

Minex CA



Transition to KAZRC
reporting standards
in mining sector of Kazakhstan.

Astana 2018

New opportunities for attracting investments in mining sector of RK

- Kazakhstan has a **great potential** for the growth of the mineral resource base
- It is necessary **to increase the volume of exploration work**
- We need investments and it means we need to improve the **conditions for investors**
- **The KAZRC Code and the Subsoil and Subsoil Use Code** are aimed at improving the **investment attractiveness** of the mining sector of Kazakhstan

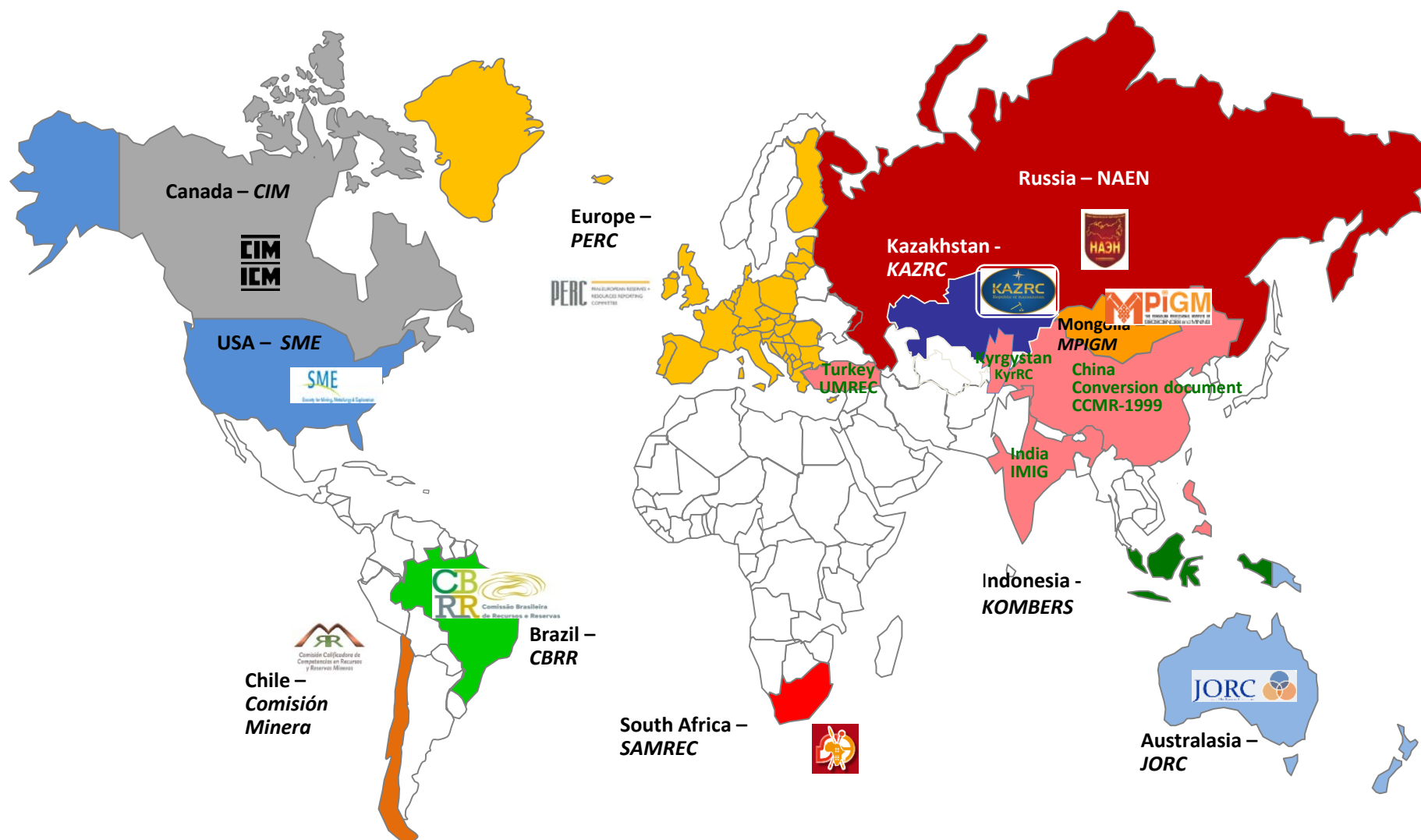
Global mineral exploration budget

Total exploration budgets for 2017 for non-ferrous mining was \$7.95bn, more than 14% up on 2016.



