



## **ESTIMATED BUDGET FOR PHASE I OF THE GOLD EXPLORATION PROJECT**

### **PHASE I**

#### **REQUIREMENT FOR THE EXPLORATION AND ACQUISITION OF THE CONCESSION**

This document details the projected cost of the PHASE I exploration of Maximus Mining Limited. It basically gives summary estimation and the required equipment needed for the entire exploration activities

The first phase of exploration aims to discover quantity of gold deposits and ores that can meet large scale mining in medium or long term period. The exploration would basically adopt “drilling sampling and analysis” method which has the potential to facilitate intelligent decision with regards to acquisition of new mineral deposit amenable to economic extractive operations.

#### **BELOW ARE DETAILS OF THE VARIOUS REQUIREMENTS:**

1. **THE COST FOR OBTAINING EXPLORATION PERMIT FROM THE MINERALS COMMISSION AND OTHER SECTOR REGULATORS IN GHANA:**

This is the beginning of any large scale gold exploration activity in Ghana. It is the stage where permission and licenses are granted to the exploration company before it can commence the project. Minerals commission, Environmental Protection Agency (EPA) and Ghana National Fire Service will have to give approval or permit before the explorer can commence work and this will attract charges.

2. **A CHARGE FEE TO THE CONCESSION OWNER (CONCESSIONAIRE) BEFORE THE EXPLORATION WILL BE ALLOWED TO CARRY ON:** The cost of obtaining permission from the concession owner to undertake exploration activities on the land. The practice is that, the concession owner will demand some amount of money from the explorer before permission will be granted to commerce any activity on the land. This amount is usually through negotiation.

3. **THE COST OF OBTAINING PERMISSION FROM THE LOCAL CHIEFS AND THE LEADERS OF THE AREA:** It is usually the norm that, the chiefs in the local communities will demand certain negotiated amount from the explorer due to the fact that, the exploration activity will have effect on their local environment such as: the water bodies, farms and animals. This money will have to pay to the chiefs before permission will be granted to commerce any activity on the land or at the area. This amount is usually through negotiation.

4. **THE COST TO DAMAGES OF FARMS AND OTHER PROPERTIES DURING THE EXPLORATION ACTIVITIES:** These are the expenses that will to be made to the cost of any property damaged during operation. It is a legal obligation that, the explorer immediately pays off the cost of any damages that occur to the properties of the local communities before the worked can be continued.

5. **TWO LIGHT VEHICLES (USED ONE) – TOYOTA LANDCRUISER PICKUP (2):** Mining start with light Vehicle, therefore the first equipment needed for the exploration activity is a Light Vehicle that will be transporting the team throughout the entire activity of the exploration.

6. **HARD ROCK GOLD EXPLORATION EQUIPMENT:** These are the actual machines needed to execute the exploration activity itself. The explorer can primary purchase these machines ones it has the means to do that. These will be the same machines that will be needed for any exploration activity going forward. And they will be the same machines needed to commerce the mining process. However these machines can be leased to other mining companies to accrue cash flow for the business development.

7. **TOOLS AND MAINTENANCE:** there are the consumable tools or parts that will be used on the exploration equipment the maintenance works that will be done regularly.

8. **AREA SURVEY AND DRILLING PLAN:** prior to the exploration, a geological survey and mapping planning have to be done by an expert. This will help reduce the cost and the duration of the exploration.

The following equipment has to be purchased outright before the exploration can commenced.

- ONE DRILLING MACHINE
- ONE EXCAVATOR
- ONE SMALL WATER PUMP
- ONE TOWER LIGHT/GENERATOR SET

9. **GEOLOGICAL TEAM:** the expertise that will lead the exploration process to its conclusion.

10. **TECHNICAL TEAM:** the expertise that will take care of the maintenance and the technical arrangement of the equipment.

11. **MANAGEMENT TEAM:** the expertise that will lead the operational direction of the entire exploration activities to its conclusion.

12. **FUEL:** primary source of energy needed to power the exploration equipment and the vehicles.



13. **TRANSPORTATION:** this is the cost of moving the exploration equipment from one point to another. - Usually with the aid of lowbed truck.

14. **PERSONAL PROTECTIVE EQUIPMENT (PPE):** these are protective equipment for all the workers on site. It is a standard requirement from the Minerals Commission of Ghana and it may include: Safety Boots, Overalls, Helmets, Hand gloves and Goggles

15. **SUPPORTIVE EQUIPMENT AND FACILITIES:** these are other minor equipment such as: Fuel Tank, Water Tank and Shelter needed to facilitate the operation.
16. **ACCOMMODATION:** accommodation for the entire team member on the field and any other related assignment.
17. **MISCELLANEOUS:** these are other unforeseen issues that may arise during the execution of the project but are equally important issues that must be addressed before the project can be successful. These may also include; food, hand tools, security and local leaders.
18. **LABORATORY WORKS/SAMPLING:** this involves sample testing and laboratory checks from a recognized gold laboratory company and other sample tests that will be done by the explorer itself.
19. **TECHNICAL REPORT/CONCLUSION:** this involves documentation and presentation of the findings.
20. **ACQUIRING THE CONCESSION:** the actual cost of the concession that will be agreed based on the terms and conditions between both parties. This cost will be included in the budget of the exploration.

