

Serbia, Bosnia: Mineco Ltd mining, good results and further investment in lead and zinc mines

Categories : [Mining](#)

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Mineco Ltd (Mineco Limited) has been achieving good results in two active lead and zinc mines in Serbia and intends to continue investing in this business because there are still vast unexploited resources”, said the managers of this British company.

Mineco’s managing director Bojan Popović stated that Mineco has come to Serbia because of its exceptional mining and geological potential and its rich tradition in the mining sector.

“Mineco is a company with extensive experience in the mining industry and the trade in non-ferrous metals. We have recognized the potential and are interested in investing in the Serbian mining industry”, said Popović.

He reminded them that in Serbia, Mineco is the majority owner of the Veliki Majdan lead and zinc mine, of the lead and zinc mine near Gornji Milanovac and the Bosilegrad lead and zinc mine that is currently undergoing infrastructure works. Besides this, Mineco manages the Sase lead and zinc mine in B&H and it is also working on rehabilitating the Olovo lead mine in the Federation of B&H, while in Novo Goražde it is investing in prospecting for antimony deposits.

During a visit to the largest lead and zinc mine in the region, the Sase mine near Srebrenica, the COO of Mineco Ltd, Dominic Roberts, pointed out that this British company is present in Serbia and B&H not only because of the availability of considerable ore reserves, but also because of the qualified workforce and in view of the continuing market liberalization and increasing political will to carry out market reforms.

“Access to a well educated and motivated workforce is very important for us. All our employees in the region come from the local communities where our mines are based. We don’t need to bring workers from abroad, which would make our work considerably harder”, said Roberts. According to Popović, in the 12 years of Mineco’s presence in Serbia, more than 30 million euros have been invested in the mining industry and mineral exploration.

“We participated in the privatization of the Rudnik mine near Gornji Milanovac. This privatization was evaluated as very successful”, said Popović recalling that in a recent study conducted by NALED and USAID it was included among five most successful privatization transactions ever concluded in Serbia.

When asked why this particular privatization was successful, Popović said that the mining industry is a very demanding field that requires long-term investment and cannot expect any overnight profit.

He also said that, in his opinion, good privatization must lead to the creation of new work places and not their closure. As an example he mentioned the Rudnik mine near Gornji Milanovac, where during the 2004 privatization process there were around 250 employees, whereas today there are more than 400.

Popović also said that the potential of the Serbian mining industry, although exploited for a long time, has not been exploited enough. “With the advancement of new technologies, new deposits are constantly being discovered and existing ones are being extended, which makes it possible to continue with further exploitation of this natural resource”, he said, adding that the development of the mining industry as an economic sector contributes to hiring large numbers of new employees, both directly and indirectly – by suppliers or service providers.

At the moment, the number of employees working in Mineco’s mines in Serbia is around 800, while in the region it is around 1,400. With the opening of the Bosilegrad mines expected after the completion of infrastructure works in 2018, around 250 new jobs should be opened.

When asked if Mineco is also interested in Kosovo mines, Popović said that on that matter there are still unresolved ownership issues and it is still early to say anything about it.

“However, we have been trying hard to work with these mines and we’ve been purchasing their annual production. Recently we won a tender as the best bidder for lead concentrates, because we recognize the importance of expanding our activities to the whole region”, said Popović. Roberts, who is a geologist, mentioned that lead and zinc, Mineco’s focus, are globally the most important industrial metals. Lead is mostly used for car batteries, zinc for galvanizing steel.

“The automotive industry is continuing to grow steadily throughout the world, especially because of growth in the Far East. So overall, the demand for both lead and zinc has been constantly growing every year, which is also important for us. Zinc reserves are decreasing globally, and next year some of the world’s largest mines of this metal will be closed”, said Roberts, adding that there are expectations that the price of lead and zinc will continue to rise in the coming years.

According to its director, Mineco is marketing Serbian and B&H lead and zinc throughout the world. “Sometimes we send our ore to smelting plants in the neighbouring region, and sometimes to more distant regions”, said Roberts, adding that the metal is also reaching as far as the Chinese market.

According to Roberts, Mineco has been investing heavily in geological prospecting and the discovery of new reserves. As the largest of the five mines in the region he singled out the Sase mine in Republika Srpska. “In this mine we have 6 million tonnes of known reserves, which implies 22 years of stable mining activity. But that’s not all, because there are ore reserves for another 100 years”, said Roberts.

He emphasized that the latest technology is being introduced in all Mineco’s mines and that the company has long-term plans in Serbia and B&H. “We have always reinvested our profit into the mines, which makes our company liquid. We survived the economic crisis seeing

many of our competitors who are dependent on loans slowly going towards liquidation. We consolidated our position and now we expect a period of company growth in this region in the next 3 to 5 years”, estimated the COO of Mineco Ltd, Dominic Roberts

Mineco’s directors also pointed out that the ecological aspect of the mining industry is extremely important, so the company recognizes the risk of pollution and a significant part of its investment is directed precisely towards environmental protection infrastructure.

Popović gave an example of the Veliki Majdan mine. The mine ceased ore production and processing in the early 2000s due to flood damage to the flotation tailing dam, which endangered the health of the population and the river Drina. In following years there were several unsuccessful attempts to rehabilitate the dam, so in 2006 the mine’s bankruptcy proceeding was launched.

“When we took over the mine from bankruptcy that same year, we invested enormous resources to repair that dam, to introduce new systems for separating natural from industrial waters and in that way to ensure that the environment is protected. Production was relaunched in 2009”, said Popović. He added that the dam was able to resist the effects of the last year’s devastating floods.