CRYTEL MAURITIUS LIMITED BUSINESS PLAN

JULY 7, 2021

BACKGROUND

This Business Plan is being submitted to the Stock Exchange of Mauritius (SEM) by Crytel Mauritius Limited in support of an application to list 112,635,002 issued ordinary shares of $1 par value of the Company on the Official List of the SEM by way of an introduction; and the issue and listing of additional ordinary shares of the Company at a price to be decided by the Board, through various placings which may take place subsequent to the SEM listing.

Grant Thornton

The Directors
Crytel Mauritius Limited
C/o Ocorian Corporate Services (Mauritius) Limited
6th Floor, Tower A,
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07 July 2021

Dear Sirs,

Report of the Independent Financial Advisor

Grant Thornton (Advisory Services) Limited was appointed to review the business plan prepared by Crytel Mauritius Limited (the "Company" or "Crytel") in the context of a listing on the Official Market of the Stock Exchange of Mauritius in accordance with Section 18.6(a)(ii) of the Listing Rules.

Scope of work

We have carried out a review of the business plan of the Company and performed such specific procedures as we believe appropriate in the context of the objectives of the review.

We emphasise that these procedures are limited in nature and the scope of the work performed is less than that for an audit of financial statements and cannot be relied upon to provide the same level of assurance as an audit. Management is responsible for the forecasts including the assumptions set out in the business plan.

We have undertaken the following procedures in our review of Crytel's business plan:

- Obtained an understanding of the structure of Crytel and its income-generating streams;
- Read the contents of Crytel's business plan and checked the consistency of information included in the business plan;
- Reviewed the financial forecast of Crytel for the years 2021 to 2025 and assessed the reasonableness of the underlying material assumptions;
- Held discussions with Ocorian Corporate Services (Mauritius) Limited, the Company's transaction advisor, on the business plan and the financial forecast, and the process for preparing these;
- Reviewed the sensitivities on the material assumptions.

Grant Thornton

Opinion

Based on our review, nothing has come to our attention which causes us to believe that the assumptions used in the preparation of the financial forecast covering the years 2021 to 2025 do not provide a reasonable basis for the forecast. Further, in our opinion the forecast is properly prepared based on the assumptions provided.

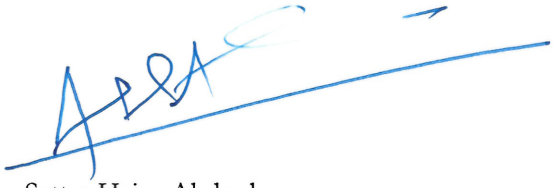
Management of the Company has prepared the forecast based on its expertise and understanding of the business. Although we have reviewed the forecast, it should be noted that actual results may be different from the forecast since anticipated events may not occur as expected and the variation may be material. We accept no responsibility for the realisation of the forecast.

We assume no responsibility whatsoever in respect of or arising out of or in connection with the contents of this certificate to third parties.

Independence

We confirm that we have no direct or indirect interest in the shares of the Company.

Yours faithfully



Sattar Hajee Abdoula

CEO and Head of Taxation & Advisory Services

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Glossary of terms

Background

Company	Crytel Mauritius Limited or "Crytel"
Group	Crytel Mauritius Limited, together with its two prospective subsidiaries[1], Metallurgy International Limited ("MIL") and PP Metal Recycling Ltd ("PPMR") (Note [1]*: Acquisition in progress)*
Company Secretary	Ocorian Corporate Services (Mauritius) Limited or "Ocorian"
Independent Financial Advisor	Grant Thornton (Advisory Services) Limited

Abbreviations

b	Billion
CFR	Cost and Freight
CIF	Cost, Insurance and Freight
Cu	Copper
DAP	Delivered-at-place
DDP	Delivered Duty Paid
DMCC	Dubai Multi Commodities Centre
EBITDA	Earnings before interests, taxes, depreciation and amortisation
EXW	Ex Works
FCA	Free Carrier
FOB	Free On Board
FY	Financial year
IAI	The International Aluminium Institute
Kg	Kilogram
KWh	Kilowatt hour
Lb	Pound
LLC	Limited Liability Company
LME	London Metal Exchange
m	Million
Mg	Magnesium
Mn	Manganese
MT	Metric ton
PAT	Profit after tax
PPM	Parts per million
SEM	Stock Exchange of Mauritius
Si	Silicon
USD	United States Dollar
Y-o-Y	Year over year

1. Executive Summary

Crytel Mauritius Limited is an investment holding company, incorporated in Mauritius, with the aim of consolidating all operations of the Crytel Group. The Group will consist of Crytel Mauritius Limited, PP Metal Recycling Ltd in Marshall Islands and Metallurgy International Limited in Seychelles, whose activities are metal trading. PP Metal Recycling Ltd and Metallurgy International Limited are currently being acquired as part of a group restructuring exercise and will become wholly owned subsidiaries of the Company prior to the listing date.

The Group has its origin in 2014 and was founded on the principles of quality, honesty, integrity and versatility. The Group comprises of offices in Seychelles, Marshall Islands and Mauritius. The operations of the Group occur mainly at the level of the two subsidiaries, that is Seychelles and Marshall Islands. The core operations of the Group involve sourcing different grades of ferrous and non-ferrous metals and its scraps from different traders, partners and miners to supply them to its customer base in more than 18 countries across the globe. The Group has grown to become a trusted name for supplying a wide range of ferrous and non-ferrous metals including tin, aluminium, copper, zinc, etc.

The Group is committed to continuously improve its efficiency and the quality of product while minimizing the impact of its operations on the environment. It highly promotes the use of recycled metal scrap, which plays an important part in the conservation of natural resources, reduces mineral extraction and landfill, saves energy and reduces greenhouse emissions.

Crytel has so far been financed through equity investments by its shareholders and reinvestment of operating cash flows. It is planning to expand in major markets of Africa and is looking forward to explore mining options in Africa in order to provide cost-effective solutions to its customers.

Listing of the Company on the Official Market of the Stock Exchange in Mauritius will provide existing and future shareholders an opportunity to hold and trade securities suited to their respective risk and reward profiles.

Further, the Group may also consider to raise capital on the SEM (by way of additional issue of shares) to fund its growth agenda.

2. Overview of the Company

2.1. Company Information

Crytel Mauritius Limited (hereafter referred to as "Crytel" or the "Company") is a public company limited by shares, incorporated in Mauritius on 16 September 2020 with registration number 175076. It is a holder of a Global Business Licence under the Financial Services Act 2007. Its registered office is situated at 6th Floor, Tower A, 1 CyberCity, Ebène, Mauritius.

As part of a group restructuring exercise, which is expected by end of July, the Company would fully own two metal trading entities, by way of internal transfer of shares, as follows:

i. **Metallurgy International Limited** (hereafter referred to as "MIL") is an International Business Company incorporated in the Republic of Seychelles on 12 December 2014 and having its registered office address at 306 Victoria House, Victoria Mahe, Seychelles.

ii. **PP Metal Recycling Ltd** (hereafter referred to as "PPMR") is a company incorporated under the laws of Marshall Islands on 29 January 2015 and having its registered office at Trust Company Complex, Ajeltake Island-Majuro, Republic of the Marshall Island.

The Group came into existence during the year 2014 when the shareholder and promoter, Mr. Prateek Subhash Pali (“Mr. Pali”), a British Citizen, decided to venture into the metal industry and accordingly, set up the two metal trading entities to cater for the demand of customers in North Asia, South East Asia and Africa. Both entities source different grades of ferrous and non-ferrous metals and its scrap from different traders, partners and miners, to supply its customer base in more than 18 countries across the globe, namely Singapore, Hong Kong, Malaysia, China, India, Pakistan, Bangladesh, UAE, Turkey, United Kingdom, Switzerland, Brazil, Mexico, Columbia, Korea, Egypt, Mauritius and Nigeria. The major metals in which the Group trades are mentioned on page 13.

The two metal entities carry their operations on an indent basis. The companies normally receive purchase orders from their customers. Once orders are received, the companies place the respective orders to their suppliers and sells the products to their customers. The purchase and sale transactions are back-to-back resulting into zero inventory. The profits earned by both entities are the difference between purchase and sale prices. The companies have adopted zero price risk approach – by synchronizing purchase and sale contracts to curtail risk of price fluctuations.

Both companies mainly deal in LME registered products which are well reputed and widely acceptable in commodity market. Further, both companies deal with well-known customers and suppliers, holding very good business relationships with them.

The Company’s reporting and functional currency is the US Dollar, with its financial year end being 31 December of every year.

