



Funded by the
European Union

GEO-POWER-EU

The Vareš Mining Project in Bosnia and Herzegovina: A Case Study
of Corrosive Capital in an Already Corroded Political Economy

GEO-POWER-EU: EMPOWERING THE GEOPOLITICAL EU IN THE EASTERN NEIGHBOURHOOD AND THE WESTERN BALKANS

Number of the deliverable	The Vareš Mining Project in Bosnia and Herzegovina: A Case Study of Corrosive Capital in an Already Corroded Political Economy
Project Name	Empowering the Geopolitical EU in the Eastern Neighbourhood and the Western Balkans
Acronym	GEO-POWER-EU
Project No	101132692
Work Package	WP3 Corrosive Capital - case study
Lead Partner	Democratization Policy Council
Due date	April 2026
Dissemination level	Public
Author/Contributing Authors	Kurt Bassuener, Omar Memišević, Valery Perry (DPC)
Reviewed by	Sonja Stojanović Gajić (UniRi), Tena Prelec (UniRi) and Djordje Krivokapić (FPN)
Licence	This work licensed under a Creative Commons Attribution-NonCommercial-NoDerivs 4.0 Unported Licence .
DOI	https://doi.org/10.5281/zenodo.19591541

TABLE OF CONTENTS

About GEO-POWER-EU Project	4
List of Partner Beneficiaries involved	4
List of Abbreviations	5
The List of Tables	6
Purpose and scope of the case study	7
Executive summary	7
1. Introduction	8
2. The Deal and Its Political Dynamics	9
Domestic Engagement - Legal F(r)ictions Among Layers of BiH Governance	15
Foreign Engagement	17
Supporters, Detractors and Questions	19
3. Regional Comparison	22
4. Conclusion and Alternative Visions	26
REFERENCES	29

ABOUT GEO-POWER-EU PROJECT

GEO-POWER-EU aims to empower the EU to manage security threats in its Eastern Neighbourhood and the Western Balkans amidst a deteriorating geopolitical environment. The project's primary ambition is to surpass current standards and develop a comprehensive EU strategy for these regions, utilizing new and reformed policy instruments while considering the strategic ambitions of other geopolitical actors.

To achieve this, GEO-POWER-EU's work plan is built on six specific objectives: proposing adaptations to the EU Enlargement policy to reflect new realities; examining the relevance of the Eastern Partnership (EaP) and providing policy recommendations for its reform; assessing the influence of other geopolitical actors, including the United States, Russia, China, and Turkey, in these regions; offering strategic foresight on the prospects of geopolitical competition in these areas; exploring ways to enhance the EU's ability to contain military threats from beyond its borders; and proposing a comprehensive, multidimensional EU strategy to guide relations with Western Balkan and Eastern Partnership countries.

The project's research aims to advance beyond the current state of the art by developing a new conceptual and policy framework using both quantitative and qualitative methods. Methodologically, GEO-POWER-EU leverages cutting-edge expertise from various disciplines, implementing a multi-stage plan grounded in a participatory and inclusive approach. This approach involves systematic engagement of researchers from third institutions, decision-makers, stakeholders, and citizens—including those from the regions under analysis—throughout the project cycle. **More about the project:** <https://geo-power.eu/>

LIST OF PARTNER BENEFICIARIES INVOLVED

- European Neighbourhood Council (ENC), Belgium
- University of the Peloponnese (UoP), Greece
- Kentro Erevnon Notioanatolikis Evropis Astiki Mi Kerdoskopiki Etaireia (SEERC), Greece
- Alma Mater Studiorum - Universita Di Bologna (UNIBO), Italy
- Wiener Institut Fur Internationale Wirtschaftsvergleiche (WIIW), Austria
- Sveuciliste U Rijeci (UNIRI), Croatia
- Institut Za Demokratija Societas Civilis Skopje (IDSC), Republic Of North Macedonia
- Univerzitet U Beogradu – Fakultet Političkih Nauka (FPN), Serbia
- Vienneast Consulting Gmbh (VE Insight), Austria
- Democratization Policy Council (DPC), Germany
- Institutul Pentru Dezvoltare Si Initiative Sociale Viitorul (IDIS VIITORUL), Moldova
- Odeskij Nacionalnij Universitet Imeni I.I. Mechnikova (ONU), Ukraine
- Georgian Foundation For Strategic And International Studies - Gfsis (GFSIS), Georgia
- Utrikespolitiska Institutet Informationsavd (UII), Sweden

This project has received funding from the European Union's H2020 Research and Innovation programme under grant agreement no 101132692 — GEO-POWER-EU — HORIZON-CL2-2023-DEMOCRACY-01

LIST OF ABBREVIATIONS

BAM	Bosnia and Herzegovina convertible mark
BiH	Bosnia and Herzegovina
CIN	Center for Investigative Journalism
EaP	Eastern Partnership
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
HDS	Hrvatski demokratski savez (Croatian Democratic Alliance)
HDZ	Hrvatska Demokratska Zajednica (Croatian Democratic Union)
MEP	Member of the European Parliament
OHR	Office of the High Representative
RS	Republika Srpska
UK	United Kingdom
US	United States
SLAPP	Strategic Lawsuit Against Public Participation
ZDK	Zeničko-dobojski kanton (Zenica-Doboj Canton)

THE LIST OF TABLES

Table 1. The roles of actors in Vareš mining deal

Table 2. Comparison of Corrosive Deals in Mining Sector

PURPOSE AND SCOPE OF THE CASE STUDY

The in-depth case studies in Deliverable 3.3 [Foreign Influence Challenges in the Western Balkans and Associated Trio] examine individual instances of corrosive capital across the Western Balkans and Eastern Partnership. Their purpose is to ground the report's analytical framework in empirically documented investment arrangements, showing concretely how domestic patrons, foreign sponsors, and transnational enablers interact to distort governance across the arenas of rule-making, rule-implementation, and accountability suppression. Each case study focuses on one of five recurring sectoral patterns (real estate megaprojects, infrastructure concessions, energy dependence, extractive industries, and transport hub capture) analysing one national example in depth before broadening the lens to a cross-country comparison of similar cases within that sector. This structure is designed to enable meaningful cross-case comparison. Taken together, they demonstrate that corrosive dynamics follow recognisable structural logics regardless of where the capital originates or the regime type of the investing country.

EXECUTIVE SUMMARY

This case study examines the Vareš mining operation in Bosnia and Herzegovina (BiH) as an instance of “corrosive capital” originating from liberal democracies rather than authoritarian states. Applying the GEO-POWER-EU analytical framework, the case study argues that what renders capital corrosive is not its provenance but how it interacts with and impacts the political economy through governance deficits, elite incentive structures, and accountability gaps. BiH’s fragmented governance architecture enshrined in the Dayton peace accords, together with its characteristics as a “peace cartel,” created the enabling conditions for the project’s deployment, facilitating jurisdictional fragmentation of responsibility across municipal, cantonal, entity, and state levels, the incremental expansion of the initial concession, and weak regulatory oversight. Adriatic Metals (a company listed on both the Australian and UK stock exchanges, and acquired by Canada’s Dundee Precious Metals in 2025, which was itself then listed on the Australian exchange in autumn 2025) operated with open diplomatic backing from the UK and the US and benefited from fast-tracked ministerial permits issued in defiance of adverse judicial rulings, including by BiH’s Constitutional Court. The study documents asymmetric value extraction through below-market concession fees, accountability suppression including a SLAPP action against an environmental activist, and a notable discrepancy between the “green transition” framing deployed to justify the project and its commercial priorities. Citizen and civil society resistance, cross-entity in character, is documented but shown to have been constrained by governance fragmentation and legal pressure. A brief regional comparison with Rio Tinto’s Jadar lithium project in Serbia highlights structural commonalities, including the “co-production” of corrosive outcomes between foreign investors and domestic political gate-openers. The paper concludes by proposing the concept of “democratically reinforcing capital” as a normative alternative, calling on Western investors and sponsoring states to leverage extractive projects in support of the governance reforms required by the EU accession process they publicly champion.

THE VAREŠ MINING PROJECT IN BOSNIA AND HERZEGOVINA: A CASE STUDY OF CORROSIVE CAPITAL IN AN ALREADY CORRODED POLITICAL ECONOMY

1. INTRODUCTION

At a time when raw materials – particularly critical minerals – are increasingly important for Europe’s “green transition,” the mining sector has become a zone of intense geopolitical competition. Western governments have sought to secure supply chains by backing extraction projects, including in the EU candidate countries such as Bosnia and Herzegovina (BiH). The Vareš project, a gold, silver, zinc, and lead mining operation 50 kilometres from Sarajevo, is one such case. There are several different frameworks through which this case can be understood and analyzed to better understand the political economy in which it is unfolding. Chayes (2015), Bullough (2022) and Perry et. al. (2021) each provide conceptual framing that integrates dynamics of kleptocracy, corruption, malgovernance and instrumental polarization – themes which are often evident in studies of BiH and other countries in the former Yugoslavia over the past three decades. For the purposes of this exercise, however, the framing device of “corrosive capital” will be applied. This study examines how and why a Western-aligned investment has reproduced the dynamics of corrosive capital in a country whose path to EU membership depends on strengthening the very governance standards the project has helped to erode, a framing referred to as “the GEO-POWER-EU analytical framework.”

From 2017 through 2025, the project was operated by Adriatic Metals BH d.o.o., an Australian exchange registered company also listed in the United Kingdom. In September 2025, Canada's Dundee Precious Metals completed its acquisition of Adriatic Metals for \$1.25 billion, with substantial US investor backing (TipRanks, 2025; Globe Newswire 2025). The GEO-POWER-EU analytical framework argues that the concept of corrosive capital can be applied regardless of the investor's origin, on the grounds that what matters is not where capital comes from but "how it interacts with governance gaps, legal loopholes, and elite interests" (Prelec et al. 2025: 16). The Vareš case is therefore not an exception to the framework but a test of its analytical breadth.

Western diplomats have cited geopolitical competition as a rationale for the Vareš investment, arguing that a “malign actor” such as Russia or China might step in if the resource is not exploited by a Western company. However, despite Western political actors’ professed support for BiH’s democratic development, the Vareš investment may be feeding dynamics that make democratic progress more difficult, running counter to efforts to support the country’s institutional, legislative and governmental reform as it seeks EU membership. While initially literature on corrosive capital

(CIPE, 2018) suggested that the external financing is “corroding” a system of consolidated or consolidating democracy, in the case of BiH (and not only there) the external financiers are actively *co-producing outcomes* with local political partners in order to benefit from a system of malgovernance that requires less from investors in terms of due diligence, transparency and independent regulatory oversight.

As a methodological note, this case study was developed throughout 2025. In late 2025 it was used to feed into a larger comparative study (Prelec et al. 2025). This case study draft was then reviewed again to feed in and directly reference the theoretical framework developed in Prelec et al. 2025. It can therefore be viewed as part of a feedback loop process in a field research and analytical exercise aimed at contributing to the academic literature on these themes.

