



Market Research Report: The Financial Feasibility of the Islestone Industry

by

W. Jackson Davis, Ph. D.

**Scientific and Environment Advisor to Nauru
Professor Emeritus, University of California at Santa Cruz and
Monterey Institute of International Studies
and President**

**The Environmental Studies Institute
(a U.S. Non-Profit Corporation)**

7298 Siena Way

Boulder, CO 80301-3722

Telephone: +US (303) 530-3135

Fax: +US (303) 530-3135

Mobile Phone: +US (831) 277-0737

Email: jacksondavis@earthlink.net

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SUMMARY

(Proprietary Information Redacted)

The *2010 Davis Feasibility Report* showed that an industry based on Nauru's dolomitic limestone and marble ("Islestone") is *technically* feasible. The current report shows that the Islestone industry is *financially* feasible under carefully-defined conditions. Under these conditions, the Islestone industry could clear Nauru's pinnacles at a profit, provide nearly 300 high-quality jobs for Nauruans, enable secondary phosphate mining, and generate limestone products and byproducts essential for rehabilitation. Phase 1 of the industry cannot be conducted profitably as an export industry because production costs exceed anticipated revenues. A combined Phase 1 and Phase 2 is financially feasible, however, as an export industry, because revenues returned will exceed projected production costs. Phase 3, if technically feasible, will be most lucrative as an export industry. The industry is expected to require [REDACTED] and from two to three years to establish, is projected to reach breakeven in the first or second year of operation, and earn an annual profit of [REDACTED]. Several models for financing and developing the industry are explored.

A more detailed one- to two-page summary of the contents of each chapter is included at the beginning of most chapters.

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