



## SUMMARY OF ACTIVITIES DURING 2020.

The year that is behind us was largely marked by the global COVID-19 pandemic. Despite all the challenges caused by the pandemic, Eastern Mining has managed to adapt while recording very positive business results over the past year. Taking firm prevention measures to protect our employees, we organized regular tests on COVID-19, which are still conducted today. At a time when many companies are facing an economic crisis, laying off a number of workers and even closing down, Eastern Mining doubled its number of employees in the previous year, reaching 45 active employees. Through the course of the year, the company's headquarters were moved from Sarajevo to Vares, in the hope that in the future the benefits of the Project will be directly felt by the local population in the municipality of Vares. This move is reflected in the fact that cooperation with the local community has reached a very high level.



### ESG department

At the beginning of the year, the Environmental and Social Governance (ESG) department was established with a goal to conduct an Environmental and Social Impact Assessment (ESIA). The monitoring of the environmental factors has also been established. Within the study, the following areas that have been monitored; air quality, noise, soils, biodiversity, hydrology, hydrogeology, geochemistry, landscape and visual impact, social aspects, traffic, and archaeology and cultural heritage. A Public Liaison Committee (PLC) has been established, to provide transparency through regularly informing the local population of company activity. It represents an independent body, which also brings together representatives of local communities, who come from areas that are directly influenced by the Project activities, NGOs, representatives of major institutions in the municipality of Vares and also Kakanj.



### Social responsibility

As a socially responsible company, Eastern Mining continued to support many cultural and sporting events and activities that have social meaning during 2020. In May, our company invested funds for the reconstruction of local roads Bare, in the village Pogar - Crossroads Dubostica and road Viaduct Vares - Visnjici, which leads to the villages Przici, Dastansko and Visnjici. With the cooperation of local community Borovica and the Municipality of Vares, we participated in co-financing the reconstruction of roads to the village of Borovica.



We also provided support for FC Vares, whilst recognising their needs. For many years we have been supporting cultural events in the municipality of Vares, such as the Art Colony Borovica, which is held every year.



The increased requirement for disinfectant, that manifested itself at the very beginning of the COVID-19 pandemic, prompted us to donate significant amounts of disinfectant to the Vares Health care center. Nordbat 2 Vares High school received a significant amount of disinfectant as well, protective masks and one non-contact infrared thermometer for measuring the body temperatures. We donated disinfectant and protective masks to the Elementary school in Vares to create safer conditions at the beginning of the new school year. At the end of 2020, we started the process of registering the "Adriatic" Foundation, whose ultimate goal will be to support the long-term well-being of the local community in the municipality of Vares.





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## Geology exploration

Geology exploration intensified in April 2017. During 2020, fifty-two exploration drill holes drilled a total of 14,585 meters. Along with exploration drilling, various tests have been undertaken, such as:

- Geophysical tests using IP methods and gravimetric testing
- Geochemical soil sampling
- Imaging the landform characteristics in order to collect geographical information of the area using Light detection and ranging method (LIDAR)
- Two portable weather stations have been stationed at Rupice and Veovaca
- Geotechnical drilling at the EM company site in Tisovci to determine quality of rock for building the new process plant

Along with exploration, several other studies were conducted, one of the most important was the Preliminary Feasibility Study (PFS), which was completed in November 2020, proving the potential of the Vares Project. In parallel with the implementation of the PFS, various activities were completed to adhere to Federal and Cantonal institutions, in the form of reports, programs, projects, studies and elaborations of the reserves for Veovaca and Rupice-Jurasevac-Brestic.



## Issued permits

In January, Eastern Mining d.o.o. signed Annex 4 Concession contract with the Ministry of Economy of Zenica-doboj Canton, which, in addition to zinc, lead and barite, also approves the exploration and exploitation of precious metals. To be able to reopen the mine, we followed the positive legislation procedure of the country. During the year, the company has acquired many permits, approvals and consents working alongside all levels of the government in Bosnia and Herzegovina. For the location Veovača I, Tisovci I i Veovaca II we have acquired the following permits:

- Environmental permit:  
Remediation and closing of the old mine's processing facility  
Restoration of the processing facility
- Urban Planning permit
- Exploitation Permit

At the location Rupice-Jurasevac-Brestic we are currently in the process of acquiring the Environmental permit, and we are expecting for this to be completed during February 2021. After which we will apply for the Urban Planning permit, and the Exploitation permit after that.

