



# LAW OF MONGOLIA

January 9, 2014

Ulaanbaatar city

## ABOUT COMMON MINERALS

### CHAPTER ONE GENERAL PROVISIONS

#### Article 1. Purpose of the law

1.1. The purpose of this law is to regulate relations related to exploration and mining of common minerals in the territory of Mongolia, responsibilities of license holders and protection and rehabilitation of exploration areas and mining tenure environment.

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#### Article 2. Legislation on common minerals

Legislation on common minerals shall consist of the Constitution of Mongolia, the Law on Minerals, the Law on Land, the Law on Subsoil, the Law on Environmental Protection, this law and other legislative acts enacted in conformity with these laws.

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#### Article 3. Scope of the law

3.1. This law shall regulate relations related to exploration and exploitation of common minerals.

3.2. Relations related to the use of clay and sand for therapeutic purposes shall be regulated by the procedure approved by the state central administrative body in charge of nature and environment.

3.3. By the decision of the State Great Hural and the Government, relations related to exploration and exploitation of common minerals required for some projects and programs to be implemented in the road and railway sector may be regulated by special regulations approved by the Government.

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#### Article 4. Definitions of legal terms

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

4.1.1. "Common minerals" means accumulations of commonly used sand, gravel, brick clay, mortar, granite and crushed stone that can be used for road and construction materials;

4.1.2. "Prospecting for common minerals" means conducting geological and exploration research on the surface and its subsoil in order to determine the location and quantity of common minerals, and conducting a feasibility study to study the possibility of using resources;

4.1.3. "Exploitation of common minerals" means extraction and mining of minerals from the surface and subsoil in accordance with the feasibility study for the use of common mineral deposits, production, sale of products and other related activities. ;

4.1.4. "Common mineral deposit" means the accumulation of minerals formed in the surface of the earth and its 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;

4.1.5. "Special needs land" 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;

4.1.6. "License for exploration of common minerals" means a document authorizing the exploration of minerals in accordance with this law;

4.1.7. "License for mining of common minerals" means a document authorizing the use of minerals in accordance with this law;

4.1.8. "Exploration area for common minerals" means the area granted by the license specified in 4.1.6 of this law;

4.1.9. "Mining area" means an area granted by a license specified in 4.1.7 of this law;

4.1.10. "Mine tenure" means a part of a geological formation that overlaps with a mining area and is to be mined;

4.1.11. "License fee for common minerals" means a fee to be paid by a holder in accordance with Article 35.6 of the Law on State Stamp Duty in order to keep the license valid;

4.1.12. "License holder of common minerals" means a legal entity that has obtained the right to explore and use minerals in accordance with this law;

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

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#### [Article 5. Ownership of common minerals](#)

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

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

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#### [Article 6. General requirements for license holders and exploration and exploitation of common minerals](#)

6.1. Exploration and mining licenses for common minerals shall be issued to legal entities registered in Mongolia established and operating in accordance with the legislation of Mongolia.

6.2. The license holder shall meet the requirements specified in 6.1 of this law during the term of the license.

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

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## **CHAPTER TWO**

### **STATE REGULATIONS ON COMMON MINERALS**

#### [Article 7. Powers of the State Great Hural](#)

7.1. Define the policy related to exploration and exploitation of common minerals.

7.2. Monitor the work organized by the Government on the implementation of legislation related to the exploration and exploitation of common minerals.

7.3. Exploration and mining of common minerals in a certain territory, or issuance of exploration and mining licenses at the

request of the Government or on its own initiative shall be restricted or prohibited.

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#### [Article 8. Powers of the Government](#)

8.1 Ensure the implementation of legislation related to the exploration and exploitation of common minerals.

8.2. The issue of prospecting and mining of common minerals shall be resolved in areas of special needs, except for state special protected and historical and cultural immovable monuments.

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#### [Article 9. Powers of the State Central Administrative Body](#)

The State Central Administrative Body Responsible for Mining Matters shall exercise the following powers in matters of common minerals:

9.1.1. To organize the implementation of the legislation on common minerals and decisions made by the Government in connection with its implementation.

9.2. The state central administrative body in charge of construction and urban development shall exercise the following powers in matters of common minerals:

9.2.1. To conduct a demand and supply survey of common minerals to be used in the construction sector and submit the planning to the state central administrative body in charge of mining matters.

