LAW OF MONGOLIA

July 8, 2006 Government House, Ulaanbaatar

ABOUT MINERALS
(Revised version)

CHAPTER ONE
General grounds

Article 1 The purpose of the law

1.1. The purpose of this law is to regulate relations related to prospecting, exploration, mining and protection of exploration areas and mine tenure environment in the territory of Mongolia.

/ This part was amended according to the law dated January 08, 2009 /

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Article 2. Legislation

2.1.Ashigt Resources Act and regulations of the Constitution and Land Law , the Subsoil Law , Law on Environmental Protection , the National Security Act consists Investment Law, and other laws and legal acts adopted in conformity therewith.

/ This part was amended according to the law dated May 17, 2012 /

/ This part was amended according to the law dated October 03, 2013 /

2.2. If an international treaty to which Mongolia is a party provides otherwise than this law, the provisions of the international treaty shall prevail.

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Article 3 Scope of the law

3.1. This law shall regulate relations related to prospecting, exploration and exploitation of other types of minerals other than water, oil, natural gas, radioactive and common minerals.

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated January 09, 2014 /

3.2. Relations related to artisanal and small-scale mining shall be regulated by regulations, which shall be approved by the Government.

/ This part was amended according to the law dated July 01, 2010 /

3.3. Relations related to prospecting and exploitation of common minerals shall be regulated by a special law.

/ This section was added by the law in 1 July 2014 /

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Article 4. Definition of legal terms

The following terms used in this law shall have the following meanings:

4.1.1. “Minerals” means naturally occurring mineral deposits formed as a result of geological evolution and changes in the surface and subsoil and which can be used for any purpose;

4.1.2. “Radioactive minerals” means the accumulation of minerals containing radioactive isotopes of uranium and thorium;

/ This provision was added by the law in 16 July 2009 /

4.1.3. “Survey” means to conduct geological research without disturbing the subsoil by taking rock samples, using geological and mineral primary information, and taking aerial photographs;

/ This part was amended according to the law dated July 16, 2009 /

4.1.4. “Geological survey to be carried out with state budget funds” means geological mapping, thematic research and geological prospecting and exploration work carried out with state budget funds;

/ This part was amended according to the law dated July 16, 2009 /

4.1.5. “Mineral prospecting” means geological research work carried out for the purpose of determining whether there is mineral accumulation in a promising mineral area;

/ This part was amended according to the law dated July 16, 2009 /

4.1.6. “Mineral prospecting” means conducting geological and exploration research on the surface and its subsoil in order to determine the location and quantity of mineral accumulation in detail, and conducting a technical and economic assessment to study the possibility of using its resources;

/ This part was amended according to the law dated July 16, 2009 /

4.1.7. “Mineral exploitation” means extraction and mining of minerals from the surface, its subsoil, ore stockpiles, waste and natural water, increase of its mineral content, enrichment, production, sale of products and other related activities;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated July 01, 2014 /

4.1.8. “Minimum exploration expenditure” means the minimum amount of expenditure that should be spent annually on exploration work;

/ This part was amended according to the law dated July 16, 2009 /

4.1.9. “Mineral deposit” means the accumulation of minerals formed in the surface and subsoil as a result of geological evolution and changes, the quality and resources of which have been determined, and which are economically useful for industrial mining;

/ This part was amended according to the law dated July 16, 2009 /

4.1.10. “Mineral deposit” means a mineral deposit formed as a result of geological evolution and change and located in the same space with the original rock;

/ This part was amended according to the law dated July 16, 2009 /

4.1.11. “Placer mineral deposit” means an initially formed rock, a mineral accumulation that is dispersed and re-accumulated as a result of weathering, erosion and mechanical processes from space, and then becomes stratified;

/ This part was amended according to the law dated July 16, 2009 /

4.1.12. “Strategically important mineral deposit” means a deposit that affects national security, economic and social development of the country, or produces or is able to produce more than 5 percent of Mongolia's gross domestic product per

year;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated July 01, 2014 /

4.1.13. " Land for special needs" means land that has been taken from the competent authority for state or local special needs in accordance with Articles 17 , 18 and 20 of the Law on Land and has been restricted or prohibited for prospecting, exploration and use of minerals;

/ This part was amended according to the law dated July 16, 2009 /

4.1.14. "Reserve area" means an area where previously exploration and mining licenses have been issued by the decision of an authorized organization and the exploration, prospecting and mining activities have been terminated;

/ This part was amended according to the law dated July 16, 2009 /

4.1.15. "Exploration license" means a document authorizing the prospecting and exploration of minerals in accordance with this law;

/ This part was amended according to the law dated July 16, 2009 /

4.1.16. "Mining license" means a document authorizing the use of mineral resources in accordance with this law;

/ This part was amended according to the law dated July 16, 2009 /

4.1.17. "Exploration area" means an area granted by a license specified in 4.1.15 of this law;

/ This provision and article number were amended according to the law dated July 16, 2009 /

4.1.18. "Mining area" means an area granted by a license specified in 4.1.16 of this law;

/ This provision and article number were amended according to the law dated July 16, 2009 /

4.1.19. "Mine tenure" means a part of a geological formation that overlaps with a mine site and is to be mined;

/ This part was amended according to the law dated July 16, 2009 /

4.1.20. "License fee" means a fee to be paid by a license holder in accordance with this law for the purpose of keeping the license valid;

/ This part was amended according to the law dated July 16, 2009 /

4.1.21. "License holder" means a legal entity that has obtained the right to search, explore and use minerals in accordance with this law or has transferred it in accordance with the conditions and procedures specified in this law;

/ This part was amended according to the law dated July 16, 2009 /

4.1.22. "Legal entity" means a company or partnership specified in Article 33.1 of the Civil Code .

/ This part was amended according to the law dated July 16, 2009 /

4.1.23. "Artisanal and small-scale mining" means a partnership not registered in accordance with Article 481.1 of the Civil Code, a partnership specified in Article 35 of the Civil Code and 36.4-. activities of citizens organized in the form of a cooperative specified in e;

/ This provision was added by the law in 1 July 2010 /

/ This part was amended according to the law dated July 01, 2014 /

/ *This part was amended according to the law dated November 10, 2016* /

4.1.24. "Mineral resources" means the part of mineral accumulation that has not been evaluated in detail by geological mapping, thematic research, prospecting and exploration, the quantity, form, content, mineral composition and economic significance of minerals;

/ This provision was added by the law in 1 July 2014 /

4.1.25. “Mineral deposit reserve” means a mineral resource in which the quantity, form, content and mineral composition of a mineral have been determined in detail by exploration work, which can be extracted by industrial methods, economically efficient, enrichment technology and mining conditions have been determined. section;

/ This provision was added by the law in 1 July 2014 /

4.1.26. “Specialized specialist and expert” means a nationally and internationally recognized citizen authorized by a non-governmental organization in the field of geology and mining.

/ This provision was added by the law in 1 July 2014 /

4.1.27. “Derivative deposit” means a stockpile of ore and mineral that can be economically viable for processing with a certain content of minerals extracted during mining, processing and processing;

/ *This provision was added by the law in 10 November 2016* /

4.1.28. “Derivative deposit exploitation” means extraction, processing, enrichment, production, sale of value-added products and other related activities from ores and mineral stockpiles specified in 4.1.27 of this law.

/ *This provision was added by the law in 10 November 2016* /

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Article 5 Mineral ownership

5.1. Minerals naturally located on the surface and in the subsoil of Mongolia are state property.

5.2. The state owner shall have the right to grant the right to search, explore and use minerals to other persons in accordance with the conditions, requirements and procedures specified in this law.

5.3. The percentage of state ownership of a mineral deposit determined by prospecting and exploration with state budget funds shall be determined by the mining contract. The percentage of state ownership established by the agreement may be replaced by royalties for strategically important mineral deposits.

/ This part was amended according to the law dated February 18, 2015 /

5.4. If a strategically important mineral deposit is explored with state budget funds and its reserves are determined jointly with a privately owned legal entity, the amount of state participation may be up to 50 percent and this amount shall be determined by the deposit development agreement. The percentage of state ownership established by the agreement may be replaced by royalties for strategically important mineral deposits.

/ This part was amended according to the law dated January 08, 2009 /

/ This part was amended according to the law dated February 18, 2015 /

5.5. The state may own up to 34 percent of the shares of the owner of a strategically important mineral deposit that has been explored and identified without state budget participation, and this amount shall be determined by the deposit development agreement taking into account the amount of state investment. The percentage of state ownership established by the agreement may be replaced by royalties for strategically important mineral deposits.

/ This part was amended according to the law dated January 08, 2009 /

/ This part was amended according to the law dated February 18, 2015 /

A person holding a mining license for a strategically important mineral deposit shall trade at least 10 percent of its shares on the Mongolian Stock Exchange.

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Article 6. Classification of mineral deposits

6.1. Mineral deposits shall be classified as follows:

6.1.1. A mineral deposit of strategic importance;

6.1.2. Common mineral deposits;

6.1.3. Ordinary mineral deposits.

6.2. Deposits specified in 6.1.1 of this Law shall include deposits that meet the criteria specified in 4.1.12 of this Law.

/ This part was amended according to the law dated July 16, 2009 /

6.3. Accumulation of widely distributed sediments and rocks that can be used for construction materials shall be considered as common mineral deposits.

6.4. Accumulation of other types of minerals other than those specified in 6.2 and 6.3 of this Law shall be considered as ordinary mineral deposits.

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Article 7 General requirements for license holders and prospecting, exploration and mining

7.1. Exploration and mining licenses shall be issued on a competitive basis to a legal entity established and operating in accordance with the legislation of Mongolia and paying taxes in Mongolia, unless otherwise provided by this law.

/ This part was amended according to the law dated November 10, 2017 /

7.2. The license holder shall meet the conditions specified in 7.1 of this law during the entire term of the license.

7.3 Exploration, prospecting and mining of minerals without a license shall be prohibited, except for artisanal and small-scale mining. The collection and mining of natural colored and precious stones shall be carried out on the basis of the same license as for ordinary minerals.

/ This part was amended according to the law dated July 01, 2010 /

/ This part was amended according to the law dated July 01, 2014 /

7.4. One license shall be issued in the name of only one legal entity.

~~7.5. Land owners and possessors may use common minerals in the land for their own household purposes without the purpose of making a profit, and the list of such minerals shall be approved by the Government.~~

/ This part was annulled by the law in January 16, 2014 /

~~7.6. If the State Administrative Body in charge of nuclear energy submits a notification to the state administrative body in charge of geology and mining to conduct a tender for licensing prospecting, prospecting and exploitation of radioactive minerals in accordance with the Law on Nuclear Energy, Exploration and mining licenses will not be issued.~~

/ This part was added by the law in 16 July 2009 /

/ This part was repealed by the law in force on February 13, 2015 /

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CHAPTER TWO
Government Regulation in the Minerals Sector

Article 8. Powers of the State Great Hural

8.1. The State Great Hural shall exercise the following powers in matters of mineral resources:

8.1.1. To determine the state policy on development of geology and mining sector;

8.1.2 monitor the work organized by the Government on the implementation of legislation related to prospecting, exploration

and mining;

8.1.3. To resolve issues of prospecting, exploration and mining of minerals in state special protected areas;

8.1.4. To classify or exclude a mineral deposit as a strategically important mineral deposit upon submission by the Government or on its own initiative;

/ This part was amended according to the law dated July 01, 2014 /

8.1.5. Restrict or prohibit the prospecting, exploration and mining of minerals in a certain territory, or the issuance of exploration and mining licenses at the request of the Government or on its own initiative;

~~8.1.6. To establish a special regime related to mining, transportation and storage of radioactive minerals;~~

/ This provision was repealed by the law in force since July 1, 2014 /

8.1.7. To determine the percentage of state ownership of a strategically important mineral deposit upon submission of the Government or on its own initiative, taking into account the amount of mineral resources registered in the Unified State Reserve and the amount specified in Articles 5.5 and 5.6 of this law.

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Article 9. Powers of the government

The Government shall exercise the following powers in relation to mineral resources:

9.1.1. To ensure the implementation of the legislation related to prospecting, exploration and mining;

9.1.2. To implement the state policy on development of geology and mining sector;

9.1.3. To resolve issues of prospecting, exploration and use of minerals in special needs areas other than state special protected areas;

9.1.4. To submit to the State Great Hural a proposal to include or exclude certain deposits from the list of strategically important mineral deposits;

/ This part was amended according to the law dated July 01, 2014 /

9.1.5 submit to the State Great Hural a proposal to determine the percentage of state ownership of strategically important mineral deposits;

9.1.6 decide on the source of capital to be invested by Mongolia in a joint venture to develop a strategically important mineral deposit;

9.1.7. To resolve the issue of acquiring certain land for reserve and special needs or to submit a proposal to the State Great Hural;

9.1.8. Participate in certain mineral exploration, prospecting and mining activities through a state-owned legal entity.

9.1.9. To establish the National Geological Survey;

/ This provision was added by the law in 1 July 2014 /

9.1.10. To approve the model contract specified in Article 42.1 of this Law;

/ This provision was added by the law in 1 July 2014 /

9.1.11. Based on the proposal of the state central administrative body in charge of geology and mining, determine the area to be granted a mining license in cases other than those specified in 24.1 of this law and inform the public;

/ This provision was added by the law in 1 July 2014 /

/ This part was amended according to the law dated November 10, 2017 /

9.1.12. To determine the boundaries of strategically important deposit areas;

/ This provision was added by the law in 1 July 2014 /

9.1.13. In order to ensure national security, implement large-scale projects that affect the state's economic and social development, and transfer to the state ownership for special needs, compensation for land allocated under a mineral license shall be paid from the state budget upon agreement with the license holder; Licenses may be issued for areas with mineral accumulation identified in the course of geological research and for areas specified in Article 26.9 of this Law.

/ This provision was added by the law in 1 July 2014 /

/ This part was amended according to the law dated November 10, 2017 /

9.1.14.Approve the operating procedures related to the issuance of a derivative mining license;

/ *This provision was added by the law in 10 November 2016* /

9.1.15.Approve requirements for derivative mining activities and procedures for conducting operations.