Description of capital structure

The capital of the Company consists of 112,635,002 ordinary shares at a par value of $1.

Ordinary shares shall confer on the holders thereof the rights as provided under the Companies Act 2001, i.e. dividends and distributions (as authorised by the Board of Directors) and the right to vote on all matters which are subject to the approval of the shareholders.

Corporate Directory

It is envisaged that the Company will only partner with reputable and internationally recognised service providers. The following services providers have been appointed:

Company Secretary

Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius

Independent Financial Advisor

Grant Thornton (Advisory Services) Limited, 9th floor, Ebene Tower, 52, Cybercity, Ebene, Mauritius

Legal advisor

Bridges Ltd, 5 Unicorn House, 5 Royal Street, Port-Louis, Mauritius

Bankers

Afrasia Bank, 3rd Floor NeXTeracom Tower III, Ebene, Mauritius

State Bank of Mauritius, MU, 1 Queen Elizabeth II Avenue, Port-Louis, Mauritius

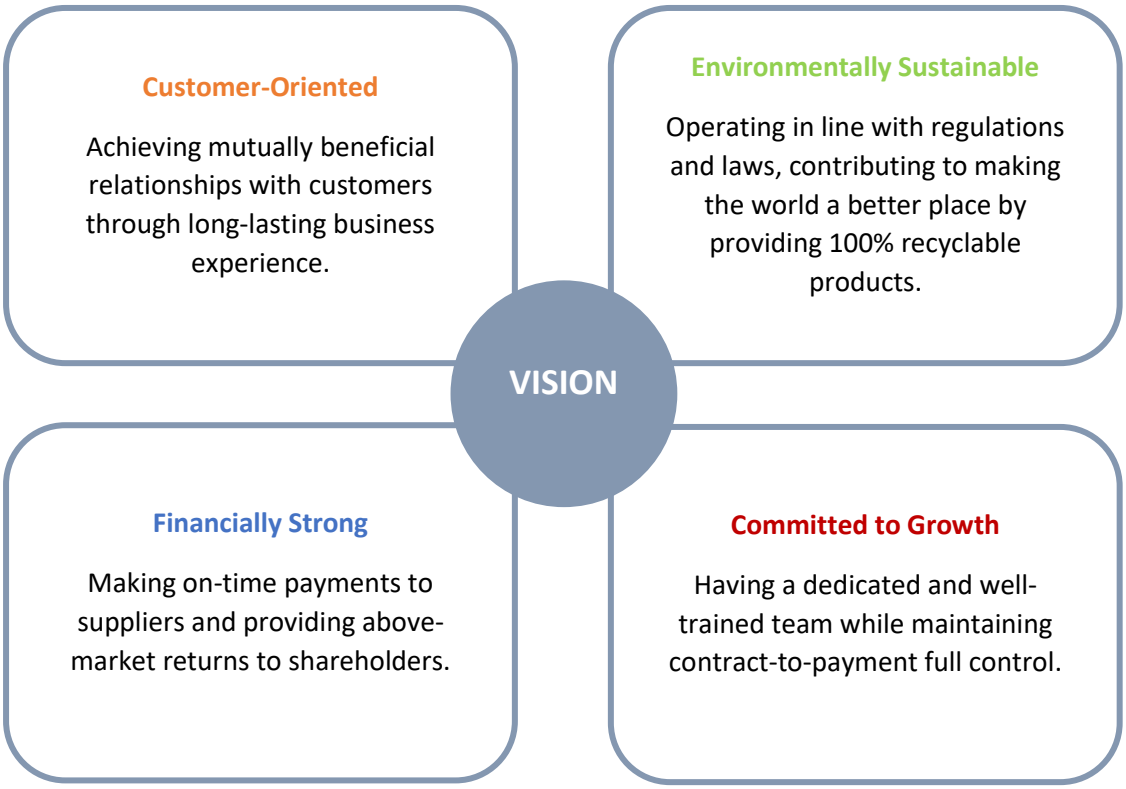
Auditor

[to be appointed at a later date]

2.2. Mission and Vision

The mission of the Group is to cater for the specific metal needs of its customers and at the same time, expand its sourcing points by creating strategic alliances with its key suppliers to best create value for its clients. The Group also wants to generate value for all its stakeholders by making the most optimal use of all available resources and opportunities in an ethical, lawful and efficient manner.

The Group's mission further extends into its external environment and its commitment to working together with its business partners, community organisations as well as interested stakeholders, to improve its environmental quality and progress towards a clean and safer place to live and work for future generations. In order to achieve high growth and success for its various business concerns, Crytel has combined specialized synergies and resources to become a preferred partner in its client network.



2.3. Key Milestones

December 2014	Incorporation of Metallurgy International Limited
January 2015	Establishment of PP Metal Recycling Ltd, with a view to grow business in South East Asia
2014 - 2020	The Group has significantly grown and created a niche in the metal industry within a few years of existence on the market: - Successfully met customer expectations in terms of premium grade and quality of metals; and - Increased its customer base to more than 18 countries across the globe.
September 2020	Incorporation of Crytel Mauritius Limited - with the aim of consolidating all the Group's operations under one arm, and to expand in major markets of Africa and explore mining options in Africa.
2021	Metallurgy International Limited and PP Metal Recycling Ltd to become wholly owned subsidiaries of Crytel Mauritius Limited, post an ongoing group restructuring exercise
Mid 2021 (Expected)	Listing on the Stock Exchange of Mauritius

2.4. Objectives of the Company

The objectives of Crytel is to expand operations in the European and African markets and become a leading supplier of ferrous and non-ferrous metals. The Company also intends to leverage its core businesses, where appropriate, with acquisitions of value-added downstream businesses. In addition, the Group also plans to explore mining business as a downstream investment in Africa once it establishes its foothold in major markets of Africa. The Company is also considering on mergers and acquisitions in the manufacturing industry and business investments. This would strengthen the profit ratio in the manufacturing segment, thus enabling both functions of a trading and a manufacturing company.

The key elements of the Company's strategy include the following:

1) **Expand the Group's position as a leading supplier of metals in Africa** – The Group plans to appoint significant team in Africa for business development, employing people with high expertise in metal trading and managing diverse product portfolio. With a good understanding of the demand and supply and providing best value to its customers, the Group shall be able to increase its presence. A strong heritage and a good track record will assist in increasing the Group's market presence.

2) **Exploring mining business** – Upon achieving product and geographic diversification, the Group intends to explore mining activities in the long term in Nigeria, a mineral rich state. Mining shall provide access to raw material for trading and conversion giving visibility on future revenue. The Company plans to fund this project through various strategic investors, banks and if required, raising funds through capital markets.

3) **Expand the Company's downstream capacity** – The Company is in the process of acquiring two metal trading entities, as mentioned on page 7, and intends to selectively acquire downstream business which will assist in value addition, expected to occur at the end of July.

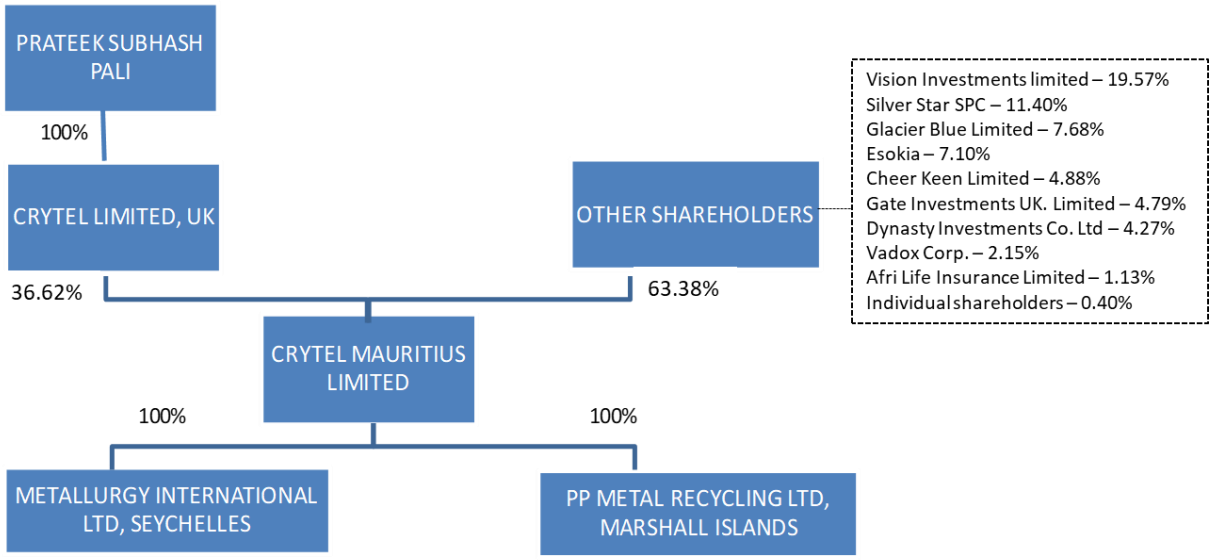
4) **Further capitalize on the synergies of the Group's core business** – In addition to synergies deriving from the Group, additional cost savings and opportunities will arise as economies of scale start to kick in as a result of acquisitions, thereby improving working practices and operational efficiency. The Company regularly evaluates the manner in which its subsidiaries source various products and transfer within the Group in order to operate in the most efficient way, and further expects to identify and take advantage of additional synergies between its core businesses.

