

# Establishment of an enterprise for the extraction, processing and manufacture of basalt-based products



The Novodvorskoye basalt and tuff deposit  
of the Pinsk district of the Brest region

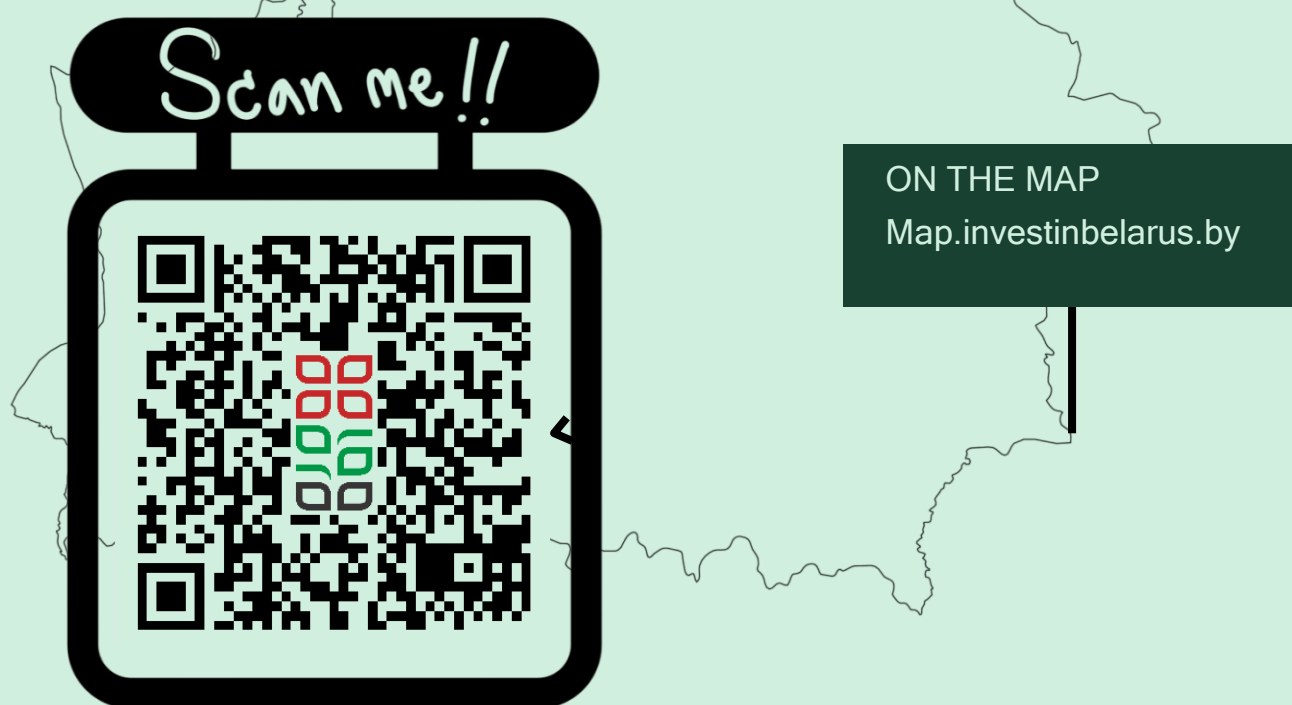




# About the project

**Objective of the project** – Establishment of an enterprise for the extraction, processing and manufacture of basalt-based products.

- **Location of the project** – north-eastern part of the Pinsk district of the Brest region, 21 km north-east of the city of Pinsk, 2,75 km from the Novy Dvor settlement.
- **Infrastructure** – the Brest-Luninets-Gomel railway line runs 13,5 km. The navigable Pripyat river flows 10 km to the south, and there is a river port in the city of Pinsk.



# About the product

## Raw material reserves

### 01

#### The types of minerals at the deposit

##### Main minerals

Basalts and tuffs are volcanic rocks of the main composition, widely used as raw materials for the production of basalt fibre, mineral wool, porous heat-insulating aggregates for buildings and constructions, ceramic slabs and bricks, ceramic bricks and stones, ceramic clinker bricks and other.

##### Associated minerals:

Sand

Overburden glauconite-bearing rocks.

### 02

#### The reserves and characteristics of mineral occurrence

##### Total reserves:

**Basalts** – 86,1 mln tonnes, 54,5 mln tonnes of which are industrial;

**Tuffs** – 13,7 mln tonnes, 8,1 mln tonnes of which are industrial. The average thickness of basalts – 30 m.

##### Characteristics of rock occurrence.

The useful thickness lies in the form of a sheet-like deposit.

The basalt stratum (deposit) consists of three layers: from top to bottom of the section there are the upper basalt layer, the intermediate tuff layer, and the lower basalt layer.

# Benefits and possibilities of usage



## Increased natural resistance

to flame and high temperatures, ambient and aggressive environment, vibrations.



