

The Serbian Mining Industry

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18th Annual General Meeting

Belgrade, Serbia

June 23-27, 2007



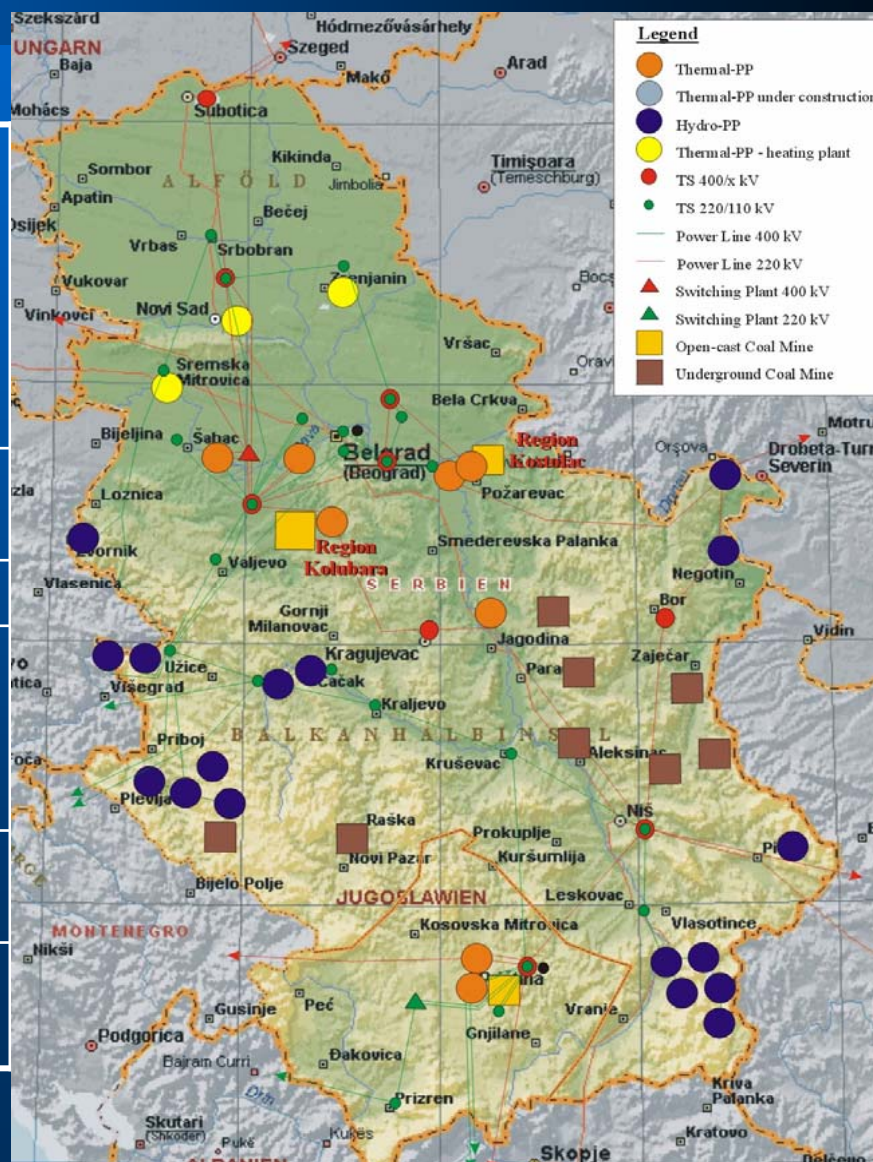
Presentation overview

- Lignite & Electric power production
- Metals (Copper, Lead, Zinc)
- Non – metallic raw materials
- Oil & Gas



Coal reserves and quality

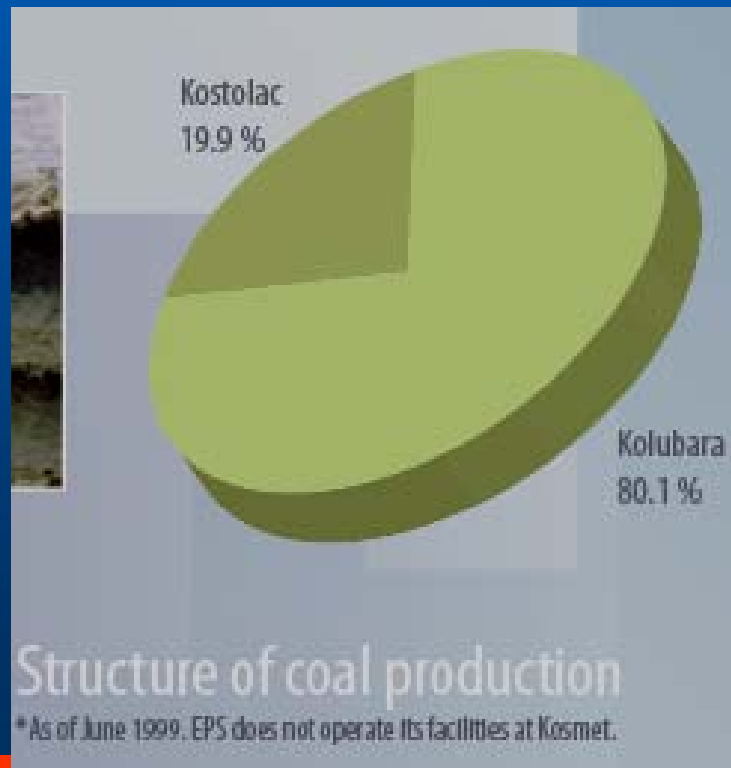
COAL TYPE	BALANCE RESERVES		EXPLOITATION RESERVES (mil.t)	GEOL. RESERVES (mil.t)
	(mil.t)	EU-equivalent Coal (mil.t)		
Hard coal	26	19	8	70
Brown	30	24	23	143
Brown-lignite	480	208	264	776
Lignite	7 902	2 041	6 973	20 976
TOTAL	8.439	2.292	7.269	21.954