/ *This provision was added by the law in 10 November 2016* /

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Article 10. Powers of the State Central Administrative Body

The state central administrative body in charge of geology and mining shall exercise the following powers:

10.1.1. To develop the state policy on development of geology and mining sector and ensure its implementation;

10.1.2. To approve the selection procedure specified in Articles 20.1, 24.2, 26.9 and 60.9 of this Law as authorized by the Government;

/ This provision was amended according to the law dated November 10, 2017 /

10.1.3 organize the implementation of the legislation on mineral resources and decisions made by the Government in connection with its implementation;

10.1.4. To determine the amount of service fee for obtaining, extending and transferring a license, handing over the whole or a certain part of the licensed area, resolving border disputes, reviewing exploration work plans, information and reports;

10.1.5. To approve and amend the annual geological survey work plan, project and budget to be funded from the state budget, and to make a decision on receiving the results report;

/ This part was amended according to the law dated July 01, 2014 /

10.1.6.Approve the procedure for financing, performing and calculating the results of geological research to be carried out with the state budget funds;

10.1.7.Approve procedures for mineral exploration, prospecting and mining activities, and develop and approve product standards;

10.1.8 monitor the development of strategically important mineral deposits;

10.1.9 Establish a Minerals Professional Council with members responsible for reviewing geological surveys conducted in the territory of Mongolia, reviewing the feasibility study and making recommendations of mineral deposits and concentrators, and calculating its rules and expert fees. approval of methodology;

/ This part was amended according to the law dated July 01, 2014 /

10.1.10. To create transparency in mineral exploration, mining, processing and sale activities.

/ This provision was added by the law in January 24, 2014 /

10.1.11.Approve the procedure for acceptance of mining, mining and concentrating plants;

/ This provision was added by the law in 1 July 2014 /

10.1.12. To approve requirements for concentrators and procedures for conducting operations;

/ This provision was added by the law in 1 July 2014 /

10.1.13. Establish a non-staff policy council to ensure the equality of representatives of government organizations, investors, professional associations and non-governmental organizations with the purpose of making recommendations and supporting the implementation of the state policy in the mineral resources sector, and approve its composition and rules of procedure;

/ This provision was added by the law in 1 July 2014 /

10.1.14. To approve the procedure for rehabilitation and closure of mines, quarries and concentrators in cooperation with the state central administrative body in charge of nature and environment;

/ This provision was added by the law in 1 July 2014 /

10.1.15.Approve the procedure for maintaining the geology, mining and mineral resources database;

/ This provision was added by the law in 1 July 2014 /

10.1.16 approve the procedure for awarding the rights of specialized specialists and experts in the geology and mining sector to a professional non-governmental organization;

/ This provision was added by the law in 1 July 2014 /

10.1.17. To approve the classification and instructions for mineral resources and deposit reserves;

/ This provision was added by the law in 1 July 2014 /

10.1.18.Approve nationally and internationally recognized procedures for public reporting of mineral resources, deposit reserves and exploration results in cooperation with non-governmental organizations in the field of geology and mining.

/ This provision was added by the law in 1 July 2014 /

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Article 11 Functions of public administration

The state administrative body in charge of geology and mining (hereinafter referred to as “state administrative body” in this law) shall perform the following functions:

~~11.1.1. To conduct regional geological, geochemical, hydrogeological mapping and geophysical surveys on the territory of Mongolia;~~

/ This provision was repealed by the law in force since July 1, 2014 /

~~11.1.2. To conduct a study on the distribution and formation of mineral resources in the territory of Mongolia and to assess mineral resources;~~

/ This provision was repealed by the law in force since July 1, 2014 /

~~11.1.3 conduct geo-ecological research and evaluate the impact of natural factors and human activities in all economic and social spheres;~~

/ This provision was repealed by the law in force since July 1, 2014 /

~~11.1.4. To provide interested persons with geological and mining information and information provided by the license holder in accordance with this law, except for those classified as confidential;~~

/ This provision was repealed by the law in force since July 1, 2014 /

11.1.5 create a geological and mineral resources database and enrich it;

/ This part was amended according to the law dated November 10, 2017 /

11.1.6. To monitor the plans, reports and minimum exploration expenses of the exploration license holder specified in this law;

11.1.7 receive, register and resolve requests for mineral surveys;

11.1.8. To evaluate and evaluate the techniques and technologies used in the mining industry and to implement the technical and technological policy;

11.1.9 create a favorable investment environment in the mining sector and assess the current situation;

11.1.10 assess the impact of the mining industry on the country's economic and social sectors and make conclusions;

11.1.11. To study the prices of mining products, determine demand, needs and prospects;

11.1.12. To develop and implement proposals on the state policy to be followed in implementing certain mining projects;

11.1.13. to conduct tenders for licensing and issue conclusions on allocating land for artisanal and small-scale mining;

/ This part was amended according to the law dated July 01, 2014 /

/ This part was amended according to the law dated November 10, 2017 /

11.1.14. Integrate control over activities related to exploration and mining licenses;

11.1.15. To create conditions for issuing, reissuing, revoking, transferring, pledging, partially and completely returning and transferring mineral exploration and mining licenses under public control;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated February 13, 2015 /

11.1.16 receive and register applications for participation in the tender for mineral exploration and mining licenses;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated February 13, 2015 /

/ This part was amended according to the law dated November 10, 2017 /

/ This part was amended according to the law dated November 10, 2017 /

11.1.17. To maintain license registration;

11.1.18. To maintain a cartographic record of the license;

11.1.19. To issue exploration and mining licenses for all types of minerals other than common minerals;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated January 09, 2014 /

/ This part was amended according to the law dated February 13, 2015 /

11.1.20. To confiscate service fees and exploration and mining license fees for minerals other than common minerals;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated January 09, 2014 /

/ This part was amended according to the law dated February 13, 2015 /

11.1.21. To review and resolve border disputes between license holders;

11.1.22. To provide interested persons with an opportunity to get acquainted with the license and its cartographic registration, to inform the relevant authorities about the changes in these registrations.

11.1.23. The land selected after receiving a request from the soum or district governor in accordance with Article 12.1.5 of this law is restricted or prohibited from prospecting, exploration and mining, or has been taken for special needs and reserves, and has already been granted a valid license. to make a conclusion on whether it coincides with the area in whole or in part, and to determine the size and boundaries of the land.

/ This provision was added by the law in 1 July 2010 /

11.1.24. To keep information records of exploration and mining license holders who have issued shares on the stock exchange;

/ This provision was added by the law in 1 July 2014 /

11.1.25. To determine and approve the selection area for which it is possible to issue a mineral exploration and mining license in accordance with this law.

/ This provision was added by the law in 1 July 2014 /

/ This part was amended according to the law dated November 10, 2017 /

11.2. The unit in charge of geology of the State Administrative Body shall be the unit in charge of geology 11.1.1 - 11.1.7, the unit in charge of mining shall be the unit in charge of mining 11.1.8 - 11.1.12, and the unit in charge of cadastre shall be the unit 11.1.13 - 11.1.23 of this article. shall deal with the issues specified in

/ This part was amended according to the law dated July 01, 2010 /

11.3. The state inspection of the implementation of the legislation on minerals and the prospecting, exploration and mining activities shall be performed by a specialized inspection agency.

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated February 13, 2015 /

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11 ı Functions of züil.Ündesnii Geological Service

11 ı .1.Mongol National Geological Service shall have the following functions:

11 ı .1.1. To conduct geological, geophysical, geochemical, hydrogeological and geoecological mapping, research and analysis in the territory of Mongolia;

11 ı .1.2. Carry out mineral distribution and mineral research on the territory of Mongolia and evaluate mineral resources perspective;

11 ı .1.3. to create a national geological and mineral resources database, to enrich it, and to provide services to interested parties with information other than classified as confidential;

/ This part was amended according to the law dated November 10, 2017 /

11 ı .1.4. To maintain a unified state register of mineral resources and to register resource movements.

/ The above 11 Article ı was added by the law in 1 July 2014 /

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Article 12 Powers of local administrative and self-governing bodies

Local administrative and self-governing bodies shall exercise the following powers in relation to mineral resources:

12.1.1. To organize the implementation of the legislation on mineral resources and decisions made by the Government in connection with its implementation in its respective territory;

12.1.2. To use the licensed area for its intended purpose in its jurisdiction and to stop it in case of violation;

12.1.3 monitor the compliance of the license holder with its obligations to protect and rehabilitate the environment, protect the health of the population and to pay to the local budget;

12.1.4. To make a decision to take certain land for special local needs in accordance with the grounds and procedures set forth in the Law on Land .

12.1.5. To submit a request to the State Administrative Body for an opinion on the land selected for allocation for the purpose specified in 16.1.11 of the Law on Land for the conclusion specified in 11.1.23 of this Law.

/ This provision was added by the law in 1 July 2010 /

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Article 13 Reserve the area

13.1. Areas granted by exploration and mining licenses may be set aside by the decision of the Government for the following purposes:

13.1.1. To organize the registration of licenses;

13.1.2. To resolve border disputes between license holders;

13.1.3. To conduct geological research, prospecting and exploration for minerals with state budget funds.

13.2. If the area is taken as a reserve in accordance with Article 13.1 of this Law, the decision shall be announced to the public together with the following information:

13.2.1. The name of the aimag or soum where the reserve area is located;

13.2.2 coordinates of all corner points of the reserve area;

13.2.3. The purpose for which the area was taken as a reserve;

13.2.4. The period of keeping the area in reserve.

13.3. The State Administration shall register the area reserved in accordance with Article 13.1 of this Law in the license and its cartographic registration.

13.4. The area reserved in accordance with Article 13.1 of this Law shall be vacated on the following grounds:

13.4.1. The government has made a decision to vacate the area ahead of schedule;

13.4.2. The period for keeping the area in reserve has expired;

13.4.3. The reasons specified in Articles 13.1.1-13.1.3 of this Law have disappeared.

13.5. In case the vacated area is vacated on the grounds specified in 13.4 of this Law, a person who previously held an exploration and mining license for the area shall have the preemptive right to continue possessing the area.

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Article 14 Land for special needs to restrict or prohibit mineral exploration, prospecting and mining activities

14.1. If the competent authority has made a decision to take a certain land for special needs, it shall submit the following information to the state administrative body within 10 working days after the decision is made: 14.1.

14.1.1. The name of the aimag or soum where the land acquired for special needs is located;

14.1.2. Coordinates of all corner points of the land acquired for special needs;

14.1.3. The purpose for which the land was acquired for special needs;

14.1.4. The period of keeping the land for special needs.

14.2. The period of keeping certain land for special needs shall not be less than 5 years.

14.3. The State Administrative Body shall register the land acquired for special needs in the license and its cartographic registration.

14.4. If the license holder is unable to search, explore or use minerals due to taking all or part of the area granted by a valid exploration and mining license for special needs, the issuing authority shall pay compensation to the license holder within one year.

/ This part was amended according to the law dated July 01, 2014 /

14.5. The amount and time of compensation specified in 14.4 of this Law shall be determined by agreement between the license holder and the organization that made the decision to acquire the land for special needs, and if no agreement is reached, shall be determined by the state administrative body.

14.6. If the compensation is not paid on time as specified in 14.5 of this Law, the license holder shall have the right to continue

its activities.

14.7. In case of a dispute related to compensation established in accordance with Article 14.5 of this Law, the court shall review and resolve it.

14.8. If the term of keeping the land specified in 14.2 of this Law for special needs has expired, the State Administration shall notify the public and if a person who previously held an exploration and mining license submits a request within 1 month after such notification, he / she shall have priority. enjoy.

14.9. When continuing to possess the land vacated in accordance with Articles 13.5 and 14.8 of this Law to a person who previously possessed an exploration and mining license, the term of the license shall be extended for the period of special needs and reserves.

/ This section was added by the law in 1 July 2014 /

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CHAPTER THREE SEARCH FOR MINERALS

Article 15 Review survey

15.1. A legal entity may conduct a survey in the territory of Mongolia without a license and shall register the survey site, its location, and its name and address in advance with the state and local administrative organizations.

/ This part was amended according to the law dated January 08, 2009 /

/ This part was amended according to the law dated July 01, 2014 /

15.2. It shall be prohibited to disturb the subsoil during the survey and permission shall be obtained from the owner, possessor or user of the land to enter the area.

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Article 16 Geological research and research work to be funded by the state budget

16.1. Geological research and research work to be carried out with the state budget funds shall be carried out without a license.

16.2 Geological research shall be carried out in accordance with scientifically based methods and methodologies in order to determine the geological formation, distribution patterns of minerals and potential areas for mineral accumulation.

16.3. Exploration of minerals shall be carried out in a comprehensive manner with state budget funds.

16.4. Information on geological surveys conducted with the state budget funds shall be the main component of the state database and shall be open to the public.

16.5. Geological survey and research work may be performed at the special needs land with state budget funds and no fee shall be paid.

16.6. The state central administrative body in charge of geology and mining shall approve the procedure for financing, performing and reviewing the results of geological research to be conducted with state budget funds in accordance with this law.

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Article 17. Separation of exploration license selection areas

17.1. In determining the coordinates of the area in accordance with Article 11.1.25 of this Law, the State Administration shall notify the Governor of the respective aimag or the capital city in writing and attach a map of the area.

Upon receipt of the notification specified in 17.1 of this Law, the Governor of the aimag or the capital city shall take the opinion of the Citizens 'Representatives Khural of the soum or district where the area is located and the Presidium of the Citizens' Representatives Khural of the aimag or the capital city and respond within 45 days. the proposal shall be deemed approved. Aimag and capital city governors may refuse on the grounds specified by law.

The Government shall approve the coordinates of the exploration licensing area based on the approved proposal submitted in accordance with Article 17.2 of this Law and the proposal of the state central administrative body in charge of geology and mining.

17.4. Within the coordinates of the area approved by the Government in accordance with Article 17.3 of this Law, the State Administration shall identify the exploration license area and announce the tender invitation to the national daily newspapers and other mass media at least 30 days prior to the tender. .

17.5. The area allocated in accordance with Article 17.4 of this Law shall meet the following requirements:

17.5.1. Shall have a rectangular shape and its boundary shall be surrounded by a straight line coinciding with the longitudinal and latitudinal directions;

17.5.2. Not to overlap in any way with the land for special needs, land where prospecting and mining is prohibited, and the area taken as a reserve;

17.5.3. Not to overlap in any way with the area granted by a valid license.

17.6. In order to avoid duplication specified in Articles 17.5.2 and 17.5.3 of this Law, the area adjacent to the following areas and areas specified in the request may not be a straight line:

17.6.1. State border;

17.6.2. The area taken as a reserve;

17.6.3. Land for special needs, land where prospecting and mining is prohibited;

17.6.4. An area licensed prior to the enactment of this law and having a different form and location than those specified in this law;

17.6.5 natural formations such as lakes and ponds that are not considered to be included in the exploration area.

