



NEXT LEVEL MINING LTD

Business Plan
2021

 NLD

 Lusaka, Zambia

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Executive Summary

Business Overview

Much of the mineral wealth of the country is controlled by large companies with some government shareholding, however there is a number of smaller independent Zambian mining companies producing in the same areas. Our service will allow these smaller companies access to high quality reliable processing facilities.

Large scale multinationals have access to capital to allow for development. One of the main factors holding back local companies is difficulty in accessing capital with mining being a capital intensive start up business. We aim to take away some of that risk/difficulty reducing level of capital required for new start ups and helping existing business develop quicker.

We want to offer similar processing opportunities to small companies that the large multinationals currently enjoy, making them more profitable and competitive.

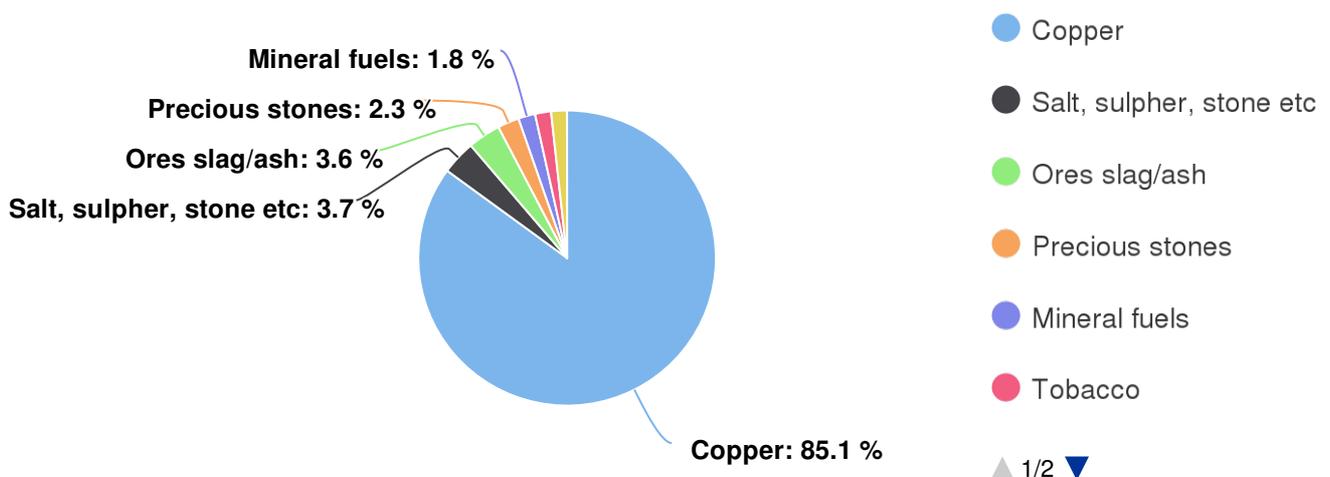
Mission Statement

To offer professional processing services for small scale miners increasing their profitability and building a profitable processing business.

Market Opportunity Summary

Mining is the single biggest income generator for the Zambian economy. Figures below are for export share in 2020.

Zambian Exports top 7



The domination of mineral wealth principally copper is overwhelming, but a very large percentage of this is held by multinationals or overseas investors. This still brings significant benefit to the Zambia economy but the National Government has a stated objective to raise the value mined and exported by

indigenous Zambian companies.

Next Steps

We have identified the equipment and expertise we need to develop this project. The next steps are:

- Agreeing more formal contracts with miners prior to start up.
- Securing the necessary finance.
- Purchasing and set up of equipment.
- Recruitment of additional staff.

Vision Statement

We want to provide a high quality professional processing service that gives results as close to the large scale mines as possible but offer that service to the growing local mining sector. This service would be at a more cost effective price and more efficient than existing services currently available.

Business Description

Business Overview

We will offer processing of minerals at a competitive rate to local small scale miners in Central and Northern Zambia. This area is mineral rich with large multinational mines dominating the area. However there is a growing number of local small scale mining companies looking to expand as well as new start ups entering the market.

We will offer a service to these smaller companies to process their minerals. The larger multinationals companies with efficient processing plants do not offer a service to smaller companies as it would impact too much on their own operations. Smaller companies with processing plants do not have the recovery levels and pricing structure to make it economic to purchase this service. We will offer a service that is close to the efficiency of the larger plants but is more cost effective and with better recovery than other miners can currently offer. We will be able to operate our plant at a higher utilisation as we will be taking raw material from a number of different small mines.

Location

We will look to serve the resource rich Northern and Central regions.



Minerals will have to be transported to our local plant but we do not see this as a major deterrent.

