



# 5 Steps to African State Investment in Mining Projects Using Only the Mineral Resource as Capital



## STAGE 1 | Secure Government Mandate



RCA secures government mandate to assist it in identifying investment opportunities in the natural resources sector to be developed into project portfolios that can be financed and delivered by international partners using only the resource and production as the financing tools.



RCA works with relevant government departments and agencies to design and structure identified projects into viable investment portfolios. These are designed to deliver inclusive growth and long-term prosperity to local communities with defined qualitative and quantitative financial benefits as the key result indicators (KRIs).



RCA assists government with developing business strategies and contract documentation for construction and delivery of the project portfolios by international contractors and financiers on a complete turnkey package basis, including project finance.



The final project configuration includes all elements required to achieve RCA's key objective of delivering debt-free economic development and inclusive growth through investment in the productive sector by solely using the natural resource and production as the capital.

An integral part of the RCA's mission is the delivery of rapid and inclusive prosperity to Africa's people directly through industrial production that is locally owned so that the net wealth created is reinvested in local development, local prosperity, and local growth instead of being remitted to foreign countries.

## STAGE 2 | Mobilisation of RCA Project Delivery Consortium

1. Final contract meets the requirements of all parties for delivery of the project portfolio as a complete end-to-end solution including independent professional management of the business operations until full repayment of the project finance loan.

2. RCA submits project portfolio to its international consortium of suppliers, contractors and production off-take buyers for expression of interest in opting in or out of the project delivery consortium.

5. RCA presents a composite offer to the client government for construction and delivery of the project portfolio on a complete turnkey package basis, including project finance. RCA financing syndicate finalises all elements of project financing structure, loan agreements and project operating framework with project sponsor and government.

6. Final contract meets the requirements of all parties for delivery of the project portfolio as a complete end-to-end solution including professional management of the production and operations until full repayment of the project loan.

3. Consortium opt-inners submit price offers and project delivery plans for their elements of the project portfolio to RCA. RCA reviews, negotiates and moderates the prices to produce the most competitively priced turnkey project delivery package for consideration by the client government.

4. RCA submits costed project delivery package to consortium financing partners for opt in or out of the project financing syndicate. Puts together an opt-inners project financing syndicate and obtains a combined term sheet for the financial package

## STAGE 3 | Signing of Contracts and Financial Drawdown



1. Contracts signed between government, project implementing department/agency and main contractor; and between the main contractor and subcontracting partners.
2. Project finance agreement executed between the parties. Payment structure to include currency exchange and escrow account arrangements.
3. Operations Agreement executed between government and contractors. Contractual obligations agreed, safeguarding the interests of the project financing syndicate.
4. Production off-take agreements executed with mining production buyers.
5. First financial drawdown to kick off project delivery.

## STAGE 4 | Construction of the Project



1. All components of project portfolio constructed by the RCA consortium.
2. Key personnel of operations management contractor seconded to project delivery team during defined stages of project construction.

## STAGE 5 | Project Commissioning and launch of operations



1. Completed project commissioned and presented to client by the RCA consortium.
2. Operations management agreements with government and project sponsors activated.
3. Operations management contractor takes over the project, with full, independent control of all business operations and responsibility to deliver profits to client, and repay the project loan.
4. Production and operations management contract will remain in force until full repayment of project finance loan.