KHALILI SA MINING

BUSINESS PROPOSAL

Open Rubric

1. Contents

Oriel Enterprise (Pty) Ltd Reg No. 2016/463886/07

VAT number: 4850280472

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Maple Road

Kyalami, Midrand 1686

Khalili SA Mining

430 Kyalami Hills

Maple Road

Kyalami

Midrand

1686

1.1 Business Description

Khalili SA Mining is currently a Coal ROM Hauling Company. The company buys Coal ROM directly from the mines and sell to international buyers and suppliers, the Coal ROM vary from washed and unwashed. Khalili SA Mining also offer Coal Rom storage services. The company services both the retail and wholesale markets, and supplies large-scale operators in the sector, including transport logistics. KHALILI SA MINING 's head office is in Witbank, accompanied further by 400 ha piece of land in Mpumalanga Province that is utilized for storing Coal ROM, the land or site will serve as Washing plant center which will be offering cutting edge washing plant facility as well as Coal ROM distribution center, and storage.

KHALILI SA MINING plans to set up their own washing plant to wash raw Coal ROM and start to separate the grades of Coal ROM. The grades will be separately stored for distribution for customers as contemplated above.

The Khalili SA Mining is owned by one director who brings a significant degree of experience in the industry and perceived an opportunity to acquire a large share of a very lucrative market by focusing on the specific needs and providing greater controls to the services than other competitors.

The companys market research has shown that there is sufficient room for a new plant to wash Coal ROM in South Africa. The experience, knowledge, and skills of the management team and employees are the foundation of the envisioned growth. The management style is flexible, progressive and energetic. The company is registered as a (Pty) Ltd with CIPC.

The director and management members are responsible to fulfil the company's mission and legal accountability for its operations. The members will further monitor and evaluate the organization's operational performance and financial results and ensure the availability of adequate human and physical resources and efficient management.

The purpose of this business plan is to provide the investor with the necessary information to evaluate the scope of KHALILI SA MINING for further expansion. Additionally, it will serve as a guide to the management by highlighting the goals against which future performance can be measured.

This business plan assumes that the business will receive funding, investment, or Machinery and equipments to the value of more or less R 350 million. The turnover for 2021 was R 6 million, for 2022 it is expected to be R 86,4 million. The turnover is projected to grow with the new plant from R 86.4 million in the year 2023 to R 123 million in the year 2023. Net profit after tax is projected at R 118 million in year two and R 119,1 million in year 5.

1.2 Objectives

The owner has identified the following critical success factors to support the goals and objectives in a sustainable way:

- The expansion of the company through the penetration of new target markets as well as the growth of existing and new target markets by expanding the company's current product and service portfolio where applicable and by more aggressive marketing to the target market.
- Consistent high-quality care and service.
- Provide a clean, upscale, luxurious, and enjoyable environment conducive to giving professional trusting service.
- Credibility, integrity, and 100% dedication to uphold high levels of

c er service.

u
- Implement a solid marketing strategy and programmes that will aim, at its foundation, to educate and attract the target market segments.

s

t
- Secure adequate funding to implement the companys start-up plan.

o
- Position the Khalili SA Mining's Coal ROM as a first choice in the market.

m

1.3 Values

The organisation will operate by the following key values:

- We deliver outstanding products and unsurpassed services, which together deliver premium quality to our customers
- We uphold the highest standard of integrity in all our actions
- We value our people encourage their development and reward their performance
- We are personal accountable for our actions

The vision of Khalili SA Mining is to set up a state of the art Wash plant to wash Coal ROM in South Africa for South Africa, the African Continent and the world.

1.4 Keys to Success

For the business to operate successfully and sustainably, several specific ingredients are needed. The shareholders have identified the following key aspects that will ensure the long-term survival of the company, which include:

1. Marketing and Sales:

- Promote the company to penetrate the target market segments rapidly and profitably.
- Understand the business's target market segments to ensure that the correct product and service mix is available to meet their needs.
- Establish and maintain a positive reputation for enforcing credibility, integrity, and continued dedication to upholding high levels of customer service. Regularly communicate with the customer base through print media, co- branding/co-marketing initiatives with strategic alliances, direct marketing, and via the company's Website and social media platforms.
- Develop the visibility and brand of Khalili SA Mining and growing the company through word-of-mouth referrals; a formal marketing plan and quality service delivery to generate additional leads.
- An uncompromising commitment to the quality and reliability of the company's service delivery is vital.

