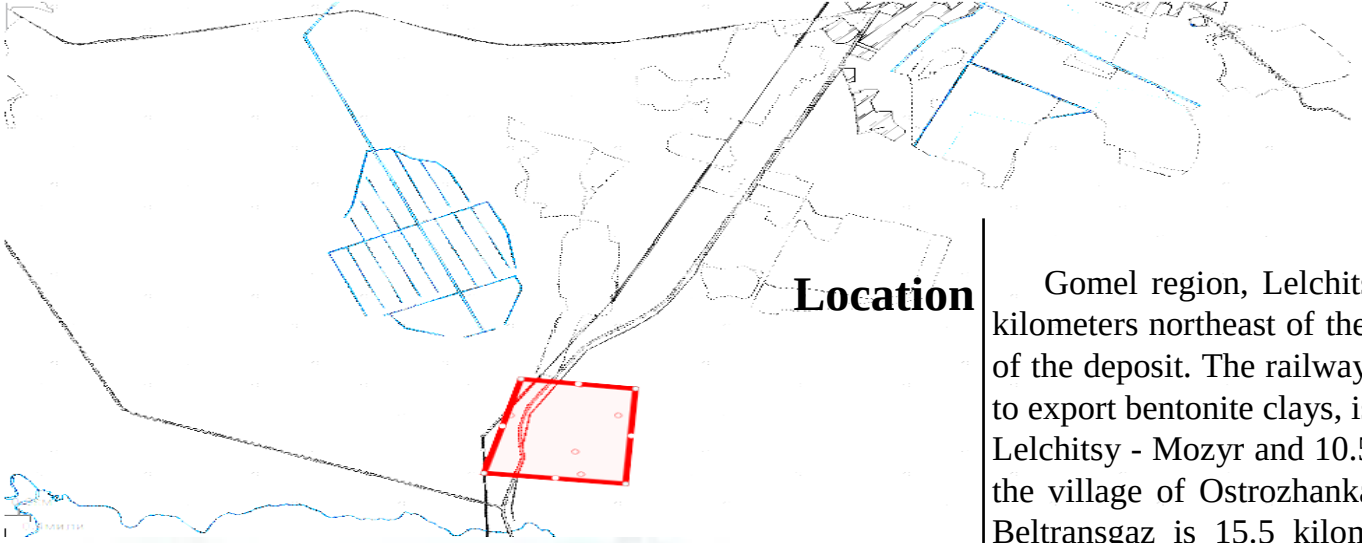


Investment offer

INDUSTRIAL DEVELOPMENT BENTONITE CLAY DEPOSITS «OSTROZHANSKOE»

Ostrozhanskoe bentonite clay deposit



Location

Gomel region, Lelchitsy district (2.3 kilometers southwest of the village of Ostrozhanka and 35 kilometers northeast of the town of Lelchitsy). The navigable Pripyat River flows 12 kilometers north of the deposit. The railway station Kozenki of the railway line Ovruch - Mozyr, to which it is possible to export bentonite clays, is 63 kilometers by road from the deposit, of which 52.5 kilometers -highway Lelchitsy - Mozyr and 10.5 kilometers - local road with gravel surface. The straight line distance from the village of Ostrozhanka to the Petrikov gas distribution station of the open joint-stock company Beltransgaz is 15.5 kilometers, to the nearest substation with an output voltage of 35 kV - 15 kilometers.

Bentonite clay reserves

Industrial reserves of bentonite clay are 12282 thousand tons by category, and the thickness of the formation is 10-12 meters.

Peculiarities of bedding of rocks

The mineral resource at the deposit is bentonite clay of terrigenous-sedimentary type (lake-alluvial), confined to Neogene sediments. The depth of occurrence of bentonitic clay is 15-20 meters, in addition, in the upper part of the overburden at a depth of 4-10 meters there are deposits of ceramic clays, which themselves can be used for the production of ceramic materials. The deposit is favorably located, characterized by a shallow and simple geological structure and can be developed by open-pit mining.

Possible usage

Bentonite clay is a promising raw material base for molding materials for foundry production, production of coatings in the form of pastes, powders or stabilizing paints, clay powders for drilling muds and in the future - for pelletizing iron ore concentrates, refining and purification of oils and petroleum products, as insulation of radioactive waste disposal sites and sewage treatment, bentonite clay has found wide application in the preparation of a variety of animal feeds, bentonite is used in agricultural production, bentonite is used in the preparation of various animal feeds.