17.7. The size of the exploration area to be granted by one license shall be not less than 25 hectares and not more than 150 thousand hectares.

/ This article was amended according to the law dated November 10, 2017 /

Print

Article 18. Procedure for submitting an application for participation in the tender for an exploration license and its registration

/ This article was amended according to the law dated November 10, 2017 /

A legal entity specified in Article 7.1 of this Law shall submit an application to participate in the tender for an exploration license to the State Administrative Body in accordance with the procedure set forth in Article 10.1.2 of this Law and attach the following documents:

18.1.1. Name, postal address, telephone, fax number and e-mail address of the legal entity;

18.1.2. A notarized copy of the state registration certificate of the legal entity;

18.1.3. Receipt of service fee payment;

18.1.4. A technical proposal compiling information on the provision of professional personnel and machinery and equipment, the type, amount, duration, cost of exploration work to be carried out on the site and the project, budget and other relevant documents;

18.1.5. Price proposal submitted and sealed in accordance with the form approved by the state administrative body;

18.1.6. A reference from the tax administration confirming registration as a taxpayer in Mongolia;

18.1.7. Other necessary documents specified in the procedure specified in 10.1.2 of this Law. ”

18.2. Upon receipt of the request specified in 18.1 of this Law, the State Administration shall take the following actions:

18.2.1. To register the request in the registration book, mark the date, time, minute and registration number and give a reference to the requesting person;

18.2.2. To make special markings on the first and last registered request on that day.

/ This article was amended according to the law dated November 10, 2017 /

Print

~~Article 19 Application registration and review Process~~

~~19.1. Upon receipt of the application specified in 18.2 of this Law, the State Administration shall take the following actions:~~

~~19.1.1. To register the application in the application registration book , mark the registration date, time, minute and registration number on each page of the application and attached documents , and provide a reference to the applicant;~~

~~19.1.2. To make special markings on the first and last registered application on that day;~~

~~19.1.3. Immediately after registration, to conduct a preliminary examination to determine whether the application and attached documents meet the requirements set forth in Articles 17.1, 17.2 and 18.2 of this Law;~~

~~19.1.4. After the initial screening specified in Article 19.1.3 of this Law, the area specified in the request shall have the area specified in the application that has been restricted or prohibited from prospecting, exploration and mining , taken for special needs and reserves, as well as granted or previously submitted by an exploration license. determine if there is an overlap.~~

~~19.2. The State Administration shall make one of the following decisions within 20 working days after registering the application based on the actions specified in 19.1 of this Law:~~

~~19.2.1. If the application and attached documents do not meet the requirements set forth in Articles 17.1, 17.2 and 18.2 of this Law, refuse to accept the request, notify the applicant in writing of the reasons and grounds and record it in the application registration book;~~

~~19.2.2. To notify that an exploration license may be issued if the area specified in the request does not coincide with the area specified in 19.1.4 of this law;~~

~~19.2.3. If the area specified in the request restricts or prohibits prospecting, exploration and use of minerals, is taken for special needs or reserves, or completely or partially coincides with the area already granted by the exploration license, notify the applicant in writing and register the application. make a note of this in a notebook;~~

~~19.2.4. If the area specified in the request completely coincides with the area specified in the previously submitted application, notify the applicant in writing of the impossibility to issue a license and make a note in the application registration book;~~

~~19.2.5. If the area specified in the application partially overlaps with the area specified in the earlier application, it shall be notified that an exploration license may be issued for the part that does not overlap, and if the applicant wishes to obtain an exploration license for that area, re-apply.~~

~~19.3. If it is deemed possible to issue a license in accordance with Articles 19.2.2 and 19.2.5 of this Law, the State Administration shall notify the Governor of the respective aimag or the capital city in writing and attach a map of the area made in accordance with Article 17.1 of this Law.~~

~~19.4. Upon receipt of the notification specified in 19.3 of this Law, the Governor of the aimag or the capital city shall respond to the State Administrative Body within 30 days after receiving the opinion of the soum and district Citizens 'Representatives Khural and the Presidium of the aimag and capital city Citizens' Representatives Khural. The proposal is considered approved. Aimag and capital city governors may refuse to issue an exploration license only on the grounds specified by law.~~

~~19.6. If aimag and capital city governors support the proposal specified in 19.2.2 and 19.2.5 of this law, the state administrative body shall make a decision to issue an exploration license for the area and pay the first year license fee within the period specified in 34.1 of this law. notify the applicant.~~

~~19.7. If the applicant has not received the license within 1 month after making the decision specified in Article 19.6 of this Law or has not paid the first year fee within the period specified in Article 34.1 of this Law, the State Administration shall deregister the application and notify the applicant in writing. note.~~

~~19.8. If the applicant has paid the first year's fee within the period specified in Article 34.1 of this Law, the State Administration shall issue an exploration license for a period of 3 years and register the exploration license and the issued area in the license and its cartographic registration.~~

~~19.9. An exploration license shall contain the date of its issuance, the name of the holder, and the coordinates of the corner points of the issued area and shall have an appendix to reflect the changes related to the license.~~

~~19.10. As soon as the State Administrative Body issues an exploration license, it shall notify the state central administrative body in charge of nature and environment, aimag, soum and district governors and the specialized inspection agency and publish it in a daily newspaper.~~

~~19.11. If the State Administration has made a decision specified in Articles 19.2.1, 19.2.3, 19.2.4 and 19.7 of this Law, the application and attached documents shall be returned to the applicant.~~

~~19.12. Exploration licenses for mineral deposits identified in the course of geological surveys carried out with state budget funds shall be issued through a tender procedure.~~

/ This article was repealed by the law in force on November 10, 2017 /

Print

Article 20. Organizing tenders for issuing exploration licenses and issuing licenses

The State Administrative Body shall organize the tender for the issuance of an exploration license in accordance with the procedure set forth in Article 10.1.2 of this Law and perform one of the following activities:

20.1.1. To evaluate the technical and price proposals of the requested legal entity in accordance with the procedures set forth in Article 10.1.2 of this Law and notify that the highest rated bidder may be granted a license;

20.1.2. If 2 or more participants have received the same assessment, to inform the first registered participant that a license can be issued.

20.1.3.if the request and the attached documents do not meet the requirements specified in 18.1 of this Law, the grounds and reasons for not being able to participate in the tender shall be delivered to the requested legal entity together with the attached documents.

20.2. If a tender has been announced in accordance with Article 20.1 of this Law but no request has been received, the tender may be re-announced.

20.3. If it is possible to issue an exploration license in accordance with Articles 20.1.1 and 20.1.2 of this Law, a tender proposal, threshold price difference and notice of payment of the first annual license fee within the period specified in Article 34.1 of this Law shall be given to the legal entity selected. will be delivered.

20.4. If the State Administration has stated that it is not possible to obtain a license within the period specified in Article 34.1 of this Law from the date of submission of the notification as specified in 20.3 of this Law, or has not paid the tender price, threshold price difference and first year fee 20.1.1. , Cancel the notice specified in 20.1.2 and notify the requesting legal entity in writing.

20.5. If the successful legal entity has paid the first annual fee within the period specified in 34.1 of this Law, the State

Administration shall issue an exploration license for 3 years within 3 working days and register the exploration license and the issued area in the license and its cartographic registration.

20.6. An exploration license shall contain the date of its issuance, the name of the holder, and the coordinates of the corner points of the issued area and shall have an appendix to reflect the changes related to the license.

20.7. As soon as the State Administrative Body issues an exploration license, it shall notify the state central administrative body in charge of nature and environment, aimag, soum and district governors and the specialized inspection agency and publish it in a daily newspaper.

/ This article was amended according to the law dated November 10, 2017 /

Print

Article 21 Exploration license holder's rights

An exploration license holder shall have the following rights:

21.1.1. Prospecting and exploration for minerals within the boundaries of the exploration area in accordance with this law;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated February 13, 2015 /

~~21.1.2. To search for and search for radioactive minerals within the boundaries of the exploration area on the basis of a license issued by the state administrative body in charge of nuclear energy;~~

/ This provision was added by the law in 16 July 2009 /

/ This provision was repealed by the law in force on February 13, 2015 /

21.1.3. To obtain a mining license in any part of the exploration area in accordance with its exclusive rights on the basis of meeting the conditions and requirements set forth in this law;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

/ This part was amended according to the law dated February 13, 2015 /

21.1.4. To transfer a mineral exploration license on the basis of meeting the conditions and procedures specified in this law, and to return the area in whole or in part under the permission and supervision of the competent authority;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

/ This part was amended according to the law dated February 13, 2015 /

21.1.5. To extend the license for exploration of minerals other than radioactive minerals for a period of 3 years 3 times if the conditions and requirements specified in this law are met;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

/ This part was amended according to the law dated July 01, 2014 /

21.1.6. To enter the exploration area and conduct necessary temporary constructions for the purpose of conducting exploration work;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

21.1.7. To pass through the territory outside the exploration area in order to enter the exploration area;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

21.1.8. To enter and pass through the land owned and possessed by others for the purpose of exercising the rights specified in this law with the consent of its owner or possessor.

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

Print

Article 22 Extension of exploration license

One month prior to the expiration of an exploration license, its holder shall submit an application for extension to the State Administrative Body and attach the following documents:

22.1.1. A copy of the exploration license / the authorized person receiving the document shall verify the copy with the original and make a note on the authenticity of the copy free of charge /, if submitted by mail, a notarized copy;

/ This part was amended according to the law dated February 10, 2011 /

22.1.2. Receipt of payment of service fee and annual license fee, as well as proof of completion of work not less than the minimum exploration work cost;

22.1.3. Documents confirming the renewal of the environmental management plan in accordance with Article 40 of this law;

/ This part was amended according to the law dated May 17, 2012 /

22.1.4. A report on the completion of the exploration phase and the documents submitted.

Within 10 working days after receiving the application specified in 22.1 of this Law, the State Administration shall review whether the license holder meets the conditions and requirements set forth in Articles 7.2 and 31 of this Law. shall be extended for the specified period and this shall be recorded in the license registration.

/ This part was amended according to the law dated July 16, 2009 /

22.3. Upon extension of the exploration license, the State Administration shall notify the specialized inspection agency and publish it in the daily newspaper.

22.4. If the license holder does not meet the conditions and requirements specified in Articles 7.2 and 31 of this Law, the State Administration shall refuse to extend the term and notify the applicant in writing and record it in the license registration.

Print

~~Article 23 Pre-operational activities~~

~~23.1. The period from the time a mineral deposit is identified during the exploration work and its reserves are registered in the state registry until the development of the design, feasibility study, construction of the mine and production of the deposit is considered to be the pre-mining operation period.~~

~~23.2 The period for commencement of exploitation of a mineral deposit or construction of a mine shall not exceed 3 years after the expiration of the exploration license.~~

~~Pre-mining activities shall be regulated by a pre-mining agreement concluded between the exploration license holder and the state administrative body.~~

~~A license holder shall pay a fee for the 7th-9th years of an exploration license specified in Article 32.2 of this Law within the period specified in Article 23.2 of this Law.~~

/ This article was repealed by the law in force on July 1, 2014 /

Print

CHAPTER FOUR
MINERAL RESOURCES

Article 24 Requirements for obtaining a mining license

24.1. Only the holder of an exploration license shall have the right to apply for a mining license.

24.2. The procedure set forth in Article 18 and Article 20.1 of this Law shall be followed in issuing mining licenses in cases other than those specified in Article 24.1 of this Law.

/ This part was amended according to the law dated November 10, 2017 /

24.3. In the application specified in 24.1 of this Law, the corner point of the mine site shall be marked on a model map approved by the State Administration and the coordinates shall be determined in degrees, minutes and seconds and attached.

/ This part was amended according to the law dated November 10, 2017 /

24.4. The mine site shall meet the following requirements:

24.4.1. A rectangular polygon with a length of not less than 500 meters on each side and surrounded by a straight line that coincides with the longitudinal and latitudinal directions;

24.4.2. It does not coincide with the area taken for special needs and reserves, prohibited for prospecting and mining, as well as the area already granted by a valid license;

/ This part was amended according to the law dated July 16, 2009 /

24.4.3. In the case of salt and common mineral deposits, the area shall be at least 100 meters long on each side.

/ This part was amended according to the law dated July 16, 2009 /

24.5. In order to avoid overlap specified in 24.4.2 of this Law, the area adjacent to the following areas of the mine site may not be a straight line:

24.5.1. State border;

24.5.2. The area taken as a reserve;

24.5.3. Land for special needs, land where prospecting and mining is prohibited;

/ This part was amended according to the law dated July 16, 2009 /

24.5.4. An area granted prior to the enactment of this law and having a form or location other than that specified in this law;

24.5.5. Natural formations such as lakes and ponds deemed impossible to cover the mining area.

Print

Article 25 Procedure for applying for a mining license

An application for a mining license specified in Article 24.1 of this Law shall be submitted to the State Administration in accordance with the approved form and the following documents shall be attached to it: 25.1.

/ This part was amended according to the law dated November 10, 2017 /

25.1.1. A reference indicating the name of the legal entity, postal address, telephone, fax number, e-mail address and name of the official authorized to make a decision;

/ This part was amended according to the law dated July 01, 2014 /

25.1.2. Evidence that the person meets the requirements specified in 7.1 of this Law;

25.1.3. A map of the area made in accordance with Article 24.3 of this Law and the name of the aimag, soum or district where the area is located;

25.1.4. Receipt of payment of service fee specified in 10.1.4 of this law;

25.1.5. Minutes of the Minerals Council and the decision of the state administrative body after discussing and receiving the report on the results of the exploration work;

25.1.6. A document confirming that the company has fully complied with its obligations under the environmental management plan during the exploration work;

/ This part was amended according to the law dated May 17, 2012 /

25.1.7. Environmental impact assessment;

25.1.8. Decision of the organization or official that conducted the tender specified in 24.2 of this law in the area explored with

state budget funds.