These projects were expected to take place by end of 2021 but given travel restrictions due to the current pandemic, these projects have been delayed. As restrictions are now being eased, the Company is expecting to achieve these developments within the next 12 to 18 months.

2.5. Company Achievements

On a consolidated basis, the Group's revenue for the financial year ended 31 December 2020 amounted to US$1.11b and it successfully achieved a profit of US$7.82m. These figures relate mainly to the financial performance of the subsidiaries as per their audited financial statements for the year ended 31 December 2020. The Group has shown steady growth in operations over the last 5 years and has strong metal distribution network. The Group already has its presence in metal trading across 18 countries in Europe, North and South East Asia and Africa, as well as deals into value chain of ferrous and non-ferrous metals with its team spread across UK, Malaysia and Africa.

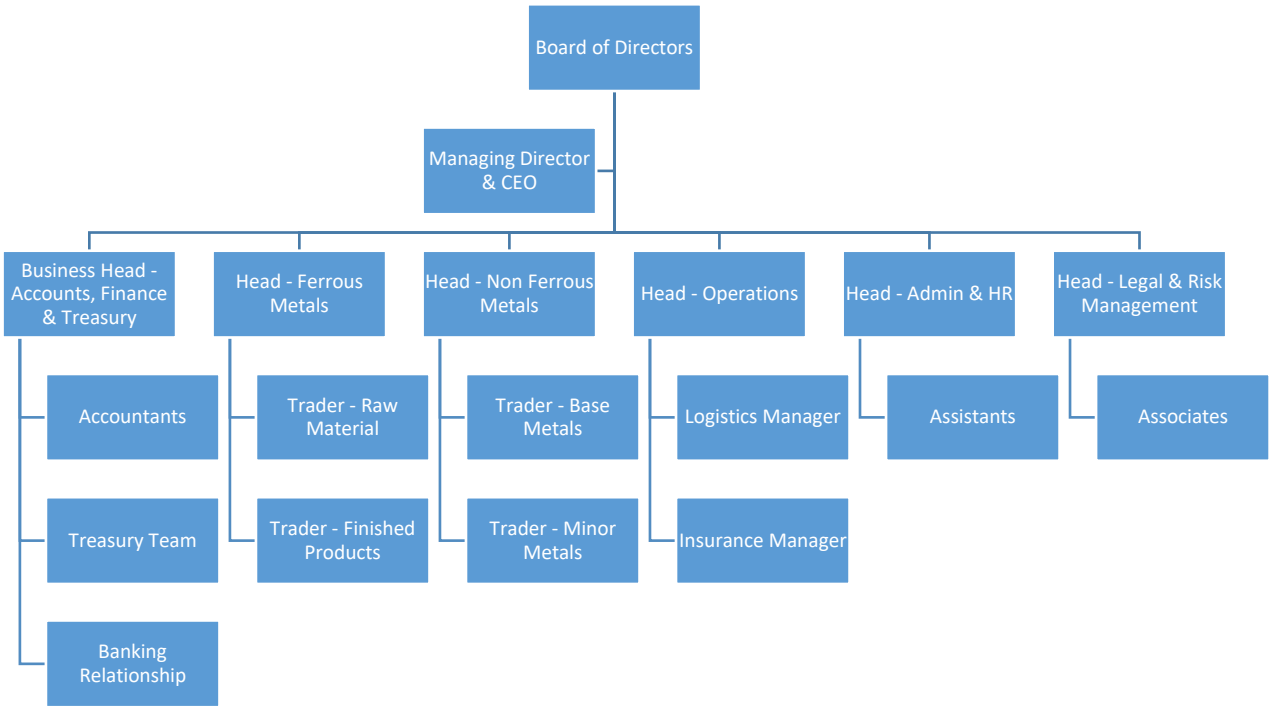
2.6. Proposed Business Structure



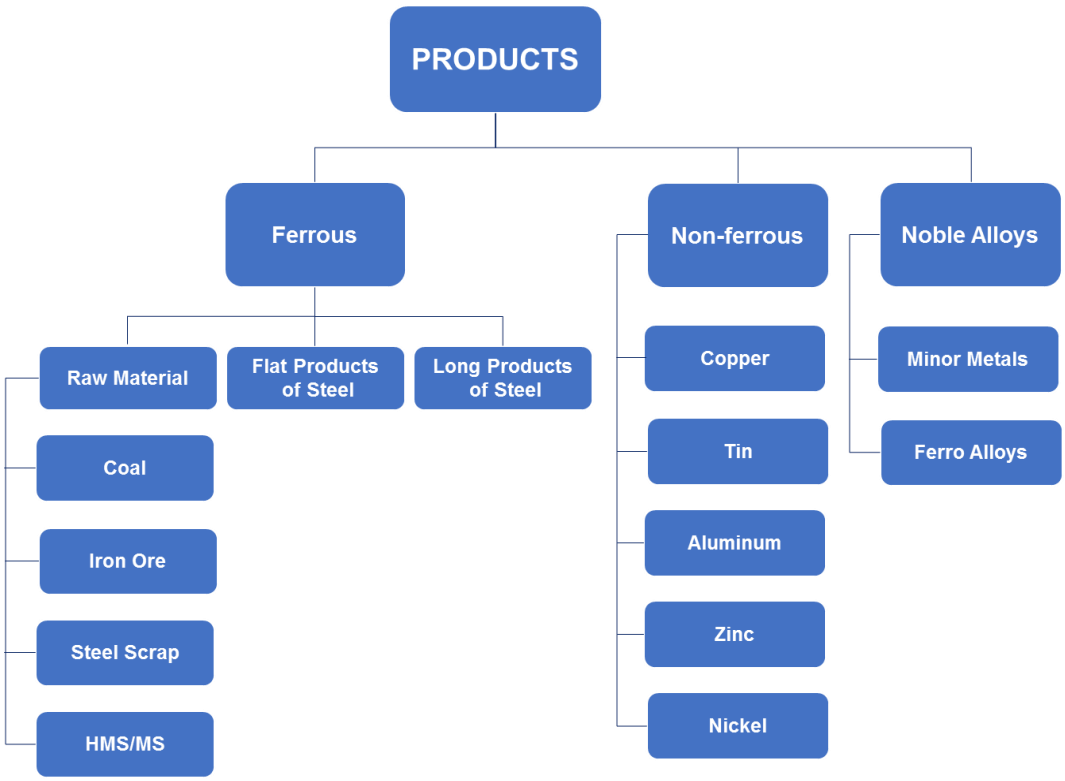
2.7. Organisational structure

The Company's wide experience of non-ferrous products makes its team well-suited to be reactive to changes in market sentiments and where necessary, facilitates swift changes in business strategy. Its continued growth has been based on regular repeated business with a broad base of trusted suppliers and customers across the globe.

The organisation is structured as follows:



The Company is based in and operates its business from Mauritius. The trading activities are carried out mainly at the level of the two entities, which Crytel is acquiring. Both entities deal in various ferrous and non-ferrous metals, as follows:


PRODUCTS
Ferrous
Non-ferrous
Noble Alloys
Raw Material
Flat Products of Steel
Long Products of Steel
Coal
Iron Ore
Steel Scrap
HMS/MS
Copper
Tin
Aluminum
Zinc
Nickel
Minor Metals
Ferro Alloys

2.8. Board of Directors

The Board constitutes of the following members:

Prateek Subhash Pali
Managing Director and CEO

Qualifications	Bachelors of International Business from University of Sunderland, London
Professional journey	Mr Prateek Subhash Pali is a British National and Executive Director of the Company. He has around 10 years of extensive experience in the metal industry. After pursuing his studies, he worked for big commodities firm in London for a few years to gain experience in commodities market, including Family Office and Liberty Commodities. He has been associated with number of trading companies gaining experience in a variety of ferrous and non-ferrous metals and products. Having developed close associations with a number of customers, he then established his trading companies, Metallurgy International Limited in Seychelles in 2014 and PP Metal Recycling Ltd, in Marshall Islands in 2015. He has extensive knowledge of trading disciplines including futures hedging and financial instruments which aids Crytel Group's ability to facilitate business in continually changing market demands. Mr. Pali's expertise lies in his understanding of product placement and demand based on regional preferences along with competitive credit terms. It is his vision to be a determining influence in the metal industry locally and internationally. Through his experience, knowledge, potential of resources and a drive to succeed, he aims to reach new heights using a sustainable and sturdy business model. He aims to make the group an international player in the trading of ferrous and non-ferrous metal commodities and also, thereby exploring opportunities in mining.