## **EQUIPMENT:**

1. Hydraulic Excavator ZX220 LC GI Hitachi (Total Amount - USD 134,900.00)

Hydraulic Excavator ZX220LC-GI Hitachi	
	<p> <b>Isuzu Engine Tier II</b>  <b>Dimensions: 9.68 m x 2.99 m x 3.01 m</b>  <b>Net Peak Power 168 HP</b>  <b>Operating Weight: 21.2 T</b>  <b>Standard Cab with air conditioning</b>  <b>Ceytech Bucket 1.2 cum</b>  <b>H-boom 6.00 m</b>  <b>Short Arm 2.42 m</b>  <b>Breaker piping</b>  <b>Triple grouser tracks 600 mm</b>  <b>Pre-cleaner with inner elements</b> </p>
<p><small>*Picture non contractual</small></p> 	

2. Heavy-Duty Core Drill – DE710/Tools and Accessories ( Total Amount - USD 639,376.00)

# SANDVIK DE712 HEAVY-DUTY CORE DRILL

Sandvik DE712 is our CE-marked core drill for surface applications, based on our established Sandvik DE710. It boasts features that improve safety, productivity and reliability.

- EDEEP process in place . We work together with our customers through design stages to identify potential hazards that can be reduced or eliminated through innovative design.
- CE-marked . Meets all European Union requirements
- Designed with Australian MDG 15 in mind

## SAFETY

Sandvik made safety the top priority when the DE712 was designed, we incorporated several key safety features into Sandvik DE712 without compromising on capacity.

- Radio remote controlled tramming to remove the operator from the drill when moving the drill. Offers

improved operator protection over an on board ROPS cabin in the event of drill roll over.

- Hydraulically raised left and right hand walkways
- Mast access package including a fall arrest system and mast platform
- Improved rig access for safer and easier maintenance
- Alarm for jack leg operations
- Efficient and secure rod handling with a rod spin guard and Safe-T-Spin

## PRODUCTIVITY

Sandvik DE712 features the right balance of robust and safe design, quality components and construction to minimize your downtime. It boasts excellent mast handling and assembly characteristics. All drilling operations are centrally controlled from the control panel, located at the rear of the rig. The Sandvik DE712 is easy to operate and maintain. It features an operGo to design for clear access when servicing.

## SPECIFICATION

	Metric	Imperial
Depth capacity* (N)	1,126 m	3,693 ft
Rotation unit, hollow spindle ID	120 mm (P)	4.73 in (P)
Maximum torque	3713 Nm	2,738 lbf ft
Maximum rpm	1,500 rpm	
Feed force	53.2 kN (5.5 t)	12,000 lbf
Pull force	91.1 kN (9.3 t)	20,500 lbf
Feed length (stroke)	3.45 m	11 ft 3 in
Power unit - diesel (EU stage III CARB/EPA Tier 3 emissions rating)	142 kW	190 hp
Main winch (pull capacity)	76.6 kN (7.8 t)	17,200 lbf

\*Calculations are based on machine lifting capacity, which in some cases may exceed the rated hole depth of the down-hole tooling. Sandvik does not guarantee that these results will be achieved in all drilling operations.



3. LIGHT TOWER, 4X310W LED, 6KVA, 7M MAST, YANMAR L100N ENGINE, TROLLEY (Total Mount USD 16190)



4. TOYOTA PICKUP (SLIGHTLY USED ONE) – DIESEL ENGINE TYPE



## 5. SUMMARY BUDGET

GOLD MINING PROJECT: PHASE I – ESTIMATED BUDGET FOR PHASE I OF THE GOLD EXPLORATION PROJECT		ESTIMATED COST (USD)
S/N	DESCRIPTION	AMOUNT
1	THE COST OF OBTAINING EXPLORATION PERMIT FROM THE MINERALS COMMISSION AND OTHER SECTOR REGULATORS IN GHANA. (THE COST FOR PERMIT AND ITS DOCUMENTATIONS)	10,000.00
2	A CHARGE FEE TO THE CONCESSION OWNER BEFORE THE EXPLORATION WILL BE ALLOWED TO CARRY ON. (THE COST OF OBTAINING PERMISSION FROM THE CONCESSION OWNER TO UNDERTAKE EXPLORATION ACTIVITIES ON THE LAND)	45,000.00
3	THE COST OF OBTAINING PERMISSION FROM THE LOCAL CHIEFS AND THE LEADERS OF THE AREA.	7,000.00
4	THE COST TO DAMAGES OF FARMS AND OTHER PROPERTIES DURING THE EXPLORATION ACTIVITIES.	10,000.00
9	AREA SURVEY AND DRILLING PLAN	5,000.00
7	LIGHT VEHICLE (LV) – TOYOTA LANDCRUISER PICKUP (USED ONE)	40,000.00
10	ONE DRILLING MACHINE	639,587.00
11	ONE EXCAVATOR	136,900.00
12	ONE SMALL WATER PUMP	6,000.00
13	ONE TOWER LIGHT/GENERATOR SET	17,190.00
18	PORT DUTIES AND CLEARING OF EQUIPMENT	70,000.00
14	FUEL	30,000.00
15	TRANSPORTATION	20,000.00
17	TOOLS AND MAINTENANCE	30,000.00
19	GEOLOGICAL TEAM	20,000.00
20	TECHNICAL TEAM	25,000.00
21	MANAGEMENT TEAM ADMINISTRATION WORKS	20,000.00
22	SUPPORTIVE EQUIPMENT AND FACILITIES	10,000.00
16	PERSONAL PROTECTIVE EQUIPMENT (PPE)	4,000.00
23	ACCOMMODATION	10,000.00
24	LABORATORY WORKS/SAMPLING	40,000.00
25	TECHNICAL REPORT/CONCLUSION	3,000.00
<b>TOTAL</b>		<b>1,198,677.00</b>