Zeta Mining: Walking the Dragline

By Sam Togar, Taylor Krueger, Eric Mettler, & Tarjei Bryn
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Zeta Mining Company

- In 2001, Zeta Mining was created with the intent to mine coal resources of Australia's Central Queensland Bowen Basin. Since its creation Zeta has seen great success while emerging as a world leader in the production of metallurgical coal.
- The mines expected to produce over 6,000 tons over the next 120 years.
- Investments est. at $8 billion
Draglines

- Draglines are machinery used to remove mine overburden (sediment and other geological wastes) a top of coal
- The machine weighs approx. 3,400 tons
- Assembly can take 8 months with a crew of 40
- Can cost up to 220 million
Walking the Dragline

Initial Cost of transportation: $10 million
Steering and suspension adjustment: $1.1 million

Continuous maintenance: $300,000/yr
Additional servicing: $150,000 in year 3
Operator Salary: $260,000/yr (at growth rate of 10%)
Operating Expense: $2 million/yr (at growth rate of 10%)
Walking the Dragline

Initial Investments
$10,000,000.00
$1,100,000.00

Operations
Continuous Maintenance
$1,166,895.38

Additional Servicing
$583,447.69

Operator Salary
$1,011,140.00

Operating Expense
$7,778,000.00

Total NPV
$21,639,483.07
Contract Stripping

Contract stripping allows Zeta to work with contractors who are come equipped with the necessary machinery and laborers in order to remove the overburden atop the coal.

- Flat fee per year at 15% of total labor cost for the year (excluding the engagement fee) but covers fuel, maintenance, and other expenses
- Engagement fee of $750,000
Contract Stripping Ctd.

- Induction expenses (taxes) $1 million in year one, $250,000 in years 3 & 5
- Labor wages
- Supervisors an additional $15/hr