

Mining in Ukraine: what you need to know

As a traditional powerhouse of all types of mining and mineral production, there are a wealth of mining opportunities to be found in Ukraine. A variety of metals and minerals can be found beneath Ukraine, and there are strong economic and political drivers to get it out, by expanding extraction and processing operations. Here, we look at what makes the nation so attractive to miners and machinery suppliers.

Mining in Ukraine at a glance

Approximately
5%

of the world's total
mineral resources
are found in Ukraine

a potential
market value of
\$7.2
trillion

Some **20,000** deposits
have been identified
around the country.

Only **7,800** of these have
been developed, with
a further **3,300** in the
exploration stage.



Gold

96 million
troy ounces



Iron ore

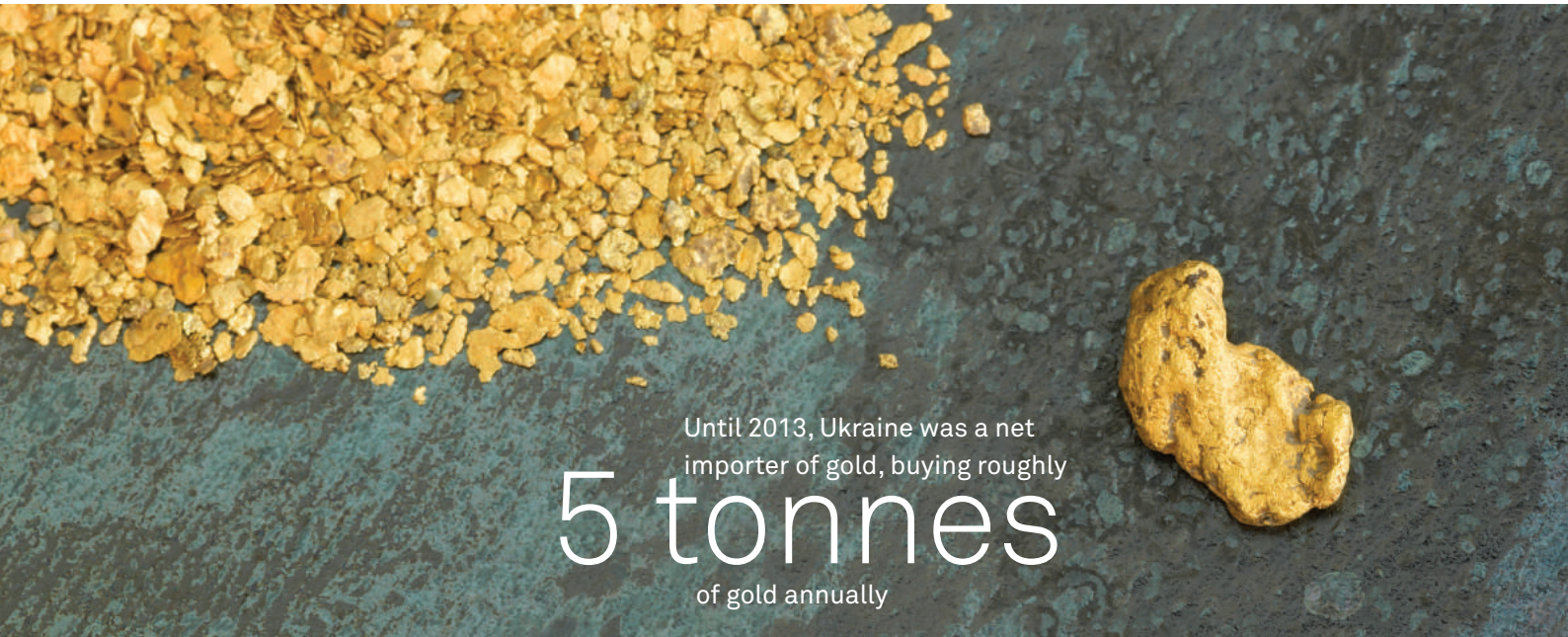
6.5 billion
tonnes



Coal

33.8 billion
tonnes

Gold



Until 2013, Ukraine was a net
importer of gold, buying roughly
5 tonnes
of gold annually

