

MINES SERVICE
ANNUAL REPORT 2005

1. INTRODUCTION

The Mines Service is the competent authority of the administration of the Mines and Quarries Law and Regulation and the Explosive Substances Law and Regulation.

2. MINING AND QUARRYING

The mining industry has been on the decline (practically non - existent) for the last three decades. The only mining activity is the Skouriotissa Copper Mines where by the application of the leaching - SX - EW method is succeeded the production of high purity copper cathodes (99.999%). The cumulative exports of copper cathodes is today about 34.000 tones. During 2005 the mine has interrupted temporarily the operations because of the previous period low copper price.

Concerning the prospecting of metals a great interest was shown for copper and precious metals, especially gold.

There is extensive quarrying of rocks and industrial minerals in Cyprus. There are about 213 quarries producing of various materials. They produce for local use havara, sand and gravel, aggregates (from limestone and diabase) building stone, limestone, clay, gypsum etc. and for export building stone, gypsum, bentonite, umber and ochre etc. There is also local production and exports of quick and hydrated lime, portland and other types of cement, gypsum plasters etc.

There is also great interest from for prospecting of quarry materials and industrial minerals.

3. ENVIRONMENTAL STUDIES - HEALTH AND SAFETY

Every two years the big mining and quarrying operations have the obligation to submit to the Mines Service renewed environmental study taking into consideration

the new conditions of the exploitation area. Twenty-five studies were examined this year.

A great share of Mines Service personnel time is spent for inspection of the working conditions (health and safety) in mines and quarries and related installations. The effort is to eliminate accidents and occupational diseases. The people working in mining and quarrying are examined every two years by the Pneumoconiosis Medical Board.

4. EXPLOSIVE SUBSTANCES AND HUNTING AMMUNITION

The Head of the Mines Service is also the Explosives Substances Inspector and has the control of the import, storage, sale and use of the explosive substances and hunting ammunition.

5. CYPRUS STANDARD SPECIFICATIONS FOR AGGREGATES

From 1/5/2004 the Ministry of Interior is the Competent Authority for checking the quality of the produced aggregates.

6. ECONOMICS

The total exports in 2005 for ores and industrial minerals amounted to C£5.878.074 compared with C£7.804.066 in 2004.

The total income of Mines Service in 2005 for rents, fees and royalties was C£2.937.709. The amount of £1.969.801 was granted to the Communities, affected from the quarries operation, in order to use it for the development of their own program.