Print

Article 26 Application registration and processing

Upon receipt of the application specified in 25.1 of this Law, the State Administration shall take the following actions:

26.1.1. To register the application in the application registration book, mark the registration date, time, minute and registration number on each page of the application and attached documents, and provide a reference to the applicant;

26.1.2. Immediately after registration, a preliminary examination shall be conducted to determine whether the application and attached documents meet the requirements set forth in Articles 24.3, 24.4 and 25.1 of this Law.

26.2. The State Administration shall clarify the following after conducting the initial examination specified in 26.1.2 of this Law:

26.2.1. If an exploration license holder has applied for a mining license for the area granted by the license, whether the requested area is fully within the boundaries of the exploration area;

26.2.2. Whether the requested area overlaps in any way with the area taken for special needs and reserves, prohibited for prospecting and mining, as well as the area granted by a valid license;

/ This part was amended according to the law dated July 16, 2009 /

26.2.3. Whether the amount and value of mineral resources determined by exploration are sufficient to compensate for ecological damage caused by mining.

26.3. The State Administration shall make one of the following decisions and notify the applicant within 20 working days after registration of the application on the basis of performing the actions specified in Articles 26.1 and 26.2 of this Law: 26.3.

26.3.1. If the application and attached documents do not meet the requirements set forth in Articles 24.3, 24.4 and 25.1 of this Law, refuse to accept the request, notify the applicant in writing of the reasons and grounds and record it in the application registration book;

26.3.2. If an exploration license holder has applied for a mining license for a given area, it shall be granted a mining area in accordance with its exclusive rights and pay the first year license fee within the period specified in Article 34.1 of this law;

26.3.3. If the area specified in the request restricts or prohibits prospecting, exploration and mining of minerals, or is taken for special needs or reserves, as well as does not coincide in any way with the area already issued by a valid license, the first year license fee shall be paid. To be paid within the period specified in 34.1;

26.3.4. If the area mentioned in the request coincides with any part of the area specified in 26.3.3 of this Law, refuse to issue a mining license, notify the applicant in writing of the reasons and record it in the application registration book.

26.4. If the person who received the decision to issue a license in accordance with Articles 26.3.2 and 26.3.3 of this Law has not paid the license fee for the first year specified in Article 34.1 of this Law, the State Administration shall deregister the application and notify the applicant in writing. make an entry in the application register.

26.5. The State Administration shall issue a mining license for a period of 30 years within 3 working days after the applicant pays the first annual license fee in accordance with Articles 26.3.2 and 26.3.3 of this Law. registered in the legal register.

26.6. The mining license shall indicate the date of its issuance, the name and address of the holder and the coordinates of the corner point of the mine site and shall have an appendix for marking the changes related to the mining license.

26.7. The State Central Administrative Body Responsible for Environmental Matters, the State Administrative Body Responsible for Taxation and the Governor of the aimag, soum or district where the licensed area is located shall, within 7 working days after the State Administrative Body issues the mining license and derivative mining license. The specialized inspection agency shall be notified and published in a daily newspaper.

/ *This part was amended according to the law dated November 10, 2016* /

26.8. If the State Administration has made a decision specified in Articles 26.3.1, 26.3.4 and 26.4 of this Law, the application and attached documents shall be returned to the applicant.

26.9. A mining license shall be issued through a tender procedure for an area explored with state budget funds and identified reserves.

26.10. In case of using a derivative deposit by a third party, the mining license holder shall enter into a derivative deposit development agreement with the third party and notify the state administrative body in charge of geology and mining within 14 days.

/ *This section was added by the law in 10 November 2016* /

26.11. The state administrative body in charge of geology and mining shall issue a license to develop a derivative deposit for a period of three years based on the agreement specified in 26.10 of this Law and the conclusion and decision discussed by the Minerals Professional Council.

/ *This section was added by the law in 10 November 2016* /

26.12. A person who has obtained a mineral mining license shall register his / her land use right in the state registration of rights in accordance with the Law on State Registration of Property Rights.

/ This section was added by the law in 21 June 2018 /

Print

Article 27 Rights and obligations of the mining license holder

A mining license holder shall have the following rights and obligations:

27.1.1. To use minerals located in the possession of the mine in accordance with the conditions and procedures specified in this law;

/ This part was amended according to the law dated July 16, 2009 /

/ This part was amended according to the law dated February 13, 2015 /

~~27.1.2. To use radioactive minerals located in the possession of the mine on the basis of a license issued by the state administrative body in charge of nuclear energy;~~

/ This provision was added by the law in 16 July 2009 /

/ This provision was repealed by the law in force on February 13, 2015 /

27.1.3. To fulfill the obligations specified in Chapter Six of this Law;

/ This part was renumbered by the Law of July 16, 2009 /

27.1.4. to sell minerals and products produced by mining license holders and legal entities authorized to export at international market prices;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

/ This part was amended according to the law dated July 01, 2014 /

/ This part was amended according to the law dated February 13, 2015 /

27.1.5. To conduct mineral exploration in the mining area;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

/ This part was amended according to the law dated February 13, 2015 /

27.1.6. To transfer a mining license and return the mining area in whole or in part on the basis of meeting the conditions and requirements set forth in this law;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

/ This part was amended according to the law dated February 13, 2015 /

27.1.7. To extend the mining license for other types of minerals other than radioactive minerals by 20 or 20 years depending on the amount of mineral resources;

/ This part was amended according to the law dated July 16, 2009 and the number was also changed /

27.1.8. To enter and transit the mining area for the purpose of conducting mining operations, to construct and use necessary constructions and facilities;

/ This part was renumbered by the Law of July 16, 2009 /

27.1.9. To pass through the territory outside the mine site;

/ This part was renumbered by the Law of July 16, 2009 /

27.1.10. To enter and transit land owned or possessed by others with the consent of its owner or possessor for the purpose of exercising the rights specified in this law;

/ This part was renumbered by the Law of July 16, 2009 /

27.1.11 use land and water in accordance with relevant legislation.

/ This part was renumbered by the Law of July 16, 2009 /

27.1.12. The feasibility study for the development of the deposit specified in Article 48.6.1 of this law shall clearly state the assets required for transportation of the mine products, how to build the infrastructure and for the rehabilitation and closure of the mine;

/ This provision was added by the law in 1 July 2014 /

27.1.13. To have an official in the state administrative body in charge of geology and mining who is responsible for regularly reporting on issues of environment, rehabilitation and mine closure;

/ This provision was added by the law in 1 July 2014 /

27.1.14. The land use right has been registered in the state registration of rights in accordance with the Law on State Registration of Property Rights.

/ This provision was added by the law in 21 June 2018 /

Print

Article 28 Extension of mining license

28.1. At least 2 years prior to the expiration of the mining license, its holder shall submit an application for renewal in accordance with the form approved by the State Administration and attach the following documents:

28.1.1. A copy of the mining license / the authorized person receiving the document shall verify the copy with the original and make a note on the authenticity of the copy free of charge /, if submitted by mail, a notarized copy;

/ This part was amended according to the law dated February 10, 2011 /

28.1.2. Receipt of payment of service fee and license fee;

28.1.3. A document confirming that the implementation of the environmental protection plan has been monitored in accordance with Article 39 of this law.

28.2. The State Administration shall, within 15 working days after receiving the application specified in 28.1 of this Law, review the compliance of the license holder to ensure that the license holder retains the right to possess the license and extend the license for the period specified in 27.1.7 of this Law. shall be recorded in the register and notified to the applicant.

/ This part was amended according to the law dated July 16, 2009 /

28.3. The State Administration shall notify the organizations specified in Article 26.7 of this Law of the decision to extend the

mining license within 7 working days after its issuance and publish it in the daily newspaper.

Print

~~Article 29 Investment agreement~~

~~29.1. If a mining license holder requests to invest more than 50 million US dollars in the territory of Mongolia in the first 5 years of its operation, an investment agreement may be concluded with it in order to keep its operating conditions stable for a certain period of time.~~

~~29.1.1. To keep the tax environment stable;~~

~~29.1.2. To sell its products at the international market price;~~

~~29.1.3. To guarantee the right to dispose of the earned income;~~

~~29.1.4. Amount and term of investment;~~

~~29.1.5. To extract minerals with minimal damage to human health and the environment;~~

~~29.1.6. Protection and rehabilitation of the environment;~~

~~29.1.7. Not to adversely affect other types of production and activities;~~

~~29.1.8. To develop the region and create new jobs;~~

~~29.1.9. to compensate for the damage caused.~~

~~29.2. Members of the Government in charge of finance, geology, mining and environment shall enter into an agreement specified in Article 29.1 of this Law with the investor upon authorization of the Government of Mongolia .~~

~~29. 3 . E khnii over 5 years to invest 50 million US dollars equivalent with a 10 and 100 million US dollars over AC tie with a 15 and a tie totaled more than 300 million US for 30 years na Construct agreement referred to in Article 29.1 .~~

~~29.4. If the amount of investment is from 50.0 million USD to 100.0 million USD, it shall be discussed by the Government, and if it is more than 100.0 million USD, it shall be discussed by the State Great Hural.~~

/ This article was repealed by the law in October 03, 2013 /

Print

~~30 Wash your article. Concluding an agreement with an investor~~

~~30.1. Investor agreement referred to in Article 29.1 of of the request to conclude a draft agreement referred to in Article 29.2 of this law the state central administrative organizations submit ad , and it follows Horse attached to the document:~~

~~All 30.1.1.ekhnii investment of 5 years, size, timing and power plant via in capacity and product types, deposit methods and technology used for future technical and economic grounds;~~

~~30.1.2. Minutes of the Minerals Professional Council on the registration of the deposit's reserves in the unified state reserve register .~~

~~30.2. Referred to in Article 30.1 of the state central administrative organizations of the investor's request , the draft agreement and attached documents specified in Article 29.3 and 30.1 of this law, if adequate control 10 Feather work ie the person who made the request within t .~~

~~30.3. Referred to in Article 30.1 of the state central administrative organizations investor demand and contractual similarity ie , attached documents within 3 months of receipt Monitor to be the case should be of organizations and experts , opinion , based on an additional period of up to 3 months for clarification do snii on the main investors in accordance with Article 29.1 na treaty .~~

~~30.4. According to Article 30.3 of this law of asset to enter ive after signing the contract, Mongolia and other statements about the contractual terms of organization delivered.~~

/ This article was repealed by the law in October 03, 2013 /

Print

CHAPTER
conditions retain ownership of exploration and mining licenses

Article 31 Retention of license rights

A license holder shall be obliged to comply with the conditions and requirements specified in Articles 32 and 33 of this Law, and in case of violation, the license shall be revoked in accordance with Article 56 of this Law.

Print

Article 32 License fee

32.1. The license holder shall pay the license fee annually in accordance with this law.

32.2 Exploration license fee per hectare of exploration area is 145 MNT in the first year, 290 MNT in the second year, 435 MNT in the third year, 1450 MNT in 4-6 years, 2175 MNT in 7-9 years, 10-12 7250 MNT in the second year.

/ This part was amended according to the law dated July 01, 2014 /

/ This part was amended according to the law dated January 23, 2015 /

32.3. The mining license fee shall be 21,750 MNT per hectare of the licensed mining area, and 7250 MNT per hectare for limestone, coal and minerals for domestic production.

/ This part was amended according to the law dated January 09, 2014 /

/ This part was amended according to the law dated January 23, 2015 /

Print

Article 33 Minimum exploration costs and their verification

An exploration license holder shall perform exploration work annually at a cost of not less than the following amounts per hectare of the licensed area: 33.1.

0.5.1 US dollars in the 2nd - 3rd year of the license;

33.1.2. $ 1.0 for the 4th to 6th year of the license;

33.1.3. $ 1.5 for the 7th to 9th year of the license.

10.1 USD for the 10th-12th year of the license.

/ This provision was added by the law in 1 July 2014 /

33.2 The amount of expenditure on exploration work shall be approved by the state administrative body based on the license holder's annual report on geological exploration work and financial balance.

33.3. If necessary, the State Administration shall inspect the amount of expenditures spent on exploration work on the spot.

Print

Article 34 Pay the license fee

An exploration and mining license holder shall pay the first year license fee within 10 working days after receiving the notification specified in Articles 20.3, 26.3.2 and 26.3.3 of this law.

/ This part was amended according to the law dated November 10, 2017 /

The license holder shall calculate the next year's fee from the date of issuance of the license and pay it in advance each year.

34.3 The amount of the license fee shall be determined based on the size of the area registered in the license registration at

the time of making the payment and the amount of the fee shall not be changed in that year.

34.4. The date of payment of the license fee shall be considered as the date of the bank transaction and the license fee shall be considered as paid upon submission of relevant documents to the State Administration.

34.5. In calculating expenses expressed in US dollars in this law, the official exchange rate set by the Bank of Mongolia for that day shall be followed.

/ This part was amended according to the law dated January 23, 2015 /

34.6. If the payment is not made within the period specified in 34.2 of this Law, a penalty shall be imposed for each day of delay at the rate of 0.3 percent of the amount to be paid in the given year.

/ This section was added by the law in 1 July 2014 /

34.7. The period specified in Article 34.6 of this Law shall be up to 30 days, and if this period is exceeded, the license shall be revoked in accordance with Article 56 of this Law.

/ This section was added by the law in 1 July 2014 /

Print

CHAPTER
responsibility of the license holder

Article 35 General obligations of the license holder

A license holder shall comply with the general obligations set forth in this Article when prospecting, prospecting and exploiting minerals, and shall be liable in accordance with the Law on Violations.

/ This part was amended according to the law dated December 04, 2015 /

An exploration license holder shall keep the following documents at the place of exploration:

35.2.1. A copy of the exploration license;

/ This part was amended according to the law dated February 10, 2011 /

35.2.2. environmental management plans and reports;

/ This part was amended according to the law dated May 17, 2012 /

35.2.3. Exploration work plan reviewed by the state administrative body and specialized inspection agency.

35.3. The mining license holder shall keep the following documents at the mine:

35.3.1. A copy of the mining license;

/ This part was amended according to the law dated February 10, 2011 /

35.3.2. Feasibility study for mining and mining work plan reviewed by relevant organization;

35.3.3. Environmental impact assessment;

35.3.4. environmental management plan;

/ This part was amended according to the law dated May 17, 2012 /

35.3.5. Property lease and product sale agreement;

35.3.6. An act demarcating the mine site and placing a permanent footprint;

35.3.7. Land and water use agreement.

35.4. The mining license holder shall start operating the mine after the commission appointed by the state central administrative body in charge of geology and mining issues receives the mine.

