

Mechel Could Invest \$9.5Bln

By [The Moscow Times](#)

August 23, 2011

The  **Moscow Times**

Mechel Mining, a coal producer planning an initial public offering this year, could invest as much as \$9.5 billion by 2021 to more than double output, showed a company presentation to analysts.

Capital spending at Mechel Mining's Yakutugol unit might reach \$4.28 billion in 10 years, showed the presentation, obtained by Bloomberg. Of that, \$3.99 billion will go toward developing the Elga deposit, the company's largest project.

The plans are designed to help Mechel Mining boost output to 53 million metric tons in 2021, compared with 21 million tons last year. The company's proposed IPO may raise as much as \$4 billion, brokerage Troika Dialog estimated in July.

Mechel Mining forecast investment at its Southern Kuzbass unit through 2021 at \$3.85 billion, while U.S. subsidiary Bluestone Coal Corp. will need \$715 million. The remaining \$613 million is allocated to increasing iron ore production at the Korshunovsky mining plant, the document showed.

Mechel Mining has budgeted combined capital expenditure of \$4.4 billion for 2011-13, it said in the presentation.

(Bloomberg)

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