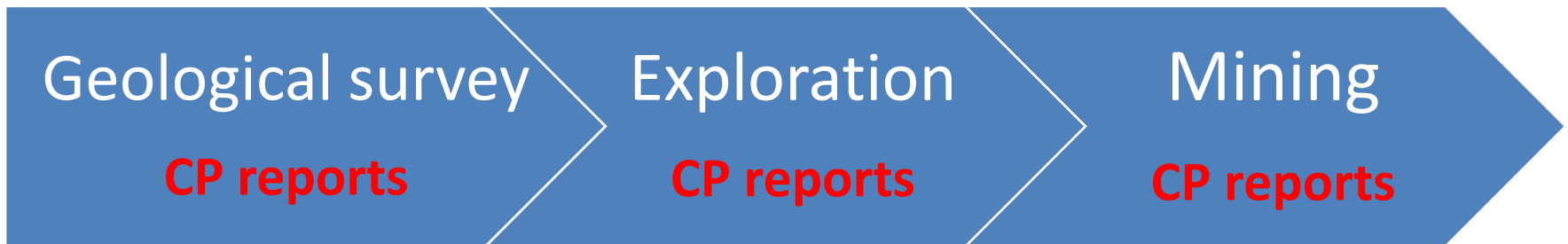
The share of Kazakhstan is about 1%

CRIRSCO -11 members , 10 candidates

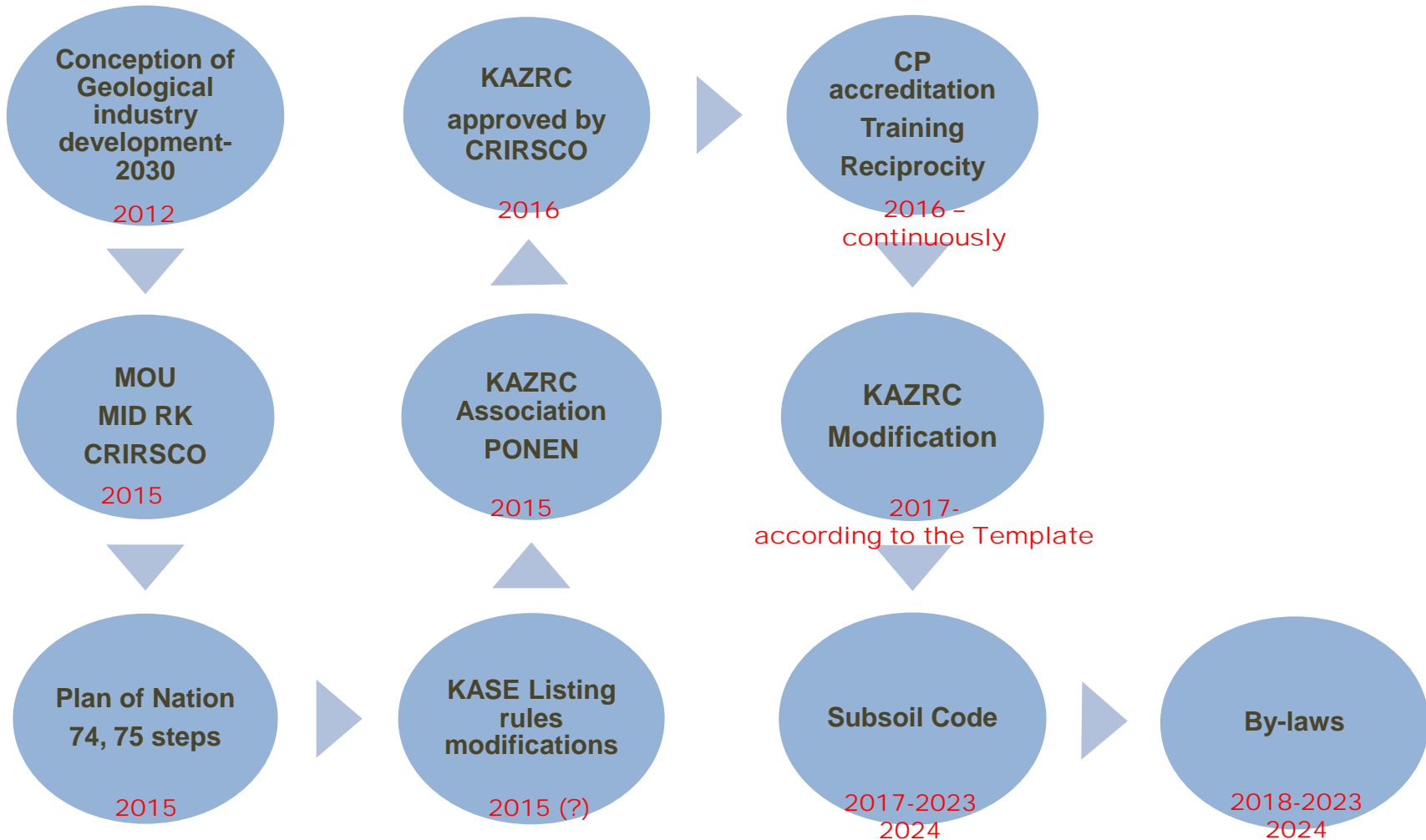


Turkey, China, India, Kyrgyzstan are in process to become the CRIRSCO members in the nearest future.