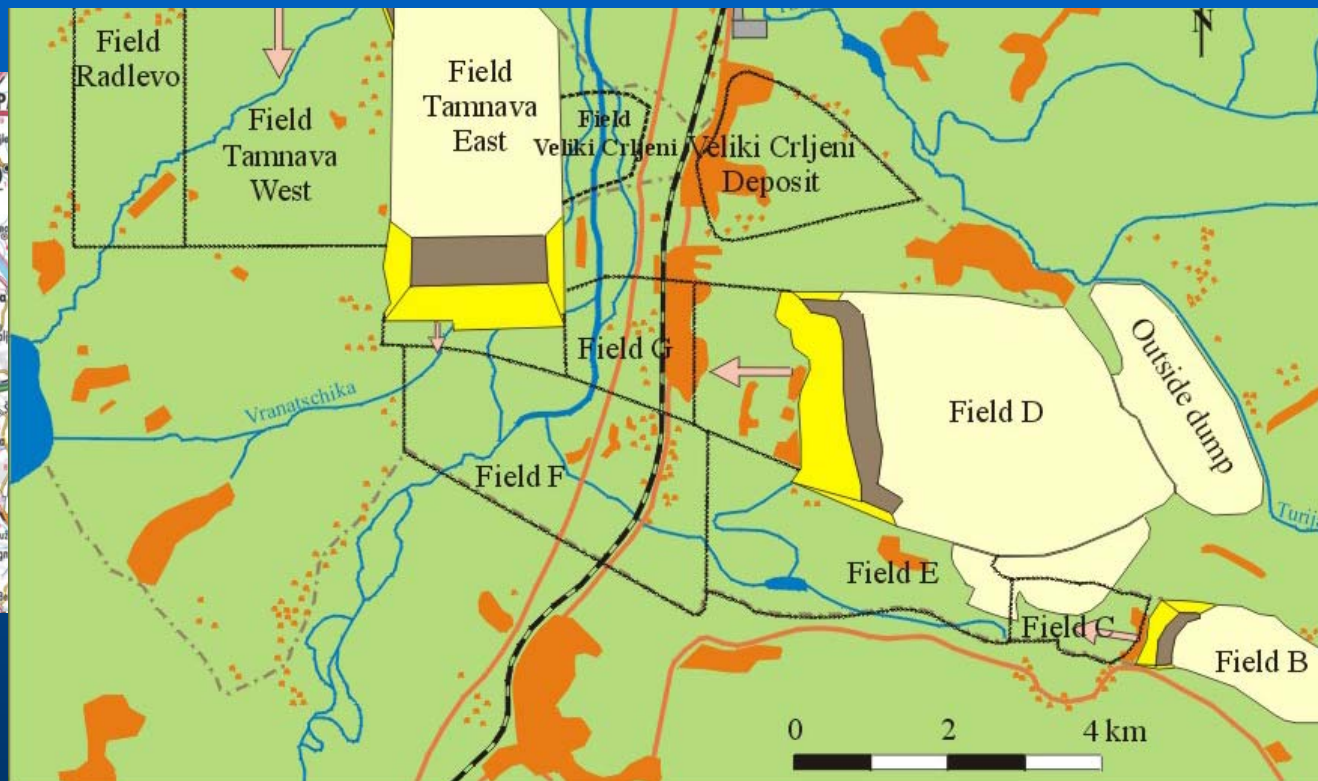
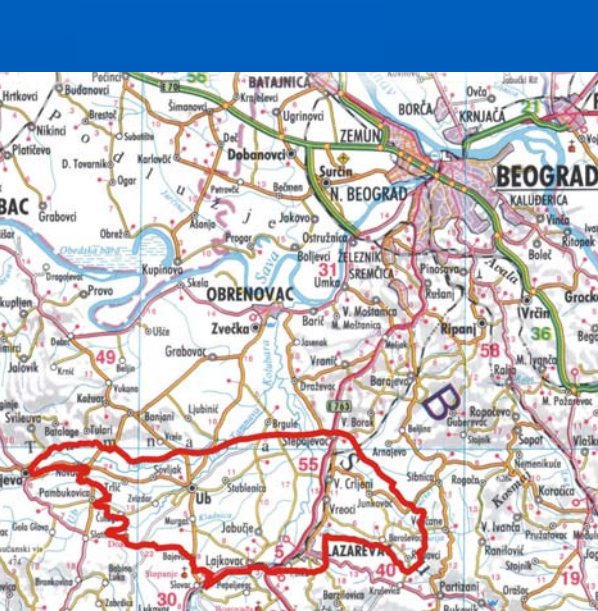
Coal reserves and quality

- Lignite represent more than 98% of coal reserves in Serbia
- Due to high moisture (avg. 50%) and ash content (avg. 15%) and its low net calorific value (6,5-8.500 kJ/kg), almost all lignite is routed to the TPPs





Kolubara Basin Overview



OPERATE FOUR MINES:

