	5,000,000	8,000,000	8,100,650	-
4	Closing Balance	14,460,390	17,485,553	16,100,650	8,100,650	-	-
5	Interest on Term Loan	1,373,737	1,661,127	1,529,562	769,562	-	-
6	Bank Charges	31,034	34,448	38,238	42,444	47,113	52,295

<i>Projected Schedule for Assets and Depreciation Thereof</i>								
Units: USD								
No.	Asset categories	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Land & Building	Value as of beginning of the year	-	721,961	685,863	651,570	618,992	588,042
		Purchase / Sale of Assets	700,000	-	-	-	-	-
		Allocation of Contingencies	59,959	-	-	-	-	-
		Value at year end	759,959	721,961	685,863	651,570	618,992	588,042
		Depreciation Rate (%)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
		Depreciation for the Year	37,998	36,098	34,293	32,579	30,950	29,402
		Asset Value after Depreciation	721,961	685,863	651,570	618,992	588,042	558,640
2	Plant & Machinery for Coal Mining	Value as of beginning of the year	-	7,771,995	9,211,276	10,232,541	8,186,032	6,548,826
		Purchase / Sale of Assets	8,948,500	3,742,100	3,579,400	-	-	-
		Allocation of Contingencies	766,493	-	-	-	-	-
		Value at year end	9,714,993	11,514,095	12,790,676	10,232,541	8,186,032	6,548,826
		Depreciation Rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
		Depreciation for the Year	1,942,999	2,302,819	2,558,135	2,046,508	1,637,206	1,309,765
		Asset Value after Depreciation	7,771,995	9,211,276	10,232,541	8,186,032	6,548,826	5,239,061
3	Other Plant & Machinery	Value as of beginning of the year	-	467,375	695,953	608,959	532,839	466,234
		Purchase / Sale of Assets	492,000	328,000	-	-	-	-
		Allocation of Contingencies	42,143	-	-	-	-	-
		Value at year end	534,143	795,375	695,953	608,959	532,839	466,234
		Depreciation Rate (%)	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%
		Depreciation for the Year	66,768	99,422	86,994	76,120	66,605	58,279

<i>Projected Schedule for Assets and Depreciation Thereof</i>								
								Units: USD
No.	Asset categories	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
		Asset Value after Depreciation	467,375	695,953	608,959	532,839	466,234	407,955
4	Commercial Vehicles (Transport Business)	Value as of beginning of the year	-	7,816,724	11,053,379	8,842,703	7,074,163	5,659,330
		Purchase / Sale of Assets	9,000,000	6,000,000	-	-	-	-
		Allocation of Contingencies	770,905	-	-	-	-	-
		Value at year end	9,770,905	13,816,724	11,053,379	8,842,703	7,074,163	5,659,330
		Depreciation Rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
		Depreciation for the Year	1,954,181	2,763,345	2,210,676	1,768,541	1,414,833	1,131,866
		Asset Value after Depreciation	7,816,724	11,053,379	8,842,703	7,074,163	5,659,330	4,527,464