

**PRE-FEASIBILITY STUDY REPORT ON:
INVESTMENT IN MINERAL PROCESSING**

Presented To:
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HUAXING DEVELOPMENT INVESTMENT CO. LIMITED
Strategic Pre-feasibility Report

**HUAXING DEVELOPMENT INVESTMENT CO. LIMITED,
P. O. BOX 16327,
DAR ES SALAAM, TANZANIA**

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*This profile is strictly for information only and projections in the pre –feasibility study report have been compiled by the consultant with close cooperation of the Promoters of the Business the **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** and Sector Experts for illustrative purposes and do not constitute actual forecasts.*

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED

Business Profile: Pre-feasibility Study Report

**HUAXING DEVELOPMENT INVESTMENT CO. LIMITED,
P. O. BOX 16327,
DAR ES SALAAM, TANZANIA**

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1. Executive Summary

Company & Project concept

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED is limited Company incorporated in Tanzania under the Company Act of 2002. The Company was incorporated 05th September 2023, and bears Certificate of Incorporation # 175824413. Company implements project which is under mining sector

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED will be located at Pongwe Msungura, Msata, Bagamoyo District, Pwani Region.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable and ethical company, building relationships with customers, suppliers and investors.

Company Goals and Objectives:

In Summary **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** aims to;

- Mining and processing of minerals in Dodoma Region, Dodoma District, Vikonje B, Mtumba
- Manage **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- Build relationships with investors in mining sector,
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts

Purpose of Business Plan

This document is prepared to the serve the purpose as a Pre-feasibility study report for **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** for investment in Mining and processing of minerals found in Dodoma. But also, the Pre-feasibility study report shall be submitted to TIC for an

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award of Certificate of Incentives. The implementation of this project will comprise the following activities:-

- Construction of a warehouse building which will accommodate Installation of Machines and Equipment for this project.
- Procurements Machineries and Equipment's for this project.
- Equipping the project will all necessary modern furniture and facilities

The project promoter, the project will be managed and operated by **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** is owned by a Chinese company from China and a Tanzanian national with the following share distribution.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
Houzhong Dong	Chinese	50%
Shizun Chen	Chinese	50%

Company Legality, the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number. Justify that **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** is operating within the ambit of the law of the Land

Project Organization Structure, the management of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** constituted by the following organization set up: - Board of Directors, General Manger who is responsible on the supervision on the entire operations of the Company, a company accountant, a Production Manager who will be directly responsible for all matters pertaining mining processing.

Investment Structure, the project is estimated to cost \$500,000, the money covers building structures but also allocated fund include investment in, building structure, Machineries and Equipment, furniture and fittings, pre expenses and working Capital. The equity contributed by the shareholders is \$500,000 equivalent to 100%. However, a financial policy of the Company state that the profits generated will be re-invested

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Forecasted financial Information, Financial information of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** is projected within five years. The company projected profit and Loss, account show a respectable turnover (for reference you shall see table on page 18 and 19)

2. Statement of Purpose

This Profile is drawn for the purpose of seeking CERTIFICATE OF INCENTIVES from the TANZANIA INVESTMENT CENTRE and pre –feasibility study report for processing of Minerals.

2.1 Purpose of Investment

This document is prepared to the serve the purpose as a feasibility study for **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** for establishment of Mining and Processing Plant in Dodoma. The implementation of the project will compromise of the following: -

- Construction of a warehouse building which will accommodate Installation of Machines and Equipment for this project.
- Installation of machines in the Mining pits where the Minerals will be mined
- Procurements Machineries and Equipment for this project.
- Equipping the project will all necessary modern furniture and facilities
- Procurement semi –processed raw materials
- Employing more than 50 people.

2.2. Investment financing plan

The company expect to invest \$500,000 from shareholders’ funds. Profits generated from business operation will be re-invested. Table below show the assumptions how the investment financing plan will look like.

