

Implementation of KAZRC Reporting Standards in Mining Industry of Kazakhstan.



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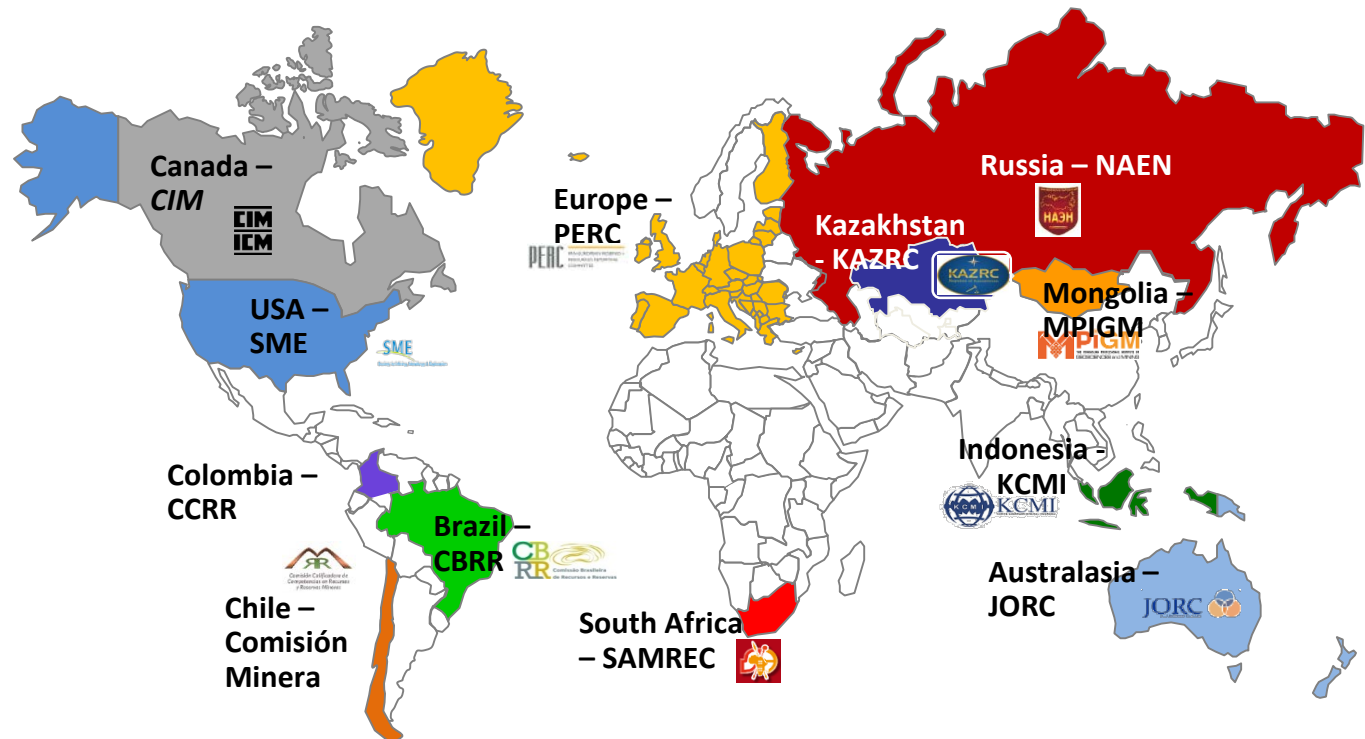
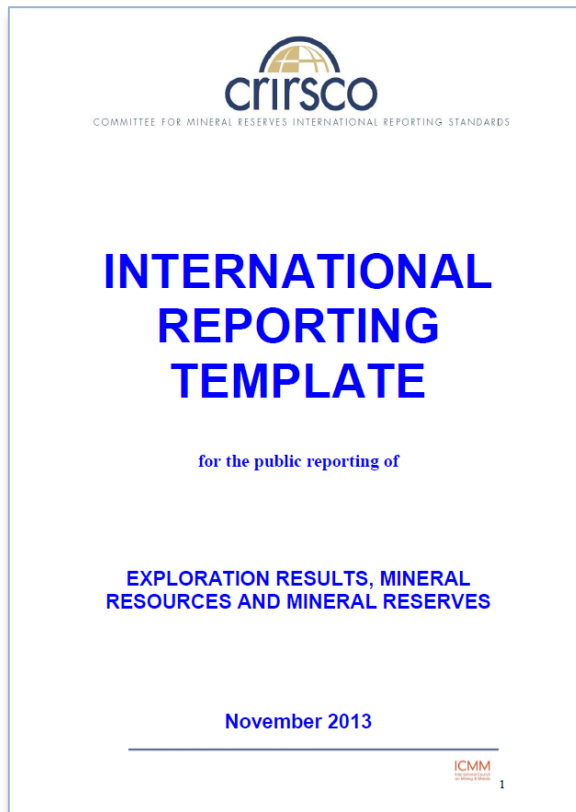
Innovation Excellence - step forward to mining growth



Ministry of Investments and Development
of the Republic of Kazakhstan



CRIRSCO reporting standards as a tool for governments to protect potential mineral sector investors by providing consistent, reliable and transparent information.



