



Republic of the Union of Myanmar



UPDATE ON THE MYANMAR MINING SECTOR

Presented by

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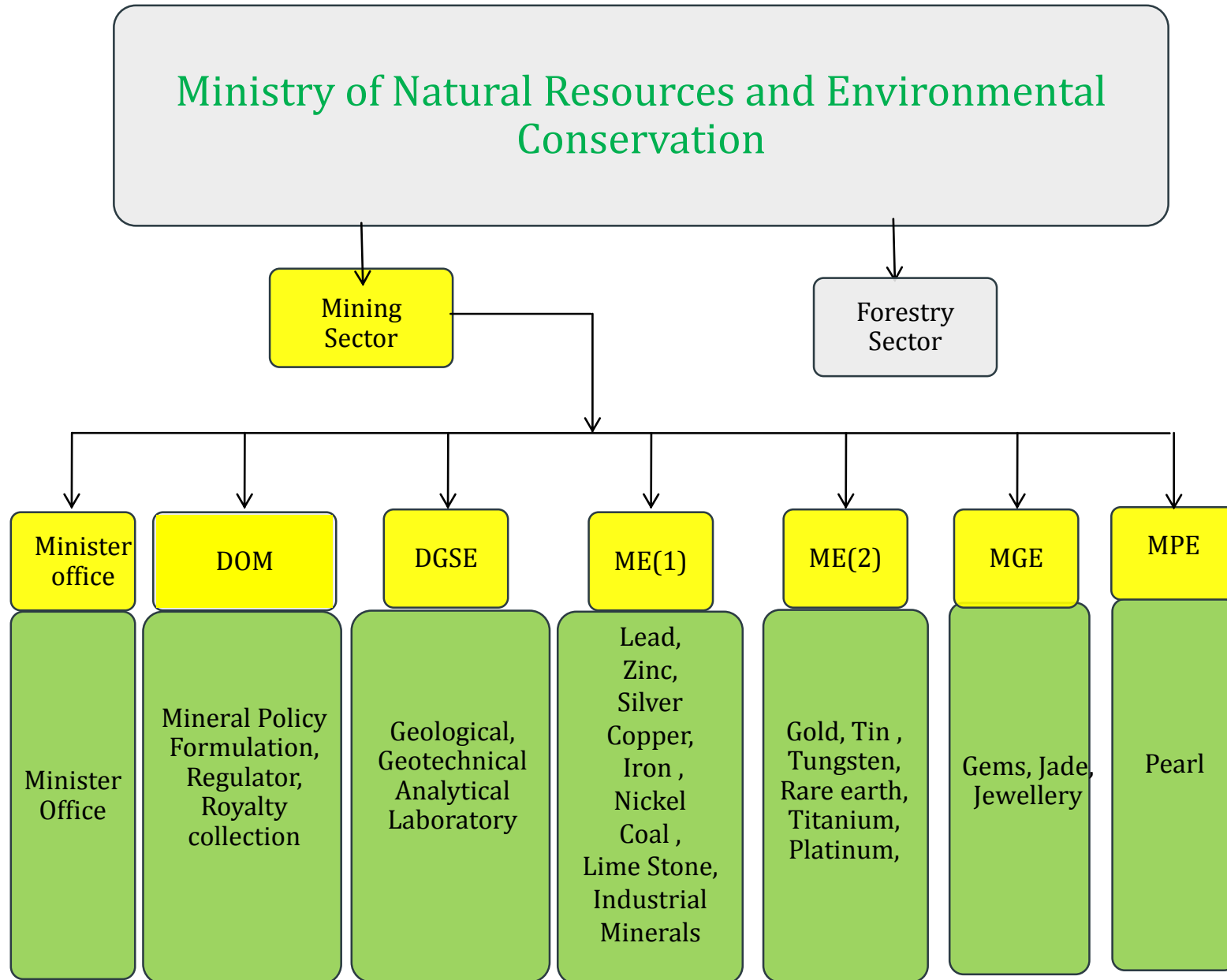


Outline of Presentation

- Brief Introduction of Mining Industry of Myanmar.
- Mineral resources management and future goal.
- New opportunities for investors.

