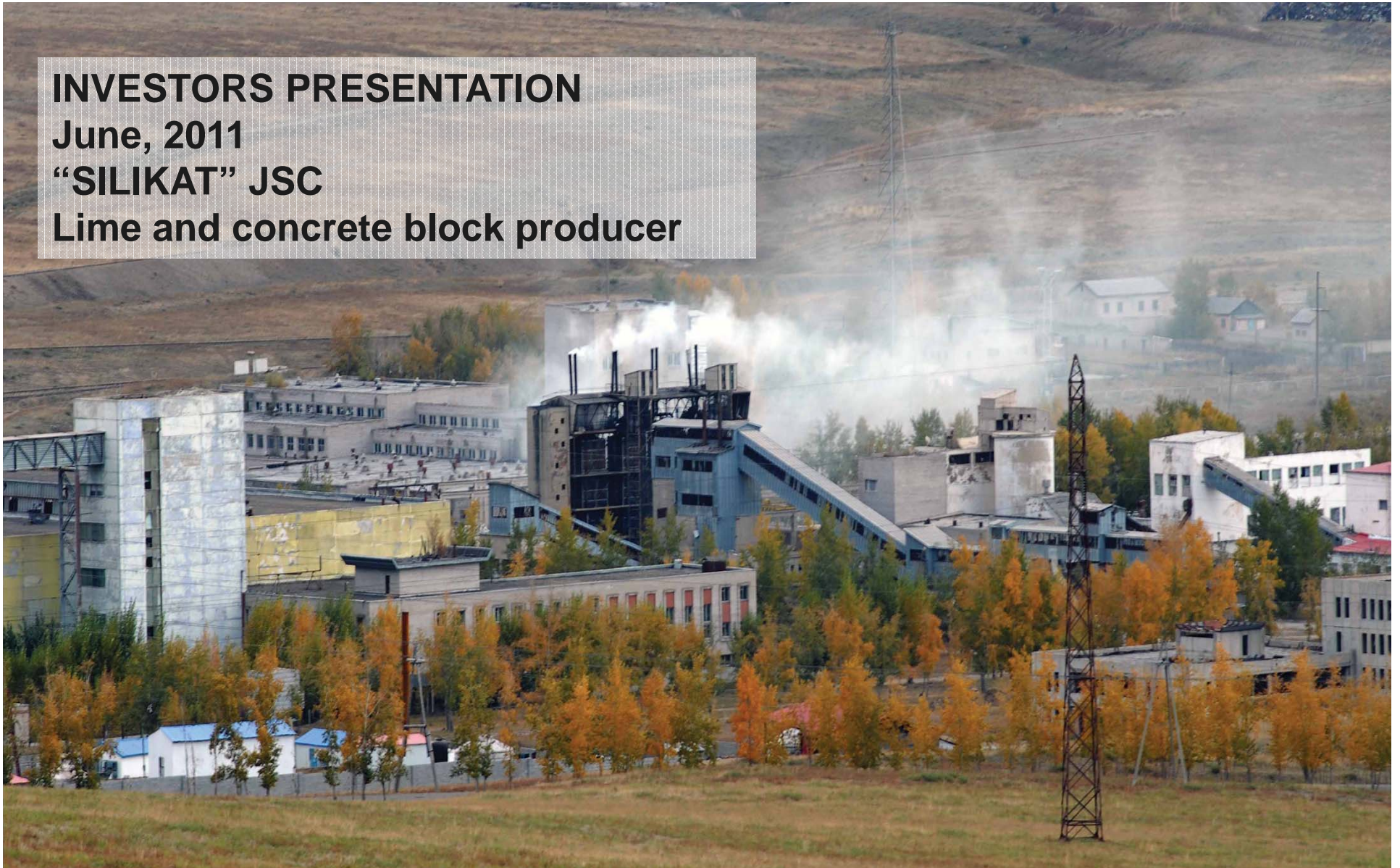


INVESTORS PRESENTATION

June, 2011

“SILIKAT” JSC

Lime and concrete block producer





Current stock information	Ticker	317 (MSE: SIL)
	Outstanding shares	30,112,302
	Share price (as for Jun 20, 2011)	100 MNT per share
	Market capitalization	US\$2.4million
	Free float	0.4%
The offer	% of the company offered	35%
	# of the shares offered	16,222,300
	Proposed raising	US\$2.9million
	Use of proceeds	Technology upgrade, capacity increase, settle debt
	Standby commitment:	The underwriter is purchasing 50% of the total offer or 8,111,150 shares at the offer price





