



MINERAL -STONE WOOL AND TECHNICAL BUILDING STONE, KOSTAJNICA

Project title	Production of mineral-stone wool and technical building stone in Kostajnica
Sector	Exploitation of natural resources , industry sector and construction industry
Location	Kostajnica Municipality
Location description	"Mrakodol" deposit is placed in north-western part of BiH and Kozara mount. Deposit is on the 5 km from Kostajnica and 23 km far away from Novi Grad city. Deposit has favourable position because of connection with regional road Banja Luka-Prijedor-Novi Grad-Kostajnica-Croatian boundary and relatively close international railroad (about 12 km to nearest rail station Dobrljin).
Company description	The core business of the DIJABAZ company is exploitation of raw materials but at the moment the company does not have active production or equipment to exploit. Currently there is an option for replacement and procurement of equipment necessary for working on quarries.
Project status	Available feasibility study performed with geological study and mining projects required for production and approval for exploitation.
Project description	The project proposes the stone exploitation and production of mineral-stone wool and technical building stone in Kostajnica Municipality. Verification of geological reserves and quality of building technical stone-diabase and meta-diabase on the "Mrakodol" deposit is from April 22, 2004. Investor had received permission for mining exploitation on this deposit at February 12, 2004 and concession right has been obtained at 2005. The project has completed initial and basic administrative procedure and obtained basic approvals for the construction of a mineral wool factory. The stone exploitation can start immediately and the construction of the factory could begin in a very short time. The structure of "Mrakodol" deposit is compound because it is built from diabase and meta-diabase, with tectonic elements, changeable waste thickness and genetical characteristic.

	Deposit “Mrakodol” is representing the part of diabase massif and consisting from two explored location: 1. "Rijeka" with **diabase** like exploitable raw material for production of **building technical stones** used in the construction and road industry (capacity of this production planned 50-70.000 m^3r.m.). 2. "Pilipovići" with **meta-diabase** usable for **petrurgy / production of mineral stone wool** and waste for local road construction (capacity of this production planned 20,000-30,000 Mton for the market or for its own mineral wool factory with a capacity of about 10,000 tons). The first phase of geological research during 2003-2005, on the basis of which a geological study was performed and verified, has envisioned certain quantities of reserves sufficient for a ten-year period of operation. During the work it is necessary to carry out additional geological explorations aimed at extending the raw material basis of these two types of stones. Verified reserves of diabase on the Rijeka location are 514 089 + 583 000 (m^3) and reserves of meta-diabase on the Pilipovici location 264 386+ 420,000 (m^3). Surface for exploitation activities, by mining projects, are for Open pit "Rijeka” 34 000 m^2 and for Open pit "Pilipovići" about 20 000 m^2. With increasing of geological reserves by additional exploration will increase also and necessary surface for mining activities and all infrastructure for it. It is necessary to point out that the area of the concession and exploitation field is about 80 ha. Surface for exploitation activities, by existing mining projects, are about 6 -7 ha. With increasing of geological reserves by additional geological exploration will increase also and necessary surface for mining activities and all infrastructure for it.
Estimated total investment cost	Required equipment for quarry work.... …… app. 1.8 - 2.0 million EUR Required equipment, buildings, infrastructure for mineral wool factory (capacity about 10.000 Mton)…… ……. app. 15 - 20 000 000 EUR

Inputs provided by local partner	**Value**	**Description**
	Previous investments amount 675 000 EUR	- Establishment and registration of a company; - Project documentation; - Geological research and quality testing; - Purchase of land and works on the field; - Procedures for obtaining permits, approvals and rights; - Infrastructure facilities (roads, etc.); - Equipment purchase.

Inputs required from foreign partner	**Value**	**Description**
	2 000 000 EUR 15 to 20 000 000 EUR	- Sale of a majority ownership package - Investment in a mineral wool factory and equipment for quarrying

Form of cooperation with foreign partner	Sale of a majority ownership package (enterprise with the partner ownership relationship and majority shares of the foreign partner).
Supporting information available	For additional information about this project, please contact FIPA either by e-mail: fipa@fipa.gov.ba or phone number: +387 33 278 080.