Facilities

We aim to purchase the necessary equipment to run an efficient modern processing operation. We will take batches from miners, process and give feedback on the results of each batch.

Minerals will have to be transported to our plant but we do not see this as a major deterrent. As you can see below we believe our offering is the only one that will offer convenience with our location, cost effective as we will be running plant at capacity and the smaller miners wont have capital outlay, and finally efficient as it will be a modern plant with low running costs.

	Convenient	Cost Effective	Efficient
Own Plant	✓	✗	✗
Multinational Processing	✗	✗	✓
Small Scale Processing	✗	✗	✗
Sell Raw material	✓	✗	✗
Processing Service	✓	✓	✓

Business History

We have experience in mining ourselves but will also be partnering with Rockhart Mining who will be providing advice and technical expertise.

Market Analysis

Industry Analysis

The top four exports from Zambia in 2020 were direct results of mining. There are 4 large mining operations in Zambia:

- Barrick Lumwana
- FQM Kansanshi
- Mopani
- KCM

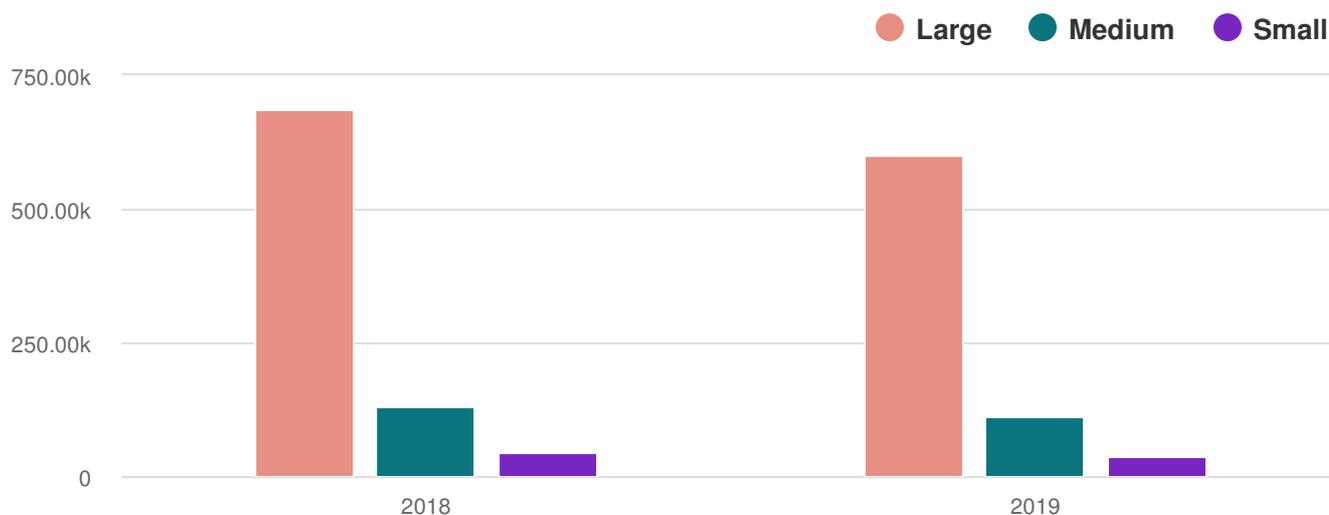
These 4 account for 80% of the annual copper production from Zambia. (Source <https://miningforzambia.com/a-concentrated-mining-sector/>). Barrick is wholly owned by a Canadian mining company, the other 3 are owned by foreign interests with a minority shareholding in each by the Zambian Government.

As the rate of mining has increased new areas have been opened up particularly in the north west region of the country. This is where we would be basing our processing operations.

