Provision on procedure of subsoil use licensing

Present Provision is developed in accordance with the Law of the Kyrgyz Republic "On subsurface resources".

1. Organizational support for state licensing system of subsoil license provides the State agency for Geology and Mineral resources under the Government of the Kyrgyz Republic, as the authorized state body for the implementation of the state policy on subsoil use. The authorized state body for the implementation of the state policy on subsoil use administers the licensing of subsoil license as the licensing authority - the licensor.

2. The subsoil license arises under license. Use of mineral resources without a license is prohibited, except as provided by the laws of the Kyrgyz Republic and the present Provision.

3. Licensing is required for all types of subsoil use in all types of minerals, including fresh, mineral and thermal groundwater, except for the granting of subsoil license under the concession contract and the production sharing agreement, as well as the works on the basis of state registration.

4. Subsoil users could be legal entities and individuals, established under the legislation of the Kyrgyz Republic, as well as foreign legal entities and individuals that have passed state registration in accordance with the legislation of the Kyrgyz Republic, and individuals registered in accordance with the legislation of the Kyrgyz Republic as individual entrepreneurs.

5. Subsoil users could be legal entities and individuals, established under the legislation of the Kyrgyz Republic, as well as foreign legal entities and individuals that have passed state registration in accordance with the legislation of the Kyrgyz Republic, and individuals registered in accordance with the legislation of the Kyrgyz Republic as individual entrepreneurs.

6. Unless otherwise provided by the legislation of the Kyrgyz Republic and the present Provision, foreign legal entities and individuals are licensed under the same terms and in the same procedure as individuals and legal entities of the Kyrgyz Republic.

II. Granting of subsoil license

7. Subsoil license could be granted on the basis of tenders, auctions and through direct negotiations.

8. The granting of subsoil license for subjects of mineral deposits of national importance is held on the basis of results of tenders. The list of subjects of mineral deposits of national importance established by the Government of the Kyrgyz Republic on recommendation of the authorized state body for the implementation of the state policy on subsoil use and published in the mass media. Tender for each subject of mineral deposits of national importance held by the decision of the Government of the Kyrgyz Republic by interdepartmental tender committee under Provision approved by the Government of the Kyrgyz Republic. By held tenders the subsoil license is granted based on the minutes of the tender committee.

9. Granting of subsoil license on the basis of auctions is made:

   - by subjects, list of which is approved by the authorized state body for the implementation of the state policy on subsoil use;
   - by subjects of national importance, which have not revealed the successful bidder by results of the two tenders;
   - by subjects that are not included in the list of deposits to be auctioned, but which received two or more bids.

10. By conducted auctions the subsoil license issued based on the minutes of auction committee.

11. Granting of subsoil license through direct negotiations is carried out:

   - for subjects of subsurface resources that are not included in the list of subjects of national importance and the list of subjects to be auctioned;
   - for subjects of the subsurface resources, if declared invalid two auctions on them;
   - for subjects of the subsurface resources that are not related to the exploration and mining;
   - for subjects of the subsurface resources, subject to licensing in order of implementation of the exclusive right of the subsoil user.

12. Licensing of subsoil license through direct negotiations made by the Committee for the licensing of subsoil use by authorized state body for the implementation of the state policy on subsoil use.

The results of the negotiations are documented in the minutes signed by the members of the committee, which is the basis for the issuance of subsoil license.

13. Subsoil licenses are granted for periods:

   - For geological prospecting works - up to 5 years, with subsequent prolongation according to the technical project;
   - Exploration - up to 10 years, with subsequent prolongation according to the technical project;
   - for mining - up to 20 years, with subsequent prolongation until the depletion of mineral resources;
   - for subjects, that are not related to the geological survey of subsurface resources and mining – for period provided by the technical project, with subsequent prolongation for the period provided by the adjusted technical project.

14. The subsoil license for geological exploration works provides an exclusive right to perform geological exploration works for the declared types of minerals within the licensed area.
The Licensee has the exclusive right to transform the subsoil license for geological exploration works to the subsoil license for geological prospecting works at the site of the mineral.

