



**INTERNATIONAL COAL VENTURES LIMITED,
MOZAMBIQUE**

EXPRESSION OF INTEREST

FOR

APPOINTMENT OF MINE DEVELOPER CUM OPERATOR (MDO)

FOR

ZAMBEZE PROJECT OF ICVL ZAMBEZE, LDA.

IN

MOZAMBIQUE



**INTERNATIONAL COAL VENTURES LIMITED,
MOZAMBIQUE**

**Invitation for “Expression of Interest” for Appointment of Mine Developer
cum Operator (MDO) for Zambeze Project of ICVL, Zambeze, Ida. in
Mozambique**

Invitation Notice No.: number ICVL/IZL/21-22/EOI/01

1. Background:

- 1.1 International Coal Ventures Limited (“ICVL”) is the parent company of ICVL Zambeze, Limitada (“IZL”) and IZL is holder of a Mining Concession for a tenement area licensed as CM 4695C (former EPL946L) (also referred hereinafter as “Zambeze Coal Mine Project”);
- 1.2 “Zambeze Project” or “Zambeze Coal Block”) located in the Tete Province, in an approximate DUAT (Right to Use) area of 5,595 hectares, covering mainly in the Tete Municipality, and a smaller area in the neighboring District of Moatize (to the northeast)..
- 1.3 Zambeze Coal Mine Project is 100% held by ICVL Zambeze,Lda (“IZL”) pursuant to the Mining Concession 4695C and the Mining Contract signed with the Government of the Republic of Mozambique (approved by Resolution 67/2013 of August 20,2014).
- 1.4 IZL intends to develop its Zambeze Coal Mine Project to progressively produce 22 million tons of Run of Mine (“RoM”) coal per annum and remove minimum of 42 million BCM (bank cubic meters) of associated overburden (OB)/waste per annum. For this purpose, IZL invites duly qualified entities to submit an Expression of Interest (“EOI”) for rendering all the Mine Developer cum Operator (“MDO”) related services for the Zambeze Project.

2. About the Zambeze Project

- 1.1 The IZL`s Zambeze Project consists of the development of an opencast coal mine and a coal processing plant, delivering Coking coal and Thermal coal products to the point of delivery It includes the development of all associated infrastructure to support this Greenfield project. The coking coal product is the focus of this project and has a long-term strategic value for IZL.
- 1.2 The Zambeze Project reserve is located north-west of the town of Tete, in Mozambique. The successful advancement of the Zambeze Project will result in a multi-billion (US) dollar development project that will contribute to the country’s economic and social development.

- 1.3 The Zambeze Project has been actively explored since 2005 and historical exploration techniques have included geological mapping, open hole (non-coring, percussion and reverse circulation) and slim line and large diameter full core drilling.
- 1.4 The Zambeze Project contains a very large (>1.8 billion total tonnes in situ) coal deposit within the Moatize sub-basin coalfield of the Tete Province of Mozambique, 460 million tonnes of which are contained within the current open pit outline. The targeted seams (C, E, F and G) can be mined at a Life of Mine strip ratio of average 1.9 bcm per tonne of coal. The most important seam is the C Seam (Chipanga Seam equivalent), which accounts for some 76% of the total raw tonnage, 76% of the primary product tonnes and 70% of the secondary product tonnes within the proposed pit outline. The Chipanga seam (C) was intersected at depths between 13.72 m and 319.28 m, varying in thickness from 18-36 m. The pit will be a maximum of 200 m deep for the initial 20 year LoM. The coal seams dip towards the Southwest at angles of between 2° and 15°.
- 1.5 IZL intends to develop the Zambeze Coal Mine Project to produce Hard Coking coal with 10.5% -13.5% ash products and Thermal coal with 26.0 - 30.0% ash product. Ash content and other quality parameters for Hard Coking Coal and Thermal Coal will be specified in the tender document. Coking coal recovery, however, is the focus of the development.
- 1.6 While the mining concession is valid for 25 years, the project has potential to deliver a long-life asset that could still be operated well beyond that timeframe. The development of the Zambeze Project is to achieve a target process plant feed rate of 20 Mtpa of deshaled RoM. Construction is planned in two 10 Mtpa stages, the second stage commissioning scheduled for completion approximately 12 months post commissioning of the first stage works. The design life of the project is 20 years.
- 1.7 Zambeze Project is based on a high volume open-cast mine that will produce a significant amount of high quality coking and thermal coal.

