

THE DRAFT LAW ON AMENDMENTS TO THE LAW ON MINERALS

CHAPTER ONE.

Following chapter, provisions, sections shall be amended to the law on minerals.

Article Four 1/4 **4.1.32 – 4.1.45 clause:**

4.1.32. “critical minerals means” the minerals that are essential for advanced technologies, in high demand and have significant economic importance;

4.1.33. “associated minerals that are significant economic importance” means minerals and chemical elements that are formed and accumulated together with the principal minerals in terms of chemical compounds and can be economically efficiently separated through the next stage of technological processing

4.1.34. “processing license” means a document granting the right to engage the processing activity by the state authority;

4.1.35. “processing operations” means a complex industrial and technological activity to separate the concentration from the mineral ores by increasing useful content;

4.1.36. “the feasibility studies of mining and processing” means a documentation with technique and technological solution for development of a mining project and processing of a minerals, in detailed consideration economic efficiency and other related factors;

4.1.37. “mining and processing plant technical design” means a documents with the comprehensive and detailed consideration of the installation, establishment, operation and infrastructure planning of mine and processing plant technical facilities and equipment;

4.1.39. “ license on development of the mining technical design” means the right to be granted to the legal entity developing the technical planning, monitoring measurement, and mapping of mine;

4.1.40. “contract on geological survey, and exploration” means a contract build between state administrative body in charge of geology and a legal entity that referred Article 7.1 of this law

4.1.41. “contract area” means an area temporarily defined under contract referred in the Article 4.1.40 of this law for conduction geological survey and exploration activity;

4.1.42. “a right to apply issuance of exploration licence” means right to submit an application for an exploration license in a selected area, referred to in Article 4.1.41 of this Law;

4.1.43. “project implementing body” means a legal entity that holds licence of minerals exploration, extraction and processing activity granted from state administrative body in charge of geology and mineral resources;

4.1.44. “project developer” means an authorized organization or legal entity that holds in mining research, investigation, and design, and operates under the advice or certification of a licensed consulting engineer of Mongolia in the relevant field;

4.1.45. “geological surveys and exploration funded by private financing” means a contract activity in the selected area to carry out large- and medium-scale geological mapping, geophysical, geochemical, and other forms of investigation with methodologies, standards, instructions, and requirements, and which are financed by private funding;”

Article Nine 9.1.18 – 9.1.20:

“9.1.18. Design and implement policies, strategies and roadmap for each of category and usage of critical minerals;

9.1.19. Approve the list of the critical minerals;

9.1.20. Approve monitoring regulations of a planner for mine and processing plant design;”

3/18 Article Eighteen 18.3:

“18.3. Documents referred in Article 18.1 of this Law shall be submitted in electronic form withing the deadline.”

4/15¹ Article Fifteen:

“15¹ Entering contract to conduct geological surveys and exploration

15¹.1. A legal entity referred in Article 7.1 of this Law shall submit an application to the State administrative body in charge of geological affairs to enter into an agreement to carry out baseline geological surveys and prospecting activities in specific an area that: has not been granted a license, does not wholly or partially overlap with an area in which the exploration, prospecting, or exploitation of minerals is restricted or prohibited, not subject to a tender (competitive selection) process, has been offered for tender on two occasions but for which no desired applications to compete in the tender were received.

15¹.2. An application referred to in Article 151.1 of this Law shall be submit following documents:

151.2.1. The name of the legal entity, registration information, address, and contact information;

151.2.2. A certificate of a taxpayer in Mongolia;

151.2.3. Coordinates, location map, and size of the area that enters to a contract;

151.2.4. The work program detailing the scope, type, stages, duration, estimated cost, sources of financing, and technical and professional capacity for the proposed activities;

151.2.5. The environmental management plan, including environmental protection, land damage, and rehabilitation;

151.2.6. Proof of payment of the applicable service fee.

15¹.3. State administrative body in charge of geological affairs will review and proceed the request specified in Article 15¹.1 of this law within 20 work days:

15¹.3.1. If an application and submits documents comply with the requirements of this Law;;

- 26.1.1. 15¹.3.2. If project is referred in Article 15¹.2.4 of this law discussed and concluded by the Professional Council of Mineral Resources;
- 26.1.2. 15¹.4. The State administrative body in charge of geological affairs shall, on the basis of the opinion referred to in Article 15¹.3.2, approve the relevant work program.

15¹.5. The State administrative body shall enter into an agreement with a qualified legal entity to carry out baseline geological surveys and prospecting activities for a term of up to two (2) years.

15¹.6. If an agreement referred to in Article 4.1.40 has been concluded, the grant of any license in respect of the relevant area shall be prohibited for the duration of the agreement.