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#### [Article 10. Functions of the state administrative body](#)

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

10.1.1. To maintain a register of licenses for common minerals;

10.1.2. To maintain a cartographic register of common mineral licenses;

10.1.3. To make a conclusion on whether it is possible to issue a license for the area where the application for a mineral exploration license has been submitted and submit it to the Governor;

10.1.4. Based on the conclusion of the Minerals Professional Council, make a decision on receiving a report on the results of exploration of common minerals and a feasibility study for the exploitation of a common mineral deposit;

10.1.5. Approve regulations governing the issuance of exploration and mining licenses for common minerals covering the territory of the capital city and aimags.

10.2. The state inspection of the implementation of the legislation on common minerals and the exploration and mining of common minerals shall be carried out by a specialized inspection agency.

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#### [Article 11. Powers of aimag and capital city Citizens' Representatives Hural and aimag and capital city governors](#)

Aimag and capital city Citizens' Representatives' Khurals shall exercise the following powers in relation to common minerals:

11.1.1. Include common mineral exploration and mining areas in aimag and capital city general land management plans;

11.1.2. To make a decision to acquire common mineral exploration areas and lands belonging to deposits for local special needs in accordance with the Law on Land;

11.1.3. To monitor whether preliminary exploration and research has been conducted by a professional organization of paleontology and archeology and whether rescue operations are required.

11.2. Governors of aimags and the capital city shall exercise the following powers in matters of common minerals:

11.2.1. To organize the implementation of decisions made by the Government in connection with the implementation of the

legislation on common minerals in its respective territories;

11.2.2. To use the licensed area for its intended purpose in the territory under its jurisdiction, and to take measures to stop the violation in case of violation;

11.2.3 monitor the compliance of the license holder with its obligations regarding human health, environment, rehabilitation, mine closure and payments to the local budget;

11.2.4. To review applications for exploration and mining licenses for common minerals;

11.2.5. To issue exploration and mining licenses for common minerals within its jurisdiction;

11.2.6. To monitor the execution of exploration and mining license fees for common minerals.

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### **CHAPTER THREE COMMON MINERAL EXPLORATION LICENSE**

#### [Article 12. Requirements for obtaining a license for exploration of common minerals](#)

The requirements set forth in Articles 17.1-17.3 of the Minerals Law shall be complied with.

12.2. The size of the exploration area for common minerals to be granted by one license shall be not less than 25 hectares and not more than 400 hectares in accordance with Article 17.4 of the Minerals Law.

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#### [Article 13. Procedure for applying for a license for exploration of common minerals](#)

13.1. A license to explore for common minerals shall be issued to a legal entity that meets the requirements set forth in Article 6.1 and Article 12 of this Law and is the first to apply and register.

13.2. The legal entity specified in 13.1 of this Law shall submit an application for a license for exploration of common minerals to the Governor of the aimag or the capital city in accordance with the form approved by the Governor of the aimag or the capital city and attach the following documents:

13.2.1. Name, postal address, telephone and fax number of the legal entity;

13.2.2. A copy of the state registration certificate of the legal entity / 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;

13.2.3. A map of the area made in accordance with Article 12.1 of this Law and the name of the aimag, soum or district where the area is located;

13.2.4. Receipt of payment of service fee specified in Article 25.1.5 of the Law on State Stamp Duty;

13.2.5. Evidence that the legal entity meets the requirements specified in 6.1 of this Law.

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#### [Article 14. Registration and review of applications](#)

14.1. Upon receipt of the application specified in 13.2 of this Law, the Governor of the aimag or the capital city shall take the following actions:

14.1.1. 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 give a reference to the applicant;

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

14.1.3. If the application and attached documents meet the requirements set forth in Articles 12.1, 12.2 and 13.2 of this Law, a

preliminary examination shall be conducted immediately and if the requirements are not met, the application shall be rejected and the applicant shall be given a response stating the reasons. to notify in writing and make a note in the application registration book;

14.1.4. After the initial screening as specified in 14.1.3 of this Law, the area specified in the application shall coincide with the area specified in the application that was restricted or prohibited for mineral exploration and mining, taken for special needs and reserves, as well as issued by an exploration license. Submit the application for verification together with relevant materials to the state administrative body in electronic form.

14.2. The State Administration shall notify within five working days after receiving the request of the Governor of the aimag or the capital city that it is possible or impossible to issue an exploration license upon completion of the activities specified in 14.1.4 of this Law.

