

Resolution N136 of the Government of Georgia

dated August 11, 2005

Tbilisi

On Approval of the Regulation on the Procedure and Terms and Conditions for Issuance of License for Mineral Resources Extraction

For the purposes of Article 40.1 of the Law of Georgia on Licenses and Permits:

1. The attached Regulation on the Procedure and Terms and Conditions for the Issuance of License for Mineral Extraction shall be approved:
2. The Resolution shall become effective upon its publication.

Prime Minister

Z. Noghaideli

The Regulation on the Procedure and Terms and Conditions for Issuance of License for Minerals' Extraction

Article 1. Objective of the Regulation

This Regulation shall provide for the procedure and terms and conditions for issuance of license for mineral resources extraction (hereinafter the license).

Article 2. License-Issuing Administrative Authority

The license shall be issued by the Ministry of Environment and Natural Resources of Georgia (hereinafter the Ministry).

Article 3. Procedure of License Issuance

1. The license shall be issued by means of auction.
2. The auction shall be announced based on the administrative act of the Minister of Environment and Natural Resources (hereinafter, the Minister) to be issued no later than one month before conducting the auction.
3. The license seeker's application to be reviewed by the Ministry in a public administrative manner, or the Ministry's decision, shall serve as grounds for issuance of the administrative act under paragraph 2 of this Article.
4. Information on auction shall be published by the Ministry in the central press no later than one month before conducting the auction.
5. Before conducting the auction, the Ministry may lay down specific procedure for exploitation of mineral, mandatory requirements to the agent etc., as well as quantitative, qualitative and timing standards and rules on exploitation of this resource to be approved for each individual case under a separate bylaw normative act of the Minister.
6. The Ministry shall lay down the procedure for conducting the auction, awarding the winner and issuing relevant license certificate.

Article 4. The Procedure and Terms and Conditions for Participating in the Auction

1. All license seekers meeting the license conditions under the Law and assuming the obligation to meet the requirements set by the exploitation license issuer, may have the right to participate in the license issuance as conducted by auction.
2. The list of documents to be filed for participation in the auction shall be laid down under the Georgian legislation.

3. Application for participation in the auction shall be accepted no later than 15 days before conducting the auction.
4. If the license seeker refuses to participate in the auction before expiry of deadline for filing the application, the license fee paid by him/her shall be refunded. If this deadline is missed, the amount of license fee shall not be refunded.
5. The procedure on the fee payment for mineral exploitation shall be laid down under the legislation applicable in the field of minerals fees.

Article 5. Rejection of Participation in the Auction

1. If a seeker who:
 - a) Delays filing of the documentation required for participation in the auction;
 - b) Deliberately submits false or inaccurate information;
 - c) Based on the requirements laid down under the legislation, shall not be allowed to participate in the appointed auction,and shall be rejected the right to participate in the auction.
2. The seeker shall be informed of the grounded rejection within 3 days, the latest, after acceptance of the application.

Article 6. Starting Bid

The procedure for setting and paying the starting bid announced at the auction shall be laid down by the Minister in accordance with the principles under the Law of Georgia on Licenses and Permits.

Article 7. License Conditions

In addition to the license conditions provided for under the relevant legislative acts of Georgia, the following license conditions may be additionally laid down for the seeker:

- a) within two months after getting the license, to present environmental impact assessment report and state environmental appraisal report regarding the first category case under the Law of Georgia on Environmental Permits;
- b) within two months after getting the license, to present state environmental appraisal report regarding the second category case under the Law of Georgia on Environmental Permits.

Article 8. Transitional Provisions

1. The procedures commenced for granting right to extract mineral resources, implementation of which has begun before enforcement of this Resolution, shall be finalized in accordance with the procedure laid down under the Law of Georgia on Minerals and normative acts of Georgia issued based on that Law.
2. The procedures on suspended licenses issued before effectiveness of this Resolution, shall be implemented in accordance with the procedure laid down under the Law of Georgia on Minerals and normative acts of Georgia issued based on that Law.
3. The form of mineral resources extraction license shall be approved by the Minister's bylaw normative act.