

The British company Mineco Limited, one of the largest mining investors in Serbia and the Western Balkans, is extremely pleased with its results in 2017, which the company management considers the most successful year in business so far.

Production plans for 2017 were fully met in lead and zinc mines that Mineco operates independently or with partners in Serbia and the Western Balkans. Alongside realisation of production plans, good results have also been achieved in exploratory works, in which significant funds have been invested. At the same time, Mineco continued its engagement in development projects, so Mineco expects success and continued growth in 2018.

Mineco's investments in 2017 exceeded \$20 million, of which about \$7m invested in projects in Serbia. As for Mineco's active mines in Serbia, in the Rudnik mine and floatation near Gornji Milanovac \$4m was invested, primarily in exploratory works, while in the Veliki Majdan near Ljubovija, \$1.5m was invested. These mines have achieved excellent results, while exploratory works have shown that we can count on stable production in the coming years.

450 people are currently working at the Rudnik mine near Gornji Milanovac, which was declared one of the top five privatisations in Serbia in a NALED and USAID study. In Veliki Majdan, declared by the Serbian Privatization Agency as an example of successful takeover from bankruptcy, 300 people are employed. From these two mines, considerable amounts were paid in concession fees, which were 32 percent higher than in 2016, primarily due to an increase in metal prices on the market. Rudnik paid RSD 109 million in concession fees, and Veliki Majdan RSD 65 million.

In Bosnia and Herzegovina, the Gross mine near Srebrenica, Mineco's largest mine, continued with excellent results in 2017. It achieved a record production of 347,500 tonnes of dry ore, which is 4.5 percent more than planned. During 2017, \$2.1m was invested in this lead and zinc mine, while in 2018 an investment of around \$4m is planned. These investments in the coming period should allow for increased production, which is the company's long-term plan. This mine currently employs 518 people.

Concerning development projects in Serbia, the Bosil-Metal lead and zinc mine near Bosilegrad started as planned in 2017 as a pilot project during which a symbolic production will take place in order to gather technological experience to design a commercial ore processing plant. Over the next two years, Mineco will develop this project to start full production. The mine, which currently employs 125 people, has received investments of more than \$14.5 million, of which \$1m in 2017. The employees of this mine live mainly in the surrounding towns, and it is planned for there to be 250 workers by the commercial launch of production. This mine is the first mine in Serbia with underground exploitation in

the last 40 years that has been fully built and equipped for operation.

In another of Mineco's development projects, the Geomet mine near Olovo in BiH, the investment in 2017 amounted to \$4 million. At present there are 100 people working at this mine and the preparatory works are being completed. Production is expected to start in the spring, and another 100 miners will be employed in 2018.

At the same time, the construction of Mineco's small hydropower plant on the Drinjač river (a tributary of the Drina) began in the Republic of Srpska in 2017. This project, MHE "Medoš One", will have 4.71 MW of installed power and an annual production of 18 million kWh. Its value is close to €10 million, of which €5m was invested in 2017. Connection to the network is planned for 2019. With this project, the Mineco Group's operation has been extended into the field of electricity generation from renewable sources.

This year, Mineco has the opportunity to express great pleasure and pride in the award of the European Agency for Occupational Health and Safety to the Rudnik company and the Rudnik floatation as the only company of the Republic of Serbia and indeed of the whole of the former Yugoslavia that has received this prestigious award.

All Mineco's positive experiences from this mine in the field of safety at work will be used in other mines as well. In 2017, Mineco also achieved good results in this very important area. In the mines in which it operates there were no injuries with the most severe consequences this year, and in a field that carries certain risks, the total number of injuries at work is smaller than ever. In 2018, Mineco will continue to comply with the highest standards of safety at work, environmental protection and the principles of corporate social responsibility in general.

In 2017, Mineco and its partners started implementing the scientific and technological programme under the Horizon 2020 programme of the European Commission, whose main goal is to connect science and the economy. In consortium with the University of Exeter, Mineco, is working on the Imp@ct project to find the best technological and investment solutions for smaller mineral resource sites across Europe. This project is of extraordinary importance for Mineco, but also for the entire direction of European mining development, so Mineco remains committed to finding applicable methods in the next two years until the end of the project.

Believing that 2018 will make two years in a row with good business results, Mineco plans to retain the status of the group as one of the most important private sector direct investors in mining in the Western Balkans. The interest of foreign investors in the development of mining projects in the region is on the rise and this trend will continue.

About the Mineco Group

Mineco is an international group of companies whose essential work lies in the international trade of non-ferrous metals and ore concentrates, investment in mining and geological research. Mineco invests in and develops lead, zinc and copper mines in the countries of south-eastern Europe and the former Soviet Union, as well as in Canada and Turkey where the group takes partial ownership. The Mineco Group is the largest lead producer in the Russian Federation. Thanks to a wide partner network the Mineco Group operates globally in Europe, Asia, South and North America, connecting mines and metal smelters from Peru to China.

In Europe Mineco with its partners employs about 2,000 people, about 1,500 of them in the Western Balkan region.