Aimag and capital city governors shall notify the applicant in writing that the exploration license cannot be issued if the area specified in the application restricts or prohibits mineral exploration and mining, is taken for special needs and reserves, or completely or partially overlaps with the area already granted an exploration license. This shall be recorded in the application register.

14.4. Upon receipt of the notification specified in Article 14.2 of this Law, the Governor of the aimag or the capital city shall obtain the opinion of the soum and district Citizens' Representatives Khural and the Presidium of the aimag and capital city Citizens' Representatives Khural within 10 working days to issue a license to explore common minerals. resolve.

Aimag and capital city governors shall make a decision to issue a license for exploration of common minerals in the area and notify the applicant of the first year license payment within the period specified in 24.1 of this law.

14.6. If the applicant has not received the license or has not paid the first year fee within one month after the decision specified in Article 14.5 of this Law, the Governor of the aimag or the capital city shall deregister the application and notify the applicant in writing. make an entry in the application register.

14.7. If the applicant has paid the first year fee within the period specified in 24.1 of this law, the aimag or capital city governor shall issue a common mineral exploration license for a period of three years within five working days.

14.8. Aimag and capital city governors shall notify the state central administrative body in charge of construction and urban development, the state administrative body, the aimag and capital city environmental authority in charge of the exploration license area and the specialized inspection agency of issuing exploration licenses for common minerals. , the state administrative body shall register the exploration license and the issued area in the license and its cartographic register.

14.9. An exploration license for common minerals shall contain the date of its issuance, the name of the holder, and the coordinates of the corner point of the issued area and shall have an appendix to reflect the changes related to the license.

14.10. Paragraphs 19.12 and 20.1 of the Minerals Law shall not apply to obtaining a license for exploration of common minerals.

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#### **Article 15. Rights of holders of exploration licenses for common minerals**

A holder of an exploration license for common minerals shall have the following rights:

15.1.1. To search only for common minerals within the boundaries of an exploration area in accordance with this law;

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

15.1.3. To extend the term of a common mineral exploration license once for a period of two years if it meets the conditions and requirements set forth in this law.

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#### [Article 16. Extension of license for exploration of common minerals](#)

One month prior to the expiration of a common mineral exploration license, its holder shall submit an application for extension to the Governor of the aimag or the capital city and attach the following documents:

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

16.1.2. Receipt of payment of service fee and annual license fee;

16.1.3. A document confirming the renewal of the environmental protection plan in accordance with Article 29 of this law;

16.1.4. A report on the completion of the work prior to the extension of the exploration license and the documents submitted thereof.

16.2. Aimag and capital city governors shall, within 10 working days after receiving the application specified in 16.1 of this Law, review whether the license holder meets the conditions and requirements set forth in Article 6.2 and Article 22 of this Law. Extended for the period specified in .3 and recorded in the license register.

16.3. Aimag and capital city governors shall notify the state central administrative body in charge of construction and urban development, the state administrative body, aimag and capital city environmental organization and specialized inspection agency upon extension of the exploration license.

16.4. If the license holder does not meet the conditions and requirements set forth in paragraph 6.2 and Article 22 of this law, the aimag or capital city governor shall refuse to extend the term and notify the applicant in writing and record it in the license registration.

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### **CHAPTER FOUR LICENSES FOR COMMON MINERALS**

#### [Article 17. Requirements for obtaining a mining license for common minerals](#)

17.1. Only the license holder shall have the right to apply for a mining license in an area with a license for exploration of common minerals.

17.2. In the application specified in 17.1 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.

17.3. The mine site shall meet the requirements set forth in Articles 24.4 and 24.5 of the Minerals Law.

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#### [Article 18. Procedure for applying for a license for mining of common minerals](#)

An application for a mining license specified in Articles 17.1 and 17.2 of this Law shall be submitted to the Governor of the aimag or the capital city in accordance with the approved form and the following documents shall be attached to it:

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

18.1.2. Evidence that the legal entity meets the requirements specified in 6.1 of this law;

18.1.3. A map of the area made in accordance with the requirements set forth in Article 17.3 of this Law and the name of the aimag, soum or district where the area is located;

18.1.4. Receipt of payment of service fee specified in Article 25.1.5 of the Law on State Stamp Duty;

18.1.5. A decision of the State Administrative Body on the consideration and receipt of the exploration performance report;

18.1.6. A document confirming that the company has fully complied with its obligations under the environmental protection plan during the exploration work.