Key aspects of the Zambeze Project include:-

- Development of an open-cast mine using conventional truck/shovel combination
- Processing of the ROM coal in Coal Handling & Preparation Plant(CHPP)
- Transportation of processed coal product to the Benga railway stock yard, through a conveyor belt/railway link constructed by the successful bidder from the Zambeze Project site to the Benga stock yard, where load out of product will take place;
- Loading of coal product into railway wagons through suitable loading arrangements on the Sena Railway Line upto Beira port/or through any other feasible route/sea-port arranged by the successful bidder. Final loading arrangement and delivery point shall be fixed on the basis of feasibility during preparation of final RFP document.

3. Intent of the Expression Of Interest (EOI) :

The primary objective of IZL is to select and appoint a Company/ Consortium with sound financial strength and appropriate experience in opencast mining operations to operate its Zambeze Coal Block through MDO (Mine Developer cum Operator) concept. The MDO shall develop and operate the Zambeze Coal Block in the most cost-effective manner while ensuring reliability in coal production (both in quantitative and qualitative terms) and

ensuring full compliance with prevailing Mining Law and Regulations in Mozambique including those related to Labour, Communities, Health, Safety, Environment etc. The objective of this EOI is only to identify availability of technically and financially capable experienced party (ies) and using the information gathered as a reference for floating of RFP (Request for Proposal) for the MDO to be issued separately.

ICVL Zambeze, Lda (IZL) intends to develop as its Zambeze Coal Project to progressively produce 22 million tons of Run of Mine (RoM) coal per annum. For this purpose, IZL invites duly qualified entities to submit an Expression of Interest (EOI) for rendering the following services:

Part 1:-Development of an open-cut mine using Heavy Earth Moving Machineries(HEMMs) and production of coal ROM along with resettlement of about 1000 (one thousand) families affected by Zambeze Coal Project and other related activities.

Part 2:- Setting up and operating Coal Handling and Processing Plant for handling and processing of 20 million tons ROM coal per annum..

Part 3:- Transportation of Coal from CHPP to Beira/Nacala/Macuze port for overseas shipment.

The interested parties may express interest for doing the jobs in integrated manner or by forming an association/consortium etc or separately as per their comfort.

4. Scope of work for MDO

A. MDO :-

The service to be rendered by an MDO will include but will not be limited to the following:

1. Generate data, Design, Engineer, invest, develop, operate, maintain, leading to successful coal extraction and transfer of coal to ICVL.
2. Coal production at a guaranteed rate.
3. Re-settlement of 1000 families affected by Zambeze Coal Project and related activities.
4. Initiation of re-settlement of families affected by Zambeze Coal Project by October 2024
5. Deviation of Zambia road and electrical power line approximately 10km after 10 years of operation;
6. Developing the mines as per the approved Mining Plan
7. Removal of top soils, overburden and inter burden to produce Run of Mine (ROM) coal.
8. Liaisoning with Government and Local Authorities, dealing with local communities, assessing environmental issues, working on land related issues, etc.

B. CHPP Operator (CHO):-

The service to be rendered by an MDO/CHO will include but will not be limited to the following:

1. Setting up Coal Handling and Processing Plant (CHPP) 20 million tons ROM coal per annum exclusively for Zambeze Coal Mines
2. Assessing and providing power and water requirement for the CHPP
3. Commencing the operations of CHPP to process Run of Mine (ROM) coal and storing the processed coal in bunkers.
4. Up-scaling the production target progressively within the least possible time to process 20 million tons of plant feed per annum to produce 10.5/13.5% ash content coking coal by utilizing the state of the Art technology to maximise the yield.
5. Installation of suitable arrangements for handling of Rejects & Tailings.