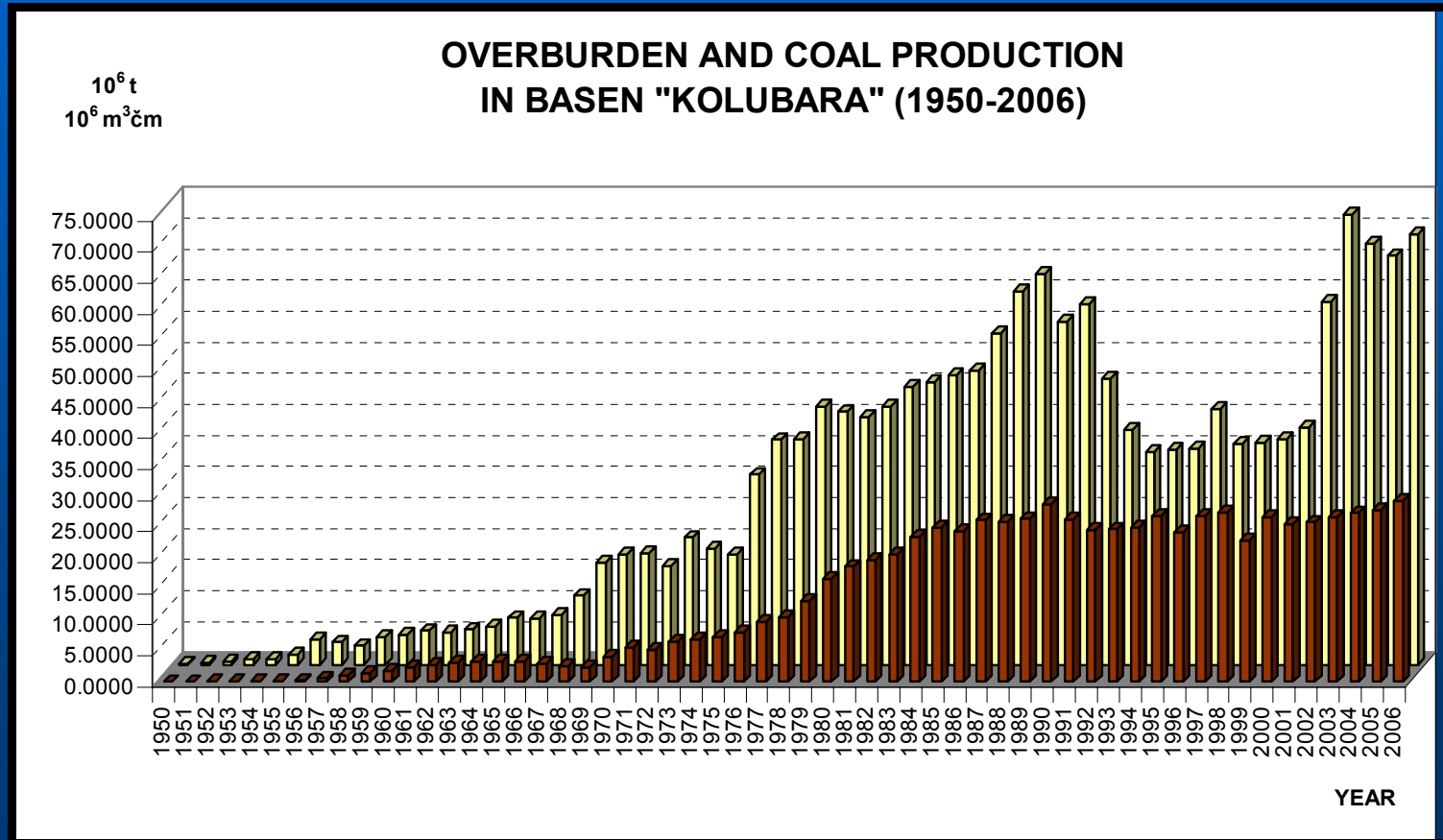
- "Polje B"
- "Polje D"
- "Tamnava Istok"
- "Tamnava Zapad"

PRODUCES COAL FOR:

