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ENVIRONMENT

Rio Tinto 'exploring all options' after Serbia canceled its lithium project



Photo: Rio Tinto

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Global mining giant Rio Tinto achieved record profit last year amid a jump in commodity prices. In its annual report, the company said it is “exploring all options” and “reviewing the legal basis” of the decision by the Government of Serbia to halt its lithium and borate project in Jadar area. The statement increased the concern that the company could take the matter to court.

Rio Tinto's net earnings came in at an all-time high USD 21.09 billion last year or 116% more than in 2020. Like its rivals including Glencore and BHP, the Anglo-Australian company benefited from a strong rally in mining commodities.

Revenue jumped 44% to USD 63.5 billion on a surge in sales of iron ore, aluminum, copper and different minerals and materials such as titanium dioxide. Rio Tinto also counted on a project for lithium and borate mining and processing in Serbia to profit from the expected rise in demand for batteries for electric cars and other forms of power storage, but it was halted in January.

Rio Tinto is ‘disappointed’

The government in Belgrade, under pressure from massive protests over environmental concerns about the proposed underground mine, revoked the spatial plan for the project. Prime Minister Ana Brnabić said Rio Tinto “absolutely didn't provide enough information” to the authorities and the locals in the affected areas of Jadar and Rađevina in the country's west. She claimed the Government of Serbia abolished all licenses and decisions with the move.

“We are disappointed by this announcement and are committed to exploring all options and are reviewing the legal basis of the decision and the implications for our activities and people in Serbia,” Rio Tinto said in the annual report, which increased concern in Serbia that it could take the matter to court. It repeated the stance several times throughout the document. The company has allocated USD 2.4 billion for the project in July.

Jadar is Rio Tinto's first lithium project

First saleable production was expected in 2027 with ramp-up to full production of 58,000 tons of battery-grade lithium carbonate, 160,000 tons of boric acid and 255,000 tons of sodium sulfate per year, the report reads.

Jadar is Rio Tinto's first lithium project. Since jadarite is a new mineral, the company built a pilot extraction plant at its Bundoora Technical Development Centre in Melbourne, Australia, and claimed the process turned out to be viable. "While the benefits of projects like Jadar are significant and global in enabling the energy transition, we acknowledge the concerns of the local community and have worked hard to mitigate local impacts while maximizing the potential social and economic benefits to Serbia," it said.

Both sides waiting for election outcome

The City of Loznica revoked the local spatial plan already in December. Rio Tinto's Serbian subsidiary Rio Sava Exploration then said it would suspend its activities and engage in dialogue with the affected population. Government officials were arguing, while they were still backing the project, that the company could sue if it is halted.

Protests continued until the dissolution of the National Assembly of Serbia in mid-February, ahead of the April 3 general election. Kreni-promeni, Association of Environmental Organizations of Serbia (SEOS), Ecological Uprising and other activist groups are demanding a nation-wide ban on lithium and borate mining.

Environmentalists are demanding a law that would ban all lithium and borate mining in Serbia

They argue the measure must be passed in parliament and that the decisions and licenses concerning Rio Tinto and several different exploration firms must be annulled through the proper procedure. Otherwise, in their view, there is a risk of lawsuits.

The Serbian media obtained a document from a July meeting of Rio Tinto's representatives with European Union officials in which the company said it expected to start developing the mining site after the elections.

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