15¹.7. State administrative body in charge of geological affairs shall enter to agreement to carry out baseline geological surveys and prospecting activities shall have the following obligations.

15¹.7.1. Conducting geological surveys and prospecting activities in accordance with the approved work program;

15¹.7.2. Not allowed to extract or sell minerals from the contract area;

15¹.7.3. Not to assign, pledge, or otherwise transfer any rights arising under the contract;

15¹.7.4. Submit all primary data, reports, samples, specimens, maps, and digital data generated during the course of the agreement to the national geological and mineral resources information database;

15¹.7.5. Submit annual work plans, progress reports, and a final report in accordance with the timelines specified in the agreement;

15¹.7.6. Leave the areas determined to be non-prospective;

15¹.7.8. Separate and retain prospective portions of the contract area within the limits prescribed by this Law, and to relinquish the remaining area;

15¹.7.9. Comply with environmental protection and land rehabilitation obligations.

15¹.8. The State administrative body in charge of geological affairs shall publish contracts referred to in Article 15¹.5 on its official website publicly accessible

15¹.9. The State administrative body in charge of geological affairs shall regularly publish, in an open and transparent manner, information on areas referred to in Article 4.1.41 that are available for privately funded baseline geological surveys and prospecting activities.”

15¹.10. The size of the area available for privately funded baseline geological surveys and prospecting activities shall be not less than 35,000 hectares and not more than 150,000 hectares.”

5/19 Article Nineteen:

“19¹ Granting exploration license under an agreement for baseline geological surveys and prospecting

19¹.1. A legal entity that has entered into an agreement to carry out baseline geological surveys and prospecting activities, as referred to in Article 4.1.39 of this Law, and has fulfilled its contractual obligations, may, during the term of the agreement, submit an application to the state administrative body in charge of geological affairs for an exploration license in respect of a selected area within the contract area.

19¹.2. An application for an exploration license referred to in Article 191.1 shall submit the following documents:

19¹.2.1. A report of agreement implementation;

19¹.2.2. Final report of conducted activities with evidence of submission of primary data, maps, explanatory materials, samples, and specimens;

19¹.2.3. The coordinates, size, and map of the proposed exploration license area;

19¹.2.4. Proof of payment of the applicable service fee.

19¹.3. State administrative body shall review and proceed within 20 working days of receipt of an application referred to in Article 191.1:

19¹.3.1. If the applicant meets the requirements written in Article 7.1 of this Law;

19¹.3.2. If the obligations under the agreement have been fully implemented;

19¹.3.3. If the area specified in the application complies with the requirements of this Law relating to size, configuration, overlap, and restrictions;

19¹.3.4. If all required data, reports, and primary materials have been submitted to the State information database.

19¹.4. If the requirements specified in Article 191.3 are fulfilled, the state administrative body in charge of geological affairs shall proceed to grant an exploration license and notify the applicant to pay the fee for the first year of the license within the time period referred in Article 34.1 of this Law.

19¹.5. The size of the exploration license area granted under Article 191.4 shall not exceed one-fifth (1/5) of the contract area.

19¹.6. If the applicant pays the first-year license fee within the period referred in Article 34.1, the state administrative body shall grant the exploration license within three (3) working days, for a term of two (2) years and shall register the license and the licensed area in the relevant license and cadastral registers.

19¹.7. An exploration license granted under Article 191.6 may be extended once for an additional period of two (2) years.

19¹.8. The state administrative body shall immediately notify the central state administrative body responsible for environmental matters, the Governor of the relevant aimag, soum, or district in which the area is located, and the tax authority, and shall post information publicly available followed by the granting of exploration license.

19¹.9. State administrative body shall terminate the right to apply for an exploration license for baseline geological surveys and prospecting activities in the following cases:

- 19¹.9.1. Failure to submit an within the period of the agreement;
- 19¹.9.2. Failure to fulfil obligations under the agreement;
- 19¹.9.3. Failure to pay the first-year license fee within the period written by law;
- 19¹.9.4. Assignment, pledging, or misuse of rights arising under the agreement.

19¹.10. If the agreement is terminated on the grounds referred in Article 191.9, the relevant area shall revert to State control and shall thereafter be dealt with in accordance with the general procedures set out in this Law.”

6/20 Article Twenty 20.5.7:

“20.5.7. The exploration license shall be granted after the contracting entity submits an application within five (5) working days followed by final results report of the project referred to in Article 151.4 has been reviewed by the Mineral Resources Professional Council and an opinion has been issued.”

7/20 Article Twenty 20.9 дэх:

“20.9. Minimum bid price for an exploration license to be granted through a tender process shall be seven (7) units per hectare.”