The case study follows a three-part structure. First, BiH's fragmented governance structure, a legacy of the 1995 Dayton Peace Agreement, shapes every aspect of this case, and a brief account of it and the concept of “peace cartel” is presented to make sense of how the Vareš project was enabled. The study then examines the deal and its political dynamics, analyses the roles of domestic, foreign, and transnational actors, and assesses economic, political, and geopolitical impacts. The third part of report presents regional comparison with the Rio Tinto Jadar project in Serbia and Jugohrom in North Macedonia and situates the case within broader extractive trends across the Western Balkans. The conclusion reflects on what a more governance-conscious and participatory approach to strategic mineral investment could look like.

2. THE DEAL AND ITS POLITICAL DYNAMICS

National context

BiH's fragmented system of governance, combined with the *de facto* extra-institutional power wielded by party leaders, permits systemic obfuscation and evasion of responsibility. The 1995 Dayton Peace Agreement empowered the substate “entity” level – the Federation of Bosnia and Herzegovina (FBiH) and the Republika Srpska (RS) – by allocating most functions of government to the entities rather than the central (that is, state-level) government. While power is centralized in the RS entity, the FBiH is further subdivided into 10 cantons, with the state and municipalities enjoying considerably less agency and often being beholden to the entity or cantonal political and budgetary prerogatives. The Office of the High Representative (OHR) also plays a role in BiH, with responsibility for overseeing the implementation of civilian aspects of the Dayton agreement, adding an actor not beholden to BiH's captured politics to the equation. Post-war international peace enforcement and statebuilding efforts worked to retro-engineer the strengthening of the top and bottom layers of governance (Bennett 2016; Keil and Perry 2015). However, for nearly two decades the reform process has been substantially halted (Lippman 2019).

Despite some steps forward, the investment climate in BiH is broadly viewed as weak and risky, characterized by pervasive corruption, insufficient transparency, a fragile judicial system, and complicated legal frameworks and government structures (U.S. Dept. of State, 2024; European Commission 2024, 15). In addition to lacking some of the positive elements needed for a stronger economy, problematic structural issues – related to both the Dayton constitution and the broader regional political economy – continue to deny citizens the full potential scope of development and investment, while benefiting elites (Keil and Perry 2015; Perry et al 2021). Moreover, the decision-making structures in BiH have enabled a climate in which the state and its citizens as a whole end up carrying the risk, while investors may be granted concessions by sub-state units of government under minimally transparent circumstances, yet are then in a position to sue the state for damages.¹

Kurt Bassuener has termed this type of system, in which an oligarchical political class avoids legal or political accountability over repeated electoral cycles, a “**peace cartel**” (Bassuener and Šelo Šabić, 2020). Peace cartels are “assemblies of political, administrative, economic, criminal, and media power which pursue for-profit politics and avoid democratic or legal accountability,” composed of erstwhile belligerents in countries governed under externally brokered power-sharing structures. (Bassuener, 2020a). Peace cartels rely on fear and patronage to maintain popular acquiescence, while also leveraging fear to extract patronage from the external actors who midwived them – for fear of a renewed conflict, which is always implied. Thereby, these predatory and parasitic actors draw on sustenance from within (the public purse and wider public sector/regulatory gift) and without (in terms of finance and validation).

In the terms of the GEO-POWER-EU analytical framework, the peace cartel concept describes a BiH-specific form of advanced state capture (David-Barrett 2023). Where the framework identifies state capture as a condition in which private or state actors reconfigure institutions to serve narrow interests, the peace cartel elaborates the particular configuration that capture takes in post-conflict power-sharing systems. The three arenas through which the GEO-POWER-EU analytical framework traces corrosive capital - rule-making, rule-implementation, and accountability suppression (Prelec et al. 2025: 29) - map directly onto the peace cartel's operating logic. Party leader supremacy, bargaining, and delegation of gate-keeping functions reigns supreme over formal institutions of governance. They also defend against public accountability. External actors with leverage in peace enforcement can act in concert with the peace cartel, as when the Office of High Representative (OHR), rather than using its leverage to pursue public transparency and accountability, weighs in to support foreign projects. They function - whether intentionally or not -

¹ The Viaduct case is one such example. Viaduct is a firm registered in Slovenia that received a concession from the Republika Srpska (RS) entity. Viaduct asserted that contractual obligations were not fulfilled. Following domestic legal proceedings, Viaduct pursued arbitration at the International Center for Settlement of Investment Disputes in Washington, DC, seeking damages from the state of BiH in spite of the state having had no involvement in the deal (N1, 2025a). The High Representative in BiH, seeking a solution to this fast-accruing debt and the accompanying political implications, issued a decision to pay this debt from toll revenues collected in the RS (Petrushevska, 2025). Viaduct promptly issued a payment order (N1 2025b).

as validators in the framework's sense, lending external legitimacy to arrangements that domestic oversight institutions have been unable or unwilling to contest (Prelec et al. 2025: 31). The peace cartel concept also clarifies the co-production dynamic that is central to the corrosive capital framework: in BiH, foreign investors do not encounter passive or merely weak institutions. They plug into an already captured system via domestic patrons for whom governance opacity is a political resource, who are incentivized to attract capital willing to accept their terms (and reinforce their power). It is an intentional, opportunistic collaboration.

The Dayton Peace Agreement's power-sharing model — built around the interests of the dominant political parties at the end of the war (Packer 2019) and left fundamentally unreformed — has generated a *de facto* rules-free environment in which this co-production can operate with limited constraint. BiH's political and incentive structure, particularly since the "local ownership" concept championed by the EU became dominant after 2006, has created an environment conducive to rentier economic activity and ecological exploitation. Nor is BiH the region's only peace cartel: North Macedonia's system since the 2001 Ohrid Framework Agreement also fits this model (Bassuener, 2020b). This is precisely the enabling condition that the GEO-POWER-EU framework identifies as decisive: not the strength of the foreign investor, but the governance gaps and elite incentive structures that make corrosive arrangements possible and mutually beneficial (Prelec et al. 2025: 28).

There have been numerous attempts to strengthen BiH's business climate.² However, the issues of systemic corruption (and its supportive incentive structure) and inefficiency remain. As political paralysis and challenges continue, there often seems to be the belief or hope that large industrial (Adriatic Metals) or small consumer (DM, KFC franchises) foreign investment in the country will constitute a net gain and will somehow propel positive political development. However, after years of testing this thesis, there have been few signs of positive change in BiH's political economy.³ One symbolic indicator of the business climate was the inability of the country to maintain a McDonald's franchise.⁴ While there had been fanfare in 2011 with the opening of a McDonald's franchise in BiH, and claims that this sign of investment could herald a new era of economic opportunity, during its period of operation the political situation and political economy deteriorated, with the burger chain leaving the BiH market in late 2022 (Koseva 2023). Today, new mining and extraction opportunities are being framed as a sort of economic salvation for the country and its

² The Reform Agenda in 2014 is just one example (Jukić 2014). Its successes were minimal, and there were no positive political developments related to this initiative (Weber 2017). More broadly, the World Bank has implemented many projects over the past three decades (World Bank).

³ Two of the authors were involved in preparing an analysis for the US Embassy in BiH on the impact of state-owned enterprises in BiH, as a part of a broader effort by the US to understand corruption and its role in the political economy. To the authors' knowledge, this analysis was not made public.

⁴ *The Economist's* purchasing power parity index for decades has been its "Big Mac Index;" BiH, Montenegro, and North Macedonia all previously had McDonald's outlets (Slovenia, Croatia, and Serbia do); yet all have closed — allegedly due to unfair competition or disputes with franchise owners. (Harris, 2023; SkopjeGuide, 2024). Locals often argue there are sufficient domestic fast-food options.

people, despite a lack of evidence that this theory of change is – or has ever been – realistic in post-Dayton BiH.

One must also consider the issue of property and land holdings and the links to investment and the political economy, both in general and because in the case of mining it is the land and the rights to buy, sell and exploit the land that matters. It is crucial to note that usage of publicly held lands (as of March 1, 1992, when BiH’s independence was declared after a referendum) remains legally subject to an OHR disposal ban issued in 2005. It is *all* legally owned by the state (that is, the central government), according to OHR and BiH Constitutional Court rulings and subject to state legislation on its allocation (OHR website); which the Republika Srpska rejects on principle. So *all* development and licensing on these lands at present exists in a legal gray area at present (Bassuener et al, 2023).

The Deal

Table 1: The roles of actors in the Vareš mining deal

	<i>Actor</i>	<i>Action</i>	<i>Role</i>
<i>Foreign</i>	Adriatic Metals	Signed concession agreement	Foreign Sponsor
	Dundee Precious Metals	Purchased Adriatic Metals in September 2025	
<i>Domestic</i>	<i>Federation of BiH,</i> Ministry of Energy and Mining	Responsible for granting exploitation license	Gate-opener
	<i>Canton - Zenica-Doboj</i> Canton Ministry of Economy	Signed concession agreement	Gate-opener
	Municipality of Vareš (Mayor Marošević)	Public promoter of the project	Legitimizer
	<i>Local - Kakanj</i>		Resistance Actor

	<i>Actor</i>	<i>Action</i>	<i>Role</i>
		Concerns about environmental impact	
Transnational	Banks, law firms (undisclosed)	Financial and legal restructuring	Transnational enablers

Vareš is a historical iron mining center, and the combination of the war, together with privatization activities in the early 2000s, had a deeply negative impact on the town’s economic and social outlook (Vareš 2018; Mujkić 2016). The Vareš mine reportedly has deposits of zinc, lead, barite, silver, gold, copper and possibly other materials. In recent years, mining activities in BiH and the broader region have been increasingly framed in terms of the search for strategic or critical raw materials to boost energy security and support the green transition (Western Balkans Info Hub, 2024). Both the EU and US list barite and copper as critical; the US also includes zinc (Western Balkans Info Hub, 2024 US Department of Energy, 2023).⁵ However, the Adriatic Metals 2024 Annual Report presentation (Adriatic Metals, 2024) is titled “Producing metal concentrates at the Vareš *Silver* Operation” (emphasis added). Since purchased by Dundee Precious Metals (“DPM Metals”) in 2025, its own marketing highlights silver as well, in addition to gold, lead, and zinc. (DPM Metals, 2025). The investor audience focus is clearly on silver, which until recently has not been considered a strategic metal or something related to the green transition, but simply a lucrative commodity.⁶ This discrepancy between the geopolitical narrative used to justify the project and the commercial priorities driving it is analytically relevant and warrants scrutiny.

The project's origins illustrate a pattern of **incremental expansion** — a form of expansion by stealth identified in the GEO-POWER-EU framework (Prelec et al. 2025: 26) in which the concession scope was extended progressively rather than agreed upfront through competitive procedures. The Vareš mining project was launched after Miloš Bošnjaković, an Australian businessman originally from Tuzla, bought the small Kreševo-based company MM Project in 2012 through his company Balkan Mining Pty Ltd. In 2013, MM Project, which would later become Eastern Mining,⁷ acquired DP Rudnik Olova, Zinka i Barita [Social Enterprise Mine of Lead, Zinc and Barite] in Vareš, with the aim of starting mining operations in this area. The first concession contract was signed in March 2013 for 116.8 hectares, but the investment scope expanded

⁵ It is worthy of note that the EU lists copper as strategic (a subset of 17/34 critical raw materials); barite falls outside the strategic group. The US designates copper critical material for energy; barite and zinc are designated critical minerals. Gold, lead, and silver are designated by neither the EU nor US as critical.

