



MINING INDUSTRY AND LEGAL UPDATE

KALIKOVA &
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Information for effective business solutions

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Industry Update

January 17, 2015

State Agency for Geology and Mineral Resources to select 10 pilot investment projects in 2015

To promote investment in geology sector, the State Agency for Geology and Mineral Resources plans to select and propose at least 10 pilot projects to the State Agency for Investment in 2015. This task is stated in the action plan for 2015 adopted by the Agency Director in furtherance of the goals/objectives set forth in the Governmental Program of the Kyrgyz Republic.

Also, it is planned to hold at least 3 public tenders for grant of concessions over nationally significant mineral deposits.

<http://www.tazabek.kg/news:385106>

January 10, 2015

60 mineral concession auctions planned to occur in 2015

In 2015, the State Agency for Geology and Mineral Resources plans to hold 4-5 mineral concession auctions per month.

The Agency reports that the list of mineral concessions put up for auction is already developed. "The document is undergoing the approval process. The auction for grant of four mineral concessions is planned to occur in February", reports the press service of the State Agency for Geology and Mineral Resources.

Legal Update

January 20, 2015

Amendments to Oil and Gas Act

On January 20, 2015, President Almazbek Atambaev signed into law the bill proposing amendments to Kyrgyz Oil and Gas Act.

The amendments are aimed at the optimization and improvement of the regulatory framework for operation of the fuel and energy sector.

Thus, Article 6 of the Oil and Gas Act, among other things, set forth the power of the Kyrgyz Republic Government to establish the rules governing the management and protection of mineral resources, as well as the extraction, transportation, operation and sale of oil and gas resources.

The Act enters into force 10 days after the date of publication.

<http://www.president.kg/ru/>

January 14, 2015

President approves amendments to Atmospheric Air Protection Act

KR President Almazbek Atambaev signed into law the bill proposing amendments to the Atmospheric Air Protection Act passed by Kyrgyz Parliament on December 10, 2014.

The amendments are aimed at strengthening the atmospheric air protection measures in the context of international commitments of the Kyrgyz Republic.

The Act is subject to official publication and enters into force from the date of entry into force of the

Over the past year, the Agency conducted 14 mineral concession auctions which yielded 400 m. soms in public revenue.

<http://www.vb.kg/298746>

December 23, 2014

Gold ore processing plant to be set up in Kara-Balta

It is planned to set up a gold ore processing plant in the town of Kara-Balta. This was announced by the State Property Management Fund following the results of the lease tender for the land in the southern industrial zone of the town.

The tender commission received 5 bids, including 2 bids from Green Hall LLC and Individual Entrepreneur M. Usenova for Lots 1 and 2, and 3 bids from StalPromCompany LLC, Khalil Trans LLC, and A. Marchenko for Lots 3 and 4. Out of these bidders, the tender commission selected Green Hall LLC and leased thereto a 397.4 sq.m. excavator production facility and a 1,263.4 sq. m. building for setting up a gold ore processing plant.

The winning bidder plans to use a 406.98 sq. m. excavator production facility and a 390.4 sq.m. covered parking area for the production of technical and industrial goods.

http://www.24kg.org/ekonomika/4000_v_kara-balte_poyavitsya_zavod_po_pererabotke_zolotosoderjaschey_rudyi/

December 15, 2014

Finland to grant 208,500 Euros to State Agency for Geology and Mineral Resources for purchase of equipment

Finland will grant about 208,500 Euros to the State Agency for Geology and Mineral Resources to finance the purchase of equipment in the framework of the project on strengthening natural resource management for better national welfare of the Kyrgyz Republic.

The project will continue for 3 years. The Ministry of Foreign Affairs of Finland plans to allocate for its implementation more than 1.5m Euros in overall funding, the Agency informs.

<http://www.24kg.org/>

Treaty of accession of the Kyrgyz Republic to the Treaty on Eurasian Economic Union dated May 29, 2014.

<http://www.vb.kg/>

January 14, 2015

Amendments to Environmental Protection Act

KR President Almazbek Atambaev signed into law the bill proposing amendments to the Environmental Protection Act, passed by Kyrgyz Parliament on December 10, 2014.

The amendments are aimed at strengthening the environmental protection strategies for managing ozone-depleting substances, as well as bringing KR legislation into compliance with Eurasian Economic Union's international non-tariff measures.

The Act is subject to official publication and enters into force from the date of entry into force of the Treaty of accession of the Kyrgyz Republic to the Treaty on Eurasian Economic Union dated May 29, 2014.

<http://www.vb.kg/>

January 10, 2015

Atambaev signs into law amendments empowering Government to establish natural resource management charges

KR President Almazbek Atambayev signed into law the bill proposing amendments to the Environmental Protection Act passed by Kyrgyz Parliament on December 17, 2014.

The amendments propose that the rates and limits of charges for management of natural resources, pollution and other negative impacts on the nature, as well as the policy for their collection and use shall be established by the Kyrgyz Government. The Act enters into force six months after the date of publication.

