Geology, Mining and Petroleum Sector



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OF MONGOLIA

Ulaanbaatar
2015



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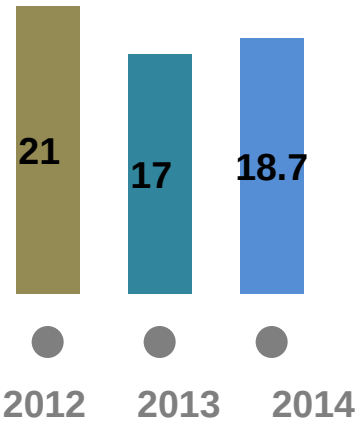


Contribution of the mining sector to the Mongolian Economy

2014

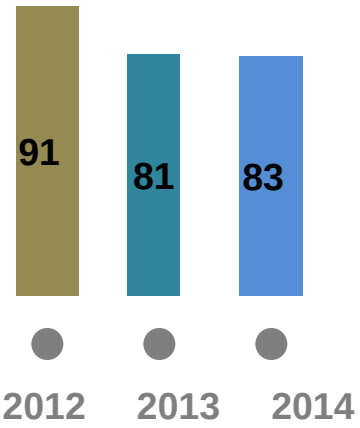
Percentage of the GDP

18.7%



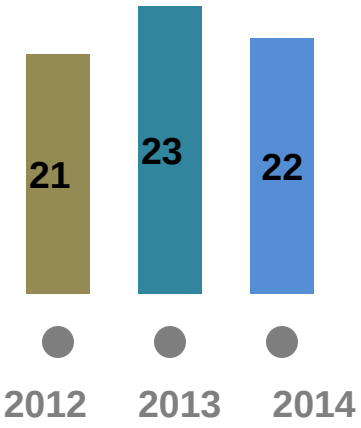
Percentage of Export

83%



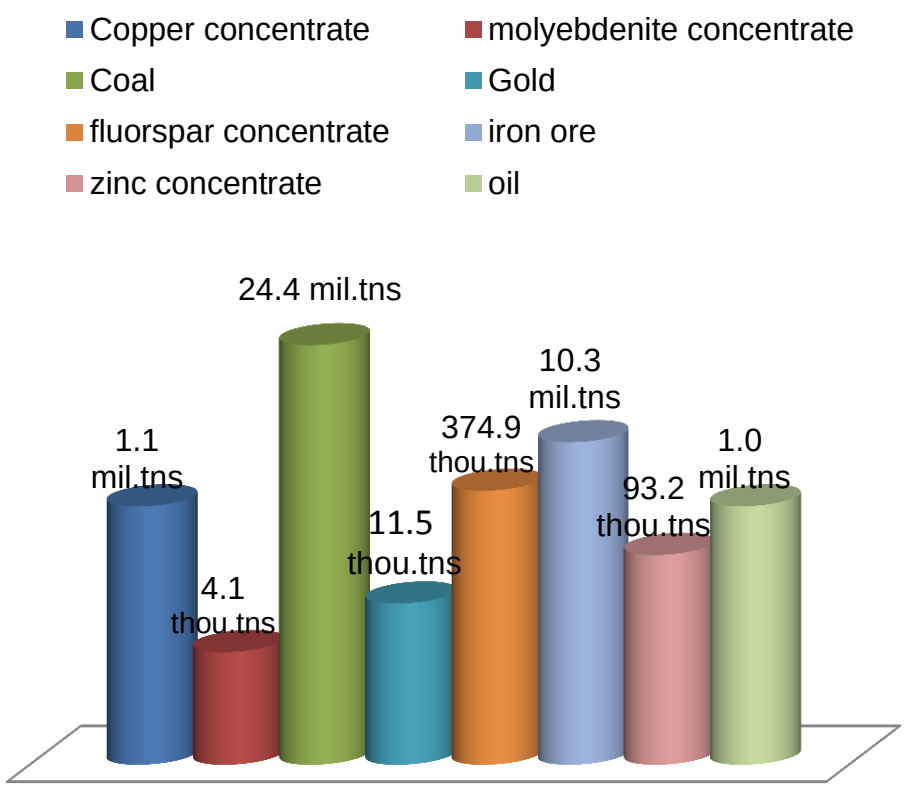
Percentage of the budget revenue

21.9%

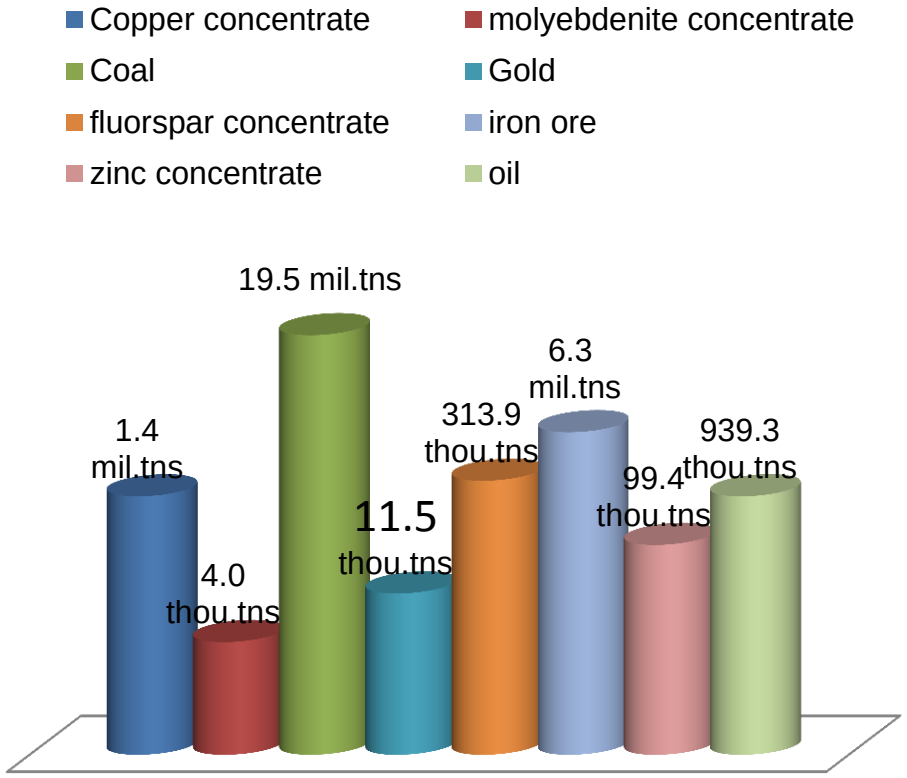


Contribution of the mining sector to the Mongolian Economy

THE MAIN PRODUCTS MANUFACTURED



THE MAIN PRODUCTS EXPORTED



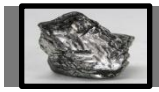
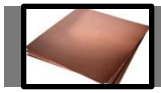
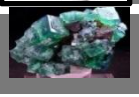


Legal reforms

The state policy on mineral sector (2014/01/16)	• Private-sector-based, transparent and responsible mining development and increases competitiveness.
Amendments to the Law on Mineral Resources (1) (2014/01/24)	• Royalties of 2.5% if gold is deposited at Mongolbank and other commercial banks • Royalties will be (5%+5%) if exported.
Common Minerals Law (2014/01/09)	• Special licenses at local governments • Issuance of land with selection a process, • Royalties at 2.5 %
Customs and VAT exemption Law (2013/06/07)	• Oil, coal, and oil shale processing project equipment is customs and VAT exempt till 2018.
Petroleum Law (2014/07/01)	• Create a more suitable environment for investors that's better than the international standard, that does not infringe on investor rights