New challenges are awaiting us in the future, but we hope that with investments and commitment to this Project, the local community and authorities will recognise us as reliable partners. In the work we are doing to open the mine we are hope that they will make these processes much easier for us.

## Art Colony Borovica

Once again, we were given the opportunity to contribute to the development of culture and art in the municipality of Vares. At the Cultural Center in Vares, the representatives of our company attended the opening of the final exhibition at the 6th International Art Colony (Art Colony) Borovica. The exhibition presented graphic works from this year's Art Colony and the final work within the "Canvas Trip", a travelling canvas. On this occasion, Eastern Mining was honored by the organisers of Art Colony Borovica to express their gratitude for the all the contributions it has made, by financially supporting the organisation of this yearly event. The general manager of our company, Adnan Teletovic, received a letter of thanks on behalf of the company in the form of a graphic map. The Borovica International Art Colony is traditionally held every year, it started in 2015. It is an opportunity to highlight and present the works of many artists from Bosnia and Herzegovina, while emphasizing the importance of cultural and historical sites in the municipality of Vareš. ART Colony Borovica is an indispensable part of the culture of Vares and Bosnia and Herzegovina, that would like to develop an independent cultural and social center in the wider region, defining itself as "Art for Change".





# INTERVIEW WITH MLADEN GAVRAN



**I would like to thank you for your time and for talking to us about your experience and job in mining for the Eastern Mining Blog. This is part of our „Living history project“. Firstly, can you tell us something about yourself?**

My name is Mladen Gavran, since the year of 1985. I was formerly employed as Flotation operator in Energoinvest's mine of lead, zinc and barite, until the business closed. That happened in the beginning of the 90's.

**What was your first job?**

My first work experience ties itself to Energoinvest and the mine of lead, zinc and barite, which I have already mentioned. There I worked as Flotation operator. During that time the role of Flotation operator was considered significant, especially in refining acquired mineral resources, with it also came a great responsibility to develop a successful business.

**How many people were employed in the department where you worked?**

Our sector consisted of four flotations. I was working in a collective one, whereas the name suggests, collective concentrate was separated, namely lead and zinc from barite. In one shift there were four of us working, our assignments were based on the nature and scope of the work being done. I think there were 200 people that worked in Flotation alone, while the Mine employed around 400 people.

**You've mentioned that the mine employed around 400 people, did any of your family members or relatives worked in the mine?**

The head engineer in the mine, and later head of flotation was actually my dad, who had previously finished his studies in Belgrade. He was in charge of preparation of mineral resources for processing. I was lucky enough to work and at the same time learn from him about the job which was entrusted to me.

I can tell you a fun fact, that even when you dad is your boss at work, you don't get any privileges. Such was the case that every time due to my irresponsibility and missing work, he didn't hesitate to reduce my daily wage as a lesson learned. My excuse then was that I was young, and simply thrilled with the life I was living, which sometimes got a bit carried away.

**At the time when you have worked at the Lead, Zinc and Barite Mine, were there any employed women?**

Of course, that there were women employed, they were present in almost every part of the company. Especially in management, production, laboratories, commerce and the construction sector.

**What did you like most about your job and why did you like working?**

After failing a year in college, I was forced to find a job for a living. It was under these circumstances that I have managed to find a job. During that period the demand for a capable workforce of Energoinvest's Production section was rapidly rising, which meant a great chance for me to get a job. However, later I have shared my working environment with some wonderful young people who were also my co-workers. We managed to create a bond between us, which later turned out to be a perfect formula for caring and loving the job we were assigned for, while doing it the best we could. The job was very interesting and challenging as well. It demanded continuous work, dedication, creativity, learning and adopting to the varying „Flotation process“, as I would call it back in the day. I have felt sorry when the Mine closed in a moment when me and my co-workers thought that we were just starting to get better at doing our jobs.