Novan Woogra Maharahaje
Director

Qualifications	ICAEW Chartered Accountant; and BSc (Hons.) Management
Professional journey	Mr Novan Maharahaje is a seasoned professional with over 15 years of transactional experience in corporate, project and trade finance. He heads up both Capital Market Services and Fund Services at Ocorian, where he is responsible for carrying independent valuations, offering deal structuring and transaction services to our clients, as well as responsible for fund administration and accounting. Mr Novan has accumulated significant exposure to various industries in Africa and Asia, including oil and gas, banking, insurance, micro-finance, agri-business, ICT, real estate and hospitality. Prior to joining Ocorian, he worked as a manager in the corporate finance team at PwC.

Irshaad Zayd Soobedar
Director

Qualifications	Masters in Financial Planning, BSc (Hons) Economic and Finance
Professional journey	Mr Zayd Soobedar has over 18 years of domestic and international experience in the financial services industry. During his career, he has worked for leading stakeholders in the finance sector including De Chazal Du Mée (DCDM), State Bank of Mauritius Ltd and Credit Guarantee Insurance Co. Ltd. In 2014, Mr Soobedar founded his first company and is now Managing Director of Strategic Insight Group, which positions itself as risk management experts and the leading player in credit. Mr Soobedar has extensive knowledge and network in both local and international markets, with a niche area for Indian Ocean islands, European and African countries. He also has significant exposure in the metal industry. His core proficiencies include financial analysis, risk management, strategic planning, market intelligence, credit risk, banking and insurance.

Risha Ranlaul-Sookun
Director

Qualifications	BSc (Hons) Finance with Law; and Associate member of the Institute of Chartered Secretaries and Administrators (ACIS)
Professional journey	Mrs Risha is a Client Service Manager with over 12 years of professional experience in corporate structuring, company administration, company secretarial and client relationship for a number of international companies registered in Mauritius, with a wide range of industries including domestic companies.

2.9. Rationale for listing

The Group has expansion plans in major parts of Africa, through the presence of the Company and is also looking forward to explore mining options in Africa, in order to provide cost-effective solutions to its clients. The Group also intends to grow significantly in terms of its workforce in Mauritius for its business operations over the next 12-18 months.

The listing proposal will empower the Company to act as a fully independent company, with a dedicated team formulating a targeted strategy for the Company. The reporting requirements of a listed company will also enable Crytel to follow industry benchmarks as well as support the marketing efforts of the Company in promoting the projects and strategies.

Moreover, being a listed company will give additional comfort to potential investors through the quality of its financial and governance reporting standards, which will keep stakeholders informed of the Company's operations. As such, listing will give the Company the potential to raise enough capital to fund its proposed strategies.

The listing shall provide future shareholders with a unique opportunity to hold securities most suited to their respective risk and reward profiles. Thus, investors seeking an exposure to the metal and mining industry will be able to choose Crytel for their portfolio.

The Company is not listed on any other exchange and does not anticipate any listing other than the one sought on the SEM.

2.10. Acquisitions

In 2021, the Company is in the process of acquiring two metal trading entities namely, PP Metal Recycling Ltd in Marshall Islands and Metallurgy International Limited in Seychelles. The two entities are currently owned by the same shareholders of Crytel.

3. Overview of the Industry

The metal industry plays an important role in the global economy, with an influence on diverse end-user applications in a number of sectors such as agriculture, engineering, chemical, automotive, infrastructure, and electronics. No specific license is required to start trading in the metal industry. However, it requires specific skills and knowledge, the main one being a team comprising of members with relevant metal trading experience.

A more detailed market overview of the products in which the Group trade is given below.

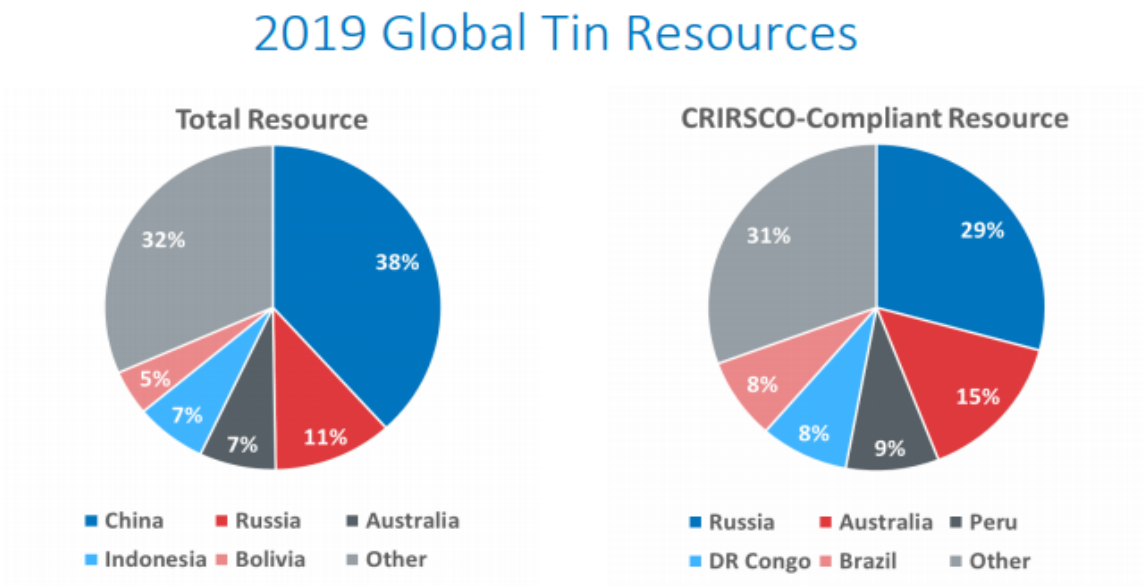
3.1. Tin resource

Tin is mined in 35 countries throughout the world, nearly every continent has an important tin–mining country. Tin was one of the earliest metals known and used. It has a hardening effect on Copper and has been used in bronze implements since 3,500 B.C. while pure tin came to be used in 600 B.C.

Tin is a relatively scarce element with an abundance in the earth's crust of about 2 parts per million (ppm), compared with 94 ppm for zinc, 63 ppm for copper, and 12 ppm for lead. Most of the world's tin is produced from placer deposits; at least one-half comes from South-East Asia. The largest miners of tin across the world are China, Indonesia, Peru, Bolivia, Brazil and Myanmar among others.

There are different ways for defining the size of a geological deposit, most commonly termed as “resource” and “reserve”. The below shows the Global tin resources and reserves by geographical locations as of 2019.

The Committee for Mineral Reserves International Reporting Standards (CRIRSCO) is an inter-organisational body that brings together international reporting standards around the globe.



Uses of tin

Tin is used extensively in manufacturing, building materials and consumer durables industries. It is also used as a protective coating or as an alloy with other metals such as lead or zinc and in coatings for steel containers, in solders for joining pipes or electrical/electronic circuits, in bearing alloys, in glass-making, and in a wide range of tin chemical applications.

Target market

The target markets are as follows: Asia, Europe, UK, India, Turkey and Middle-East.

3.2. Aluminium resource

Aluminium is the most widespread metal on Earth, making up more than 8% of the Earth's core mass. It finds its use in a huge variety of commercial applications. The unalloyed type is ductile, exhibits moderate strength, and is very resistant to corrosion under most circumstances. Aluminium can be dramatically strengthened by the addition of appropriate alloying elements (Cu, Mg, Mn, Si, etc.) and subsequent heat/work treatments.

