

*GREYHILL MINING LIMITED*

*BUSINESS PLAN*

FOR

MINERALS (GRAPHITE) PROCESSING

PREPARED FOR

GREYHILL MINING LIMITED

## 1.0. Introduction

GREYHILL MINING LIMITED is a new company incorporated in Tanzania with Certificate of Change of Name No. 172829236 dated 29th May 2024 the company was previously known as Nazz Traders (T) Limited is owned by 2 shareholders

GREYHILL MINING LIMITED has acquired land located at **Mkalamo Village, Handeni District, Tanga region**. The proposed area will be used for minerals processing

GREYHILL MINING LIMITED vision is to offer our clients reliable, secure, and fast graphite processing. GREYHILL MINING LIMITED also aim to be amongst the medium size company providing graphite processing facility of high quality with environmentally friendly equipment by the year 2025.

GREYHILL MINING LIMITED location at Mkalamo Village, Handeni District, Tanga region is very strategic as is the area with large and good quality various industrial minerals deposit in Tanzania and the availability of skilled workforce is very fundamental for such project, **Handeni district** is the ideal place where abundant of skilled force are available that will lower overheads in running graphite processing facility.

GREYHILL MINING LIMITED intend to procure the best equipment in order to be able to provide the best for our clients, lower operation

cost and increase minerals recovery. GREYHILL MINING LIMITED goal is also to ensure that we build a business structure that will aid us in achieving our corporate goals and objectives.

GREYHILL MINING LIMITED's intention in running a smooth business with as less hitches as possible are to ensure that we hire the right number of employees who not only have an understanding of the industry and are professionals but also are attuned to our corporate goals and vision and are committed to ensuring that these goals and visions are achieved.

GREYHILL MINING LIMITED intend to provide a conducive and friendly environment for our employees as well as ensure that they get the required training that is continuous in nature so as not only to enhance their skills and increase productivity for the organization but to also ensure that the skills gotten are the best across similar start-up such as ours in the industry.

## **2.0 Some of Few Selected Machines and other items**

The graphite processing equipment primarily includes:

- Graphite vertical stirring mill,
- Flotation machine,
- Drum dryer,
- Agent agitation tank,

- Chamber filter press,
- XHGY–B series numerical control agent feeder
- Graphite ore crushing stage

### 3.0 The Sponsors

**GREYHILL MINING LIMITED** will be sponsoring this project. The Company is currently jointly owned by 2 shareholders.

Names of Shareholders	% of Shares	Nationality
ABDIHAKIM HUSSEIN MOHAMED P. O. Box 5247, DAR ES SALAAM	50	Kenya
ABDIAZIZ ALI MIRE P. O. Box 5247, DAR ES SALAAM	50	Kenya

### 3.1 Objective of Study

The purpose of this study is to work out the technical and commercial details and financial viability of the project.

### 3.2 Location

There are two considerations on this point. One is referred to as the mine and the other is the processing facility. Ideally, the first one must be close to the plant, but sometimes the area and accessibility are serious issues. Probably, the most critical aspect is the plant location due to the idea is to have a good foundation for the buildings to be constructed and using the geography of the area. The latter is important because the gravity force must be

utilized at maximum because the energy is an operative cost that will influence the economy of the project.

If the plant will be located near cold zones where the temperature can reach low values, the building must consider special protection due to exists the possibility of having frozen problems with the slurry. This situation is painful if the problem is not considered before. The project location of treatment plant has been selected after considering all factors, the project will be located at **Mkalamo Village, Handeni District, Tanga region**

### **3.3 Profitability**

The economy and profitability of the project is influenced by the mining costs, operative costs, shipping costs, impurity levels, concentrate treatment charges and smelter/refinery returns. These factors have to be projected from the laboratory tests or scaled metallurgical tests. Basically, minerals concentrate has to be related to the mineralized block, minerals distribution, and diluents such as pyrite, graphite, clays, and organic matter. GREYHILL MINING LIMITED has studied All these factors together in order to optimize the revenue of the project according to the mineralized zone.

