

## PROJECTS

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### BLYDE VALLEY SUGAR MILL

**Market:**

The South African Sugar Association will split the sugar 50:50 for the local and export markets.

**Technology & Design:**

The proposed 280 tons cane per hour factory will be supported by approximately 13 000 hectares of cane fields, 20-30% of which will be smallholders. The factory has been designed and costed as a “High-Efficiency-Low-Cost” mill and will produce raw sugar over a 36 week season with an overall time efficiency of 85% and overall recovery of 85%. The construction period for the factory is 18-24 months.

**Factors of Production:**

The basic desktop study is completed and shows that the critical factors of water, soil, land availability, climate, markets and technology are in place and are well suited to the growing of sugarcane.

**Financial Projections:**

The mill shows an IRR of 16.5% based on an export price of US 10 cents per lb. and an exchange rate of R10.50 to the US\$, the base case. The optimistic case IRR is 26.1% based on an export price of 12 US cents per lb.

**Project Structure:**

A 20% Black Empowerment is reserved in the mill.

**Project Requirements:**

Equity Funding

**Location:**

Maroelaneng Municipality District – SDI Phalaborwa – Hoedspruit

**Project Value:**

R600 million

**Job Creation:**

5 500 jobs

**SMME:**

Over 100 small farmers SMME’s to be established

**Concept:**

The project is located in the Phalaborwa SDI and in the region that is earmarked as a high priority for development in terms of the presidential ISRDS. The project is geared to produce sugar for a split domestic and export market. A total of 120 000 tpa of VHP sugar would be produced from some 1 050 000 tpa of cane

**GOVERNMENT SUPPORT:  
DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)**

**TAX INCENTIVE**

**SIP (Strategic Industrial Projects):** 100% of the industrial assets in the case of this project, R450 million in the form of tax relief. This is subject to approval by DTI.

**CRITICAL INFRASTRUCTURE:** Up to 30% of the critical infrastructure can be subsidized by DTI subject to approval.

**PROVINCIAL GOVERNMENT:**

- Trade & Investment Limpopo: - incentive applications  
- Liaise with government departments on land issues, EIA  
- facilitation with various stakeholders and investors
- Department of Agriculture: - Allocate about 4000ha towards the project  
- Will upgrade infrastructure over a period of 5 years  
- Will assist with liaison until communities and extension officers
- Land Commissioner: - Priority will be given to any land claims or land issue to be addressed
- Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
DBSA  
IDC  
Business Partners  
Limdev  
IFC  
Africa Development Bank  
Commercial Banks

## SOYA PROCESSING

### **Market:**

A very conservative assumption is made that the domestic and African export market combined will be at least 360 000 tons.

In South Africa Protein Industries Thabazimbi (Pty) Ltd considers the following as potential clients in the soymilk, soymilk powder and okra edible markets: Grobler Dairies, Nutri Bev, Nestlé, Borden, Freddy Hirsh Foods, CJ Petro, Aylesbury Ice Cream, Osteoporosis Society, Cancer Society, Government School Feeding Schemes, Blue Ribbon Bakery, Woolworths, Sasco Bakery, Heart Foundation and others. Bulk sales will be to such food processors, packaging- and distribution agencies.

Note that the clients mentioned here are just a few of the potential clients.

### **Technology & Design:**

The competitive edge for Protein Industries Thabazimbi (Pty) Ltd's proposed plant is the uniqueness and the application of some of the products to be manufactured. With that in mind, the policy of Protein Industries Thabazimbi (Pty) Ltd management is to obtain turnkey renowned processing technology eliminating the often time consuming research.

### **Factors of Production:**

Some 3000 hectares of land under irrigation has been identified for the cultivation of Soya beans in and around the Flag Boshielo irrigation scheme.

### **Financial Projections:**

- Internal Rate of Return 29.8%
- Payback Period After Start-up 2.69 years

### **Location:**

Thabazimbi District – SDI East

### **Project Value:**

R250 million

### **Job Creation:**

300 jobs

### **Concept:**

The project will establish a Soya processing plant in an identified Soya producing area of the Limpopo Province. This area grows between 30 000-45 000 ton Soya beans per annum. The processed product is Soya Milk, Soya Milk Powder and Okora (wet or dry).

The capacity of the plant will be to process about 15 000 ton of Soya Beans per annum. These results in utilizing about 30% of the present crop yield. Expansion of crop can be contracted to emerged farmers to fill the supply gap.

Continued:

### **Project Structure:**

Protein Industries Thabazimbi (Pty) Ltd was established in South Africa in 2000. Trading with oil seeds and specifically soybeans is the speciality.

Good relations with various growers have been established while the soy market trends are experienced.

The company will commercialise the pioneering work done by Agratech Trade CC and other partners for Protein Industries Thabazimbi (Pty) Ltd. Agratech Trade CC has more than 20 years' experience in the processing of soybeans for edible purposes.

Protein Industries Thabazimbi (Pty) Ltd have a core group of highly qualified, experienced and committed people available with experience in various fields of the industry. The services of a chemical engineer with thirteen years' experience in natural product processing, project- and engineering business management is to be employed. A leading accounting company will be selected to audit the business regularly. Reliable staff members including administrative and technical are short-listed for recruitment once this project proceeds.

### **Project Requirements:**

Funding is required for the project to commence as soon as possible, in order to be ready to commence with processing in April / May 2004. This is the onset of the following soy harvesting season in South Africa.

The funding will be utilised for the following:

- Acquisition of a 12 hectare suitable plot
- Erection of suitable buildings, stores, silos, offices and materials handling.
- Acquisition, installation and commissioning of seven (7) processing plant lines
- Working Capital for sufficient start-up during year 1.