2. Finance:

- Implement and follow a financial model that is rooted in industry facts, not optimism.
- Costs have been based on the company's knowledge and research of the industry; validated against competitors' cost averages, and analyses against local market standards.
- Ensure the design of a cushioned financial plan that provides adequate capitalization.

3. Relationships

- Develop fruitful relationships with third-party service providers and strategic alliances to facilitate the exchange of information and establish a formal supplier and key stakeholder database.
- Focus on long-term relationships; develop excellent supplier relations, strategic partnerships with key stakeholders, and long-standing relationships with target market customers to build brand awareness and ensure the long- term survival of the company.
- Maintain existing strategic alliances and establish relationships with suppliers, and industry stakeholders.

- Through the implementation of these plans, the company will be able to draw seasoned and elite professionals and build a committed workforce.

2. Company Overview

2.1 Company Ownership

KHALILI SA MINING is 100% black-owned company and has one director Khathutshelo Morris xxxxx, who also manage the business. The company has a BEE level 1 rating.

Names	Surname	Position in the Company	Shareholding %

2.2 Company History

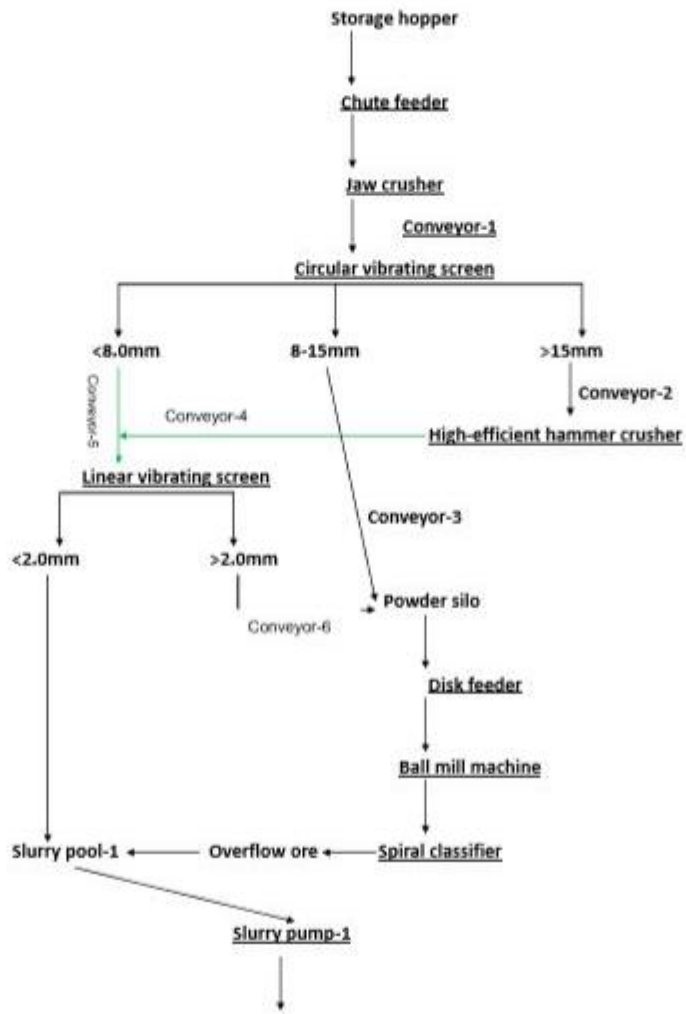
KHALILI SA MINING is an over 4 years well-established wholesaler for Coal ROM distribution, transportation and Washing Coal ROM Plant. Khalili SA Mining was started by Khathutshelo Morris in 2016. Morris was already working in the Coal ROM supply industry and had amassed years of experience and expertise, when he decided to strike out on his own and set up Khalili SA Mining. Morris launched on his own fledgling business from Witbank. About four years later, he got the opportunity to lease his own 400ha farm with an option to buy in Witbank in Mpumalanga Province. The lease of this 400ha property space ensured the company had the room it needed to flourish and expand its storage and washing production capacity – thereby securing the company's future and setting the stage for its growth and sustainability. From humble beginnings, he grew the business into what is today, a multi-million-rand operation with its own premises and a staff complement of 50.