⁶ In summer 2025 the Trump administration included silver on its draft list of critical minerals, in what is considered to have been a “significant methodological shift” (Russell 2025). It is also worth noting that the global demand for silver has risen significantly with growing industrial applications (Meadows 2025).

⁷ As of July 28, 2025, the Eastern Mining web site (<https://www.easternmining.ba/>) leads directly to the Adriatic Metals web site.

incrementally.⁸ In 2017, Eastern Mining was bought by Adriatic Metals Ltd.⁹ The following year, the company signed the first annex to the initial contract with Zenica-Doboj Canton, adding 584 more hectares to the concession field. By 2024, Adriatic Metals asserted sole ownership over the 44km² concession in Vareš (Adriatic Metals, 2024; Mining SEE, 2024). Although the canton government had decided in 2013 that concessionaires should pay BAM 10,000 per hectare, Adriatic Metals was charged a concession fee of BAM 1,500 per hectare, depriving the local government of significant potential revenues (Čavčić 2023). This represents a form of **asymmetric value extraction** facilitated by **captured bargaining** between the investor and cantonal authorities (Prelec et al. 2025: 25).

According to information supplied by Adriatic Metals, the company did not have a majority shareholder (Adriatic Metals investor info, 2025).¹⁰ The largest shareholders appeared to be investment funds based in Australia, the US, UK, and Cayman Islands, while individuals held 6.5% of the shares.¹¹ There was therefore a diverse and dispersed set of vested interests (Adriatic Metals, investor info, 2025).¹² However, the period of Adriatic Metals' engagement was closely tied and publicly associated with the UK Embassy in BiH.¹³

In June 2025, the Canadian firm Dundee Precious Metals announced plans to buy Adriatic Metals for \$1.25 billion (Mehrotra 2025). The US Chargé d'affaires Daniel Koski visited the facility in late July, and the embassy announcement claimed the purchase by Dundee was “backed by substantial American capital,” also demonstrating official US political investment (FENA, 2025). According to

⁸ A series of concession agreements, heavily redacted, dated beginning in March 2013 and ending in July 2022, has been obtained by the authors. (Zenica-Doboj Canton Ministry of Economy, 2013-2022).

⁹ Adriatic Metals was registered in the UK and listed on both the London and Australian stock exchanges until its purchase by Dundee in September 2025.

¹⁰ While the noted web site with investor information was available in May 2025, upon checking in late July after the announcement the page is no longer available.

¹¹ Shareholders in Dundee Precious Metals' include mutual funds and ETF, publicly traded corporations, and other institutional investors (in that order). The top three institutional investors are Helikon Investments Ltd, Van Eck Associates Corporation, and BlackRock, Inc. Among mutual funds, the FirstEagle Gold Fund, BlackRock's World Gold Fund, and Van Eck Junior Gold Miners ETF top the list (in that order) (Investing.com, 2025). Adriatic Metals was indebted to Orion Mine Finance according to 2021 reports in *The Financial Times* (Hume). The article cites in the list of references that Orion Resource Partners is headquartered in New York (with offices in London, Denver, Sydney, and Abu Dhabi), registered in the US state of Delaware, but regulated in the UK and involves Carne Global Fund Managers in the Republic of Ireland as an Irish Collective Asset Vehicle (ICAV). It lists Adriatic Metals LLC as one of its 12 portfolio companies in Europe (Orion web site).

¹² These include (in rank order of magnitude): Helikon Investments (21%; UK); L1 Capital (15.5%, AUS); and T. Rowe Price (8.7, US); Orion Asset Management (2.9%, US); Queen's Road Capital Investment (Cayman Islands; 2.7%); and UniSuper (AUS, 2.2%). The individual investors include Eastern Mining CEO Milos Bosnjaković (3.3%) and former Adriatic Metals CEO Paul Cronin (3.2%). A September 2023 corporate report (Adriatic Metals, 2023) listed a somewhat different mix of investors, but the same basic dispersion, with Helikon being the largest shareholder (17.4%), followed by “Founders, Board, and Management” (14.6%), T. Rowe Price (8.4%), Orion Resource Partners (8.3%), Fidelity (3.9%), and holders of 3% or less of shares. While this Adriatic Metals report was available when accessed in May, by late July the report was no longer available online.

¹³ As just one example of the close embassy/company ties, Adriatic Metals was one of three corporate sponsors of the 2025 British Embassy King's birthday party reception. One of the authors received an invitation via email with the Adriatic Metals logo prominently included.

diplomatic sources, once Dundee’s purchase was finalized, the US investors would have a greater than 50% stake. The sale was finalized in September. The company also changed its name to DPM Metals in September 2025. (Investing.com, 2025). The company is primarily invested in three Balkan countries: Bosnia and Herzegovina, Bulgaria, and Serbia, as well as Ecuador (Investing.com, 2025). The successive ownership changes raise questions about long-term legal liability and accountability. In operating environments with weak institutions and limited transparency, serial changes of beneficial ownership can complicate regulatory enforcement and reduce the state's practical leverage over contractual obligations — a concern that is directly relevant to the GEO-POWER-EU framework's analysis of **asymmetric dispute resolution** (Prelec et al. 2025: 26).

The multiple sales call long-term legal liability and accountability into question. This area of business law is complicated in the best operating environments (Harrison Law Group). However, in countries with weak governing institutions and transparency deficits it can reasonably portend the potential for abuse.

DOMESTIC ENGAGEMENT - LEGAL F(R)ICTIONS AMONG LAYERS OF BiH GOVERNANCE

Because of the structure of BiH’s governance structure, mining oversight in the Federation is a shared competence between cantons and the entity. The state of BiH – the central government – has had no direct role in either the granting of permits or the enjoyment of revenue. This is a structural feature of the Dayton system that creates significant scope for **accountability diffusion and avoidance** across governance levels. The main domestic **gate-opener** in the Vareš project is Zenica-Doboj Canton, which managed the initial call for participation in the geological survey process (Čavčić 2023). The Mining Institute from Tuzla (in neighboring Tuzla Canton) prepared a hydrological study that was used in the approval process.¹⁴ The concession agreements were signed between the Ministry of Economy of the Zenica-Doboj Canton and Adriatic Metals. Meanwhile, the exploitation license is granted solely by the FBiH Ministry of Energy, Mining, and Industry, which curiously issued Eastern Mining (not Adriatic Metals) a permit for the underground exploitation of lead, zinc, and barite ore in July 2021 (Čavčić 2023). Note that by this time, Eastern Mining had become Adriatic Metals – so the rationale for the permitting of Eastern Mining is opaque.

The Constitutional Court of BiH ruled in July 2024 that a permit to “temporarily” clear forest to use land, granted earlier that year by the Federation Government, was unconstitutional (Morningstar 2024). In a case initiated by the Kakanj water utility Vodokom in 2021, the Cantonal Court in

¹⁴ It has been noted that the study the Mining Institute prepared includes incorrect data regarding the catchment area of the Bukovica River, falsely reporting that the Rupice concession area is downstream of the water intake for human consumption, when in fact the reverse is true (Čavčić 2023).

Mostar¹⁵ in December 2024 revoked Adriatic Metals’ mining license, potentially shutting down the entire project (CIN 2025b; Omerović 2025). However, those two decisions do not impact the granting of the concession itself. The Zenica-Doboj Cantonal Government lists Articles 21 and 22 of the Law of Concessions of Zenica-Doboj (Official Gazette 5/03) as the basis of their decision but the said articles tackle the rules of procedure on the Commission on Concessions, not concessions themselves (Klix.ba, 2024). Article 6 of the relevant law, however, tackles concessions as such, and makes no mentions of mining-related concessions, making the granting of such, in effect, a cantonal power.

Just two weeks after the Cantonal Court ruling, the Federation Ministry of Energy, Mining, and Industry fast-tracked a new mining permit for Adriatic Metals, asserting that “research and continuous monitoring” demonstrated a lack of contamination of the Bukovica River. When asked for the decision the FBiH Mining Ministry told CIN that it wanted to clear this with Adriatic Metals (CIN 2025a). Nor was there any public hearing before the new decision (which cited one from years before the mine opened). This sequence, a judicial ruling followed within a fortnight by a ministerially fast-tracked replacement permit, issued without public consultation, exemplifies the mechanisms of **legislative fast-tracking** and **muted regulatory oversight** identified in the GEO-POWER-EU framework (Prelec et al. 2025: 26).

But the commitment of the Federation Government, as well as the OHR and other international actors, to the project – despite local opposition launched well before the mine opened – is noteworthy and indicative of the priorities of both the Federation Government and the “international community” in BiH.

The divergent competences embedded in the Dayton system create structural incentives for investors to treat regulatory ambiguity as an opportunity. Because the Federal Ministry granted the exploitation rights, while the concession itself is a Cantonal power (Vlada ZDK; “Zakon”), responsibility is effectively distributed across jurisdictions in ways that make consistent enforcement difficult. (Zukančić, 2025).¹⁶ This ambiguity, whether unintentional or, as some observers have suggested, deliberately preserved, provides important leeway for firms to establish irreversible facts on the ground in advance of full legal clarity.

It is evident that Adriatic Metals pursued the Rupice mine in Vareš in full awareness that it was in a legal gray area. The 2024 Annual Report states that “The laws and regulations on mining in Bosnia and Herzegovina and Serbia are still evolving and, as a result, some areas of the laws on mining are unclear. There is no guarantee that the Company will be able to obtain all required approvals,

¹⁵ The Cantonal Court in Mostar has jurisdiction in this case because the Federation Ministry is located in Mostar.

¹⁶ For example, construction of wind farms and solar arrays in Cantons 7, 8, and 10 (where the HDZ is dominant) has proceeded without Federation approval. See Dženisa Zukančić, “Zakon na imovina na čekanju, šume iskrčene,” *Oslobođenje*, August 4, 2025.

licenses and permits relating to its exploration and subsequent exploitation activities” (Adriatic Metals, 2024).

The differential distribution of costs and benefits across municipal boundaries further illustrates the governance distortions the project has produced. Mining work is being done in the municipality of Vareš, whose mayor, Zdravko Marošević (former HDZ, now HDS¹⁷), has publicly championed the project as economically beneficial. The primary environmental costs, by contrast, fall on neighboring Kakanj, whose population of nearly 40,000 faces risks to its water supply. Kakanj’s water utility, Vodokom has resisted the project since 2021, and has pursued its case through the courts — acting as a key **resistance actor** in the framework’s typology (Prelec et al. 2025: 32). In May 2021, Vodokom refused to offer Eastern Mining consent for the exploitation and construction of the mine plant, based on expert opinion provided by a geological engineer¹⁸ (Čavčić 2023). This spatial separation of benefit and harm, combined with the fragmentation of governance responsibility, is central to understanding why the project has been able to continue despite sustained legal and civic challenges.