### **3.4 Production capacity**

The company's production capacity is estimated to be 5,839 tons in the first year, 11,677 tons in the second year and 17,516 in the third year and the average selling price is US\$ 410 CSPG graphite. The company plans to export 100% of its total sales

### 3.5 Graphite Market Overview

The graphite market size is estimated to reach US\$22.4 billion by 2027 after growing at a CAGR of 5.5% from 2022–2027. Graphite is a carbon-based mineral found in crystalline form and it is of two types i.e., natural type consisting of flakes like amorphous graphite, and synthetic type which consists of graphite made from coke & pitch. Hence rich properties like self-lubrication, high tolerance to heat and changeability, etc., makes graphite of high usage in various application. For instance, in automotive vehicles especially electric vehicles, it is used in lithium-ion batteries, as heat resistant in refractories, as an additive in lubricant, as concrete material in construction buildings and a combination of graphite fiber with carbon nanotubes makes carbon fiber-reinforced plastics which have high usage in the aerospace sector. The drivers for the graphite market are growing demand for new energy vehicles like electric vehicles, an increase in the volume of steel production, construction activities, and rising demand for fuel-efficient aircraft through graphite-made materials. However, the grinding particles and chemicals of graphite make it a harmful pollutant as it can cause pollution and damage to the respiratory system. Hence stringent regulation imposed by the government on graphite usage will hamper the growth of the graphite industry.

### **3.6 Key Takeaways**

Asia-Pacific dominates the graphite market, as the region is a hub for major steel, construction, and automotive industries in countries like India, Japan, South Korea, and China is the largest producer of graphite

The rich properties of graphite such as self-lubrication and friction resistance make it an efficient lubricant. Hence such lubricant is mainly used for heavy mining machinery such as conveyors.

Growing demand for electric vehicles will create more demand for lithium-ion batteries to be used in these vehicles as fuel, thereby increasing the usage of graphite in such batteries.

### **3.7 Graphite Market Segment – By Product**

Natural graphite held the largest share in the graphite market in 2021, with a share of over 40%. This owns to factors like having high cost-competitiveness, friction resistance and optimal performance. Hence such rich properties make natural graphite have high industrial applications like in refractories, batteries, steel making, brake lining, lubricants, etc. For instance, as per the 2021 report of the National Automobile Dealers Association, the vehicle sales in Q2 totaled up to 17 million units in the US, of which 76.9% was light trucks. Also, as per the 2021 report of the National Bureau of Statistics of China, the manufacturing of electrical equipment such as computers, laptops, mobiles, etc., and other electrical

equipment increased by 13.5%. Hence as natural graphite is used as a battery in electrical instruments and as brake lining in heavy trucks, so increase in production of such segments will lead to an increase in demand for natural graphite to be used in them, thereby positively impacting the graphite market.

### **3.8 Graphite Market Segment – By Purity**

High purity graphite held the largest share in the graphite market in 2021, with a share of over 35%. This owes to factors such as high purity graphite has excellent conductivity, lubrication and high-temperature resistance. Hence due to such rich properties, it has various industrial applications such as lubrication, metallurgy, automotive, aerospace etc. The rapid development in some sectors such as the growing demand for the electric vehicle segment in the automotive industry has created more demand for high purity graphite since it is mainly used in lithium-ion batteries for electric vehicles. For instance, as per the European Environment Agency of European Union, the electric registration of electric cars and vans increased from 550,000 units in 2019 to 1,325,000 units in 2020, hence showing an increase of 11%. Hence as the demand for electric vehicles increases, this will increase the usage of lithium-ion batteries in them thereby increasing the demand for high purity graphite in the automotive sector for the electric vehicles segment

### **3.9 Graphite Market Segment – By Application Type**

Refractories held the largest share of the graphite market in 2021, with a share of over 30%. This is due to factors like graphite blocks made in refractories is used in various industries such as metal manufacturing, electronics, chemical, steel, and other fields, etc. but the main user is the metallurgical sector as such blocks are used for graphitization furnace, metallurgical furnace, resistance furnace, etc. The rapid development and increase in production of sectors such metal manufacturing sector have led to more usage of graphite-based refractories. For instance, as per the July 2021 report of the World Steel Association the World crude steel production for the 64 countries was 161.7 million tones (Mt) in July, a 3.3% increase compared to July 2020, and the steel demand will further increase to 2.2% in next one year. The increase in the production of steel will increase the demand for graphite blocks in them as it is majorly used in a metallurgical furnaces. Hence such an increase in graphite usage will positively impact the demand for graphite in refractories thereby impacting the growth of the graphite industry in refractories.