Formerly, aluminium was produced for the first time in 1824 and it took people another fifty years to learn to produce it on an industrial scale. In 2016, China was the top producer of aluminium with a world share of 55%; the next largest producing countries were Russia, Canada, India, and the United Arab Emirates. The top producers of aluminium in the world are as follows:

World's top producers of primary aluminium, 2016	
Country	**Output (Thousand Tons)**
China	31,873
Russia	3,561
Canada	3,208
India	2,896
United Arab Emirates	2,471
Australia	1,635
Norway	1,247
Bahrain	971
Saudi Arabia	869
United States	818
Brazil	793
South Africa	701
Iceland	700
World total	**58,800**

Recycling of aluminium

Recovery of the metal through recycling has become an important task of the aluminium industry. Recycling was a low-profile activity until the late 1960s, when the growing use of aluminium beverage cans brought it to public awareness. Recycling involves melting the scrap, a process that requires only 5% of the energy used to produce aluminium from ore, though a significant part (up to 15% of the input material) is lost as dross (ash-like oxide). An aluminium stack melter produces significantly less dross, with values reported below 1%.

White dross from primary aluminium production and from secondary recycling operations still contains useful quantities of aluminium that can be extracted industrially. The process produces aluminium billets, together with a highly complex waste material. This waste is difficult to manage. It reacts with water, releasing a mixture of gases (including, among others, hydrogen, acetylene, and ammonia), which

spontaneously ignites on contact with air; contact with damp air results in the release of copious quantities of ammonia gas. Despite these difficulties, the waste is used as a filler in asphalt and concrete.

The International Aluminium Institute (IAI) estimates that there are currently 400 million tonnes of aluminium being used in infrastructure, transport and domestically. Given aluminium can be used over and over again, scientists have estimated that 1 kg of recycled aluminium cans can save up to 8 kg of bauxite, 4 kg of various fluorides and up to 15 KWH of electricity. About 75% of aluminium produced in the time that the aluminium industry has existed is still in use today.

Uses of aluminium

The most common form of aluminium found in nature is aluminium sulphates. These are minerals that combine two sulphuric acids: one based on an alkaline metal (lithium, sodium, potassium rubidium or caesium) and one based on a metal from the third group of the periodic table, primarily aluminium. Aluminium sulphates are used extensively to clean water, for cooking, in medicine, in cosmetology, in the chemical industry and in other sectors.

Aluminium is one of the lightest metals in the world: it is almost three times lighter than iron but it is also very strong, extremely flexible and corrosion resistant because its surface is always covered in an extremely thin and yet very strong layer of oxide film. Aluminium can be easily processed using pressure both when it's hot and cold. It can be rolled, pulled and stamped. Aluminium does not catch fire, and does not need special paint. In addition, aluminium is more cost effective than other metals and materials.

Since aluminium easily forms compounds with other chemical elements, a huge variety of aluminium alloys have been developed. Even a very small amount of admixtures can drastically change the properties of the metal, making it possible to use it in new areas. For example, aluminium is literally mixed with silicon and magnesium in aluminium alloy wheels, in engines, chassis and other parts of modern automobiles. As for aluminium zinc alloy, it is widely used in the production of mobile phones and tablet PCs.

Aluminium is commonly used in both wrought and cast forms. The low density of this metal results in its extensive use in the aerospace industry, and in other transportation fields. Its resistance to corrosion leads to its use in food and chemical handling (cookware, pressure vessels, etc.) and to architectural uses.

The modern construction, automotive, aviation, energy, food and other industries would be impossible without aluminium. In addition, all cutting edge devices and vehicles are made from aluminium. Aluminium production is highly energy-consuming and hence, the producers tend to locate smelters in places where electric power is both plentiful and inexpensive. As of 2012, the world's largest smelters of aluminium were located in China, Russia, Bahrain, United Arab Emirates, and South Africa.

According to the International Resource Panel's Metal Stocks in Society report, the global per capita stock of aluminium in use in society (i.e. in cars, buildings, electronics, etc.) is 80 kg (180 lb). Much of this is in more-developed countries (350–500 kg per capita) rather than less-developed countries (35 kg per capita).

Target market

The target markets are as follows: Rotterdam, Asia, Brazil, Colombia, Mexico and Africa.

3.3. Lead and Zinc resource

Lead

Lead is a soft, malleable, ductile, bluish–white, dense metallic element, extracted chiefly from galena and found in ore with zinc, silver and copper. It is a dense metal with a low melting point, corrosion-resistant and can absorb radiation well.

Modern mines produce more than 4.7 million metric tons of the metal annually, while recyclers produce another roughly 6 million metric tons. There are 2 major methods of lead production, as follows:

1. Primary Production

It involves extracting the metal from ores found deep in underground mines. More than 60 minerals contain lead, but only three (Galena, Cerussite and Anglesite) contain enough to be considered commercially viable:

More than 95% of lead is extracted from one of these three minerals. However, ores containing these minerals usually contain significant deposits of other valuable metals such as silver and zinc. As a result, lead production usually occurs as a by-product of silver or zinc mining. China is by far the leading country for lead mine production. It accounts for about half of all output, which is more than five times the next largest producer, Australia.

Lead ores are mined at a rate close to 5 million tonnes a year and the world market for refined lead stands at about US $15 billion.

2. Secondary Production

Secondary production of lead involves recycling items such as batteries. Cable coverings, pipes, sheets and other metals can also be recycled for lead. Recycling lead is simple and accounts for half of all lead production. In Europe and the United States, the recycling rate of lead from batteries is 99%

The leading refined lead consuming countries were China, the United States, and Germany. Demand for lead worldwide is expected to grow largely because of increased consumption in China, which is being driven by growth in the automobile and electric bicycle markets.

Uses of Lead

Lead is widely used for car batteries, pigments, ammunition, cable sheathing, weights for lifting, weight belts for diving, lead crystal glass, radiation protection and in some solders. Typical lead–acid ignition batteries in automobiles contain about 10 kilograms of lead and need to be replaced every 4 to 5 years. Lead-acid batteries also supply standby power for computer networks and telecommunications systems as well as energy storage for hybrid-electric vehicles, wind and solar energy systems.

Lead is often used to store corrosive liquids. It is also sometimes used in architecture, for roofing and in stained glass windows.

Zinc

Zinc is a bluish–white, lustrous, diamagnetic metal, though most common commercial grades of the metal have a dull finish. It is somewhat less dense than iron and has a hexagonal crystal structure. The metal is hard and brittle at most temperatures but becomes malleable between 100 and 150 °C. Above 210 °C, the metal becomes brittle and can be pulverized by beating. Zinc is a fair conductor of electricity. For a metal, zinc has relatively low melting (419.5 °C) and boiling points (907 °C). Many alloys contain zinc, including brass.

Zinc is the fourth most common metal in use, trailing only iron, aluminium, and copper with an annual production of about 13 million tonnes. About 70% of the world's zinc originates from mining, while the remaining 30% comes from recycling secondary zinc. Commercially pure zinc is known as Special High Grade, often abbreviated SHG, and is 99.995% pure.

95% of new zinc is mined worldwide from sulfidic ore deposits, in which sphalerite (ZnS) is nearly always mixed with the sulphides of copper, lead and iron. Zinc mines are scattered throughout the world, with the main areas being China, Australia, and Peru. China is one of the leading producers of zinc which produced 38% of the global zinc output in 2014.

Zinc is the 23rd most abundant element in the Earth's crust. The dominant ore is zinc blende, also known as sphalerite. Other important zinc ores are wurzite, smithsonite and hemimorphite. World production exceeds 7 million tonnes a year and commercially exploitable reserves exceed 100 million tonnes. More than 30% of the world's need for zinc is met by recycling.

Uses of Zinc

Major applications of zinc include galvanizing (55%), brass and bronze (16%), other alloys (21%) and miscellaneous (8%). Zinc is most commonly used as an anti-corrosion agent, and galvanization (coating of iron or steel) is the most familiar form.

Zinc is a very common substance that occurs naturally. Many foodstuffs contain certain concentrations of zinc. Drinking water also contains certain amounts of zinc, which may be higher when it is stored in metal tanks. Industrial sources or toxic waste sites may cause the zinc amounts in drinking water to reach levels that can cause health problems.

A widely used zinc alloy is brass, in which copper is alloyed with anywhere from 3% to 45% zinc, depending upon the type of brass. Other uses of zinc alloys include nickel silver, typewriter metal, soft and aluminium solder, and commercial bronze. Zinc is also used in contemporary pipe organs as a substitute for the traditional lead/tin alloy in pipes. Zinc is the primary metal in American one cent coins (pennies) since 1982. The zinc core is coated with a thin layer of copper to give the appearance of a copper coin.