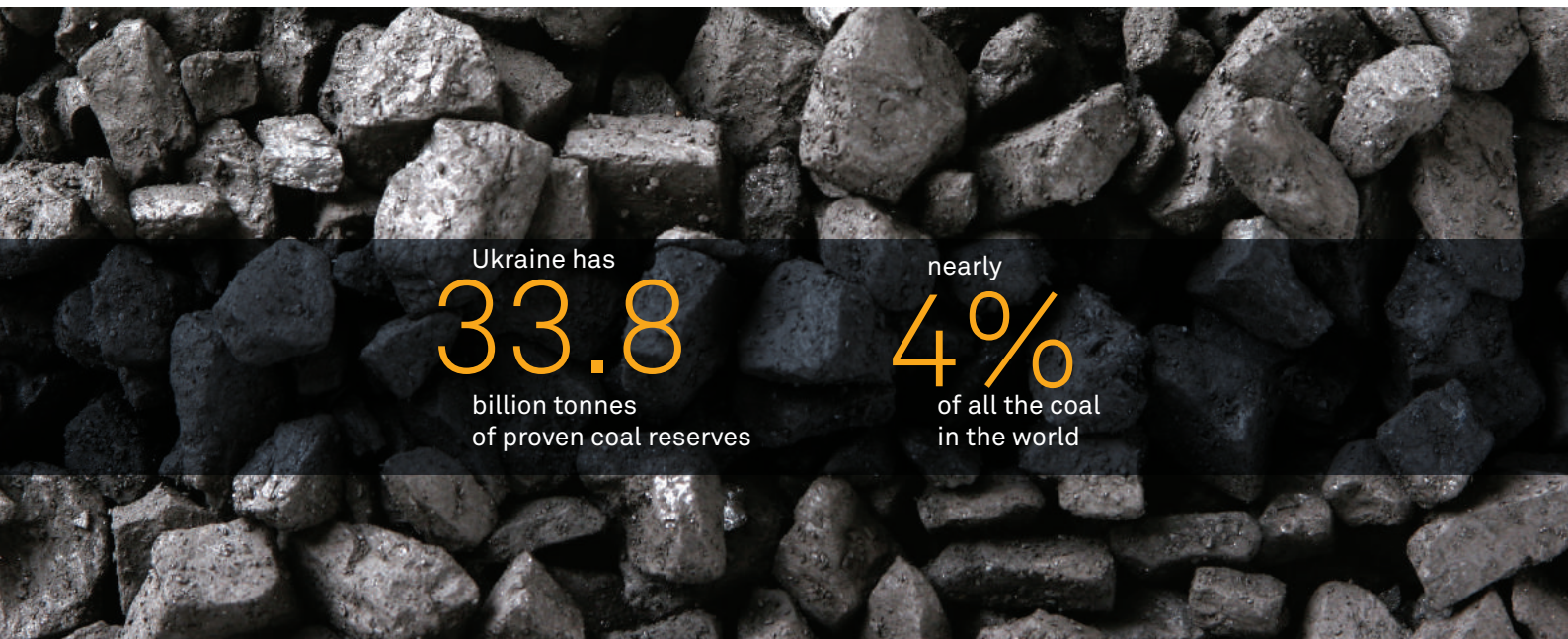
However, 2013 estimates showed that Ukraine was amongst the top fifty gold-holding countries with a rank of 47. While Ukraine has slipped down the rankings since then to take 57th place overall in 2015 according to Gold.org, commercial gold mining operations began in 2013. A boost in gold reserves and production is likely to occur when stability returns to the eastern regions.

Ukraine is estimated to sit upon nearly 3,000 tonnes of gold. Deposits with resources of about 400 tonnes have been identified in the Western Carpathian Mountains. 500 more tonnes have also been located in the Donbass region, situated in the south east of the country. Mining operations have largely been focussed in the western and central areas of Ukraine.

In three to five years, Ukraine has been forecast to output at least one tonne of gold annually according to Resourceworld.com. These estimates could have been affected by the current crisis, but there is still a substantial untapped reserve of this highly desirable metal waiting to be extracted.

The Ukrainian government previously streamlined the procedure for issuing sub-soil utilisation licenses in 2012, including those for mining. This has made it even easier for commercial companies to begin operations in Ukraine, but relatively few commercial gold mining groups are currently working in the country. These include state venture Severgeologiya and large Ukrainian mining firm Ukrainskiye, so a gap in the market could exist for international firms and their suppliers.