- TPP Kolubara
- TPP Nikola Tesla A | B
- TPP Morava



Kolubara Coal Production



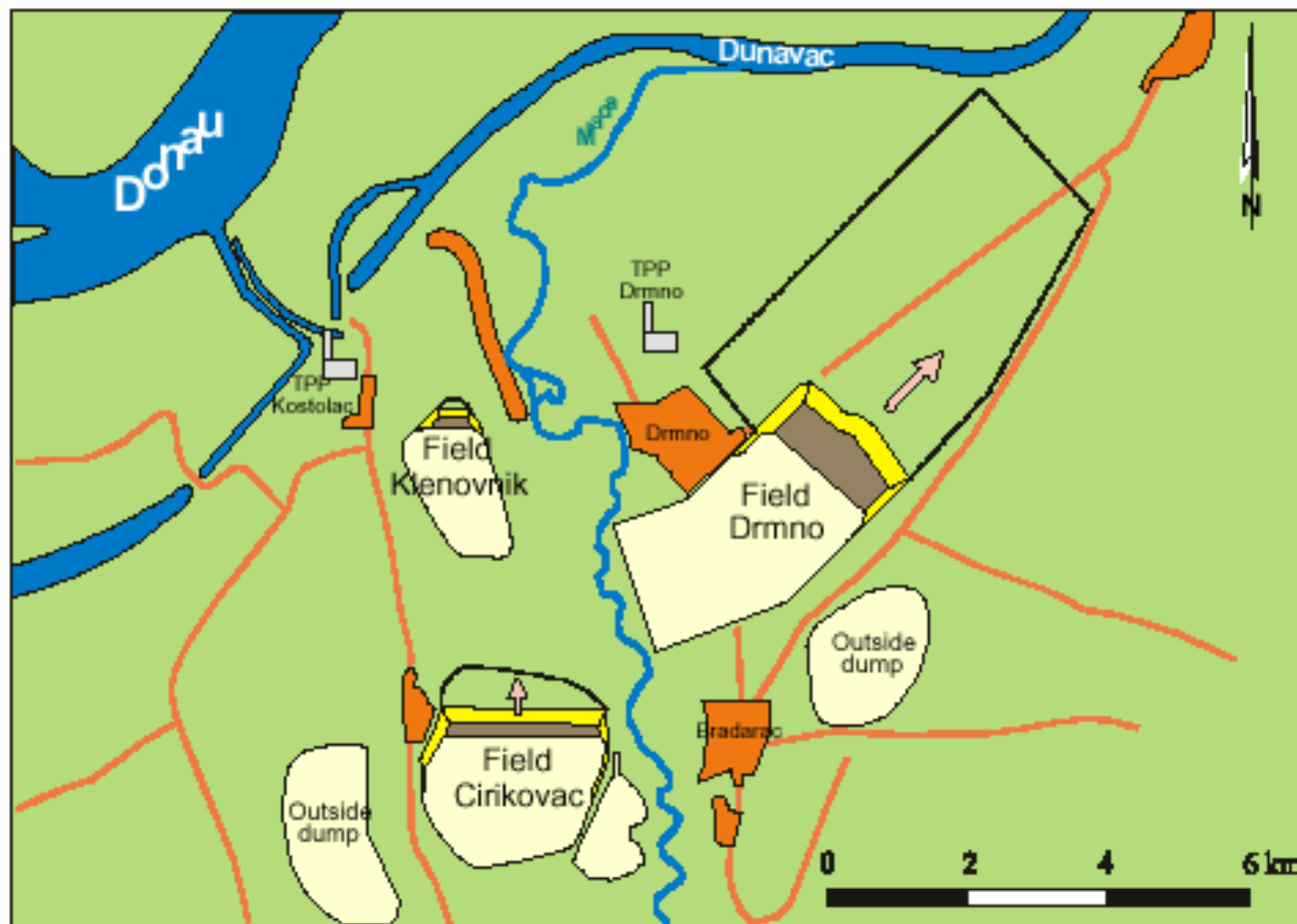
Kostolac Basen Overview

Operate 3 open-pit mines:

- Drmno
- Ćirikovac
- Klenovnik

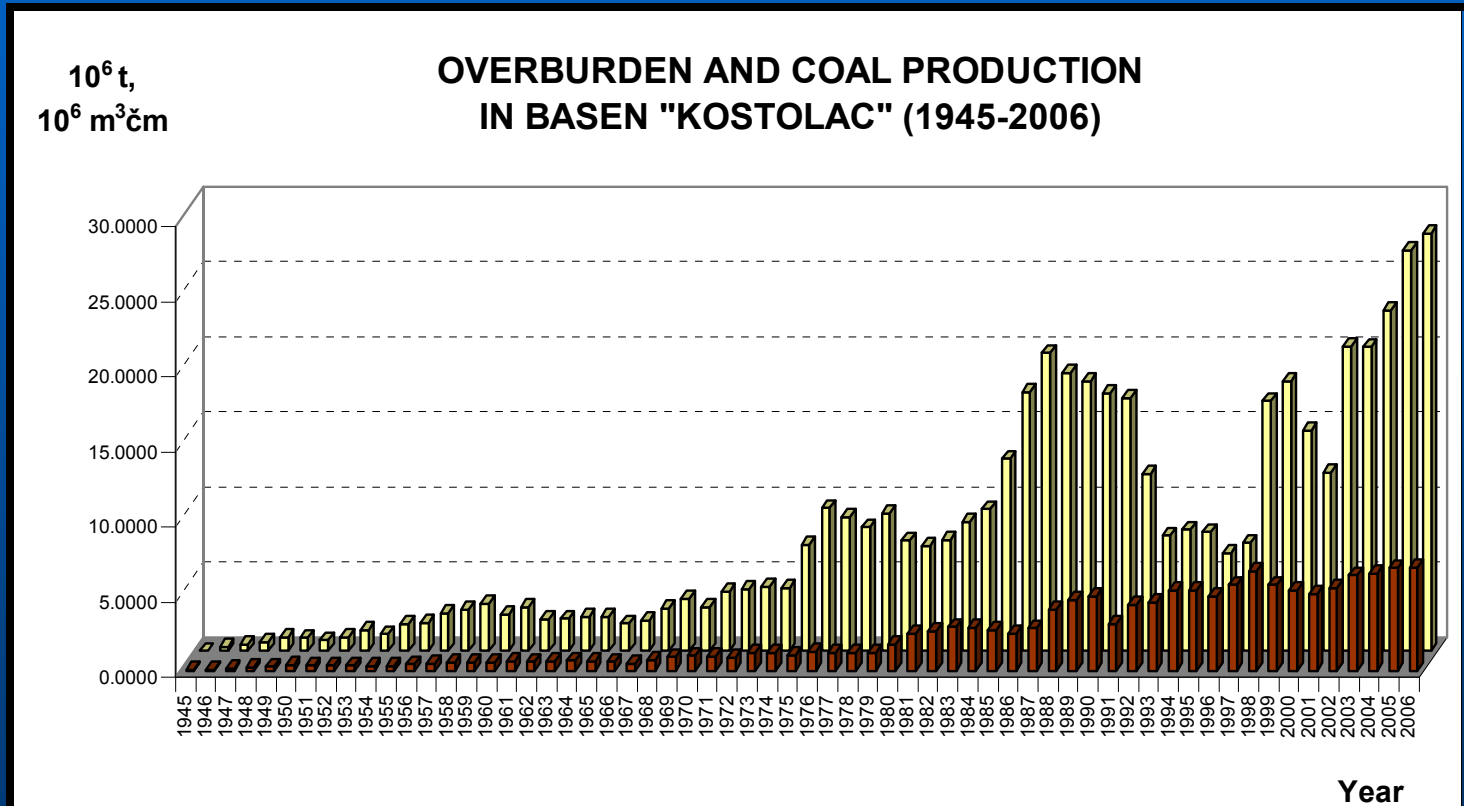
Supply TPPs:

- Kostolac A and B



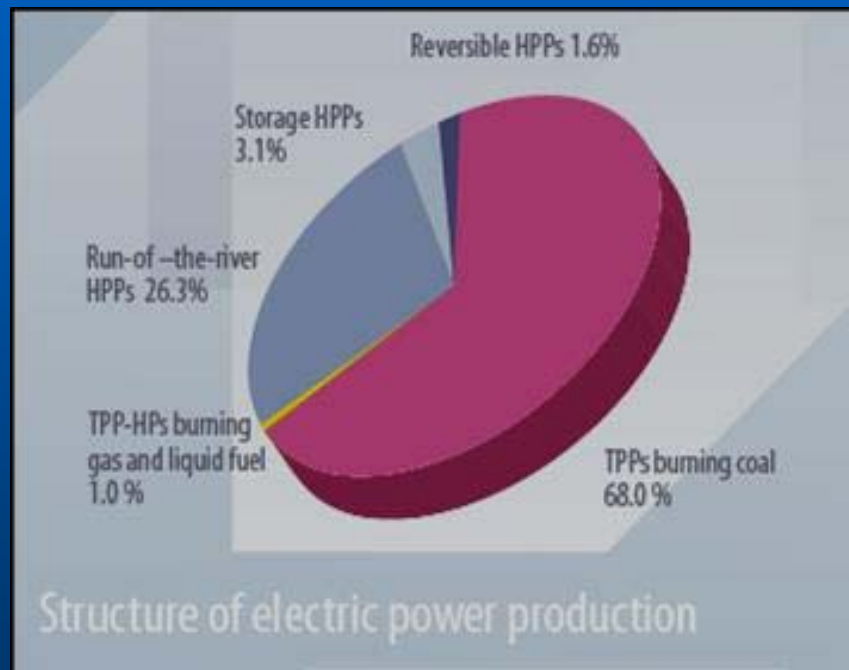


Kostolac Coal Production





Electric Power System of Serbia





EPS 2005 - BASIC INDICATORS

* Without Kosovo



EPS – TPP Kolubara



TPP NIKOLA TESLA A

TPP NIKOLA TESLA B

TPP KOLUBARA

TPP MORAVA

TPP "NIKOLA TESLA A" – WITH 6 BLOCKS – TOTAL AVAILABLE CAPACITY OF 1,502 MW AND ELECTRIC POWER GENERATION OF 7,194 GWH

TPP "NIKOLA TESLA B" – WITH 2 BLOCKS – TOTAL AVAILABLE CAPACITY OF 1,160 MW AND ELECTRIC POWER GENERATION OF 7,728 GWH

TPP "KOLUBARA" – WITH 5 BLOCKS – TOTAL AVAILABLE CAPACITY OF 245 MW AND ELECTRIC POWER GENERATION OF 1,149 GWH

TPP "MORAVA" – WITH 1 BLOCK – TOTAL AVAILABLE CAPACITY 108 MW AND ELECTRIC POWER GENERATION OF 341 GWH

Total: 3.015 MW



EPS 2005 – TPP KOSTOLAC



TPP KOSTOLAC A



TPP KOSTOLAC B

TPP "KOSTOLAC A" – WITH 2 BLOCKS – TOTAL AVAILABLE CAPACITY OF 281 MW AND PRODUCTION OF 716 GWH

TPP "KOSTOLAC B" – WITH 2 BLOCKS – TOTAL AVAILABLE CAPACITY OF 640 MW AND PRODUCTION OF 3,027 GWH

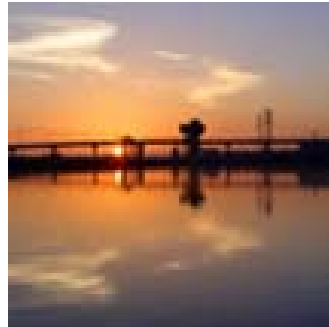
Total: 920 MW



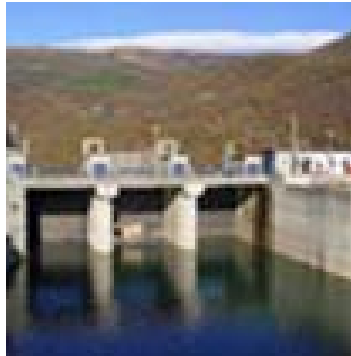
EPS 2005 – HPP “DJERDAP”



HPP DJERDAP I



HPP DJERDAP II



HPP PIROT



VRLA 1

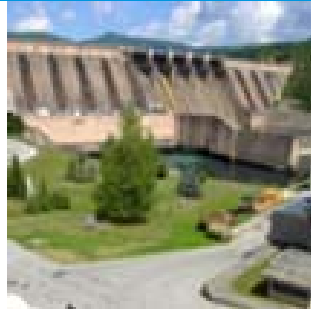
HYDRO POWER PLANTS UNITS "HYDRO POWER PLANTS DJERDAP", TOTAL OF 1,537 MW AVAILABLE CAPACITY, MAKE 18% OF THE TOTAL ELECTRIC POWER POTENTIAL OF SERBIA.