15. For licensed area for certain types of mineral exploration could be granted a subsoil license of other groups of minerals to other bidders.

16. The subsoil license for exploration provides an exclusive right to conduct exploration on the declared types of minerals within the licensed area.

17. After reserves recording of mineral resources in the State Register of Mineral Reserves of the Kyrgyz Republic, on the basis of the decision of approbation of the State Committee on Mineral Reserves of the Kyrgyz Republic, the licensee has the exclusive right to transform the subsoil license for exploration activities into the subsoil license for the mining of the explored field of mineral resources.

18. The subsoil license for mining activity is issued for licensed subjects, reserves of which are approved by the State Committee on Mineral Reserves of the Kyrgyz Republic and by the competent authorities of former Soviet Union (State Committee on Mineral Reserves of the USSR, the Territorial Committee on Mineral Reserves of the Kyrgyz SSR, the Central Committee for Mineral Reserves of the Ministry of Geology of the USSR etc.). The subsoil license for mining activity grants the licensee the exclusive right to:

- Mining activity within the mining claim with the right to conduct all the necessary preparatory work;
- Processing of mineral resources, including enrichment and metallurgy, the use of man-made mineral formations, wastes of metallurgical production;
- Sale of minerals and their derivative products, including exports;
- Geological study of subsurface resources within the mining claim according to the technical project with the corresponding positive expert opinions.

19. In case of emergency, in order to prevent emergencies for bank protection works, during road construction work at the request of the Ministry of Emergency Situations of the Kyrgyz Republic, Ministry of Transport and Communications of the Kyrgyz Republic, the bodies of local state administration and local self-government is permitted the development of inert materials without obtaining a subsoil license by permission of the authorized state body for the implementation of the state policy on subsoil use with notification him of the carried out works and the volume of production.

In this case, the mandatory condition of agreement is the requirement of performance of works under the engineering project of mining activity, and comprising the following technical and biological re-cultivation.

20. The subsoil license, not related to the geological survey of subsurface resources and mining activity, grants the licensee within the mining claim right to carry out work in accordance with the technical project.

III. Committee on subsoil use licensing

21. To address the issues related to the licensing of subsoil use, the authorized state body for the implementation of state policy for Subsoil Use establishes a Committee on licensing of subsoil use (hereinafter - the Committee).

22. The mandate of the Committee is to consider the following questions:

- Issuance of licenses through direct negotiations;
- The license renewal;
- Amendments and supplements to the license annexes;
- Suspension and termination of subsoil licenses;
- Solution of question on re-licensing due to the transfer of share;
- Consideration of other issues related to the subsoil use.

23. The Committee approved by the head of the authorized state body for the implementation of state policy on subsoil use.

24. The Chairman of the Committee is the head of the authorized state body for the implementation of the state policy on subsoil use.

25. Managing the work of the Committee is President of the Committee, and in his absence - Deputy Chairman of the Committee.

26. Meeting of the Committee should be deemed duly constituted if attended by more than half of the payroll of the Committee.

27. The Committee's decision is taken by open voting by a majority of the total votes of the members of the Committee. In case of equality of votes, the Chairman of the Committee casts the deciding vote.

28. The Committee is held its meetings as new materials became available and the need to address issues in the subsoil use licensing.

29. Subsoil users have the right to participate in meetings of the Committee personally or through their representatives with the power of attorney, duly issued.

30. The meeting of the Committee and the decisions taken are documented in the minutes.

31. Members who do not agree with the decision of the Committee have the right to specify in the minutes of the Committee or separately in annex their position.

32. An extract from the minutes of the meeting of the Committee awarded to the subsoil user, or sending to the last known address within five working days from the date of the Committee’s meeting and the decision making.

33. The Committee's decision becomes effective immediately and could be appealed through the courts against within three months.

34. On receiving supplement materials argumenting for the subsoil user, which was not known to the members of the Committee in the decision making, the Committee's decision could be reconsidered.

IV. Granting the subsoil license by direct negotiations

35. For receiving of subsoil license through direct negotiations it is required to submit bid to the authorized state body for the implementation of the state policy on subsoil use.

