

PRESENTATION OF THE XINGÓ PROJECT





Xingo Project.

PROPONENT COMPANY:

XINGO MINING EXHORTATION AND IMPORTATION LTDA.

1. Technical Project for Economic and Financial Feasibility
2. 4th Contractual Amendment – Consolidated:

ECONOMIC-FINANCIAL FEASIBILITY TECHNICAL PROJECT

1. PROJECT OVERVIEW

Detailed project plan; aims to demonstrate the technical, economic and financial viability, once implemented in the company XINGO MINING EXPORT AND IMPORT LTDA, located at the Refúgio Povoado Curituba Farm , s/nº Rural Zone, Zip Code 49820-000, Canindé do São Francisco- Sergipe. Municipality of the capital Aracaju - Brazil.

Xingo Mineração Exportação e Importação Ltda., a Brazilian mining company, is fully committed to maintaining responsible and sustainable mining practices, ensuring alignment with environmental, social and governance (ESG) standards. In an environmentally friendly manner, we will implement community well-being programs and support environmental conservation initiatives. The company is seeking financing to expand its operations, establish advanced infrastructure and scale its export/import business globally.

2. MAIN OBJECTIVES

2.1.Industrial Expansion

Invest in advanced equipment for extracting and processing stones.

2.2.Growth with Export Forecast:

Establish global trade channels for processed stone and building materials.

2.3.Infrastructure development:

Build state-of-the-art facilities and warehouses.

2.4.Diversification:

Expand to road construction, water supply networks and urbanization works, irrigation works.

3. MISSION AND VISION

3.1.Mission:



Extract and commercialize high-quality construction materials in a sustainable manner , contributing to the development of global infrastructure and economic growth in Brazil and beyond

3.2.Vision:

It becomes the leading mining and export company in Latin America, recognized for quality, innovation and sustainability.

3.3.Profit Plan

3.3.1. Revenue Stream

3.3.1.1.Primary business: Extraction and crushing of stones for construction.

3.3.1.2.Secondary Business: Urbanization Project, wholesale trade of cereals, marble, fertilizers for agriculture extracted from rock dust. This process aims to exploit the minerals that are above the surface of the soil, according to the project, to extract more valuable minerals that are below the subsoil (Nickel is a very versatile mineral and used in a wide range of industries and applications) (GOLD). These other minerals will be processed in the background.

3.3.1.3.Estimated Annual Revenue: (Post-Expansion)

3.3.1.4.Minerals: 2 million euros

3.3.1.5.Secondary Activities: 800 thousand euros

3.3.1.6.Total Revenue: 2.8 million euros

3.3.1.7.Gross Profit Margin:

3.3.1.8.Net profit margin: 30%

3.3.1.9.Annual net profit: 840 thousand euros

3.4.Payment plan

Annual Principal Payment:

- Loan amount: 5 million euros

- Repayment term: 4 years (after 1 year grace period)

If the annual principal payment is 1,250,000 euros, the loan would be paid off in 4 years.

Total Annual Payment:

- Annual interest: 200,000 euros (in the first year after the grace period)

- However, the annual interest will decrease over time as the principal is paid off.

Total annual payment based on annual principal payment of 1,250,000 euros and annual interest.



Year 1 (after the grace period):

- Interest: 200,000 euros (4% of 5,000,000 euros)
- Principal: 1,250,000 euros
- Total annual payment: 1,450,000 euros

Year 2:

- Interest: 150,000 euros (4% of 3,750,000 euros)
- Principal: 1,250,000 euros
- Total annual payment: 1,400,000 euros

Year 3:

- Interest: 100,000 euros (4% of 2,500,000 euros)
- Principal: 1,250,000 euros
- Total annual payment: 1,350,000 euros

Year 4:

- Interest: 50,000 euros (4% of 1,250,000 euros)
- Principal: 1,250,000 euros
- Total annual payment: 1,300,000 euros

Conclusion:

- Annual principal payment of 1,250,000 euros, to pay off the loan in 4 years.
- The total annual payment varies over the years due to decreasing interest.

4. PROJECT FEASIBILITY AND MARKET POTENTIAL

4.1.Global demand:

High demand for quality stones in infrastructure projects worldwide.

