

## Commodity Trade finance

**COMPLETE SOLUTIONS**



**FOT PAYMENTS**  
CASH ACCELERATION  
IN MINING



**TRANSPORT PAYMENTS**  
MANAGED COST TO MARKET



**TREASURY SERVICES**  
TO MANAGE  
EXCHANGE AND  
OTHER RISKS

# COMMODITIES



## The commodity trade finance cycle

We understand that mining or minerals processing is a high cost- capital intensive business, which requires managed cash flows to ensure lowest cost of operation throughout the commodity provision cycle- from production - through to delivery to the the end user - often in a foreign port.

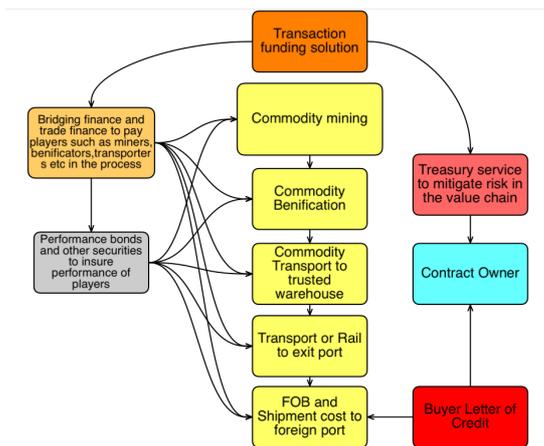
Our solution ensures improved cashflows and enhanced profitability to our clients throughout this value chain.

**Enhanced cashflows while providing more acceptable purchase options to high volume commodity buyers.**

# The complete approach

In order to ensure lowest risk as well as cashflow enhancement in the complete value cycle- we present the complete solution as follows:

The solution is based on providing a complete funding solution that ensures cash enhancement throughout the process, starting with mined commodities, covering the enhancement cycle, and managing the export and payment process, complete with hedging of the export and other treasury risks in a growing pool of participating miners.



The concept is outlined on the following pages in terms of players we will support, as well as the guarantees and risk sharing solutions that are envisaged.



## Covering the complete value chain



Trade finance that smooths cash flows for all players in the commodity export cycle, and ensure lowest cost business operation and enhanced production capacity to ensure faster expansion of your commodity trading capability

## Commodity producers

The commodity producers we target are mainly the mining community, where ventures are in ownership of DMR licenses and legal mining permits, and have demonstrated success in their mining ventures.

The solution is based on miners guaranteeing the quality of materials delivered, free of impurities and other elements, and either export ready, or ready for use in a downstream beneficiation process.

This often means either delayed income in the transport cycle to downstream smelters and concentrators, or into the export market. We smooth that cash flows through the provision of trade finance solutions.



## Beneficiation

During this stage product quality is enhanced through concentration or washing and screening or smelting of the material. We are cognizant of the fact that this is also often performed by the same entity - or the materials are supplied to high volume producers - with their own export value chain. This segment, requires input cost to acquire the materials, cost in the concentration process, re-habilitation cost as well as delayed income during the transport and export cycles.

Where the concentrator is well established and quality output is guaranteed and proven, trade finance will smooth cash flows, and provide additional opportunities for expansion.



## Transport

Transporters often need upfront payments as well as combinations - but mainly part or full payment before shipment - or payment in full at the delivery destination.

Providing trade finance, will ensure cargo can be delivered, while cost and trade finance can then be settled from income derived from the sale in the trusted or bonded warehouse.

## FOB and CIF transactions

We deal regularly with clients that provide a export FOB price to an export harbor or a complete CIF service to the import company entry port - purchasing commodity stocks from the bonded warehouse and then covering FOB or CIF cost before being able to use the Letter Of Credit ( LC) based on agreed price to settle cost and realize profitability.

We provide services that include the trade finance solutions to pay for such FOB or CIF cost in advance,as well as treasury services in order to manage the LC and ensure lowest cost exchange rates and services around this LC.



## Complete solutions

The above points out that we have solutions to accommodate commodity trades throughout the cycle and provide trade finance and other services alongside these solutions that will enhance your cash flows and reduce risk throughout the trade.

Speak to us today for a solution that suits your requirements.



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