8/21 Article Twenty-one 21.1.9:

“21.1.9. A holder of an exploration license shall publicly disclose information on the work performed during the relevant year for the state administrative body in charge of geological and mineral affairs for usage to be posted online platforms,;”

9/27 Article Twenty-two 27.1.15 – 27.1.16:

“27.1.15. The license holder shall, prior to commencing operations of a mine or processing plant, prepare a rehabilitation and closure plan, update such plan every three (3) to five (5) years, obtain a review and opinion from the central state administrative body in charge of geological and mining affairs, and submit the plan to the central state administrative body responsible for environmental matters. The final update of the plan shall be completed not less than three (3) years prior to the closure of the mine or processing plant.

27.1.16. The license holder shall secure funds required for mine and processing plant closure, rehabilitation, and post-closure monitoring either by using financial instruments issued by internationally reputable banks or financial institutions, or by depositing such funds into a designated account of the state administrative body responsible for environmental matters, in accordance with the prescribed schedule.

Жил бүр бүрдүүлэх хаалтын санхүүжилт (хувиар)																		
Ашиглалтын жил	Олборлолт, баяжуулалтын үйл ажиллагаа явуулах техник, эдийн засгийн үндэслэлд заасан нийт хугацаа (жилээр)																	
	1-3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	100	50	35	25	20	18	16	15	14	12	12	12	10	10	10	10	8	8
2	-	50	35	25	20	18	16	15	14	12	12	11	10	10	9	9	8	8
3	-	-	30	25	20	18	16	15	14	12	12	11	10	10	9	9	8	8
4	-	-	-	25	20	18	16	15	14	12	12	11	10	10	9	9	8	8
5	-	-	-	-	20	18	16	15	14	12	12	11	10	10	9	9	8	8
6	-	-	-	-	-	10	16	15	14	12	12	11	10	10	9	9	8	8
7	-	-	-	-	-	-	4	10	14	12	12	11	10	10	9	9	8	8
8	-	-	-	-	-	-	-	-	2	12	12	11	10	10	9	9	8	8

9	-	-	-	-	-	-	-	-	-	-	4	4	11	10	10	9	9	8	8	
10	-	-	-	-	-	-	-	-	-	-	-	-	-	10	10	9	9	8	8	
11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	9	8	8	
12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	8
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4

Тайлбар: Хаалтын санхүүжилтийн баталгааны тухайн жилд байршуулах хувь хэмжээг шугаман аргаар тооцох ба уурхай, баяжуулах үйлдвэрийн ашиглалтын нийт хугацааны гуравны хоёрт багтаан бүрэн байршуулсан байна. Гурав хүртэл жилийн хугацаанд ашиглах уурхай, баяжуулах үйлдвэрийн хаалтын санхүүжилтийн баталгааг эхний жилд бүрэн байршуулна.”

10/ДӨРӨВДҮГЭЭР¹ БҮЛЭГ:

“CHAPTER FOUR” MINERAL PROCESSING

28¹ Grant of a license to conduct mineral processing operations and applicable requirements

28¹.1. Mineral processing operations shall be carried out only by a entity that holds a license to conduct mineral processing plant operation.

28¹.2. Holder of mineral exploitation license shall not belong to Article 28¹.1.

28¹.3. If secondary (man-made) deposits generated in the course of mining and processing operations are to be exploited by a third party, such exploitation shall be carried out on the basis of a license to conduct mineral processing plant operations.

28¹.4. The applicant to obtain a license for mineral processing plant operations shall, in addition to meets the requirements referred in Article 7.1 of this Law, meet the following requirements.

28¹.4.1. Technological and pilot-scale testing must have conducted with applicable standards and methodologies;

28¹.4.2. Shall hold a valid land ownership certificate;

28¹.4.3. The feasibility study for the mineral processing plant shall have obtained the relevant approval in according to the Article 48.4 of this Law;

28¹.4.4. Shall have detailed environmental impact assessment;

28¹.4.5. A reliable source of water supply shall have been identified and confirmed by an authority.

28¹.5. If the requirements written in Article 281.4 are met, a license for mineral processing operations shall be granted for a term of five (5) years and may be renewed for successive periods for the same duration..”

11/28² Article Twenty-nine

“28² Rights and Obligations of a Holder of a Licence to Conduct Mineral Processing Operations

28².1. An entity that holds a license to conduct mineral processing plant operations shall have the following right:

28².1.1. to sell concentrates and processed products;

28².1.2. to apply for renewal of the licence;

28².1.3. to transfer the license, provided that the payment of all applicable taxes by the license holder is duly verified;

28².1.4. other rights as provided for in this Law.