CRIRSCO -12 members in 2018.

Candidates – Turkey, China, India, Kyrgyzstan.

Mile stones

- 2012 - Concept of the development of the geological industry up to 2030
- 2015 - The Nation's Plan 100 concrete steps (74 and 75 steps)
 - Memorandum of Cooperation between the Ministry of Investments and Development of Kazakhstan and CRIRSCO
 - Task group under the Ministry of RK, drafting the KAZRC
 - Foundation of the Association KAZRC and PONEN
 - Listing Rules of KASE - reporting on CRIRSCO
- 2016 - Joining CRIRSCO
 - Participation in the drafting of Subsoil Code
- 2017 - Approval of Subsoil Code
- 2018 - Entry into force of Subsoil Code
 - Drafting the by-laws

Principals of KAZRC and other CRIRSCO Standards

Transparency requires that the Users of Public Reports (investors, their professional advisers et al.) are provided with sufficient information, the presentation of which is clear and unambiguous, so as to understand a Report and not to be misled.

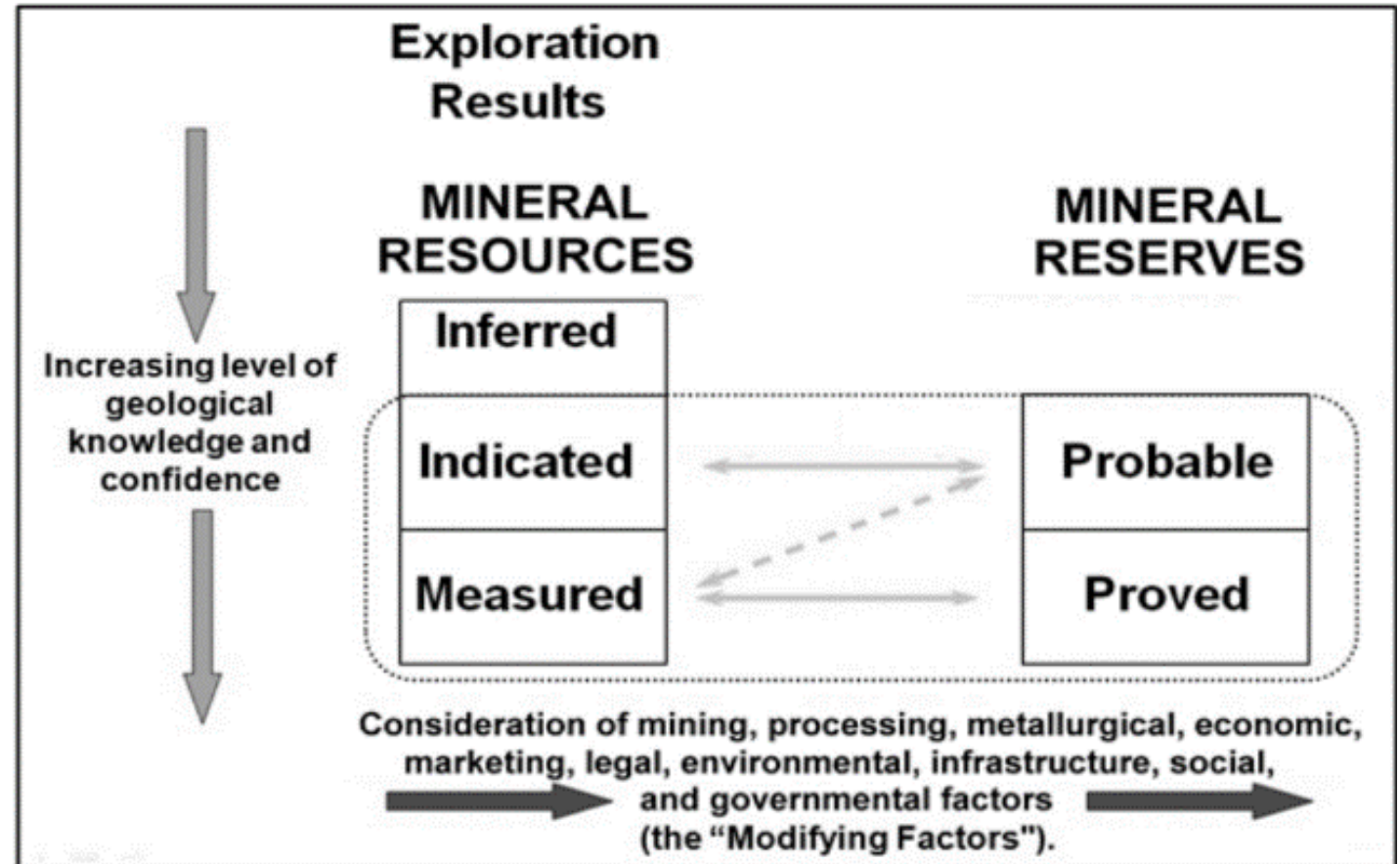
Materiality requires that a Public Report contains all the relevant information available at the date of disclosure, which the Users would reasonably require, and reasonably expect to find in a Public Report, for the purpose of making a reasoned and balanced judgement regarding the Exploration Results, Mineral Reserves or Mineral Resources being reported.