36. Bid for receiving subsoil license is submitted in state or official language, on specific form of the authorized state body for the implementation of state policy on subsoil use and should contain data about the bidder, location, types of usage of mineral resources.

The bid should be accompanied by:

- Notarized copies of constituent documents - for legal persons registered, re-registered before April 1, 2009, or copies of constituent documents certified by its seal - for legal entities registered, re-registered after the deadline;
- A notarized copy of the certificate of state registration of legal entity and (or) individual entrepreneur;
- A copy of the passport, including the address of residence - for individual;
- Program of study or exploration of licensed subject;
- In case of licensing the subsoil license for the mining activities - documents supporting the financial capacity of the bidder to carry out the submitted program of exploration of the licensed subject;
- In case of licensing the subsoil license for geological prospecting or exploration - the documents supporting the possibility of payment of royalties for the first three years for the subsoil license;
- The decision or minutes on the appointment of head of the legal entity or a power of attorney to represent the interests of the bidder;
- A foreign entity is additionally provides an authorized extract from the state register or other document certifying that it is an existing legal entity under the legislation of their country;
companies registered in the Kyrgyz Republic, including branches of foreign companies registered in the Kyrgyz Republic, additionally submit a certificate of tax service that there is no unpaid tax debt.

Bid for subsoil license on selection and use of groundwater in addition be accompanied by:
- Flow chart of operation;
- The conclusion of the authorized state authority on health care in case of use of groundwater for bottling and (or) for balneotherapy.

37. Bids with incomplete set of required documents would not be accepted.

38. Bids with a full set of application documents are recorded in a special book for bids with the date and time of their adoption. Responsible for the receipt of documents every day marks the completion of receiving bids and certify it with his signature.

39. If for the subject of subsoil license during one month would be registered two or more bids, the subsoil license for this subject tc be available through an auction in accordance with the established procedure.

In this case, the authorized state body for the implementation of the state policy on subsoil use, within 30 calendar days from the moment of submission of the first bid, decision on the conduction of auction is taken. Persons who have submitted the bid for subsoil license of subject by direct negotiations, it is required to apply for participation in the auction in accordance with the established procedure. In this case, the submission of documents that have already been presented earlier, when submitting the first bid is not required.

40. The refusal to grant subsoil license could be followed in cases of:
- If the bidder has provided false information about itself and (or) does not have the necessary financial means to prospecting and / or exploration and / or mining the subject;
- If the declared subject is already licensed for the same types of minerals.

41. The decision to grant a subsoil license or refuse to issue a subsoil license through direct negotiations is taken by the licensing authority within 30 calendar days.

V. Procedure of documenting the conditions for licensing and license renewal42.

After the approval of the tender committee of the tender results on the subjects of national importance, as well as after the signing of the minutes of the auction committee determining the successful bidder and payment of the final price of auction subject, and after the signing of the minutes of direct negotiations by the parties, the license is issued and the license annex for the engineering (geological study of subsurface resources, mining, construction and operation of underground facilities not related to mining) on the licensed subject.

43. To obtain a license to a foreign entity it is required before receiving a license to register a subsidiary (with a 100 % working interest) in the Kyrgyz Republic, and the name and address of the licensee in the Kyrgyz Republic. The license annex made reference to the fact that the license was issued subsidiary.

44. License annex is an integral part of the license.

45. The license for a prescribed form is the form of strict accountability to the name of the licensing authority, the State Emblem of the Kyrgyz Republic, the serial number and information on licensing.

The subsoil license contains the following information:
- Alphanumeric code for subsoil license;
- Type of subsoil use;
- Name and bank details of the licensee;
- The license number of the subject of subsoil use;
- Type of mineral resource;
- Administrative location of licensed subject;
- The date of issue and period of validity of the subsoil license;
- The date of introduction of amendments and supplements;
- Stamp and signature of the Head of licensing authority.

