

**UNI GRAN MER d.o.o.**

**Investment Opportunity**

**Geographical Presence**



Source: Company

The investment opportunity is for the acquisition of up to 100% stake in Uni Gran Mer (“UGM” or the “Company”) which owns one of the largest snow white marble concessions in the Pelagonia Valley in Macedonia. The valley is world-renowned for its pure white marble mostly known as “Sivec Extra”. Quarries located there regarded as major global suppliers of high quality white marble.

The main UGM concession area is located in Mariovo, approx. 3.5 km west of the village Vitoliste and approx. 49 km distance from the city of Prilep. It covers an area of 4.315 km<sup>2</sup> or 431,5 hectares with exploitation validity of 40 years. UGM is currently excavating in two quarries in Mariovo, which have proved and probable reserves of more than 77,000 m<sup>3</sup>.

The Company is researching four further locations, three for white marble with more than 200.000 m<sup>3</sup> of indicated reserves of and one for brown travertine with a total of 15.000 m<sup>3</sup> proved and probable reserves, all within the Mariovo concession area. UGM has with it’s own equipment also conducted indicative research on another, smaller, potential concession area near the village of Veprcani .

**Business Description**

**St. Ilija quarry**



Source: Company

The Company’s main quarries are St. Ilija and Ramnabor. The quarries are in the final opening stage with first outputs used for trial cutting, sampling, class definition and to accumulate reserves for first supplies. Trial shipments have successfully been sold to several destinations including Italy, Slovenia, India, USA and the Middle East. Currently the excavation works are at the 8<sup>th</sup> level after more then 500.000 m<sup>3</sup> of overburden has already been removed. The Company plans to reach the 9<sup>th</sup> level in 2011 where according to geological research and proved by present excavation the main productive marble seam begins.

With the existing equipment and human resources (28 employees working two shifts) the company has an annual production capacity of 4,000 m<sup>3</sup> commercial marble blocks and 10,000 m<sup>3</sup> marble tombolones. The annual production capacity can be increased significantly through further investments.

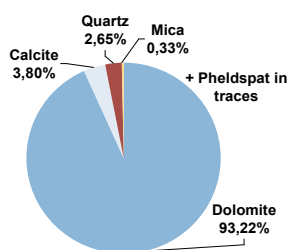
The concession area is easily accessible by road in all weather conditions and is also near the European 10<sup>th</sup> corridor motorway which passes through Macedonia. The distance from the quarry to the Thessaloniki International Sea Port is 240 km.

The highly skilled and experienced management team consists of one mining engineer and one geologist, who have been employed in the quarry since its foundation.

The Company has performed test drilling and is about to open another quarry in the Mariovo concession area. There are four further locations in Mariovo on which UGM is conducting research drilling (of which three for white marble and one for brown travertine). Their output is estimated at the same magnitude as those of St. Ilija and Ramnabor quarries. Additional locations may be selected for research drilling subject to further investments.

**Product**

**Product Mineral Structure**



The marble is fine-grained white dolomitic. The stone has snow white colour, compact-massive texture with rare traces of calcite (1sm x 2mm). Its structure is small to medium beady, and there are rarely large 3 mm crystals.

The micro structure is granoblastic (rarely mosaic). The degree of the metamorphic re-crystallisation of the minerals is not high. The granulation of the crystals in the dolomite is approximately 50-300µm, in the quartz up to 130µm, the pheldspat to 100 µm. In certain micro zones there is a tie to the dolomite crystal and the calcite. The product has high physical-mechanical characteristics due to favourable mineral structure and texture, quite low crystal coronation and high freshness.

Density.....	2,850 kg/m <sup>3</sup>	Compressive strength.....	195,4 Mpa
Water absorption.....	0,1 %	Flexural strength.....	11,0 Mpa

### — Strategy

To date, the Company has been involved only in excavation necessary to reach the marble deposit areas. Its strategy for the future is to:

- Invest in equipment to increase output at existing quarries
- Open at least two additional quarries within the concession area
- Invest in down-stream processing

### — Marble Market Overview

#### Most popular applications



Snow white marble can be found in high volume in FYR Macedonia, northern Greece (Volakas, Thassos) and in Carrara in Italy. Most popular applications are:

- Low volume use: Bathrooms, pavements, surfaces (EU, USA)
- High volume use: Islamic, Russian and Chinese architecture

Key competitors:

**F.H.L. Kiriakidis –Mermerni Kombinat** is the largest marble quarry in Macedonia and is in commercial production for more than 50 years although the total concession area is smaller compared to UGM's. Their most known recent projects are the Abu Dhabi Grant Mosque and the Parliament of Uzbekistan. It is located approximately 40 km of air distance from the UGM concession.

**Pavlidis S.A.:** Macedonian operation is in early production stage; their quarries are in the vicinity of UGM's operations. It is located approximately 20 km of air distance from the UGM concession.

**Lazaridis S.A.:** Macedonian operation is in early production stage, mainly producing grey calcitic marble. It is located approximately 45 km of air distance from the UGM concession.

### — Management and Ownership Structure

UGM is 100% owned by a Liechtenstein-registered company. The current owners are considering the sale of up to 100% shareholding in the company.

### — Investment Rationale

- Immediate access to proven, substantial white marble reserves
- Fully functional and well organised quarry operation
- Upside potential in exploring further reserves
- Potential synergies with existing upstream activities
- Potential for increasing revenues via downstream processing

### — Company Website

[www.unigranmer.com](http://www.unigranmer.com)

### — Contact Information

#### Legal & Financial Information

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