Competence requires that the Public Report be based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional code of ethics and rules of conduct.

KAZRC definitions and classification according to the CRIRSCO Template.

TEMPLATE definitions:

- Public reports
- Competent Person
- Modifying Factors
- Exploration Target
- Exploration Results
- Mineral Resource
- Inferred Resource
- Indicated Resource
- Measured Resource
- Mineral Reserve
- Probable Reserve
- Proved Reserve
- Scoping Study
- Pre-Feasibility Study
- Feasibility Study



KAZRC Table 1 and appendixes

TABLE 1. CHECK LIST OF ASSESSMENT AND REPORTING CRITERIA

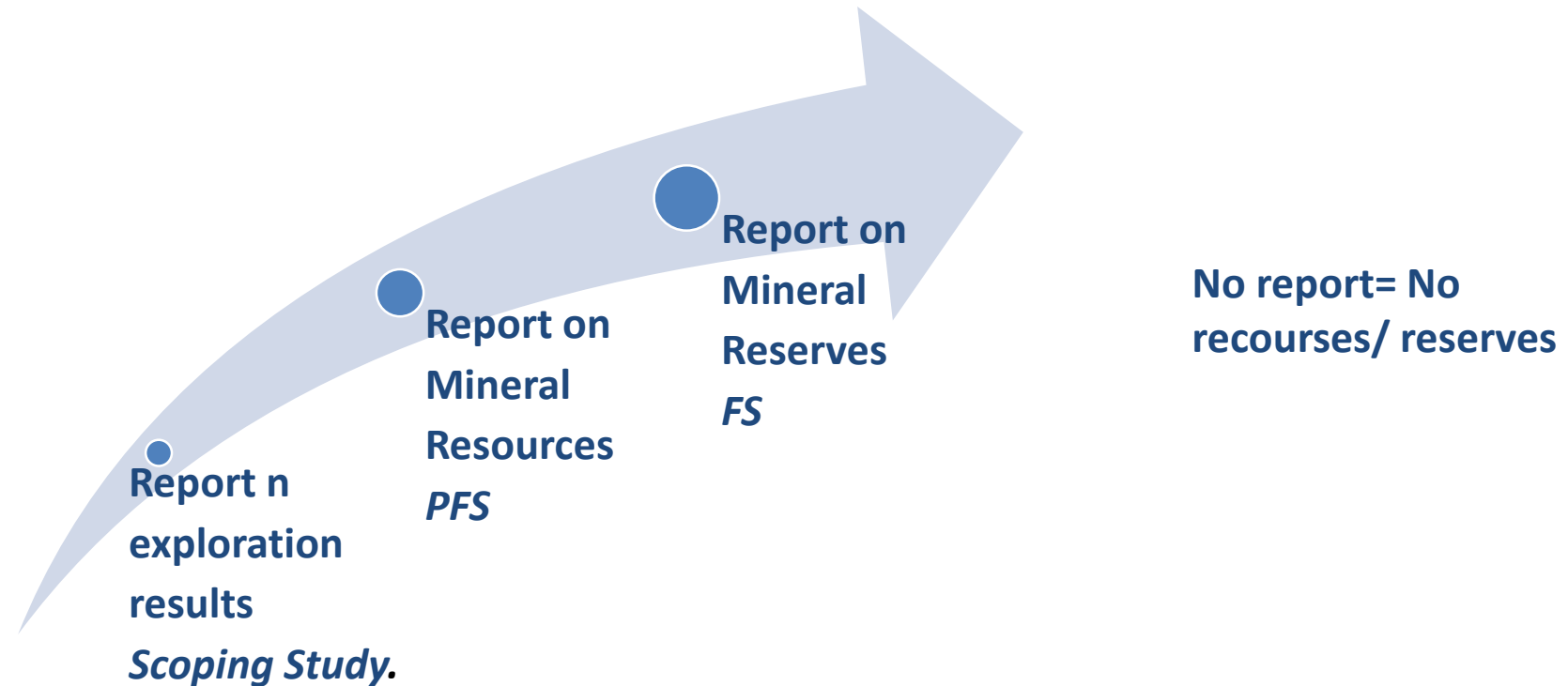
APPENDIX 1. KEY TERMS AND EQUIVALENTS

A table of key terms and their equivalents, designed to avoid unnecessary duplication or ambiguity in the text.

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.

Reformation of Kazakhstan mining legislation and transition to international reporting standards is aimed to increase investment inflow and volumes of exploration work.



Sufficient understanding ➡ Confidence ➡ Investment ➡ Mine.

