

## **OUTLINE FOR A PROJECT FEASIBILITY STUDY (MGB FORM 5-3)**

The project study is the consideration of all factors or conditions available to determine the profitability of the venture. The following shall therefore be contained in the project study.

### **1.0 Summary**

- 1.1 Location
- 1.2 Ores or minerals to be produced
- 1.3 Planned mine and mill capacity
- 1.4 Estimated life of mine
- 1.5 Volume of investment
- 1.6 Market
- 1.7 Production costs
- 1.8 Employment: Number, nationality, positions and pay
- 1.9 Profitability
- 1.10 Sources of Financing
- 1.11 Relation of project to national economy
- 1.12 Others

### **2.0 Economic Feasibility**

- 2.1 Market Study:
  - 2.1.1 World demand and prices of the ore/mineral for the last ten years
  - 2.1.2 Local demand and prices of product for the last five years
- 2.2 Forecast of future prices
- 2.3 Availability of raw materials, fuel and power and other service facilities
- 2.4 Availability of technical and skilled worker

### **3.0 Details of Project**

- 3.1 Location and accessibility of mineral property
- 3.2 History of mining claims and mining operations, if any
- 3.3 Geologic setting (petrological environment, type and origin of deposit, persistency of orebody, geologic structures, type and grade of ore, and other geologic features)
- 3.4 Stage of development. (extent of exploration work and/or development works; the quantity and quality of mineral reserves)
- 3.5 Plan of operations. (planned capacity of the mine and mill; number of shifts per day; number of working days per year; flowsheet of mill; plan of marketing)
- 3.6 Environmental Protection and Management Plan
- 3.7 Mine Safety and Health Plan
- 3.8 Community Development Plan
- 3.9 Socio-Economic Impact/s
- 3.10 List of equipment needed

### **4.0 Financing Requirements**

- 4.1 Investments
  - 4.1.1 Exploration costs (research, experiment, studies, etc.)
  - 4.1.2 Fixed investments - lands, buildings, other improvements, machineries and equipment, transportation equipment and others
  - 4.1.3 Engineering and administration costs during installation of buildings, machineries and equipment
  - 4.1.4 Interest during installation and construction
  - 4.1.5 Trial or test runs costs
  - 4.1.6 Contingencies
  - 4.1.7 Estimate of Working Capital
  - 4.1.8 Detailed breakdown of fixed investment and working capital in peso and dollar components
  - 4.1.9 Annexes: Copies of machinery, spare parts and equipment listings and specification, itemized freight costs, insurance, customs duties, fees and other taxes; copies of official or pro-forma price quotations; detailed list of personnel required and their technical

qualifications; buildings and their distribution on the site; plant layout, other explanations, diagrams and data or possible changes, etc.

- 4.2 Details of mining and milling costs
- 4.3 Details of overhead costs
- 4.4 Details of marketing costs
- 4.5 Environmental Protection and Mine Safety and Health Costs
- 4.6 Community Development Costs
- 4.7 Sources of financing
  - 4.7.1 Equity capital: amount and origin (nationality)
  - 4.7.2 Credits: their sources, terms and conditions and types of credit, form of payment, nature of interest, guarantees, etc.
  - 4.7.3 Financing in peso and dollar currency
  - 4.7.4 Table of sources and uses of funds

## **5.0 Employment**

- 5.1 Number, nationality, positions and annual payroll (salaries and allowances)
- 5.2 Detailed list of key personnel and their qualifications
- 5.3 Personnel policies with respect to pay scales and allowances for local and foreign personnel
- 5.4 Organizational chart

## **6.0 Economic Balance**

- 6.1 Cost analysis
- 6.2 Return on investment

## **7.0 Schedule of Project**

- 7.1 Construction
- 7.2 Exploration, development and stoping operations
- 7.3 Mill test runs
- 7.4 Start of mill operations

## **8.0 Prepared by**

## **9.0 Conforme**