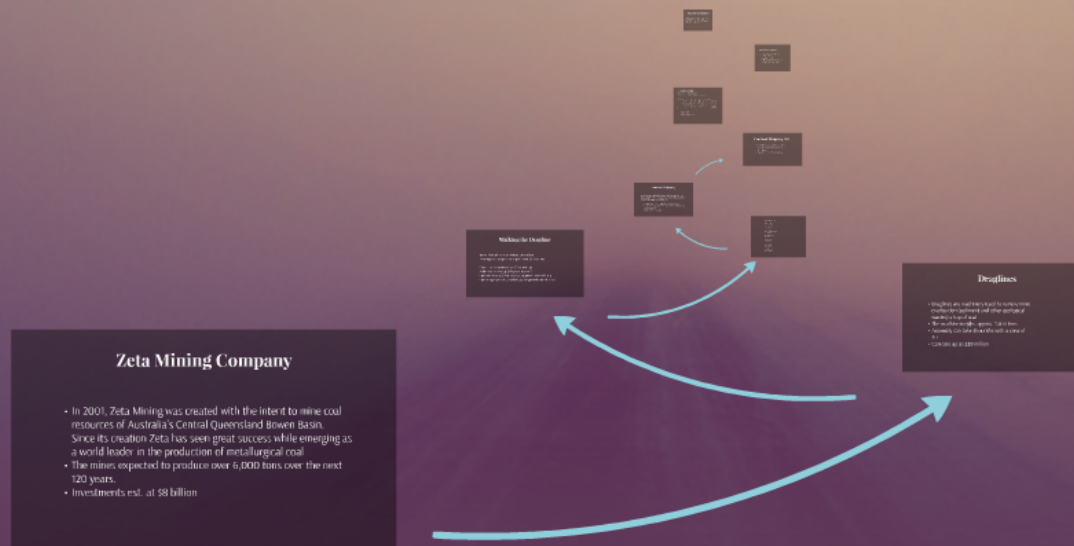


Zeta Mining: Walking the Dragline

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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 a top 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