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TABLE 1
FINANCING

<i>Financing</i>	\$
Long-term liabilities	
Long-term Equity	200,000
Owner's equity	
Cash	200,000
Contributed asset value	100,000
Total	500,000

TABLE 2
INVESTMENT COST PLAN

<i>COST INVESTMENT STRUCTURE</i>	\$
Current assets	
Working capital	100,000
Opening inventory	50,000
Other	10,000
Property and equipment	
Land	50,000
Building	25,000
Equipment	20,000
Furniture and fixtures	3,000
Leasehold improvements	2,000
Plant	150,000
Motor Vehicles	40,000
Other _____	50,000
Total assets	500,000.00

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2.3 Summary of the Expected Results

At the end, the project is expected to achieve the following: -

- Provide an opportunity for availability of minerals
- Import modern machine for purpose of mining which contribute in advancing of new technology in Tanzania
- Increase 100 direct employment opportunities.
- Direct Domestic investment of more than \$1M within 2023 -2028.
- Increase tax contributed to the government
- Generate foreign currency.

3. BUSINESS DESCRIPTION

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 05th September 2023, and bears Certificate of Incorporation # 175824413. Company implements project which is under mining sector.

The Company will be responsible among others activities, operating and managing mining activities.

3.1.1. Legal Status

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates Justify that **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** is operating within the ambit of the law of the Land.

3.1.2. Mission and Vision

The company vision is to be one of the leading companies in mining and exportation of minerals.

The current mission of the company is to penetrate the markets within mining sector in Tanzania. The company can achieve this through

- Mining and Processing of Minerals
- Establishing sustainable business relationship with mining companies and buyers
- Proper and reasonable remuneration of the personnel

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- Continuing networking with our esteemed clients.

3.1.3. Project Promoters

The project promoter, the project will be managed and operated by **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED**. The Company is owned by Chinese corporation and a Tanzanian. Current shareholding status is hereby shown below.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
Houzhong Dong	Chinese	50%
Shizun Chen	Chinese	50%

3.1.4. Operations

The project will be managed and operated by **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED**. The Company is finalizing acquisition of operation permits and Tax exemption clearance for machineries and equipment to start the implementation of the project. Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

3.1.5. Project Location

The project shall be implemented at constructed warehouses, administration block which will be very spacious to accommodate project of this nature. The project shall be located at Pongwe Msungura, Msata, Bagamoyo District, Pwani Region

3.1.6. Postal Address

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4. Core Activities of the company

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED will be dealing with establishing and operating the following facilities;

4.1.1. Construction of warehouse facilities

In the first phase of the implementation of this project, the Company shall construct warehouse which shall be used to accommodate installation of Machineries and Equipment's.

4.1.2. Mining Plant

This consist installation of machineries and equipment and Fixtures and fittings which shall be used for mining purposes.

4.2. Technical requirements of the project

The project implementation shall require some of technical facilities among others include: -

- Machines for digging pit holes for mining of the minerals
- Caterpillar for moving the waste from the mining pit to a designated place of storing the waste
- Trucks
- Excavator

5. MINING INDUSTRY

5.1 MINING SECTOR IN TANZANIA

As of last knowledge update in September 2021, Tanzania's mining sector plays a significant role in the country's economy, and it includes various minerals and resources. Here are some key aspects of the mining sector in Tanzania:

Gold: Tanzania is one of the largest gold producers in Africa. The Bulyanhulu, North Mara, and Geita gold mines are some of the major gold mining operations in the country. Gold mining has been a major driver of Tanzania's mineral sector.

Gemstones: Tanzania is also known for its rich deposits of gemstones, including tanzanite, which is found exclusively in the country. Other gemstones such as sapphires and rubies are also mined in various regions.

Base Metals: Tanzania has significant reserves of base metals, including copper, nickel, and cobalt. The Kabanga nickel project is one of the notable developments in this sector.

Uranium: Uranium mining has been of interest in Tanzania, with deposits found in the southern part of the country. However, the development of the uranium sector has faced challenges and regulatory changes.

Coal: Tanzania has coal reserves in the Rukwa region, and efforts have been made to develop the coal mining industry.

Other Minerals: Other minerals mined in Tanzania include limestone, kaolin, phosphate, salt, and gypsum.

Regulatory Environment: The Tanzanian government has implemented various changes in the regulatory environment for the mining sector over the years. These changes have included increased taxation and stricter regulations on foreign-owned mining companies.

Artisanal and Small-Scale Mining (ASM): ASM is prevalent in Tanzania and plays a crucial role in the country's mining sector. However, it has faced challenges related to safety, environmental concerns, and formalization.

5:2 IMPORTANCE OF MINING SECTOR IN TANZANIA

Economic Contribution: The mining sector is a major contributor to Tanzania's economy. It generates substantial revenue through the export of minerals and resources, providing foreign exchange earnings and government revenues. This revenue can be used to fund various public services and infrastructure projects.