35.5. The license holder shall be obliged to fully use the mineral resources and it shall be prohibited to use them selectively for

profit only.

35.6. A legal entity holding a mining license and an artisanal gold miner shall submit the gold mined within the given financial year.

/ This section was added by the law in January 24, 2014 /

35.7. If a license holder detects methane gas during coal mining, it shall notify the state administrative body in charge of petroleum matters.

/ This section was added by the law in 1 July 2014 /

35.8. If a license holder intends to use methane gas specified in Article 35.6 of this Law, it may conduct mining operations in accordance with the Law on Petroleum.

/ This section was added by the law in 1 July 2014 /

35.9. The license holder shall give priority to a taxpayer business entity registered in Mongolia that has goods, works and services that meet the standard requirements in purchasing goods, works and services required for its activities and selecting subcontractors.

/ This section was added by the law in 1 July 2014 /

35.10. The mining license holder shall be responsible for geological and mining issues when terminating the operation of a mine development or concentrator due to technical accidents, delays, force majeure, court decisions, suspension of operations in accordance with the Law on Investigation and Resolution of Violations and other reasons. inform the state administrative body.

/ This section was added by the law in 1 July 2014 /

/ This part was amended according to the law dated May 18, 2017 /

35.11. Extracted, enriched and semi-processed products shall be supplied primarily to processing plants operating in the territory of Mongolia at market prices.

/ This section was added by the law in 1 July 2014 /

35.12. The license holder shall notify the State Administration within 14 days in case of change of its address, e-mail, telephone and fax numbers.

/ This section was added by the law in 1 July 2014 /

Print

Article 36 Demarcation and demarcation of the mine site

36.1. The mining license holder shall, within 3 months after registration in the license registration in accordance with Article 26.5 of this Law, determine the boundaries of the mine site in accordance with the technical requirements set by the specialized inspection agency and mark the boundaries of the mine site. , submit an act on demarcation to the office.

36.2. The mining license holder shall protect the mine site footprint and take measures to relocate the mine site in case of change of the site boundary by the decision of the state administrative body.

Print

Article 37 Environmental protection

A license holder shall comply with the obligations set forth in the legislation on environmental protection and Articles 38 and 39 of this law.

37.2. It shall be prohibited to start prospecting and exploration activities without the permission of the Environmental Authority and without the decision of the commission specified in Article 35.4 of this Law. In case of a dispute, a complaint may be lodged with the specialized inspection agency.

Print

Article 38 Obligations of the exploration license holder to protect the environment

An exploration license holder shall have the following obligations to protect the environment:

38.1.1. Within 30 days after obtaining the license, develop an environmental protection plan in consultation with the environmental inspection service and the soum or district governor where the exploration area is located;

38.1.2. The plan specified in Article 38.1.1 of this Law shall not exceed the permissible level of environmental pollution, and shall include rehabilitation measures that may be used for public purposes in the future by burying, leveling and planting vegetated land;

38.1.3. To submit the plan specified in Article 38.1.1 of this Law to the Governor of the soum or district where the exploration area is located for approval;

38.1.4. To submit a copy of the environmental management plan approved in accordance with Article 38.1.3 of this Law to the local environmental inspection office where the exploration area is located;

/ This part was amended according to the law dated May 17, 2012 /

38.1.5. Adverse environmental impacts generated during the exploration work shall be recorded from time to time and reflected in the annual report of the environmental management plan, and the report shall be submitted to the Environmental Inspection Agency and the Governor of the respective soum or district;

/ This part was amended according to the law dated May 17, 2012 /

38.1.6. The report specified in Article 38.1.5 of this Law shall reflect the measures taken to protect the environment, new techniques and technologies used in the exploration work, and amendments to the plan to prevent potential adverse effects on the environment. to be approved by the district governor;

38.1.7. To provide opportunities for state and local administrative officials authorized to monitor the implementation of environmental protection legislation to enter the exploration area and conduct on-site inspections;

38.1.8. Transfer funds equal to 50 percent of the annual expenditures required for environmental protection measures to a special account opened by the relevant soum or district governor as a guarantee of fulfilling its obligations to protect the environment.

Soum and district governors shall review and approve the plan specified in Articles 38.1.3 and 38.1.6 of this Law and its changes within 10 days after receiving it and submit it to the license holder.

38.3. If the license holder has not fully complied with the measures set forth in the environmental management plan, the soum or district governor shall use the funds specified in Article 38.1.8 of this law to carry out environmental rehabilitation and the additional required funds shall be paid by the license holder.

/ This part was amended according to the law dated May 17, 2012 /

38.4. If the license holder has fully fulfilled its obligations set forth in the environmental management plan, the assets specified in 38.1.8 of this law shall be returned to it.

/ This part was amended according to the law dated May 17, 2012 /

Print

Article 39 Obligations of the mining license holder on environmental protection

A mining license holder shall have the following obligations to protect the environment:

39.1.1. Before obtaining a mining license by a person specified in Article 24.1 of this Law, after obtaining a mining license by a tender procedure, an environmental impact assessment shall be conducted and an environmental management plan shall be

developed;

/ This part was amended according to the law dated May 17, 2012 /

39.1.2. By conducting an environmental impact assessment, to determine in advance the potential harmful effects on human health and the environment during the operation of the mine, and to determine measures to reduce and eliminate them;

39.1.3. The environmental management plan shall include comprehensive measures to ensure that mining operations are carried out with minimal damage to the environment and to prevent air and water pollution and adverse effects on humans, animals and plants;

/ This part was amended according to the law dated May 17, 2012 /

39.1.4. In addition to those specified in Article 39.1.3 of this Law, the following shall be included in the environmental management plan:

/ This part was amended according to the law dated May 17, 2012 /

39.1.4.1. To store and monitor toxic and potentially harmful substances and materials;

39.1.4.2. To protect, use and accumulate surface and groundwater;

39.1.4.3 build a tailings dam and ensure the safety of the mine site;

39.1.4.4. Rehabilitation measures specified in Article 38.1.2 of this Law;

39.1.4.5. Other measures related to the specifics of the mining operation.

39.1.5 submit to the state central administrative body in charge of nature and environment an environmental impact assessment and environmental management plan developed in accordance with Article 39.1.1 of this law;

/ This part was amended according to the law dated May 17, 2012 /

39.1.6. Upon approval of the environmental impact assessment and environmental management plan, the license holder shall submit a copy to the Governor of the respective aimag, soum or district where the mineral deposit is located and the Environmental Inspection Agency;

/ This part was amended according to the law dated May 17, 2012 /

39.1.7. Register the negative impacts of mining operations on the environment from time to time, issue annual reports on the implementation of environmental management plans and submit them to the state central administrative body in charge of nature and environment, governors of aimags, soums and districts and specialized inspection agencies. The report should include the following:

/ This part was amended according to the law dated May 17, 2012 /

39.1.7.1. Measures taken to protect the environment;

39.1.7.2. New techniques and technologies used;

39.1.7.3. Proposals to amend the environmental impact assessment plan and the environmental management plan in connection with the potential negative impact on the environment due to the expansion and increase of the capacity of the plant.

/ This part was amended according to the law dated May 17, 2012 /

39.1.8. to provide opportunities for state and local administrative officials authorized to monitor the implementation of environmental protection legislation to enter the mine site and conduct on-site inspections;

39.1.9. Regulate in accordance with Article 9.8 of the Law on Environmental Impact Assessment

/ This part was amended according to the law dated May 17, 2012 /

39.2. The state central administrative body in charge of nature and environment shall review and approve the documents

specified in Articles 39.1.5 and 39.1.7.3 of this Law and deliver them to the license holder within 30 days after receiving them.

39.3. In case of non-compliance with environmental rehabilitation measures, the state central administrative body in charge of nature and environment shall have environmental rehabilitation carried out by a specialized organization with the funds specified in 39.1.9 of this law and additional funds shall be required from the license holder.

39.4. If the license holder has fully fulfilled its obligations set forth in the environmental impact assessment and environmental management plan, the assets specified in 39.1.9 of this law shall be returned to it during the mine closure phase.

/ This part was amended according to the law dated May 17, 2012 /

/ This part was amended according to the law dated May 17, 2012 /

39.5. The funds specified in Article 39.3 of this Law shall be transferred prior to the commencement of mining operations in the current year and the state central administrative body in charge of nature and environment shall notify the Governor of the respective soum or district.

/ This part was amended according to the law dated May 17, 2012 /

39.6. Soum and district governors shall have the right to suspend mining operations for a given year if the funds specified in Article 39.1.9 of this Law have not been transferred within the period specified in Article 39.5 of this Law.

39.7. In case of incomplete rehabilitation work of the given year, soum and district governors and the specialized inspection agency shall have the right not to start mining work for the next year.

The member of the Government in charge of nature and environment shall approve the procedure for controlling the special account transactions specified in Articles 38.1.8 and 39.1.9 of this Law.

39.9. During the term of the license, the State Central Administrative Body Responsible for Environmental Matters shall demand amendments to the environmental impact assessment and environmental management plan if new conditions and circumstances arise due to the introduction of new techniques and technologies by the holder.

/ This part was amended according to the law dated May 17, 2012 /

Print

Article 40 Review updated environmental impact assessments and management plans

/ The title of this article was amended by the law in 5 May 2012 /

When extending the term of an exploration license, the license holder shall update the environmental management plan and submit it to the soum or district governor for approval before the expiration of the exploration license.

/ This part was amended according to the law dated May 17, 2012 /

40.2. When extending the mining license, the license holder shall update the environmental impact assessment and environmental management plan and submit it to the state central administrative body in charge of nature and environment for approval.

/ This part was amended according to the law dated May 17, 2012 /

40.3. The plan and assessment specified in Articles 40.1 and 40.2 of this Law shall be approved in accordance with Articles 38.2 and 39.2 of this Law.

Print

40 1 of züil.Soyolyn heritage

40 1 .1.Tusgai permit holder to comply with the obligations set forth in Article 402, 46 Law on Protection of Cultural Heritage and regulations of this law.

40 1 .2. It shall be prohibited to conduct prospecting, research and exploration of minerals without prior permission of a professional organization of paleontology, archeology and ethnography during mineral exploration.

/ Article 40 1 was added by the law in 5 May 2014 /

Print

40 2 obligations of licensees to cover züil.Soyolyn heritage

40 2 .1. The license holder shall have the following responsibilities for the protection of cultural heritage:

40 2 .1.1. To allow officials of the state and local administrative organizations and state inspectors authorized to monitor the implementation of the legislation on protection of cultural heritage to enter the exploration area and conduct on-site inspections;

40 2 .1.2. Shall ensure the integrity of the cultural heritage discovered during the prospecting and exploration of minerals, register it in the cultural heritage registration and database in accordance with the law and transfer the heritage to the relevant organization for storage.

/ Article 40 2 above was added by the law in 5 May 2014 /

Print

Article 41 Compensation for property damage

41.1. If a license holder caused damage to wells, winter camps, private and public housing and other buildings and historical and cultural monuments during exploration and mining activities, the damage shall be fully compensated to the owner or possessor and relocated if necessary. be responsible for related costs.

Print

Article 42 Dealing with local government

42.1. The license holder shall enter into an agreement with the local administrative organization on issues related to environmental protection, development of infrastructure related to mine operation, establishment of factories, and job creation.

42.2. The license holder may hold a public consultation with the local administrative organization on the issues specified in 42.1 of this law.

42.3. A representative of the license holder and the public responsible for public oversight of the environmental rehabilitation activities may be elected from among the citizens.

/ This part was amended according to the law dated July 16, 2009 /

Article 43 Workforce requirements

43.1. The mining license holder and their subcontractors shall be obliged to provide jobs to citizens of Mongolia and not more than 10 percent of the employees of the legal entity may be foreign citizens.

/ This part was amended according to the law dated July 01, 2014 /

43.2. If a license holder employs foreigners in excess of the amount specified in Article 43.1 of this Law, it shall pay a monthly fee equal to 10 times the minimum wage for each job.

43.3. Payments specified in Article 43.2 of this Law shall be centralized in the budget of the respective soum or district and shall be spent on employment promotion, job creation, education and health sector.

/ This part was amended according to the law dated February 04, 2016 /

Article 44 Ensure hygiene and safety

44.1. The license holder shall carry out certain activities to ensure labor safety and hygiene conditions of mine employees and safety of citizens of the respective soum or district in accordance with relevant legislation.

Print

Article 45 Requirements for mine closure

45.1. If a license holder closes a mine, mining or concentrator in whole or in part, it shall notify the State Central Administrative Body at least one year in advance and take appropriate measures in accordance with the procedure set forth in Article 10.1.14 of this Law: 45.1.

/ This part was amended according to the law dated May 17, 2012 /

/ This part was amended according to the law dated July 01, 2014 /

45.1.1 take full measures to make the mining area safe for public use and to rehabilitate the environment;

45.1.2. To take measures to prevent the use of the land occupied by the mine for public purposes;

45.1.3. To remove technical means, equipment and property from the site, except with the permission of the local administrative body or specialized inspection agency.

45.2. Areas created or potentially endangered by mining operations shall be marked in detail on a map of appropriate scale, necessary signs, signals and warnings shall be placed in the mining area and the map shall be submitted to the specialized inspection agency and soum, bag and district governors.

Print

Article 46 Registration and sale of precious metals and gemstones

46.1. The mining license holder shall determine the samples and quality of all types of extracted precious metals and gemstones by the state administrative body in charge of sampling and register the quantity. */ This part was amended according to the law dated December 19, 2008 /*

The Government shall approve the list of precious metals and gemstones to be registered in accordance with Article 46.1 of this Law, and the procedure for determining and registering their samples and quality.

46.3 The Bank of Mongolia shall follow the international market price when purchasing and paying for precious metals and gemstones.

46.4. A mining license holder may export mined precious metals and gemstones through the Bank of Mongolia.

46.5. A mining license holder shall be obliged to sell natural gold weighing more than 400 grams or lighter but with a unique shape, as well as rare stones and gems with rare colors and shapes to the state treasury of the Bank of Mongolia at a discounted price.

Print

Article 47 Royalties

The following persons shall be payers of royalties:

47.1.1. A holder of a mineral license;

47.1.2. A person who exported minerals;

47.1.3. A person who has delivered gold to the Bank of Mongolia or a commercial bank authorized by it.

/ This part was amended according to the law dated December 23, 2011 /

/ This part was amended according to the law dated March 26, 2019 /

/ This section states that “a legal entity that sells, transports or uses minerals ... shall be a payer of royalties and shall pay

royalties to the state budget based on the sales value of all types of minerals sold, shipped and used for sale". was annulled by Resolution No. 04 of the Constitutional Tsets of October 30, 2019.