Brief Introduction of Mining Industry of Myanmar

ORGANIZATION CHART OF MINISTRY (MINERAL SECTOR)



Current Policy

1. More exploration
2. Moderate extraction
3. Least impact on environment
4. More CSR programs
5. Safety awareness and continuous monitoring

Myanmar's Mineral occurrences

1. Metallic ore minerals

Iron & metals for steel alloys- *Fe, Mn, Cr, Ni, Mo*

Base & non-ferrous metals – *Pb, Zn, Cu, Sn, W, Sb & Ti*

Precious & rare metals- *PGM, Au, Ag, Nb, Ta*

2. Industrial minerals & non-metallic raw minerals

Chemical & fertilizer minerals- *Barite, fluorite, Gypsum, rock salt*

Ceramic & refractory minerals- *clay, limestone, dolomite, feldspar, quartz, glass sand*

Construction & building materials- *Decorative stones, road materials, limestone for cement*

3. Precious & semi-precious Gemstones

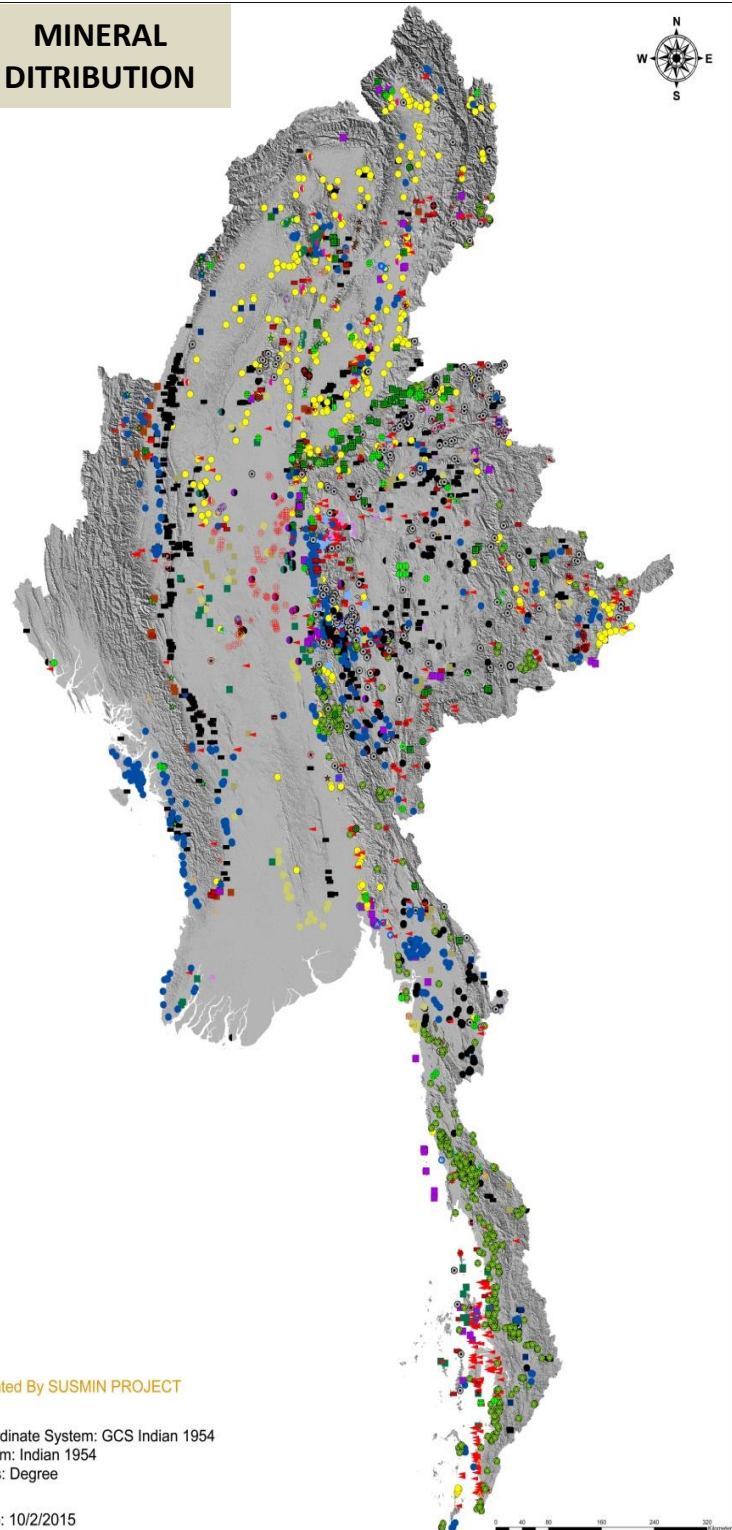
Ruby, Sapphire, Jade, Diamond, etc

4. Fuel minerals

oil, natural gas, oil shale, coal,

Total 60 mineral commodities and more than 3000 minerals occurrences have been recorded in the country.