Bentonite clay deposit «Ostrozhanskoye»



Import

The Republic of Belarus annually imports up to 20 thousand tons of bentonite clay materials for various purposes. It is imported from Azerbaijan, Georgia and Russia.

Consumers in the Republic of Belarus

OJSC Minsk Tractor Plant;
OJSC MAZ;
OJSC Gomel Casting and Normals Plant;
JSC Centrolit Foundry;
JSC Mogilev Elevator Machine Building Plant OJSC "Mogilev Elevator Machine Building Plant"; RUE PO Belorusneft;
Other consumers.



About project

Project aim

Implementation of an import-substituting and innovative project for the organization of production for the extraction and enrichment of bentonite clays, construction of a clay powder factory

Project benefits

- Wide range of applications.
- The deposit is advantageously located, characterized by a shallow, simple geological structure and can be developed by open pit mining.
- Bentonite clays of the deposit have been studied as molding raw materials for foundry production and in accordance with the requirements of the standard for this raw material (GOST 28177-89) are classified as low- and medium-strength, medium- and low-binding with low and medium thermal stability.
- After activation of clays with soda ash, their compressive strength increases, but their thermal stability slightly decreases.
- The technology of bentonite clay modification for preparation of drilling muds increases the efficiency of construction of drilling wells for various purposes. It is based on the use of brusite and burnt magnesia, which can be products of processing of chloromagnesium raw materials, which will ensure the complexity of their use in the development of carnallite deposit.

Investment offer

Recommended annual production volume	At least 110 t
Conception	Organization of bentonite clay extraction and beneficiation, construction of a clay powder factory
Product	Bentonite clays
Direction of investment utilization	Design and construction and installation works, purchase and installation of equipment, formation of working capital
Sales markets	 Kazakhstan  South Africa  Uzbekistan  Inner market Other countries

About concession

In accordance with the Decree of the President of the Republic of Belarus No. 44 dated January 28, 2008, in order to attract investments in geological exploration of subsoil, development of mineral deposits, the bentonite clay deposit "Ostrozhanskoe" is offered for concession through an open tender.

The object of concession is a subsoil plot located 2.3 kilometers southwest of the village of Ostrozhanka. The mineral resource at the deposit is bentonite clays of terrigenous-sedimentary type (lake-alluvial) confined to Neogene deposits.



The subject of the tender is the right to conclusion of a full concession agreement.



The starting amount of the one-time payment for the right to use the subsoil area is determined by the Decree of the SM R of 20.12.2011 No. 1704.







About the concession offer

Type of concession agreement - full concession agreement (according to the List of objects proposed for concession under Decree of the President of the Republic of Belarus No. 44 of January 28, 2008).

Term of the concession agreement - established in accordance with the Law of the Republic of Belarus No. 63-Z "On Concessions" dated 12.07.2013.

Concessionaire’s operating conditions

The concession agreement provides for the following rights of the concessionaire:

- the right to own and use the property that is the object of the concession, or the right to carry out the type of activity in accordance with the conditions stipulated in the concession agreement;
- the right to use benefits and preferences provided in accordance with the law;
- the right to execute the concession agreement with its own forces and (or) with the involvement of other persons. In this case, the concessionaire is responsible for the actions of other persons as for its own;
- the right to obtain land plots in accordance with legislation on the protection and use of land necessary for the implementation of the concession agreement;
- the right of ownership of the produced goods in case of conclusion of a full concession agreement or a part of the produced goods in case of conclusion of a concession agreement on production sharing;
- the right to profit (income) received;
- the right to export from the Republic of Belarus the products owned by the concessionaire, produced as a result of its activities under the concession agreement, and the profit (income) received.

The concessionaire may exercise other rights in accordance with the legislation.