Amendments to the Law on Mineral Resources (2) (2014/07/01)	• Special exploration licenses will be issued for designated areas by the state, which will increase the natural resources, increase investment, and keep the legal environment stable in the long term

OPPORTUNITIES: Why invest in Mongolia?

1950 deposits and 8150 discoveries are registered in the State inventory of mineral resources, and 300 of them are under utilization.

Main Minerals	Resources (2013)	World Rank
 Gold (thousand tons)	2.5	Top 10
 Zinc (mln tons)	1.7	
 Iron ore (bln tons)	1.2	
 Crude oil (bln barrel)	2.4	
 Copper (mln tons)	117	Top 10
 Coal (bln tons)	175.5	Top 10
 Shale oil (bln tons)	788	
 Fluorite (mln tons)	3.8	Top 10

The Central and Eastern parts of Mongolia relatively well studied. **While western part of country is untapped, which has a great potential for discovery of new deposits.**

Smokeless fuel production project

Reason for implementing the project:

- *Much of the air pollution in Ulaanbaatar, Mongolia was due to the emissions from ger households, which account for 80 percent of the total air pollution. Therefore, this project needs to be implemented in order to reduce the pollution emitted from ger households.*

Capacity and Purpose:

- *Have the annual capacity of 50 thousand tons of improved briquetting and the successful implementation of the project to increase its capacity*



GOVERNMENT OF MONGOLIA

MINISTRY OF MINING

NEDO



Dry Coal Processing Project

GOVERNMENT OF MONGOLIA
MINISTRY OF MINING

2013



経済産業省
Ministry of Economy, Trade and Industry

Reason for project implementation:

- Ability to produce value-added products and to introduce advanced technology water rhythms

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NAGATA ENGINEERING CO., LTD.