C. Coal chain operator(CCO)

The service to be rendered by an MDO/CCO will include but will not be limited to the following:

1. Transportation of Coking and Thermal coal from CHPP head to the Benga railway siding through a conveyor belt and loading of wagons through silos.
2. Deployment of required number of fleet of trains (Loco & Wagon) for transporting 6 to 7 million of coal per annum. to Beira /Nacala/Macuze port.
3. Liaising with Government and Local Authorities, dealing with local communities, assessing environmental issues, working on land related issues, etc.

5. Responsibility of ICVL Zambeze, LDA (IZL)

1. IZL will continue to be the legal holder of the coal blocks and the coal thus produced.
2. Provide the Geological report& Mining plan etc. to the extent and detail already available with IZL.
3. Obtaining the required land acquisition (DUAT) to start the coal mine.

6. Other terms

1. Coal produced will be the property of IZL. MDO shall transfer total coal thus produced to IZL.
2. IZL shall pay a “Fee” to MDO as quoted by the Participant for the coal produced and transferred (this will be the Bidding element while participating in the subsequent RFP). Price variation formula will be provided in the subsequent RFP document.
3. The entire mining operations until specified point of delivery shall be governed by prevailing Mozambican laws. The intending participants should already have requisite Mozambican licenses for carrying out the jobs as a MDO. Those who are not currently in possession of requisite Mozambican licenses must be able to produce such licenses

before acceptance of their offers against subsequent RFP. Labour, Communities, Health, Safety and Environment (HSE) requirement of Mozambique must always be adhered to.

4. The intending participants may schedule their visit to the Project site (the date of the site visit will be notified to all the participants after assessment of a feasible date for majority of the participants) to familiarize themselves with the site conditions and other details of the Project. An Executive Summary of the Project will be shared with interested participants on execution of the Non-Disclosure Agreement (format enclosed) with IZL. Term of the contract is approximately twenty (20) years/ life of mine, whichever is more. In case the life of mine exhausts before twenty (20) years, IZL shall not be liable or accountable as the expected life of mine can change depending on the rate and pace of mining. The average in-situ strip ratio is 1.9.
5. Under Mozambican law, during the project execution and Plant operation stage, the MDO would be required to give preference to local work force and local companies for supplies and services that are planned to be subcontracted.
6. Participants submitting their EOI shall bear all expenses and costs incurred in relation to its preparation, submission and presentation, if any, at any stage of the EOI. Neither IZL nor any of their respective employees or representatives shall reimburse or otherwise be responsible for any costs incurred during the process. The information provided herein should not be considered as a promise or certification of the final decision of IZL. IZL reserves the right to modify any aspect of the Project. Submission of an EOI does not guarantee that the participant will receive an invitation to subsequent RFP, if any. The future terms and conditions of the subsequent RFP, if any, may override the terms and conditions of this EOI.
7. This document is being issued to only elicit an Expression of Interest from the interested parties for the specified work and shall not constitute any binding commitment from IZL to proceed with the work or invite any or all interested parties in the subsequent discussions/ bidding process. The objective of this EOI is only to identify availability of technically and financially capable experienced party (ies) and using the information gathered as a reference for floating of RFP for the MDO to be issued separately. IZL reserves the right to withdraw from the process or any part thereof, to accept or reject any or all applications in full or in part at any stage of process and/or to modify the process or any thereof or to vary the eligibility criteria, scope and terms of EOI or subsequent RFP at any time without assigning any reasons whatsoever. No financial obligations, whatsoever, shall accrue to IZL in such an event.
8. Participant(s) of this EOI can be either a single registered Corporate Entity or Consortium formed of not more than 3 companies. Minimum requirement in constitution of the Consortium, minimum obligation of each member of consortium for fulfilling of eligibility criteria, other obligations of each member of consortium etc. shall be stipulated in the subsequent RFP. Before submission of EOIs, clarifications, if any, may be mailed by intending participants until **. **. 2022 to the following Electronic address: clarifications.zambeze@icvl.co.mz. The intending participants, at their own cost, before submission of EOI, the intending participants, at their own cost, may opt to do a site visit at Tete for which they should email their plan of visit to ICVL Zambezi Limitada (IZL)

