

**A BIRN investigation shows that Rio Tinto has spent more than a million euros on land in Serbia** at the proposed site of a lithium mine that was eventually cancelled a year ago, while a redacted readout of a meeting with the EU makes clear the company's **fear of a national referendum** on the issue.

Since mid-2022, the year Serbia's government revoked licences for a **\$2.4 billion lithium mine**, Anglo-Australian mining giant Rio Tinto has spent at least 1.2 million euros on land in the area that it hoped to exploit, **BIRN** can report, and is now offering financial aid to local firms in an apparent bid to win favour. Faced with growing public opposition, the government called off the project in January last year, but critics speculated that the halt was only temporary, to avoid a voter backlash in elections that April.

But while Prime Minister Ana Brnabic stressed again in December that she sees no way back for the 'Jadar' project, the company itself says it has not "given up" and President **Aleksandar Vucic** is again mooting the possibility of a referendum. Opponents of the project face being beaten, he said on January 5. "You never know - maybe they'll have that referendum, maybe next or the year after that, you never know, just to fulfill a promise, so they can see how they will fare," said Vucic, who as leader of the ruling Serbian Progressive Party is the most powerful political figure in the country.

A nationwide plebiscite, however, is precisely what Rio Tinto fears, according to a redacted readout - obtained by BIRN - of a meeting between company officials and the **European Union** delegation in Serbia on March 25 last year, two months after the project was officially cancelled.

### **Rio Tinto: 'We haven't given up'**

With demand for electric vehicle batteries on the rise, **Rio Tinto** says the lithium mine in the area of **Loznica**, western Serbia, would be the biggest in Europe and make the company one of the top 10 lithium producers in the world.

The project has strong backing from the UK, Australia, United States, and the EU. The latter imports almost all of the lithium it uses but has ambitions to secure an entire supply chain of battery minerals and materials, with demand for lithium predicted to grow 18 times by 2030 and 60 times by 2050.

Serbia stands to benefit from some 2,100 construction jobs and an injection of roughly **200 million euros per year** into the domestic supply chain, Rio says. Environmentalists, however, fear huge damage to water and land in western Serbia, while some Serbs say they feel steamrollered by the powerful multinational mining giant.

Facing an election in April 2022, the government scrapped the project in the January, but

Rio Tinto has not gone away. Between June 2022 and January 2023, the company has paid some 1.2 million euros for **5.78 hectares** of land via seven separate contracts with residents in the proposed mining site, BIRN found by analysing and cross-matching data from state cadastral records.

Then in January, Rio Tinto announced a programme of to support sustainable local development in the Loznica area via financial grants for local enterprises. The company has not hidden its ambition to revive what chief executive Jakob Stausholm called in December an “amazing asset.” “We need to figure out how to go about it,” Stausholm was quoted by Reuters as telling an investor briefing in Sydney. **“The only thing I would say today is we haven’t given up.”**

Asked about its continued land purchases, Rio Tinto told BIRN: “The purchase of the land is a continuation of the previously undertaken obligations of the **Rio Sava** company,” referring to its local subsidiary. Pressed for clarification of these “obligations”, the company did not respond. Regarding its support for local businesses, Rio Tinto said it was part of the company’s “commitment to the communities in which it operates” and has nothing to do with any potential referendum.

Rio Tinto reiterated that it still believes the [Jadar project](#) “has the potential to be a world-class operation that could support the development of other future industries in Serbia, acting as a flywheel for tens of thousands of new jobs for current and future generations, and the sustainable production of materials that are key to the energy transition.”

The environmental campaign group ‘**Mars sa Drine**’ [Get off the Drina], which opposes the Jadar project, said it had warned all along that the cancellation of the mine was a charade, but that its fate would ultimately be decided by the public.

“Rio Tinto buys people off with offers of cash, and now, in a genius marketing move, they act like a humanitarian organization that invests in local crafts,” Jovana Amidzic, a representative of the group, told BIRN. “Rio Tinto can stay on that land for 40 years, but there will be no mines.”

Nationwide referendum risks ‘more complicated dynamic’

Reviving the project without some kind of referendum risks a major public backlash against Vucic’s Progressives.

At a meeting with the EU delegation in Serbia on March 25 last year, Rio Tinto representatives appeared to be open to a local poll among villagers in the affected area, but not necessarily a wider plebiscite.

“A referendum could indicate the will of the inhabitants of the **12 villages of the area of Loznica**, who according to the company would be the key players in the execution of the

project, and those who would benefit the most,” a redacted summary of the meeting reads. “A local referendum would thus favour the company.” “A nationwide referendum including Belgrade, where the most negativity comes from, could produce a more complicated dynamic,” the document adds.

BIRN received the summary from an EU citizen who obtained it from the **European Commission** on the basis of a Freedom of Information request. BIRN obtained another copy of the document from another EU citizen, who had also submitted an FOI to the Commission, but in the second document the reference to Rio Tinto’s misgivings about a national referendum was blacked out. The Commission shortly told BIRN that it was “a clerical error”.

In its response for this story, Rio Tinto did not comment directly on the possibility of a referendum, saying it was a matter for “the competent authorities” in Serbia.

Amidzic of Mars sa Drine said that Rio Tinto’s fear of a national referendum only underscored the strength of public resistance, even though the country’s president and government were firmly behind the mine.

“Even with all the machinery of Vucic’s rule over the media, the people’s resistance is clear to them,” Amidzic said, adding that regardless of whether the project is put to a referendum, it is already in violation of the law. “There are legal processes that have not been followed, and therefore we can see that this project cannot be realised according to legal regulations because it is catastrophic in terms of its impact on biodiversity, **people’s health**, water, air and land”.

Project aborted, but approval pending

Calling off the project on January 20, 2022, Serbia’s government terminated a decree concerning the spatial plan of the special purpose area for the Jadar project and, five days later, annulled a decision by the Ministry of Environmental Protection regarding the environmental impact study.

“All administrative acts related to Rio Tinto, i.e. [Rio Sava](#), all permits, decisions, and everything else has been annulled,” Brnabic declared in the wake of mass protests. “With this, as far as the Jadar and Rio Tinto project is concerned, everything is over.”

However, Rio Tinto’s request for the approval of the exploitation field, submitted on January 6, 2021, is still pending, Ministry of Mining confirmed to Mars sa Drine organization. **BIRN** asked the Ministry of Mining why the request is still officially under consideration if the project has already been aborted, but did not receive a reply by the time of publication. In November last year, the government also signed declarations of intent with Slovakian battery maker InoBat to build an electric vehicle battery factory in Serbia, Reuters reported.

Rio Tinto is an investor in InoBat. Activists and the opposition say this all points to a likely revival of the Jadar project.

Meanwhile, a proposal to ban the mining of lithium and boron in Serbia, signed by more than **38,000** people and submitted to parliament last year, has still to come before the competent committee of ministry, despite rules that it should do so within 30 days.

Radomir Lazovic, an MP of the opposition Green-Left Coalition, said the so-called 'People's Initiative' was being kept from lawmakers on someone's orders.

"At every session and at every opportunity I asked what's happening with the People's Initiative," Lazovic told BIRN. "I managed to get answers from the Ministry of State Administration and Local Self-Government, and now the answer has arrived from the Committee for Constitutional Affairs and Legislation that this document never reached them, which can only mean one thing - that someone deliberately removed it from the regular procedure."

BIRN sent inquiries to the Serbian president's office and the [Serbian government](#) about the Rio Tinto lithium project, but received no response by the time of publication.

Source: [Balkan Insight](#)