**When you look at life then and now, in the Municipality of Vareš, can you make a comparison?**

The best way for me to paint a picture for you about the way life looked during those times compared to what it is today, would be through example of Vareš bus station, which is found close to the town's market. When Energoinvest Mine was working in full capacity that station was crowded with people going to their daily jobs, while today such sighting is almost unimaginable. Back then Vareš had many more residents, most of them were employed and Vareš was financially secure, through the economy that was growing.

**How was Vares at the peak of its power at the time when the lead, zinc and barite Mine was operating?**

Vares began to flourish, resulting in a chain reaction which brought growing companies, services and employment for people. It seemed that the Vares economy was booming then.

**When the Mine and the Ironworks were operating, was sufficient attention paid to environmental protection and compliance with the laws of the area at the time?**

I don't think that was ideal then or that there were the proper levels of attention paid to protecting the environment, although laws were generally respected. For example, the river Stavnja which flows through our city was muddy due to the Ironworks.

**Do you have any message for youth who are just starting to build their careers?**

My general opinion reflects the message that I want to give to the youth here in Vares. If your company delivers what is expected, the youth here do have the chance to search for employment, and having that in mind I highly recommend that they should stay in the area. They should pursue their careers here, especially because people from Vares can achieve a lot through mining, which is a long-lasting tradition here.

**Thank you for your time with the hope that this cooperation will continue and improve?**

Thank you for choosing me for your interview. It was an honour to share my experiences from the past time and I hope that I was able to tell you an interesting story.

# DONATIONS

Our company started the new year by giving those that are in need. We have decided to donate funds (30,000 BAM) for humanitarian purposes. All Eastern Mining employees were given the opportunity to participate in the selection of those to whom certain funds will go, and they all submitted suggestions. After the proposals were collected and the final decision was made, the following institutions / organizations were selected to receive donations:

- Humanitarian care organization "Kruh svetog Ante" Franciscan province of Silver Bosnia; Amount of donation was 5.000,00 BAM, this is for buying food and will cover the public kitchen heating expenses in Vares. With this donation the Public kitchen in Vares will now have proper facilities to fulfil the active humanitarian work in the Vareš municipality. They provide 120 meals on a daily basis, for those that are not able to provide for themselves.
- Foster care „Mala skola“ Vares; We donated one laptop and one computer to the foster care. Amount of the donation was 2.500,00 BAM.
- Public institution „Dom-porodica“ Zenica; Amount of donation was 5.000,00 BAM, which will support the basic needs of the Institution and its further work.
- The Foundation for renovation and development of Vares region; The Foundation received an amount of 1.500,00 BAM to support the joint Postage stamp Project with BiH Postal Office. This Project includes postage stamps that are going to commemorate 130 years of Vares Ironworks, as the oldest Ironworks in Balkans and this part of Europe as well.
- The Center for social work Vares; Institution received 38 humanitarian packages including food and basic hygienic supplies – in amount of 100,00 BAM per package. Amount of the donation in total was 3.800,00 BAM. Packages were divided among socially vulnerable categories of people in the area of Vareš Municipality, according to Center for social care records.
- Vareš Municipality Red Cross; We donated 50 supply packages including food and basic hygienic supplies - in amount of 100,00 BAM per package. The amount of the donation totalled 5.000,00 BAM. The Packages were divided among socially vulnerable categories of people in the area of Vareš Municipality, according to Red Cross records.
- Karate club „VARES“ from Vares; The Association received funds in amount of 3.000,00 BAM, which will be used for procurement of track suits for club members.
- Scouts association „Zvijezda“ Vares; Association received support funds in amount of 1.000,00 BAM for further activities.
- Local communities; To the local communities Donja Borovica, Przici i Dastansko we donated funds in amount of 1.000,00 BAM, for help and support in local community operations).

As a socially responsible company, we strive to build the best possible relationship with the local community and the population. We want to be an example of a company that respects opinions and listens to the needs of the local community, especially socially vulnerable categories, as shown by the act of donating funds. We hope that the excellent cooperation of our company with the local community and support for socially vulnerable categories will continue in the future.

