



Upgrade of the Irtysh Chemical and Metallurgical Plant

Commercial products

Design capacity: 1,385 tonnes of products per year.

Investment attractiveness of the project:

Investment – US\$ 205,177 thousand

Project NPV – US\$ 79,102 thousand

IRR – 19.7%

Payback period – 9.08 years

Project description

The Project envisages the upgrade of the Irtysh Chemical and Metallurgical Plant to expand the output of products from rare earth metals. The design capacity of the plant will be 1,385 tonnes of products per year.

Company

DINATRON-KAZAKHSTAN Ltd LLP is a specially created company, part of the HOLDING "DINATRON", operating on the basis of the Irtysh chemical and metallurgical plant, leading its history of the production of rare and rare-earth metals since 1958. The goal of the company is to create a new modern complex for the production rare metals and products from them, including metallurgical facilities using forging, sheet-rolling and pipe-rolling industries.

Market

- Titanium sponge production in 2016-2020 followed a steady positive trend. The production volume increased from 170 thousand tonnes in 2016 to 210 thousand tonnes in 2020 with a CAGR of 5.4%. In 2020, China was the leader in the sector and produced 107 thousand tonnes of titanium sponge, while Kazakhstan ranked fourth with a volume of 15 thousand tonnes.
- 360ResearchReports predicts that the titanium products market will continue to show a strong positive trend through 2026 with a CAGR of 1.3%.

What is the attractiveness of the project?

Import substitution and expansion of production. Kazakhstan doesn't have enterprises for the production of high value added products from rare non-ferrous metals. The project implementation will allow for advanced processing and finished products of a high conversion rate - ingots, powder, rods, wire, pipes, shaped articles made of niobium, tantalum, zirconium, titanium and their alloys, which will further cover domestic demand for these types of products.

Developed infrastructure. The plant is located 70 km from Ust-Kamenogorsk, in Pervomay village, in a safe distance from large settlements. The plant territory is located in close proximity to the highway leading to Ust-Kamenogorsk and also has its own railway siding.

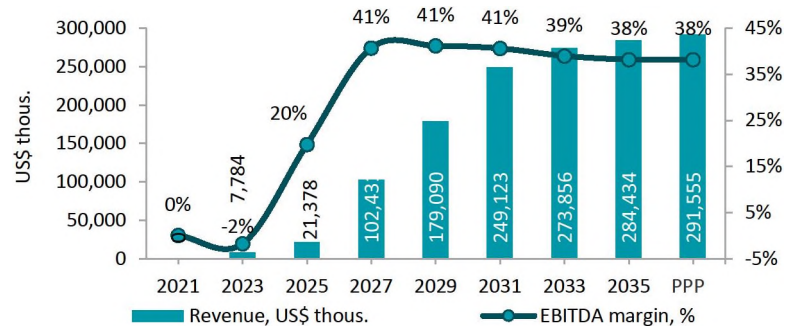
Investment proposal

The Project requires investment of US\$ 205,177 thousand, of which:

- 70% (US\$ 143,623.9 thousand) – debt financing subject to collateral;
- from 30% (US\$ 61,553.1 thousand) – Investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Location