Job Creation: Mining operations, both large-scale and artisanal, provide employment opportunities for a substantial number of Tanzanians. This helps alleviate unemployment and poverty in many regions where mining activities are prevalent.

Foreign Investment: The presence of valuable mineral resources attracts foreign investment into the country, which can stimulate economic growth, create jobs, and contribute to technology and knowledge transfer.

Export Earnings: Tanzania is a major exporter of gold and other minerals, which brings in foreign exchange earnings. These earnings can be used to import goods, finance development projects, and stabilize the country's balance of payments.

Infrastructure Development: The mining sector often leads to the development of infrastructure in mining regions. This includes roads, railways, power generation, and other essential facilities that benefit both mining operations and local communities.

Local Development: Mining companies often invest in social responsibility programs that aim to improve the living conditions of nearby communities. This includes initiatives related to education, healthcare, and community development.

Diversification of the Economy: By exploiting a variety of mineral resources, the mining sector contributes to diversifying Tanzania's economy. This reduces the country's reliance on a single industry, making it more resilient to economic fluctuations.

Innovation and Technology: The mining sector can drive innovation and technology adoption in Tanzania. This is particularly true for large-scale mining operations that require advanced machinery and processes.

Resource Potential: Tanzania is rich in mineral resources, including gold, gemstones, base metals, and coal. These resources have the potential to be developed further, providing long-term opportunities for the country.

Global Position: Being a significant player in the mining sector allows Tanzania to participate in global mineral markets and influence international trade and industry trends.

It's important to note that while the mining sector offers several benefits to Tanzania, it also comes with challenges, including environmental concerns, social issues, and the need for sound regulatory practices to ensure fair and responsible resource extraction.

Sustainable development and responsible mining practices are critical to maximize the sector's positive impact while mitigating its negative effects.

5.3 MINING CORPORATIONS IN TANZANIA

Currently there are a number of companies who are mining and 'processing minerals in Tanzania, which are as follows:

Barrick Gold Corporation: Barrick is a Canadian multinational mining company and one of the largest gold mining companies in the world. It operates several gold mines in Tanzania, including the North Mara Gold Mine and the Bulyanhulu Gold Mine. These mines are part of the Acacia Mining subsidiary, which Barrick took over.

AngloGold Ashanti: AngloGold Ashanti is a global gold mining company that has a presence in Tanzania. It operates the Geita Gold Mine, which is one of the country's largest gold-producing mines.

Resolute Mining Limited: Resolute Mining, an Australian company, has been involved in gold mining in Tanzania. They have operated the Golden Pride and Nzega projects, but it's essential to note that the Golden Pride mine ceased operations in 2013.

Shanta Gold Limited: Shanta Gold is a British mining company with operations in Tanzania. They operate the New Luika Gold Mine, which is located in the Lupa Goldfield of southwestern Tanzania.

Tanzanian Royalty Exploration Corporation: This Canadian exploration company has been active in Tanzania and focused on gold exploration. They have had interests in the Buckreef Gold Project and other exploration properties.

Kibo Energy: While primarily known for its involvement in energy projects, Kibo Energy has also explored coal mining opportunities in Tanzania, particularly in the Rukwa region.

Wesco Holdings Limited: Wesco Holdings is involved in the mining and trading of industrial minerals and various mineral products.

Graphex Mining Limited: This Australian company has interests in graphite exploration in Tanzania and the development of the Chilalo Graphite Project.

Walkabout Resources Limited: Another Australian company, Walkabout Resources, has been exploring and developing graphite and mineral sands projects in Tanzania.

5.4 PROJECT JUSTIFICATION

The proposed project is under management of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** is in line with Tanzania Government efforts in attempt to revamp the Mining and Processing sector. This has also been noted of recent drive of attracting investors in Tanzania in order to maximize her annual earnings from investment and also compete effectively with regional competitors. This also has been complemented by following measures

- i. The government is making a critical review of all existing laws and regulations, taxation and policies with ultimate aim of improving and creating conducive environment for private sector Investment, tourism sector is inclusive.
- ii. In 2007/2008 the Government reviewed the existing Industry and trade Policy, taking into consideration the social economic base and the dynamism of manufacturing industry in Tanzania.
- iii. In depth studies have been carried out in the following area
 - SMEs development study
 - Trade Integration Strategy, 2009-2013

Regarding the initiative undertaken by **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** sponsors, is justified by the following facts.

