

## FORM B: CAPITAL APPLICATION

**PROJECT NAME:** KARAMBO-MAKOGOTE start up  
**PROJECT LEADER:** Jaco van der Merwe **CONS. ASS. NO.:** \_\_\_\_\_  
**DATE:** 06/02/2024 **CA NO.:** \_\_\_\_\_

A	PROJECT DESCRIPTION
	<p>The MAKOGOTE Tunnel project aims to start the new tunnels. The project entails the acquisition of necessary materials and resources to resume production in the area. This capital application seeks funding to support the start-up phase of the project.</p> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Start two new tunnels and resume production activities.</li> <li>• Establish a sustainable and profitable operation in the tunnels area.</li> <li>• Create employment opportunities and contribute to the local economy.</li> <li>• Ensure the efficient and safe transportation of goods through the tunnel.</li> </ul> <p><b>Scope:</b> The project will focus on the following key activities:</p> <ul style="list-style-type: none"> <li>• <b>Procurement of materials:</b> Acquiring the necessary resources, including construction materials, machinery, and equipment, either through purchase</li> <li>• <b>Infrastructure rehabilitation:</b> Building the new infrastructures to the tunnel area, such as lighting, tramming equipment, safety features and civil works.</li> <li>• <b>Manpower introduction:</b> Introducing a skilled workforce to manage and operate the tunnel effectively and safely.</li> <li>• <b>Increase overall production:</b> Makogote has shown promising signs of production in the past and therefore, could increase the overall production of Rutongo mine.</li> </ul>

**B | MOTIVATION**

**The decision to start Makogote new tunnels is driven by several factors:**

- **Previous production history:** The area has demonstrated steady production in previous years, indicating the potential for continued success.
- **Geological recommendation:** opening the new tunnels has been a recommendation from the technical services team. This has come from historical information where there is promising geological evidence in the area.

C	COST SELECTED OPTION				
EQUIPMENT LIST	QUANTITY	UNIT	UNIT PRICE	PRICE	COMMENTS
Mobile Compressor	1	Pcs	2,800,000	2,800,000	Repairing one from workshop
Diesel pump	2	Pcs	1,800,000	3,600,000	Purchasing
2 inch Water pipes	350	m	3320	1,162,000	Purchasing
Water tank	3	Pcs	720,000	2,160,000	Purchasing
cement	30	bags	12,000	360,000	Purchasing
Tank connectors 2"	7	Pcs	16,000	112,000	Purchasing
Valves 2"	5	Pcs	25,000	125,000	Purchasing
Coupling with thread out 2"	10	Pcs	8,000	80,000	Purchasing
Plastic Coupling 2"	15	Pcs	8,000	120,000	Purchasing
Nipples 2"	10	Pcs	4,500	45,000	Purchasing
Nipples ¾"	10	Pcs	1,500	15,000	Purchasing
Valves ¾"	5	Pcs	6,000	30,000	Purchasing
Valves 1"	10	Pcs	8,000	80,000	Purchasing
Nipples 1"	20	Pcs	1,500	30,000	Purchasing
Rails	200	Pcs	83,850	16,770,000	Purchasing
Wagons	10	Pcs	1,251,900	12,519,000	Purchasing
Sleepers	700	Pcs	2,190	1,533,000	Made in Woodmizer
Fish plates	200	Pcs	1,950	390,000	Purchasing
Fish bolt	300	Pcs	299	89,700	Purchasing
Flexible hose(air)	50	m	1,675	83,750	Purchasing
Flexible hose(water)	50	m	1,675	83,750	Purchasing
<b>TOTAL</b>				42,188,200	
<b>TOTAL COSTS INCLUDING CONTINGENCIES (10%)</b>					
<b>BUDGET</b>				<b>0</b>	
<b>VARIANCE</b>					

D	RISK ASSESSMENT
<p><b>The project entails certain risks that need to be carefully considered:</b></p> <ul style="list-style-type: none"> <li>• <b>Technical risks:</b> Rehabilitation of the tunnel infrastructure and implementation of operational systems may encounter technical challenges. Adequate expertise, contingency plans, and continuous monitoring/supervision will help mitigate these risks.</li> <li>• <b>Environmental risks:</b> Compliance with environmental regulations and the potential impact of operations on the surrounding ecosystem must be carefully addressed to mitigate environmental risks. This is relevant with the external infrastructure involved.</li> <li>• <b>Security Risk:</b> Rutongo mine currently isn't mining the Makogote area, therefore, there is a lack of asset protection presence. Theft is possible in this area with a large illegal mining population present. Asset protection services will need to be introduced in this area to mitigate any risk of theft.</li> </ul>	

E	PROJECT SCHEDULE
<p><b>Ordering of Material:</b></p> <ul style="list-style-type: none"> <li>• Placing orders with suppliers: 1 weeks</li> <li>• Supplier lead time for delivery: 2 weeks (all local suppliers)</li> </ul> <p><b>Installation and Commissioning of Material:</b></p> <ul style="list-style-type: none"> <li>• Installation of materials: 3 weeks</li> <li>• Commissioning and testing: 1 day</li> </ul> <p><b>Complete Project Start-up:</b></p> <ul style="list-style-type: none"> <li>• Finalizing remaining tasks: 1 day</li> </ul> <p>From capital approval to project closure should take approximately 1.5 months. Most items can be purchased locally and are readily available others are international.</p>	

F	COMMENTS
<b>GROUP FINANCE</b>	<b>We have capacity to do this from operational fund. please proceed for the next approvals</b>
<b>CEO</b>	<b>Approved</b>
<b>DIRECTOR</b>	



G	APPROVAL
CEO	
BOARD	

**NOTE: attach additional quotes or supporting documents if necessary**