46. License annex as an integral part of the subsoil license, contains the following information:
- Corner point coordinates and the size of the licensed area;
- Specific purpose of work;
- Terms and conditions of subsoil use;
- Information on the registration of the pledge of license;
- Terms of reporting;
- Additional information;
- Stamp and signature of the Head of licensing authority;
- Full name of the head of the enterprise.

The license annex as an integral part of the subsoil license, on the intake and use of groundwater in addition contains the following information:
- Rate of flow or spring, quantity and category of reserves;
- The type of groundwater;
- The coordinates of the wellhead or spring;
- The intended use of groundwater;
- The size of mountain sanitary protection zone, of sanitary protection zone surrounding the well (spring) of groundwater;
- An agreed amount of groundwater intake;
- Deadlines for reporting of monitoring observations.

In license annexes of all types of licensing could be introduced and other additional conditions agreed by the parties. For issuance of license takes charge in amount of incurred financial expenses. The calculation of costs is agreed annually with the authorized state antimonopoly body.

47. After receiving the subsoil license and license annex, the licensee composes and provides to the licensor a technical project with positive expert opinions on the industrial, environmental security and protection of subsurface resources.

48. According to the project, the licensor issued the following license annex for performance of works.

49. In case of comments to the project, Committee on subsoil licensing could be given a deadline to correct the deficiencies.

50. Failure to submit by the due date of the project, including the time to address the deficiencies, if such term has been granted to subsoil user, should be considered as a refusal from use of subsurface resources and grounds for revocation of the license.

51. In this case, the subsoil user has the right to challenge in court as the conclusions made on the project, and the committee's decision on granting the deadline for correction of the deadline for the project or the revocation of a license.

52. Licensed subjects of subsoil use are assigned cadastral alpha-numeric code, which is also the case number on the license subject and number on cadastral topographic map of 1:100,000 scale, consisting of figures indicating the cadastral sequence number of subject, and the letters: "N" - for oil and gas "C" - for coal, "M" - for metals except precious metals, "A" - for precious metals, "T" - for nonmetals, "B" - for groundwater. "G" for the works, carried out using state budget funds, and it is recorded in the license log, the license case opens on hard copy and electronic format.
53. The boundaries of the licensed area (geological allotment) put on a 1:100,000 scale topographic map (cadastral map) and an electronic map of licensed areas. The corner point coordinates is indicating in the Cartesian coordinate system of 1942. Each licensed area is closed only by its own outline. The boundaries of licensed areas deviate from a straight line in the following cases:

- Crossing the state border;
- Crossing the boundaries of specially protected areas;
- Crossing with reservoirs (lakes, water storages).

The size of the licensed area is not limited.

54. The boundaries of the mining claim for the mining activity and for other purposes not related to the extraction of minerals, defining by three-dimensional coordinates of the corner points in the Cartesian coordinate system of 1942.

55. In cases where due to the small size of the licensed and mining claim, boundary of the subject could not be displayed on the cadastral map, the subject indicated by a dot on the cadastral map scale of 1:100,000 with alpha-numeric code and additional insert-patch is drawn in an appropriate scale.

56. The final dimensions of geological and mining claims could be corrected by the results of design. In case of changing the outline and size of the allotment decreasingly or increasing the adjacent area is not occupied, the licensed annex is coordinated by the licensor without additional conditions. If the adjacent area is occupied, the change could be made only with the written consent of the holder of license of the adjacent area and only after approval of a new licensed annex with him.

In case of a decrease or increase of the volume of mining, agreed with licensing, sizes of the mining claim, by the request of licensee, could be adjusted by the licensor with the preparation of a new licensed annex.

57. The Licensee has the right to reduce the licensed area. Reduction on his request is made after receiving a report on the results of performed works for reducing the area and the provision of the act on the implementation of remediation.

58. To renew the license, the subsoil user submits an bid for the renewal of the license to the authorized state body for the implementation of the state policy on subsoil use not earlier than 90 and not later than 30 days before the expiration of the license, submit a report on the implementation of the licensing conditions, in accordance with the standards of reporting. The submitted materials are considered by the licensor within 30 days and takes relevant decision, which formalized in minutes.