From the date of its entry into force, this Act supersedes the Pollution (Pollutant Emissions and Discharges and Waste Disposal) Charge Rate Act dated March 10, 2002 № 32 and the Fauna and Flora Management Charge Rate Act dated August 11, 2008 № 200.

Kyrgyz Government is instructed to take measures arising from this Act and to bring its regulatory acts in compliance with this Act within three months from the date of official publication.

December 4, 2014

Mineral concession tender over Jerooy deposit to be held in February-March 2015

The mining concession tender over the Jerooy deposit will be held in February-March 2015.

According to the State Agency for Geology and Mineral Resources, the terms and conditions of the tender are pending approval by various ministries and departments. Some of them provided their comments and proposals. It is also noted that all legal costs in the Jerooyaltyn case will be imposed on the winner of the tender.

http://www.24kg.org/ekonomika/2892_konkurs_na_razrabotku_mestorojdeniya_djeruy_sostoitsya_v_fevrale-marte_2015_goda/

November 28, 2014

State Agency for Geology and Mineral Resources sold mineral license over Kasan antimony deposit at \$4.5 m

The State Agency for Geology and Mineral Resources sold a mineral license over Kasan antimony deposit at \$ 4.5 m.

The auction took place on November 28, 2014 in Terek-Sai village of Chatkal district, Jalal-Abad region. It was attended by four companies: Terek-Sai Stibium LLC, Terek-Sai Jashtary LLC, Andagul LLC and San Feng LLC.

Terek-Sai Jashtary offered the highest price of \$ 4,521,000 with the starting price being set at \$17.700.

The total amount of antimony including the amount extracted from the Kasan deposit is 39,087 tons.

<http://24.kg/ekonomika/>

November 19, 2014

Public revenues from sale of mining licenses yielded 124 m soms

Public revenues from sale of mining licenses yielded 124 m soms.

According to the State Agency for Geology and Mineral Resources, over the period from

<http://kg.akipress.org/news:609485>

January 10, 2015

Amendment to Irrigated Arable Land Transformation Moratorium Act

KR President Almazbek Atambaev signed into law the bill proposing amendments to the Irrigated Arable Land Transformation Moratorium Act passed by Kyrgyz Parliament on November 27, 2014.

The amendments are aimed at establishing the legal framework for the management of energy sector projects specified in the National Strategy for Sustainable Development of the Kyrgyz Republic. The amendments propose that moratorium does not apply to transformation of irrigated arable land for construction of major electric power production facilities.

The Act enters into force from the date of publication.

<http://www.president.kg/ru/>

January 10, 2015

Amendment to Ozone Layer Protection Act

KR President Almazbek Atambaev signed into law the bill proposing amendments to the Ozone Layer Protection Act passed by Kyrgyz Parliament on December 4, 2014.

The amendments are aimed at further strengthening of the ozone layer protection measures, as well as bringing KR legislation into compliance with the Eurasian Economic Union's international non-tariff regulation measures.

The Act is subject to official publication and enters into force from the date of entry into force of the Treaty of accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union dated May 29, 2014.

<http://www.vb.kg/>

November 2013, 12 mining concessions have been auctioned successfully. The proceeds from sale of concessions yielded 124 m soms, which is 2.5 times higher than the same period last year.

<http://24.kg/ekonomika/>

November 11, 2014

1,268 mineral licenses effective in Kyrgyzstan

Duyshenbek Zilaliev, Director of the State Agency for Geology and Mineral Resources reported at Kabar press conference that 1,268 mineral licenses are effective in Kyrgyzstan.

Out of this amount, underground water accounts for 7%, oil and gas account for 4%, coal and industrial minerals account for 60%, and other types of metals account for 6%.

<http://kabar.kg/rus/economics/full/85856>

November 4, 2014

Interdepartmental Commission develops basic conditions and policy for tendering and exploring Jerooy gold deposit

On November 3, 2014, the meeting of the Interdepartmental Commission for repeated tendering of the mining license over Jerooy gold deposit and exploration license over Jerooy area took place in the Ministry of Economy of the Kyrgyz Republic.

The members of the commission discussed the main requirements for the bidders, the starting price of the objects of the tender, the stages of the tender and the documents to be provided by the bidders.

Thus, it was decided that the minimum threshold value of the mineral license should be not less than USD 100 million. This amount is based on the findings from the pre-feasibility study performed by the experts.

In addition, the Commission decided to hold the tender in two stages. At the first stage, the Commission should receive and assess the documents provided by the bidders for compliance with the tender requirements, to allow or disallow their progression to the second stage. At the second stage, the bidders allowed to progress to the second stage, by the 30th calendar day from the date of the decision to allow progression to the second stage, should

submit to the State Agency for Geology and Mineral Resources a sealed envelope with the documents, including the mining program for the Jerooy deposit with preliminary proposals.

<http://www.geology.kg/>



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www.akipress.kg, www.tazabek.kg, www.knews.kg,
www.geology.kg, www.gov.kg, etc.

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