MINERAL DISTRIBUTION

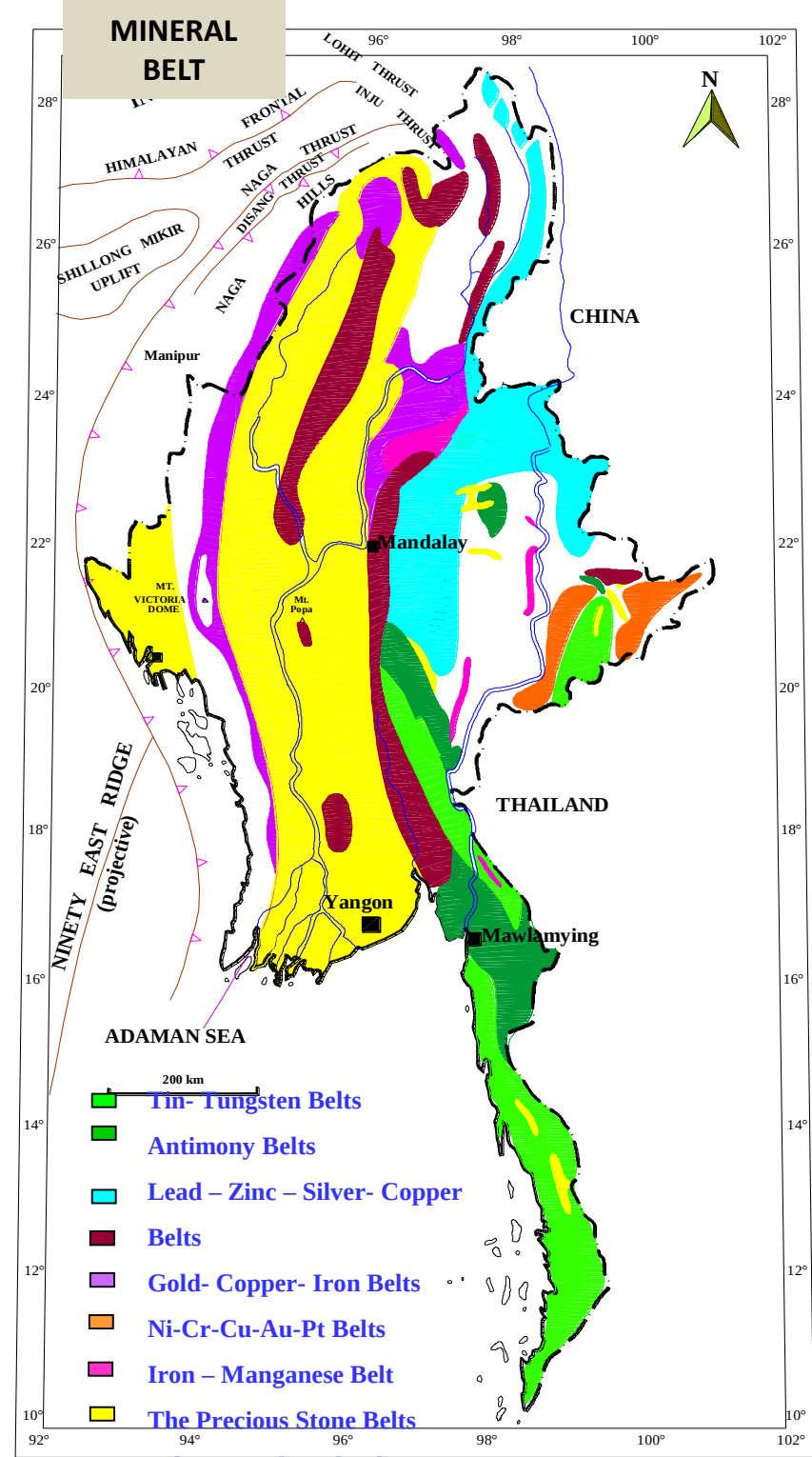


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Units: Degree

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MINERAL BELT



Categories of Mining Permits (Amended Mines Law)

Prospecting Permits	-	1 yr + 1 Yr
Exploration Permits	-	3 yr+ 1 Yr + 1 Yr
Feasibility Study	-	1 yr + 1 Yr
Subsistence Mining Permit	-	1 yr
Small Scale Mining Permit	-	10 yrs
Medium Scale Mining Permit	-	15 yrs
Large Scale Mining Permit	-	15 yrs – 50 Yrs

- Funds required to conduct the prospecting, exploration and feasibility study was borne by the **investor 100% at his own risk.**

Investment Type

Description	2015 Amended Mining Law
Article (35) A	The Ministry shall carry out the operation by cooperation with the permit holder in form of ❖ Production Sharing (include EIA cost) ❖ Equity Sharing ❖ Profit Sharing base on parties' contribution.

Taxation, Royalties, and Revenue Sharing Regimes

- Law No. on 37/1974 Income Tax
- Law No. 15/2014 on Amended Income Tax
- Law No. 72/2015 on Amended Myanmar Mines
- Rule No. 13/2018 on Myanmar Mines