- The sponsors have a special invested interest in mining and processing of Graphite and they have several years of experience.

Therefore, the establishment and operation of Graphite Mining and Processing facility will boost and at the same time strength mining sector in Tanzania. The Company's marketing strategy and intention is to have a wide products base which focuses both to Ordinary consumers and Industrial use.

5:5 SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

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

- Improve and increase of mining in Tanzania
- Increased competitiveness among mining and processing of minerals in Tanzania
- The project will provide employment for more than 50 people

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- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.

6. OPPORTUNITY DRIVERS

6.1 Increased demand of minerals products in Tanzania and all over the world

Tanzania now is witnessing the tremendous developments of technology advancement. Gold is among the raw materials that is used in different kinds of jewellery in the world there is a high demand in it so it shall contribute to the internal market of jewellery and also it can be exported as well.

6.2 Uniqueness location of the project

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED.'s project will be one of the major Miners and Processors in Tanzania. And location of the Project shall be in Vikonje B, Mtumba Ward, Dodoma District in Dodoma Region. The location of this project provides an opportunity to **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** to capture easily the market around Mwanza, Shinyanga, Mara and Singida and other nearby regions

6.3 Government Policy

The Government of Tanzania has made the policy that intends to improve and promote Mining Industry. This sector employs many people and it is a key driver towards transforming and developing the national economy.

6.4 Government Incentives package

In 1997 Tanzania Government enacted Investment law that offers and guaranteed reasonable incentives to both local and foreign investors.

7. Analysis of Strengths, Weaknesses, Opportunity and Threats

Table below present the analysis of the company’s Strengths, Weaknesses, Opportunities and Threats (SWOTS)

<p>Strengths</p> <ul style="list-style-type: none"> ▪ It has a strong equity financing ▪ Strong management and well paid personnel ▪ Has a will to expand ▪ Access to reliable high technology 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Not yet emphasize on the marketing
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Good government suitable facilitative policy ▪ Raising investments real estate sector ▪ Government development power supply project in Tanzania 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Unawareness of the new entrants in the Industry in the same location ▪ Increment of inflation ▪ Presence of fake suppliers of the same products.

The company has prepared for the action plans by doing the following:

1. In future if needs arise the Company may seek more funds from bank to finishing phase of this project.
2. The company will employ expatriates for marketing of its products/services and develop marketing plan.

8. Marketing Information

8.1. Marketing Strategy

8.1.1. Overview

The success of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** will be achieved by providing high tech products, providing friendly service and employing an aggressive marketing plan to build customer traffic. Today's market requires more than just products and service to make a **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** successful. **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts.

Management will endeavour to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales.

8.1.2. Customer Database

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED will aggressively seek to build a database of Customers. Customers will have an opportunity to be included in the database so they can participate in sales promotions such as birthday or anniversary cards; email notification of upcoming specials; coupons; etc. The database will be gathered and maintained on special software **TIAN CI NEW TECHNOLOGY (TANZANIA) COMPANY LIMITED** will gather names in a variety of manners including staff requests; business card drop for free lunch; guests' sign up book with promotional signage; menu insert promotion; etc.

8.1.3. Advertising

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED will adopt an aggressive advertising strategy. Outdoor signage for **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** will describe outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure.

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED will utilize both traditional non-traditional methods of advertising. Management's viewpoint on advertising is state in your own words, the philosophy **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** will adopt towards the use of traditional advertising such as radio, newspaper, billboards or television.

8.1.4. Costing and Pricing

The costing and pricing is done by the management of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED**. The costing takes into consideration various aspects depending on the cost which has already been incurred, inflation factor and Operating costs. The project promoters of the company are in business for long time i.e. they are business oriented personnel.

8.1.5. Customers

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED is targeting to all regions in Tanzania and outside of Tanzania specifically targeting the following customers: Wholesale and retail hardware suppliers.

8.1.6. Products

As it has been explained in preamble chapters, **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** will set project which will be indulging in Mining and Processing of Graphite Minerals in Tanzania

8.2 Marketing Plan

The company has both short term and long-term marketing plan:

The short-term marketing plan includes:

- Participating in business show case exhibitions
- Building sustainable long-term relationship with manufacturers who use Graphite as raw materials for production of different products.
- Training of sales staff sales and Marketing.