Target market

The target markets are as follows: European Union, Asia and India.

3.4. Copper and Nickel resource

Copper

Shiny, reddish copper was the first metal manipulated by humans and it remains an important metal in industry today. Copper ranks as the third most-consumed industrial metal in the world, after iron and aluminium, according to the U.S. Geological Survey (USGS). About three–quarters of that copper goes to make electrical wires, telecommunication cables and electronics.

One of the most important properties of copper is its ability to fight bacteria. After extensive antimicrobial testing by the Environmental Protection Agency, it was found that 355 copper alloys, including many brasses, were found to kill more than 99.9% of bacteria within two hours of contact. Normal tarnishing was found not to impair antimicrobial effectiveness.

As copper is recycled, again and again, without any loss of performance, it is rarely lost from the world's resources. Worldwide resources of this important and valuable metal are estimated at more than 8.1 trillion pounds of which only about 1.1 trillion (~13.6%) have been mined throughout history.

Uses of copper

Copper is used in a wide range of products due to its excellent electrical and thermal conductivity, good strength, good formability and resistance to corrosion. Pipe and pipe fittings are commonly manufactured from these metals due to their corrosion resistance. They can be readily soldered and brazed, and many can be welded by various gas, arc and resistance methods. They can be polished and buffed to almost any desired texture and lustre.

Copper-nickel alloys are used to protect offshore platforms, boat hulls, and seawater pipework and desalination units. Modern fish farms are starting to use copper alloy cages to hold fish while keeping out predators. These require minimal maintenance and provide a safe and healthy environment for fish to grow.

Copper and copper alloys can be easily joined by bolting and riveting, by soldering, brazing and welding. In industry, this is very useful for plumbing pipework, electrical distribution and joining busbar – a vital element of power distribution systems. Elsewhere, this feature is also important for artists crafting sculptures and statues, and to jewellery makers and other artisans working with this beautiful material.

Copper can be formed and stretched into complex and intricate surfaces without breaking. This makes it possible to create spires, steeples, musical instruments, bowls, bed frames, tubes and a huge number of other useful and beautiful products. The very small diameter wires, which transmit power in cars, computers, televisions, lighting and mobile phones only exist because of the high ductility and malleability of copper.

Copper is very easy to work with, and can be shaped into nearly any form, offering cost-effective products for industrial and consumer applications alike. Along with its alloys, such as brass and bronze, it has been used for many centuries to produce tube, sheets for roofing and cladding of buildings, and wire for electrical applications and jewellery. It can be made into complex shapes, as demonstrated by the intricate curves of brass instruments. It is also cast to make faucets and valves, bells and statues that last for hundreds, or even thousands of years.

Nickel

Nickel is a transition element that exhibits a mixture of both ferrous and non-ferrous metal properties. The bulk of the nickel mined comes from two types of ore deposits, namely laterites and magmatic sulphide deposits.

The world's nickel reserves are estimated at 89 million tons, as recently confirmed by the US Geological Survey, with around two million tons being mined annually. Classical ore deposits are estimated at almost 300 million tons. Rich deposits are found in Australia, Indonesia, South Africa, Russia and Canada, which together account for more than half of the global nickel resources.

Although there has been a significant increase in nickel mining over the past three decades, known nickel reserves and resources have also steadily grown. Driven by attractive commodity prices, various factors have influenced this evolution, including better knowledge and increased exploration activities in remote areas. Improved technologies in mining, smelting and refining, as well as increased capacities, also allow for lower-grade nickel ore and more complex mineralogy to be processed economically.

Nine countries account for 75% of global nickel reserves. Laterite–type (or oxide–type) resources are found in Indonesia, the Philippines, Brazil, Cuba and New Caledonia. These ore deposits and mines are principally found in equatorial regions and production from this type of deposits has steadily increased in recent decades. Sulphide-type deposits are present in South Africa, Russia and Canada. Australia is endowed with both sulphide- and laterite-type ore deposits.

Recycling

Today, society sees metal recycling as an environmental activity, but it has existed for thousands of years as a profitable economic activity. The global efficiency of recycling nickel from end-of-life products for the reference year 2015 was 68% – among the highest recycling efficiencies for the metals industry.

Recycled nickel does not lose its properties and is a valuable additional source of the metal. In the case of nickel-containing stainless steel, the primary use of around 70% of Nickel production, very high recycling rates can be reached. Nickel is one of the most valuable common non-ferrous metals. Given its value as a commodity, the commercial motivation to use it effectively in the first place is very strong. There is a similarly compelling incentive for recovering and recycling nickel effectively at all stages of the production and use cycle.

Uses of nickel

Nickel is primarily sold for first use as refined metal (cathode, powder, briquette, etc.) or ferronickel. Majority of the nickel consumed in the Western World is used to make austenitic stainless steel. Smaller percentage goes into super alloys (e.g., Inconel 600) or nonferrous alloys (e.g., cupronickel). The aerospace industry is a leading consumer of nickel-base super alloys. Turbine blades, discs and other critical parts of jet engines are fabricated from super alloys. Nickel-base super alloys are also used in land-based combustion turbines, such those found at electric power generation stations.

Target market

The target markets are as follows: China, Egypt, Malaysia, Singapore, Taiwan, India, Europe, Korea and Japan.

4. Strategy of the Company

The Company's strategy is to grow in the mining sector. The Group has expressed its interests in two mining assets in Nigeria, which is a mineral rich country. The mining shall provide access to raw material for trading as well as allow Malaysia and Thailand to process concentrated ores extracted from Nigeria mines on tolling conversion, giving visibility on future revenue. It has also been in discussion with refiners on basis for value added product access, and shall look at expanding in Rwanda and Uganda for similar ore aggregation model, together with setting up of a beneficiation plant at mining pit at a later date.

In addition, the Group has been in discussion with multiple investors to support its investments in Africa. The Company was therefore created in Mauritius to hold the trading and mining operations of the Group and seeks listing on the Stock Exchange of Mauritius to raise capital at a later stage.

4.1. SWOT Analysis

Strengths	Weaknesses
• Experience of the promoter and key management team • Asset light business model • Low cost business model with third party distribution network to cover multi-country product distribution without upfront infrastructure investment • Back to back contract business model to reduce commodity price fluctuation risks • Tax efficient operating structure • Low current leverage provides opportunity for future business growth • Strong internal controls and risk mitigation policies and implementation	• No independent credit or business rating • Dependency on material sourcing from manufacturers, miners or large traders in competition with other traders • No long term supply arrangement in place • Low entry barrier • Low profit margins require higher volumes to increase return on capital
Opportunities	**Threats**
• In discussion to tie up long term supply arrangements through product tolling arrangement with manufacturers and raw materials sourcing through miners • Listing of shares will increase transparency and visibility of operations in addition to increased market acceptability • Increased demand of base metals from countries like China, Taiwan, Korea, India etc. • Tying up real time inventory solution for certain large steel producers for annuity earnings • Ready infrastructure and cost effective set up to start new product trading desk	• Increased transportation costs and reduced availability of vessels • Increased cost of insurance – Marine and credit • Geo political trade conflicts and threats from tariff and sanctions • Product availability • Price volatility

4.2. Overview of Key Risks

Crytel Group is involved in the trading of ferrous and non-ferrous metals, whereby it adopts a business model in which it does not take-on any commodity price risk but rather, all orders are placed on a back-to-back basis except for dealings with Metallurgy International Limited and PP Metals Recycling Ltd.

Business activities, however, expose the Group to other various types of risks. The Group has a robust risk management and trading policy manual in place, which also serves as a central repository of trading and risk management related policies, procedures and delegation of authorities.

Risk Management is the process of identifying, measuring/assessing, reporting and controlling risks associated with all activities that could result in a loss to the Group.