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**.

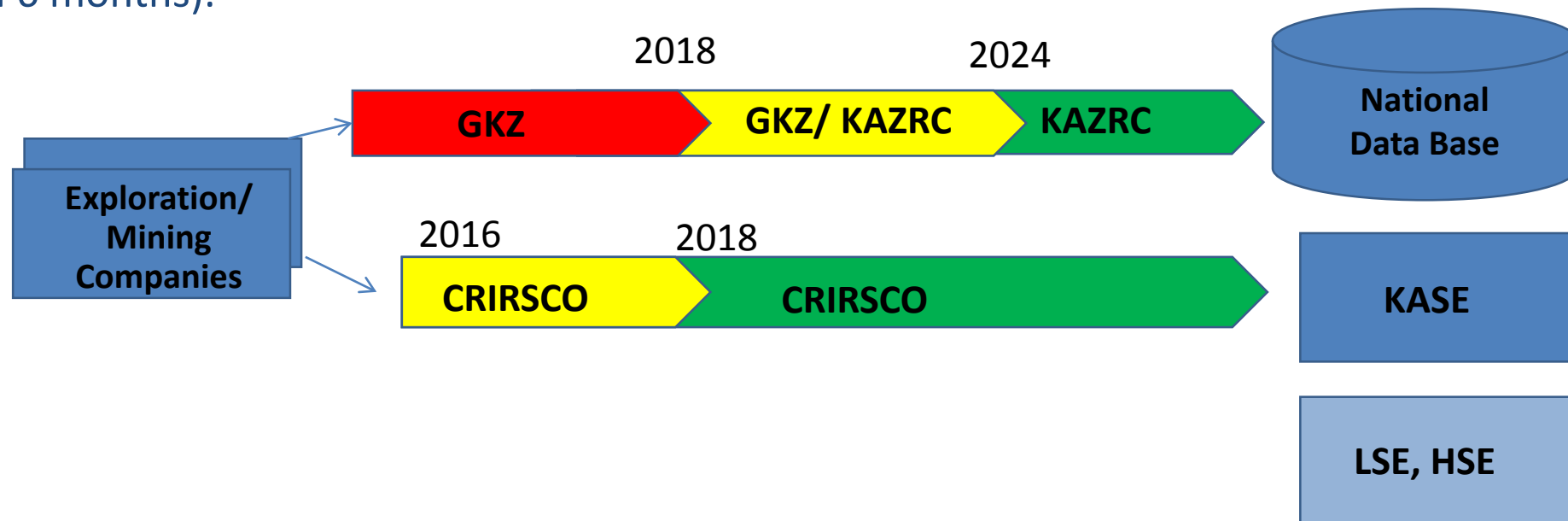
Subsoil Code

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).



Subsoil Code

By-laws

GKZ/ KAZRC

- Exploration Staging
- Forms of Exploration reports
- Working Program of the subsoil use contract
- Licenses of Hold Status
- State Cadaster
- National Data Base
- Training
etc.

Transition to KAZRC in conditions of growing activities in the subsoil use = growth in demand for qualified personnel in mining sector.

Content of KAZRC reports

- 1 Introduction
- 2 Project Outline
- 3 Accessibility, Physiography, Climate, Local Resources and Infrastructure
- 4 Project History
- 5 Geological Setting, Mineralization and Deposit Types
- 6 Exploration Data/Information
- 7 Mineral Resource Estimates
- 8 Technical Studies
- 9 Mineral Reserve Estimates
- 10 Other Relevant Data and Information
- 11 Interpretation and Conclusions
- 12 Recommendations
- 13 References
- 14 Appendices

APPENDIX 2

CERTIFICATE OF COMPETENT PERSON

Dated at [place] and [date].