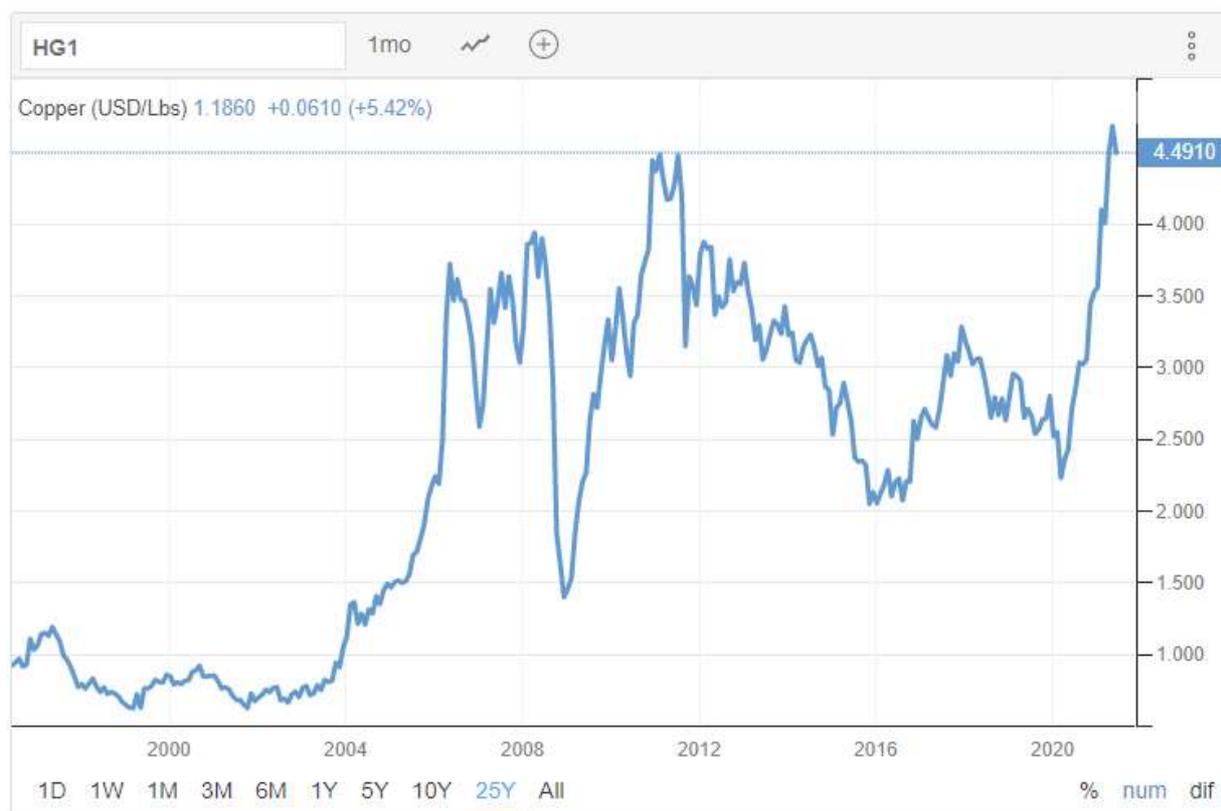
Market Size & Growth

The estimated production by company size is shown below, with the largest 4 producers mining 80% of the ore and finished product.

Production by Company Size



The price for copper has been volatile but the last 18 months has seen exceptional increases in prices, fuelled by world demand and some issues around coronavirus.



Now we believe is the ideal time to push the local industry to grow and develop. The market is forecast to remain strong for at least the next 18 months as the world economy returns to some form or normal operations.

The challenge for developing the local mining industry in Zambia falls into a number of linked challenges.

- Access to capital is restricted for those with no track record in the industry.
- Mining the raw ore is feasible but this has to be sold at relatively low value to other processors, particularly the large 4.
- They take the added value from the processing, further restricting the smaller companies access to profit and then growth.

This becomes a self fulfilling circle, with low price low margin business selling raw ore unable to grow and develop. If we can offer efficient and cost effective processing, this will allow small companies to tap into higher value products, increasing their profitability. This in turn will allow them to grow and access capital to develop.

Competitive Analysis

Competitors

Competitors as already mentioned fall into 3 categories, large, medium and small.

Large Multinationals



Features

Competitiveness
Scale
Flexibility

Strengths

Low cost high volume.
international support.
Able to bear changes in market prices more easily.

Weaknesses

Unwilling/unable to help
Less flexible to world markets.
Not as well backed as larger companies.

Medium Scale Company



Features

Competitiveness
Scale
Flexibility

Strengths

Own processing and mining.
Self contained operations.
Flexible to adjust to changing market conditions.

Weaknesses

Not as high margin operations.
Not as efficient
Does not have back up and reserves or larger company,.

Similarities & Differences

While all companies are mining and to some degree processing, it is on very different scales. We want to take away some of the inequalities and allow smaller companies the opportunity to add value, grow and compete in the higher value markets.

Funding

Funding Goal

We have \$15,000 to invest in the business.

Funding required is:

Type	Cost (\$,000)	%
Equipment	15	47
Revenue costs	17	53
Total	32	100

Why Invest? / Conclusion

This business offers a way to assist the development of a local industry currently controlled by multinationals. While the Zambian economy of course benefits from these companies, more local control of the businesses will keep the profits in our country. They can go on to invest in other local sectors and help the growth of support industries. The multiplier effect of our business can improve the lives of so many in our communities and make them self sufficient and able to work with the natural resources Zambia is abundant in.