Due diligence	Date	Executants'
Auditing	30 th Jun, 2010	“Suld audit” LLC
Legal opinion	22 nd Jul, 2010	“Mongol attorney” LLC
Valuation	5 th Jul, 2010	“National realty” LLC
IPO process		
FRC approval	6 th May, 2011	Permission is granted
MSE listing	In Jun, 2011	Pending
IPO trading	In Jun, 2011	Pending



Company`s lifetime period

Loan financing (technology upgrade, lime kiln repair)

Established in order to produce lime and brick

Producing 22 thousand tons of lime and 29 million pieces of brick per annum and supplying 25% of the country's construction materials consumption as well as exporting to Russia

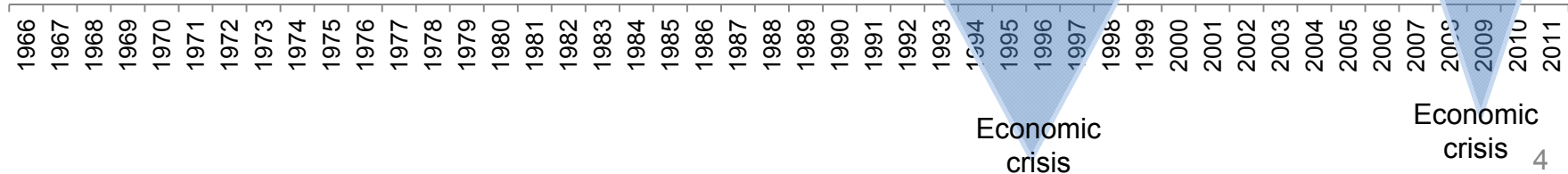
Listed on MSE

Private placement for restarting the operation

The company was 99.6% sold to the current owners

Capital raising (IPO)

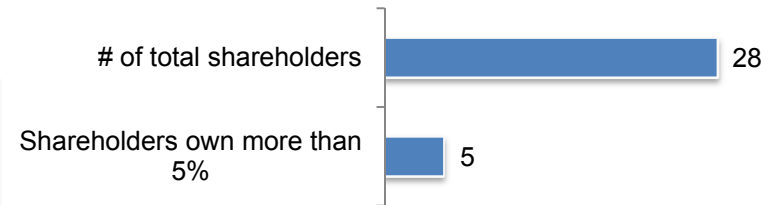
Operation halt





Management

The executive director, Mr. Sodbileg.Ts owns 50.4% of the company along with his family.



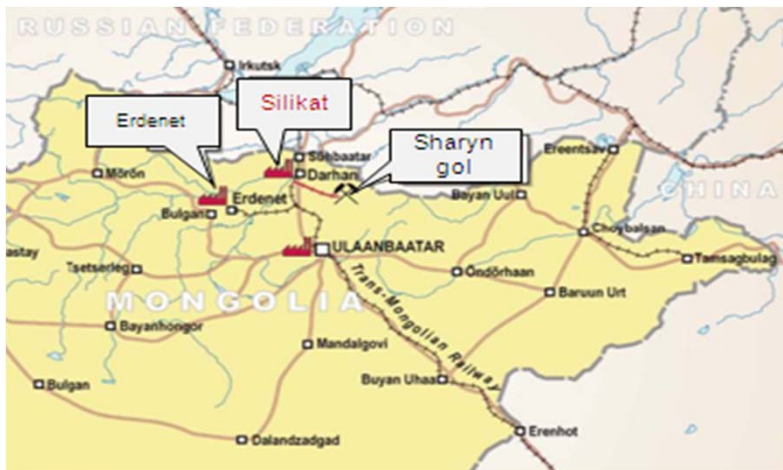
Mr. Sodbileg who has a major in philosophy had worked as a deputy CEO at Mongol Gazar LLC, a gold mining company from 1998 through 2007 before joining Silikat in 2007 as an executive director.

