

## Construction of a plant for the production of basalt thermal insulation materials with a capacity of 30,000 tons per year

Project description	
Project initiator	GOLD AVE LLC
The essence of the project	Construction of a plant for the production of basalt thermal insulation materials with a capacity of 30,000 tons per year
Project goal	<p>Providing the construction and industrial sectors of Ukraine with eco-friendly, highly efficient thermal insulation materials to solve the problems of energy saving and improving the energy efficiency of products in industry and construction.</p> <p>Increasing of economic activity in the region. Creating new jobs;</p>
Compliance with strategic documents and assignment of priorities	<p>The project goals correspond to:</p> <ul style="list-style-type: none"> <li>- Sustainable Development Goals of Ukraine for the period up to 2030 (paragraphs 8,9), approved by decree of the president of Ukraine "on Sustainable Development Goals of Ukraine for the period up to 2030" dated September 30, 2019 No. 722/2019.</li> <li>- Task 1.1.3. "Development of small and medium-sized businesses as a driver of structural transformation" operational goal 1.1. "Qualified personnel, productive employment and decent work" Strategic Goal 1 "updated competitive economy" of the Donetsk Region Development Strategy for the period up to 2027.</li> </ul> <p>Basalt thermal insulation is in great demand for use in various industries, railway, aviation and sea transport.</p> <p>The offered products have high technical specifications, meet European quality indicators and are able to fully meet consumer demand in the domestic market of Ukraine and Europe. The construction of the plant will have a positive impact on the socio-economic situation in the region, create new jobs, and fully meet the regional demand for building materials of this class.</p>
Study of the problem that will be solved as part of the project implementation	<p>Since 2019, Ukraine has introduced new National Building Code that prohibit the use of heat-insulating materials based on XPS and EPS (combustible and toxic pultrusion foams) in the construction of residential, administrative and domestic buildings. Today, the construction market of Ukraine is 70% filled with thermal insulation materials based on Basalt fibers of foreign production.</p> <p>In Ukraine, there are 8 plants for the production of basalt mineral wool and products based on it using natural gas as the heat-transfer agent. Demand exceeds production supplies by several times, while prices for similar imported materials exceed domestic ones by 2-3 times. The patented production technology at the plant includes the use of electric energy only. Today in Ukraine there are no similar technologies for the production of basalt thermal insulation and basalt based materials .</p> <p>The use of European equipment and production technology will allow us to manufacture products with high technological indicators and a large margin of price strength, ensure low production costs and environmental safety of production operation. The technological equipment has a European quality certificate.</p> <p>The products will not emit hazardous to health substances in the air and water, are non-flammable, explosion-proof, are not carcinogenic, i.e. environmentally safe. The production technology and products comply with the requirements of Directive 2014/24/EU of the European Parliament and of the Council of 26.02.2014 on the application of environmental protection measures.</p> <p>The project's environmental impact assessment will be carried out in accordance with the law of Ukraine "on environmental impact assessment".</p>
The estimated cost of the	1 282 507,8

project amounts to	
Project Implementation Arrangement	Various mechanisms for implementing the project will be considered: Debt money, international technical assistance funds, state and local budgets. It is possible with the use of funding from the "national program for the transformation of coal regions", provided that jobs are created for workers who will be released when the mines are closed.
Key financial figures of the project implementation	IRR – 36,8% (NPV) + 52.5 million dollars USA DPP-2.95 years. PI – 2,748
Project implementation term	18 months
Indicative funding sources to finance the project	Debt money, international technical assistance funds, state and local budgets.
Project Implementation Arrangement	Pre-feasibility study
Interested parties and expected result of the project implementation	<p>As a result of the project, a modern production of basalt thermal insulation that saves up to 40% of heat will be established.</p> <p>Target groups interested in implementing the project:</p> <ol style="list-style-type: none"> <li><u>National level.</u> Positive impact of project implementation: <ul style="list-style-type: none"> <li>- meeting the needs of Ukraine and the region in thermal insulation materials;</li> <li>- expansion of production of materials for the construction industry;</li> <li>- tax revenues to the National Budget, social insurance funds and pension fund;</li> </ul> </li> <li><u>Donetsk regional state administration, a local self-government body where the production facility will be located.</u> Positive impact of project implementation: <ul style="list-style-type: none"> <li>- creating 135 new jobs;</li> <li>- additional revenues to local budgets.</li> </ul> </li> </ol> <p>The beneficiaries of the project are: the state, state and local authorities, business entities of various industries, construction, aviation, railway and road transport, residents of the community, the initiator of the project is GOLD A.V. E LLC</p>
<b>Characteristics of an object (existing or newly created)</b>	
Location of the object	<p>Construction of the plant is planned to be carried out on the territory of the first stage of development of the Lymanskyi industrial park ( Oborony street Lyman city of the Donetsk region) or in another place of the Donetsk region, taking into account the wishes of investors and the availability of the necessary external infrastructure.</p> <p>When choosing the site, the presence of railway tracks and highways, the presence or proximity of two independent high-voltage power supply lines were taken into account. possibility of connection to a medium-pressure gas pipeline, availability of drinking water supply and sewerage systems.</p>
Description of existing objects or those that are proposed to be created as part of the project implementation	The land plot selected for the construction of the plant is undeveloped and has no objects that can be used in the project. The main workshop ( 102mx44m), auxiliary warehouse workshops, an administrative building will be built, and a basalt storage area (26 thousand tons per year) will be set up.

Form of property	Private
Related infrastructure	<p>For the construction and further operation of the plant, it is necessary to have electricity, gas, water, and sewerage. Near the territory of the Lymanskyi industrial park in less than 1 km. there are power supply lines, water supply and sewerage systems, a public road and a railway track "Ukrzaliznytsya".</p> <p>To provide the necessary external infrastructure for the territory of the Lymanskyi industrial park, a Design and estimate documentation has been developed for electricity, gas and water supply . According to the developed Design and estimate documentation, the cost of building of the necessary infrastructure is about 13 million UAH.</p>
Land area, hectare	The land area required for construction is 6.0 hectares.
Land plot status	<p>The land plot of the Lymanskyi industrial park has a total area of 27,522 hectares., belongs to the land of communal ownership.</p> <p>According to the land lease agreement No. 21 dated 24.06.2020, this land plot is leased to Logos-Service LLC</p>
Levelling of land	A project of the territory of the Lymanskyi industrial park for the construction of industrial and administrative facilities has been developed (find attached).

**Contact data:**

Michael Lazarev – director of LLC “Logos-Service”

Phone: +38 (050) 713-27-16, +38 (099) 380-75-56, E-mail: logosserviss@gmail.com