

FACT SHEET

SOE Name	Boksitet e Kosovës
Name of NewCo	NewCo Bauxite Mine Volljak
Location	NewCo Bauxite Mine Volljak is located to the South and East of the junction of the Peja/Peć-Prishtinë/Priština and the Klinë/Klina-Prizren highways. The site is serviced by the main Prizren rail link. The administrative border crossing (“Radavac”) leading into Montenegro is 50 kilometres from Klinë/Klina. This offers an additional close geographic market. Furthermore, the border with Albania 80 kilometres (through Prizren) and the border with the FYROM (Macedonia) 130 kilometres away.
Business/Sector	Mining
Products/Services	Bauxite extraction, crushing and stone production (limestone). Ore reserves (using the A, B, C1 socialist categorization) are in the region of 1.7 million tones of bauxite grading between 46.7 and 52%. Resources (C2, D, indicated) are in the region of 4 million tones of bauxite. Associated limestone overburden totals approximately 40 million tones. This limestone is sufficiently pure and can be utilized in the Trepça and Ferronikeli smelters
Market	<p>The Boksitet e Kosovës resources have been mined from a series of open pits, and traditionally were trucked approximately 3 km to an open storage area where they were subsequently loaded into railcars.</p> <p>The costs associated with long distance transportation of bauxite will need to be intensively studied by any prospective purchaser. However, historically high mineral prices, the proximity of international rail transportation along with the relative high grade of materials, may make this mining operation an interesting proposition for mining companies. Nevertheless, it is possible to transport the material to the recently privatized Montenegro Aluminium smelter. There are as well two aluminium plants in Bosnia and Herzegovina, at Mostar in the Federation and at Zvornik in RS, which are the main processing facilities in the region.</p>
Competition	Boksitet e Kosovës is the only bauxite mine in Kosovo. Bauxite can be found in the region as well in the following countries: Albania, Croatia, Bosnia and Herzegovina, Montenegro and Serbia with Bauxite Mines in Obravac, Drnis, Vlaselica, Jajce, Kutsko Brdo, Zagrad etc.
Employees	After 1999 the Enterprise employs 247 workers (down from 650 in August 1989). However currently the Enterprise is not operational.

Commercial Prospect

With proven reserves of 1,700,000 tons of bauxite, which is the ore of aluminium metal, the Bauxite Mine's reserves should produce about 425,000 tons of aluminium metal as a mining rule of thumb is that, four tons of bauxite are held to contain two tons of alumina, which in turn yields about one ton of aluminium metal. With the Aluminium price at approximately \$2,600 per ton at the time of writing, the Bauxite Mine represents an opportunity for further development. Another market opportunity is the red mud which is a bi-product of extraction, was traditionally an environmental hazard, however, recent developments associated with acid mine drainage make this a potentially valuable secondary product. Associated limestone overburden totals approximately 40 million tones. Limestone is also utilized for many other construction applications. Furthermore, the potential for supply of high grade limestone to Trepça, to the Ferronikeli and FeNi smelters is significant

Liabilities to be Transferred

The standard final 3 months of accounts payable, last twelve months of VAT and last twelve months of property tax will be transferred to the NewCo. The other liabilities will remain with the Enterprise.



Information

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