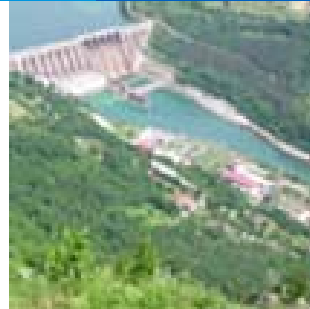
EPS 2005 – HPP “Drinsko-Limske”



HPP Uvac



HPP Bajina
Basta



RHPP Bajina
Basta

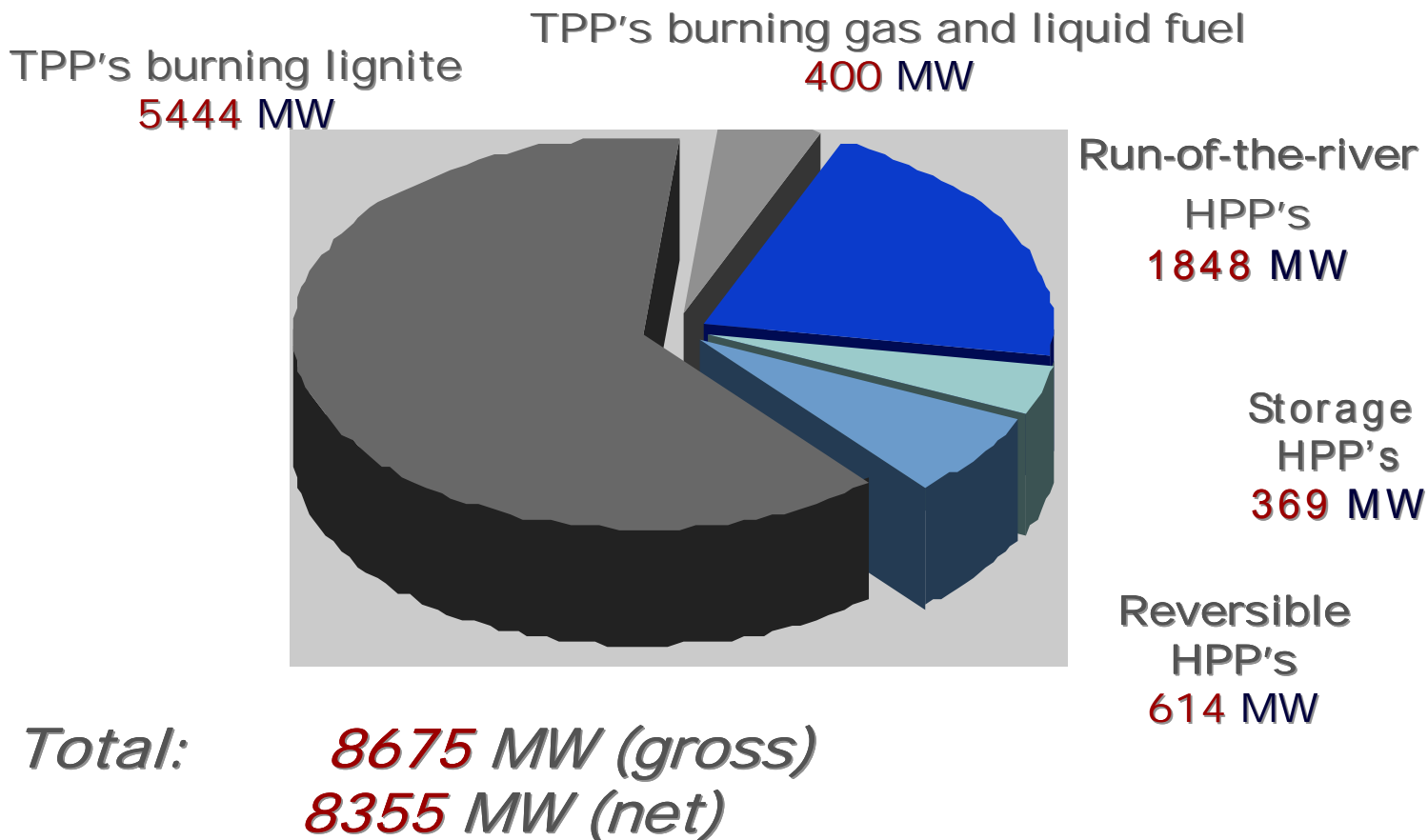


HPP Potpec

"Hydro Power Plants Drinsko-Limske", 14 units total of 1,083 MW available capacity make 13% of the total electric power potential of Serbia.



