

European officials expect that the Law on Critical Raw Materials, which was presented last week, significantly improve the capacity of the extraction block, processing and recycling of key metals, such as lithium. The law aims to reduce dependence on third countries, while China currently dominates in the supply chain of numerous items on the European list of strategic metals.

The EU is also in the race with the United States, which already invest large funds in capacity to produce critical metals under the auspices of the Law on Defense Production and Inflation Reduction Act.

Europe may, however, has provided himself to himself through simplifying the procedures for issuing permits for projects, a painstaking process, which is often stretched for years before the first shovel hits the ground.

The law covers a list of critical minerals in the EU, with a special focus on battery metals, such as lithium, nickel, cobalt and manganese.

Copper is on the list as a driver of everything electricity, while aluminum and zinc are not, which could be a striking omission given the recent reduction of European production capacities.

While environmental organizations are concerned about Brussels plans to increase the exploitation of critical raw materials, the advocates of this approach say that it is necessary to achieve the green goals of the block.

The European Union wants to diversify the supply of critical raw materials by China and facilitate the use of mineral reserves needed to build green technologies, such as wind turbines and solar panels.

However, **local population and environmental activists** warn that reducing bureaucracy for projects of exploitation and biodiversity, pointing out that mining can cause serious water and soil pollution and lead to biodiversity forests.

This conflict between European appetite for critical raw materials and its ambitions to protect the continent – local protests are underway against new mining projects in Portugal, Germany, Sweden and Spain, which will only intensify after the adoption of new acceleration legislation Mining activities.

The draft rules suggest that the European Commission could be able to mark strategic plans of public interest, which would prioritize them in the event of a conflict with other EU legislation, for example with the law on conservation of species.

The reason for this is a fear that the EU cannot increase its reserves of key minerals without mitigating strict environmental requirements, which makes the opening of new mines represents a large bureaucratic headache.



Environmental ecologists claim that EU protection rules are necessary and to destroy local biodiversity in search of materials that would become climatic neutral either counterproductive.

## **Faster drilling**

Getting a green light for a new mining project in Europe can take up to 15 years – something that the EU wants to improve in its **critical raw material law**.

According to the draft, the Commission will allow mining projects that are marked as strategic to receive short terms of two years for permits, with the aim of reducing its dependence on imports.

Although the EU cannot deliver all the raw materials they need, its most important lithium projects, for example, could satisfy 25 to 35 percent of European demand by the end of the decade. Currently, about 78 percent of Lithium in the Block comes from Chile.

Mining companies have long claimed that the issuance of licenses can only be accelerated if the EU agrees to alleviate some ecological rules, such as zero emissions into water, which is difficult to perform.

Mining projects in protected areas, although allowed, also must also undergo an additional impact assessment to show that it will not damage the site integrity.

## Treatment of mining activities as projects from primarily public interest would solve a number of similar issues.

Since most well-known reserves of critical raw materials in the block is in protected areas or near them, the EU will have to concesses in nature protection if they want to exploit them, leaders say in the mining industry.

Green groups fought for long anti-expansion of mining in Europe, by favoring efforts to reduce consumption and sources of raw materials in other ways, including recycling and developing alternative materials.

In the light of the new plan of Brussels, they now call for the EU law on nature. However, they fear that the focus of law will increase the offer of raw materials at all costs, not limiting the impact of mining on the environment.

Non-governmental organizations and experts warn that the Commission shoots themselves in the leg if they ignore environmental concerns because protests against new mining projects could potentially disrupt EU goals.

## Serbian "critical raw materials"

The demand for rare natural metals for wind turbines is expected to grow four and a half to 2030. Demand for lithium, the key battery element in electrical vehicles and devices will increase 11 times to 2030 and 57 times until 2050, according to the assessments of the



Commission. However, only a small part comes from the EU mine.

The largest estimated lithium sites in Europe are in Germany, Czech and Serbia. Legs in Germany are located in large depths and require new extraction technologies that, among other things, can cause earthquakes, and whose environmental and economic sustainability is not yet sufficiently explored.

In 2021, Serbia has begun negotiations on Chapter 15, concerning energy, which implies the implementation of the relevant legal achievements of the European Union, the use of energy protection, the use of renewable energy sources and protection of competition to Serbia.

## It remains to be seen whether the new European Regulation will re-open the issue of the controversial project Lithium Jadar.

Although neither new law or accompanying documents mention Serbia, increased cooperation with strategic partners around the world has been announced and it seems that Serbia will be an important point in future plans of European critical raw material mines. Also, in Serbia, there are a borough bay, natural salts containing pine and are mainly used to produce glass, but also vital for plant growth, so they are in fertilizers.

In addition, they use for insulating homes and in car safety components such as airbags. Currently, the EU gets a huge majority, 98 percent, its borants from Turkey.

On the other hand, the Serbian exploitation mining company Belkanhan could become a primary supplier of EU graphite, which is also on the list of critical materials. It is used in pencils, batteries, steel furnaces, and can be converted into artificial diamonds.

BELKALHAN mine is based on a high quality graphite, with 4 million tons of reserves confirmed at only 25 percent of the project location. The mine is marked as a mineral deposit from national interest in the EU.

Potentially a joint venture partnership and investments will enable Belkalhan to integrate the graphite-based product chain for numerous lithium-ion batteries for electrical vehicles, fuel cells, graphene and nanomaterials, heat management in consumer electronics and smart consumer electronics and smart products buildings.