



Creation of a cluster for the production of materials on the basis of the Baiterek limestone deposit

Products

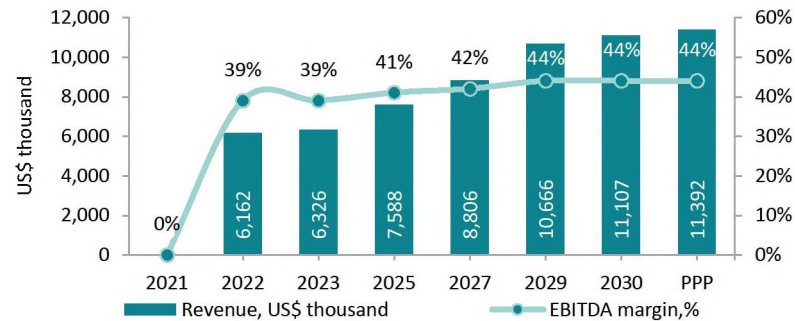
Annual capacity:

- 100 thousand tonnes of quicklime;
- 345.6 thousand silicate bricks;
- 6,912 m² of paving slabs and curbs.

Project investment attractiveness:

Investment – US\$ 8,314 thousand
 NPV – US\$ 9,909 thousand
 IRR – 32.5%
 Payback period – 4.8 years

Project profitability



Project

This investment project (hereinafter the "Project") plans to create a cluster for the production of building materials on the basis of the Baiterek limestone deposit located in the Shieli district of Kyzylorda Oblast.

The sales market for the products is Kazakhstan. Target groups for product distribution are:

- construction companies;
- mining and metallurgical cluster enterprises;
- population of Kyzylorda and Turkestan oblasts and other regions of Kazakhstan.

The plan is to start production in the 4th quarter 2022 and run the full capacity in 2029.

Company

The project initiator is Tabigi Tas Kyzylorda LLP, whose core activities are extraction of limestone, gypsum and chalk. The Project initiator has the right to extract limestone from the deposit until 2035.

Market

- In 2020, the global lime market amounted to US\$ 41.93 billion and the volume of production reached 420 million tonnes. According to Fortune Business Insights, the global lime market will grow from US\$ 42.64 billion in 2021 to US\$ 51.04 billion in 2028 with a CAGR of 2.6%.

What is the project's attractiveness?

- **Own raw material base** will allow to reduce the production cost, operating expenses and transportation costs, as well as to ensure the proper quality control of products. The Initiator has a subsoil use right based on a contract for the commercial extraction of limestone at the Baiterek 1, Baiterek 2 and Baiterek 3 sites of the limestone deposit until 2035.
- **High quality of limestone.** The average content of carbonates in limestone from the Baiterek deposit is 96-98%, which makes it possible to use raw materials for the production of lime and building materials without prior expensive refining procedures.
- **Stable demand for products.** The scope of construction in Kyzylorda Oblast shows a positive trend (CAGR of 9.2% over 2016-2020). The average volume of the construction market in the region reached US\$ 264 million for the period 2016-2020.

Investment proposal

The Project requires investment of US\$ 8,314 thousand, of which:

- 70% (US\$ 5,820 thousand) – debt financing subject to collateral;
- from 30% (US\$ 2,494 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 location