**The required amount is: US\$27 466 658m**

### **GOVERNMENT SUPPORT:**

#### **DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)**

#### **TAX INCENTIVE**

**SIP (Strategic Industrial Projects):** 100% of the industrial assets in the case of this project, R450 million in the form of tax relief. This is subject to approval by DTI.

**CRITICAL INFRASTRUCTURE:** Up to 30% of the critical infrastructure can be subsidized by DTI subject to approval.

### **PROVINCIAL GOVERNMENT:**

- Trade & Investment Limpopo:
- incentive applications
  - Liaise with government departments on land issues, EIA
  - facilitation with various stakeholders and investors
- Department of Agriculture:
- Allocate about 4000ha towards the project
  - Will upgrade infrastructure over a period of 5 years
  - Will assist with liaison until communities and extension officers
- Land Commissioner:
- Priority will be given to any land claims or land issue to be addressed

Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
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## **LETSITELE PROCESSORS**

### **Market:**

There is internationally a growing demand for A-Septic fruit and vegetable juices. A report by TRADELINKS shows the demand for mango and tomato juice to be increasing into the future.

The best destinations for mango juice are Europe, United States, China and other Far East Countries.

### **Technology & Design:**

Turnkey Technology Solutions has been negotiating with an Italian equipment manufacturing company. The Italian company will offer technology and management training to local operators for two years.

### **Factors of Production:**

The main risk is the guarantee of a continuous supply of high quality produce. It is of the utmost importance that supplies of fresh fruit and vegetables are secured from producers on a contractual basis. The promoters are confident that attractive contract prices can be negotiated which will be acceptable to the growers.

The climate of the Letsitele area is of a nature that tomatoes can be produced throughout the year.

### **Financial Projections:**

The company will be cash generating within two years of operation. It is expected that the company will have retained earnings of R584 000 at the end of the second year and R6 946 000 at the end of four (4) years.

### **Project Structure:**

Shareholding have been proposed as follows:

- Bruboer
- Black Empowerment (BE)
- Technology Partners
- Letsitele Processors Holdings

**Project Requirements:**

Based on the findings of the detailed feasibility study, the promoters of this project are inviting interested parties from the investment and agro-processing industries to participate in the financing of this project.

**Location:**

Mopani District – SDI Trans-Limpopo

**Project Value:**

R60 million

**Job Creation:**

260 direct and 3 900 indirect jobs

**Concept:**

The production of raw mango and tomato for processing of concentrated juices. Factory raw material requirements are 100 000 tons of tomato for 8 months and 20 000 tons of mango for 4 months.

Some additional 2000 hectare of tomato to be cultivated to meet the throughput requirements of the factory.

**GOVERNMENT SUPPORT:****DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)****TAX INCENTIVE**

**SIP (Strategic Industrial Projects):** 100% of the industrial assets in the case of this project, R450 million in the form of tax relief. This is subject to approval by DTI.

**CRITICAL INFRASTRUCTURE:** Up to 30% of the critical infrastructure can be subsidized by DTI subject to approval.

**PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo: - incentive applications

- Liaise with government departments on land issues, EIA

- facilitation with various stakeholders and investors

Department of Agriculture:

- Allocate about 4000ha towards the project

- Will upgrade infrastructure over a period of 5 years

- Will assist with liaison until communities and extension officers

Land Commissioner:

- Priority will be given to any land claims or land issue to be addressed

Loan Funding:

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## **Integrated Animal Feed (Boskos)**

### **Location:**

Bela Bela Municipality, Waterberg District, East West SDI

### **Project Value:**

R10 million

### **Job Creation:**

35 jobs

### **Concept:**

The project entails an animal feed production plant, processing invader bush through a patented process, to animal feeds suitable for game, horses and cattle.

It is hard to believe there is a primary crop which, in harvesting and processing:

- Clears and abates land and encroachment and bush thickening
- Yields a highly nutritious natural organic animal feed rich in trace elements from the soil
- Helps to restore indigenous grassland to their natural state
- Improves actual rainfall on reclaimed land
- Reduces loss of scarce water resources attributable to bush encroachment
- Increase of carrying capacity of grazing, not only on farms
- Provides job opportunities.

### **Market:**

The market includes the following segments:

- Game farming operation
- Zoo operators
- Horse owners
- International game market
- Cattle Farmers
- Wes Enterprise (Pty) Ltd has great success in these market segments and opportunity exist to extend this with more than 200%.

### **Infrastructure and Logistics:**

The de-bushing and feed production require basic road and communication infrastructure, as should be available in most areas.. The location of the production plant is important, since transport cost for the de-bushing operation will significantly influence viability of the integrated cluster.

Transport and Logistic support:

- Delivery of mulch to production plant
- Access to diesel and mil
- Access to electricity for cutting vehicles to be re-charged
- Housing and food for field staff
- 5 to 20 km operational from feed plant.

### **Financial Projections:**

- Investment Value: R10 million
- Gross Margin 27%

- Turnover: Year 1 R28 million  
Year 2 R42 million  
Year 3 R52 million

Business plan available on request.

**Project Need:**

Investor R10 million

**GOVERNMENT SUPPORT:**

**DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)**

Small, Medium Enterprise Development Programme:

- Tax free Investment Grant
- 2 years on approved qualifying assets
- 1 additional year if HR costs is at least 30% of operational cost.
- First R5 million 10% per annum R500 000
- Next R10 million 6% per annum R600 000
- Next R15 million 4% per annum R600 000
- Next R20 million 3% per annum R600 000
- Next R25 million 2% per annum R500 000
- Next R25 million 1% per annum R250 000

**MAX R100 million**

**R3 050 000**

In this case, a grant of R800k per annum for three years, which results in a total tax free grant of R2,4 million. This is subjected to DTI approval.