BiH’s generally convoluted and non-responsive governmental system provides no shortage of opportunities for various levels of government (municipality, canton, entity, state) to evade responsibility. These challenges are well known and include unintentional – and some would argue intentional – lack of clarity about whether governmental competencies are held at either the municipal, canton, entity or state levels, as well as a lack of consistent, accountable and transparent procedure on issues pertaining to the public good.

FOREIGN ENGAGEMENT

The investors in this case have not been foreign states acting directly, but privately held foreign companies operating with visible state diplomatic backing. The involvement of UK, Australian, and US interests in this project, and now ownership by a Canadian company, are worthy of note in a country that ostensibly should align with European Union practices in pursuit of the purported goal of EU membership.

The role of the international community in BiH – a legacy of Dayton and the subsequent inability and/or unwillingness of the country’s elites to chart a post-Dayton path – is also notable. The role of the Office of the High Representative (OHR) deserves attention in this context. The OHR is not a sponsoring state, but its sweeping powers, including the authority to impose or revoke laws and

¹⁷ Marošević broke from HDZ in 2023. Followers of local politics notes that this was presumably because HDZ BiH (at the broader Federation entity-wide level) likely wanted to absorb most of the benefits that might accrue to the town from the deal.

¹⁸ The engineer noted was Mirza Bašagić.

remove elected officials, make it a significant actor in BiH's governance architecture. The OHR under High Representative Christian Schmidt approved a December 2022 FBiH Government decision allowing Adriatic Metals to "temporarily" use state forest land adjoining the mining site (N1 2024), despite the 2005 OHR ban on the sale or concession of state property pending legislative resolution at state level (Sarajevo Times 2023). FBiH PM Nermin Nikšić stated at the opening of the site that it represented a message to all potential investors that they could invest successfully in the Federation (Federation 2024). In the terms of the GEO-POWER-EU analytical framework, the OHR's intervention in this instance functioned as a form of **top-down regulatory override**, lending institutional legitimacy to an arrangement that domestic courts would subsequently find unconstitutional (Prelec et al. 2025: 25).

The EU's position warrants explicit note. None of the countries directly involved are in the European Union, although the UK was a member state at the time of Adriatic Metals' acquisition of Eastern Mining. Yet if the European Union has expressed concerns about any aspect of the investment deal, they are not apparent or publicly available.¹⁹ There may be a variety of rationales for this. But for an operation which has been billed by diplomatic boosters as being linked to broader European agendas, the silence is notable. Julian Reilly, British Ambassador to BiH, and Nusrat Ghani, then Minister for Europe of the United Kingdom and Northern Ireland, visited Vareš in 2024. In his remarks, the CEO of Adriatic Metals Paul Cronin made the link between this UK investment and the EU in his remarks, saying, "This high-level visit allowed us to introduce the guests to the details of our investment in Bosnia and Herzegovina, particularly our role in securing the raw materials needed for the energy transition in line with the key objectives of the European Union's Critical Raw Materials Act" (Biznisinfo 2024). BiH is an EU candidate country which – according to the *acquis* – ought to approximate EU environmental standards to pursue membership. Nor, it is also worthy of note, can BiH "speak with one voice" on energy or environmental matters, given neither falls under state-level competences (nor does the directly affected sector of agriculture). This makes the EU's reticence all the more conspicuous.

While there are many local and international players involved, and while banks and law firms are routinely involved in large-scale business investment, at this stage there is no publicly available information about professional intermediaries - legal advisers, financial structurers, consultants - engaged in the original concession or the 2025 ownership transfer. This opacity is itself a governance concern and merits further scrutiny as the new ownership structure becomes established.

¹⁹ The authors requested a meeting with a relevant person at the EU Delegation in BiH. This request was declined in August 2025, with an email response noting, "The questions and the issues you would like to discuss cannot be addressed by the EUDEL as they require information that fall outside of scope of the EU in BiH activities." In other words, there appears to be no Delegation members who would be in a position to discuss either this case or what the case represents more broadly about the political economy.

SUPPORTERS, DETRACTORS AND QUESTIONS

The initiative has had its supporters and detractors. First, the proponents of the project will argue that this deal is good for people and the country as it generates revenue (Economist 2023). For example, as of 2023, more than BAM 2.5 million (1.25 million Euro) in concession fees had been paid to the municipal and cantonal budgets (Čavčić 2023).

Adriatic Metals has been involved in public relations activities to try to burnish its reputation by giving humanitarian donations or educational equipment. Some observers have characterised these activities as an attempt to greenwash the project and to compensate for the fact that there is no legal requirement for a percentage of the profits to stay at home. For example, the Adriatic Foundation (Adriatic Foundation), founded by Adriatic Metals, provides secondary school scholarships and free English lessons. Such voluntary and arbitrary corporate initiatives are not equivalent to structured public funding, the usage of which citizens can democratically influence. In the framework's terms, these activities correspond to the role of promoters and **legitimisers**, who deploy narrative legitimisation to frame the project as a public benefit and manage reputational risk (Prelec et al. 2025: 31)

Critics of the process and of this particular investment will point out that more money could be generated if there was a more favorable concession rate, or a law related to royalty payments. It is important to note that Socialist Federal Yugoslavia had no law on royalties, since the mines were on public land and the mining companies were also publicly owned.²⁰ Therefore there was no such inherited legislation shaping the post-war environment. In the intervening years since the war, BiH has not adopted a statewide royalty law, nor have sub-state entities or cantons. Therefore, the main potential revenue source is through concession fees. The available evidence does not indicate that significant effort was made on the part of either the investor or the cantonal authorities to negotiate contractual terms ensuring that a greater share of revenues and profits would remain in the community or country through legally binding obligations. The Adriatic Metals 2024 Annual Report notes a “clear and concise mining code in a stable democracy,” as well as a “10% corporate tax and favorable royalty regime.” Yet its balance sheet in this report lists no explicit payment to local, cantonal, entity or state governments. This may be due to the fact that the company reported a 2024 loss (Adriatic Metals 2024). In an interview, an individual in Kakanj noted that there will be

²⁰ Concession fees and royalties are different. Investopedia defines a concession agreement as follows: “A concession agreement is a contract that gives a company the right to operate a specific business within a government's jurisdiction or on another firm's property, subject to particular terms. Concession agreements often involve contracts between the nongovernmental owner of a facility and a concession owner, or concessionaire. The agreement grants the concessionaire exclusive rights to operate their business in the facility for a stated time and under specified conditions” (Investopedia). A royalty “is compensation to the owner of intellectual property or natural resources for the right to use or profit from the property” (Cornell Law School.)

little to no economic benefit for Kakanj, although residents are experiencing a documented negative environmental impact.²¹

Second, and on a related point, there have been a number of procedural, concession and financial concerns. As leading investigative media outlet CIN has reported, the initial basic concession contract signed in 2013 has been greatly expanded, and questions have been raised about whether cantonal authorities negotiated terms that adequately reflected the public interest (Čavčić 2023). For example, there are increasing concerns about and reporting on the possible environmental and public health consequences of this enterprise (Sarajevo Times 2025; Čobo 2026). (In the GEO-POWER-EU framework, this pattern of the incremental extension of a concession beyond its original scope without competitive rebidding corresponds to the mechanism of **expansion by stealth**, combined with asymmetric value extraction facilitated by captured bargaining between the investor and gate-opening authorities (Prelec et al. 2025: 25).

Third, there have been concerns about the environmental impact of the mine for some time, and related citizen activism. The communities downstream from the Rupice mine are the most motivated to fight, given the pollution it has caused. Kakanj's population of nearly 40,000 is in danger of losing its pure water supply. On behalf of the citizens of Kakanj, environmental activist and lawyer Hajrija Čobo filed a complaint with the Council of Europe in August 2022 about the Rupice mine via the Secretariat of the Bern Convention. This put pressure on Bosnian officials, but the results have reportedly been mixed (Lippman 2024). Other organizations joined together to lobby the Kakanj municipal government in September 2023, advocating for the preservation of the Mehorić recreational wilderness, including rivers and forests (Lippman, 2024). As a result, there was a unanimous resolution by the municipal council to establish a protected area in the upper Trstionica region (Abrasmmedia 2023a). Kakanj's Mayor Mirnes Bajtarević (SDA) is angry at the position into which his community has been put. He blames both the Federation entity government and the European Commission, asking, "In Brussels, they are talking about the need to close coal mines, and at the same time we are opening a damaging mine here, just across the border from the EU. Is that fair?" (Gercama 2024). An individual involved in relevant labor union activities commented that Bosnian society is "ill-prepared" for the environmental impact of projects such as Vareš or Lopare.²²

These protests have showcased solidarity between communities among citizens across entity lines, as they brought together environmental activists from other communities impacted by mining and energy-related projects (Lippman, 2025). Investigations such as those catalyzed by CIN and followed by others - and the civil resistance which grew afterward - prompted wider coverage, including by Radio Free Europe in early 2024 (Teletovic 2024). This coverage concerned the effect

²¹ Interview with expert in Kakanj; July 2, 2025.

²² Interview, labor union representative. June 24, 2025, Bosnia and Herzegovina. Lopare is a site in the RS which is being targeted for lithium.

on the water quality downstream from the mining site. Members of the European Parliament representing the Green and Social Democratic families have made their concerns clear in repeated and continuing communications and appeals on the subject (Kurić 2024). For example, in a January 2024 post on X, Dutch GroenLinks MEP Tineke Strik implored European Commission President Ursula von der Leyen and European Council President Antonio Costa to raise the issue of a defamation suit brought against an environmental activist from Kakanj, Hajrija Čobo, in their meetings with BiH authorities. She further stated that “Adriatic’s practices threaten both BiH’s nature and rule of law. They should abide by national law, and cease this case.” (Strik on X, 2024). This statement, made by a sitting MEP in a public forum, is cited here as a matter of documented public record. According to CIN’s reporting and accounts gathered during fieldwork for this study, investigative journalists seeking information about the project encountered dismissive responses from official interlocutors (Čavčić 2023). The use of defamation proceedings against an environmental activist is consistent with the pattern of oversight intimidation and **accountability suppression** identified in the GEO-POWER-EU framework (Prelec et al. 2025: 28, 32). Strategic lawsuits against public participation (SLAPPs) are a recognised instrument through which investors and their allies seek to deter civic scrutiny — a risk that the EU’s own Anti-SLAPP Directive (2024) was designed to address. The invocation of that broader context here is analytical, not a finding of legal liability in this specific case.

A fourth issue of concern noted has been the basic issue of transparency. As evident throughout this text, the Center for Investigative Journalism (CIN) did important early reporting on the case, and much of the information that is publicly available is from the organization’s foundational 2023 investigative work, which brought the case to broader public attention (Čavčić 2023). The fact that for so many years there had been little reporting suggests a general weakness in procedural transparency and also local journalism. Legal decisions that have made their way through the country’s judicial system have been appealed and ignored as noted above, in part as a consequence of multiple competing governmental jurisdictions. Citizen opposition to the project has been marginalised: Hajrija Čobo’s case is one illustration, and **documented** local opposition — in Kakanj through city-wide demonstrations and rural community mobilisation (Federalna 2023; Abrasmedia 2023b; Abrasmedia 2024), and in Vareš itself (Karton Revolucija 2024) . This has prompted the formation of environmental organizations advocating for an increase in standards, at times crossing inter-entity boundary lines (such as Fondacija Atelje za društvene promjene – ACT). These actors constitute **resistance actors** in the framework’s typology (Prelec et al. 2025: 32–33), whose effectiveness has been constrained by the structural fragmentation of governance responsibility and by legal pressures that have diverted resources and attention away from substantive advocacy.