28².2. An entity that holds a license to conduct mineral processing plant operations shall have the following obligations:

28².2.1. regularly disclose information on its annual operations to the public;

28².2.2. neutralize and dispose of hazardous and toxic chemical waste in accordance with applicable laws and regulations, based on the opinion of a competent professional authority;

28².2.3. renew the feasibility study if changes in the plant's capacity, equipment, or technology;

28².2.4. other obligations as provided for in this Law.

28².3. A license holder is prohibited from processing or selling minerals from unknown origin and other than feasibility study and its license specified.

28².4. A license holder shall, throughout the term of the license, comply the requirements in Article 281.4 of this Law.”

12/28³ Article Twenty-eight

“28³ Mineral Processing Operations

28³.1. A holder of a license to conduct mineral processing plant operations shall, within ninety (90) days from the date of grant of the license, prepare a plan for the construction of the plant in accordance with the technology specified in the feasibility study and submit such plan to the state administrative body in charge of geological and mining affairs within the period referred in Article 48.6.2 of this Law.

28³.2. Within the scope of the plan referred to in Article 283.1, the license holder shall establish the necessary infrastructure, build industrial and auxiliary facilities, install and commission plant equipment, and carry out testing and calibration to prepare the plant for normal operation.

28³.3. activities to be carried out and documentation shall prepared referred in Article 283.2 accordance with Article 10.1.11 of this Law .

28³.4. Products of the mineral processing plant shall meet the standards of Mongolia.

28³.5. The quality of the products referred to in Article 283.4 shall be defined on test results issued by an accredited laboratory in Mongolia or in a foreign country.”

13/29¹ Article Twenty-nine

“29¹ Grant of a Mine Surveying License and Applicable Requirements

29¹.1. state administrative body shall be grant mine surveying license for monitoring of mineral reserves are fully extracted, define the movement and status of reserves, supervising planning at all stages of mine development, and providing opinions and conclusions on measures to prevent ground movement in mine slopes and waste rock dumps.

29¹.2. An applicant for a mine surveying license shall meet the following requirements:

29¹.2.1. Shall hold at least a bachelor's degree in mine surveying;

29¹.2.2. Shall have at least eight (8) years of professional experience required in both surface and underground mining operations;

29¹.2.3. Shall have no criminal record;

29¹.2.4. Shall obtained a professional reference, opinion, or evaluation from the relevant professional association.

29¹.3. If the requirements specified in Article 291.2 are satisfied, a mine surveying license shall be granted for a term of three (3) years and may be renewed for successive periods of the same duration.”

“29² Rights and Obligations of a Holder of a Mine Surveying License

29².1. A holder of a mine surveying license shall have the following rights:

29².1.1. State shall inspecting over mining operations, including overburden removal, ore extraction, stockpile volumes, the area affected by mining activities, and the planning and execution of both surface and underground mining operations;

29².1.2. the volume and grade of extracted ore, to monitor the movement of mineral reserves, and to issue conclusions shall be measured and defined;

29².1.3. Provide opinions and conclusions as to whether mineral reserves are being fully and efficiently extracted;

29².1.4. Recover, on a contractual basis, all costs necessary for the exercise of the functions specified in Article 291.1 from the project proponent;

29².1.5. other rights as provided for in this Law.

29².2. Obligations:

29².2. Mine surveying license holder shall have the following obligations:

29².2.1. to be responsible on behalf of the State for ensuring the accuracy and reliability of mineral resource movement data;

29².2.2. to provide independent and impartial opinions when exercising the rights specified in Article 29¹.1 of this Law;

29².2.3. Other rights specified in this law.

29².3. If it is determined by a decision of the competent authority that a holder of a mine surveying license, in exercising the functions specified in this Law, has acted in a biased manner, has failed to adhere to the principles of impartiality and independence, has carried out erroneous measurements or mapping, the license shall be revoked, and the holder shall be obliged to compensate the damages caused.

29².4. A license holder shall comply with the requirements set out in paragraph 29¹.2 of this Law during the period of validity of the license.

29².5. The procedures for carrying out activities within the scope of a mine surveying license shall be approved by the central administrative authority of the State.”

Article 17/32 paragraphs 32.4 – 32.6:

“32.4. The annual fee for a permit to carry out mineral processing plant operations shall be 10,000 units per year.

32.5. One unit under this Law shall be equivalent to one thousand (1,000) tugrugs.

32.6. The fees for exploration and mining licenses shall be calculated by indexation in accordance with the percentage increase in the Consumer Price Index for the previous year, as announced by the National Statistical Committee.”

Article 18/35 paragraphs 32.13, 35.14:

“35.13. After completing the closure and reclamation of a mine and processing plant, the license holder shall hand it over to a joint working group of the central administrative bodies in charge of geology and mining affairs, and environmental protection affairs, for inspection and issuance of a conclusion, and upon issuance of such conclusion, the right to recover the funds deposited under subparagraph 27.1.18 of this Law shall arise.