## Ecological purity of the material

Full compliance with the REACH programme. The finished product does not contain harmful substances.



## In comparison with E-glass

The modulus of elasticity is 2000 kg/sq.mm higher;

The resistance of basalt fibre is higher in aqueous (100%), alkaline (96%) and acidic (94%) environments.

## Usage options

Basalt fibre  
1T

Porous aggregate  
"Bazapor" 1T-3T

Crystalline glass  
materials  
1T-3T

Ameliorant in  
agriculture  
3T

Ceramic granite  
1T-3T

Glass  
1T-3T

# Investment proposal

A feasibility study of the project with three variants of project implementation was developed.

The form of investor participation: Creation of a new enterprise.

## FINANCIAL INDICATORS\*

**\$22 mln - NPV**

**8,4 years - Simple payback period**

**11 years - Dynamic payback period**

**6,1 % - Internal rate of return**

**1,1 % - Profitability index**

**12,5%**

average annual growth rate  
of the global basalt fibre market

VOLUME OF INVESTMENT

***\$368 mln***

**\$306,8 mln – capital expenditures**

\*presented on the example of the option with an annual quarry capacity of 250 thou tonnes per year, which seems to be the most realistic.

# The planned progress of the project implementation

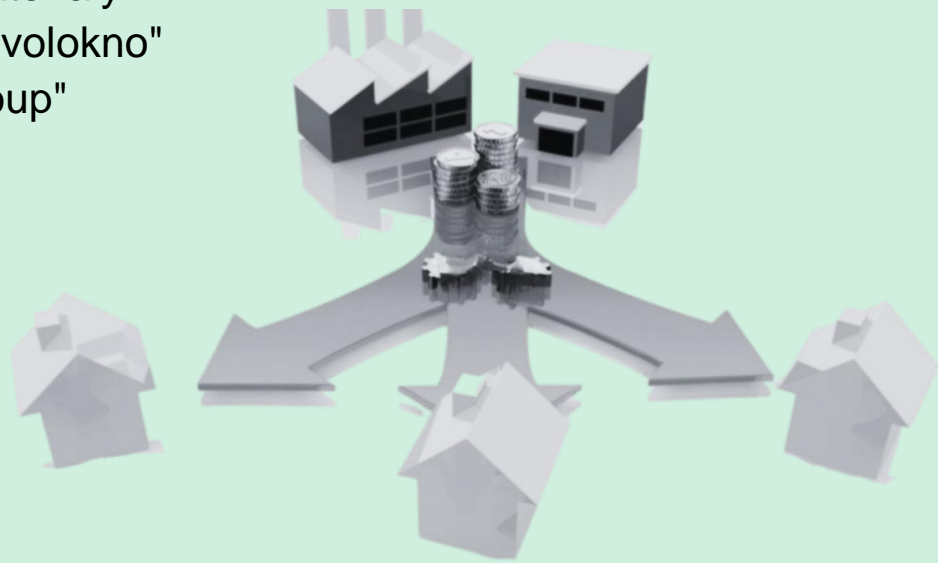
## PROVIDES FOR THE CREATION OF:

- a quarry with a capacity of 250 thou tonnes per year of basalt raw material;
- a rock-crushing plant with crushed stone output;
- an enterprise for the production of basalt continuous thread not less than 30 thou tonnes per year;
- an enterprise for the production of paving slabs;
- with a capacity of 45,8 thou tonnes per year.

## THE PRODUCTS OF THE ENTERPRISE ARE PLANNED TO BE USED TO COVER DOMESTIC DEMAND.

## MAIN CONSUMERS OF PRODUCTS IN BELARUS:

JSC "Gomelstroyaterialy"  
JSC "Polotsk-steklovolokno"  
LLC "BelMineralGroup"  
JLLC "CIT "MAPID"  
LLC "Mahina-TST"



# Belarus – economic environment for business



**74**

Countries with which double taxation agreements have been concluded



**68**

Countries with which mutual investment protection agreements have been concluded

The Republic of Belarus has been a member of MAGI since 1992

## Ways of making investments

On the territory of the Republic of Belarus

1. the establishment of a commercial organisation;
2. the acquisition, creation, including through construction, of immovable property, except for the acquisition or construction by residents of any country of the world of residential premises for the residence of these citizens of the Republic of Belarus, foreign citizens, persons without citizenship and (or) the members of their families;
3. the acquisition of rights to intellectual property;
4. the acquisition of stocks, stakes in the authorised fund, shares in the property of a commercial organisation, including cases of increasing the authorised fund of a commercial organisation;
5. on the basis of concession.

The implementation of the project is possible through



1. Investment agreement
2. Concession agreement

Investors making investments on the basis of an investment or concession agreement are provided with guarantees, benefits and preferences provided for by the investment legislation.



# NATIONAL AGENCY FOR INVESTMENT AND PRIVATISATION

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