Long Term Plans includes:

- Join to the network of Mining companies to market and exploit more business opportunities
- Investing Market Research and Development

9. Management & Administration

9.1. Management

The management team of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** planned to be constituted by the following management team:-

9.1.1. Board of Directors

HUAXING DEVELOPMENT INVESTMENT CO. LIMITED be managed by the board of Directors which is the apex body for strategic decision making of the project. Directors of the Company are the ones who have shares in **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED**, The Company which shall manage this project.

9.1.2. General Manager

Immediately after the Board of Directors there shall be a General Manager who will be responsible to take care of matters pertaining to operations and managing daily activities of the project as well as other staffs' welfare and report them to the board of directors.

9.1.3. Production Manager

Production Manager will be employed who is expected to have an extensive background in the mining industry. As the production Manager will be directly responsible for all processing functions including processing of graphite.

Under the production manager there shall be a reasonable number of technical staffs who will be involved in daily processing within this project.

9.1.4. Accountant/cash

An accountant will be employed who is expected to have good experience in accounting system as well as he will be responsible in managing cash of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** but also keeping books of accounts properly.

9.1.5. Management Agreements

Management Agreements will be executed between **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

9.1.6. Confidentiality Agreements

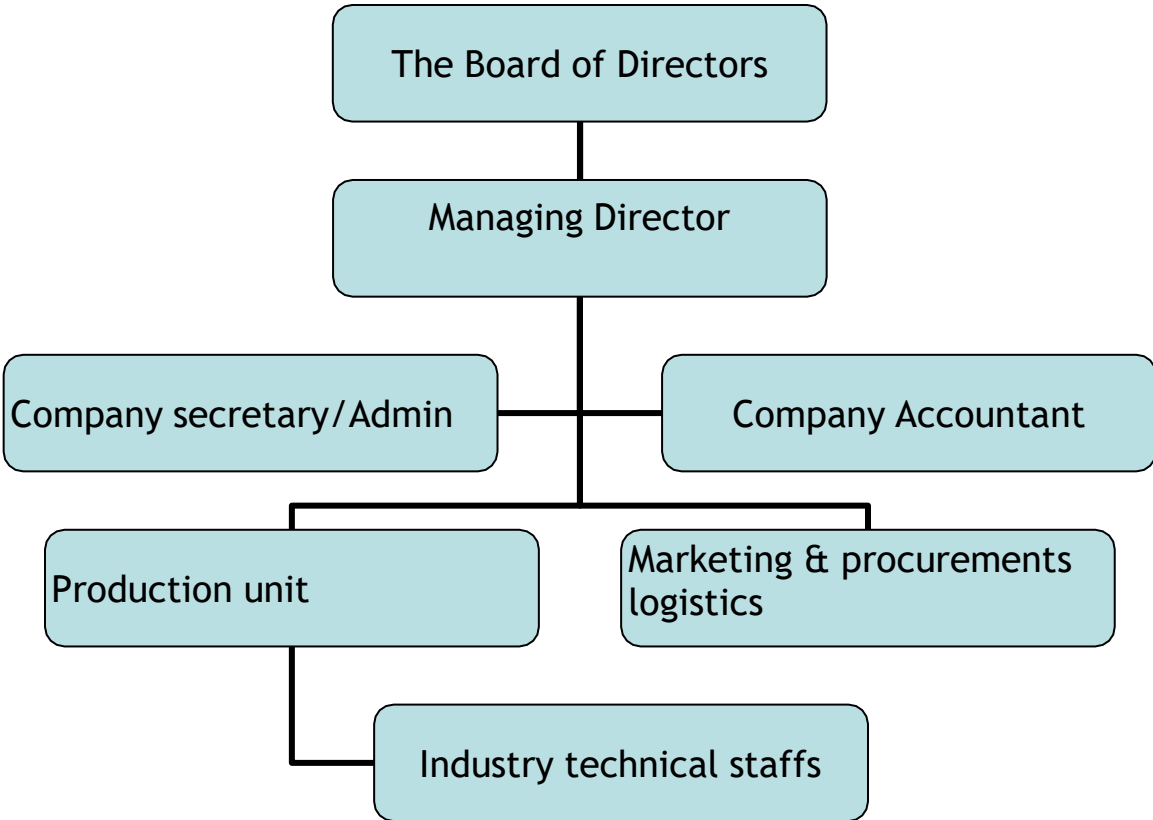
HUAXING DEVELOPMENT INVESTMENT CO. LIMITED will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our

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products, operating systems, policies and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

9.1.7 Organization Structure

The management of **HUAXING DEVELOPMENT INVESTMENT CO. LIMITED** is planning to have the following organization structure.