35.14. The extraction, processing, and beneficiation activities of mineral resources, as well as relevant contracts, shall be registered.”

Article 19/42¹:

“Article 42¹. Local involvement

42¹.1. Information on the activities of exploration, mining, and processing license holders shall be publicly accessible, and license holders shall regularly disclose and report information on their operations.

42¹.2. Citizens and non-governmental organizations shall participate in geology and mining sector activities in the following forms:

42¹.2.1. to participate in discussions on the development of legislation, development policies, and administrative normative acts in the sector, and to provide comments and recommendations;

42¹.2.2. to conduct joint research with sectoral organizations;

42¹.2.3. to cooperate with state and private sector entities in introducing best practices and achievements aimed at improving the development, quality, and accessibility of human resources, as well as technology and equipment in the sector;

42¹.2.4. to obtain accurate and reliable information on the geology and mining sector from the relevant state authorities;

42¹.2.5. to support the State policy in the geology and mining sector aimed at economic development and the protection of public interest, and not to engage in or be involved in any legally prohibited activities that undermine or disrupt such policy;

42¹.2.6. to notify and submit complaints to competent officials and state authorities regarding any adverse impacts on human health, living conditions, and the environment arising from mineral exploration, exploitation, and processing activities, as well as any violations of legislation.

Article 20/47 subparagraph 47.1.4:

“47.1.4. Artisanal and small-scale mining;”

Article 21/47 paragraphs 47.20 – 47.22:

“47.20. Royalty may not be imposed on certain minerals or metals contained as by-products in primary mineral products that have no economic significance, and the threshold for such exemption shall be determined by the Government based on the proposal of the central administrative authority in charge of geology and mining, taking into account the type of mineral product and the content of the respective minerals and metals therein.

47.21. Royalty shall not be imposed on minerals, chemical elements, or associated substances that are contained as by-products in a given type of primary mineral and are not listed in the list specified in paragraph 47.20 of this Law.

47.22. The State administrative authority in charge of customs, the State administrative authority in charge of taxation, and the State administrative authority in charge of geology and mining shall exercise oversight over the registration referred to in paragraph 35.14 of this Law.”

Article 22/47² paragraph 47².3:

“47².3. The special royalty for minerals extracted from and exported from strategically important mineral deposits specified in Article 47².2 of this Law shall be equal to 100 per cent of the additional mineral resource royalty imposed pursuant to paragraphs 47.5 and 47.17 of this Law.”

Article 23/48 subparagraph 48.6.4:

“48.6.4. the annual mining operation report for the respective year, or a notification of non-operation, shall be submitted by 15 February of the following year;”

Article 24/48 paragraph 48.15:

“48.15. Reports on minerals extracted through artisanal and small-scale mining shall be prepared annually in accordance with the approved form and submitted to the Governor of the aimag or capital city by 15 February each year. The Governor of the aimag or capital city shall consolidate the reports and submit them to the State administrative authority in charge of geology and mining by 15 March each year.”

Article 25/64¹:

“Article 64¹. To interfere with the activities of a license holder

64¹.1. It shall be prohibited to obstruct the exercise of the rights granted to a license holder under this Law.

64¹.2. It shall be prohibited to unlawfully interfere with geological and exploration activities, mining, extraction and processing operations; to damage equipment; to intentionally disrupt transportation or production; to obstruct access to the mine; or to deliberately cut off electricity or water supply.

64¹.3. A person who violates the provisions set out in paragraphs 64¹.1 and 64¹.2 of this Law shall be held liable in accordance with paragraph 10.31 of the Law on Violations.”

Article 2. In Article 16, and paragraphs 16.1, 16.4, 16.5, and 16.6 of the Minerals Law, the word “baseline” shall be added after the word “geological”; in paragraph 35.10 of Article 35, the phrase “and processing” shall be added after the

word “mining”; and in subparagraph 48.6.2 of Article 48, the phrase “and processing plant” shall be added before the word “plan”.

Article 3. Amendments to the following articles, paragraphs, and subparagraphs of the Minerals Law shall be made as follows:

Article 1/4 subparagraph 4.1.2:

“4.1.2”radioactive mineral’ means a mineral accumulation containing radioactive isotopes of uranium and thorium groups, other than rare earth elements;”

Article 2/4 subparagraph 4.1.12:

“4.1.12.”strategically important mineral deposit” means a deposit that has an impact on national security and the national economy, or that produces or has the potential to produce mineral products exceeding five percent of Mongolia’s gross domestic product annually;”

Article 3/4 subparagraph 4.1.23:

“4.1.23.”Artisanal and Small-Scale mining” means the activity carried out by citizens organized in the form of a partnership as provided in Article 35 of the Civil Code or a cooperative as provided in paragraph 36.4, for the purpose of extracting minerals from deposits that are economically unviable for industrial exploitation, as well as from areas formed by mining and technological waste;”

Article 4/7 paragraph 7.1:

“7.1.Exploration, mining, and processing licenses shall be granted to legal entities established under the laws of Mongolia, operating in Mongolia, and registered as taxpayers in Mongolia.”