### **3.10 Graphite Market Segment – By End User**

Metallurgical held the largest share in the graphite market in 2021, with a share of over 30%. The metallurgical segment consists of electrodes, refractories, casting, and foundries. Hence as graphite electrodes are used in electric and ladle furnaces for steel

production and with the rising production in steel, the demand for graphite will also increase. For instance, as per the 2021 report of the World Steel Association, the world crude steel production in May for 64 countries was 174.4 million tones (Mt), showing an increase of 16.5% when compared to 149.6 million tones produced in the same month. Such an increase in the production of steel will also increase the demand for graphite electrodes. Hence the increasing demand for electrodes will create more usage of graphite in them, which would positively impact the demand for graphite in the metallurgical sector thereby providing more growth opportunities for the graphite industry.

### **3.11 Graphite Market Segment – By Geography**

Asia-pacific held the largest share in the graphite market in 2021, with a share of over 40%. This owns to factor like the region consisting countries like China, India, Japan, South Korea have major end-users of graphite across automotive sector, construction sector, metallurgical sectors, and others. For instance, National Investment Promotion & Facilitation Agency, the construction sector in India will grow as the third largest globally by 2025, and construction output will grow on an average of 7.1% each year, and infrastructure activities stood at \$24.72 between April 2000 and March 2021. Also, as per World Steel Association, the production of crude steel stood at 1878 million tones of which China accounted

up to 56.6%, showing an increase of 3.4% from 2019. Hence the rapid development in the construction and metallurgical sector in such countries has positively impacted the demand for graphite in them, thereby positively impacting the growth of the graphite industry in the Asia–Pacific region.

### **3.12 Graphite Market Drivers**

#### Increase in Demand for Electric vehicles

With the growing technological advancements, consumers have started shifting their demand from manual vehicles to electric hybrid vehicles. Various automotive plants for e–vehicles are being set up in countries. For instance, as per European Automobile Manufacturing Association, the production for e–vehicles increased up to 11% in 2020 from 3% in 2019 in the EU, and as per the International Energy Agency, electric car registration increased by 41% in 2020 globally, with China and Europe being the largest electric vehicle market. Graphite is used in the manufacturing of lithium–ion based batteries which are used as fuel in new generation vehicles like electric and autonomous vehicles. Hence with the increase in the production of electric vehicles, the demand for graphite to be used in lithium–ion batteries will also increase, thereby having a positive impact on the growth of the graphite industry.

### 3.13 Increase in the volume of construction activities

Emerging economies, rapid urbanization, and various infrastructural developments undertaken by countries have increased the scale of construction activity. For instance, as per the National Bureau of Statistics, China construction industry grew by 22.8% in Q1 of 2021 preceded by 6.6% in Q4 and 8.1% in Q3 and 7.8% in 2020 and as per the State Council for the People's Republic of China, in July 2021 China approved projects related to the development of affordable rental homes for better access to housing in China's big cities. Also, as per U.S Census Bureau, the total construction spending in November 2021 was \$1,625 billion which was 0.4% more than from October same year and 9.3% more compared to November 2020 spending of \$1,463.3 billion. Hence the increase in the scale of construction activities will lead to increase in demand for graphite to be used in construction material, thereby providing more growth opportunities for graphite industry in the construction sector.

### 3.14 Graphite Industry Outlook

The companies to develop a strong regional presence and strengthen their market position, continuously engaging in mergers and acquisitions. Graphite's top 10 companies include:

- Showa Denko Materials Co., Ltd
- BTR New Materials Group Co. Ltd

- GrafTech International Holding Inc.
- Mason Graphite Inc.
- SGL Group
- Triton Mineral Ltd.
- Nippon Graphite Industries Co. Ltd
- Northern Graphite Corporation
- Syrah Resource Limited
- Graphite India Ltd.