VI. Technical projects evaluation

59. Technical projects for relevant works should be examined for compliance with the requirements of industrial, environmental safety and protection of mineral resources.

60. This expertise carried out by relevant divisions of the authorized state body for the implementation of the state policy on subsoil use.

61. To conduct expertise the licensee should submit a technical project, including materials for the protection of the environment, to the authorized state body for the implementation of the state policy on subsoil use:

- For subjects of subsurface resources of national importance - not later than three months before the expiry of the licensed annex, that provides preparation of the technical project;
- For all other subjects of the subsurface resources - not later than one month before the expiry of the license annex, that provides preparation of the technical project.

In case of failure to meet the deadline by the licensee of the project submission, referred to present Provision should be liable in accordance with the legislation of the Kyrgyz Republic.

62. The authorized state body for the implementation of the state policy on subsoil use should ensure that all required expertise in the following periods from the date of receipt of the technical project:

- For subjects of subsurface resources of national importance - within three months;
- For all other subjects of the subsurface resources - in one month.

In case of failure to meet the deadline by the authorized state body of specified in present Provision the term of the expertise, should be liable in accordance with the legislation of the Kyrgyz Republic.

63. The results of all expertise are approved by the head of the authorized state body for the implementation of state policy on subsoil use.

64. Performance of works without technical project that has received all the necessary positive expert opinions is prohibited.

VII. Procedure for submitting of geological, mining reporting and geological information

65. After the submission of the technical project that has received all the necessary positive opinions is signed a licensing annex for performance of works.

66. Licensee after receiving the license annex for performance of works should submit to the authorized state body a report on performed works in written prescribed form approved by the authorized state body for the implementation of the state policy on subsoil use, as well as in the electronic media.

67. Structural units of the authorized state body for the implementation of state policy on subsoil use review reports and coordinate plans for geological and mining activities, which are approved by the head.

68. Report on performed works includes semi-annual and annual report information.

69. Reporting deadlines:

- The semi-annual information - up to July 15 of the current year;
- Annual Report - up to January 31 of the following year.

70. If the authorized state body for the implementation of the state policy on subsoil use within two months after submission of the report does not consider the reports of licensees for the previous year and the mine plan for the next year, the report should be deemed as approved, and the plan should be deemed as agreed.

71. Information on subsurface resources received from the results of exploration, financed from the state budget, is the property of the Kyrgyz Republic.

72. Information on subsurface resources received from the results of prospecting, funded by entrepreneurs, enterprises and organizations, including joint ventures and foreign enterprises, are their property for a period specified by the license annex, after which information about the subsurface resources donated to the state ownership.

73. Information on subsurface resources received from the exploration, regardless of funding source is transferred to the state agency for subsoil use for inclusion in the state fund of information about the subsurface resources. Officials who have access to information of licensees on subsurface resources are obliged to ensure its confidentiality.

VIII. Procedure of suspension and withdrawal of subsoil license

74. The subsoil license could be suspended by appropriate authorized state bodies for up to 3 months, including the reasons for suspension and orders to rectify violations, in cases of:

- Violation of the requirements on protection of mineral resources, environmental and industrial safety prescribed by the relevant legislation of the Kyrgyz Republic;
75. In case of force majeure subsoil license suspended at request of the subsoil user for the duration of force majeure. Within 7 working days from the date of such request the authorized state body for the implementation of state policy on subsoil use has right to refuse to suspend the subsoil license, specifying the reasons for the refusal.

If the elimination of the causes that led to the suspension of subsoil license within 90 days is impossible to maintain the mining property in safe, trouble-free and in safe condition for people and the environment, the authorized state body for the implementation of the state policy on subsoil use under the reasoned statement of the subsoil user has the right to extend the deadline to rectify the violations.