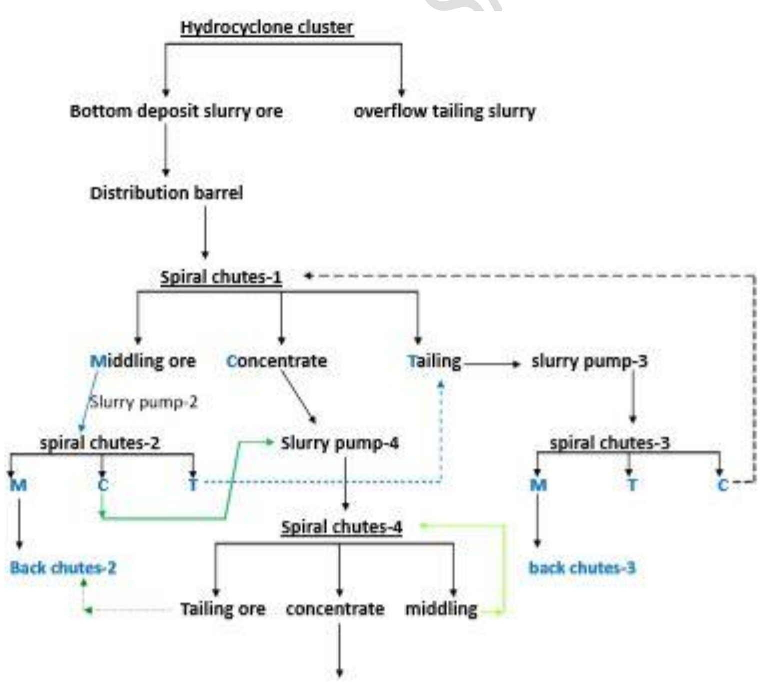
3. Products and Services

3.1 Description

The plan is to store, wash and distribute Coal ROM in different grades, offered by a Black South African company. In addition, the KHALILI SA MINING intend on growing the business into the one stop chrome distributing center.

The South African Coal Rom wash plant design.




Hydrocyclone cluster
Bottom deposit slurry ore
overflow tailing slurry
Distribution barrel
Spiral chutes-1
Middling ore
Concentrate
Tailing
slurry pump-3
Slurry pump-2
spiral chutes-2
Slurry pump-4
spiral chutes-3
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Spiral chutes-4
Back chutes-2
back chutes-3
Tailing ore
concentrate
middling

Final Coal

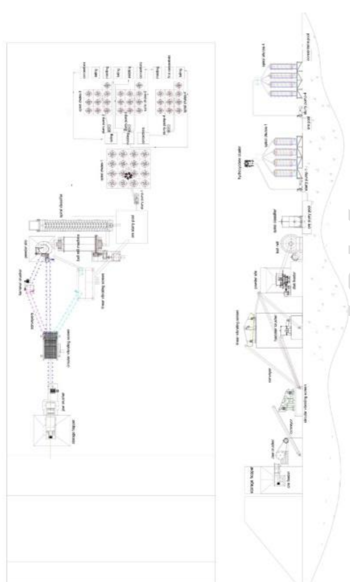
The product range:

While its core business remains the bulk supply of Coal ROM, the business has expanded significantly with the addition of storage of Coal ROM.

These include:

3.2 Production Process

The whole Washing Plant process set up



Key financial objectives

To achieve a turnover of R 23 million for the first year as per budget.

Increase turnover by R 15.7 million by the end of the following year.

Achieve a pre-taxation and distribution gross profit of 5,71 % in year one and 9,06% in year two.

3.3 Location

The company is now situated in Midrand and North West Province with 400ha land, office and storeroom on a 15ha property.

The plan is to set up a new Wash plant and over roof storage at the North West Province. The management had already discussion with agents and has a suitable scale up plan in mind.

3.4 Pricing

The intention is to price the product at 5% less than the only two existing Wash Plant competitors, the price is very competitive. After analyzing the direct and indirect costs and the break-even points and comparing the quality of the product with the competitors, the strategy of pricing a few percent lower than existing manufacturers will assist the current industrial role players to purchase products at a better rate from KHALILI SA MINING. Another competitive advantage will be, that KHALILI SA MINING is the only black Chrome Washplant in South Africa. This is especially interesting for big companies. They can increase their points on their BEE scorecard. In the financial forecast it is assumed that all different grades of Chrome will be priced accordingly based on their grades.

4. The Market

4.1 South African Economy

Per the International Monetary Fund after an uninspiring outturn in 2016, economic activity is projected to pick up the pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given the uncertainty surrounding the policy stance of the U.S. administration and its global ramifications.