### 3.15 Recent Developments

In 2021, Mason Graphite Inc. formed a joint venture with Thomas Swan Co & Limited called Black Swan Graphene. Hence the venture will enable Mason Graphite to use the graphene processing technology of Thomas Swan, thereby creating a meaningful graphite demand for the company.

In 2021, Northern Graphite Corporation signed a binding purchase and sale agreement to acquire 100% ownership of Lac des Iles graphite mine in Quebec and Okanjande graphite mine in Namibia. Hence such purchase will make the company the only North American and third-largest non-Chinese graphite producing company.

The global graphite market size is projected to grow from \$14.83 billion in 2021 to \$25.70 billion in 2028 at a CAGR of 8.2% in the forecast period, 2021–2028

## The market for graphite

Attributes	Details
North America Market Size in 2021	USD 4.7 Billion
Latin America Market Size in 2021	USD 1.2 Billion
Europe Market Size in 2021	USD 3.6 Billion
East Asia Market Size in 2021	USD 7.1 Billion

### 3.16 Graphite Price in Tanzania (FOB) – 2022

The average graphite export price stood at \$412 per ton in 2022, falling by -49.1% against the previous year. Over the period under review, the export price continues to indicate a abrupt descent. The growth pace was the most rapid in 2015 when the average export price increased by 148% against the previous year. Over the period under review, the average export prices reached the maximum at \$3,116 per ton in 2017; however, from 2018 to 2022, the export prices failed to regain momentum. There were significant differences in the average prices for the major foreign markets. In 2022, amid the top suppliers, the country with the highest price was China (\$922 per ton), while the average price for exports to Canada (\$218 per ton) was amongst the lowest. From 2012 to 2022, the most notable rate of growth in terms of prices was recorded for supplies to China (+1.6%), while the prices for the other major destinations experienced mixed trend patterns.

### **3.17 Graphite Exports in Tanzania**

For the fourth year in a row, Tanzania recorded growth in shipments abroad of graphite (natural), which increased by 524% to 6.1K tons in 2022, exports posted a significant increase. As a result, the exports reached the peak and are likely to continue growth in the immediate term.

## **4.0 What Equipment Is Needed for Graphite Ore Beneficiation**

In recent years, with the strong rise of the new energy industry, related raw materials have received extensive attention. Among them, graphite, as an important battery anode material, is of great significance in the development of new energy, and its beneficiation technology and equipment have been greatly developed. The graphite ore beneficiation process mainly includes the stages of crushing, grinding, and beneficiation.

### **4.1 Graphite ore crushing stage**

Graphite ore is soft in nature. Generally, the hardness of graphite ore is medium-hard or medium-hard and soft. Therefore, the crushing process of graphite is relatively simple, and the crushing process that can usually be used includes two-stage one-closed-circuit crushing, two-stage open-circuit crushing, or one-stage open-circuit crushing process. A small number of new graphite ore

processing plants may also adopt a three-stage closed-circuit crushing process.

The first-stage crushing of graphite ore usually uses a. The secondary crushing can use a cone crusher to further reduce the particle size of graphite ore. Screening equipment can use circular vibrating screen.

#### **4.2 Crystalline graphite ore grinding stage**

Since graphite has a flake structure, it is necessary to ensure that the graphite concentrate has as many large flakes as possible in the grinding stage to improve the large flake rate of the concentrate. At this stage, the shape of the grinding medium and the form of the mill has a great influence on the large flake rate of the graphite concentrate. In the selection of, rod mills, vertical stirring mills, and other equipment can be selected as the main grinding equipment.

#### **4.3 Crystalline graphite ore beneficiation stage**

According to the properties of raw graphite ore, the beneficiation of crystalline graphite can be divided into four types: coarse flake graphite ore, medium flake graphite ore, fine flake graphite ore, and cryptocrystalline graphite ore. Due to the different properties, the four types of graphite have different sorting methods, and flotation is the main sorting method.