**PROVINCIAL GOVERNMENT:**

- Trade & Investment Limpopo: -incentive applications  
-Liaise with government departments on land issues, EIA  
-facilitation with various stakeholders and investors
- Land Commissioner: -Priority will be given to any land claims or land issue to be addressed
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## **Limpopo Aquaculture**

### **Location:**

Tzaneen Municipality, Mopani District, Phalaborwa SDI

### **Project Value:**

R6 million

R10 million for expansion

### **Job Creation:**

15 jobs

30 jobs for expansion

### **Concept:**

Farming with the Africa Sharptooth Catfish under intensive conditions. These fish are grown out to maturity under super intensive conditions where the population density ranges between 1kg of live fish to 1,5 liters of water.

There is a growing demand worldwide for protein, especially with the cut back on cholesterol and animal fats. The consumption of fish is growing across the globe and proved by the declining sources of fish around the world.

### **Market:**

All fish grown at the plant will be exported to the Far East. The problem, however, is the demand completely outstrips the supply capacity and it is foreseen that within a short while, the establishment of more plants in South Africa, will make it possible to supply the market. The South Africa Catfish Projects organizes itself in a coordinated marketing body to address the requirements of the markets.

The quality of the fish is the same as Kingklip and there is no doubt that the market will be demanding more and more of this fine tasting fish.

### **Technology and Design:**

The technology used for producing the catfish comes from Europe and has been modified to suite South Africa's conditions. South Africa has a unique indigenous catfish called the Sharptooth Catfish (*Clarias Gariepinus*) which has 7 sub genera, one of which occurs in Ethiopian river systems and another in West African waters. The other 5 sub genera in the Southern Africa river system. This is of great significance for sustainable breeding stock due to the fact that cross breeding a female out the Orange River and a male from the Olifants River results in a phenomenon known as *Hybrid Vigour*, where the time taken for a fish to reach maturity (1.6kg) is reduced from 9 to 6 months. Under the intensive Aquaculture conditions, this catfish grows at a rate of 1kg of fish per 1kg of feed.

**Financial Projections:**

-Investment Value: R6 million  
 -Return on Investment (ROI) 60%

Business plan available on request.

**Project Need:**

Co-Investor R3 million  
 Investment in Expansion R10 million

**GOVERNMENT SUPPORT:****DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)**

Small, Medium Enterprise Development Programme:

- Tax free Investment Grant
- 2 years on approved qualifying assets
- 1 additional year if HR costs is at least 30% of operational cost.
- First R5 million 10% per annum R500 000
- Next R10 million 6% per annum R600 000
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- Next R25 million 2% per annum R500 000
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**MAX R100 million**

**R3 050 000**

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**PROVINCIAL GOVERNMENT:**

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 -Liaise with government departments on land issues, EIA  
 -facilitation with various stakeholders and investors

Land Commissioner: -Priority will be given to any land claims or land issue to be addressed

Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
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## **Giyani Essential Oils (GEO) (Pty) Ltd**

### **Location:**

Middle Letaba Irrigation Scheme, Giyani Municipality, Phalaborwa SDI

### **Project Value:**

R5,2 million (first phase)

### **Job Creation:**

250 permanent jobs

250 seasonal jobs

25 Contract Growers

### **Concept:**

The project will be developed in phases with a “core” plantation and Contract Grower emerging farmers, who participate as shareholders. The project will produce a quick return, high value, low risk, organically grown and certified, export oriented, alternative crop (Geranium and other plant oils) with many advantages over conventional crops such as:

- No theft problem or damage by insects and animal pests
- Perennial crop harvested within 6 months
- Low cost storage and transport of the finished product
- Suited to future adding value and agro-industrial development
- Non-perishable at ambient temperatures

### **Market:**

The high value market for essential oils is 99% export oriented and targets the lucrative Northern Hemisphere’s well-developed markets (N. America, EU, UK & Japan). The oil produced will be distributed internationally by Biosys Plant Extracts (Pty) Ltd., a CSIR and Biosys (Pty) Ltd. (UK) essential oil marketing joint venture.

### **Technology and Design:**

Biochemtek, a division of the CSIR will provide all technical and scientific support. Biochemtek will provide the technology required to extract the oil by steam distillation, condensation and floatation. Biochemtek will also provide the scientific Gas Chromatography (GC) analysis, quality assessment and technical support. Ecocert SA will provide the protocol for organic production and certification. The Strategic Partner will provide plant material, agricultural expertise in essential oil production and management.

### **Factors of Production:**

In Biochemtek (CSIR) controlled trial plantings, the region has proved itself to be “ideal” in terms of quality and oil yield per ha. The project will be situated on well drained “A” class irrigation soils with water from the Middle-Letaba Dam and canal system. The climate is ideal – generally hot and dry, frost free, with a long growing season. The crop will be grown 100% organically, according to EU and Eurepgap Organic Protocols and accreditation and will be certified by Ecocert SA. Innovative practices such as “Vermiculture” and Biological Pest Control (IPM) will be used.

### **Financial Projections:**

The project incorporates a number of cost reducing strategies that will give it a “Sustained Competitive Advantage” over its competitors – these are:

- Hire Purchase and leasing of expensive capital equipment
- 5 year contractual use of a CSIR distillery that will be established in the area
- Low cost land, leased on a long-term basis.

**Project Requirements:**

Seed Capital R600 000

Phase 1 (5 years) of the project has a total capital requirement of R5,2 million.

An investor and "Strategic Partner" will invest R1,6 million over 5 years and a distillery will be funded internally in year 5.