Per IDC the past year has been particularly challenging for the South African economy. Lacklustre performances were recorded by most sectors, with sharply lower output levels reported by both agriculture and mining, and only marginally higher manufacturing production. Improved climatic conditions, particularly useful rainfall in most of the maize producing areas, underpin expectations of significantly higher agricultural output in 2017, notwithstanding the threat posed by the Fall Armyworm outbreak in the northern part of the country. However, weak demand domestically and subdued economic conditions in the significant external markets should continue affecting the manufacturing and mining sectors' performances.

South Africa's economic growth is expected to improve slightly in 2017 but will remain unsatisfactory. Better demand conditions in key external markets and higher commodity prices may underpin a reasonable export performance, but it could be somewhat compromised by the rand's relative strength if sustained. The improved outlook for inflation may justify the end of the interest rate hiking cycle, providing some comfort for households and businesses. Fixed investment is, nevertheless, likely to remain weak due to spare production capacity in most sectors of the economy. The threat of downgrades to the sovereign rating still looms large, and political uncertainty will prevail until after the National Elections.

South Africa's gross domestic product (GDP) growth rate was -0,3% in the fourth quarter of 2016. The main contributors to the negative GDP growth rate were the mining and quarrying industry and the manufacturing industry. Mining and quarrying decreased by 11,5% in the fourth quarter. This was primarily the result of lower production in coal, gold and 'other' metal ores (including platinum). Manufacturing decreased by 3,1% mainly because of lower output in the manufacturing of food and beverages, manufacturing of petroleum, chemical products, rubber and plastic products and manufacturing of motor vehicles, parts and accessories and other transport equipment. The agriculture, forestry and fishing industry has been in decline for eight consecutive quarters. The most significant positive contributors were the trade, catering and accommodation industry and finance, real estate and business services, which increased by 2,1% and 1,6% respectively, and each contributed 0,3 of a percentage point to GDP growth.

The new African consumer is a force to contend with and represents an opportunity no company can afford to ignore. Since 2000, consumer spending in Sub-Saharan Africa has grown at a steady four percent per year, reaching nearly $600 billion in 2010. The market is expected to be worth $1 trillion by 2020. While mineral resources will undoubtedly continue to be important, the most significant contributors to growth are changing, with less reliance on exports and more reliance on domestic demand (consumer spending and imports). Despite current low per capita incomes in Africa, average income is growing, giving rise to an emerging middle class that will become more demanding as income levels and spending increase.

Macroeconomic Forecast (South Africa 2015-2021:

[illegible]	2015	2016	2017	2018	2019	2020	2021
GDP (%)	1.3	0.3	0.8	1.6	1.6	2.2	2.5
Household Consumption Expenditure (%)	1.7	0.7	[illegible]	1.4	1.9	2.2	2.4
Government Consumption Expenditure (%)	0.2	0.6	0.3	0.3	0.5	0.8	0.9
Fixed Investment (%)	2.5	-3.0	0.6	4.2	4.7	4.9	4.0
Exports (%)	4.1	2.6	5.3	5.0	5.1	5.6	5.9
Imports (%)	5.3	-0.7	5.1	5.0	6.7	5.8	5.8
Balance: Current Account (sa) - % GDP	-4.3	-3.9	-4.5	-4.7	-4.2	-4.1	-4.1
Consumer Inflation (Av: %)	4.6	6.2	5.2	5.3	5.3	5.3	5.3
Prime Overdraft Rate (year-end: %)	9.75	10.50	10.75	10.75	10.75	10.75	10.75
USD/ZAR	12.76	14.70	13.84	12.48	11.49	12.15	12.35

Source: Investec

Africa is a diverse continent, with an estimated 1,500 languages grouped into six linguistic families. In 2015, sub-Saharan Africa (SSA) was populated by more than 856 million consumers. The region will have more than 1.3 billion consumers by 2030. The most populous country in SSA is Nigeria, with a population of 151 million, while the smallest, Seychelles, has just 100,000 people.

While the global economy is predicted to grow by two percent to three percent between 2016 and 2020, SSA is poised to increase by five percent to six percent, making it one of the world's fastest-growing regions. Consumer expenditure in SSA is expected to reach nearly $1 trillion by 2020. Consumer spending in South Africa and Nigeria accounts for 51 percent of SSA's total spending.

While most consumers in Sub-Saharan Africa fall into the lower income segments who value affordability, increasing urbanization, gradually improving means of livelihood, growing availability of products, services and communication infrastructure suggests that many of these low and mid-income consumers are poised to create a burgeoning demand for a variety of new and existing products.