The following is a summary of the key risks to which the Group is exposed:

Risks	Description	Corresponding mitigating factors
Market risk	Changes in the premium/discount and prices of the Group's commodity holdings ('physical' and 'paper') leading to: - Price risk inherent in the Group's open positions; and - Market liquidity risk – making it difficult to exit the market at fair price.	- Trading limits are established to govern trading activities of the Group, which will be reviewed and revised on a semi-annual basis by the Risk Management Committee; - Periodic (monthly or weekly) reporting of trading performance by the Risk Manager; and - Hedging requirements – Exchange-traded derivatives are used for hedging or to close out open positions.
Credit risk	- Risks arising from trade credit in physical and paper trade transactions with customers, who may fail to pay in full or on time; - Risks arising from the ability of issuing banks to honour their commitments in cases where banking facilities are provided in trade transactions; and - Counterparty risks arising from dealing in paper and derivatives.	- New counterparty assurance process including counterparty verification along with credit checking, customer classification and detailed KYC onboarding procedures; - Counterparty credit assessments, approval and limits; - Frequent counterparty credit limit monitoring and excesses reporting; - Credit enhancements such as cash collateral, letters of credit, insurance cover, trade finance instruments, guarantees among others; and - Netting of exposures

Risks	Description	Corresponding mitigating factors
Market liquidity risk	- Risks arising from cash flow mismatches due to default events from trading activities; and - Margin calls arising from position-taking in futures or other exchange-traded products, which must be settled T+1.	- Counterparty credit limits; - Trading limits such as position limits will be put in place to control the potential level of market exposures; and - Daily review of debtor's and creditor's report as well as preparation of cash flow forecasts.
Operational risk	- Loss resulting from inadequate or failed internal processes, people and systems	- Segregation of duties between trading and operations department to avoid possible conflict of interests; - Established defined roles and responsibilities for all staffs to reduce ambiguity; - Adequate training for staffs to upgrade their skills and knowledge of business; - Clear written policies and procedures governing the Group's operations; - User access rights control for ERP system and other IT systems; and - Reliance on system control and minimization of human intervention, thereby reducing human error
Legal risk	- Risks resulting from transaction not being consummated due to certain legal barriers.	- Documentation of transactions with trade counterparties based on the Group standard term contracts; - Involvement of legal counsel in irregular transactions or with counterparties located in countries unfamiliar to the Group; and - Documentation of transactions are to be properly reviewed, secured and managed.

4.3. Competitiveness within industry

The core operations of the Company are currently focused at sourcing different grades of ferrous & non-ferrous metals as well as its scrap from different traders, partners and miners in order to supply its clients, which are spread in more than 18 countries across the globe.

Due to the extensive ground knowledge and relationship with yards and miners, the Company is able to continuously supply premium grade metal scrap to its global clients with assured quality, good pricing, timely delivery and clear documentation. However, competition remains high, especially in the Company's target market.

The major competitors are:

1) Omega Blanco Limited, Hong Kong – A private company incorporated in 2012, specialised in trading of ferrous and non-ferrous metals and scrap. The main metals in which the company deals is copper, brass, bronze, stainless steel, aluminium and zinc. Its main clients are in South East Asia, Middle East, South and West Africa, and European countries we say. Average turnover of the company ranges between USD2-3 billion per year.

2) Inox Metal Trading LLC, UAE – The company started with sourcing of different types of Stainless-Steel Scrap from United Arab Emirates. It has now expanded its reach to numerous countries around the world. The company is dealing with renowned recyclers and manufacturers in Middle East, Europe, USA, Far East, Australia and Asia and is engaged in the supply of metal like steel, aluminium, zinc and copper on regular basis. The average yearly revenue of the company is around USD2 billion.

3) Fortune Star Co, United Kingdom – A company having its head office located in Wales, United Kingdom and branches in UAE, Pakistan and China. The company is specialised in import and export of metals and minerals like chrome, iron billets, stainless steel, nickel, ferro alloys and aluminium and iron ores. The main target customers of this company are in China, African countries, Middle East, and USA. Its average revenue lies in the range of USD4-5 billion yearly.

4) Hargood Corporation, UK – A company located in Isle of Man, United Kingdom. The company is mainly engaged in trading of copper, nickel, aluminium, zinc, and lead, tin and steel products across the physical and financial hubs of Asia, Europe, Africa and Americas. Average yearly revenue of the company is around USD2 billion.

5) Metallic Metal Trading DMCC – A company incorporated in Dubai, UAE in 2008 with an objective of supplying wide range of metal ingots and scraps. The company is mainly dealing in products like copper, brass, lead, aluminium, zinc and iron. The main market where the company has its clientele is Africa, India, North America, Europe, South America and Far Eastern countries. Its average yearly revenue ranges between USD2.5-3.5 billion.

The Group has a diversified client portfolio, with its major clients based in Hong Kong, UAE and BVI.

5. Financial Forecasts

The Company will be financed by its shareholders and will generate sufficient cash-flows to meet expenses as they arise. The financial data is a representation of the forecasted consolidated statement of financial position, consolidated income statement and statement of cash flows of the Group for the next five financial years ending 31 December 2021, 2022, 2023, 2024 and 2025.

The forecasts appear reasonable given the assumptions. The key assumptions in respect of the financial forecasts are also set out after the forecasted financial information.

Projected Consolidated Statement of Financial Position as at 31 December	2020 Actual USD'm	2021 Forecast USD'm	2022 Forecast USD'm	2023 Forecast USD'm	2024 Forecast USD'm	2025 Forecast USD'm
ASSETS						
Non-current assets						
Fixed assets	1.53	2.16	1.94	1.75	1.58	1.41
Advances to suppliers	6.00	-	-	-	-	-
	7.53	**2.16**	**1.94**	**1.75**	**1.58**	**1.41**
Current assets						
Investments available for sale	1.75	1.75	1.75	1.75	1.75	1.75
Trade & other receivables	225.12	355.57	394.44	450.40	511.05	568.17
Cash & cash equivalents	1.81	9.42	5.85	2.65	3.16	3.62
	228.68	**366.74**	**402.04**	**454.80**	**515.96**	**573.54**
Total assets	**236.21**	**368.90**	**403.98**	**456.55**	**517.54**	**574.95**
EQUITY & LIABILITIES						
Equity						
Share capital	112.64	112.64	112.64	112.64	112.64	112.64
Retained earnings	28.82	49.06	75.37	108.19	149.06	193.88
	141.46	**161.70**	**188.01**	**220.83**	**261.70**	**306.52**
Current liabilities						
Trade & other payables	94.75	207.20	215.97	235.72	255.84	268.43
	94.75	207.20	215.97	235.72	255.84	268.43
Total Liabilities	**94.75**	207.20	215.97	235.72	255.84	268.43
Total equity & liabilities	**236.21**	**368.90**	**403.98**	**456.55**	**517.54**	**574.95**

Projected Consolidated Income Statement for the year ended 31 December	2020 Actual USD'm	2021 Forecast USD'm	2022 Forecast USD'm	2023 Forecast USD'm	2024 Forecast USD'm	2025 Forecast USD'm
Revenue	1,107.98	1,832.17	2,196.95	2,634.48	3,164.51	3,808.24
Direct costs	(1,093.80)	(1,794.83)	(2,149.20)	(2,575.48)	(3,091.68)	(3,718.38)
Gross profit	**14.18**	**37.34**	**47.75**	**59.00**	**72.83**	**89.86**
Overheads	(6.19)	(9.61)	(12.48)	(15.54)	(19.32)	(30.00)
- Salaries & Bonus		(6.01)	(7.80)	(9.71)	(12.07)	(18.75)
- Other indirect costs		(1.50)	(1.95)	(2.43)	(3.02)	(3.75)
- Admin & other expenses		(2.10)	(2.73)	(3.40)	(4.23)	(7.50)
EBITDA	**7.99**	**27.73**	**35.27**	**43.46**	**53.51**	**59.86**
- Depreciation	(0.17)	(0.17)	(0.22)	(0.19)	(0.17)	(0.16)
Cost of financing	-	(7.31)	(8.73)	(10.44)	(12.46)	(14.86)
Profit before tax	**7.82**	**20.25**	**26.32**	**32.83**	**40.88**	**44.84**
Taxation	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Profit after tax	**7.82**	**20.24**	**26.31**	**32.82**	**40.87**	**44.82**

Key Metrics:

1.6%	1.2%	14.3%
Average EBITDA Margin	Average PAT Margin	Average ROE

Projected Consolidated Statement of Cash Flow for the year ended 31 December	2020 Actual USD'm	2021 Forecast USD'm	2022 Forecast USD'm	2023 Forecast USD'm	2024 Forecast USD'm	2025 Forecast USD'm
Profit for the year	7.82	20.24	26.31	32.82	40.87	44.82
Add: Depreciation	0.17	0.17	0.22	0.19	0.17	0.16
Changes in operating assets and liabilities						
Increase in trade and other receivables	(64.68)	(130.45)	(38.87)	(55.96)	(60.65)	(57.11)
Increase /(decrease) in advances to suppliers	(6.00)	6.00	-	-	-	-
Increase in trade and other payables	(9.01)	112.45	8.77	19.75	20.12	12.59
Net cash generated from/(used in) operations	**(71.70)**	**8.41**	**(3.57)**	**(3.20)**	**0.51**	**0.46**
Cash flows from Financing activities						
Funds introduced towards share capital	67.59	-	-	-	-	-
Net cash used in Financing activities	**67.59**	**-**	**-**	**-**	**-**	**-**
Cash flows from Investing activities						
Purchase of Fixed Assets	-	(0.80)	-	-	-	-
Net cash used in Investing activities	**-**	**(0.80)**	**-**	**-**	**-**	**-**
Net (decrease)/increase in cash and cash equivalents	(4.11)	7.61	(3.57)	(3.20)	0.51	0.46
Cash and cash equivalents at start of the year	5.92	1.81	9.42	5.86	2.65	3.16
Cash and cash equivalents at end of the year	**1.81**	**9.42**	**5.85**	**2.65**	**3.16**	**3.62**

