

MIRA INFORM REPORT

Report No. :	537142
Report Date :	13.11.2018

IDENTIFICATION DETAILS

Name :	ALGOM RESOURCES LIMITED
Registered Office :	Baomahun, Bo District, Southern Region
Country :	Sierra Leone
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	18.03.2005
Com. Reg. No.:	1697455
Legal Form :	Limited Corporation
Line of Business :	Mine and export of gold and allied precious stones.
No. of Employees :	310

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES:

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Sierra Leone	B2	B2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

SIERRA LEONE - ECONOMIC OVERVIEW

Sierra Leone is extremely poor and nearly half of the working-age population engages in subsistence agriculture. The country possesses substantial mineral, agricultural, and fishery resources, but it is still recovering from a civil war that destroyed most institutions before ending in the early 2000s.

In recent years, economic growth has been driven by mining - particularly iron ore. The country's principal exports are iron ore, diamonds, and rutile, and the economy is vulnerable to fluctuations in international prices. Until 2014, the government had relied on external assistance to support its budget, but it was gradually becoming more independent. The Ebola outbreak of 2014 and 2015, combined with falling global commodities prices, caused a significant contraction of economic activity in all areas. While the World Health Organization declared an end to the Ebola outbreak in Sierra Leone in November 2015, low commodity prices in 2015-2016 contributed to the country's biggest fiscal shortfall since 2001. In 2017, increased iron ore exports, together with the end of the Ebola epidemic, supported a resumption of economic growth.

Continued economic growth will depend on rising commodities prices and increased efforts to diversify the sources of growth. Non-mining activities will remain constrained by inadequate infrastructure, such as power and roads, even though power sector projects may provide some additional electricity capacity in the near term. Pervasive corruption and undeveloped human capital will continue to deter foreign investors. Sustained international donor support in the near future will partially offset these fiscal constraints.

Source : CIA

SUBJECT'S NAME

Registered Name: **ALGOM RESOURCES LIMITED**
Requested Name: **ALGOM RESOURCES LIMITED**
Other Names: **Algom**

ADDRESS AND TELECOMMUNICATION

Physical Address: **Baomahun, Bo district, Southern Region, Sierra Leone**
Postal Address: **Baomahun, Bo district, Southern Region,
Sierra Leone**
Country: **Sierra Leone**
Phone: **+233 30 7010300**
Fax: **+233 30 7010300**
Email: **None**
Website: **None**

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

LEGAL

Legal Form: **Limited Corporation**
Date Incorporated: **18-March-2005**
Reg. Number: **1697455**
Nominal Capital: **SLL. 1,000,000,000**
Subscribed Capital: **SLL. 1,000,000,000**
Subscribed Capital is Subscribed in the following form:

	Position	Shares
Paul List	Director	
Peter Spivey	COO	
Alhaji Alie Sheriff	Manager	
BCM Investments Limited	Holding co	100.00%

RELATED COMPANIES

BCM Investments Limited	Parent company.
None	Subsidiary company.
Tabakoto Gold Mine	Affiliated company.
None	Shareholder of subject firm.
None	Branches of the firm

OPERATIONS

Registered to mine and export gold and allied precious stones.	
Imports:	SA, Asia, Europe
Exports:	Worldwide
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.
Main Customers:	firms and organizations
Employees:	310 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Sierra Leone
Location:	Rented premises, 150,000 square feet,

AUDITORS AND INSURANCE

Auditors:	Information not available.
Insurance Brokers:	Information not available.

FINANCE

Currency Reported:	Sierra Leonean Leone (SLL.)
Fiscal Year End:	December 31, 2017

Inflation: According to information given by independent sources, the inflation at December 31st, 2017 was of 13%.

Financial Information not Submitted

Profit and Loss (expressed in SLL.)

2017

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Sales

82,000,000,000

BANK

Bank Name: Standard Chartered
Branch: Sierra Leone
Comments: None

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS

None

COMMENTS/ ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.91
UK Pound	1	INR 93.99
Euro	1	INR 82.43
SLL	1	INR 0.0087

Note: Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	NIT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)