preferably 7 days in advance. Those who are unable to do a site visit before submission of EOI, may do so later on, when ICVL Zambezi Limitada (IZL) would issue a tender inviting bids.

9. The Expression of Interest with the subject: EOI for Appointment of MDO for Zambeze Project of ICVL Zambeze,Lda shall be submitted no later than 15:00 hours, Mozambique time, of **22nd March 2022** to the following Electronic address:
buying.zambeze@icvl.co.mz

7. Eligibility criteria for EOI participation

Expression of Interest (EOI) are invited only from the participants fulfilling the following technical as well as financial criteria

1.0: Technical: The interested Participant(s) shall adequately demonstrate the following minimum technical capabilities:

1.1 : Minimum three (3) years' experience of excavation/ raising of RoM in opencast mining by using appropriate mining technology and should have produced at least Five (5) million tonnes of RoM Coal, Iron Ore or other minerals (e.g. Lignite, Bauxite, Limestone, Copper, Manganese) in any One (1) year during last three (3) financial years ending on or before the date of the EOI, out of which at least Three (3) million tonnes should be from a single mine.

2.0: Financial: The Participant has to satisfy the following financial criteria (jointly in case of consortium).

2.1: The bidders for three parts shall have to fulfil the Net worth of more than USD 200 million (United State Dollars Two Hundred Millions). In case of bidders of less than 3 parts the net worth shall be reduced proportionately as on the date of the financial accounting year ending on or before the date of the EOI. Net worth should be equal to or more than 100% of its paid-up share capital.

2.2: The Participant shall have to fulfil the average annual turnover of at least USD 400 million (United State Dollars Four Hundred Millions) during last three (3) consecutive financial years ending on or before the date of the EOI. In case of bidders of less than 3 parts the net worth shall be reduced proportionately.

2.3: The Participant shall have to fulfil the average annual Cash Accrual (Profit after Tax + Depreciation + other non-cash expenses) of at least USD 50 million (United State Dollars Twenty Thirty Millions) during last three (3) consecutive financial years ending on or before the date of the EOI. The Participant shall have a positive cash accrual for the last completed financial year immediately preceding year of the date of the EOI

8. Submission of EOI

Eligible and interested companies or Consortium shall submit their EOI (in English language) in the specified format along with the following documentation to the Electronic address specified by IZL

- Company Profile
- Certificate of incorporation (and any certificate of change of name or other amendment).
- Certified copies of its Memorandum / Articles of Association.
- Certified financial accounts for last three (3) financial years showing year wise Profit/ Loss, Turnover and Net worth for the last three (3) years. In case the financial data of any applicant is in currency other than USD, it shall be converted to USD considering the prevailing exchange rate (average of selling and buying rate) from Central Bank of Mozambique/ Central bank of country of incorporation as on date of closing off respective account.
- Evidence of Tax Registration and Declaration of the Commencement of Activities.
- Tax Certificates (VAT / Income Tax / Tax License, etc.).
- Certificate of Commercial Registration with Mozambican Authority or in case not already registered with Mozambican Authority, then expressed intent to do so within stipulated period in the subsequent RFP.
- List of References.
- Portfolio of projects completed / under progress.
- List of projects executed / under execution in the last ten (10) years, highlighting similar works as the one referenced on this EOI, with supporting documents such as project details, cost of the project, client name, contract order and completion certificate issued by the contracting party etc.