According to BMI Research[5], growth is expected to rebound slightly in 2017, after a sharp slowdown in 2016. Elevated unemployment and sluggish credit growth will weigh on private consumption, while continued fiscal consolidation limits government spending. High policy uncertainty and a weak operating environment will act as a continued headwind to investment.

BMI believes that the South African Reserve Bank (SARB) will keep the policy rate on hold at 7.00% through end-2017. With inflation poised to come within the upper bound of the target band sustainably by mid-2017, and growth sluggish, our Company believe the hiking cycle is mostly passed.

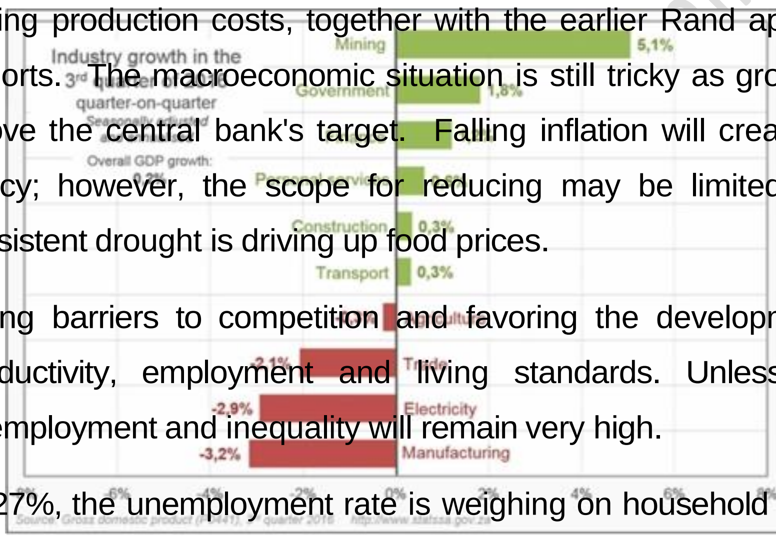
South Africa's fiscal deficit is expected to be narrow, though at a slower pace than anticipated by the government. Weak economic growth will act as a headwind to fiscal revenues. In the aftermath of a poor showing by the ruling African National Congress (ANC), the risk of a turn toward more populist policy measures or severe party infighting remains elevated. BMI has revised its forecast for the rand, after a stronger than anticipated performance through mid-2016. It is now predicted that the currency will average ZAR15.00/USD in 2017.

While the electricity situation has stabilised in the short term, in line with reduced demand driven by the economic slowdown, it is unclear how severe the electricity situation will be over the next few years as the current operational stability masks unresolved structural failures. In a worst-case scenario where the national grid collapses, BMI would significantly revise down its growth forecast.

A downgrade to South Africa's long-term currency rating would have significant knock-on effects, including promoting a sharp currency sell-off, increasing imported inflation, undermining business confidence, increasing government and private firms borrowing costs.

South Africa performs well overall on our Trade and Investment Risk Index, placing only behind Mauritius as a regional outperformer. South Africa's economy and business confidence levels experienced a rough 2016. Fortunately, these factors have not changed the country's core and most important fundamental characteristics that have contributed to this score.

Economic growth is projected to rebound in 2017 and strengthen further in 2018, driven by household consumption and investment. The improvement in electricity production removes bottlenecks and should boost confidence and therefore an investment if political uncertainties dissipate.



Rising production costs, together with the earlier Rand appreciation should weigh on exports. The macroeconomic situation is still tricky as growth is weak and inflation is above the central bank's target. Falling inflation will create scope to ease monetary policy; however, the scope for reducing may be limited in the short term as the persistent drought is driving up food prices.

Lifting barriers to competition and favoring the development of SMEs could boost productivity, employment and living standards. Unless the growth accelerates, unemployment and inequality will remain very high.

At 27%, the unemployment rate is weighing on household consumption and driving up inequalities. Increasing the efficiency of public spending to boost growth Inflation will peak by the end of 2016 before declining slowly in 2017. Ongoing food price inflation and its knock-on effects on manufactured food prices are pushing up inflation, despite lower than expected increases in administered prices.

4.2 Mining Industry in South Africa

South Africa's mining industry – which forms companies ranging from small, informal operators to major international mining groups with large yearly turnovers – is running in a difficult business environment. Although 2020 started with a lot of promise, the year proved to be a tough one for most mining companies. Companies that started the year with strong order books and recovering margins for the first time in five years found that the lack of recovery in the economy and low national infrastructure spend in South Africa, coupled with overcapacity in the mining market and low margins, meant that by 2021, companies were describing the mining industry as "challenging". Currently, the situation is such that order books are depressed and major mining companies are cutting jobs, with four of the large mining companies have reduced their workforces by more than 20,000 in the past two years.