/ This part was amended according to the law dated November 22, 2019 /

47.2. The sales value specified in 47.16 of this Law shall be calculated according to the following procedures:

/ This part was amended according to the law dated November 22, 2019 /

47.2.1. If a product is exported, based on the principle of determining the average of the month recognized in international trade, following the international market price of the product or similar product;

47.2.2. Based on the domestic market price of the product or similar product if it is sold or used domestically;

47.2.3. Based on the sales revenue declared by the license holder in case of impossibility to determine the reference market price of the products sold in domestic and foreign markets.

47.3. Royalties shall be imposed in the following amounts:

47.3.1. Fee for the use of coal resources mined for own use, sold domestically or shipped for sale at 2.5 percent of sales value;

47.3.2. The royalty on gold sold to the Bank of Mongolia and a commercial bank authorized by it shall be 5.0 percent of the sales value and shall not be increased by the percentage specified in Article 47.5 of this Law;

47.3.3. Royalties for the use of all types of mineral resources other than those specified in Articles 47.3.1 and 47.3.2 of this Law shall be 5.0 percent of the sales value of the product.

/ This part was amended according to the law dated November 22, 2019 /

~~47.4. Depending on the increase in the market price of the product, the royalty shall be calculated based on the percentage specified in 47.3.2 of this Law plus the percentage specified in 47.5 of this Law.~~

/ This part was added by the law in 5 November 2010 /

/ This part was annulled by the Resolution No. 04 of the Constitutional Tsets dated October 30, 2019./

47.5 The following percentages shall be added to the percentage specified in 47.3.3 of this Law depending on the increase in the market price of the product and the level of processing:

/ This part was amended according to the law dated November 22, 2019 /

№	Product type	Unit of measurement	Reference products	Market price level / in USD /	Percentage to be added to the base rate depending on the level of processing of the product		
					Ore	Concentrate	Products
1	Copper	tn	Copper / pure metal /	0-5000	0.00	0.00	0.00
				Up to 5000-6000	22.0	11.0	1.00
				Up to 6000-7000	24.0	12.0	2.00
				Up to 7000-8000	2	13.0	3.00

					6.0		
				Up to 8000-9000	28.0	14.0	4.00
				9000 and above	30.0	15.0	5.00
2	Gold	ounces	Gold / chemically pure /	0-900			0.00
				Up to 900-1000			1.00
				Up to 1000-1100	-	-	2.00
				1100-1200			3.00
				Up to 1200-1300			4.00
				1300 and above			5.00
3	Zinc	tn	Zinc / pure metal /	0-1500	0.00	0.00	0.00
				Up to 1500-2000	1.00	0.80	0.40
				2000-2500	2.00	1.60	0.80
				Up to 2500-3000	3.00	2.40	1.20
				Up to 3000-3500	4.00	3.20	1.60
				3500 and above	5.00	4.00	2.00
4	Molybdenum	tn	Molybdenum	0-35000	0.00	0.00	0.00
				Up to 35,000-40,000	1.00	0.80	0.50
				Up to 40,000-45,000	2	1.60	1.00

					.00		
				Up to 45,000-50,000	3.00	2.40	1.50
				Up to 50,000-55,000	4.00	3.20	2.00
				55,000 and above	5.00	4.00	2.50
5	Iron	tn	Iron ore	0-60	0.00	0.00	0.00
				Up to 60-70	1.00	0.70	0.40
				Up to 70-80	2.00	1.40	0.80
				Up to 80-90	3.00	2.10	1.20
				Up to 90-100	4.00	2.80	1.60
				100 and above	5.00	3.50	2.00
6	Tungsten	tn	Tungsten concentrate	0-25000	0.00	0.00	
				Up to 25,000-30,000	1.00	0.80	
				Up to 30,000-35,000	2.00	1.60	-
				Up to 35,000-40,000	3.0	2.40	

					0		
				Up to 40,000-45,000	4.00	3.20	
				45,000 and above	5.00	4.00	
7	Fluorite	tn	Fluorspar ore and concentrate	0-80	0.00	0.00	
				Up to 80-90	1.00	0.90	
				Up to 90-100	2.00	1.80	-
				Up to 100-110	3.00	2.70	
				Up to 110-120	4.00	3.60	
				120 and above	5.00	4.50	
8	Fluorspar concentrate (flotation concentrate)	tn	Fluorspar concentrate / flotation concentrate /	0-200		0.00	
				Up to 200-230		0.70	
				Up to 230-260	-	1.40	-
				260-290		2.10	
				Up to 290-320		2.80	
				320 and above		3.50	
9	Lead	tn	Tin / pure metal /	0-17000	0.00	0.00	0.00
				17,000-18,000	1.00	0.80	0.50
				18,000-19,000	2.0	1.60	1.00

					0		
				From 19,000 to 20,000	3.00	2.40	1.50
				20,000-21,000	4.00	3.20	2.00
				21,000 and above	5.00	4.00	2.50
10	Lead	tn	Lead / pure metal /	0-1500	0.00	0.00	0.00
				From 1500 to 1800	1.00	0.80	0.40
				1800-2100	2.00	1.60	0.80
				From 2100 to 2400	3.00	2.40	1.20
				From 2400-2700	4.00	3.20	1.60
				2700 and above	5.00	4.00	2.00
~~11~~	~~Unprocessed coal~~	~~tn~~	~~Coal~~	~~0-25~~	~~0.00~~	-	
				~~Up to 25-50~~	~~1.00~~		
				~~Up to 50-75~~	~~2.00~~		-
				~~Up to 75-100~~	~~3.00~~		

				~~Up to 100-125~~	~~4.00~~		
				~~125 and above~~	~~5.00~~		
~~12~~	~~Enriched coal (dry and wet processing)~~	~~tn~~	~~Coal~~	~~0-100~~	-	~~0.00~~	-
				~~Up to 100-130~~	-	~~1.00~~	-
				~~Up to 130-160~~	-	~~1.50~~	-
				~~160-190~~	-	~~2.00~~	-
				~~From 190 to 210~~	-	~~2.50~~	-
				~~210 and above~~	-	~~3.00~~	-
~~13~~	~~Finished products (semi-coke, coke, gas, liquid fuels, coal-chemical products)~~	~~tn~~	~~Coke~~	~~0-160~~	-	-	~~0.00~~
				~~160-190~~			~~0.50~~
				~~From 190 to 210~~			~~1.00~~
				~~Up to 210-240~~			~~1.50~~
				~~Up to 240-270~~			~~2.00~~
				~~270 and above~~			~~2.50~~
14	Money	ounces	Money / chemically /	0-25			0.00
				Up to 25-30			1.00
				Up to 30-35		-	2.00
				Up to 35-40			3.00
				Up to 40-45			4.00
				45 and above			5.00
15	Magnesite	tn	Magnesite concentrate	From 0 to 100	0.00	0.00	
				Up to 100-120	1.00	0.90	
				Up to 120-140	2.00	1.80	-
				Up to 140-160	3.00	2.70	
				Up to 160-180	4.00	3.60	

				180 and above	5.00	4.50	
16	Aluminum	tn	Aluminum / pure metal /	0-2300	0.00	0.00	0.00
				From 2300 to 2600	1.00	0.90	0.50
				2600-2900	2.00	1.80	1.00
				2900-3200	3.00	2.70	1.50
				From 3200-3500	4.00	3.60	2.00
				3500 and above	5.00	4.50	2.50
17	Rare earth element	kg	Rare earth element oxide concentrate	0-10	0.00	0.00	
				Up to 10-20	1.00	0.90	
				Up to 20-30	2.00	1.80	-
				Up to 30-40	3.00	2.70	
				Up to 40-50	4.00	3.60	
				50 and above	5.00	4.50	
1	Phosphorite	tn	concentrate	From 0 to 70	0.	0.00	0.00

8					0.00		
				70-90	1.00	0.90	0.50
				Up to 90-110	2.00	1.80	1.00
				Up to 110-130	3.00	2.70	1.50
				Up to 130-150	4.00	3.60	2.00
				150 and above	5.00	4.50	2.50
19	Zeolite	tn	Zeolite	0-200	0.00	0.00	
				Up to 200-250	1.00	0.90	
				Up to 250-300	2.00	1.80	-
				Up to 300-350	3.00	2.70	
				Up to 350-400	4.00	3.60	
				400 and above	5.00	4.50	
20	Vein quartz	tn	Quartz	0-30	0.00	0.00	
				Up to 30-40	1.0	0.90	

					0		
				Up to 40-50	2.00	1.80	-
				Up to 50-60	3.00	2.70	
				Up to 60-70	4.00	3.60	
				70 and above	5.00	4.50	
21	Rock salt	kg	Salt	0-40	0.00	0.00	
				Up to 40-50	1.00	0.90	
				Up to 50-60	2.00	1.80	-
				Up to 60-70	3.00	2.70	
				Up to 70-80	4.00	3.60	
				80 and above	5.00	4.50	
22	It's ice	tn	It's ice	0-140	0.00	0.00	
				Up to 140-150	1.00	0.90	
				Up to 150-160	2.00	1.80	-

				Up to 160-170	3.00	2.70	
				Up to 170-180	4.00	3.60	
				180 and above	5.00	4.50	
23	Gypsum	tn	Gypsum	From 0-9	0.00		
				From 9-11	1.00		
				11-13	2.00	-	-
				13-15	3.00		
				15-17	4.00		
				17 and above	5.00		

/ This part was added by the law in 5 November 2010 /

/ Articles 47.5.11, 47.5.12 and 47.5.13 of this part were annulled by the Resolution No. 04 of the Constitutional Tsets of October 30, 2019./

47.6 The Government shall approve the procedure for calculating, imposing, reporting and paying royalties for the use of mineral resources.

/ This part was added by the law in 5 November 2010 /

/ This part was amended according to the law dated March 26, 2019 /

/ This part was amended according to the law dated November 22, 2019 /

47.7. Duplicate payment shall not be imposed for the production and export of concentrates and products directly or by increasing the mineral content. charges will be deducted.

/ This part was added by the law in 5 November 2010 /

/ This part was amended according to the law dated March 26, 2019 /

/ This part was amended according to the law dated November 22, 2019 /

47.8. The Government shall approve the requirements, classification, basic principles and methodology for calculating the level

of processing of ores, concentrates and products specified in Articles 47.5 and 47.17 of this Law based on the proposal of the state central administrative body in charge of geology, mining and finance.

/ This part was added by the law in 5 November 2010 /

/ This part was amended according to the law dated November 22, 2019 /

An exploration license holder may register and sell the type, quantity and amount of minerals mined on a trial basis during the exploration work upon obtaining a permit from the specialized inspection agency, in which case the royalty shall be paid in the same way as the mining license holder.

/ This part was renumbered by the Law of November 25, 2010 /

47.10. Payer of royalties specified in subparagraph 47.1 of this law shall pay the monthly payment for all types of minerals sold, shipped and used for sale by the 20th of the following month, by the end of the year, except for the person who delivered gold to the Bank of Mongolia and its authorized commercial bank. The final estimate made by the report shall be paid to the budget by February 10 of the following year.

/ This part was renumbered by the Law of November 25, 2010 /

/ This part was amended according to the law dated June 04, 2015 /

/ This part was amended according to the law dated March 26, 2019 /

47.11. Except for individuals who have delivered gold to the Bank of Mongolia and its authorized commercial banks, the payer of royalties specified in Article 47.1 of this Law shall be responsible for the amount of minerals mined, sold, shipped and used in that quarter, sales value and total payment. In accordance with the form approved by the state administrative body in charge, the report on royalty shall be prepared on a quarterly basis in accordance with the form approved by the state administrative body in charge of tax matters, the quarterly report by the 20th of the first month of the next quarter and the annual report by February 10 will be submitted within the day.

/ This part was renumbered by the Law of November 25, 2010 /

/ This part was amended according to the law dated March 26, 2019 /

/ This part was amended according to the law dated November 22, 2019 /

47.12. The Bank of Mongolia and a commercial bank authorized by it shall deduct the royalty from the value of gold sales and transfer it to the state budget at the rate specified in 47.3.2 of this law.

/ This section was added by the law in March 26, 2019 /

47.13. The Bank of Mongolia and a commercial bank authorized by it shall submit to the State Administrative Body in charge of taxation reports and information on royalties transferred to the budget in accordance with Article 47.12 of this Law by the 20th of the following month.

/ This section was added by the law in March 26, 2019 /

47.14. The Government shall announce the names of stock exchange and market price sources that set international reference prices as a basis for the evaluation of sales of export products, taking into account the type of the product.

/ This part was renumbered by the Law of November 25, 2010 /

/ This part was renumbered by the Law of March 26, 2019 /

/ This part was amended according to the law dated November 22, 2019 /

47.15. In the case of a taxpayer with a stabilization certificate in accordance with the Investment Law, the royalty shall be imposed at the rate specified in the certificate.

/ This section was added by the law in 3 October 2013 /

/ This part was renumbered by the Law of March 26, 2019 /

47.16. A payer of royalties shall pay royalty to the state budget from the sales value of all types of minerals for the following activities without duplication in accordance with Article 47.7 of this Law: 47.16.

/ This section was added by the law in November 22, 2019 /

47.16.1. Sold or shipped for sale;

47.16.2.exported;

47.16.3. Used for own needs.

47.17. The royalty for the use of mineral resources of coal and coal products shall be calculated by adding the following percentages to the percentage specified in 47.3.3 of this Law depending on the type of the product and the increase in market price:

/ This section was added by the law in November 22, 2019 /

№	Product type	Unit of measurement	Reference products	Market price level / in USD /	Percentage to be added to the base rate
1	Raw coal	tn	Coal	0-25	0.00
				Up to 25-50	1.00
				Up to 50-75	2.00
				Up to 75-100	3.00
				Up to 100-125	4.00
				125 and above	5.00
2	Enriched coal (dry and wet processing)	tn	Coal	0-100	0.00
				Up to 100-130	1.00
				Up to 130-160	1.50
				160-190	2.00
				From 190 to 210	2.50
				210 and above	3.00
3	Finished products (semi-coke, coke, gas, liquid fuels, coal-chemical products)	tn	Coke	0-160	0.00
				160-190	0.50
				From 190 to 210	1.00
				Up to 210-240	1.50
				Up to 240-270	2.00
				270 and above	2.50

47.18. Each time a mineral license holder or a person who sells minerals sells or ships minerals, he / she shall make a payment receipt specified in the tax legislation, which shall indicate the type, classification, quantity, sales value and use of the assigned mineral resources. the amount of payment.