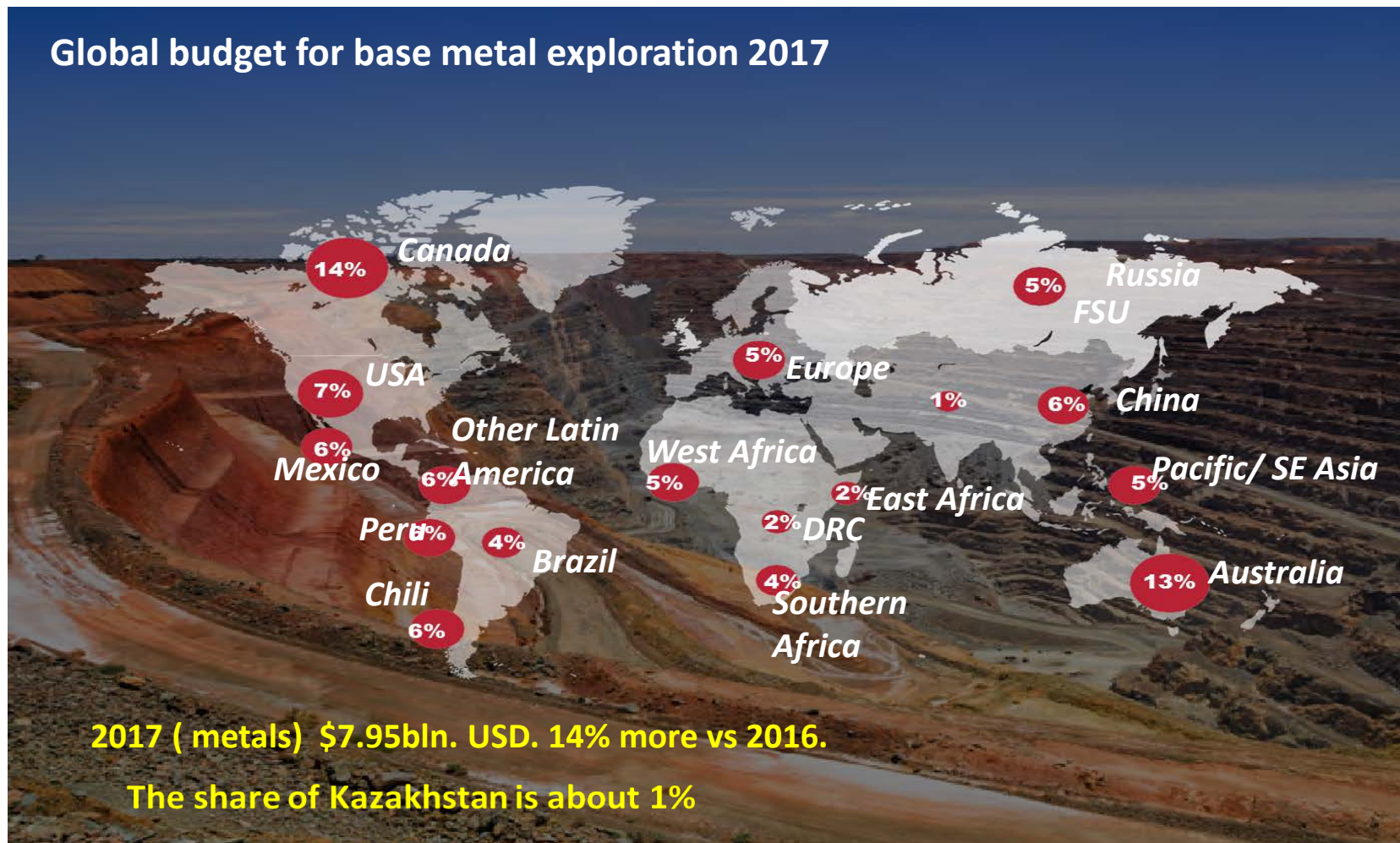
[Signed] [Name of CP]

APPENDIX 3

COMPLIANCE STATEMENTS

Table 1 (CHECK LIST OF ASSESSMENT
AND REPORTING CRITERIA)

Successful implementation of 74-75 steps will allow to change the distribution of investments in the geological exploration of the TPI in favor of the RK.





**THANK YOU
FOR ATTENTION!**

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