- Coarse flake graphite ore has large graphite flakes and good floatability. The graphite particle size is generally 0.6~2mm, the graphite content is 1%~10%, and the raw ore contains a certain amount of mica. In the separation of this kind of graphite ores, the main purpose is to protect the large scales. The grade of graphite concentrate is above 87%.
- In the medium flake graphite ore, the raw graphite flakes are medium in size and have good floatability. The graphite particle size is 0.2~0.6mm, and the graphite content is 4%~15%. This kind of ore contains less mica, and the beneficiation is mainly to protect the existing graphite flakes and improve the yield of large flake graphite. Its graphite concentrate grade is controlled at 86% to 90%.
- The graphite flakes of fine flake graphite ore are smaller, and the floatability is poorer than that of medium flake graphite. The particle size of graphite in the raw ore is 0.03~0.2mm, and the graphite content is 6%~15%. The selection of this kind of graphite ore is mainly to improve the purity of graphite. At the same time, the graphite flakes are protected from damage, which can reduce the requirement of graphite recovery rate. The grade of graphite concentrate is generally around 90%. Multi-stage grinding and multi-stage beneficiation process are often used in this kind of ore separation to strengthen the beneficiation process.

- The graphite particle size of cryptocrystalline graphite is generally below 1  $\mu\text{m}$ . Due to its fine graphite particle size, other beneficiation methods can also be used in addition to the flotation method, such as alkaline acid method, hydrofluoric acid method, high temperature purification method, etc.

In the process of graphite ore flotation, the flotation equipment selected can be aerated agitated flotation machine, mechanical agitated flotation machine, flotation column, etc. Among them, KYF-type flotation machine and XCF-type flotation machine can be selected for aerated stirring flotation machine, and SF-type flotation machine, JJF-type flotation machine, BF-type flotation machine, etc. can be selected for mechanical stirring flotation machine. Among them, the XCF flotation machine can form a flotation unit with the KYF flotation machine. The horizontal configuration of the flotation unit can be realized without the need to use a foam pump, and the capital construction cost required for the stepped configuration can be reduced.

The above is about the content of graphite ore beneficiation equipment. In actual beneficiation production, scientific and reasonable beneficiation process and beneficiation equipment should be determined according to the properties of graphite and the test results after, so as to ensure the economic benefits of the beneficiation plant and the rational utilization of resources.

## 5.0 Graphite Production Process

- **Mining**

Graphite ore is mined using excavating machines that carry dump trucks with raw ore.

The entire extraction process follows a mining plan, facilitating the selection of the most suitable one for final products.

- **Homogenization**

The deposition of this ore on the feeding plant is systematized to form feeding piles in layers.

The goal is to reduce the natural variability of the ore.

- **Mechanical Concentration**

The ore is subjected to successive grinding and a mechanical process separating impurities from the graphite. The mechanical concentration aims for maximum recovery of the graphite present in the ore, preserving its physical features.

- **Chemical Concentration**

The chemical concentration is used to remove the remaining impurities in the previously graphite mechanically concentrated. Nacional de Grafite uses and treats the residues of the chemical concentration in order not to pollute the environment.

- **Filtering and drying**

After the chemical concentration, the graphite is washed extensively with demineralized water, reaching a neutral pH. The remaining moisture is removed in Press-type filters and rotary dryers.

- **Classification**

Screening techniques are used to classify the particles of the concentrated graphite, reaching the desired particle size distribution.

- **Milling**

Jet and hammer mills grind the concentrated graphite until it reaches the desired size. The ground particles are classified, enabling control of the particle size distribution of the product generated. The different methods of grinding and classification allow for the shaping of the particle, giving the graphite distinct characteristics of density and a specific surface.

- **Briquetting**

In this process, agglomerated graphite grains are produced for use as carburized and carbon additives.

- Intercalation

Due to its extreme anisotropy, the graphite crystal enables salts to be intercalation in its structure. When heated, these salts evaporate, causing the disruption of inter-planar connections, "expanding" the graphite. Nacional de Grafite developed graphite intercalation and expansion processes compatible with the environment.