The government, traditionally a key source of demand for the services of the mining industry, is awarding fewer large-scale civil engineering and mining contracts. A substantial portion of infrastructure investment is being directed towards equipment, such as locomotives, rather than civil mining. While government's National Development Plan (NDP) and its continued commitment to public infrastructure investment are promising signals for future growth in the industry, with one company describing the NDP as being able to "drive a multiplier effect down to our industry", companies in the sector have noted that, despite pockets of activity, there are "no big public-sector projects coming to the market".

Meanwhile, the mining industry, another traditional source of mining demand, has faced a plunge in commodity prices that has resulted in sharp spending cuts on mine development and expansion projects. In South Africa, some mining projects have been cancelled, and mining customers have placed pressure on contractors to reduce rates, adversely affecting margins.

Mining major Group Five has noted that key factors affecting the mining business environment include:

Consumption-driven economic activity, supporting retail, residential real estate, and other consumer-related sectors;

A weak Rand;

A rising inflationary outlook, driven by increasing energy prices, import inflation and wage settlements;

Power outages and uncertainties surrounding the ability of State-owned power utility Eskom to meet the electricity demands of the country;

Continued labor unrest in many sectors; and

The downgrading of South Africa's sovereign credit rating to one notch above junk bond status, with the highly likely downgrade of SA's credit rating to junk status in December 2016.

Meanwhile, consulting firm PwC has indicated that common risks identified by mining companies include risks to the growth and expansion of the industry, industrial unrest, loss of key skills and expertise, health, safety and environmental sustainability, project execution, transformation, tender risks, and credit risk management, as well as compliance with laws and regulations. In addition, the mining industry also remains under pressure from the public and regulators to significantly improve its safety performance, with challenges prevailing across the industry. There is also the added risk of noncompliance with the Mining Charter, concerns regarding the retention of talent and skills shortages.

With 2014 property sector having recorded 26% in returns of which 15% of the total return is attributed to traditional property returns i.e. 7% plus growth in income of 8%. Despite the tough conditions SA listed companies managed to deliver good returns. In 2015 the sector's performance is expected to have similar influence. Durban has proven to be a magnet for the property, with the decrease in office space with many buildings earmarked for residential conversions. There are said to be 45530 properties in Durban currently on the market.

4.3 Target Market

The Coal ROM will be offered to wholesalers for the domestic market. Export will be controlled by internal sales staff.

4.4 Competitors

In South Africa, there are currently only two wash plants, Lonmil, Sibanye,some raw Coal ROM is exported to China some are exported to European and Asian Countries.

4.5 Competitive advantage

The company will as part of its continuous market research; employ the following strategies to combat competitive pressures:

- Who are the competitors, what will they offer and what is their unique selling point (USP)? This will identify the areas the team needs to compete in and provide an opportunity for differentiating.
- Establishing what matters to the customers and revising the marketing strategy accordingly.
- It's essential to offer customers good reasons to use the company's products

and services rather than an opponents' offering. The USP will meet the expectations of the customers, and it will be communicated.

- Continuously update the image with the design of the business cards, stationery, and the website and email correspondence to reflect the USP.
- The company will provide better customer service by being more responsive to their needs and expectations.
- Selling into a more significant number of markets can increase the customer base and spread the risk.
- The company will keep up with developments in the sector, following consumer and industry trends, invest in new technology and - crucially - have a clear idea of where the company will be in one, three and five years' time.
- Letter of intents are secured from different hardware stores.

5. SWOT Analysis

5.1 Strength

These are positive, internal factors that affect how your business performs. Although they may be difficult to change, they should be within management’s control:

- Strong, established relationships with suppliers, advisors, and customers. Having local knowledge of the target markets' behavioral trends and requirements.
- Industry and cultural insight based on practical experience.
- Complacent competitors will give KHALILI SA MINING the advantage of gaining market share.
- A clear vision of the market need.
- Lower operating costs and more control over the business through owner operated company

- Strong, established relationships with suppliers, buyers, and industry stakeholders.
- Having local knowledge of the target markets' behavioural trends and requirements.
- Ability to implement sound quality control procedures and internal management procedures and risk mitigation policies.
- Pricing strategy is a competitive advantage.
- A limited number of competitors currently targeting the market.
- High BEE level.