Article 5/11 subparagraph 11.1.19:

“11.1.19.to issue exploration, mining, and processing licenses for all types of minerals other than common minerals;”

Article 6/11 subparagraph 11.1.25:

“11.1.25.to define and approve, based on coordinates, areas eligible for the issuance of mineral exploration licenses under this Law through contractual arrangements or competitive selection;”

Article 7/11 paragraph 11.2:

“11.2.The geological unit of the State administrative body shall be responsible for the matters specified in subparagraphs 11.1.1–11.1.7, the mining unit shall be responsible for the matters specified in subparagraphs 11.1.8–11.1.12, and the cadastre unit shall be responsible for the matters specified in subparagraphs 11.1.13–11.1.29 of this Article.”

Article 8/18 subparagraph 18.1.1:

“18.1.1.an official certificate specifying the name of the legal entity participating in the selection process, its postal address, telephone number, and email address;”

Article 9/18 subparagraph 18.1.6:

“18.1.6.documentary evidence confirming compliance with the requirements set out in paragraph 7.1 of this Law;”

Article 10/32 paragraphs 32.1, 32.2, 32.3:

“32.1.The annual fee for an exploration license shall be 3.5 units in the first year, 10.5 units per year in the 2-3 years, and 35 units per year in the 4-6 years.

32.2.The fee for the exploration license referred to in Article 19^{1.5} of this Law shall be 10.5 units in the first year, and 35 units per year in the 2-4 years.

32.3.The fee for a mining license shall be 12 units per hectare per year for coal and limestone, and 48 units per hectare per year for other minerals.”

Article 11/33 subparagraphs 33.1.1 – 33.1.5:

“33.1.1. in the 2nd year of the license – 16 units;

33.1.2. in the 3rd year of the license – 30 units;

33.1.3. in the 4th year of the license – 44 units;

33.1.4. in the 5th year of the license – 56 units;

33.1.5. in the 6th year of the license – 70 units.”

Article 12/35 paragraph 35.4:

“35.4.After a commission appointed by the central administrative authority in charge of geology and mining has accepted the mine, mining, and processing plant, the holder of the mining and/or processing license shall commence operations of the mine and processing plant.”

Article 13/42 paragraph 42.1:

“42.1.A license holder shall, within the framework of social responsibility, conclude a cooperation agreement with the soum or district Governor on environmental protection, infrastructure development related to mine and plant construction, and job creation, and shall submit it to the aimag or capital city Governor.”

The first row of the table in paragraph 47.5 of Article 14/47:

№	Mineral type	Unit of measurement	Reference product for valuation	Market price level /USD/	Additional percentage imposed on top of base royalty depending on processing level		
					Ore	Concentrate	Product
1	Copper	ton	Copper refined metal) (as	0-5000	0.00	0.00	0.0
				5000-6000	11.0	1.0	0.5
				6000-7000	12.0	2.0	1.0
				7000-8000	13.0	3.0	1.5
				8000-9000	14.0	4.0	2.0
				9000 and above	15.0	5.0	2.5

Article 15/47 subparagraph 47.3.1:

“47.3.1.the mineral resource royalty for coal extracted and used for own consumption, sold or shipped for sale for domestic electricity and heat supply purposes shall be 2.5 per cent of the sales value;”

Article 4. In the Minerals Law, the phrase “mineral resource royalty of a strategically important mineral deposit” in paragraphs 5.4 and 5.5 of Article 5 shall be replaced with “special mineral resource royalty”, the word “budget” in Article 16 and paragraphs 16.1, 16.3, 16.4, and 16.6 of Article 16 shall be replaced with “budget and other funding sources”, the phrase “state information” in paragraph 16.4 shall be replaced with “national geology and mineral resources”, the text “17.5. ... separated in accordance with Article 17.4 of this Law” in paragraph 17.5 of Article 17 shall be replaced with “geological baseline research, exploration work under exploration license application contracts and competitive selection announcement”, the phrase “shall have rights” in paragraph 21.1 of Article 21 shall be replaced with “shall have rights and obligations”, the phrase “3 times” in subparagraph 21.1.5 shall be replaced with “1 time”, the phrase “environmental management” in subparagraph 22.1.3 of Article 22 shall be replaced with “environmental protection”, the word “inform” in paragraph 35.10 of Article 35 shall be replaced with “notify”, the phrase “environmental management” in paragraph 40.1 of Article 40 shall be replaced with “environmental protection”, and the phrase “exploration and mining” in paragraph 53.1 of Article 53 shall be replaced with “exploration, mining and processing”.