## 6.0 Project's Investment Capital

The estimated capital investment cost of the project is US\$ 15,000,000 to be implemented in three phases as indicated in the table below

GREYHILL MINING LIMITED COST STRUCTURE US\$

	1	2	3
Land and Buildings	410,000	660,000	910,000
Machinery & Equipment	3,800,000	7,600,000	11,400,000
Motor Vehicles	80,000	160,000	240,000
Furniture & Fixtures	10,000	12,000	15,000
Pre exp	20,000	20,000	20,000
Others	15,000	10,000	15,000
Working Capital	800,000	1,600,000	2,400,000
<b>TOTAL</b>	<b>5,135,000</b>	<b>10,062,000</b>	<b>15,000,000</b>

For the project to be a reality a total investment amounting to US \$5,135,000 in the first phase the value of project is expected to grow up to\$5,135,000 in third phase.

### 6.1 Financing pattern

Project will be financed by US\$10,000,000 and the remaining US\$ 5,000,000 contribution from company shareholders and cash flow from business.

### 6.2 Considerations and Assumptions:

The corporate tax charged is 0% of the profits for 8 years. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project’s capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters and trends in the industry.

### 6.3 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue commence from the first year of operation.

GREYHILL MINING LIMITEDPROJECTED REVENUE LTD

	1	2	3	4	5	6	7	8
Revenue	2,393,910	4,787,820	7,181,730	7,181,730	7,181,730	7,181,730	7,181,730	7,181,730

#### 6.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 6 years period. The position depicted is that the project earns profit throughout its life. Accumulated after profits grow from. US\$405,268 in first year to US \$ 16,545,444 in the 8th year

#### 6.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1st, i.e., US\$ 1,023,268 of operation to the 8th year i.e., US\$ 19,579,243.

#### 6.6 Projected Balance Sheet Statement

The projected shareholders equity increases from US\$ 5,000,000 in 1<sup>st</sup> year to US \$ 7,646,639 in 8<sup>th</sup>.

#### 6.7 Projected payback period

Total investment is US \$ 15,000,000 done in three phases cash accumulation 8<sup>th</sup> year is US\$ 16,826,735 which is more than the initial investment ,the project payback Period is within 8years,

The project has a relatively short payback period. It is remarkably impressive for a project whose investment is as big as US\$701,000 being recovered within 3years.

## 7.0 Economic Aspects

Implementation of this project will have the following social and economic values

- The project is an ideal option for the utilization of the available mineral's mineral resources
- The project will create employment for **150** people on a permanent contract basis as well as on a temporary basis.
- It will create more business opportunities for local suppliers which will also have an economic trickledown.
- It will generate substantial revenue for the government in the form of corporate tax, value-added tax, and pay-as-you-earn.
- The project will have the transfer of knowledge and skills to minerals process management
- Increase in foreign currency

## 8.0 Implementation

Project implementation is expected to be relatively very short once the project has been approved it is estimated that the project will be completed within one year: –

## GREYHILL MINING LIMITED IMPLEMENTATION

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate	July 2024
2	Placing order of machines	August 2024– July 2029
3	Installing machines	September –April 2026
4	Recruitment	April 2027
5	In house training	April– May 2027
4	Testing production	June 2027
6	Commercial operations	June 2028

### 9.0 Conclusion & Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

**GREYHILL MINING LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)**

	1	2	3	4	5	6	7	8
Revenue	2,393,910	4,787,820	7,181,730	7,756,268	7,802,231	7,805,909	7,806,203	7,806,226
<b>Operating Expenses:</b>	1,196,955	2,393,910	3,590,865	3,878,134	3,901,116	3,902,954	3,903,101	3,903,113
<b>Profit before Depreciation &amp;Interest</b>	<b>1,196,955</b>	<b>2,393,910</b>	<b>3,590,865</b>	<b>3,878,134</b>	<b>3,901,116</b>	<b>3,902,954</b>	<b>3,903,101</b>	<b>3,903,113</b>
<b>Interest</b>	600,000	525,000	450,000	375,000	300,000	<b>225,000</b>	<b>150,000</b>	<b>75,000</b>
<b>Depreciation</b>	18,000	32,600	47,200	47,200	47,200	47,200	47,200	47,200
<b>Gross Profit</b>	<b>578,955</b>	<b>1,836,310</b>	<b>3,093,665</b>	<b>3,455,934</b>	<b>3,553,916</b>	<b>3,630,754</b>	<b>3,705,901</b>	<b>3,780,913</b>
Tax (30%)	173,687	550,893	928,100	1,036,780	1,066,175	1,089,226	1,111,770	1,134,274
<b>Profit After Tax</b>	<b>405,269</b>	<b>1,285,417</b>	<b>2,165,566</b>	<b>2,419,154</b>	<b>2,487,741</b>	<b>2,541,528</b>	<b>2,594,131</b>	<b>2,646,639</b>
Accumulated Profit	405,268	1,690,685	3,856,251	6,275,404	8,763,145	11,304,673	13,898,804	16,545,444