76. The subsoil license could also be suspended by the court's ruling, the term defined by procedural legislation.

77. Subsoil license is terminated by the authorized state body for the implementation of the state policy on subsoil use in the following cases:

- transfer of more than 10 % of the share capital of the company which holds the license to a third party, without the registration of the change in the authorized state body for the implementation of public policy for subsoil use (except for public companies);
- Transfer of the license in security, without registration in the authorized state body for the implementation of the state policy on subsoil use;
- Violations of more than 30 days of date of payment of the bonus, and (or) royalties;
- Waiver of subsoil license by subsoil user;
- The expiration of the subsoil license, if the licensee does not apply for an extension or transformation of the license within the prescribed period;
- The performance of works without the technical project that has received all the necessary positive expertise;
- In case of failure to eliminate the causes that led to the suspension of subsoil license in accordance with item 74 hereof.

78. The decision to suspend or terminate the subsoil license, specifying the reasons for the decision is taken by the Committee for the licensing of subsoil use and submits to subsoil user within 7 working days. The decision to suspend or terminate the subsoil license enters into force from the date of its adoption.

79. Termination of the subsoil license does not cease obligations of subsoil user on:

- Re-cultivation of the land and the elimination of mining property;
- Conservation and maintenance of mining property in safe, trouble-free and in safe condition for people and the environment before being transferred to the following owner of subsoil license;
- Re-cultivation of land and liquidation of mining property.

80. Re-cultivation of land and licensed subject is performed in accordance with the technical project of re-cultivation and is carried out using the funds of the re-cultivation fund deducted monthly and accumulated by the licensee since the beginning of the mining activities, groundwater intake or construction of underground facilities not related to the mining activity.

81. The funds of re-cultivation fund allocated on the licensee's accounts in the banks of the Kyrgyz Republic, and could not be spent for other purposes, including to satisfy the claims of creditors and repayment of tax and customs payments, and the disbursement of funds for re-cultivation is made with the written consent of the authorized state authority on implementation of state policy for subsoil use. These terms of disbursement of funds of re-cultivation account should be reflected in the contract on bank account between the bank and the subsoil user.

82. The licensee is obliged to open the special remediation account within 30 working days after the start of the geological survey and development of the field. On the opening of the special remediation account and on the size of deductions from the special account, subsoil user should on a quarterly basis notify the authorized state body for the implementation of state policy on subsoil use, with submission of copies of bank documents.

83. In case of bankruptcy, liquidation or death of subsoil user funds of re-cultivation fund, on behalf of the authorized state body for the implementation of state policy on subsoil user, transferred to the settlement account of the landholder for re-cultivation. The use of the remediation fund for other purposes is prohibited.

84. Re-cultivation of disturbed land in the geological study of the subsurface resources is conducted in accordance with the technical project.

X. Miscellaneous provisions

85. In respect of subsoil plot on which the subsoil license is granted for geological prospecting and exploration, a third party could, without the consent of the licensee to obtain a subsoil license for geological prospecting and exploration works in respect of the types of minerals not provided by valid subsoil license, and related to another group of mineral deposits.

86. At licensed areas a subsoil license holder is eligible to propose another licensee whose license includes the detected type of mineral, procure information on detected minerals.

87. The bidder should ensure the compatibility of their technical project with the technical project of licensee, before receiving the subsoil license, in respect of subsoil plot on which the bid is submitted.

88. The authorized state body for the implementation of the state policy on subsoil use issues export license outside the Kyrgyz Republic of samples of rocks and ores, heads, wastes and laboratory samples for analytical investigations.

89. The Licensee is eligible to pledge the subsoil license to a third party under the pledge agreement.

90. For the registration of pledge of subsoil license subsoil user should, within 30 calendar days from the date of the pledge agreement to submit to the authorized state body for the implementation of the state policy on subsoil use - notification on conclusion of the contract of pledge, with the obligatory indication of the name of the pledgee, its location, and provide a copy of the pledge contract.

91. The authorized state body for the implementation of the state policy on subsoil use is obligated up to 30 calendar days to consider the submitted notification and register the pledge of subsoil license, by an introduction to the license annex corresponding record, the stamp of "registered".