About the concession offer

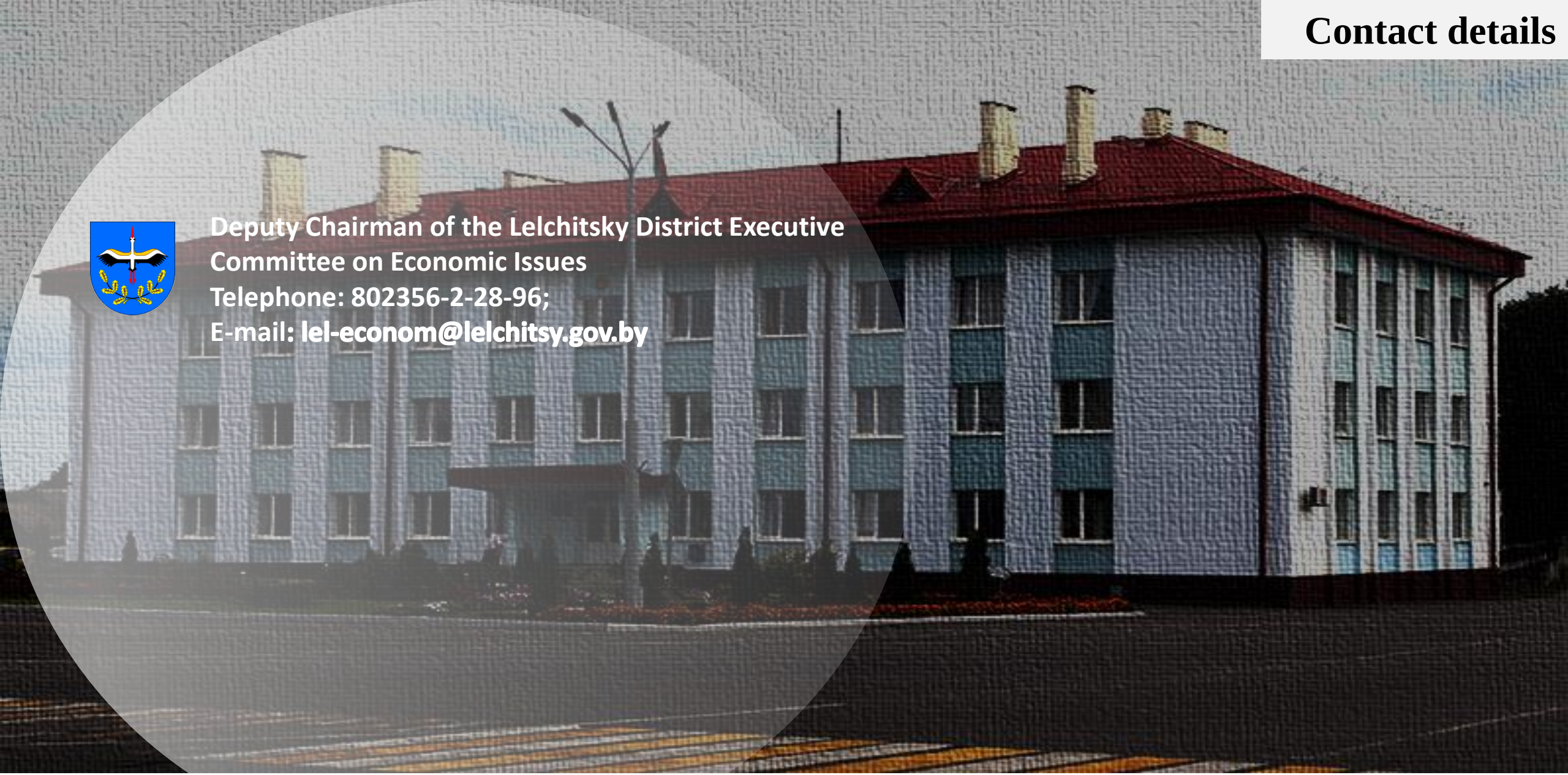
The concession agreement provides for the following obligations of the concessionaire:

- to use the property that is the object of the concession, or to carry out the type of activity that is the object of the concession, the object of the concession, for the purposes and in accordance with the procedure established by the concession agreement concession agreement;
- comply with legislation;
- secure to provide financing of activities in the course of realization of the concession agreement;
- incur expenses related to the maintenance of the concession object;
- after the expiration of the term for which the concession agreement was concluded, transfer the object of the concession to the concessor in proper condition in accordance with the terms and conditions of the concession agreement.

The concessionaire shall not be entitled to transfer concession objects into sub-concession, transfer its rights and obligations under the concession agreement to another person, provide concession objects for lease, including financial lease (leasing), gratuitous use (loan), pledge, as well as pledge its rights under the concession agreement to another person, make them as a contribution to the authorized capital of a legal entity and by other means encumber them with the rights of third parties. Legislative acts or concession agreement may stipulate the obligation of the concessionaire to insure its property interests in connection with the implementation of the concession agreement.



Contact details



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