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#### Article 19. Registration and processing of applications

Upon receipt of the application specified in 18.1 of this Law, the Governor of the aimag or the capital city 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. Immediately after registration, a preliminary examination shall be conducted to determine whether the application and attached documents meet the requirements set forth in Articles 17.3 and 18.1 of this Law.

19.2. Aimag and capital city governors shall clarify the following after conducting the initial verification specified in 19.1.2 of this law:

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

19.2.2. Whether the applied 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;

19.2.3. Whether the amount and value of mineral resources determined by exploration are sufficient to rehabilitate the damage caused to the environment caused by mining.

19.3. Aimag and capital city governors shall make one of the following decisions and notify the applicant within 15 working days after registration of the application on the basis of performing the actions specified in Articles 19.1 and 19.2 of this Law:

19.3.1. If the application and attached documents do not meet the requirements set forth in Articles 17.3 and 18.1 of this Law, refuse to accept the application, notify the applicant in writing of the reasons and grounds for rejection and record it in the application registration book;

19.3.2. 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 24.1 of this law;

19.3.3. If the area mentioned in the application restricts or prohibits the exploration and mining of minerals, or is taken for special needs or reserves, as well as overlaps with any part of the area already issued by a valid license, the application shall be rejected. notify the applicant in writing and make a note in the application register.

19.4. If a holder of a mining license granted in accordance with Article 19.3.2 of this Law fails to pay the first year's license fee within the period specified in Article 24.1 of this Law, the aimag or capital city Governor shall deregister the application and notify the applicant in writing. make a note in the register.

19.5. Aimag and capital city governors shall issue a mining license for a period of 15 years within five working days after the applicant has paid the first annual license fee in accordance with Article 19.3.2 of this law.

19.6. 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.

19.7. Within 10 working days after the issuance of a mining license by the aimag or capital city governor, the state central administrative body in charge of construction and urban development, the state administrative body and the aimag and capital city environmental authority, the tax authority, the specialized inspection agency, The Governor of the soum or district where the licensed area is located shall be notified and the state administrative body shall register the license and the mining area in

the license and its cartographic register.

19.8. If the Governor of the aimag or the capital city has made a decision specified in Articles 19.3.1, 19.3.3 and 19.4 of this Law, the application and the documents attached thereto shall be returned to the applicant.

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#### Article 20. Rights and obligations of holders of licenses for the exploitation of common minerals

A holder of a mining license for common minerals shall have the following rights and obligations:

20.1.1. To use all types of common minerals located in the possession of the mine in accordance with the conditions and procedures specified in this law;

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

20.1.3 sell all types of common minerals and products extracted from the mine tenure at market prices;

20.1.4. To conduct exploration of common minerals in the mine area;

20.1.5 extend the term of a mining license for common minerals by 10 or 10 years, depending on the size of the mineral resource;

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

20.1.7. 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;

20.1.8. All types of common minerals and products extracted from the mine tenure shall meet the requirements of the standard;

20.1.9 use land and water in accordance with relevant legislation.

Land owners and possessors may use common minerals in the land for their own household needs without the purpose of making a profit.

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#### Article 21. Extension of mining licenses for common minerals

At least one year prior to the expiration of a common mineral 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:

21.1.1. 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;

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

21.1.3. A document confirming that the implementation of the environmental protection plan has been monitored in accordance with Article 29 of this law.

Aimag and capital city governors shall, within 10 working days after receiving the application specified in 21.1 of this law, review whether the license holder meets the conditions to retain the license, and if there are no violations, extend the license for the period specified in 20.1.5 of this law. This shall be noted in the license registration *and* notified to the applicant.

21.3. Aimag and capital city governors shall notify the organizations specified in Article 19.7 of this Law of the decision to extend the mining license within 10 working days after its issuance.

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## FOR RESERVATION OF RIGHTS TO EXPLORATION AND MINING LICENSES OF COMMON MINERALS

### Article 22. Reservation of the right to hold a license

A license holder shall be obliged to comply with the conditions and requirements specified in Articles 23 and 24 of this Law, and in case of violation, the license shall be revoked in accordance with Article 37 of this Law.

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### Article 23. License fee

23.1. The license holder shall pay the license fee annually in accordance with Article 35.6 of the Law on State Stamp Duty.