4.2.Export opportunities: Expansion into high demand regions such as North America, Europe and Asia.

5. COMPETITIVE ADVANTAGE

Proximity to rich stone reserves expertise in stone extraction and processing.
Diversified revenue streams ensure stability.

Valuable Project Attributes:

5.1.Sustainability:

Commitment to environmentally friendly mining practices.

5.2.Economic growth:

Job creation and contribution to local and national economies.

5.3.Global partnerships:

Strengthening business relationships with international buyers.



6. RETURN PERIOD

Recovery of initial investment:

Within 4 years from the start of post-expansion operations.

Full repayment of the loan: Within 5 years, with significant post-repayment profit generation.

7. CONCLUSION

The proposed project is a high-value initiative with sustainable growth potential. It aligns with Xingo Mineração Exportação e Importação Ltda's mission and is well positioned to leverage this financing to achieve its expansion goals, ensuring high returns for stakeholders.

For more information or clarification, please contact:

Francisco Ramos Feitosa

WhatsApp: +5579998976262

Xingo Mining Export and Import Ltd.

Address: Refúgio Farm s/n Canindé de São Francisco Sergipe Zip Code 49820-000

xingomineracao@uol.com.br

mineradoraxingo@gmail.com

contato@xingomineracao.com.br

<https://xingomineracao.com.br>

Internal Rate of Return (IRR) Analysis

The Internal Rate of Return (IRR) is calculated to assess the financial viability and profitability of the project for Xingo Mineração Exportação e Importação Ltda. This metric estimates the rate at which the net present value (NPV) of future cash flows equals zero, helping to assess the attractiveness of the project.

Project financial inputs for IRR calculation

Initial investment: 5 million euros (loan amount).

Annual revenue (post-expansion): €2.8 million Annual costs and operating expenses:

Estimated at 70% of revenue (1.96 million euros).

Net cash inflow: 0.84 million euros annually (Net profit).

Loan repayment structure:

Total annual payment 2.8 million euros (Including principal and interest Net free cash flow to IRR: 5.66 million euros (net profit – annual loan payment). Project life:

5 years (including 1 year grace period).

Assumptions

1. Cash flows are constant, excluding potential growth from secondary operations.

2. The grace period (year 1) excludes payments but considers operating profits reinvested in the business.
3. Terminal value is not included in this calculation to maintain conservative estimates.

IRR Result

Using projected net free cash flows of USD 5.66 million annually over 5 years and the investment of 5 million euros the calculated Internal Rate of Return (IRR) is approximately: 94.4% Interpretation of IRR

1. The IRR of 94.4% is significantly higher than the cost of capital (4% annual interest rate).
2. Indicates that the project is profitable and can generate a return greater than the financing costs.
3. The IRR suggests that the project is financeable and provides sufficient margin for unforeseen risks.

The resources from the financing are allocated to the following items:

- a) Machinery and Equipment: 2 Million Euros
- b) Heavy vehicles for transporting minerals: 1 Milan euros
- c) Construction of modern infrastructure: 1.5 million euros
- d) Financial Investment Working Capital 500,000 Euros

XINGO MINING EXPORT AND IMPORT LTDA, the land is owned by Mr. FRANCISCO RAMOS FEITOSA, sole partner of the company, and is valued at USD 120M, Valuation Report presented by Environmental Engineer Daniel França Feitosa, registered with the class entity: CREA SE, under number – 2713721148.

In order to carry out the activities of extracting and processing stones for the production of various minerals, the company has all the environmental licenses and also operates in the civil construction sector. Currently in all the states of Sergipe, also covering a good part of the states of Alagoas, Bahia, in all the states of Brazil, and with proposals for Export, a fact that denotes that its owner, FRANCISCO RAMOS FEITOSA, has accumulated experience in the sector, which brings confidence and robustness to the intended enterprise.

1. COMPANY CHARACTERIZATION

1.1. Company Name Xingo Mining Export and Import Ltd.

- 1.2. Trade Name: **STONE INDUSTRY AND TRADE**
- 1.3. Address In the Access Village of Curituba Refuge Farm s/nº, Rural Area
Canindé de São Francisco (SE), ZIP Code 49820-000
- 1.4. Legal Form Limited Liability Company
- 1.5. Registration with JUCESE 26600050932.