/ This section was added by the law in November 22, 2019 /

47.19. Payers other than those specified in Article 47.1.3 of this Law who purchased minerals from a person who does not hold a mineral license shall deduct royalties for the purchased mineral resources and report and pay to the budget in accordance with Articles 47.10 and 47.11.

/ This section was added by the law in November 22, 2019 /

Print

~~47.1-article züil.Tügeemel mineral royalties~~

~~47.1-.1. The mining license holder shall pay royalties to the local budget based on the sales value of all types of common products mined, shipped or sold or used.~~

~~47.1-.2 . Payment for the use of common mineral resources shall be equal to 2.5-5 percent of the sales value of all types of common mineral products mined, sold or shipped for sale or used.~~

~~47.1-.3. The rate of payment specified in Article 47.1-.2 of this Law shall be determined by the Citizens' Representatives Khurals of aimags and the capital city taking into account the distribution, nature and environmental impact of common minerals.~~

/ This article was added by the law in 23 December 2011 /

/ This article was repealed by the law in January 16, 2014 /

Print

47.2 No. züil.Stratyegiin significant profits through royalty payments mineral deposits

47.2 .1. If the parties agree to transfer the state ownership share of the strategically important mineral deposit to the other party with the consent of the competent authority, the party transferring the state ownership share or the mining license holder shall transfer the state ownership share of the strategically important mineral deposit. Special royalties for the use of mineral resources shall be calculated and paid to the state budget in accordance with the procedures set forth in Article 47.2 of this Law.

47.2 .2 . The Government shall approve the percentage and amount of the special fee for the use of mineral resources of a strategically important mineral deposit specified in Article 47.2 .1 of this Law.

47.2 .3. The percentage of special fee for the use of mineral resources of a strategically important mineral deposit specified in Articles 5.3-5.5 of this Law shall not exceed 5 percent depending on the specifics of the deposit.

/ This article was added by the law in 2 February 2015 /

Print

47.3 of the royalty payment per Issuing deposits mined mineral products

47.3 .1. The amount of royalty for mineral resources extracted from a derived deposit shall be equal to 2.5 percent of the sales value of the product and the amount of additional payment specified in 47.5 of this law shall be equal to 0 percent.

47.3 .2. Notwithstanding the provisions of Article 47.3 .1 of this Law, additional royalties for the use of mineral resources for gold shall be imposed in accordance with Article 47.5 of this Law.

/ This part was amended according to the law dated November 22, 2019 /

47.3 .3. The sales value specified in Articles 47.3 .1 and 47.3 .2 of this Law shall be determined in accordance with the principles set forth in Article 47.2 of this Law.

/ *This article was added by the law in November 10, 2016* /

Print

Article 48 Issue news and reports

An exploration license holder shall submit the following information, reports and plans to the State Administrative Body and the specialized inspection agency within the following timeframes:

48.1.1. The exploration work plan within 30 days from the date of issuance of the exploration license and the plan for the following years by April 15 of the current year;

/ This part was amended according to the law dated July 01, 2014 /

48.1.2. Annual report on exploration work shall be prepared in accordance with the instructions approved by the State Administration and by February 15 of the following year;

/ This part was amended according to the law dated July 01, 2014 /

48.1.3. The information on safety specified in Article 44 of this Law shall be submitted by January 20 of each year.

48.2. The report specified in Article 48.1.2 of this Law shall contain an overview of the survey, geophysical, geochemical, drilling and all other types of work, cost, expenses, information related to the workforce, as well as the results of exploration work and a map of the work performed at the site. and it is connected to the main network of geodetic maps of the country.

48.3. Prior to the expiration of the license, the exploration license holder shall prepare a report on the deposit's reserves, prospecting and exploration results in accordance with the mineral exploration and prospecting procedure, mineral resources and deposit reserves, and submit it to the State Administration.

/ This part was amended according to the law dated July 01, 2014 /

48.4. The State Administration shall appoint a specialist as an expert within 30 days from the Minerals Professional Council on the basis of the report specified in Article 48.3 and the feasibility study specified in Article 48.6.1 of this Law and discuss the conclusion within 90 days. make a decision to register and receive in the unified registry, to register the report, technical and economic feasibility study together with the primary materials in the database.

/ This part was amended according to the law dated July 01, 2014 /

48.5. The State Administration shall have the right to demand incomplete information and reports from the license holder.

48.6. The mining license holder shall submit the following information and report to the state administrative body within the following timeframes:

48.6.1. Within one year after obtaining a mining license after the feasibility study for the deposit has been prepared by an authorized organization;

/ This part was amended according to the law dated July 01, 2014 /

48.6.2. The main production indicators for the next year and the mining work plan in accordance with the approved instructions by December 1;

/ This part was amended according to the law dated July 01, 2014 /

48.6.3. Conduct exploration to upgrade the resource grade in the mining license area from time to time and submit the work plan, annual report and exploration results report in accordance with Article 48.1.2 of this law.

/ This part was amended according to the law dated July 01, 2014 /

48.7. The report specified in 48.6.3 of this Law shall include the following:

48.7.1. The date of employment, number of employees and agreements and transactions related to the ownership of the license holder;

48.7.2. Execution of the mining work plan, resource movement estimate, mine operation period, production line scheme, expansion and renovation work;

48.7.3. Quantity of mined ore, produced, shipped and sold products, selling price, information on its buyer, information on investment, operating costs, equipment and other assets paid and used in the given year; ;

48.7.4. Information on safety specified in Article 44 of this Law.

48.8. The license holder shall submit the implementation of the environmental management plan and the report to the relevant authority in accordance with Articles 38 and 39 of this Law.

/ This part was amended according to the law dated May 17, 2012 /

48.9. The license holder shall prepare a quarterly increase in royalty report specified in Article 48.7.3 of this Law in accordance with the form approved by the tax administration by the 20th of the first month of the following quarter and the annual report by January 20 of the following year. shall be submitted to the tax administration within 1 day.

48.10. The license holder shall announce the quantity of products sold in a given year, the amount of taxes and fees paid to the state and local budgets within the first quarter of the following year.

48.11. The form specified in Articles 48.6.2 and 48.6.3 of this Law shall be approved by the Head of the State Administrative Body.

48.12. The activities of preparing the report on the exploration results specified in 48.3 of this Law and the feasibility study specified in 48.6.1 of this Law and issuing an independent opinion on them shall be performed by a qualified specialist and an authorized legal entity.

/ This section was added by the law in 1 July 2014 /

48.13. The holder of a derivative deposit license shall submit to the state administrative body in charge of geology and mining the next year's main production indicators, work plan and work report for the current year within the period specified in 48.6.2 of this law.

/ *This section was added by the law in 10 November 2016* /

48.14. A holder of a derivative mining license shall submit a report on royalty specified in Article 47 3 of this Law to the tax administration in accordance with Article 48.9 of this Law and disclose the relevant information to the public in accordance with Article 48.10.

/ *This section was added by the law in 10 November 2016* /

Print

CHAPTER SEVEN
Transfer and pledge of licenses

Article 49 Transfer of license

49.1. In case of reorganization of an exploration and mining license holder in the form of a merger or acquisition in accordance with the Civil Code , Company Law and Partnership Law, the newly established receivers, as well as affiliates and subsidiaries may transfer the license to the parent company.

An exploration license holder may transfer the license held by the exploration license holder to the buyer if it is proved by documents that he / she has sold information such as primary prospecting materials and reports and paid the relevant tax in

accordance with the relevant legislation.

49.3. A mining license holder may transfer the license to the buyer if it is proved by documents that he / she sold the mine together with machinery, equipment and documents and paid the relevant tax in accordance with the relevant legislation.

49.4. The party transferring the license in accordance with Articles 49.1-49.3 of this Law shall submit the application for such transfer in accordance with the approved form and attach the following documents:

49.4.1. The transferred license;

49.4.2. A document proving that the person transferring the license meets the requirements specified in 7.1 of this law;

49.4.3. A document proving that the person transferring the license recognizes the rights and obligations arising from the transfer of the license;

49.4.4. In case of transfer of a mining license, a certificate from the environmental inspection service confirming that the mining area has been rehabilitated;

49.4.5. Financial documents confirming that the expenses required for environmental rehabilitation have been deposited in the account specified in Articles 38.1.8 and 39.1.9 of this Law;

49.4.6. A document confirming that the exploration work plan and report have been submitted to the state administrative body;

49.4.7. Receipt of payment of service fee.

49.4.8. Prices, explanations and introduction calculated in accordance with the methodology specified in Articles 18.8 and 30.6 of the Corporate Income Tax Law.

/ This provision was added by the law in 10 November 2017 /

/ This part was amended according to the law dated March 22, 2019 /

49.5. Upon receipt of the application specified in 49.4 of this Law, the State Administration shall register and clarify the following:

49.5.1. Whether the application meets the requirements set forth in this article;

49.5.2. Whether the transfer license is valid;

49.5.3. Whether the person transferring the license has met the requirements specified in 7.1 of this law;

49.5.4. Whether the license fee was paid on time;

49.5.5. Whether the exploration work cost is not less than the minimum amount specified in Article 33 of this Law.

49.6. The State Administrative Body shall perform the actions specified in Article 49.5 of this Law within 5 working days after registering the application and make one of the following decisions:

49.6.1. If the tax administration has issued a certificate confirming that the relevant tax has been paid without any reasons contrary to the law, to register the transfer of the license and make appropriate markings on the license;

/ This provision was amended according to the law dated November 10, 2017 /

49.6.2. If the application does not meet the requirements set forth in this Article, require the applicant to submit additional information;

49.6.3. If the party transferring the license does not have the right to possess the license or the transfer license is invalid, to refuse to accept the application and return the relevant documents.

49.7. In case the license holder is reorganized by division or separation in accordance with the Civil Code , Company Law and Partnership Law , the license shall be returned to the State Administration and the license shall be decided in accordance with the tender procedure specified in 10.1.2 of this law.

49.8. If a license holder has been reorganized in accordance with Article 49.7 of this Law but has complied with the

requirements set forth in Article 7.1 of this Law, it shall have the preemptive right to re-acquire the license.

49.9. In determining the fees and expenses specified in Articles 32.2, 32.3 and 33.1 of this Law of the transferee of the license, it shall be determined from the year following the transfer of the license, taking into account the previous imposition.

49.10. If a dispute related to a license is being resolved by a court, it shall be prohibited to transfer the license until a court decision is issued.

49.11. The State Administrative Body shall notify the specialized inspection agency and the state administrative body in charge of tax matters of the registration of the transfer of the license and publish it in a daily newspaper.

49.12. In case of change of the final possessor specified in 6.1.48 of the General Taxation Law, the legal entity holding a mineral mining and exploration license shall submit the documents specified in 49.4.8 of this Law to the relevant tax authority in accordance with Articles 26.10, 26.11 and 26.12 of the General Tax Law. will be notified.

/ This section was added by the law in November 10, 2017 /

/ This part was amended according to the law dated March 22, 2019 /

49.13. The land use right of a person who has transferred a mineral mining license shall arise upon its registration in the state registration of rights.

/ This section was added by the law in 21 June 2018 /

Article 50 Transfer of a certain part of the licensed area

An exploration and mining license holder may transfer a certain part of the area granted by the license to other authorized persons in accordance with the conditions, requirements and procedures specified in Article 49 of this law. conditions and requirements are met.

50.2. The transfer of a certain part of the area in accordance with Article 50.1 of this Law shall be registered with the State Administrative Body in accordance with Article 49.6.1 of this Law.

50.3. The application for registration of transfer of a certain part of the area shall contain information on the location of the area to be transferred that meets the requirements set forth in Articles 17 and 24 of this Law and shall be accompanied by a receipt of payment of service fee.

50.4. The State Administrative Body shall verify that the transferred area is fully covered by the area licensed by the person transferring it.

50.5. The State Administration shall perform the registration specified in 50.2 of this Law in the following procedures:

50.5.1. To register the location of the transferred and remaining areas and the coordinates of the corner points in the license and its cartographic registration, respectively;

50.5.2. To make notes on the size of the transferred area and other related notes in the license of the person transferring the area;

50.5.3. To issue an exploration and mining license to the person taking over a certain part of the area.

50.6. The State Administration shall notify the organizations specified in Article 49.11 of this Law of its registration in accordance with Article 50.5 of this Law and publish it in a daily newspaper.

Print

Article 51 Pledge of license

Relevant documents such as exploration and mining license holder shall obtain a license for prospecting, exploration and mining activities to obtain financing required to conduct mineral exploration and mining activities, and to resolve investment issues, such as exploration and performance report, geological survey information and feasibility study. Pledges may be pledged to banks, non-bank financial institutions, or to the tax authorities for the purpose of collecting tax debts of a license

holder, together with property not prohibited by pledge or legislation, and the license shall not be the sole collateral.

/ This part was added according to the law dated March 22, 2019 /

51.2. The license holder shall submit one copy of the pledge agreement together with the application and license to the state administrative body.

51.3.If the license pledge agreement meets the requirements specified in this law, the state administration shall register it, record the license number, name and address of the holder and license pledgee in the registration and keep the license to the pledgee.

51.4. Upon termination of the pledge agreement, the license holder shall submit to the state administrative body the application for deregistration of the pledge of the license together with the following documents: 51.4.

51.4.1. A document confirming that the pledgee has fulfilled its obligations under the main contract;

51.4.2. The pledged license.

51.5. The State Administration shall register the termination of the license pledge agreement upon receipt of the documents specified in Article 51.4 of this Law.

51.6. The pledgee of the license shall not be liable for the license.

51.7. If the license holder fails to fulfill its obligations under the pledge agreement or the license expires in accordance with Articles 22 and 28 of this Law, the State Administration shall notify the pledgee and the pledgee shall issue a license to the authorized person specified in 7.1 of this Law. has the right to make a transfer proposal in the first place.

51.8. The State Administration shall notify the license pledgee at least 14 days prior to the expiration of the license and the pledgee shall submit a proposal to transfer the license to the pledgee in accordance with Article 51.7 of this Law within 10 days after receiving the notification.