EPS - Electric power generating capacities





Metals: Copper – Total Resources



	Name of Ore Body	Category*	t	Cu (%)	Au (g/t)	Ag(g/t)	Lower Cu content (%)
RBB	Veliki Krivelj	A	91,713,587	0.33	0.07	0.39	0.2%
	Veliki Krivelj	B	333,306,825	0.35	0.07	0.39	0.2%
	Veliki Krivelj	C1	135,439,825	0.29	0.07	0.39	0.2%
	Total		560,460,237	0.33	0.07	0.39	0.2%
RBB	Jama - Tilva Ros	B	3,889,738	0.76	0.13	0.94	0.4%
	Jama - P2A	B+C1	8,508,893	0.71	0.33	1.96	0.4%
	Jama - Brezanic	A	1,972,350	1.28	0.27	1.93	0.4%
	Jama - Borska reka	A+B+C1+C2	1,007,832,732	0.53	0.16	1.69	0.3%
RBB	Cerovo complex - Cementation 2		26,580,420	0.31	0.07	1.08	
	Cerovo complex - Cementation 3		9,143,820	0.33	0.07	1.06	
	Cerovo complex - Cementation 4		4,027,930	0.28	0.07	1.06	
	Cerovo - Primary		238,358,600	0.31	0.108	0.77	
	Cerovo complex		45,777,880	0.28	0.062	1.38	
	Cerovo complex - Drenovo		1,600,000	0.62	0.62	2.21	
	Cerovo complex - Kraku Bukaresku						
	Total		325,488,650				
RBM	Majdanpek - North Mining District		231,381,814	0.3	0.26	2.07	0.1-0.2%
	Majdanpek - South Mining District		388,125,680	0.36	0.19	1.24	0.1%
	Majdanpek - Čoka Marin	B	249,350	19.88	5.44	36.41	
	Majdanpek - Čoka Marin	C1	21,436	26.22	4.2	43.76	



Copper – RTB Current production

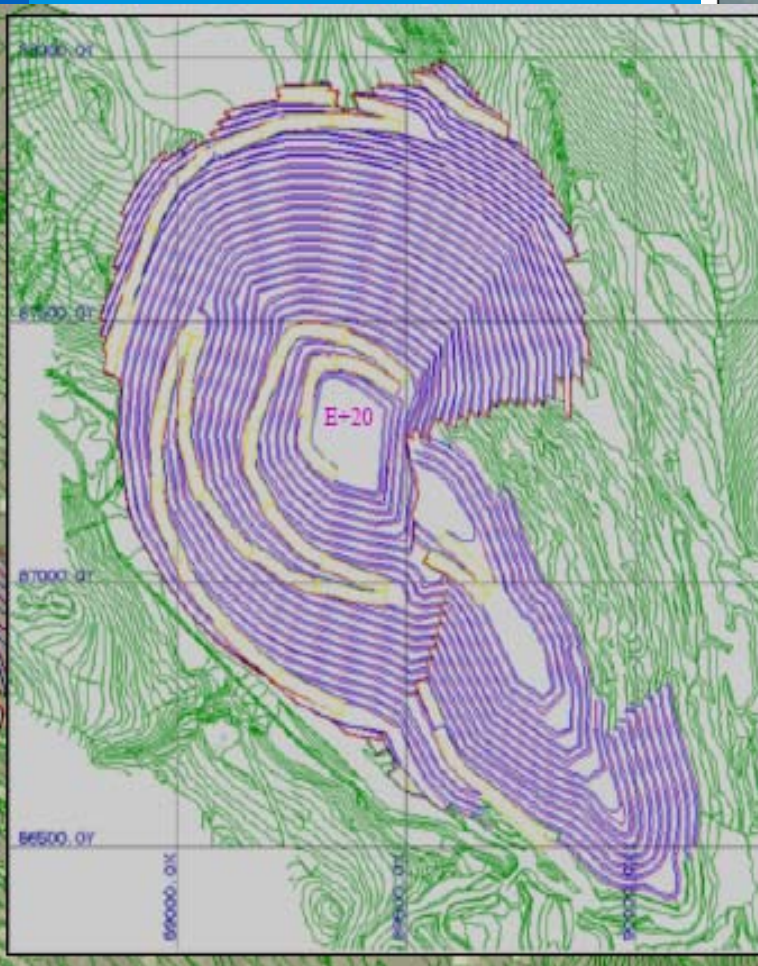
Copper and precious metals

The “RTB Bor” Mining and metallurgical complex produces copper ore in quantities that are significant on a regional level. Secondary precious metal refining is also substantial.

RTB Bor	January 2007	February 2007	Mart 2007	Total, Cu (t)
1. RBM	300	300	350	950
2. RBB	950	750	872	2.573
Total	1.250	1.050	1.222	3.523
3. TIR - Metallurgy	2.892	2.794	2.602	8.378



Copper – RTB Current mine design



	Name of Ore Body	Category*	t	Cu (%)	Au (g/t)	Ag(g/t)	Lower Cu content (%)
RBB	Veliki Krivelj	A	91,713,587	0.33	0.07	0.39	0.2%
	Veliki Krivelj	B	333,306,825	0.35	0.07	0.39	0.2%
	Veliki Krivelj	C1	135,439,825	0.29	0.07	0.39	0.2%
	Total		560,460,237	0.33	0.07	0.39	0.2%



Copper – RTB Current problems

- The RTB Bor Group is a serious environmental hot spot in Serbia.
- The main related environmental problems include open-pit waste dumps, flotation tailings, mining and processing waste waters, and air pollution.