Coal



Ukraine has
33.8
billion tonnes
of proven coal reserves

nearly
4%
of all the coal
in the world

There are only six countries in the world with more coal than Ukraine – the USA, Germany, China, Russia, India and Australia. Production was at a healthy level of around 44 million tonnes of oil equivalent between 2010 and 2013, but this dropped in 2014 as mining was affected by conflict in the east of the country.

Iron ore

Iron reserves in Ukraine are truly vast. In January 2015, 6.5 billion tonnes of crude iron ore reserves could be found in the 80 Ukrainian deposits. As it stands, only 30 of these deposits are being developed. However, despite 50 deposits not being worked, Ukraine is the seventh largest producer of iron ore in the world, with a 3.4% total share. Much of this iron ore comes in the form of magnetite and is found mainly in the Poltava Oblast in central Ukraine. The ore extracted from these magnetite deposits is of Fe grade between 14-62%.

The vast amounts of reserves present a huge opportunity for commercial operators looking to expand into Ukraine. This is partly due to the critical nature of iron mining in the country, as it supplies the heavy equipment and metal working industries that contribute a significant chunk of the Ukrainian economy.

Due to the importance of iron mining, the ease of getting mining licenses has increased in recent years. International operators and machinery and equipment suppliers should therefore look to Ukraine to boost their Eastern European presence as well as increasing production of iron ore.

Metals ores

Some of the world's largest reserves of manganese are to be found in Ukraine.

3.5
million tonnes

manganese,
including carbonate,
oxide-carbonate
and oxide ores

3.5
million tonnes

commercial
reserves

Ukraine accounts for a full **32%** of global manganese production.

Titanium ores have also been identified in the Ukrainian crystalline shield. While this is not as abundant as, say, iron ore, there are still significant reserves to be extracted. The Samotkan river basin titanium deposit, for example, boasts near unlimited reserves.

Those involved in or looking to supply the aluminium sector should also take note of Ukraine's mineral wealth. Bauxites can be found in the Vysokopillia

deposit in central Dnipropetrovsk, alunites in Zakarpattia in the south-west and nephelines near the Azov Sea in the southeast.

A wealth of other metals, such as uranium, can be found in Ukraine. Other rarer metal ores, including zirconium, hafnium, lithium, scandium and germanium, are also mined in the country for a variety of industrial purposes – namely nuclear, aerospace and electrical engineering.

Best of the rest



As with many nations rich in natural resources, it is not just an abundance of metals that makes Ukraine an attractive proposition for miners. A vast amount of other materials can also be extracted in large quantities. This includes essential rock types such as granite, marble, chalk and sandstone plus gypsum and labradorite.

Ukraine is also a leading producer of the following minerals:

Mineral	Production in 2013 (metric tonnes)	Global ranking
Manganese	474,500 (2013)	10
Titanium	200,000 (2013)	11
Gallium	11,000 (2013)	2
Bentonite	220,000 (2013)	14
Gypsum and anhydrite	2.2 million (2013)	17
Kaolin	2.05 million	7
Salt	5.8 million	12

Why choose Ukraine?

Ukraine's difficult situation should not put off suppliers and companies looking to expand into new markets. Aside from enjoying a huge amount of naturally occurring metals and other building materials, Ukraine is also becoming more business-friendly.

It currently stands as the 83rd best country, as of 2016, for ease of doing business according to the World Bank. This has increased from 87th in 2015. Ease of starting a business has also skyrocketed from 2015 to 2016 from rank 70 to 30. All positive signs given the current climate.



So, in closing, Ukraine offers an abundance of key natural resources, plus an improving business climate and a streamlined mining license acquisition procedure. Great opportunities for miners – and machinery and equipment suppliers – could lie in the country.

Ukraine's mining sector is badly in need of international mining machinery, crushing and grinding equipment, mining chemicals, environmental monitoring technologies and much more. And for foreign companies looking to tap into this market, MiningWorld Ukraine is the only trade show you need.

MiningWorld Ukraine is the ideal venue to put your products in front of Ukraine's top mining companies, government bodies, and machinery distributors and dealers. Contact us today to find out more about the participation options to help you reach them.

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