5.2 Weakness

These are negative, internal factors that affect how the business performs. Although they may be difficult to change, they should be within management's control:

Timescales, deadlines and pressures, the reliability of data, predictability and planning.

New staff to train for operations.

Rapid growth may present operational challenges, like growing too fast too quickly.

Lack of current national footprint.

Lack of an adequate sales representation across South Africa and Africa.

The need for substantial external funding, thereby increasing the company's debt and risk.

5.3 Opportunities

These are external factors that could positively affect the business. They may be mostly out of management's control, but can be leveraged:

- Growing market
- Big chances to export to other African countries

5.4 Threats

These are external factors that could negatively affect the business. They may be mostly out of management's control, but can be managed by creating a contingency plan to minimize the damage:

- local and international economy
- political effects
- legislative effects
- Competition from multi-nationals with greater financing or resources in the market.
- Falling margins as competition increases; possible price pressure due to the competition willing to reduce their gross profit margins.
- Challenges that prevents South Africa from remaining competitive that includes factors such as high overhead costs, skills shortages, poor labour relations, political- and economic unrest.

6. Sales & Marketing Strategy

6.1 Sales & Operations

The management will explore new and innovative ways to increase online exposure by advertising on partner websites, search engines, business directories and online newsletters. The company will use some relationships to promote the business. Through participation in the Chambers of Commerce and other relevant business associations, the company will contact key stakeholders across various industries. Participating in regional and provincial Chambers of Commerce will also help the company to get increased exposure. In every method of communication, the company will continuously reinforce its competitive advantage as depicted earlier in this business plan.

The company's product and service portfolio are carefully positioned. The key message that the company wishes to convey to its target market is that as a company, it is focused on understanding its customers' unique needs and meeting those needs through setting the correct expectations. Systems are critical to being able to provide such a product and service and attract ongoing clientele. The staff needs to be accustomed to these systems and receive continuous training. This means that the entire process will be managed more efficiently, and more consistent results will be produced.

The expected monthly turnover for the first year will be R 16 million, the cost of sales is expected to be R 3 million, the operating expenses are R 13 million.

6.2 Marketing Plan

The marketing materials are used to promote the business to current and prospective customers. Among others, they include the website, print brochures, business cards, and catalogues.

The promotions are one of the most important sections of the marketing plan and about the details how to reach new customers. There are numerous promotional tactics, such as ads, trade show marketing, press releases, online advertising, and event marketing to be chosen from.

These days most customer will search online to find and review new products and services to purchase. As such, having the right online marketing strategy can help to secure new customers and gain competitive advantage.

The four key components to your online marketing strategy are as follows:

1. Keyword Strategy: identify what keywords are relevant to optimize your website for.

2. Search Engine Optimization Strategy: document updates to make the website shows up more prominently for the top keywords.

3. Paid Online Advertising Strategy: LinkedIn, Google and Facebook adverts.

4. Social Media Strategy: document how to use social media websites to attract customers.

6.3 Marketing Programs

The companys strategy will be successfully implemented through leveraging its key stakeholder relationships and strategic alliances to penetrate the target market. The company will be able to build a compelling marketing programme with the aim of establishing a trustworthy and customer-oriented brand. It will achieve this by drawing on its knowledge of the ‘Ideal Customer’ profile, its local presence and product knowledge. The KHALILI SA MINING will employ the following strategies to gain both market share and a competitive advantage:

Use social media channels like Facebook, Twitter, Instagram and LinkedIn, conventional advertising channels, public relations initiatives, targeted, periodic marketing programmes, and information about business and industry developments to create a word-of-mouth ‘buzz.

Advertise in local media, online directories and publications. Ensure that all marketing programmes are strictly monitored to determine the return on marketing, investment, average marketing spend, market research and other cost-benefit measures.

Keep up-to-date with the customer needs, habits and general consumer behaviour with the aim of developing new offerings and value-added services. Understand the target market and ensure that the correct product and service mix is available to meet their needs.

Periodically review the company’s pricing strategy with a strong focus on the reduction of variable costs.

Implement a formal accounting-, quality control and customer relationship management system.

Conduct customer surveys to ensure an accurate understand the ‘true needs', changing behaviours and criticism/feedback from the customers.