Reliable reports on exploration results, mineral resources and reserves are necessary for attraction investments in mining sector.



Transition to KAZRC. Milestones



KAZRC Modifications in 2017

APPENDIX 2. RECOGNIZED PROFESSIONAL BODIES

1. Public Society «Professional Society of independent experts of the subsurface resources PONEN»

2. Overseas professional organizations members of the National Reporting Organizations that are members of CRIRSCO.

Subsoil Code

Article 180. Subsoil user reporting in the course of pilot production and extraction of uranium.

Under a contract for uranium mining, a subsoil user is required to submit the following reports:

- 1) geological report;
- 2) the report of the competent person on reserves, prepared in accordance with the Kazakhstan Code of Public Reporting on the results of exploration, mineral resources and mineral reserves (**KAZRC Code**);

Article 204. Application for the issue of a license for the extraction of solid minerals.

2. The application should contain the following information:

- 6) a report on mineral resources of solid minerals of the subsoil block, which the applicant requests for use;
7. The report on estimation of mineral resources and reserves prepared by a Competent person in accordance with the **KAZRC Code**.

Subsoil Code

Article 278. Transitional Provisions

Before 1 January 2024, subsoil users have the right to prepare reports on mineral resources according to the GKZ standards

If estimation of mineral resources in KAZRC reports decreased by more than 25% from the reserves of industrial categories previously approved by the GKZ, then the authorized body must confirm the validity of such changes.

For the period of considering such cases the application for a production license is suspended (no longer than 6 months).

By-laws

Subsoil Code

Exploration Staging

Forms of Exploration reports

Working Program of the subsoil use
contract

Licenses of Hold Status

State Cadaster

National Data Base

Training

etc.

**After 1 January 2024, subsoil users have to use
KAZRC requirements.**

Methodological basis for conducting geological research

1. Методическое руководство **по оценке прогнозных ресурсов ТПИ** на территории РК
2. Инструкция по организации и проведению **геологического доизучения** масштаба 1:200000 в РК
3. Инструкция по составлению и подготовке к изданию листов **государственной геологической карты** РК м-ба 1:2000
4. Методически рекомендации по **шлихогеохимическому методу** поисков месторождений рудных и благородных металлов (золото, платиноиды) при ГДП-200 и поисковых работах
5. Методические рекомендации к обеспечению **ГДП-200** (гравиразведка, магниторазведка, геохимические методы поисков, опробование)
6. Временные методические рекомендации **по компьютерной технологии создания нового поколения карт** геологического содержания в автоматизированном режиме
7. Методическое руководство по **компьютерной технологии прогнозирования и оценки прогнозных ресурсов месторождений полезных ископаемых**
8. Методическое руководство по **литохимическим методам** поисков рудных месторождений
9. Методические рекомендации по **оценке палеогеодинамических обстановок** формирования интрузивных и эффузивных комплексов при геологическом доизучении площадей в масштабе 1: 200 000 и банка петрохимических данных; информационное обеспечение геологической отрасли, включающее подготовку материалов к международному геологическому конгрессу и издание журнала «Геология и охрана недр»
10. Инструкция по организации и производству **глубинного геологического картирования** м-ба 1:200000
11. Методическое руководство по проведению **геолого-минерагенического картирования** м-ба 1:200000
12. Методическое руководство по **составлению серийных легенд госгеолкарты-200**
13. Временные требования к **дистанционной основе госгеолкарты-200**
14. **Стратиграфический кодекс**
15. Методическое руководство по **организации и проведению поисковых работ (ТПИ)**
16. Методическое руководство по **организации и проведению поисково-оценочных работ (ТПИ)**

5 key directions of KAZRC implementation

1. Reciprocity of CP of PONEN
2. Reciprocity of KAZRC.
3. By-laws
4. Guidelines
5. Training

APPLICATIONS FOR TRAINING

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Proposals for the Government bodies

- Update the **Listing Rules** of KASE
- Link the Subsoil Code and the **Tax Code** - so that by the end of the transition period (until December 31, 2023), KAZRC reporting standards on exploration result, mineral resources and reserves was applied in mining sector (*royalty*).
- Develop and approve **By-laws** supporting clear and smooth transition to KAZRC



**THANK YOU
FOR ATTENTION!**

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