GREYHILL MINING LIMITED PROJECTED CASH FLOW US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	0	1,196,955.00	2,393,910.00	3,590,865.00	3,878,134.20	3,901,115.74	3,902,954.26	3,903,101.34	3,903,113.11
Equity	5,000,000.00								
Loan	10,000,000.00								
<b>Total Sources</b>	<b>15,000,000.00</b>	<b>1,196,955.00</b>	<b>2,393,910.00</b>	<b>3,590,865.00</b>	<b>3,878,134.20</b>	<b>3,901,115.74</b>	<b>3,902,954.26</b>	<b>3,903,101.34</b>	<b>3,903,113.11</b>
<b>Applications:</b>									
Capital expenditure	12,517,800.00	-	-	-	-	-			
working Capital &Others	2,482,200.00								
Cash	0	1,023,268.50	1,843,017.00	2,662,765.50	2,841,353.94	2,834,941.02	2,813,727.98	2,791,330.94	2,768,839.18
Tax	-	173,686.50	550,893.00	928,099.50	1,036,780.26	1,066,174.72	1,089,226.28	1,111,770.40	1,134,273.93
<b>Sub total</b>	<b>15,000,000.00</b>	<b>1,196,955.00</b>	<b>2,393,910.00</b>	<b>3,590,865.00</b>	<b>3,878,134.20</b>	<b>3,901,115.74</b>	<b>3,902,954.26</b>	<b>3,903,101.34</b>	<b>3,903,113.11</b>
<b>Total applications</b>	<b>15,000,000.00</b>	<b>1,196,955.00</b>	<b>2,393,910.00</b>	<b>3,590,865.00</b>	<b>3,878,134.20</b>	<b>3,901,115.74</b>	<b>3,902,954.26</b>	<b>3,903,101.34</b>	<b>3,903,113.11</b>
Accumulated cash		1,023,268.00	2,866,285.00	5,529,050.50	8,370,404.44	11,205,345.46	14,019,073.44	16,810,404.37	19,579,243.55

GREYHILL MINING LIMITED PROJECTED BALANCE SHEET US \$

<b>Fixed Assets</b>		1	2	3	4	5	6	7	8
Opening balance	–	4,274,000	8,399,400	12,517,800	12,517,800	12,517,800	12,517,800	12,517,800	12,517,800
<b>Total Long-term Assets</b>	–	<b>4,274,000</b>	<b>8,399,400</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>
Less depreciation	–	18,000	32,600	47,200	47,200	47,200	47,200	47,200	47,200
<b>Closing balance</b>	–	<b>4,256,000</b>	<b>8,366,800</b>	<b>12,470,600</b>	<b>12,470,600</b>	<b>12,470,600</b>	<b>12,470,600</b>	<b>12,470,600</b>	<b>12,470,600</b>
Working capital	2,482,200	2,482,200	2,482,200	2,482,200	2,482,200	2,482,200	2,482,200	2,482,200	2,482,200
Accumulated cash	–	1,023,268	2,866,285	5,529,051	8,370,404	11,205,345	14,019,073	16,810,404	19,579,244
<b>Total assets</b>	<b>2,482,200</b>	<b>7,761,468</b>	<b>13,715,285</b>	<b>20,481,851</b>	<b>23,323,204</b>	<b>26,158,145</b>	<b>28,971,873</b>	<b>31,763,204</b>	<b>34,532,044</b>
Financed by									
Equity	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Net profit	–	405,269	1,285,417	2,165,566	2,419,154	2,487,741	2,541,528	2,594,131	2,646,639
Total equity	5,000,000	5,405,269	6,285,417	7,165,566	7,419,154	7,487,741	7,541,528	7,594,131	7,646,639
Long term loan	–	10,000,000	8,750,000	7,500,000	6,250,000	5,000,000	3,750,000	2,500,000	1,250,000
<b>Total debts</b>	–	<b>10,000,000</b>	<b>8,750,000</b>	<b>7,500,000</b>	<b>6,250,000</b>	<b>5,000,000</b>	<b>3,750,000</b>	<b>2,500,000</b>	<b>1,250,000</b>
<b>Total equity and debts</b>	<b>5,000,000</b>	<b>15,405,269</b>	<b>15,035,417</b>	<b>14,665,566</b>	<b>13,669,154</b>	<b>12,487,741</b>	<b>11,291,528</b>	<b>10,094,131</b>	<b>8,896,639</b>