**GOVERNMENT SUPPORT:****DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)**

Small, Medium Enterprise Development Programme:

- Tax free Investment Grant
- 2 years on approved qualifying assets
- 1 additional year if HR costs is at least 30% of operational cost.
- First R5 million 10% per annum R500 000
- Next R10 million 6% per annum R600 000
- Next R15 million 4% per annum R600 000
- Next R20 million 3% per annum R600 000
- Next R25 million 2% per annum R500 000
- Next R25 million 1% per annum R250 000

**MAX R100 million**

**R3 050 000**

In this case, a grant of R800k per annum for three years, which results in a total tax free grant of R2,4 million. This is subjected to DTI approval.

**PROVINCIAL GOVERNMENT:**

- Trade & Investment Limpopo: -incentive applications  
 -Liaise with government departments on land issues, EIA  
 -facilitation with various stakeholders and investors
- Land Commissioner: -Priority will be given to any land claims or land issue to be addressed
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 Business Partners  
 Limdev  
 Commercial Banks.

## **TOURISM**

### **Nylsvlei Nature Reserve**

**Market:** Corporate, meetings, corporate training market and niched leisure markets (Birding market).

**Facilities:** The current infrastructure of a group camp, a camping site, picnic area and five bird hides will be upgraded and expanded to encompass the following:

- 15 self catering two bedroom eco-chalets;
- 20 serviced camp sites;
- lapa with bar to accommodate 40 guests;
- sub-divisible and column-free serviced meeting room for 40 delegates;
- curio shop;
- coffee shop and tea garden with 30 covers;
- picnic site to accommodate 20 picnic spots.
- swimming pool;
- variety of bird hides, nature trails and viewing points.

**Project Structure:**

Community shareholding and involvement is anticipated

**Project Requirements:**

Equity Funding and the Entrepreneur

**Financial Projections:**

**Location:**

220 kilometres north of Johannesburg

**Potential Investment Value:** R16-20 million

**Job Creation:** 10-15 jobs

**Concept:** Upgrade and commercialisation of existing Provincial Game

Reserve Nylsvlei Nature Reserve is located between the Waterberg Biosphere to the northwest and the Springbok Flats to the southeast. It is approximately 220 kilometres north of Johannesburg and incorporates 4 000 hectares of wetland. The Nylsvlei Nature Reserve is the premier Ramsar site and the largest inland wetland in South Africa. Nylsvlei was proclaimed a provincial nature reserve in 1974 and officially recognised as an inland wetland and accorded RAMSAR status in 1998. The nature reserve is an ideal area to promote sustainable ecotourism and conservation in context with the investment opportunity. Ecotourism and its sustainability must be the guiding inspiration for the development.



## Musina Baobab Lodge Budget Hotel

**Market:** Corporate travellers, government officials, overland heavy goods drivers and leisure tourists en route between South Africa and countries north of its borders.

The Reserve lies 530 kilometres North of Johannesburg, 20 kilometres South of the Beitbridge border post with Zimbabwe and 550 kilometres South of Zimbabwe's capital, Harare. The Nature Reserve covers an area of 4 910 hectares and is home to a variety of game including leopard and sable, as well as the largest concentration of Baobab trees in the world.

### Facilities:

- 50 room hotel of a two star standard offering budget accommodation;
- lobby with bar and facility to serve light meals on an informal basis;
- 30 camp sites with electricity, points, barbeque facilities and communal ablution blocks;
- 100 people multi-purpose function hall with kitchen
- Picnic area with lawn, fenced swimming pool and 15 picnic sites;
- Bush camp with 10 safari tents, communal self-catering lapa area, and ablution facilities.

### Project Structure:

Community shareholding and involvement is anticipated

### Project Requirements:

Equity Funding and the Entrepreneur

### Financial Projections:

Operating Year	2004	2005	2006	2007	2008
Room Occupancy percentage	60.00%	65.00%	70.00%	75.00%	80.00%
Average Room Rate	175.44	175.44	175.44	175.44	175.44
Total Revenue (R'000)	3 130	3 399	3 675	3 943	4 212
Gross Operating Profit (R'000)	1 441	1 589	1 749	1 904	2 063
Gross Operating Profit Percentage	46.00%	46.80%	47.60%	48.30%	49.00%
Net Operating Profit (R'000)	1 347	1 487	1 639	1 786	1 937
Net Operating Profit Percentage	43.00%	43.80%	44.60%	45.30%	46.00%

### Location:

5 km south of Musina in the Messina Nature Reserve in Trans-Limpopo SDI of the Limpopo Province.

### Potential Investment Value:



proposed development at Masebe Nature Reserve. The International leisure market comprises international tourists visiting the Waterberg primarily for game viewing and trophy hunting. Demand will also be generated from the domestic and international meetings market.

**Facilities:**

The facilities at Masebe Family Resort should be upgraded and developed to include:

- management offices;
- 20 self-catering chalets to compliment the existing supply;
- camping and caravan site with 40 stands;
- convenience store supplying basic items;
- upgrading of the meeting facility;
- restaurant with seating capacity for 60, linked to the boma and a kitchen;
- boma with games room and ablution facilities;
- repair of the existing swimming pool and
- addition of a second swimming pool;
- stables and trails for game viewing on horseback; and
- hiking and mountain biking trails.

**Project Structure:**

Community shareholding and involvement is anticipated

**Project Requirements:**

Equity Funding and the Entrepreneur

**Financial Projections:**

<b>Operating Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Room Occupancy %	45.00%	48.00%	52.00%	56.00%	60.00%
Average Chalet Rate	R438.60	R438.60	R438.60	R438.60	R438.60
Camping Occupancy %	44.40%	49.30%	54.10%	59.00%	63.90%
Average Site Rate	R73.26	R72.95	R72.70	R72.50	R72.32
Operating Revenue (R'000)	6 543.0	7 092.8	7 680.9	8 271.7	8 928.1
Gross Operating Profit (R'000)	1 893.7	2 781.4	3 232.1	3 685.7	4 173.9
Gross Operating Profit %	28.90%	39.20%	42.10%	44.60%	46.80%

**Location:**

25 kilometres southeast of Marken in East-West SDI of the Limpopo Province.