Article 5. The words “, 20” and “and local” in subparagraph 4.1.13 of Article 4 of the Minerals Law, the words “selection procedure” in the heading of Article 17, and the words “Strategically important mineral deposit” in the heading of Article 47² shall each be deleted.

Article 6. Paragraphs 5.7 and 5.8 of Article 5, subparagraph 10.1.20 of Article 10, Article 15, subparagraph 18.1.8 of Article 18, subparagraph 22.1.3 of Article 22, subparagraph 25.1.6 of Article 25, subparagraphs 33.1.3 and 33.1.4 of Article 33, paragraph 34.5 of Article 34, Article 47³, and paragraphs 48.13 and 48.14 of Article 48 of the Minerals Law shall be repealed.

Article 7. This Law shall enter into force and be implemented from
..... 2026.

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

**PROCEDURE FOR COMPLIANCE WITH THE
LAW ON AMENDMENTS AND ADDITIONS TO THE MINERALS LAW**

Article 1. Based on the processing level of the product, the additional royalty rates to be imposed on the base royalty for the use of mineral resources from the Erdenetiin-Ovoo copper and molybdenum deposit shall be applied for a period of 4 years as follows:

No.	Mineral Type	Unit of Measure	Reference Product	Market Price Level (USD)	Additional Percentage Based on Processing Level (to be added to base royalty)		
					Ore	Concentrate	Final Product
1	Copper	ton	Copper (pure metal)	Up to 5,000	0.00	0.00	0.00
				5,000–6,000	22.0	11.0	1.00
				6,000–7,000	24.0	12.0	2.00
				7,000–8,000	26.0	13.0	3.00
				8,000–9,000	28.0	14.0	4.00
				9,000 and above	30.0	15.0	5.00

Article 2. Regulation regarding mineral exploration licenses

2.1. The term of exploration licenses issued prior to January 1, 2023, shall be extended in accordance with Article 21.1.5 of the Minerals Law.

2.2. The license fees for the exploration licenses specified in Section 2.1 of this Article shall be paid annually at the same rate as the fees for the 4th to 6th years of an exploration license.

2.3. Holders of the licenses specified in Section 2.1 of this Article shall perform exploration work annually on each hectare of the licensed area with a budget not less than the amount specified in Articles 33.1.3–33.1.5 of the Minerals Law.

Article 3. This law shall come into force on the same day the Law on Amendments and Additions to the Minerals Law becomes effective.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

AMENDMENTS AND ADDITIONS TO THE LAW ON MINING PRODUCTS EXCHANGE

Article 1. The following sections shall be added to the Law on Mining Products Exchange:

Section 10.5 of Article 1/10:

"10.5. The entities specified in Section 10.2 of this Law may trade mining products through the exchange to business entities engaged in the concentration, processing, and value-added export of mining products."

2/ Section 14.6 of Article 14:

"14.6. The price for the trade specified in Section 10.5 of this Law shall be announced based on **mine-mouth (EXW)** conditions."

Article 2. The term "... for export..." shall be deleted from Provision 4.1.1 of Article 4 of the Law on Mining Products Exchange.

Article 3. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

ON AMENDMENTS TO THE LAW ON BUDGET

Article 1. The following provisions shall be added to Article 59 of the Law on Budget:

1/ Provision 59.2.2.4 of Article 59: "59.2.2.4. the amount of revenue from mineral resource royalty payments."

2/ Provision 59.2.2.5 of Article 59: "59.2.2.5. the size of mineral and petroleum exploration areas."

Article 2. In Provision 59.1.2 of Article 59 of the Law on Budget, the phrase "... 10 percent of the revenue from mineral resource royalty payments, other than those specified in Article 473" shall be amended to "**15 percent** of the revenue from mineral resource royalty payments."

Article 3. Section 59.7 of Article 59 of the Law on Budget shall be revised as follows:

"From the revenue generated by the sources specified in Section 59.1.2 of this Law, **15 percent** shall be allocated in equal amounts to aimags and the capital city that contribute 20 percent or more of said source; **30 percent** shall be allocated to aimags and the capital city that contribute up to 20 percent of said source, in proportion to their contributed amount. Furthermore, **30 percent** of the revenue generated by the sources specified in Section 59.1.5 of this Law shall be allocated in equal amounts to aimags and state-level cities that contribute 1 percent or more of said source."