92. In the case of enforcement of pledge - the subsoil license, to the authorized state agency for implementation the state policy on subsoil use provides a judicial decision and the act of auction sale by marshal or a settlement agreement on the transfer of rights approved by the decision of the court (if the enforcement was made in a judicial procedure), or agreement on the satisfaction of claims of the mortgagee without legal proceedings and documents certifying the transfer of right to the new license holder or an agreement on compensation (if enforcement of pledge was made without legal proceedings).

93. Referred to item 92 the documents should be submitted within 10 calendar days by person who has acquired the subsoil license as a result of enforcement of the pledge.

Besides, to be submitted:

- Notarized copies of constituent documents - for legal entities registered, re-registered before April 1, 2009, or copies of constituent documents certified by its seal - for legal entities registered, re-registered after the deadline;
- A notarized copy of the certificate of state registration of the legal and (or) individual entrepreneur;
• A copy of the passport, including the address of residence - for individuals.

94. The authorized state body for the implementation of the state policy on subsoil use for up to 30 calendar days from receipt of all documents is obliged to take a decision to transfer a license to another person to whom is issued another license.

95. The person to which transferred the subsoil license as a result of enforcement of the pledge, is obliged to pay the amount of the bonus and pay fees for the use of mineral resources from the date of receipt of the license.

96. Prior to receipt of a new license by the licensee with all rights and obligations, including the payment of royalty should be charged to the former licensee.

97. To person to which transferred the subsoil license as a result of enforcement of the pledge, proceeds all licensing conditions that existed before the transfer.

98. In case of termination of the pledge contract without enforcement of the pledge, the authorized state body for the implementation of the state policy on subsoil use for up to 30 calendar days from the date of receipt of notice of termination of the pledge contract by the pledgee makes an entry in the license annex on termination of pledge subsoil license.

99. In case of a reorganization of a legal entity, to its legal successor(s) transfers the relevant subsoil license and obligations in the procedure of universal legal succession in accordance with the provisions of the Civil Code of the Kyrgyz Republic.

100. Changes of ownership share by changing the founders in amount of ten percent or more is equivalent to obtaining a license, and is the basis for the payment of bonus in accordance with the tax legislation of the Kyrgyz Republic, with the exception of companies listed on stock exchanges. Payment of bonus is made in proportion to the share of the property.

101. On the change of members (shareholders) with a share of ownership 10 % or more, the subsoil user should, within 30 calendar days from the date of re-registration in the judicial authorities, or the transfer of ownership in shares, to submit to the authorized state body for the implementation of the state policy on subsoil use the notification on change of participants, attached with supporting documents on change of members (shareholders), as well as original license and the license annex.

102. The authorized state body for the implementation of government policy on subsoil use should up to 30 calendar days to review submitted notice and proceed with the registration of transfer of shares, by an amendment to the license annex changes concerning the participants (shareholders) of the subsoil user.

103. Copies of licenses and licensed annexes, including revoked licenses, are stored in the archives of the authorized state body for the implementation of state policy on subsoil use until no longer needed. In case of loss of or inability to use the original license and (or) licensed annex the licensee should submit an application to the authorized state body for the implementation of government policy on subsoil use for issuance of a duplicate. In duplicates of license and (or) the license annex enters the word "Duplicate". For issuance of duplicate, charges in the amount provided for the issuance of a license.

104. License with an expired validity period is invalid, and the performance of work on the licensed subject in this case is considered unauthorized use of mineral resources and is punishable under the legislation of the Kyrgyz Republic.

105. Subsoil users who have received the subsoil license, except for non-metallic mineral deposits and water, are required to submit to the authorized state body for the implementation of the state policy on subsoil use social package - an investment program to create the conditions for the local community development (training, employment of local people and infrastructure construction), approved by authorized representative body of local self-government, with regard to solution of contentious problems of the local community in whose territory the subject is located.

106. In case of change the bank details, the legal status of the licensee, licensed area or mining claim, the founders, the head of the enterprise, as well as in establishing a significant deviation of actual natural conditions of the licensed subject from the initial geological information, at the request of the licensee with the relevant supporting documents, license and (or) the license annex are reissued. For the reissuance, fee would be charged in amount of fee for the issuance of a license.