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### Article 24. Payment of license fee

A holder of an exploration and mining license for common minerals shall pay the license fee for the first year within 10 working days after receiving the notification specified in Articles 14.5 and 19.3.2 of this law.

24.2. 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.

24.3 The amount of the license fee shall be determined based on the size of the mining area of the area registered in the license registration at the time of payment and the amount of the fee shall not be changed in that year.

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## CHAPTER SIX ROLE OF A LICENSE OWNER

### Article 25. General obligations of a license holder of common minerals

A holder of a common mineral license shall comply with the general obligations set forth in Article 25 of this law when searching for and exploiting common minerals, and shall be liable in accordance with the Law on Violations.

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

A holder of an exploration license for common minerals shall keep the following documents at the place of exploration: 25.2.

25.2.1. A copy of the exploration license;

25.2.2. Environmental protection plans and reports;

25.2.3. Exploration work plan reviewed by soum and district governors and specialized inspection agency.

A holder of a license for the exploitation of common minerals shall submit the documents specified in Articles 35.3.1-35.3.7 of the Minerals Law.

25.4. The holder of a common mineral license shall terminate its activities and notify the aimag and capital city governors in case of discovery of other types of minerals, historical and cultural finds and artifacts during the search and exploitation of common minerals.

A holder of a license for common minerals shall comply with the requirements set forth in Article 17.10 of the Law on Protection of Cultural Heritage.

A holder of a license for common minerals shall comply with the requirements set forth in Article 32 of the Law on Subsoil.

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### Article 26. Environmental protection

A license holder shall comply with the obligations specified in the legislation on environmental protection and Articles 27 and 28 of this law.

26.2. It shall be prohibited to start prospecting and mining activities for common minerals without obtaining permission from the aimag or capital city environmental authority, and if there is a dispute on this issue, a complaint may be submitted to the specialized inspection agency.

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#### [Article 27. Obligations of an exploration license holder to protect the environment](#)

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

27.1.1. Within 60 days after receiving the license, in consultation with the environmental inspection service and the soum or district governor where the exploration area is located, develop an environmental protection plan and have it approved by the soum or district governor;

27.1.2. The plan specified in 27.1.1 of this Law shall not exceed the permissible level of environmental pollution, and include rehabilitation measures that may be used for public purposes in the future by burying, leveling and planting vegetated land;

27.1.3. To submit a copy of the environmental protection plan approved in accordance with Article 27.1.1 of this Law to the local environmental inspection office where the exploration area is located;

27.1.4. Negative environmental impacts generated during the exploration work shall be registered from time to time and reflected in the annual report of the environmental protection plan and the report shall be submitted to the environmental inspection department and the soum or district governor;

27.1.5. The report specified in 27.1.4 of this law shall include proposals on measures taken to protect the environment, new techniques and technologies used in exploration work, and amendments to the plan to prevent potential negative impacts on the environment. , to be approved by the district governor;

27.1.6. To allow officials of the state and local administrative organizations authorized to monitor the implementation of the legislation on environmental protection to enter the exploration area and conduct on-site inspections;

27.1.7. 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 27.1.1 and 27.1.5 of this Law and its changes and submit it to the license holder within five working days after receiving it.

27.3. If the license holder has not fully complied with the measures set forth in the environmental protection plan, the soum or district governor shall use the funds specified in 27.1.7 of this law to carry out environmental rehabilitation and the required funds shall be paid by the license holder without dispute.

27.4. If the license holder has fully fulfilled its obligations set forth in the environmental protection plan, the assets specified in 27.1.7 of this law shall be returned to it.

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#### [Article 28. Obligations of the holder of a mining license for common minerals to protect the environment](#)

A holder of a mining license for common minerals shall have the obligations specified in Article 39.1 of the Minerals Law.

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#### [Article 29. Review of updated environmental protection assessments and plans](#)

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

29.2. When extending a mining license, the mining license holder shall update the environmental impact assessment and environmental protection plan and submit it to the aimag and capital city environmental authority for approval.

29.3. The plan specified in 29.1 of this Law shall be approved in accordance with 27.2 of this Law.

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#### [Article 30. Compensation for property damage](#)

A license holder shall compensate damages in accordance with Article 41.1 of the Minerals Law.

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#### [Article 31. Ensuring hygienic conditions and safety](#)

31.1. 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.