10. Conclusion

- Revenue will be contributed to the Government through various taxes.
- The project will offer continuous direct employment to almost 50 people and create other indirect employment to other people.
- The company looks technically feasible and financially viable. It is therefore recommended that the project be supported.

**HUAXING DEVELOPMENT INVESTMENT CO. LIMITED
LIMITED**

CASH FLOWS PROJECTION FOR FIVE YEARS FROM 2023 TO 2027

	Pre-Startup EST	,2025	2026	2027	2028	2029	Total
Cash on Hand (beginning of month)	\$ -	\$ 500,000	\$ 500,000	\$ 1,900,000	\$ 3,340,000	\$ 4,924,000	\$ 11,164,000
CASH RECEIPTS							
Cash Sales			\$ 1,000,000	\$ 1,000,000	\$ 1,100,000	\$ 1,210,000	\$ 4,310,000
Collections fm CR accounts		\$ -	\$ 400,000	\$ 440,000	\$ 484,000	\$ 532,400	\$ 1,856,400
Estimated Capital for startup Loan	\$ 500,000		\$ -	\$ -	\$ -	\$ -	\$ 500,000
TOTAL CASH RECEIPTS	\$ 500,000	\$ -	\$ 1,400,000	\$ 1,440,000	\$ 1,584,000	\$ 1,742,400	\$ 6,666,400
Total Cash Available (before cash out)	\$ 500,000	\$ 500,000	\$ 1,900,000	\$ 3,340,000	\$ 4,924,000	\$ 6,666,400	\$ 17,830,400
CASH PAID OUT							
Purchases other fixed		\$ -	\$ 7,200	\$ 7,920	\$ 8,712	\$ 9,583	\$ 33,415
Purchases vehicles		\$ 80,000	\$ -	\$ 41,000	\$ -	\$ -	\$ 121,000
Gross wages (exact withdrawal)		\$ 15,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 255,000
Payroll expenses (taxes,		\$ 4,500	\$ 20,400	\$ 20,400	\$ 20,400	\$ 20,400	\$ 86,100
Supplies (office & oper.)		\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331	\$ 1,464	\$ 6,105
Repairs & maintenance		\$ 1,250	\$ 1,375	\$ 1,513	\$ 1,664	\$ 1,830	\$ 7,631
Advertising		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Car, delivery & travel		\$ 1,800	\$ 1,980	\$ 2,178	\$ 2,396	\$ 2,635	\$ 10,989
Accounting & legal		\$ 4,500	\$ 4,950	\$ 5,445	\$ 5,990	\$ 6,588	\$ 27,473
Rent		\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 180,000
Telephone & internet		\$ 120	\$ 132	\$ 145	\$ 160	\$ 176	\$ 733
Utilities		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Insurance		\$ 21,200	\$ 21,412	\$ 21,626	\$ 21,842	\$ 22,061	\$ 108,141
Taxes (real estate, etc.)		\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 1,200
Interest		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Miscellaneous		\$ 200	\$ 220	\$ 242	\$ 266	\$ 293	\$ 1,221
SUBTOTAL	\$ -	\$ 241,110	\$ 230,339	\$ 273,282	\$ 234,400	\$ 236,710	\$ 1,215,840
Loan principal payment		\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,431,681
Capital purchase (land)		\$ 100,000					\$ 4,829,946
Capital purchase (excavators)		\$ -	\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ 9,538,892
Owners' Withdrawal			\$ -	\$ -	\$ 10,000,000	\$ 12,500,000	\$ 18,736,684
TOTAL CASH PAID OUT	\$ -	\$ 1,091,110	\$ 1,980,339	\$ 1,123,282	\$ 10,984,400	\$ 13,486,710	\$ 36,753,042
Cash Position (end of month)	\$ 500,000	\$ (591,110)	\$ (80,339)	\$ 2,216,718	\$ (6,060,400)	\$ (6,820,310)	\$ (18,922,642)