**Potential Investment Value:**

R8-12 million

**Job Creation:**

35-40 jobs

**Concept:**

Upgrade and commercialisation of existing Provincial Game Reserve

The Reserve forms part of the Waterberg Mountain range. It has some of the most dramatic sandstone formations along the Waterberg escarpment and



food preparation facilities and •bar area for up to 50 people;•restaurant and bar with seating capacity for 120 persons; and•retail outlet selling locally produced curios, crafts and basic amenities. Located to enable easy access by vehicle from the N1 highway, away from environmentally sensitive areas and offering good views of the valley. **Project Structure:**

Community shareholding and involvement is anticipated

**Project Requirements:**

Equity Funding and the Entrepreneur

**Financial Projections:**

<b>Operating Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Room Occupancy	50.00%	54.00%	58.00%	62.00%	66.00%
Average Room Rate	458.62	467.62	472.81	478.01	485.89
Total Revenue (R'000)	14 817	16 195	17 596	18 935	20 385
Gross Operating Profit	6 209	7 201	8 243	9 242	10 250
Gross Operating Profit	41.90%	44.50%	46.80%	48.80%	50.30%

**Location:**

Makapan valley, outside Mokopane, in Trans-Limpopo SDI of the Limpopo Province.

**Potential Investment Value:**

R55-60 million

**Job Creation:**

55-60 jobs

**Concept:**

The lodge and conference centre facilities in combination with the historical and natural significance of the site will attract the identified market to Makapan Valley. The growing trend to host meetings, training workshops and other such events in rural locations (in relative close proximity to commercial centres) provides Makapan Lodge and Conference Centre with the opportunity to successfully target the MICE market.

The project site is in the Makapan Valley and lies adjacent to the Potgietersrus Game Breeding Centre (PGBC), which is stocked with both exotic and indigenous animals. The site is of great natural, historical, archaeological and palaeontological significance and includes a number of caves and other historical sites, and is in the process of applying for world heritage site status.

**GOVERNMENT SUPPORT:**

**DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)**

Small, Medium Enterprise Development Programme:

- Tax free Investment Grant
- 2 years on approved qualifying assets
- 1 additional year if HR costs is at least 30% of operational cost.
- First R5 million                      10% per annum                      R500 000

• Next R10 million	6% per annum	R600 000
• Next R15 million	4% per annum	R600 000
• Next R20 million	3% per annum	R600 000
• Next R25 million	2% per annum	R500 000
• Next R25 million	1% per annum	R250 000

**MAX R100 million**

**R3 050 000**

In this case, a grant of R800k per annum for three years, which results in a total tax free grant of R2,4 million. This is subjected to DTI approval.

### **PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo:	-incentive applications -Liaise with government departments on land issues, EIA -facilitation with various stakeholders and investors
Land Commissioner:	-Priority will be given to any land claims or land issue to be addressed
Loan Funding:	-TIL has a strong network with various funding institutions, i.e. DBSA IDC Business Partners Limdev Commercial Banks.

### **Moepel Farms Eco-Training Centre**

**Market:** Demand for the proposed development will be generated from eco-tourism students, the hunting market, incentive and teambuilding groups, and special interest leisure tourists.

#### **Facilities:**

The training centre can be located on the peripheries of Moepel farms in order to ensure ease of access, reduction of infrastructure cost and preservation of the environment.

Moepel Eco-training Centre should include:

- tented accommodation consisting of 20 safari tents of a four star standard;
- a central training complex comprising of a reception, a meeting facility,
- library and study area,
  - support facilities and equipment such as a gun safe; binoculars, etc.;
- boma with kitchen, indoor dining area, bar and recreation room;
- swimming pool;
- a 4X4 training course;
  - hunting related infrastructure such as taxidermy, cold storage and biltong preparation facilities;
- a teambuilding course with purpose-built teambuilding structures.

A variety of training courses will be offered in order to accommodate the requirements of the individual groups.

#### **Project Structure:**

Community shareholding and involvement is anticipated

#### **Project Requirements:**

Equity Funding and the Entrepreneur  
**Financial Projections:**

<b>Operating Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Tent Occupancy %	45.50%	49.50%	54.60%	60.70%	68.80%
Average Tent Rate	R961.65	R961.57	R961.65	R961.63	R961.72
Total Revenue (000's)	R3 719	R4 046	R4 464	R4 965	R5 626
Gross Operating Profit (000's)	R701	R945	R1 204	R1 516	R1 926
Gross Operating Profit %	18.80%	23.40%	27.00%	30.50%	34.20%

**Location:**

Between Mokopane/Potgietersrus and Marken in East-West SDI of the Limpopo Province.

**Potential Investment Value:**

R20-25 million

**Job Creation:**

19+ jobs

**Concept:**

Eco-tourists want to learn more about the environment, wildlife, ecosystems, etc. There is a need for a product that serves both the supply and demand sides of the eco-tourism sector. Moepel farms is a suitable location for a centre that can address this demand as it lies in the heart of one of South Africa's foremost developing eco-tourism areas and offers easy access from its feeder markets

**GOVERNMENT SUPPORT:**

**DEPARTMENT OF TRADE & INDUSTRY (NATIONAL)**

Small, Medium Enterprise Development Programme:

- Tax free Investment Grant
- 2 years on approved qualifying assets
- 1 additional year if HR costs is at least 30% of operational cost.
- First R5 million                      10% per annum                      R500 000
- Next R10 million                      6% per annum                      R600 000
- Next R15 million                      4% per annum                      R600 000
- Next R20 million                      3% per annum                      R600 000
- Next R25 million                      2% per annum                      R500 000
- Next R25 million                      1% per annum                      R250 000

**MAX R100 million**

**R3 050 000**

In this case, a grant of R800k per annum for three years, which results in a total tax free grant of R2,4 million. This is subjected to DTI approval.

**PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo:      -incentive applications

- Liaise with government departments on land issues, EIA
  - facilitation with various stakeholders and investors
- Land Commissioner: -Priority will be given to any land claims or land issue to be addressed
- Loan Funding: -TIL has a strong network with various funding institutions, i.e.
- DBSA
  - IDC
  - Business Partners
  - Limdev
  - Commercial Banks.

## Makapan Valley Adventure Camp

**Market:** Demand for the proposed development will primarily be generated from the school and youth group markets. Secondary markets will include tertiary education and special interest groups. In addition to groups visiting the site for its unique qualities, there are other groups that travel to a destination primarily to get away from urban centres and to create closer bonds between the individuals in the group. These include church groups, mens groups, sports groups and holiday camps.

### Facilities:

We recommend that the camp include the following facilities:

- accommodation for student groups in six dormitories (max 192 students)
- teachers' accommodation in close proximity to the dormitories;
- small bar for university students and teachers;
- themed hiking trails to the caves, the breeding centre and scenic lookout points;
- separate enclosure with ablution area to allow visitors to "sleep under the stars"

The project will be located in a safe area and on the peripheries of the reserve. The site will be easily accessible for coaches and in a non-ecologically sensitive area to ensure that the ecological attributes of the site are not endangered.

### Project Structure:

Community shareholding and involvement is anticipated

### Project Requirements:

Equity Funding and the Entrepreneur

### Financial Projections:

Operating Year	2004	2005	2006
Bed Occupancy Percentage	40%	55%	65%
Average Bed Rate	R91.95	R91.95	R91.95
Total Revenue (000's)	R3 044	R4 182	R4 943
Gross Operating Profit (000's)	R519	R912	R1,243
Gross Operating Profit %	17.10%	21.80%	25.10%



Business Partners  
Limdev  
Commercial Banks.

## Doorndraai Dam Leisure Village

**Market:** Demand for Doorndraai Dam Leisure Village will be generated predominantly from the leisure market (free independent tourists, tour groups, special interest tours and day visitors) and the MICE markets (conferences, meetings, incentives, teambuilding, social events and product launches).

### Facilities:

The facilities at Doorndraai Dam Leisure Village should be developed to include:

- hotel accommodation, 150 rooms and suites;
  - fully serviced, exclusive caravan park with 30 sites;
  - sports complex and water-sport centre;
  - buffet breakfast room seating up to 120 people and
  - a la carte floating restaurant seating up to 100 people;
  - sports bar with a capacity of 75; and
  - conference centre with a capacity for 200 delegates
  - small business centre.
- The Doorndraai Dam Leisure Village will be located within easy access of the N1 highway and on the banks of the Dam. The hotel and Conference Centre will be designed in a manner that will maximise views of the Dam.

### Project Structure:

Community shareholding and involvement is anticipated

### Project Requirements:

Equity Funding and the Entrepreneur

### Financial Projections:

Operating Year	2004	2005	2006	2007	2008
Room Occupancy percentage	48%	52%	57%	61%	65%
Average Room Rate (R)	463.07	468.01	472.94	477.88	482.81
Caravan and camping occupancy %	20%	25%	30%	35%	40%
Average site rate (R)	263.16	263.16	263.16	263.16	263.16
Operating Revenue (R'000)	19 875	21 921	24 347	26 327	28 472
Gross Operating Profit (R'000)	7 352	8 952	10 861	12 481	14 198
Gross Operating Profit Percentage	37.00%	40.80%	44.60%	47.40%	49.90%

### Location:

Approx 100km?? South of Polokwane.

The Doorndraai Dam Nature Reserve is located at the crossroads of the N1 between Pretoria in the South and Polokwane in the North, and the N11, which leads towards Groblersbrug on the Botswana border.



## **MINING**

### **Waterberg Coal Liquification**

#### **Project Location**

Lephalele Municipality, Waterberg District, East-West SDI

#### **Project Purpose**

Encourage exploitation of the coal resources with the objective of producing petro-chemicals and coal-bed methane gas locally.

**Project Value** R10 billion

**Job Creation** 1000

#### **Project Description/concept**

The project is about establishing a factory for producing petro-chemicals and Coal Bed Methane Gas (CBM) from coal mined between Grootgeluk mine and Nylstroom town within the Waterberg coalfield. The major coal producing areas in South Africa have reached maturity and large-scale expansions are limited. It is therefore necessary that an energy strategy be developed for sustainable development of the coal and gas resources of the Waterberg. The Waterberg coalfield offers the potential to sustain energy development in the long term when coal production enters a declining phase in the traditional high producing areas. The Waterberg, with its 6.5 billion tons of coal reserve, is considered to be the third largest national coal reserve after Witbank and Highveld. The Waterberg coal can be used for the following:

- Gas generation
- Direct liquification as fuel by Sasol
- To generate electricity via the PF combustion
- To be used as a blend coking coal by Iscor
- Use in the ferro-alloy industries

**Financial implications** The project will be a multi billion one.

**Project structure** No formal structure is at place now.

**Project requirements** Project promoters                      Project funders                      Mineral  
and prospecting rights                      Equity partners

**NOTE:** This is the project that can revolutionalise the province in terms of industrialization, job creation, investment mobilization, research and development, skills development and infrastructural development.