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Project uniqueness:

The uniqueness of this project consists of the fact that it does not require a “single drop” of water and is advantageous in that it is done at a relatively low cost

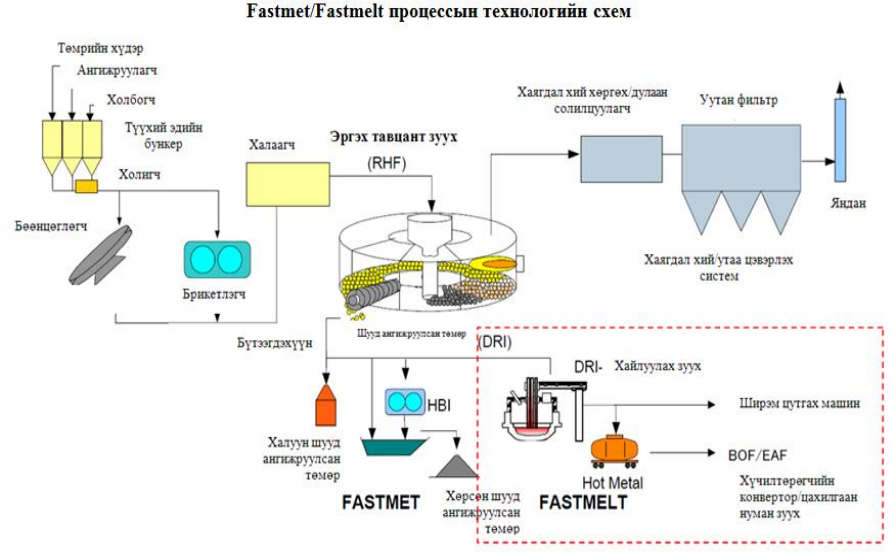
According to test results, with sand processing technology sorts and draws10-35mm, air vibration table sorts and draws 0.5-10mm grains of coal each. Yields of 86.6 percent through 9.2 percent ash, while 10 ash would yield 89.3 percent which is relatively high.

What the Mongolian side would like:

- Continue to perform the tests and then implement the construction of a small-scale pilot plant in Mongolia

Steel Production

For steel production purposes Japan's Kobe Steel company has proposed partnering with Darkhan Metallurgical Plant.



- **Kobe Steel Ltd. :**

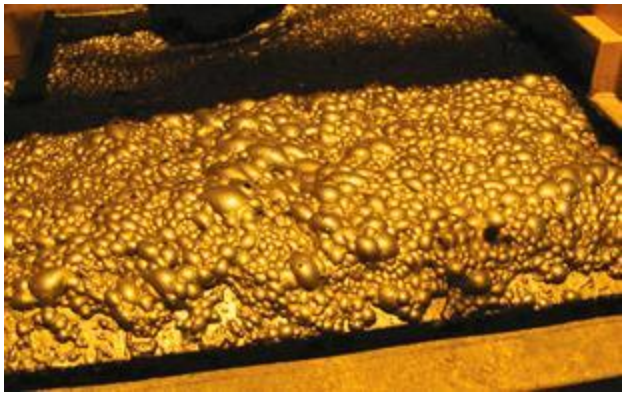
"Rotary grate (RHF) direct reduced iron, cast iron production with a capacity of 300,000 t/year preliminary proposal"

Kobe Steel Ltd. Has proposed a fastmelt plant with an annual capacity of 300 thousand tons of production. The final product of this plant will be the production of liquid iron and cast iron.

FASTMELT Industrial Scheme (Fastmelt circuit board furnace and direct reduced iron melting furnace, cast iron castings, vehicles, power plants, including emissions)

Implementation of advanced Japanese techniques and technologies for purposes of steel production.

Copper Processing Project





Purpose of project implementation:

- Our reserves of 117 million tons of copper place us in the top 10 in the world
- Currently, we do not have a plant for copper smelting

Cooperation within this framework:

- With JICA funding “information gathering and processing of Mongolia’s copper industry information” and basic research work has already commenced

Mongolia’s proposal:

- To further continue the project and the implementation of both a copper processing plant and a smelting plant project

Expressed interest to cooperate in new projects and programs



Rare earth elements:

– We carried out the first phase of research on the use of rare earth elements. The next stage of research, together with Japan, is to work together to identify new deposits of rare earth elements, and is interested in the expansion of cooperation with Japanese investment.



Gold Sector:

– Interested in working together in both the smelting and treatment of gold.

Conclusion

- Great potential of minerals
- Created a long –term, understandable and sustainable legal environment in the mining sector.
- Favorable tax environment,
- Investment promotion policy,
- Mongolia on a development and industrialization threshold,

We warmly welcome you to MONGOLIA