Metals: Lead & Zinc – Total Resources

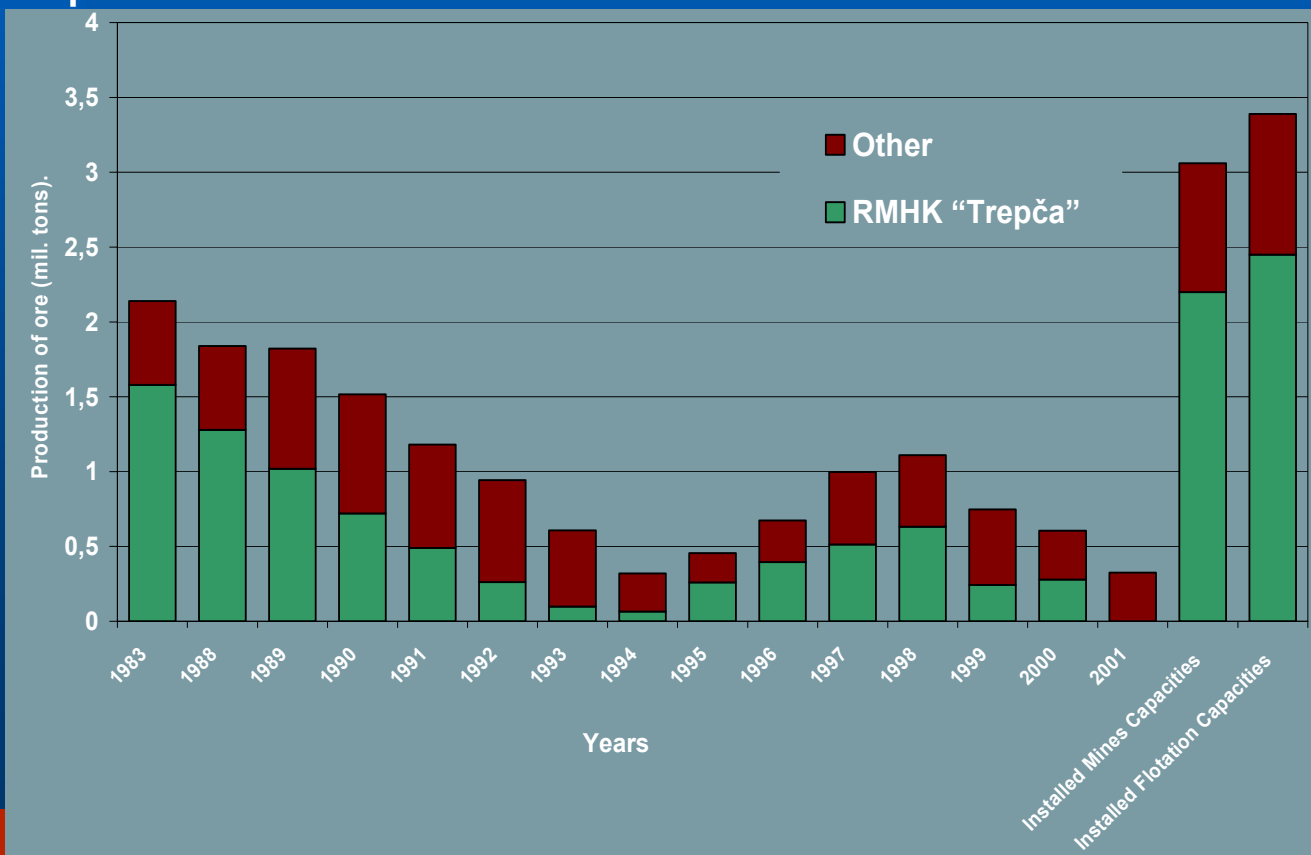
no.	MINES	QUANTITY & METAL CONTENT					Installed capacities		
		reserves	Pb	Zn	Ag	Au	Cu	mine	flotation
		t	%	%	g/t	g/t	%	(10 ³ t)	(10 ³ t)
1	"LECE"	2,112.000	1,95	3,83	21,03	3,32		100	110
2	"GROT"	1,060.000	3,15	3,61	15,26			300	300
3	"SUVA RUDA"	4,479.000	3,60	5,22	34			150	220
4	"VELIKI MAJDAN"	123.000	6,90	5,36	180			60	60
5	"RUDNIK"	671.000	3,12	2,80	109		0,43	250	250
	Serbia - K&M	8,016.000						860	940
6	"CRNAC" K&M	1,822.000	7,54	3,30	114			120	
7	"BELO BRDO" K&M	2,845.000	5,26	4,18	83			120	
	LEPOSAVIĆ								400
	Total	9,838.000						1100	940

→ Reserves of lead-zinc ore in Serbia are estimated at 45 million tons of ore with 6.3% (Pb and Zn) or 140 million tons containing 3.0-4.5% (Pb and Zn).



Lead & Zinc – Current production

- Only 15-20% of located Pb-Zn deposits are favorable for exploitation
- Mining works are practically stopped.
 - Except mines “Rudnik” and “Grot” in Serbia
- Exploration is reduced to a minimum.





Non-metallic raw materials

Total: 35 milion tons

of mines: 200

Cement Industry:

BEOČIN - Lafarge, POPOVAC - Holcim and KOSJERIĆ - Titan

- 2,5 milion tons fo cement
- 5 milion tons of marl i limestone

Agregate industry:

→ 25 milion tons

Bricks sand Ceramics industry:

- 4 milion tons of clays

Other industry:

- 2 milion tons of other minerals





Oil & Gas

- Serbia's oil and gas reserves are modest compared to those of other regional producer countries.
- Serbia has produced natural gas since 1952 and oil since 1956, but has always been a net importer of both.
- Since 1996, the production of natural gas has averaged 700 million m³ per year.
- Domestic production of **oil** has declined from 1.02 million tons in 1996 to approximately 815,000 tons in 2003.



Privatisation of Mining Sector

Serbia's main State-owned MINING companies are:

- **Electric Power of Serbia (EPS)** - manages the coal mining sector,
- **NIS-Naftgas**, the Serbian oil and gas company, and
- **RTB Bor**, a huge complex for copper mining and processing.



Thank you!

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