The company’s marketing- and sales programmes will include, but will not be

limited to:

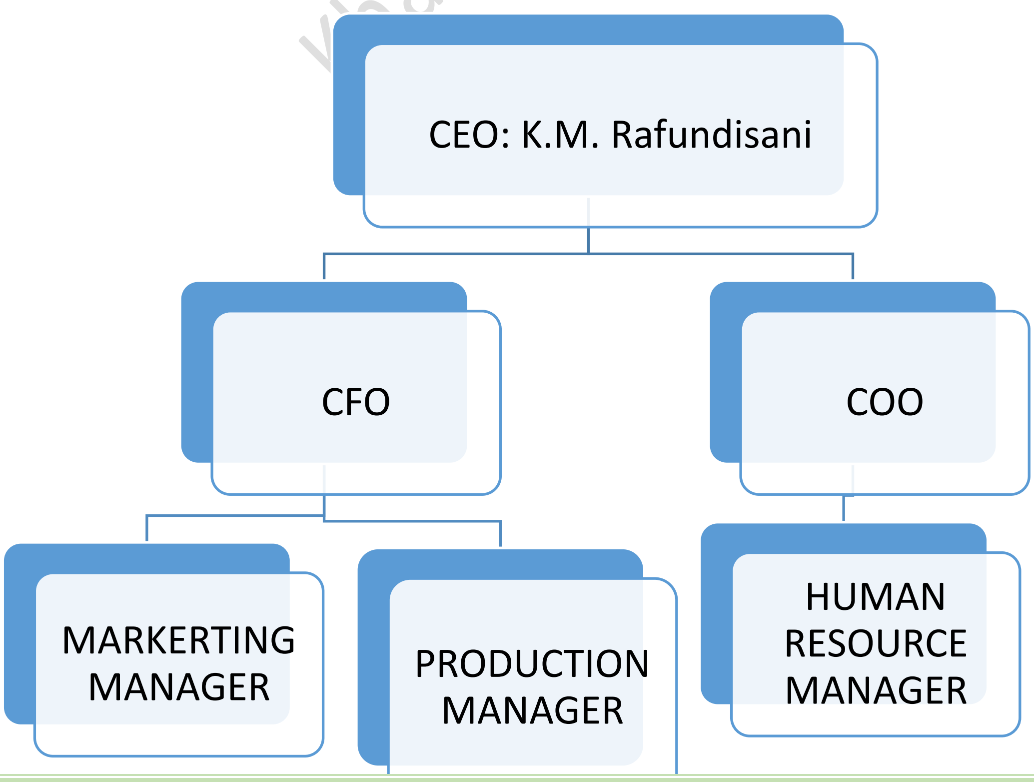
Contacting and article submissions to newspapers, magazines, trade publications and house publications of large companies on industry issues to provide them with new and fresh content through the featuring of regional information, industry information, product/service information, etc. Such published articles may then be included in the pre-defined communications to provide third-party endorsements and boost credibility. Contact information and call-to-action links will then ensure that such enquirers' contact details are captured for inclusion in the sales campaigns.

The featuring of client's testimonial display page on the website and in the other advertising mediums to showcase customer experiences and provide third-party endorsements for the products and services.

Selective advertisements placed in magazines, industry publications and industry portals will offer incentives requiring a call to action that will drive traffic either telephonically, to the website or even simply to contact details capturing form.

7. Management Summary

7.1 Organisation



Other Sub-departments

HR & Accounting

Department

Debtors

Creditors

Training

Recruitment

Office

Compensation & Benefits

8. Financial Projections

8.1 Financial Assumptions

KHALILI SA MINING 's funding requirement is determined by the need for equipment, building the plan, purchasing some vehicles, software and SABS approval and some working capital.

KHALILI SA MINING assumes that the terms of the loan will be treated as a line of credit or overdraft and the credit line will be available to ensure a positive cash balance throughout the loan period. The prime lending rate since February 2017 amounts to 10.50%. It is expected that debt is currently priced at 6-9% above prime lending rate, equating to a range of 13-16% at the time of writing, and is typically repaid through periodic, monthly capital- and interest repayments.

The repayment of interest and the capital amount will be made monthly. The monthly interest rate is expected not to exceed 13.00% per annum for the financial projections model attached to this business plan, the currency used throughout the financial projections model is South African Rand (ZAR).

8.2 Financial Forecast

NB** the cost has built in labour

We claim 42.5% of ROM Coal ROM in a Ton that is sellable at most we can obtain 44% after washing the raw ROM Coal ROM from the mine, however, it does not change the price.

Financial projections are herein attached.