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#### [Article 32. Requirements for mine closure](#)

32.1. If the license holder closes the mine in whole or in part, it shall take measures specified in Article 45 of the Minerals Law.

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#### [Article 33. Payment for use of common mineral resources](#)

A holder of a common mineral mining license shall pay royalties to the local budget based on the sales value of all types of common mineral products extracted, sold or shipped or used for sale.

33.2. The royalty for the use of common mineral resources shall be equal to 2.5 percent of the sales value of all types of common mineral products mined, sold or shipped or used for sale.

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#### [Article 34. Issuance of news and reports](#)

An exploration license holder shall submit the following information, reports and plans to the aimag and capital city governors and the specialized inspection agency within the following timeframes:

34.1.1. The exploration work plan within 60 days from the date of issuance of the exploration license;

34.1.2. Annual report on exploration work shall be prepared in accordance with the form approved by the State Administrative Body, classified by stage of exploration and within 60 days from the date of submission of the report.

34.2. The report specified in 34.1.2 of this Law shall be accompanied by information related to the quantity, cost, expenses, manpower of drilling and all other types of work performed on the site, as well as the results of exploration work and working drawings on the site. is connected to the network.

34.3. Prior to the expiration of the license, the exploration license holder shall prepare a consolidated report on the deposit's reserves and exploration results in accordance with the approved form and requirements and submit it to the state administrative body together with the initial materials.

34.4. The State Administrative Body shall make a decision to register the resources specified in the report specified in 34.3 of this Law in the Unified State Minerals Registry and submit it to the State Central Administrative Body Responsible for Construction and Urban Development.

34.5. The holder of a mining license for common minerals shall submit the following information and report to the Governor of the aimag or the capital city within the following periods: 34.5.

34.5.1. Within 120 days after obtaining the mining license for the technical and economic feasibility study for the deposit;

34.5.2. The main production indicators for the next year in accordance with the approved form within December of each year;

34.5.3. Annual activity report, main mining performance indicators and graphic drawings determined by the surveyor's measurements in accordance with the approved form by February 15 of the following year.

Aimag and capital city governors shall receive the feasibility study specified in 34.5.1 of this law and submit it to the state

central administrative body in charge of construction and urban development.

34.7. The report specified in 34.5.3 of this Law shall include the following:

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

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

34.7.3. Quantity of extracted, produced, shipped and sold products, selling price, information on its buyer, information on investment, operating costs, equipment and other assets paid and used for the use of mineral resources in a given year.

34.8. The license holder shall submit the implementation and report of the environmental protection plan to the relevant authority in accordance with Articles 27 and 28 of this Law.

34.9. A license holder shall submit a quarterly report on royalty specified in 34.7.3 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 an annual report by January 20 of the following year. to the tax authorities.

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

34.11. The form specified in Articles 34.5.2 and 34.5.3 of this Law shall be approved by the Head of the State Administrative Body.

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## **CHAPTER SEVEN END OF LICENSE**

### [Article 35. Grounds for termination of license](#)

Exploration and mining licenses for common minerals shall be terminated in the following cases:

35.1.1. The license has expired;

35.1.2. The license holder has returned the entire area granted by the license in accordance with Article 36 of this law;

35.1.3. Aimag and capital city governors have revoked their licenses.

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 27, 28 and 32 of this law and the legislation on environmental protection.

Upon termination of the license, the person who possessed the license shall return the license to the Governor of the aimag or the capital city, and a new license may be issued for the area in accordance with this law.

35.4. Ownership of machinery, equipment, facilities and other property to be left in the exploration and mining area shall be resolved in accordance with the Civil Code.

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### [Article 36. Return of the licensed area in its entirety](#)

A holder of an exploration and mining license for common minerals may submit an application and return the entire licensed area at his / her own request in accordance with the form approved by the state administrative body.

36.2 The application for the return of the entire area shall be accompanied by evidence of compliance with the obligations under the legislation on environmental protection, issuance of information and reports, and compliance with the requirements set forth in Article 32 of this law when closing the mine.

Upon receipt of the application specified in Article 36.1 of this Law, the Governor of the aimag or the capital city shall review whether the license holder meets the requirements set forth in Article 36.2 of this Law, register it in the license and its cartographic register and make appropriate changes.

36.4. The license holder shall return the license certificate to the Governor of the aimag or the capital city after returning the entire area granted by the license.

36.5. Governors of aimags and the capital city shall notify the state administrative body of the withdrawal of the entire licensed area.