Article 4. This Law shall enter into force on January 1, 2027.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

AMENDMENTS TO THE LAW ON NUCLEAR ENERGY

Article 1. In the title of Article 11(1), Section 11.1, Section 12.1, Section 14.1, Provision 28.2.6, Provision 28.2.7, Provision 28.2.8, Section 32.2, Section 34.7, Provision 36.1.5, Section 43.4, and Section 48.1 of the Law on Nuclear Energy, the term "central state administrative body" shall be changed to "**central state administrative body and state administrative body**." Additionally, in Provision 19.1.4 of Article 19, the term "environmental impact assessment" shall be changed to "**environmental baseline assessment**."

Article 2. In Provision 3.1.4 of Article 3 of the Law on Nuclear Energy, the phrase "**excluding rare earth elements**" shall be added after the phrase "as specified in Article 4.1.2 of the Minerals Law."

Article 3. In Provision 3.1.5 of Article 3 of the Law on Nuclear Energy, the phrase "substances containing rare earth elements," and in Provision 3.1.15 of Article 3, the phrase "rare earth elements" shall be deleted respectively.

Article 4. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

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AMENDMENTS TO THE LAW ON PERMITS

Article 1. Provisions 8.31, 8.32, and 8.33 shall be added to Article 8.1 of the Law on Permits as follows:

No.	Type of Permit	Granting Authority
8.31	Operation of a processing plant	State administrative body in charge of geological and mining affairs
8.32	Development of designs and blueprints for mines and processing plants	Central state administrative body in charge of geological and mining affairs
8.33	Conduct of mining mine-surveying activities	Central state administrative body in charge of geological and mining affairs

Article 2. In Provisions 8.20, 8.21, 8.22, and 8.23 of Article 8.1 of the Law on Permits, the term "educational" shall be changed to "**nuclear energy**."

Article 3. Provisions 8.29 and 8.30 of Article 8.1 of the Law on Permits shall be considered null and void.

Article 4. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

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... [Month] ..., 2026

Ulaanbaatar City

AMENDMENTS AND ADDITIONS TO THE LAW ON STATE STAMP DUTY

Article 1. The following provision shall be added to Article 25 of the Law on State Stamp Duty:

"**25.1.13.** Service fee for concluding an agreement to perform basic geological research and exploration work: **1,000,000 MNT.**"

Article 3. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

AMENDMENTS TO THE LAW ON SPECIALLY PROTECTED AREAS

Article 1. The phrase "... conduct geological research," shall be deleted from Section 1 of Article 12 of the Law on Specially Protected Areas.

Article 2. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

**ADDITIONS TO THE LAW ON THE PROHIBITION OF MINERAL EXPLORATION AND
MINING IN HEADWATERS OF RIVERS, PROTECTED ZONES OF WATER RESERVOIRS
AND FORESTED AREAS**

Article 1. Section 4.7 shall be added to Article 4 of this Law with the following content:

"4.7. Lake salt deposits shall not be subject to Section 4.1 of this Law."

Article 2. In Section 4.2 of Article 4 of this Law, the phrase "**and lake salt**" shall be added after the term "minerals."

Article 3. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

AMENDMENTS AND ADDITIONS TO THE LAW ON VIOLATIONS

Article 1. The following section and provisions shall be added to Article 7.11 of the Law on Violations:

"8. Illegal interference with geological, mining, and petroleum activities:

8.1. If a person illegally interferes with geological, mining, or petroleum prospecting, exploration, or extraction activities by damaging equipment, intentionally disrupting production, blocking roads or mine exits, or deliberately cutting off electricity or water supplies, the individual shall be fined in an amount equal to **three hundred units**, and the legal entity shall be fined in an amount equal to **three thousand units**.

8.2. If the actions specified in Section 8.1 of this Article result in the disruption of production for more than 24 hours or cause significant economic damage, the individual shall be fined in an amount equal to **one thousand units**, and the legal entity shall be fined in an amount equal to **ten thousand units**."

Article 2. Article 7.12 of the Law on Violations shall be considered null and void.

Article 3. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

ADDITIONS TO THE LAW ON RESOLVING VIOLATIONS

Article 1. In Provision 6.8 of Article 1.8 of the Law on Resolving Violations, the phrase "**Section 8 of Article 7.11**" shall be added after the phrase "Section 9 of Article 7.6."

Article 2. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

SIGNATURE

LAW OF MONGOLIA

... [Month] ..., 2026

Ulaanbaatar City

AMENDMENTS TO THE LAW ON SUBSURFACE

Article 1. In Section 3 of Article 45 and Article 48 of the Law on Subsurface, the term "State Geological Fund" shall be changed to "**National Geological Survey.**"

Article 2. In Article 48 of the Law on Subsurface, the phrase ", and information organization" shall be deleted.

Article 3. This Law shall enter into force on the same day as the Law on Amendments and Additions to the Minerals Law.

SIGNATURE