3. REGIONAL COMPARISON

Looking at this case and comparing it to the proposed investment in a lithium mine in western Serbia by the company Rio Tinto, and the Jugohrom Ferroalloy Plant in North Macedonia, can be useful in terms of identifying trend lines in the political economy in the region, as seen by domestic and also external actors. These three cases are interesting because they are all related to issues of extraction and processing.

The Rio Tinto mining project in Serbia's Jadar valley illustrates several similarities. Most obviously, both are examples of extractive mining initiatives. As such both can be held up as alleged examples of support for the "green transition," by either local elites, corporate elites or the countries involved in the project.

In addition, both cases demonstrate strong grassroots opposition. In BiH, local community opposition has tended to be truly local; despite some solidarity with other local activists it never turned into countrywide mobilization unlike in Serbia, where this opposition spread throughout the country. To a large extent this is because of the fragmented nature of governance and media in BiH and the resulting lack of consistent country-wide solidarity on issues of importance.

A third similarity is related to the way the investors and the country supporting the investments are seeking to – to the greatest extent possible – ignore either citizen protest or legal/judicial challenges, continuing to move forward as if the projects' implementation were a *fait accompli* without regard to these processes. In the case in BiH this is evident in the way Adriatic Metals has continued to work in spite of judicial processes calling for it to stop. The operations have continued during appeals processes, with the effect — whether by design or circumstance — of generating facts on the ground that may prove difficult to reverse. Similarly in Serbia, the Rio Tinto Jadar lithium mining project provoked widespread popular resistance, leading the government to revoke the site's spatial plan in early 2022. In 2024 there was a court decision ruling that stopping it was unconstitutional (Business and Human Rights Resource Center, 2024). The Government relaunched it, gaining immediate and highly visible German support in 2024, in spite of opposition and challenges and many unanswered questions (Stojanović 2024). The company is still planning to begin commercial extraction by the end of this decade.

Further, both cases are examples of external capital being facilitated and pushed by Western actors who purport to want the countries in question to be democratic states built on foundations of good governance and an independent judiciary yet are making deals in and injecting capital into an environment in which these values are weak or nonexistent. In the case of Serbia, Germany bilaterally and the EU collectively are pushing for this project, despite the many unanswered questions; not only is this showing EU involvement in corrosive practices but showing the involvement of one of the European Union's largest member states (EC 2025; Deutschland.de 2024). In the case of BiH, post-Brexit UK – with American heft brought to bear in support – has been the main country contributing to the further corrosion of the political economy, at least in this

case. With the new ownership by Dundee Precious Metals, the Canadian disposition going forward will merit scrutiny.

In both Bosnia and Serbia, it is clear that the interests of foreign money and local elites far exceed the agency or possibility of citizens affected by these projects to have an impact on their community or lives.

The now idled Jugohrom Ferroalloy Plant in North Macedonia in Jegunovce (near Tetovo) provides another additional interesting case. The plant, dating back to Socialist Yugoslavia, remains one of the primary polluters in the country, despite being closed for nearly a decade for environmental noncompliance (Jakimova 2025).

A key difference between Jugohrom and the Vareš and Jadar projects is that the foreign investor in Jugohrom's case (as of 2010) was Camelot Group Limited, a holding company from Russia (Macedonian Business Monthly, 2010). Camelot reopened Jugohrom in 2010 – until its forced closure for heavy air and water pollution in 2016 (bne Intellinews, 2016). It was registered in Hong Kong (Scoop, 2025). In 2021, it was “struck off” the Hong Kong Company Directory (HK Company Directory, 2025). There is currently a company with the same name in Derby, UK – without a likely connection to the former (Companies House, gov.uk, 2025). This demonstrates global non-transparent investment trends (and flight from consequences) that have been well detailed by experts such as Oliver Bullough; without the global financial system of banks and shell companies, primarily located in “the west” or long-established offshore locations, such transactions that enable kleptocracy and state capture would not be possible (Bullough 2022).

Another difference is the relative timelines of each project; Jugohrom is a brownfield investment; Adriatic's Vareš mine itself is greenfield – though in a legacy mining municipality; the Jadar project in Serbia is pure greenfield. Jugohrom continues to produce health hazards for a wide population via water pollution, despite not smelting for several years (Georgievski, 2022). As with much environmental cleanup worldwide, the responsibility for addressing this has thereby fallen to North Macedonia's authorities, although in 2025 a British loan facility – the UK External Financing Facility (UKEF) – of up to £5 billion will be available for a variety of investments, including health (UK.gov, 2025). Presumably, this is the umbrella under which cleanup of Jugohrom's waste pool would be drawn from, as explained by Deputy Prime Minister and Minister for the Environment Izet Mexhiti in May 2025 (MACTEL, 2025). “The company has a history of over 50 years of uncontrolled disposal of waste material containing chromium salts caused soil and groundwater pollution, including the River Vardar” (Global Atlas of Environmental Justice, 2021).

There are other interesting similarities. The three cases, to varying degrees, have prompted citizens at the local level to demonstrate against the projects, including for environmental reasons (Špirić, 2021). Media coverage which has highlighted the lack of transparency and accountability.

Responses in BiH were in the judicial sphere; Serbia's temporary halt depended on the will of Serbia's "decider" – President Vučić. They also show that despite public demands, no governmental remedial action has been undertaken. In Jugohrom's case, the plant was finally closed.

One can also speculate on whether divisions inherently embedded within the political economies of both countries had an impact on governmental action. The dynamics of these political economies have been substantially outlined by Democratization Policy Council and Eurothink (Perry et al. 2021)²³. In the case of BiH, the Dayton Agreement – which ensured a weak state and weak independent oversight potential, as well as fragmentation of responsibility – made the project in Vareš possible in its current form.

In North Macedonia, the legacy of the Ohrid agreement entrenched a political dynamic between Macedonian- and Albanian-speaking political parties in particular. Tetovo is the largest Albanian-speaking city in North Macedonia, and the Polog Valley, in which Jugohrom is located, is and has historically been majority-populated by the ethnic Albanian minority in the country, including when the plant was constructed in the early 1950s. Environmental concerns were not a major factor in Yugoslav postwar development in any case; the concept of environmental racism had yet to be coined (Ihedjirika, 2023). The Republic of Macedonia's ethnic Albanian population was perhaps the most disadvantaged of Yugoslavia's ethnic Albanian minorities, particularly after the 1974 constitution made neighboring Albanian-majority Kosovo a federal unit as an autonomous province of Serbia (Rajković, 2012; Brunnbauer, 2016).

While the focus of this paper is on Vareš in BiH, it is clear that other external investments are similarly contributing to antidemocratic trends in countries purported to be on an accession path to European Union membership. The table below provides a very brief summary.

²³ This research was inspired by work by Chayes (2015) that explains the often ignored link between extreme corruption and threats to global security.

Table 2: Comparison of Corrosive Deals in Mining Sector

Project	Country	Key Investors	Legal and Governance Shortcuts	Public Backlash	Geopolitical Implications
Vareš mine	Bosnia and Herzegovina	Adriatic Metals (UK)	Concession fee at 15% of standard rate; unclear implications of negative court rulings; fast-tracking of cantonal mining permits; government decision granting “temporary” land use supported by OHR	Local protests, primarily concerning environmental impact; media investigations; legal challenges	Support from UK embassy; no EU response
Jugohrom	North Macedonia	Camelot Group (Russia)	Plant closed in 2016	Plant closed in 2016	Plant closed in 2016
Rio Tinto	Serbia	Rio Tinto (UK/Aus)	First licensed by Ministry of Mining and Energy for exploration in 2004; MoU signed 2017; Govt decrees spatial plan for Jadar area and creates working group (2020); Loznica includes Jadar mine in spatial plan (2021); Serbia scraps spatial plan (2022); President 'Vučić' says halting project a “big mistake” (2022); news leaks of Serbia-EU lithium mining deal (2023); Vucic says project can continue with EU guarantees,	Serbian Academy of Engineering Sciences warns of ecological damage; Public protests begin in 2021-2 and continue in waves through 2024 - their height. Rio Tinto announces that the project halted in “care and maintenance” in November 2025, likely awaiting a more favorable public environment.	Memorandum with EU signed Sept 2024; Declared EU strategic project in June 2025 by European Commission

			Constitutional Court rules in project's favor, Serbian Govt decree to allow project to proceed (July 2024) (BGEN 2024)		
--	--	--	--	--	--

4. CONCLUSION AND ALTERNATIVE VISIONS

While many of the cases being studied within this Horizon GEO-POWER initiative are related to investments or endeavors by non-democratic countries, and therefore fall into the category of malign influence, the Vareš case demonstrates that investments originating from established democracies with European ties can also be damaging. This is not incidental to the GEO-POWER-EU framework's analytical architecture, it is a deliberate feature of it. The framework's central finding is that corrosive dynamics are determined not by the provenance of capital but by how that capital interacts with governance gaps, elite incentive structures, and accountability deficits (Prelec et al. 2025: 17–20). The Vareš case confirms this finding empirically. Equally important, the GEO-POWER-EU framework is complementary to those presented by, for example, Chayes and Bullough; together, the triangulated analyses confirm the negative impact of economic investments that reinforce kleptocracy and malgovernance, and weaken democratic good practice.

More broadly, a review of publicly available information suggests that a limited vision for the Vareš investment has been allowed to predominate and to preclude creative thinking about how such opportunities could in fact strengthen the country and in turn the region, and even support the ability of the countries concerned to genuinely prepare for EU membership. The case study's central analytical finding is that co-production — a term within this GEO-POWER-EU framework used to describe the mechanism through which foreign sponsors and domestic patrons jointly enable corrosive arrangements — is not limited to investments from authoritarian or hybrid-regime states. Western-aligned capital can enter into the same co-productive dynamic when the incentive structures of domestic gate-openers favour opacity over public interest governance. In the classic examples of corrosive capital, investors seek out and can gain traction in countries with vulnerable governance. It financially reinforces and rewards a negative status quo, and benefits from a governmental accountability deficit. For the people affected by such predation this is damaging in and of itself. For EU candidate countries, it is very likely contributing to even weaker EU readiness.

This project has received funding from the European Union's H2020 Research and Innovation programme under grant agreement no 101132692 — GEO-POWER-EU — HORIZON-CL2-2023-DEMOCRACY-01

One can easily imagine a scenario in which this investment was intentionally considered and embraced by the immediate community as well as citizens of BiH in general, and that Western democratic investors, rather than enabling *corrosive capital*, committed to investing *democratically reinforcing capital*. The concept of democratically reinforcing capital is proposed here as an extension of the GEO-POWER-EU framework's normative horizon: where the framework identifies the conditions under which capital becomes corrosive, this case study asks what the conditions would need to be for capital from democratic states to actively support rather than undermine democratic governance in candidate countries. Considering the following scenarios may be useful in this respect.