The chief engineer, Mr. Ganbold.G who is an chartered engineer of Mongolia has been working as a construction material technologist for 14 years.

The chief operation officer, Mr. Ganbold.J who is graduated in Russia with a major in business administration had worked as a general director of “Agch Formula” LLC from 2001 through 2009 before joining Silikat in 2009.



Location and infrastructure



The company which is located in Darkhan city owns 8338.9 m² of 21 complete facilities including complete railroad spur, paved road, steam, water and power generator, and 4.3 hectare of land. Any additional infrastructure is not required in order to increase the capacity. The company has 120 employees.

Main raw materials

Lime stone - is extracted from 5th lime stone deposit of Darkhan Uul province through drilling and blasting methods. The company has a lime stone purchase agreement with “CBZ” LLC and “Ider Kharkhan” LLC in order to ensure company’s stable operation.

Siliceous sand –Company owns 3998X mining license in “Saikhan” river area. Siliceous sand will be transported to the plant through paved road by trucks and this sand is not damaged by underground water so it’s more suitable for Light Concrete Block and lime production by meeting the standards through OST 21-1-72. The exploration level reserves in the A,B,C1 blocks are 2,209.9 cubic meter and are able to be used for 60 years.

about 2.6 – 3.0 meters on average and it is required to be further explored.

Coal – is supplied by Sharyn Gol coal mine located in 75km from Darkhan city through rail road.

High pressure steam – is produced by the Darkhan-Uul province’s thermal power station and transported to the plant through steam pipes.

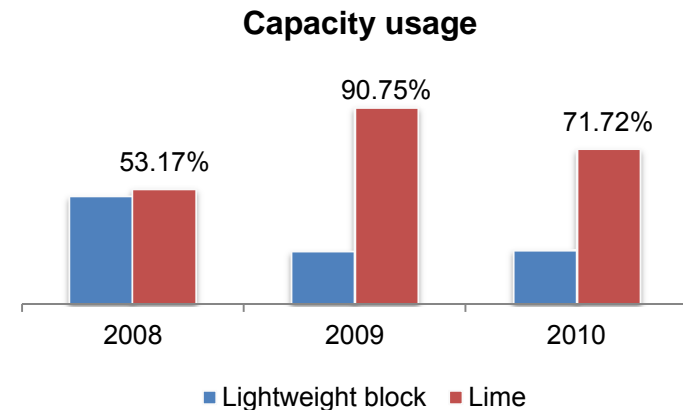


Capacity

<i>Products</i>	<i>Standard</i>	<i>Amount</i>	<i>Capacity</i>
Lightweight concrete block		360x180x600 360x240x600	Annually 40 thousand m3 / daily 135m3
Lime	MNS-347-99 MNS-347-2002	70-80% own activation of solid (10-80mm) and powder lime	Daily 30tons/ annually 10 thousand tons

Products	2008	2009	2010
Lightweight block/m3	19 880,00	9 722,10	9 998,80
Lime/ton	5 316,50	9 075,10	7 171,50

The company has been running at only 30% of the lightweight concrete block producing capacity in the last 3 years.



As the construction sector output has significantly decreased since 2008, the company has concentrated in lime production.