### **GOVERNMENT SUPPORT: PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo: -facilitation of loan funding  
-Liaise with government departments on land issues  
-facilitation with various stakeholders and investors  
-assist with application for mining rights

Land Commissioner: -liaison with DME  
-Priority will be given to any land claims or land issue to be addressed

Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
DBSA  
IDC  
Business Partners  
IFC  
Africa Development Bank  
Limdev  
Commercial Banks.

### **DSJATE Platinum Project**

**Project Location** 120 km South-East of Polokwane within the Dilokong SDI

**Project Value** +/- R2.5 billion

**Job Creation** 1000

**Project Description** The project is to mine Platinum Group Metals on three farms (Dsjate 249 KT/Quartzhill 452 KT/ Fernkloof 539 KT) in the eastern limb of the Bushveld Complex. These farms, are underlain by the Merenskey and UG2 Reefs

**Market** The market for Platinum Group Metals is mostly at the international level and prospects are that demand will exceed supply for the next coming ten years. The focus is currently on the automotive and jewellery industries.

**Technology and design** The project will be of deep mining method

**Stages of Development**

The project should first go through the prospecting phase

**Financial implications**

The prospecting stage will require R25 million (US \$4 mil)

The construction stage will require R2.3 billion (US \$300 mil)

The beneficiation plant will require R210 million (US \$30 mil) The operational cost will be about US \$600/oz

**Project structure**

The project is currently under the Sebatakgomo Mining Consortium

**Project requirements**

Project funder and a JV partner (technical)

**Progress**

Prospecting permit awarded to Sebatakgomo Consortium.

### **GOVERNMENT SUPPORT: PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo: -facilitation of loan funding  
-Liaise with government departments on land issues  
-facilitation with various stakeholders and

- investors
- assist with application for mining rights
- liaison with DME
- Land Commissioner: -Priority will be given to any land claims or land issue to be addressed
- Loan Funding: -TIL has a strong network with various funding institutions, i.e.
  - DBSA
  - IDC
  - Business Partners
  - IFC
  - Africa Development Bank
  - Limdev
  - Commercial Banks.

### **Matlala Platinum Project**

**Project Location** 60km north-west of Polokwane within the East-West SDI

**Project Value** +/- R2 billion

**Job Creation** 1000

**Project Description** The project is to mine Platinum Group Metals on seven farms in the northern limb of the Bushveld Complex (Platreef). Mineralization is most intense in a 20m thick pyroxenite and disseminated base metal sulphides are common.

**Market** The market for Platinum Group Metals is mostly at the international level and prospects are that demand will exceed supply for the next coming ten years. The focus is currently on the autocatalytic and jewellery industries.

**Technology and design** The project will be of deep mining method **Stages of Development** The project should first go through the prospecting phase

**Project structure** The project is currently under Nkgapu Investments (PTY) Limited. **Project requirements** Project funder and a JV partner (technical)

Prospecting fees +/- R10 million **Progress** A prospecting permit has been awarded to Nkgapu Investments A desktop study from Council for Geo-science has been obtained

### **GOVERNMENT SUPPORT: PROVINCIAL GOVERNMENT:**

- Trade & Investment Limpopo: -facilitation of loan funding
- Liaise with government departments on land issues
- facilitation with various stakeholders and investors
- assist with application for mining rights
- liaison with DME
- Land Commissioner: -Priority will be given to any land claims or land issue to be addressed

Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
DBSA  
IDC  
Business Partners  
IFC  
Africa Development Bank  
Limdev  
Commercial Banks.

## **Pelawan Platinum Project**

**Project Location** 80km south-east of Polokwane within the Dilokong SDI

**Project Value** +/- R2.5 billion **Job Creation** 1000 **Project Description** The project is to mine Platinum Group Metals on four farms, namely Avoca 472 KS, De Kamp 507 KS, Klipfontein and Pashaskraal in the eastern limb of the Bushveld Complex. The project will be a 50:50 Joint Venture between AngloPlatinum and a Black Consortium, and the project will be known as Pashaskraal JV. The JV partners will each contribute two farms towards the project. AngloPlatinum will provide the technical expertise and part of the finance. They are currently doing prospecting on the properties on behalf of the Joint Venture

**Market** The market for Platinum Group Metals is mostly at the international level and prospects are that demand will exceed supply for the next coming ten years. The focus is currently on the automotive and jewellery industries.

### **Technology and design**

The project will be of deep mining method

### **Stages of Development**

The project should first go through the prospecting phase

**Project structure** The project is currently under Pelawan (PTY) Limited. Project promoter is Ms. Alice Phatudi – 083 268 7015

### **Project requirements**

Project funder Prospecting fees +/- R25 million

**Progress** Prospecting permit awarded to Pelawan Inve

## **GOVERNMENT SUPPORT: PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo: -facilitation of loan funding  
-Liaise with government departments on land issues  
-facilitation with various stakeholders and investors  
-assist with application for mining rights  
-liaison with DME

Land Commissioner: -Priority will be given to any land claims or land issue to be addressed

Loan Funding: -TIL has a strong network with various funding institutions, i.e.

DBSA  
IDC  
Business Partners  
IFC  
Africa Development Bank  
Limdev  
Commercial Banks.

### **Steamboat Graphite**

**Project Location** 50km west of Alldays within the Trans-Limpopo SDI  
**Project Value** +/- R130 million **Job Creation** 300 **Project Description** The project is about mining a flake graphite deposit occurring within a graphitic gneiss horizon in the Gumbu Group rock formation of the Beitbridge Complex. The graphic content of 8.8% has been found to be occurring as disseminated flakes of up to 2mm in diameter. The farms involved are Steamboat 306 MR and Inkom 305 MR. Previous work done depicted proven reserves of up to 2.5 million tons with indicated reserves of up to 3.5 million tons.

**Market** The project will serve an international market.

**Technology and design** Mintek was requested to run the pilot plant and they will therefore provide the necessary technology.