AGREYHILL MINING LIMITED COST STRUCTURE

	1	2	3
Land and Buildings	410,000	660,000	910,000
Machinery & Equipment	3,800,000	7,600,000	11,400,000
Motor Vehicles	80,000	160,000	240,000
Furniture & Fixtures	10,000	12,000	15,000
Pre exp	20,000	20,000	20,000
Others	15,000	10,000	15,000
Working Capital	800,000	1,600,000	2,400,000
<b>TOTAL</b>	<b>5,135,000</b>	<b>10,062,000</b>	<b>15,000,000</b>

GREYHILL MINING LIMITED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	410,000	660,000	910,000	910,000	910,000	910,000	910,000	910,000
Machinery, Tools & Equipment	3,800,000	7,600,000	11,400,000	11,400,000	11,400,000	11,400,000	11,400,000	11,400,000
Motor Vehicles	80,000	160,000	240,000	240,000	240,000	240,000	240,000	240,000
Furniture & Fixtures	2,000	12,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Total</b>	<b>4,292,000</b>	<b>8,432,000</b>	<b>12,565,000</b>	<b>12,565,000</b>	<b>12,565,000</b>	<b>12,565,000</b>	<b>12,565,000</b>	<b>12,565,000</b>
<b>Residue Value</b>	<b>4,274,000</b>	<b>8,399,400</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>	<b>12,517,800</b>
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Land and buildings	8,200	13,200	18,200	18,200	18,200	18,200	18,200	18,200
Machinery tools & Equipment	1,600	3,200	4,800	4,800	4,800	4,800	4,800	4,800
Motor Vehicles	8,000	16,000	24,000	24,000	24,000	24,000	24,000	24,000
Furniture & Fixtures	200	200	200	200	200	200	200	200
<b>ANNUAL DEPRECIATION</b>	<b>18,000</b>	<b>32,600</b>	<b>47,200</b>	<b>47,200</b>	<b>47,200</b>	<b>47,200</b>	<b>47,200</b>	<b>47,200</b>

GREYHILL MINING LIMITED PROJECTED LONG TERM LOAN REPAYMENT US\$

Year	principle	Loan Interest (6%)	Total Amount Paid	Loan Balance
0				
1	1,250,000	600,000	1,850,000	10,000,000
2	1,250,000	525,000	1,775,000	8,750,000
3	1,250,000	450,000	1,700,000	7,500,000
4	1,250,000	375,000	1,625,000	6,250,000
5	1,250,000	300,000	1,550,000	5,000,000
6	1,250,000	225,000	1,475,000	3,750,000
7	1250000	150,000	1,400,000	2,500,000
8	1250000	75,000	1,325,000	1,250,000

GREYHILL MINING LIMITED PROJECTED PAYBACK PERIOD US\$

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	405,268.50	18,000	423,268.50	423,268.50
2	1,285,417.00	32,600	1,318,017.00	1,741,285.50
3	2,165,565.50	47,200	2,212,765.50	3,954,051.00
4	2,419,153.94	47,200	2,466,353.94	6,420,404.94
5	2,487,741.02	47,200	2,534,941.02	8,955,345.96
6	2,541,527.98	47,200	2,588,727.98	11,544,073.94
7	2,594,130.94	47,200	2,641,330.94	14,185,404.87
8	2,594,130.94	47,200.00	2,641,330.94	16,826,735.81