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PRESS RELEASE



Large international companies investments in geological exploration amounted to about 41 billion tenge

Kazakhstan Today

Minister of Industry and Construction Kanat Sharlapayev at the Government session spoke about the development of the geological industry of the republic, primeminister.kz reports.

He said that over the past 30 years, Kazakhstan has seen an increase in reserves of iron, manganese, gold, uranium, oil and gas. Kazakhstan's mineral resource base includes 987 deposits of solid minerals and the dynamics of their exploration remains positive.

The gold replenishment ratio is 1.2. This indicates that the volume of explored reserves for gold is greater than the volume of its production. For copper, the coefficient is 0.7. At the same time, subsoil users are actively exploring subsoil areas promising for copper," Kanat Sharlapayev said.

The Minister also reported that in Kazakhstan discovered promising areas of rare earth metals. Within the framework of the state geological study of subsoil, aimed at the development of the rare earth metals industry, prospecting work continues at 12 sites.

To date, there is already data on the prospectivity of the Kuirektykol site, the reserves of which are estimated at about 800 thousand tonnes of rare earth metals," Kanat Sharlapayev said.

According to the ministry, exploration of rare earth metals (REM) is carried out by private companies such as Cove Capital and HMS Bergbau. To ensure transparency and competitive access to the subsoil, legislative reform was carried out, the Code "On Subsoil and Subsoil Use" was adopted, and all available territory of Kazakhstan was opened for geological exploration. The general procedure for issuing licences based on the "First in, first out" principle has made it possible to attract private investment in geological exploration. Since 2018, 2,906 exploration licences and 111 production licences have been issued. Since 1991, with the introduction of the Subsoil Code, the granting of subsoil use rights has increased sixfold. Over the past five years, \$1bn of private investment has been attracted in geology.

In order to increase investment potential, on 1 January this year transition to KAZRC standards on TPI was carried out, the international system of reporting standards on resources and reserves of solid minerals - CRIRSCO - was introduced. For 11 months of the current year, as a result of geological exploration work accepted reports on 58 deposits of TPI, prepared in accordance with the KAZRC Code.

The Minister of Industry and Construction also noted that Kazakhstan is actively introducing advanced methods of geological exploration. One of them is aerogeophysical surveys, which provide high-quality modern information on the structure of the subsoil and are essential data for attracting investment in subsoil exploration.



The pilot project covers promising regions of Kazakhstan, including the Northern Pribalkhash and the Kalba-Naryn zone. Further work on the digitalisation of geological data is planned as part of a separate project involving the use of innovative methods of information processing using artificial intelligence technologies. The application of artificial intelligence makes it possible to quickly and efficiently use the accumulated information on the country's geology and analyse the data to identify the country's prospects.

Also in May this year, a cooperation was concluded between Tau-Ken Samruk and Ivanhoe for joint geological exploration. The joint work will use Typhoon technology in Kazakhstan, which can identify copper, gold, silver deposits at depths of up to 1.5 kilometres," Kanat Sharlapayev said.

The reform and measures taken by the ministry have attracted major international companies to the country's geological exploration. The total investment of 10 companies totalled about 41bn tenge, which provided for exploration of more than 25,000km².

Fortescue, for example, is exploring 32 sites in the Aktobe, Karaganda, Abay and Zhambyl regions. Its investment in exploration totalled about 4bn tenge. RioTinto is exploring more than 10 licences in the Aktobe region. Over the period of the licences, the company has invested about 2.2 billion tenge in exploration. The Korean institute KIGAM together with Tauken Samruk has started studying lithium content in the Aral region. Also Barrick, BHP, Teck, First Quantum are actively carrying out subsoil exploration works to identify a deposit of international scale.

For the purpose of automation of subsoil use and geology spheres the work on creation of the Unified platform of subsoil use minerals.e-qazyna.kz is underway. International experience was studied and business process re-engineering was carried out. The model of the Finnish geoportal was taken as a basis.

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Also an interactive map was developed, more than 66 thousand geological reports were placed and 6 functions were automated, including submission of subsoil users' reports in electronic form.

Work is actively carried out to popularise the profession of a geologist. The status of the departmental award "Yenbek sinirgen geologist" is deservedly raised to the status of a state award. There is an increase in the number of graduates of geological universities. In 2024, more than 3 thousand specialists graduated in the field of mining and geology. Moreover, in order to attract schoolchildren to geology, the Zhas Geologist Corporate Fund operates.

According to the recommendations of the World Bank, to increase the number of investors in the mining industry, the issue of introducing royalties is being studied within the framework of the draft of the new Tax Code.

Globally, the most popular taxation model for MMCs is to calculate payments based on the volume of products sold or profit. At the same time, Kazakhstan still uses the mineral extraction tax.

The introduction of royalties based on the sales value of minerals will be more transparent and familiar to players in the international mining industry. The transition to the new model will improve the clarity of the regulatory regime for potential investors. Under the new taxation, it is proposed to levy a lower tax on minerals processed domestically. I ask to instruct the Ministries of Economy and Finance to include royalty norms in the draft of the new Tax Code for subsoil users who received mining licences from 1 January 2026," Kanat Sharlapayev concluded.