Print

Article 52 Transfer of the license to others in accordance with the pledge agreement

52.1. If the pledgee fails to fulfill its obligations under the contract, the pledgee shall submit an application to transfer the pledged exploration and mining license to another authorized person in accordance with Article 49 of this Law and attach the following documents:

52.1.1. The proposal of the pledgee in accordance with Article 51.7 of this Law;

52.1.2. Documents to be pledged together with the license specified in Article 51.1 of this Law and evidence that the person to transfer the license has agreed to take the property;

52.1.3. The pledged license;

52.1.4. Proof that the person transferring the license meets the requirements specified in 7.1 of this law;

52.1.5. Evidence that the transferee recognizes the rights and obligations arising from the transfer.

52.2. The State Administration shall review the documents specified in 52.1 of this Law and make a decision to register the transfer of the license.

Print

CHAPTER EIGHT

Termination of License

Article 53 Grounds for termination of license

An exploration and mining license shall be terminated in the following cases:

53.1.1. The license has expired;

53.1.2. The license holder has returned the entire area granted by the license in accordance with Article 54 of this law;

53.1.3. The state administrative body has revoked the license.

53.2. If the license holder returns a certain part of the area granted by the license, the license shall be terminated for that area.

Upon termination of the license, the license holder shall not be released from its obligations to protect, rehabilitate and close the mine in accordance with Articles 38, 39 and 45 of this law and the legislation on environmental protection.

Upon expiration of the license, the person who held the license shall return the license to the State Administration and a new license may be issued for the area in accordance with this law.

53.5. Ownership of machinery, equipment, buildings and other property to be left in the exploration and mining area as specified in 45.1.3 of this Law shall be resolved in accordance with the Civil Code .

53.6. It is prohibited to issue a license to use derivative deposits in the area where the license has expired.

/ *This section was added by the law in 10 November 2016* /

Print

Article 54 Return the entire licensed area

An exploration and mining license holder may return the entire licensed area at its own request by submitting an application in accordance with the form approved by the state administrative body.

54.2 The application for the return of the entire site shall be accompanied by evidence that the company has complied with its legal obligations, such as environmental protection, the issuance of information and reports, and the requirements for closing the mine.

54.3. Upon receipt of the application specified in 54.1 of this Law, the State Administration shall review whether the license holder meets the requirements set forth in 54.2 of this Law, register it in the license and its cartographic registration and make appropriate changes.

54.4. The license holder shall return the license to the State Administration after returning the entire area granted by the license.

54.5. The State Administration shall notify the relevant authority of the withdrawal of the entire licensed area and publish it in the daily newspaper.

54.6. The license holder shall not have the right to re-apply for the area within 2 years after returning the entire area.

Print

Article 55 Return a portion of the licensed area

An exploration and mining license holder may return a certain part of the area granted by the license at its own request in accordance with the procedures set forth in this Article.

55.2. The license holder shall submit an application for return of a certain part of the exploration area in accordance with the form approved by the State Administration and in case of returning a certain part of the exploration area, the area shall meet the requirements specified in 17.2 of this law. In case of return, the requirements set forth in Article 24.4 of this Law shall be met.

55.3 The following documents shall be attached to the application to return a certain part of the area:

55.3.1. Exploration and mining license;

55.3.2. A reference from the soum or district governor and the environmental inspection agency confirming that the license

holder has fully fulfilled its obligations to protect the environment in the area to be returned;

55.3.3. The report specified in Articles 48.1.2 and 48.6.3 of this Law.

55.4. After returning a certain part of the licensed area, the remaining area shall meet the requirements set forth in Articles 17.2 and 24.4 of this Law.

55.5. If the requirements set forth in Articles 55.2-55.4 of this Law are met, the State Administration shall register the application and reflect the relevant changes in the license, thus deeming a certain part of the area to be returned.

55.6. The State Administration shall notify the relevant authority of the withdrawal of a certain part of the licensed area and publish it in a daily newspaper.

55.7 The return of a certain part of the area shall not be a ground for reducing or refunding a previously paid license fee.

55.8. The license holder shall not have the right to re-apply for the area within 2 years after returning a certain part of the area.

Print

Article 56 Revocation of a license

The State Administration shall revoke the license on the following grounds:

56.1.1. The license holder no longer meets the requirements specified in Articles 7.2 and 31 of this Law;

56.1.2. The license holder has not paid the license fee in full within the period specified in 34.7 of this law;

/ This part was amended according to the law dated July 01, 2014 /

56.1.3. Exploration and mining areas have been taken for reserve and special needs as specified in 13.1.3 of this law, or compensation has been paid to the license holder in full, as the law prohibits prospecting and mining;

/ This part was amended according to the law dated July 16, 2009 /

56.1.4. If the cost of exploration work performed in a given year is less than the minimum cost of exploration work specified in Article 33 of this Law;

56.1.5. The state central administrative body in charge of nature and environment has issued a conclusion taking into account the proposal of the local administrative body that the license holder has a harmful impact on the environment or has not fulfilled its obligations specified in the rehabilitation and environmental management plan;

/ This provision was amended according to the law dated May 02, 2019 /

~~56.1.6. Violated the legislation on regulating foreign investment in business entities operating in strategically important sectors.~~

/ This provision was added by the law in 5 May 2012 /

/ This provision was repealed by the law in October 03, 2013 /

56.1.7. It has been determined that there is cultural heritage in the exploration area.

/ This provision was added by the law in 5 May 2014 /

56.1.8. Violated the articles and provisions of the Law on Procedures for Compliance with the Law on Prohibition of Exploration and Mining of Minerals in Protected Areas of Watersheds, Water Reservoirs and Forest Reserves and the provisions of contracts concluded in accordance with the law.

/ This provision was added by the law in 2 February 2015 /

56.1.9. The license has been transferred in violation of Articles 49.1, 49.2 and 49.3 of this Law;

/ This provision was added by the law in 10 November 2017 /

56.1.10. The license holder has not reported the relevant tax in accordance with the methodology set forth in Articles 49.4.8 of this Law and Articles 18.8 and 30.6 of the Corporate Income Tax Law, or has deliberately concealed or falsely reported the information required for valuation;

/ This provision was added by the law in 10 November 2017 /

/ This part was amended according to the law dated March 22, 2019 /

56.1.11. If the relevant authority has not been informed in accordance with Articles 26.10, 26.11 and 26.12 of the General Tax Law.

/ This provision was added by the law in 10 November 2017 /

/ This part was amended according to the law dated March 22, 2019 /

56.2. The State Administration shall notify the license holder within 10 working days after the grounds for revoking the license have been established and shall clearly state the grounds for revoking the license.

/ This part was amended according to the law dated July 01, 2014 /

56.3. If the grounds specified in the statement specified in 56.2 of this Law are not accepted, the license holder shall submit supporting documents to the State Administrative Body.

56.4. The State Administration shall review the documents specified in Article 56.3 of this Law and, if justified, revoke the notice of revocation of the license, and if there are no grounds, revoke the license and notify the holder of these decisions.

56.5.If the license holder does not agree with the decision to revoke the license as specified in 56.4 of this Law, he / she shall have the right to appeal to the court and the court shall not suspend the decision as specified in 62.1.3 of the Law on Administrative Cases.

/ This part was amended according to the law dated February 04, 2016 /

56.6. If a license holder files a complaint to the court, a new license shall not be issued for the area until a court decision is issued.

56.7. If the State Administrative Body has revoked an exploration license, it shall notify the specialized inspection agency, and if the mining and derivative mining license has been revoked, it shall notify the state administrative and specialized inspection body in charge of tax matters and publish it in a daily newspaper.

/ This part was amended according to the law dated July 01, 2014 /

/ *This part was amended according to the law dated November 10, 2016* /

56.8. The term of the license shall continue to be calculated from the date of entry into force of the court decision revoking the license revocation on the grounds specified in Article 56.1 of this Law.

/ This section was added by the law in 1 July 2014 /

Print

CHAPTER NINE

Features of information, payment distribution, compensation and financial accounting

Article 57 Get acquainted with mineral-related information and records

57.1. An interested person shall have the right to inspect the license and its cartographic registration at the designated place during working hours.

57.2 The State Administration shall, at the request of the license holder, classify the exploration report, mine operation data, and feasibility study prepared by the license holder as confidential during the term of the license, and may enter into a confidentiality agreement upon submission of the report.

57.3 . It shall be prohibited to disclose, publish or disclose information classified as confidential in accordance with Article 57.2 of this Law outside the grounds and procedures specified in the Law on State and Official Secrets, the Law on Organizational

Secrecy and the Law on Personal Secrecy .

/ Amended by the law dated December 01, 2016 /

57.4. The state central administrative body in charge of environment, geology and mining shall make public information on environmental impact assessment, environmental management plan and report, and information on the use of toxic chemicals and other substances that may have harmful effects on the environment and human health. , disseminate the information electronically.

/ This part was amended according to the law dated May 17, 2012 /

Print

~~Article 58~~ */ This article was repealed by the law in force on December 23, 2011 /*

Print

~~Article 59~~ */ This article was repealed by the law in force on December 23, 2011 /*

Print

Article 60 Compensation for deposits explored with state budget funds

60.1. A license holder conducting exploration work with deposits funded from the state budget and determining its reserves and registering in the state unified state register shall reimburse the state budget expenditures for exploration work on a contractual basis from the date of commencement of mining.

Expenditures for exploration work funded by the state budget shall include the cost of detailed prospecting, exploration and appraisal work for a given mineral deposit, and expenditures from the state budget for all stages of exploration work.

60.3. In the case of a business entity privatized in accordance with the Law on State and Local Property, the exploration costs for the amount of minerals already used in the deposit shall be deducted from the amount of exploration work previously funded by the state budget and the exploration costs for the remaining reserves shall be reimbursed.

60.4 An exploration license shall not be issued for a deposit that has been explored with state budget funds and its reserves have been identified and registered in the unified state registry.

60.5. The compensation agreement shall specify the total amount, term and amount of payment to be made annually.

60.6. The amount of compensation to be paid annually shall be determined based on the quantity of products produced in a given year.

60.7. If the compensation is not paid within the time specified in the contract, a penalty of 0.1 percent of the unpaid amount shall be imposed for each day of delay.

60.8 The Government shall approve the procedure for calculating and paying the amount of compensation.

60.9. If the compensation specified in Articles 60.1 and 60.7 of this Law is not paid within 30 days after receiving the notification on fulfillment of the contract obligation to pay compensation, the license shall be revoked and a tender shall be announced for the licensed area.

Print

Article 61 Features of finance and accounting of mining industry

61.1. The license holder shall include the costs of exploration work carried out in the licensed area and the costs of preparing the mine tenure for operation in a fixed amount within 5 years after the commencement of production and establish a premium fund.

61.2. The license holder shall include the expenses incurred in connection with the possession, transfer and acquisition of the mining license in the same amount of production costs every year during the term of the license and establish a premium fund.

61.3. The license holder shall establish a depreciation and amortization fund for fixed assets used in mining production.

~~61.4.~~ */ This part was repealed by the law in October 15, 2009 /*

61.5. Depreciation and amortization fund for assets spent by the license holder on production and infrastructure shall be established at a fixed amount during the service life of those buildings and facilities, and the related expenses shall be included in the production costs of the financial year.

61.6. All types of repairs that are necessary for the conduct of mining operations shall be considered as production costs.

61.7. The state central administrative body in charge of financial matters shall approve the procedures and instructions related to the implementation of the provisions specified in Articles 61.1 - 61.6 of this Law.

Print

CHAPTER TEN DISPUTE LICENSE DISPUTES

Article 62 Settlement of site boundary disputes

62.1. The State Administration shall resolve the border dispute between the license holders.

62.2. The State Administration shall provide the disputing parties with an opportunity to express their position in writing and explain their grounds to each other.

62.3. The State Administration shall check whether the disputed areas reflected in the license and its cartographic registration overlap in any way and if it is found to be overlapping, it shall check whether the coordinates of the site boundaries and corner points are registered correctly based on the initial application of license holders.

62.4. If it is determined that there is an overlap as a result of the measurement, the State Administration shall make appropriate changes in the area licensed by the latter and eliminate the overlap.

62.5. The disputed boundary of the license holder's area shall be measured and determined by the person who obtained the permission from the State Administration and the related expenses shall be paid by the person at fault.

62.6. The State Administrative Body shall inspect the coordinates of the disputed borders and points, make a decision to make relevant corrections and changes, and notify the parties to the dispute.

62.7.If the disputing party does not agree with the decision of the state administrative body, it may appeal to the court.

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Article 63 Resolve disputes between licensees and land owners, possessors and users

Disputes between a license holder and a land owner, possessor or user regarding access, transit and use of the land shall be resolved by a court in accordance with the Civil Code and the Law on Land .

Print

Article 64 Complain to a government agency

64.1. The license holder may file a complaint to the relevant higher level organization, official or administrative court regarding the actions or inactions of the state administrative body or official that impeded the exercise of the rights granted by this law.

/ This part was amended according to the law dated July 01, 2014 /

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~~Article 65 Resolve disputes related to investment agreements~~

~~65.1 Disputes arising in connection with an investment agreement concluded in accordance with Articles 29 and 30 of this Law~~

~~shall be resolved in accordance with the legislation and international agreements to which Mongolia is a party.~~

/ This article was repealed by the law in October 03, 2013 /

Print

CHAPTER ELEVEN
Accountability

Article 66. Liability for violators of the law

66.1. If the actions of an official violating this Law are not of a criminal nature, he / she shall be subject to liability specified in the Civil Service Law.

A person or legal entity that violates this Law shall be subject to liability specified in the Criminal Code or the Law on Violations.

66.3. Exploration, prospecting and mining activities of a license holder who repeatedly violates the relevant laws and mining safety rules shall be suspended for two months, and if the violation is not corrected within this period, the license shall be revoked in accordance with Article 56 of this law.

66.4. If a mining license holder has caused serious damage to human health, environment, livestock and animals due to non-compliance with the law, safety rules and technological procedures when using toxic chemicals and preparations in its activities, the license shall be revoked in accordance with Article 56 of this law. No new license will be issued for 20 years.

/ This article was amended according to the law dated December 04, 2015 /

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CHAIRMAN OF THE PARLIAMENT OF MONGOLIA Ts. Nyamdorj