Scenario one is what has unfolded over the past several years. The owners of the Adriatic Metals and the Vareš project continue to do the bare minimum to ensure transparency and citizen consultation. There is a corporate-driven public relations effort (as reported, for example, by CIN, as investigative journalists seeking information about the project received dismissive responses from official interlocutors (Čavčić 2023). Despite several court rulings against operations, the legal process continued to unfold and the production process continued, with the inevitable consequence of generating irreversible results. Efforts to “give back to the community” through provision of school supplies or sports supplies maintains *ad hoc* donations rather than ensuring contractually obligated royalties and revenues to local budgets that could then (in theory) serve the people in the community who elected them. The priority of the investment is to the shareholders; citizens are an aspect of the business to be managed.

Scenario two is the opportunity that has been squandered. In this scenario, rather than exploiting the absence of a royalty's law, relevant stakeholders, led by embassies of the sponsoring states working together with the EU and others, work to develop a law in line with good European practice, and ensuring public consultation. This would ensure that people see where the money is going, and in turn have greater trust and less skepticism in the project and the motives behind it. In the interest of building trust related to environmental practice, the investor together with partners on the ground, seeks to use the investment as an opportunity to help establish statewide institutions with the capacity and competence to ensure the adoption of an implementation of environmental protection laws and practices that meet EU standards today. Furthermore, the legal changes would establish a royalty payments scheme that would ensure the public – in the wider community and BiH as a whole – shares in the benefit of public natural wealth. This creates opportunities to address educational and labor issues by working with authorities at all levels to develop a chain of production capacity to ensure that the country is not just a source of raw materials that misses out on the real money and opportunity to be made from processing and more advanced production. These processes are tied to required reforms in the EU acquis, and finally enable real forward motion. At the same time, this key Canadian role in the minerals realm in the Western Balkans strengthens “Europe Plus” as Europe navigates a rapidly transforming and unpredictable trans-Atlantic partnership.

Some readers of scenario two might immediately claim that it is unrealistic; that in a capitalist system it is not the job of private companies to build the system of governance and legislation in which they operate. However, if this is indeed the mentality, then it is no different than a destabilizing interest by *other* extractive actors, including malign actors such as Russia or China. It is perplexing that the European Union, together with its British and other partners, has failed to recognize the leverage that they have to encourage and incentivize such change on the ground. Rather than throwing European Union money at ad hoc projects purportedly aimed at economic development and streamlining governance, these large-scale infrastructure projects provide a real-time opportunity to develop the legislative, institutional, labor, educational and environmental capacities needed to attract investment but also to strengthen the state and prepare the country for meeting the challenges of EU accession – goals that still receive abundant lip service from Brussels.

Such a process would also go a long way to rebuilding long lost trust among the average citizen of the country who for years have understood that their own elites care little for them or their futures, but now increasingly feel that predators from both west and east simply want to extract and exploit. Engaging with citizens on such projects in an inclusive and comprehensive way would likely do more to successfully implement the terms of the peace and the goals of EU membership than anything that has been done in the past 15 to 20 years.

A virtuous push-pull dynamic could be catalyzed by democratic embassies, both pushing for genuine regulatory responsibility (including improved legislation) and making clear to home-country corporations that if they expect advocacy in foreign markets, their behavior in said markets ought not inflict damage on wider foreign policy goals.

The Vareš case ultimately reinforces this paper's central argument: that the EU's credibility as a transformative actor in its neighbourhood depends not only on countering malign external influence but on ensuring that Western-aligned investment is held to the same governance standards that EU conditionality formally requires of the candidate states receiving it.

REFERENCES

Abrasmedia (2023a). “NGG “Park prirode Trstionica i Boriva”: Lokalna samouprava poduzima konkretne korake.” *AbrašMEDIA*. September 29, 2023. Accessed June 15, 2025. <https://abrasmedia.info/ngg-park-prirode-trstionica-i-boriva-lokalna-samouprava-poduzima-konkretne-korake/>

Abrasmedia (2023b). “Protest mještana: Adriatic Metals – planovi širenja prema Lipnici.” Abrasmedia. August 25, 2023. Accessed August 3, 2025. <https://abrasmedia.info/protest-mjestana-adriatic-metals-planovi-sirenja-prema-lipnici/>

Abrasmedia (2024). “3. dio: Adriatic Metals – uništavanje okoliša; Traženje litijuma i teških metala u istočnoj RS.” Abrasmedia. April 18, 2024. Accessed August 3, 2025. <https://abrasmedia.info/3-dio-adriatic-metals-unistavanje-okolisa-trazenje-litijuma-i-teskih-metala-u-istocnoj-rs/>

Adriatic Foundation web site. Accessed May 15, 2025. Adriaticfoundation.ba.

Adriatic Metals (2023). “Adriatic Metals Corporate Report.” September 2023. Accessed May 15, 2025. <https://www.adriaticmetals.com/downloads/corporate-presentations/2023/adt-corporate-presentation---18-sept-2023.pdf>

Adriatic Metals Investor information, web site. Accessed May 15, 2025. <https://www.adriaticmetals.com/investors/share-capital/>

Adriatic Metals (2024). “Producing Metal Concentrates at the Vareš Silver Operation: Annual Report, 2024.” Accessed June 5, 2025. https://www.adriaticmetals.com/wp-content/uploads/2025/05/Adriatic-Metals_Annual-Report-2024.pdf
https://dpmmetals.com/site/assets/files/17511/adriatic-metals_annual-report-2024.pdf Accessed April 8, 2026.

Balkan Green Energy News (BGEN) (2024). “Jadar project timeline: a full overview of the most controversial investment in Serbia’s recent history.” September 20, 2024. Accessed April 7, 2026. <https://balkangreenenergynews.com/jadar-project-timeline-a-full-overview-of-the-most-controversial-investment-in-serbias-recent-history/>

Bassuener, Kurt (2020a). “Lebanon’s Peace Cartel is Irredeemable – How Donors Choose to Help Can Tip the Scales.” *Just Security*. August 12, 2020. <https://www.justsecurity.org/71998/lebanons-peace-cartel-is-irredeemable-how-donors-choose-to-help-can-tip-the-scales/>

Bassuener, Kurt (2020b). *Peace Cartels: Internationally Brokered Power-Sharing and Perpetual Oligarchy in Bosnia and Herzegovina and North Macedonia*. December 2020. Unpublished PhD dissertation, University of St. Andrews. Forthcoming as a book from Ibidem (early 2026).

Bassuener, Kurt and Senada Šelo Šabić (2020). “EU needs alternative to Bosnia ‘peace cartel.’” *EU Observer*. August 21, 2021. Accessed June 4, 2025. <https://euobserver.com/eu-and-the-world/ar0b5b719d>

Bassuener, Kurt, Valery Perry, Toby Vogel, and Bodo Weber (2023). *Peace Dividend? What the Discussion about State Property in Bosnia and Herzegovina Really Means*. Democratization Policy Council. Policy Note, July 2023. Accessed June 4, 2025. http://www.democratizationpolicy.org/wp-content/uploads/2023/07/DPC-Policy-Note18_State-Property-in-BiH.pdf

Bennett, Christopher (2016). *Bosnia's Paralyzed Peace*. London: Hurst & Company.

Biznisinfo (2024). “Britanska ministrica za Evropu posjetila Adriatic Metals.” *Biznisinfo*. May 24, 2024. Accessed November 6, 2025. <https://www.biznisinfo.ba/britanska-ministrica-za-evropu-posjetila-adriatic-metals/>

bneIntellinews. (2016). “Top Macedonian exporter Jugohrom faces shutdown over air pollution.” *bneIntellinews*. Accessed November 23, 2025. Available at: <https://www.intellinews.com/top-macedonian-exporter-jugohrom-faces-shutdown-over-air-pollution-109377/>

Brunnbauer, Ulf. *Globalizing Southeastern Europe: Emigrants, America, and the State since the Late Nineteenth Century* (2016). Lexington Books, Lanham, MD. Cited at pp.293-294.

Bullough, Oliver (2022). “An Offshore Cold War: Forging a Democratic Alliance to Combat Transnational Kleptocracy.” NED Working Paper, March 2, 2022. Accessed May 5, 2025. <https://www.ned.org/wp-content/uploads/2022/02/Offshore-Cold-War-Democratic-Alliance-Transnational-Kleptocracy-Bullough-March-2022.pdf>

Business and Human Rights Resource Center (2024). “Serbia: Decision revoking Rio Tinto's permit for Jadar lithium mine ruled unconstitutional.” July 11, 2024. Accessed on May 5, 2025. <https://www.business-humanrights.org/en/latest-news/decision-to-revoke-rio-tintos-licence-for-jadar-lithium-mine-project-in-serbia-ruled-unconstitutional/>

Čavčić, Ibro (2023). “The Zenica Government Treat for The World's Ore Traders.” *Center for Investigative Journalism (CIN)*. July 12, 2023. Accessed May 5, 2025. <https://cin.ba/en/the-zenica-government-treat-for-the-worlds-ore-traders/>

Chayes, Sarah (2015). *Thieves of State: Why Corruption Threatens Global Security*. Norton.

Čobo, Hajrija (2026). “Possible negative impact of mining activities in Trstionica – Gornja Bukovica and Vareš (Bosnia & Herzegovina).” Council of Europe Convention on the Conservation of European Wildlife

This project has received funding from the European Union's H2020 Research and Innovation programme under grant agreement no 101132692 — GEO-POWER-EU — HORIZON-CL2-2023-DEMOCRACY-01

and Natural Habitats, Complainant Report 19 February 2026. Accessed on April 7, 2026. <https://rm.coe.int/files-2022-07-bih-possible-negative-impact-of-mining-activities-in-trs/48802ab86d>

CIN (2025a). “Adriatic Metals Fast-Tracks New Mining Permit.” *Center for Investigative Journalism (CIN)*. February 11, 2025. Accessed July 31, 2025. <https://cin.ba/en/adriatic-metals-fast-tracks-new-mining-permit/>

CIN (2025b). “Adriatic Metals Loses Mining License in Vareš.” *Center for Investigative Journalism (CIN)*. January 16, 2025. Accessed June 5, 2025. <https://cin.ba/en/adriatic-metals-loses-mining-license-in-vares/>

CIPE. 2018. Channelling the tide: Protecting democracies amid a flood of corrosive capital. Washington, DC, September 2018.

Companies House. (2025). “Camelot Group, Ltd.” Gov.uk. Accessed November 23, 2025. Available at: <https://find-and-update.company-information.service.gov.uk/company/10971255>

Cornell Law School. “Royalty.” Accessed July 29, 2025. <https://www.law.cornell.edu/wex/royalty#:~:text=Royalty%20is%20a%20compensation%20to%20the%20owner,others%2C%20and%20they%20are%20compensated%20through%20royalties.>

David-Barrett, E. 2023. “State capture and development: A conceptual framework.” *Journal of International Relations and Development* (March 23): 1–21. <https://doi.org/10.1057/s41268-023-00290-6>.

