

Report of KAZRC Association activity in period 2016 (October)-2017 (September)

The main areas of KAZRC Association activity during this period were:

1. Participation in the work on development of the draft Code on subsoils and subsoil use and other legislative acts of RK.
2. Participation in the work of the Working groups of the Committee of Geology and Subsoil use
3. Cooperation with Kazgeology JSC on preparing of public reports
4. Participation and speaking at conferences and workshops
5. Participation in the international activity of CRIRSCO.
6. Training

Brief information on the main areas KAZRC Association activity in 2017

Participation in the work on development of the draft Code on subsoils and subsoil use (hereinafter – the Subsoil Code).

The draft Subsoil Code has been developed by the Ministry for Investments and Development of RK in cooperation with the consultants and members of the Working Group consisting of the representatives of all the interested parties.

In general the new Subsoil Code is aimed at improvement of the conditions for raising investments for the mining and oil and gas sectors of the economy of RK.

KAZRC Association participated in this work in order to include into the Subsoil Code the provisions relating to reporting on exploration results and assessment of mineral resources and reserves. Not all proposals of KAZRC Association were adopted. But, nevertheless, the article of the Subsoil Code on obtaining a license for the extraction of solid mineral deposits states that an applicant must submit a statement with an attached "Report on assessment of solid mineral deposit resources. The report shall be prepared by a competent person in accordance with the Kazakhstan Code of Public Reporting on Exploration Results, Mineral Resources and Reserves (KAZRC Code)".

On September 19, the draft Subsoil Code was approved by the Government of the Republic of Kazakhstan, and on September 27 the Parliament of the RK began its consideration.

KAZRC Association will continue the work on explaining the issues of transition to the international reporting standards to the Parliament members.

The Subsoil Code is expected to be approved by the end of 2017 and to come into force in 6 months hereon.

For the full transition to KAZRC reporting standards a five-year transition period until 2023 has been envisaged, which will see an active personnel training, transfer of the state resource and reserve balance system into the National Geodatabase and other necessary measures.

KAZRC Association obtained accreditation for carrying out expertise of draft normative legal acts:

in the Ministry for Investments and Development of RK - May 2017.

in the National Chamber of Entrepreneurs of the Republic Kazakhstan "Atameken" - August 2017.

KAZRC Association submits its opinion regarding all industry legislative and subordinate normative legal acts.

Participation in the Working Groups of the Committee of Geology

The Committee of Geology has formed a Working Group on development of proposals on the prospects of further development of the geological sector of the Republic of Kazakhstan. KAZRC Association represented by its leader is a member of this WG and participates in the discussions and formulation of proposals.

In the context of this subject, KAZRC Association, in cooperation with SPMK (Union of Project Managers of the Republic of Kazakhstan), is performing the project under the order of Kazgeology JSC to develop a set of measures for implementing the Concept of Geology Sector Development until 2030. This Concept was approved by the Government Resolution in 2012.

Within the framework of the agreement, the state of the industry for the past 5 years after the Concept was approved has been analyzed, and the main reasons for the delay in solving key problems have been identified. At the present moment the development of recommendations on a set of necessary measures for the transformation of the industry management system is being finalized.

Participation in WG on EBRD

Participation in the activity of the Working Group of the Committee of Geology and Subsoil Use of the Ministry for Investments and Development of RK under the project of the European Bank for Reconstruction and Development on implementation of the Mineral Reserves International Reporting Standards of CRIRSCO.

This work is carried out by EBRD consultants from "LR Synergy" (EBRD and "LR Synergy" signed the contract on March 23, 2017).

The ultimate goal of this project is to develop a roadmap of transition to the international reporting standards in accordance with best world practice, to develop proposals to the Subsoil Code, to provide recommendations on training of Kazakhstan specialists to compile and audit geological reports on resources and reserves in accordance with KAZRC/CRIRSCO standards, to conduct trainings and workshops.

KAZRC Association closely cooperates with the consultants, submits materials and proposals.

The first phase of the project is being completed and the final report will be submitted in October. November will see the start of the training program that will cover various levels of students (government employees, business managers, technical specialists and qualified technical specialists - potential Competent Persons).

Cooperation with Kazgeology JSC on compilation of public reports

KAZRC Association and Kazgeology JSC National Company signed the Agreement on Cooperation on the Issues of Transition to the Reporting Standards of KAZRC.

Within this framework agreement, KAZRC Association together with the KMC Kazakhstan consulting company is working on compilation of the report according to KAZRC standards on the results of the exploration works under the project "Conducting prospecting and appraisal works for polymetals at Dyusembay site." This exploratory investment project of Kazgeology JSC is implemented jointly with the partner Korean mining company KORES.

The report will be compiled by the team of KMC specialists led by Competent Person Danilov V.V.

It will be the first report compiled according to KAZRC standards.

Participation and speaking at conferences and workshops

Participation and speaking at Mining and Exploration forum MINEX Central Asia.

Participation and speaking at "Satpayev readings" Conference in KazNRTU.

Participation and speaking at the Scientific and Practical Conference on the topic: "Scientific and Personnel Support of Innovative Development of the Mining and Metallurgical Complex"

Participation and speaking at the Roundtable on KAZRC Code at MINTECH Conference

Participation and speaking at Astana mining forum AMM-2017

Participation in the international activity of CRIRSCO

Participation and speaking at the workshop in Ankara city (August 2017). The draft code of UMREK public reporting standards has been considered and the Roadmap for entering of Turkey into CRIRSCO has been developed.

Training

KAZRC Association together with PONEN has developed a program of courses for KAZRC standards training for 2017 and signed the Cooperation Agreement with Kazakh National Research Technical University after K.I. Satpayev (KazNRTU).

44 specialists have completed their KAZRC standards training since the beginning of 2017.

However, the companies do not actively send their employees to the refresher courses. With the adoption of the Subsoil Code the processes of training and entry of specialists into PONEN membership are expected to intensify significantly.