Business Case – Executive Summary
Umjindi 10Mw/h Power Plant

2016/05/21

1 Introduction

metaNOMIX, have been successful in their bid for the electricity generation and supply of 10Mw/h to the Umjindi Local Municipality in Bartberton, Mpumalanga South Africa.

metaNOMIX will fulfil the roll of the EPCM (Engineering, Procurement, Construction Management) company in this project. This document will outline the process and different stakeholders identified.

The ROSCH Kinetic energy technology was selected for this project, after a relationship lasting several years, and necessary validation and due diligence were completed.

With a bankable Power Purchase Agreement that was signed with relevant off-taker, and a strong network of service providers and vendors that will participate in this project and expansion thereof in the near future, we believe the value proposition to the funder will be easily realised and quantified.

The current RISK to this project is sufficient pre-project funding to initiate certain key components necessary for project enablement. This includes contracting the necessary stakeholders, procurement of land and finalising the necessary feasibility studies, as well as contracting the relevant project team. This will be outlined in the financial model later in this document.

2 Company details

2.1 Board of Directors:

Managing Director

Joost Heystek

Directors

Len Collier:	Director Business Development
Pieter Kriel:	Director Finance
Johan van Tonder:	Director Operations
Johann Bruwer:	Director Technical & Electrical Support
Deon Mostert:	Director Sales and Marketing

Managers

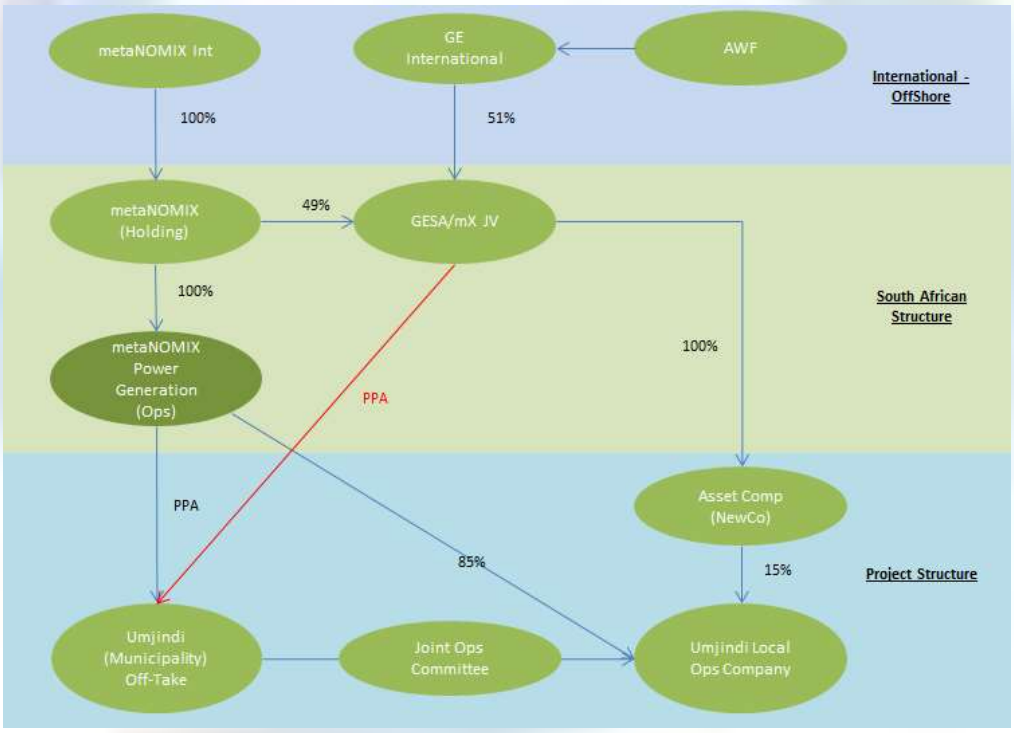
Renier Pieterse:	Human Resources
Stark Horstman:	Health & Safety
Danie Weideman:	IT-Services
Armand Du Bois:	Water Services

2.2 Operations:

metaNOMIX will have it's primary operating office at 11 Andrews Street, Barberton, Mpumalanga Province, South Africa.

The facility gives access to all the functional office requirements needed without having to incur unessesary capital expenditure by connecting to the Regus business model, which will allow operational personal to have access to all the different Regus locations regionally and internationally.

3 Organizational Structure



metaNOMIX proposes a multi-dimensional organizational structure for this project. It can be categorised as follows:

1. International Structure

   In order to protect currency against the current volatility of the ZAR currency, it is important to hold this EUR in a location with the best possible tax benefits. Procurement of goods and services will be done from this location in the actual currency procured. Only operational cash needs to be brought in locally.

The proposal is to setup metaNOMIX International abroad for this purpose. At the moment, the preferred location is Mauritius, but will be advised by Deloitte on this matter.

2. South African Structure

   For the local South African Structure, we propose a metaNOMIX/GESA/AWF Joint venture with a 49/51 % shareholding . The PPA will be seeded to this new venture from metaNOMIX. metaNOMIX will be the operational roll-out company going forward.

3. Regional Structure (Umjindi)

   The regional structure will have an Asset Company (NewCo) which will be 100% owned by the joint venture above. A local operations company will be set up, owned by metaNOMIX. A joint operations committee has been be created in conjunction with the off-taker (Umjindi Municipality) to take management control of operational matters during and post project implementation.