**Stages of Development** The project has gone through the prospecting and the piloting phases.

**Project structure** No project structure is in place.

**Project requirements** •Project funder•Equity partnership•Confirmed market **Progress** Geotechnical report doneü Technology availableü TIL to serve as the promoter

### **GOVERNMENT SUPPORT: PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo: -facilitation of loan funding  
-Liaise with government departments on land issues  
-facilitation with various stakeholders and investors  
-assist with application for mining rights  
-liaison with DME  
Land Commissioner: -Priority will be given to any land claims or land issue to be addressed  
Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
DBSA  
IDC  
Business Partners  
IFC  
Africa Development Bank  
Limdev

Commercial Banks.

## **Storm Manganese**

**Project Location** 60km south of Polokwane within the Dilokong SDI **Project Value** +/- R80 million **Job Creation** 50 **Project Description** The project is about the mining of a manganese deposit occurring within the Eccles Formation of the Chuniespoort Group. The deposit constitutes a few narrow zones and encrustations of pyrosulite and psilomelane confined in a 1m wide zones within the Chert Breccia which is about 50m wide. The farm involved is Storm 370 KS.

Previous work done depicted proven reserves of up to 1 million tons of 25% MnO<sub>2</sub> and indicated reserves of up to 4 million tons with 6% Magnesium dioxide (MnO<sub>2</sub>). The project was once operated on a trial basis by a private concern during 1996 but has since been unable to proceed with the actual mining phase.

**Technology and design** Mintek has done pilot plant and they will therefore provide the necessary technology.

**Stages of Development** The project has gone through the trial mining phase.

**Project structure** No project structure is in place.

**Project requirements**

- Project funde
- Equity partnership
- Confirmed market

### **Progress**

Geo-technical report done

Technology available

TIL will serve as project facilitators and promoters

### **GOVERNMENT SUPPORT: PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo: -facilitation of loan funding  
-Liaise with government departments on land issues  
-facilitation with various stakeholders and investors  
-assist with application for mining rights  
-liaison with DME

Land Commissioner: -Priority will be given to any land claims or land issue to be addressed

Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
DBSA  
IDC  
Business Partners  
IFC  
Africa Development Bank  
Limdev

Commercial Banks.

### **Mollendraai Vanadium**

**Project Location** 30km west of Mokopane within the East-West SDI **Project Value** +/- R100 million **Job Creation** 100 **Project Description** The project is about the mining of a magnetite deposit occurring in the main magnetite layer of the Upper Zone of the Bushveld Complex in the northern limb. The main magnetite layer in this area is about 8m thick and occurs about 230m above the first appearance of the magnetite in the sequence and some 110m above the lowest layer. The farms Gezond 235 KR, Commandodrift 238 KR, Mollendraai 807 LR and Mozambique 807 LR were investigated by Mining Corporation during 1986 and found the layer to be containing an average of 1,69% vanadium (V<sub>2</sub>O<sub>5</sub>).

**Market** The project will serve about 60% of the International market and the balance consumed nationally.

**Technology and design** ISCOR (Kumba Resources) has done test pilot plant and will therefore provide the necessary technology.

**Stages of Development** The project has gone through the trial mining phase.

**Project structure** No project structure is in place.

**Project requirements** •Project funder•Equity partnership•Confirmed market

#### **GOVERNMENT SUPPORT: PROVINCIAL GOVERNMENT:**

Trade & Investment Limpopo: -facilitation of loan funding  
-Liaise with government departments on land issues  
-facilitation with various stakeholders and investors  
-assist with application for mining rights  
-liaison with DME

Land Commissioner: -Priority will be given to any land claims or land issue to be addressed

Loan Funding: -TIL has a strong network with various funding institutions, i.e.  
DBSA  
IDC  
Business Partners  
IFC  
Africa Development Bank  
Limdev  
Commercial Banks.

## POLOKWANE GAME RESERVE

Concept	Expanding the existing municipal game reserve into a fully-fledged tourist attraction. The reserve conserves one of the largest pristine examples of this habitat, along with its associated plant and animal species. The diversity includes 38 reptile, 58 mammal and 14 frog species, more than 300 bird and over 100 different grasses and 68 tree and shrub species.
Background	<p>The reserve was originally established in 1962 as a recreation facility for the area by the municipality. It was later realized that a significant portion of the reserve included a unique and very threatened vegetation type known as the <i>Pietersburg Plateau False Grassland</i>. The area was given conservation status.</p> <p>Existing facilities at the reserve include game viewing, game drives and night drives, walking and hiking trails, day visitors picnic site, a beautifully thatched facility for functions, 18 chalets, a 40 stand caravan park with power points, 50 camping sites and a double storey farmhouse which has been converted into a guesthouse.</p> <p>Other facilities include mountain bike routes and a private eco-tourism venture offering horse trails, bush breakfasts, bush barbeques and activities specially aimed at children.</p>
Market	A ready local market exists, while the foreign market can be exploited with great effect. The unique and distinctive variety of habitation and animal species places this reserve in a highly marketable position.
Location	The 3 250 hectares reserve is one of the largest municipal nature reserves in the country. It lies on an elevated plateau with an altitude ranging between 1 200 to 1 500 metres above sea level. The average rainfall per annum is 478 mm. The reserve is 8 km from the city center.
Profile	Investors are required for a joint-venture or a Public/ Private Partnership with the City of Polokwane.
Investment	The total funding requirement is between US\$600 000 and US\$1 million. With an existing occupancy rate of 84 % in accommodation only, income will be retained as from year 1.
Support	As the owners of the reserve, the City of Polokwane supports the proposal. Assistance will be provided by the City of Polokwane's nature conservation and parks unit.

