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Gold Rush coming to Kazakhstan?

I. Introduction

As it is known, Kazakhstan adopted a new Code on Subsoil and Subsoil Use dated 27 December 2017 ("**Code**"), which comes into force on 30 June 2018[1].

The Code will replace the current Law on Subsoil and Subsoil Use dated 24 June 2010 (except for certain provisions).

Among others, the Code introduces such a new type of subsoil use as artisanal mining. Since gaining independence of Kazakhstan, there was no legislative act in the field of subsoil use regulating legal relationships associated with artisanal mining activities.

Under the Code, an individual who has obtained an artisanal mining licence ("**Licence**") will have *"the exclusive right to use a subsoil plot for conducting operations on artisanal mining of precious metals and precious stones at placer deposits and deposits of technogenic nature (dumps and stored wastes of mining production facilities and metallurgy) carried out manually or with the use of mechanization tools and other low-power equipment, including overburden removal works, works on sand and soil washing, as well as other related works"*.

At the same time, such a subsoil user ("**Artisanal Miner**") will be entitled to:

- 1) use means of mechanization tools in the form of (i) 1 truck with a carrying capacity of not more than 10 tons, (ii) drilling equipment, as well as (iii) an excavator and/or (iv) a bulldozer with a bucket capacity of not more than 0.5 m³ belonging to him/her on the right of ownership;
- 2) perform drilling and other earthworks at a depth of no more than 3 meters from the lowest point of the earth's surface of the artisanal mining plot ("**Plot**").

At that, the Miner is allowed to produce not more than 50 kg[2] of gold per year.

The area of the Plot should be at least 500 m² (0.05 ha) and no more than 5 ha.

For more details about the conditions and contents of the Licence, as well as other information related to artisanal mining see the table in Section II (*Regulation of Artisanal Mining*) of this article below.

[Read more:](#)

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[1] We note there is also another point of view that the Code comes into force on 29 June 2018. We indicated the date which we consider to be more correct from the Law on Legal Acts perspective.

[2] Average price of 1 kg of gold for 2017 was USD 40,417 (www.goldomania.ru).

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