9. Potential participants conference

A conference will be arranged by ICVL Zambeze, Lda (IZL) after preliminary examination of the Expression of Interest (EOI) submitted by the eligible and potential participants. Participation to such conference will be by invitation only and decision of ICVL Zambeze, Lda (IZL) would be final.

* * * * *

Format: **Expression of Interest (EOI)**

Date: 21/02/2022

To
HOD (Procurement),
ICVL

Dear Sir,

In reference to EOI number **ICVL/IZL/21-22/EOI/01 dated 22.02.2022** inviting Expression of Interest (EOI) for Mine Development cum Operations for Zambeze Coal Project; we hereby submit our interest to participate in the referenced project.

We believe and hereby confirm that we have requisite experience and financial capability to carry out the job successfully and sustainable basis. Our details are given below:

1. Name, registered address & operational office address:
2. Name & designation of the concerned officer to whom all references shall be made:
3. Website:
4. Telephone:
5. E-Mail:
6. Chief Executive and Board of Directors:
7. E-mail:
8. Telephone:
9. Total number of Employees:
10. Type of the Organization (Public Sector/Limited/Private Limited/Partnership/Proprietary /Society/Any other)
11. Locations and addresses of Offices, and operational locations (enclose the list):
12. Name & address of local representative, if any :
13. Category of Applicants
 - a) Individual Company
 - b) Consortium consisting of 1. _____, 2. _____, 3. _____ out of which _____ is delegated to be the leader of the consortium and area of responsibility is as bellow.

1. _____	Area _____
2. _____	Area _____
3. _____	Area _____

(Consortium Member Name)

(Area of Responsibility)

In case of individual company, certificate of incorporation, certified copy of memorandum & articles of association, tax registration certificate and declaration of commencement activities are enclosed.

In case of consortium, Copy of Consortium Agreement stating leader of the consortium and role of each member of the consortium is enclosed. Further in respect of each consortium members the following are also enclosed:

Document Type	Member 1	Member 2	Member 3
(a) Certificate of incorporation			
(b) Certified copy of member and article of association			
(c) Tax registration			
(d) Declaration of the commencement of activities			

14. Details of Similar Projects executed / under execution:

Sl. No.	Name and Address of the Project	Name of Project Owner/Authority and Contact Details	Project Description (Brief Scope of work)	Duration of Contract		Value of the Project (USD)	Remarks
				Date of Award the Contract	Date of Completion Project		
1							
2							
3							
4							
5							
6							
7							
8							
9							

NOTE:

- Contract orders and completion certificates for each project enclosed.
- In case of consortium, details for Project executed of all members of the consortium to be mentioned.

15. Financial Information

Year	Net worth	Annual Turnover	Annual Profit/Loss
2017			
2018			
2019			
2020			
2021			

NOTE: Audited annual report/financial statement for last five years are enclosed (In case of consortium, financial information and audited annual report/financial statement for all members to be enclosed).

16. List of Supporting Documents being submitted:

Sl. No.	Name of Permit, Consent, Approval	Issuing Authority	Date of Issue	Validity
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

17. We are already registered and established in Mozambique and we declare that we have not been prohibited to trade in Mozambique under judicial or penal sentence and we do not own debts to tax or social security. In this connection, non-bankrupt declaration issued by judicial court “Certificado de Quitação” from tax authority and “Certidão de INSS” are enclosed.

Or,

We are presently not registered and established in Mozambique.

Declaration signed by at least two company’s directors and duly certified by our company secretary in respect of the following is enclosed:

- (a) The company is not black listed by the Mozambican Government;
- (b) The company is not bankrupt;
- (c) The company is not facing any legal, criminal procedures against it

18. Tentative plan for Capital investment, financing of resources (material, infrastructure and labour) and meeting the logistics requirement for development, construction and operation of the Zambeze Coal Project is attached herewith.

Thanking you

Yours sincerely

(Name, Designation)
(Company Seal)