Deutschland.de. (2024). Lithium in the spotlight. *Deutschland.de*. September 19, 2024. Accessed July 31, 2025. Lithium in the spotlight

Dundee Precious Metals (“DPM Metals”). (2025). Vareš Operation, Bosnia and Herzegovina. DPM Metals. Accessed November 23, 2025. <https://dpmmetals.com/assets/producing/vares-operation/>

The Economist (2023). “A mining project revives a dying Bosnian town.” *The Economist*. December 7, 2023. Accessed May 5, 2025. <https://www.economist.com/europe/2023/12/07/a-mining-project-revives-a-dying-bosnian-town>

European Commission (2024). *Commission Staff Working Document, Bosnia and Herzegovina 2024 Report, Accompanying the Document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions*. October 30, 2024. Accessed June 15, 2025. https://enlargement.ec.europa.eu/document/download/451db011-6779-40ea-b34b-a0eeda451746_en?filename=Bosnia%20and%20Herzegovina%20Report%202024.pdf

European Commission (2025). “Commission selects 13 Strategic Projects in third countries to secure access to raw materials and to support local value creation.” Press Release, June 4, 2025. Accessed July 31, 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1419

FBiH MoEMI (2025). "Permit issued to Eastern Mining/Adriatic Metals (Number: 06 614-14-1-334/21)." Federation of Bosnia and Herzegovina Ministry of Energy, Mining and Industry. January 14, 2025. Accessed August 3, 2025. <https://kakanj.gov.ba/v5/wp-content/uploads/2025/02/a-Adriatic-Met-po-zaklju%C4%8Dku-Kolegija.pdf>

Federation Ministry of Energy, Mining and Industry web site (2024) "Premijer Nikšić na otvaranju rudnika u Varešu: Šaljemo poruku svim budućim investitorima da u ovoj zemlji mogu uspješno investirati." March 5, 2024. Accessed May 5, 2025. <https://fmeri.gov.ba/vijesti/posts/2024/march/premijer-niksic-na-otvaranju-rudnika-u-vareshu-saljemo-poruku-svim-buducim-investitorima-da-u-ovoj-zemlji-mogu-uspjesno-investirati/>

FENA, "U.S. Embassy Chargé d'Affaires Daniel Koski visits Adriatic Metals in Vareš," July 21, 2025. Accessed August 4, 2025. <https://www.fena.ba/article/1635967/u-s-embassy-charge-daffaires-daniel-koski-visits-adriatic-metals-in-vares>

Federalna (2023). "Protesti za očuvanje pitke vode u Kaknju." Federalna.ba. June 3, 2023. Accessed August 3, 2025. <https://federalna.ba/protesti-za-ocuvanje-pitke-vode-u-kaknju-4cmvg>

Gercama, Ingrid and Harun Dinarević (2024). "Onder Bosnische bossen glinstert het zilver: brengt de nieuwe mijn voorspoed of giftig water?" NRC. March 1 2024. Accessed June 15, 2025. <https://www.nrc.nl/nieuws/2024/01/03/eu-verwoest-bosnie-voor-zijn-mineralen-a4185839>

Georgievski, Nenad (2022). "The carcinogenic hexavalent chromium from the Jegunovce dump beseting people's health continuously." META.MK. February 20, 2022. <https://meta.mk/en/the-carcinogenic-hexavalent-chromium-from-the-jegunovce-dump-beseting-peoples-health-continuously/>

Global Atlas of Environmental Justice (ejatlas.org) (2021). "Air pollution from Jugohrom-Jegunovce, Macedonia." October 14, 2021. <https://ejatlas.org/conflict/jugohrom-jegunovce-air-pollution-macedonia>

Globe Newswire / DPM Metals (2025) "Dundee Precious Metals Completes Acquisition of Adriatic Metals and Confirms Name Change and ASX Listing." 3 September 2025. Accessed April 9, 2026. <https://www.globenewswire.com/news-release/2025/09/03/3143316/0/en/Dundee-Precious-Metals-Completes-Acquisition-of-Adriatic-Metals-and-Confirms-Name-Change-and-ASX-Listing.html>

Hajdarevic, Midhat (2023). "Vlada FBiH omogućava krčenje državnih šuma, sve urađeno da se pokrije britanska firma Adriatic Metals koja će..." Magazinplus.eu. November 18, 2023. Accessed August 3, 2025.

Harris, Molly (2023). "The Real Reason Montenegro Has No McDonald's Locations." Mashed.com. Accessed November 6, 2025. <https://www.mashed.com/492080/the-real-reason-montenegro-has-no-mcdonalds-locations/>

Harrison Law Group (no date). "Understanding the Concept of Successor Liability." *Harrison Law Group Articles and News*. Accessed November 6, 2025. <https://www.harrisonlawgroup.com/2020/09/25/understanding-the-concept-of-successor-liability/>

HK Company Directory (2022). "Camelot Group Limited," Accessed November 6, 2025. <https://www.ltdir.com/companies/camelot-group-limited/>

Hume, Neil (2021). "Adriatic Metals launches share sale to fund Bosnia's biggest FDI." *Financial Times*. October 12, 2021. Accessed July 31, 2025. <https://www.ft.com/content/6a85c64b-871d-433a-926b-3d5d1bb25640>

Ihejirika, Maudlyne (2023). "What is Environmental Racism?" Natural Resources Defense Council (NRDC). May 24, 2023. Accessed July 31, 2025. <https://www.nrdc.org/stories/what-environmental-racism>

Investing.com (2025). "DPM Metals, Inc. (DPM)" Investing.com, Accessed November 9, 2025. Available at: <https://ca.investing.com/equities/dundee-precious-metals-inc-ownership>

Investopedia. "What is a Concession Agreement?" Investopedia web page. Accessed July 29, 2025. <https://www.investopedia.com/terms/c/concessionagreement.asp#:~:text=Concession%20agreements%20often%20involve%20contracts%20between%20the,a%20stated%20time%20and%20under%20specified%20conditions.>

Jakimova, Jasmina (2025). "No Plan: North Macedonia's 'Fight for Clean Air' is More Like Capitulation." *Balkan Insight*. April 8, 2025. Accessed May 5, 2025. <https://balkaninsight.com/2025/04/08/no-plan-north-macedonias-fight-for-clean-air-is-more-like-capitulation/>

Jukić, Elvira (2014). "UK, Germany Launch Joint Initiative on Bosnia." *Balkan Insight*. November 5, 2014. Accessed July 28, 2025. <https://balkaninsight.com/2014/11/05/uk-germany-propose-bosnia-s-renewed-eu-perspective/>

Keil, Soeren and Valery Perry (Eds.) (2015) *Statebuilding and Democratization in Bosnia and Herzegovina*. London: Ashgate.

Karton Revolucija (2024). "Mještani Pržica, Daštanska i Mira saglasni: "Ne želimo otpadne jalovine u svome dvorištu!" Karton Revolucija web site. December 29, 2024. Accessed August 3, 2025. <https://revolucija.ba/mjestani-przica-dastanska-i-mira-saglasni-ne-zelimo-otpadne-jalovine-u-svome-dvoristu/>

Klix.ba (2024). "Vlada ZDK: Odluka Ustavnog suda BiH ne poništava dodjelu koncesije u Varešu." Accessed on November 7, 2025. Available at: <https://www.klix.ba/biznis/privreda/vlada-zdk-odluka-ustavnog-suda-bih-ne-ponistava-dodjelu-koncesije-u-varesu/240727022>

Koseva, Denitsa (2023). “McDonald’s revokes licence of Bosnian franchise after series of scandals.” *BNE Intellinews*. January 3, 2023. Accessed July 27, 2025. <https://www.intellinews.com/mcdonald-s-revokes-licence-of-bosnian-franchise-after-series-of-scandals-265825/>

Kurić, Darko. “BiH: civic mobilisation against mineral exploration.” *Osservatorio Balcani e Caucaso Transeuropa*. January 22, 2024. Accessed June 15, 2025. <https://www.balcanicaucaso.org/eng/Areas/Bosnia-Herzegovina/BiH-civic-mobilisation-against-mineral-exploration-229296>

Lippman, Peter (2024). “Environmental Resistance to Corporate Raiding: Is Bosnia-Herzegovina Becoming One Big European mine? Part II.” *Lefteast*. April 13, 2024. Accessed June 15, 2025. <https://lefteast.org/environmental-resistance-corporate-raiding-bosnia-part-ii/>

Lippman, Peter (2025). “Grassroots Resistance to Environmental destruction in Bosnia-Herzegovina, Part1: An Introduction.” *Lefteast*. May 13, 2025. Accessed August 3, 2025. <https://lefteast.org/grassroots-resistance-environmental-destruction-bosnia-herzegovina-introduction/>

Lippman, Peter (2019). *Surviving the Peace: The Struggle for Postwar Recovery in Bosnia-Herzegovina*. Nashville: Vanderbilt University Press.

Macedonian Business Monthly. (2010). Accessed via thefreelibrary.com on November 23, 2025. Available at: <https://www.thefreelibrary.com/Russian+owners+restarting+Jugohrom.-a0248406146>

MACTEL Australian Macedonian News, “Elimination of hazardous waste in Macedonia with a British loan.” May 23, 2025. <https://mactel.com.au/en/hazardous-waste-elimination-in-macedo/>

Marušić, Damir (2021). “Corrosive Capital in the Western Balkans: An Analysis of Four High-Impact Chinese Investments.” Center for International Private Enterprise (CIPE). May 17, 2021. Accessed June 2, 2025. Available at: <https://www.cipe.org/resources/corrosive-capital-in-the-western-balkans-an-analysis-of-four-high-impact-chinese-investments/>

Meadows, Austin (2025). “Silver Demand Surge to 50% of Global Production = 200 Moz Annual Deficit for Electrification Shift.” *CruxInvestor*, August 4, 2025. Accessed November 9, 2025. Available at: <https://www.cruxinvestor.com/posts/silver-demand-surge-to-50-of-global-production-200-million-ounce-annual-deficit-for-electrification-shift>

Mehrotra, Anandita (2025). “Canada’s Dundee Precious to buy UK’s Adriatic Metals in \$1.25 Billion Deal.” *Reuters*, June 13, 2025. Accessed June 15, 2025. <https://www.reuters.com/markets/deals/canadas-dundee-precious-buy-uks-adriatic-metals-125-billion-deal-2025-06-13/>

Mining SEE (2024). “Adriatic Metals takes over operation of Rupice mining operation in Bosnia and Herzegovina.” *Mining SEE*. April 23, 2024. Accessed May 5, 2025. <https://www.miningsee.eu/adriatic-metals-takes-over-operation-of-rupice-deposit-in-bosnia-and-herzegovina/>

MiningSEE (2024). “Le Monde Diplomatique: Lithium from BiH a Strategic Interest for EU, What Role does Schmidt Play in it?” *Mining SEE*. [Source: NI]. May 31, 2024. Accessed May 5, 2025. <https://www.miningsee.eu/le-monde-diplomatique-lithium-from-bih-a-strategic-interest-for-eu-what-role-does-schmidt-play-in-it/>