36.6. The license holder shall not have the right to re-apply for the area within two years after returning the entire area.

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#### [Article 37. Revocation of a license](#)

Aimag and capital city governors shall revoke licenses on the following grounds:

37.1.1. The license holder fails to meet the requirements set forth in paragraph 6.2 and Article 22 of this law;

37.1.2. The license holder has not paid the license fee in full on time;

37.1.3. The organization 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 not paid the royalty and has not fulfilled its obligation to rehabilitate the environment;

37.1.4. It has been established that the license holder has explored and used other types of minerals in the name of prospecting and exploitation of common minerals.

Aimag and capital city governors shall notify the license holder within 10 working days after the grounds for revocation of the license specified in Articles 37.1.1-37.1.4 of this Law have been established, and shall clearly state the grounds for revocation of the license.

37.3. If he / she does not agree with the grounds specified in the statement specified in 37.2 of this Law, the license holder shall submit supporting documents to the Governor of the aimag or the capital city.

37.4. Aimag and capital city governors shall review the documents specified in 37.3 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 the decision.

37.5. 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.

37.6. Aimag and capital city governors shall notify the specialized inspection agency if the exploration license is revoked, and the tax authority and state administrative body if the mining license is revoked.

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## **CHAPTER EIGHT INFORMATION, DISTRIBUTION OF PAYMENTS, COMPENSATION**

#### [Article 38. Getting acquainted with information and records related to minerals](#)

An interested person shall have the right to inspect the license and its cartographic registration at the designated place during working hours.

Aimag and capital city governors shall, at the request of the license holder, classify the exploration report, mine operation data, technical and economic feasibility study prepared by the license holder as confidential during the validity period of the license, and may enter into an agreement on confidentiality.

38.3. It shall be prohibited to disclose, publish or disclose information classified as confidential in accordance with Article 38.2 of this Law outside the grounds and procedures specified in the Law on State and Official Secrets, the Law on Organizational Secrets and the Law on Personal Secrets.

*/ This part was amended according to the law dated December 01, 2016 /*

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#### [Article 39. Distribution of license fees](#)

39.1. Relations related to the distribution of license fees shall be regulated by the Budget Law.

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#### [Article 40. Compensation for common mineral deposits explored with state budget funds](#)

40.1. A license holder conducting exploration work with state budget funds, determining its reserves and registering them in the Unified State Minerals Registry shall pay the expenses incurred from the state budget for exploration work in accordance with Article 60 of the Minerals Law. will be reimbursed to the state budget on a contractual basis.

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### **CHAPTER NINE RESOLUTION OF DISPUTES RELATED TO LICENSES**

#### [Article 41. Settlement of field boundary disputes](#)

Aimag and capital city governors shall resolve border disputes between license holders.

Aimag and capital city governors shall give the disputing parties an opportunity to express their position in writing and explain their grounds to each other.

41.3. Aimag and capital city governors shall check whether there is any overlap between the disputed area reflected in the license and its cartographic registration, and if it is found that there is overlap, based on the initial application of the license holder and the site boundary measurement report. check.

41.4. If it is determined that there is an overlap as a result of the measurement, the Governor of the aimag or the capital city shall make appropriate changes in the area licensed by the latter and eliminate the overlap.

41.5. 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.

41.6. Governors of aimags and the capital city shall inspect the coordinates of disputed borders and points, make a decision on making relevant corrections and changes, and notify the parties to the dispute.

41.7. If a party to the dispute does not agree with the decision of the Governor of the aimag or the capital city, it may appeal to the court.

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#### [Article 42. Resolving disputes between license holders and land owners, possessors and users](#)

Disputes between the license holder and the land owner, possessor and user regarding access, transit and use of the land shall be settled by arbitration if there is an arbitration agreement, and in other cases by a court in accordance with the Civil Code and the Land Law.

*/ This part was amended according to the law dated January 26, 2017 /*

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#### [Article 43. Complaint to a government organization](#)

A license holder may file a complaint to the relevant higher level organization, official or court regarding the actions or inactions of the state organization or official that impeded the exercise of the rights granted by this law.

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## **CHAPTER TEN RESPONSIBILITY**

### **Article 44. Liability for violators of the law**

44.1. 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.

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

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**CHAIRMAN OF THE PARLIAMENT OF MONGOLIA Z.ENKHBOLD**