- ❖ **Corporate income Tax** – to be paid on the taxable income in accordance with the Tax Law (25% on Gross Profit)
- ❖ **Royalty-** to be paid on the proceeds of sale of mineral produced
 - ✓ 5% Gold, Platinum, Uranium (Precious metallic Minerals)
 - ✓ 4% Silver, Copper, Tin, Tungsten, Nickel, Titanium
 - ✓ 3% Iron, Zinc, Antimony
 - ✓ 2% Industrial Mineral, Stone
- ❖ **Dead Rent-** to be paid at a specified rate on the land surface area occupied
- ❖ **Production Sharing Ratio-** to be paid depending on the terms and condition of the Production Sharing Contract.

Dead Rent (Exploration Period)

Rule No. 13/2018 on Myanmar Mines

Sr.	Type of Minerals	Prospecting period		Exploration Period				
		1 st Yr	2 nd Yr	1 st Yr	2 nd Yr	3 rd Yr	4 th Yr	5 th Yr
1	Industrial Mineral (or) Stone	12,500	25,000	25,000	50,000	100,000	150,000	200,000
2	Metallic Mineral	25,000	50,000	50,000	100,000	300,000	300,000	400,000
3	Precious Metallic Mineral	50,000	100,000	100,000	200,000	400,000	600,000	800,000

Remark

1. Kyats / Km² / Yr **(1 USD is almost equal to 1330 Kyats)**
2. Extension Period subject to the approval of the Ministry or the Department
3. Exchange rate subject to daily exchange rate.