Morningstar (2024). “Adriatic Metals shares down after Bosnia court forest comments.” July 25, 2024. Accessed July 28, 2025. https://www.morningstar.co.uk/uk/news/AN_1721044512993535100/adriatic-metals-shares-down-after-bosnia-court-forest-comments.aspx

Mujkić, Semir (2016). “Život na teku: Vareš danas ima stanovnika koliko je nekada imao radnika.” *Žurnal*, September 19, 2016. Accessed July 28, 2025. <https://zurnal.info/clanak/vares-danas-ima-stanovnika-koliko-je-nekada-imao-radnika/20001>

N1 (2024). “OHR: Sale of state property, like in the case of Jahorina assets, strictly forbidden.” *NI*. January 24, 2023. Accessed May 15, 2025. <https://n1info.ba/english/news/ohr-sale-of-state-property-like-in-the-case-of-jahorina-assets-strictly-forbidden/>

N1 (2025a). “How Viaduct, a Company with Zero Employees, Sued Bosnia for 56 Million Euro.” *NI*. April 15, 2025. Accessed June 16, 2025. <https://n1info.ba/english/news/how-viaduct-a-company-with-zero-employees-sued-bosnia-for-e56-million/>

N1 (2025b) “Viaduct company submits payment order, BiH Treasury faces 7-day deadline.” *NI*. July 28, 2025. Accessed July 28, 2025. <https://n1info.ba/english/news/viaduct-company-submits-payment-order-bih-treasury-faces-7-day-deadline/>

OHR Web site (no date). “High Representative Acts to Protect BiH Assets.” OHR decision. (No Date). Accessed June 15, 2025. <https://www.ohr.int/high-representative-acts-to-protect-bih-assets/?print=print>

Omerović, Azra (2025). “Cantonal Court in Mostar Decided: Adriatic Metals Loses Exploitation Permit for Vareš Mine.” *Žurnal*. January 20, 2025. Accessed November 6, 2025. <https://www.zurnal.info/clanak/adriatic-metals-loses-exploitation-permit-for-varesh-mine/27535>

Orion Resource Partners web site. Accessed June 28, 2025. <https://www.orionrp.com/>

Packer, George (2019). “The End of the American Century.” *The Atlantic*. May 2019. Accessed July 31, 2025. <https://www.theatlantic.com/magazine/archive/2019/05/george-packer-pax-americana-richard-holbrooke/586042/>

Perry et al (2021). *Sell Out, Tune Out, Get Out, or Freak Out? Understanding Corruption, State Capture, Radicalization, Pacification, Resilience, and Emigration in Bosnia and Herzegovina and North Macedonia*. (Ed.) Eurothink. Skopje, 2021. Accessed May 15, 2025. <http://www.democratizationpolicy.org/wp-content/uploads/2021/04/Eurothink-DPC-Final-Report-to-Publish-March-2021.pdf>

Petrushevska, Dragana (2024). “Adriatic Metals inaugurates \$250 mln Vares silver project in Bosnia.” *SEE News*. March 6, 2024. Accessed July 28, 2025. <https://seenews.com/news/adriatic-metals-inaugurates-250-mln-vares-silver-project-in-bosnia-1245212>

Petrushevska, Dragana (2025). “Bosnia high rep orders Serb Republic to pay Viaduct debt.” *SEE News*. July 18, 2025. Accessed July 28, 2025. <https://seenews.com/news/bosnia-high-rep-orders-serb-republic-to-pay-viaduct-debt-1278716>

Rajković, Nikolina (2012). *Post-Second World War Emigration of Yugoslav Muslims to Turkey*, (PhD dissertation). Central European University, Budapest, 2012.

Russell, Dave (2025). “Silver’s Strategic Upgrade – Why Washington’s Decision Matters.” *Goldcore*. Accessed November 6, 2025. <https://www.goldcore.com/blog/silvers-strategic-upgrade-why-washingtons-decision-matters>

Sarajevo Times (2023) “An End to the Dispute over State Property in BiH?” *Sarajevo Times*. March 3, 2023. Accessed June 15, 2025. <https://sarajevotimes.com/an-end-to-the-dispute-over-state-property-in-bih/>

Sarajevo Times (2025) “Authorities Investigate Lead Poisoning Case In Vares.” *Sarajevo Times*. December 19, 2025. Accessed April 7, 2026. <https://sarajevotimes.com/authorities-investigate-lead-poisoning-case-in-vares/>

Scoop – Center for Investigative Reporting, Macedonia (2015). “In the Toxic Kingdom of Jugohrom.” Center for Investigative Reporting, Macedonia. Accessed November 6, 2025. <https://en.scoop.mk/in-the-toxic-kingdom-of-jugohrom/>

SkopjeGuide.com (2024). “Here’s Why You Won’t Find McDonald’s in Skopje.” Accessed November 6, 2025. <https://skopjeguide.com/mcdonalds-in-macedonia/>

Špirić, Jovanka. (2021). “Air pollution for Jugohrom-Jegunovce, Macedonia.” *Global Atlas of Environmental Justice*. Accessed July 31, 2025. <https://ejatlas.org/conflict/jugohrom-jegunovce-air-pollution-macedonia>

Stojanović, Dusan. “Germany’s chancellor praises lithium deal with Serbia that could reduce Europe’s dependency on China.” *Associated Press*. July 19, 2024. Accessed June 15, 2025. <https://apnews.com/article/germany-serbia-lithium-scholz-vucic-114befdab762c829b98616e94b99a0d>

Strik, Tineke (2024). Post on X, January 23, 2024. Accessed November 7, 2025. Available at: https://x.com/Tineke_Strik/status/1749783679981777331

Teletović, Melisa (2024). “U centralnoj BiH strahuju da će kopanja britanske kompanije ugroziti vodu i šume.” Radio Slobodna Evropa. January 25, 2024. Accessed June 15, 2025. <https://www.slobodnaevropa.org/a/vares-rudnik-kakanj-adriatic-metals/32791453.html>

TipRanks (2025). “Adriatic Metals Plc to Delist from ASX Following Acquisition.” Tipranks.com Accessed November 7, 2025. <https://www.tipranks.com/news/company-announcements/adriatic-metals-plc-to-delist-from-asx-following-acquisition>

UK. Gov (2025). “Landmark government partnership signed with North Macedonia.” British Embassy Skopje. May 22, 2025. <https://www.gov.uk/government/news/landmark-government-partnership-signed-with-north-macedonia>

U.S. Department of Energy (2023). “What are Critical Materials and Critical Minerals?” Accessed July 31, 2025. <https://www.energy.gov/cmm/what-are-critical-materials-and-critical-minerals>

U.S. Department of State (2024). “2024 Investment Climate Statements: Bosnia and Herzegovina.” Accessed June 2, 2025. <https://www.state.gov/reports/2024-investment-climate-statements/bosnia-and-herzegovina/>

“Vareš: 780 years old blacksmith craft preserved by three masters only.” (2018) Visit BiH Web Site. June 22, 2018. Accessed June 15, 2025. <https://visitbih.ba/en/vares-780-years-old-blacksmith-craft-preserved-by-three-masters-only/>

Vlada Federacije Bosne i Hercegovine (2021). “Uručeno rješenje investitoru za eksploataciju rude u Varešu.” January 27, 2021. Accessed on April 7, 2026. <https://fbihvlada.gov.ba/bs/uru269eno-rjesenje-investitoru-za-eksploataciju-rude-u-varesu>

“Vlada ZDK: Odluka Ustavnog suda BiH ne poništava dodjelu koncesije u Varešu.” *Klix*. July 27, 2024. Accessed August 3, 2025. <https://www.klix.ba/biznis/privreda/vlada-zdk-odluka-ustavnog-suda-bih-ne-ponistava-dodjelu-koncesije-u-varesu/240727022>

Weber, Bodo (2017). “Substantial Change on the Horizon? A Monitoring Report on the EU’s New Bosnia and Herzegovina Initiative.” Democratization Policy Council. March 2017. Accessed July 28, 2025. <http://www.democratizationpolicy.org/summary/substantial-change-on-the-horizon/>

Western Balkans Info Hub (2024). “Driving the Green Transition: The Role of Critical Raw Materials in the Western Balkans.” May 17, 2024. Accessed July 31, 2025. <https://westernbalkans-infohub.eu/documents/driving-the-green-transition-the-role-of-critical-raw-materials-in-the-western-balkans/>

World Bank in Bosnia and Herzegovina. Web Page. Accessed July 28, 2025.
<https://www.worldbank.org/en/country/bosniaandherzegovina>

“Zakon o Koncesijama.” *Službene Novine Federacije BiH*, No, 40, p. 1703. August 21, 2002. Accessed August 3, 2025.

<https://fmpu.gov.ba/wp-content/uploads/2020/07/Zakon-o-koncesijama-SNFBiH-br-40-02-i-61-06.pdf>

Zenica-Doboj Ministarstvo Privreda i Rudarstvo, *Ugovor o koncesiji*, March 2013. Redacted photocopies reviewed August 4, 2025.

Zukančić, Dženisa, “Zakon na imovina na čekanju, šume iskrčene,” *Oslobođenje*, August 4, 2025.

Annex: Timeline/Key Dates

2012

Miloš Bošnjaković buys MM Project, which later becomes Eastern Mining (Čavčić 2023)

2013

MM Project buys DP Rudnik Olova, Zinka i Barita [Social Enterprise “Mine of Lead, Zinc and Barite] in Vareš (Čavčić 2023)

First concession contract by MM Project signed in March 2013 (Čavčić 2023)

2017

Eastern Mining bought by the British company Adriatic Metals Ltd. (Čavčić 2023)

2018

Adriatic Metals signed the first annex to the basic contract with Zenica-Doboj Canton, adding 584 acres to the concession (Čavčić 2023)

2021

January: Permit issued for surface exploitation (Vlada Federacije Bosne i Hercegovine 2021)

May: Kakanj public company Vodokom refuses to give Eastern Mining consent for the exploitation and construction of the mine (Teletović 2024)

2022

This project has received funding from the European Union’s H2020 Research and Innovation programme under grant agreement no 101132692 — GEO-POWER-EU — HORIZON-CL2-2023-DEMOCRACY-01

December: FBiH government decision allows Adriatic Metals to “temporarily” use state forest land adjoining the mining site (Hajdarevic 2023)

2024

April: Grand public opening of mine (Petrushevska 2024)

July: BiH constitutional court fines Federation Government decision of 2022 to be unconstitutional (Morningstar 2024)

2025

January: Adriatic Metals loses its license following a court decision (CIN 2025b)

January: Permit issued to Eastern Mining/Adriatic Metals by the Federation of Bosnia and Herzegovina Ministry of Energy, Mining and Industry (FBiH MoEMI 2025)

June: announcement that a Canadian company Dundee Precious Metals was preparing to buy the project from Adriatic Metals for \$1.25 billion (Mehrotra 2025) September: Purchase by Dundee was finalized