Key assumptions:

Below are the key assumptions in respect of the forecast financial statements of the Company:

a) Actual revenue generated per product during the financial year ended 31 December 2020 are as follows:

Product	Revenue (USD)
Aluminium	167,835,960
Copper	236,627,013
Lead	52,341,791
Nickel	428,328,527
Steel	5,274,272
Tin	129,624,523
Zinc	87,946,055
	1,107,978,141

Sales volume per product over the past and future years for both the two metal entities, which are to be acquired, are as follows:

Sales volume (mt)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Aluminium	50,126	58,516	66,528	86,454	101,106	121,700	126,224	157,780	181,447	199,592
Copper	25,419	28,546	32,956	37,409	38,283	83,600	87,780	92,169	96,777	101,616
Nickel	26,792	22,465	26,305	28,561	31,728	44,390	59,039	73,208	96,635	127,558
STEEL	4,526	6,807	3,313	4,295	4,395	186,365	333,422	479,294	541,810	583,488
Tin	2,972	3,052	7,717	8,258	7,683	12,960	13,738	15,386	16,540	17,781
Zinc and Lead	32,714	41,055	55,631	61,575	67,570	92,400	120,120	156,156	203,003	263,904

The reasons behind the increase in revenue in FY21 are as follows:

- **Aluminium** - Average aluminium price during 2020 was USD1,700 per metric tonne, which is expected to be in range of USD2,200-2,500 per metric tonne in the forecasted years. Moreover, the demand for aluminium is expected to rise briskly during 2021 due to high growth rate in China and a rebound in other major markets across the world;
- **Copper** – Trading in America and European countries have increased;
- **Nickel** – Nickel demand from rechargeable batteries is expected to increase significantly due to expected higher electric vehicle (EV) sales;
- **Steel** – The business for steel has now expanded to middle east countries instead of being restricted to India and Pakistan only, which was the case earlier;
- **Tin** – Trade in European countries have increased compared to before and there has been an increase in price of Tin in FY21;
- **Zinc** – Average price of Zinc has increased from USD2,200 per metric tonne to USD2,500 per metric tonne in FY21, leading to increase in its revenue; and
- **Lead** – Lead-based batteries is expected to be the mainstream technologies by 2030 and is required to serve the anticipated increase in demand and the different applications. The EU lead-

based battery industry will maintain a strong position and will be able to meet projected growth. European Li-ion battery industry will have the capacity to serve growing demand from 2023/24. These factors have contributed to rise in demand of Lead due to which revenue is expected to rise.

Overall, the Company has estimated 65% increase in total revenue in 2021 and 20% as from 2022 onwards. The main drivers of revenue are as follows:

i. Increased sales quantity;
ii. Increase in price of commodity;
iii. Diversified geographic coverage;
iv. Improved use of channels that provide best access to the target clients;
v. Increased number of sales person;
vi. Increase in efficiency of sales person;
vii. Decreased down time;
viii. Improved corporate strategy; and
ix. Enhanced corporate image and competitive advantage.

On average, revenues over the historical and forecasted period are distributed as follows:

Products	Historical revenue distribution	Forecasted revenue distribution
Nickel	37%	36%
Copper	22%	21%
Zinc and Lead	14%	15%
Aluminium	15%	13%
Tin refined	12%	12%
HMS and MS	1%	4%

b) Direct costs include the following:
i. Costs of metals;
ii. Wages;
iii. Transportation costs of metal purchased; and
iv. Storage costs of metals.

c) The profit margins of the products varies between 1.1% and 5.6% over the forecasted years.

d) The Company is expected to generate some chargeable income in Mauritius. The income tax rate in Mauritius is 15%. Given it holds a Global Business Licence, it expects to benefit from an income tax exemption of 80% (Partial Exemption Regime), reducing its effective tax rate to 3% annually.

e) The Company will be able to source sufficient funding through debt and equity to continue as a going concern, meeting its obligations in the ordinary course of business.

f) The following table shows a breakdown of trade and other receivables:

Name of clients	Projected Dec-21 USD	Projected Dec-22 USD	Projected Dec-23 USD	Projected Dec-24 USD	Projected Dec-25 USD
Customer I	25,152,685	29,856,352	32,152,856	34,851,264	38,452,628
Customer II	38,526,345	44,251,853	46,851,264	49,851,345	54,251,685
Customer III	31,526,851	35,526,482	37,854,168	40,763,193	42,812,682
Customer IV	14,252,019	18,235,218	21,526,284	23,526,154	24,152,658
Customer V	16,526,352	19,528,437	21,418,652	24,854,162	26,526,351
Customer VI	10,526,528	14,251,583	16,428,597	18,512,365	23,926,082
Customer VII	8,452,684	10,241,928	13,452,349	17,526,385	24,526,581
Customer VIII	12,526,584	13,264,284	17,584,253	22,628,543	26,523,157
Customer IX	9,851,348	11,526,254	14,763,209	16,255,264	21,126,084
Customer X	15,295,843	17,542,685	19,853,264	21,052,164	26,521,549
Other	172,933,610	180,210,535	208,519,026	241,243,250	259,343,794
Total	**355,570,849**	**394,435,611**	**450,403,922**	**511,064,089**	**568,163,251**

About 50% of total receivable amount is concentrated on the top 10 major clients with whom the Company deals.

g) Normal credit period allowed by the Company to its clients vary between 60 - 90 days depending upon the credit rating of the client.

h) The major trade payables of the Company is as follows:

Suppliers	Country
New Alloys Trading Pte. Ltd	Singapore
Spring Metal Limited	Malaysia
Trees International FZC	UAE
CMG Commodities Limted	Hong Kong
Rainbow Steel Limited	Hong Kong
Maxgro Overseas Limited	India

The average creditor days of the Company ranges between 30 - 45 days. The Company is active to serve its payment obligations within the time frame and is expected to remain the same over the forecasted period.

i) The Company does not have a dividend policy. No dividends are expected to be paid till 2025.

j) The Company has pre-existing investment of USD1.7m in Metal Industrial Pte Limited.

k) Due to an increase in business, the Company will invest c. USD800,000 in capital expenditures in 2021, to improve its functionality.

l) On an operating and sustaining capital expenditures cash flow basis, before interest charges, total sales over the forecasted period from 2021 to 2025 could be up to 1.2% lower to break even.

6. Historical Financial Information

Given that the Company is a newly incorporated company there is no historical profit or loss information available. We have therefore provided a summary of the audited financial statements of the two subsidiaries for the year ended 31 December 2020.

Audited Statement of Financial Position as at year ended 31 December 2020	MIL USD	PPMR USD
Assets		
Non-Current assets		
Plant & Machinery	842,967	685,770
Loans & Advances to Suppliers	3,500,000	2,500,000
	4,342,967	**3,185,770**
Current Assets		
Investments available for sale	1,747,200	-
Trade and other receivables	107,295,743	117,824,768
Cash and cash equivalents	653,725	1,145,633
	109,696,668	**118,970,401**
Total Assets	**114,039,635**	**122,156,171**
Equity and Liabilities		
Equity		
Share capital	52,698,929	59,926,073
Retained earnings	16,854,727	11,969,075
	69,553,656	**71,895,148**
Current Liabilities		
Trade and other payables	44,485,979	50,261,023
Total liabilities	**44,485,979**	**50,261,023**
Equity and Liabilities	**114,039,635**	**122,156,171**

Audited Income Statement for the year ended 31 December 2020	MIL USD	PPMR USD
Revenue	405,773,523	702,204,619
Cost of sales	(398,440,982)	(695,355,220)
Gross profit	**7,332,541**	**6,849,399**
Operating expenses	(2,215,747)	(3,844,320)
Selling expenses	(297,600)	-
Operating profit	**4,819,194**	**3,005,079**
Comprehensive income	**4,819,194**	**3,005,079**

Source: Management