Market- Lime

- Lime is the main raw material to adjust an environment of chemical reaction by increasing pH level in solution in order to activate floating concentration process of mineral concentration plants. The key factors that affects to the company's production quality, indicators and costs are infrastructure and raw materials.
- The biggest lime consumers' (Erdenet Copper Mine, Boroo Gold, Darkhan Metallurgical Plant) annual consumption is approximately 104,000 tons (100%) and Khutul Lime Factory, the company's main competitor supplies 60,000 tons or 57.7% and Silikat supplies 9,000 tons or 8.7%. After raising the proposed capital Silikat will be able to increase its capacity by 3.7 times to reach 33,400 tons or 33%per annum.
- The main competitive advantage of the company is its lime consumption waste which is 2% compared to Khutul Lime Factory's 16% of waste.
- The company's target markets are the mining sector, industrial parks, metllurgical plants as well as processing industries.
- In 2010, processing industries' growth was 29,6%, while mining sector growth was 42,6%.



Market – Lightweight block

- Mongolia's annual lightweight concrete block consumption was approximately 160,000 m³ (100%) in the last 3 years and Silikat provides 40,000 m³ or 25% and Ulaanbaatar Lightweight Block provides 40,000 m³ or 25%.
- The following factors are helping the lightweight block consumption to grow significantly in the near future: The government's "100,000 housing project", "Construction materials producing projects", "Smokeless Ulaanbaatar" and "Countryside development project".

The following financings are planned to be spent on above projects:

2010 – 2012	8.5 billion USD
2013 – 2016	9.2 billion USD



Use of proceeds

Expenditure MNT	Amount	%
To settle debt	1 436 210 000	39,4%
For limestone mining	653 944 000	17,9%
Upgrade technology and equipments of the lime production unit	1 267 846 000	34,7%
Financing costs	292 000 000	8,0%
Total	3 650 000 000	100%

- 1,436,210,000 MNT or 39.3% of the total proposed raising will be spent on repaying the loan taken from Zoos Bank for the purpose of operation extension.
- 1,267,846,000 MNT or 34,7% of the total proposed raising will be spent on upgrading the lime production unit. After the upgrade the capacity will reach 33,400 tons per annum from 10,000 tons.
- 653,946,000 MNT or 17.9% of the total proposed raising will be spent on lime stone mining operation. After the financing, the company will start using its own deposit and produce 86 thousand tons of lime stone. The exploration costs will be 46% lower than the market rate.



Profitability

Indicators MNT	2011 *	2012**	2013 **	2014 **	2015**	
Sales revenue	2 525 737 500	5 951 137 500	6 985 440 000	7 157 347 313	7 608 604 008	
Cost of goods sold	2 063 595 952	3 577 459 969	3 971 464 559	3 969 199 243	4 048 519 792	
Cross profit	462 141 548	2 373 677 531	3 013 975 441	3 188 148 070	3 560 084 216	
Total operational expenses	210 008 691	253 019 427	320 712 937	316 396 608	312 549 433	
Dividend	50 426 571	424 131 621	538 652 501	574 350 292	649 506 957	
EBITTA	201 706 285	1 696 526 483	2 154 610 003	2 297 401 169	2 598 027 826	
Income tax	20 170 629	169 652 648	215 461 000	229 740 117	259 802 783	
Net profit	181,535,657	1,526,873,835	1,939,149,003	2,067,661,052	2,338,225,044	8,053,444,591
PV	157,863,407	1,154,469,307	1,274,990,469	1,182,288,590	1,162,565,492	4,932,177,265
NPV						1,332,177,265
ROR						24.82%
# of total shares	46,334,602	46,334,602	46,334,602	46,334,602	46,334,602	
Price	225	225	225	225	225	
EPS	3,92	32,95	41,85	44,62	50,46	
P/E	57,43	6,83	5,38	5,04	4,46	

* With current capacity

** With improved capacity



	1st week	2nd Week	3rd Week	4th Week	5th Week	6th Week
MSE Listing						
Introducing to public	➤					
Subscription start/close			➤			
Price setting				➤		
Trade permission				➤		
IPO trade					➤	
Report to FRC					➤	
Shareholders meeting						➤

Lock Up

The project initiators, the company's current controlling stake holders and their affiliated parties will be locked up from selling their shares for 1 year.