4 Key Strategic Partners

The following strategic partners will be part of this project:

4.1 ROSCH Innovations

ROSCH INNOVATION AG
Leading Technology Solutions

http://www.rosch-innovations.de/

This Technology is based on the consistent use of physical laws and forces of nature, and uses the energy differences between two mechanical systems using the available natural forces. The power plant works without fuel, diesel, gas, solar or wind, and this Technology is pollution free and environmental friendly.

4.2 Deloitte

Deloitte.

www.deloitte.com/za/

metaNOMIX will have a long term engagement with Deloitte to manage and execute business processes both internally and externally and therefore ensure transparent and auditable reporting back to the executive and funders.

These services will include:

- Source to Pay
- Programme Management
- Project Management and Control
- Finance, Accounting and Reporting
- Advisory Services

4.3 metaWEAVE

www.metaweave.co.za

One of the key differentiators is the strong partnership with our IT Technology partner metaWEAVE. With more than 15 year of implementing enterprise business solutions to various industries in all the different market sectors, metaWEAVE will ensure transparency in all the different components of this project.

It will give visibility to both operational as well as executive stakeholders, and ensure efficient management of the entire lifecycle of the project. The advantage to funders will be real-time reporting and visibility of key metrics.

4.4 Plan Associates (Town and Regional Planners)

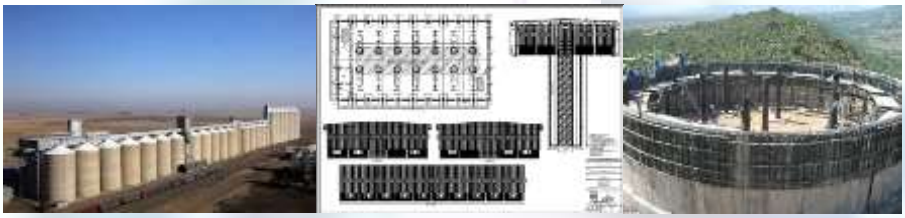
Since 1964

http://www.planassociates.co.za/

Plan Associates was established in 1964 and offers a comprehensive multi-disciplinary service needed in the area of development planning. The following services will be offered relating to this project:

- Integrated Development Planning and Institutional Development
- Land Use and Transportation Integration Planning
- Township Layouts and Township establishment
- Rezoning's, Concent Uses, Subdivision and Consolidation of Erven
- Socio Economic Surveys
- Land Use and Demographic Inputs to Traffic Modelling
- Human Settlement (Housing) Planning
- Project Management and Feasibility Studies
- Integrated Development Planning and Institutional Development

4.5 DAP - Structural, Civil and Municipal Consulting Engineers



With more than 30 Years' experience in various Structural, Civil and Municipal projects, DAP Engineers will ensure a successful implementation of projects of this nature. The company, headed by Dries (A. M.) Pretorius Pr. Eng. (ECSA – 830423), have been involved in all aspects of Civil Engineering, including municipal (water and energy) ,agriculture, small, medium and large contraction, roads ect.

Initial civil design and costing for the 5MW X 02 modular units was done on RISK by DAP Enigineers.

4.6 Electrical Consulting Engineers

EIC projects
electrical • instrumentation • control

http://www.eicprojects.co.za/

With projects of this nature, the Electrical Consulting Engineers team is key to the success of a quality design and implementation. For that reason is EIC a core member of the team.

EIC Projects has comprehensive experience in numerous electrical, instrumentation and control system projects from initial feasibility studies up to, and including, the execution phases of projects where contractor onsite management and supervision is required. EIC Projects offers a full engineering service and has the knowledge, expertise and experience to provide customised solutions to meet the specific needs of our clients.

4.7 Mirabilis – Insurance

http://www.mirabilisafrica.com/

MIRABILIS Engineering Underwriting Managers for Santam Limited is an invaluable part of the project delivery. The full range of Engineering Insurance Products will be incorporated, and have been included in the total pricing. The insurance cost estimates are at 0.4% of the total incorporated project costs. The products include:

- Contractors' All Risks Insurance (CAR)
- Engineering Project Insurance Cover (EPIC)
- Advance Loss of Profits Insurance (ALOP)
- Contractors' Plant and Equipment Insurance (CPE)
- Machinery Breakdown Insurance (MB)
- Loss of Profits following Machinery Breakdown Insurance (MLOP)
- Deterioration of Stock Insurance (DOS)
- Electronic Equipment Insurance (EEI)
- Business Interruption following Electronic Equipment Insurance (EEI BI)
- Civil Engineering Completed Risks (CECR) Insurance
- Seamless Project Insurance

5 Project Financials

5.1 Initial funding requirements

1. Procurement of Land

   Farmland was identified on the outskirts of Umjindi which is ideal for the establishment of the site. It is approximately 200ha of farmland divided in three title deeds. Although not all of the land is required for the establishment of the initial 10mw/h plant, the rest of the available land is ideal for planned expansions and additional town establishment and can earn potential revenue in this regard.

   This is the biggest component of the initial investment required.

2. Project & Team Enablement

   An Environmental Impact Assessment needed for the finalisation of the issuing of the Power Generation License from the National Energy Regulator of South Africa must be finalised. Preliminary earthworks need to be completed during 2016, in order to enable start-up towards end of 2017. The order manufacture and import the Kinetic Technology Mechanisms from Germany, to be placed towards end of 2016. Professional Engineering partners need to be appointed

to do the necessary load studies at the point of “tie-inn”, as well as to write the operation manuals according to the national grid-codes of Eskom.