

## Mining investors on announced mining exploration fees changes in Serbia

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Representatives of several research companies in the mining sector in Serbia have expressed concern that the possible legislative changes in the area could hamper their operations in Serbia.

At the International Conference on Mineral Resources held in Belgrade, they expressed a positive attitude towards cooperation with the Government of Serbia, but they also expressed fear that the introduction of variable fees for use of mineral resources would deter investors.

According to information from the media, the Serbian government has debated the introduction of "Floating" fees for the use of mineral resources, which means that the Serbian government may change it at the end of each year.

Deputy Minister of Mineral Resources, Mining and Spatial Planning Zoran Danilovic said at the conference that the legislative changes in this area may be expected early next year.

"It seems that the new law will, among other things, limit the existing authority of local governments, since the present system did not appear well in practice," he said.

Danilovic said that the total value of the geological research in 2011 in Serbia was about 50 million, and he expects the level of investments will stay "the same, if not higher" in the next years

Many representatives of the mining industry, however, believe that the introduction of higher fees would drive away many investors, given that Serbia, due to constant changes, became "unsafe for investments."

"The circumstances in Serbia were positive for geological exploration work, but we should take into consideration that proving the viability of the project is very difficult and the chances for discovery of new deposits is one to 1000" said Executive Vice President of research companies "Avala Resources" and "Danube resources," Sean Heson.

He said this was a "difficult and uncertain business," and that's why investors need all the support from the Government of Serbia.

Professor of Mining and Geology at the University of Belgrade, Rade Jelenkovic said that the two most relevant issues in modern geological exploration and mining in Serbia are the afore mentioned mining taxes and environmental protection.

"We have seen that in the past period an intense media campaign has been launched against the research of nickel and lead, by people who are not familiar with the modern methods of exploitation and processing of mineral resources. Such campaigns may lead to the collapse of the mining industry in Serbia and disruption of geological research" warned Jelenković.

Positive results of companies operating in the area of Western Serbia have been underlined, such as "Rio Sava", a lithium and boron project by Serbian conglomerate international company "Rio Tinto" and "LithiumLi" and "Ultra Lithium" and "Avala resources". Implementation of the project "Serbia Nickel" in central Serbia is unclear.

*Source Serbia Energy Magazine*