Dead Rent (F.S, Developing and Production Period)

Rule No. 13/2018 on Myanmar Mines

Sr.	Type of Minerals	Feasibility Study		Developing Period			Production
		1 st Yr	2 nd Yr	1 st Yr	2 nd Yr	3 rd Yr	1-20 Yrs
1	Industrial Mineral (or) Stone	200,000	300,000	700,000	800,000	1,000,000	1,000,000
2	Metallic Mineral	600,000	6 00,000	1,350,000	1,575,000	1,800,000	2,250,000
3	Precious Metallic Mineral	800,000	800,000	1,800,000	2,100,000	2,400,000	3,000,000

Remark

1. Kyats / Km² / Yr **(1 USD is almost equal to 1330 Kyats)**
2. Extension Period subject to the approval of the Ministry or the Department
3. Exchange rate subject to daily exchange rate.

Environmental and Social Sustainability Requirements

- Law No. 008/1994 on Myanmar Mines
- Rule No. 13/2018 on Myanmar Mines
- Law No.009/2012 on Environmental Conservation

- ❖ The permit holder has fully responsible to rehabilitate the mine site during or after the mining operation (depend on the mine closure plan).
- ❖ The Mining permit holder shall allot the certain amount of revenue from investment and deposit at the state owned bank as the environmental conservation fund.
- ❖ Moreover the mining permit holder shall separate allotment for each activities such as mine reclamation, mine closing and social project.
- ❖ The permit holder has fully responsible to monitor the closed mine site at least five years or more and shall compensate expenses as necessary.

Environmental and Social Sustainability Requirements (2)

- Law No. 9/2012 on Environmental Conservation
- National Environmental Quality (Emission) Guidelines (615/2015)
- EIA procedure (616/2015)

► Brief overview:

- ✓ Managing to cause the polluter to compensate for environmental impact,
- ✓ Cause to contribute fund by the organizations which obtain benefit from the natural environmental service system,
- ✓ Cause to contribute a part of the benefit from the businesses which explore, trade and use the natural resources in environmental conservation works
- ✓ The mining operation shall compliance with Environmental Quality (Emission) and necessary to implement IEE or ESIA depends on project.

Permits Issued to Foreign Investors

Sr.	Company	Registered Country	Type of Mineral	Area (Acre)	Type of Permit
1.	Conerstone Resource (Myanmar) Ltd	Australia	Zinc Ore	1976.8	Large Scale Mining Permit
2.	Myanmar CNMC Nickel Co.,Ltd	China	Ferronickel	5087.789	Large Scale Mining Permit
3.	Myanmar SIMCOSongda Joint Stock Co.,Ltd	Vietnam	Marble	585.72	Large Scale Mining Permit
4.	Myanmar Wanbao Copper Co., Ltd.	China	Copper	6961.4247	Large Scale Mining Permit
5.	Myanmar Yang Tse Copper Co., Ltd.	China	Copper	5623.996	Large Scale Mining Permit
6.	GPS Joint Venture Co.,Ltd	China	Lead	495	Large Scale Mining Permit
7.	Myanmar Pongpipat Co.,Ltd	Thailand	Tin-Tungsten and	2105.6	Large Scale Mining Permit
8.	Sichuan Chuandi (Myanmar) Mining Co.Ltd	China	Gold and associated Mineral	3936..3	Exploration and F . S
9.	Royal Light Ron Ann Co., Ltd	China	Iron	500	Exploration and F . S
10.	Asia Pacific Mining Ltd.	China	Lead, Zinc , Copper, Gold	46232.41	Exploration Permit

Permits Issued to Foreign Investors

Sr.	Company	Registered Country	Type of Mineral	Area (Acre)	Type of Permit
11.	Wuntho Resources Co.Ltd.	Australia	Copper and Associated Minerals	52750.99	Prospecting, Exploration & F.S
12.	Lumpoondum Mining Co.Ltd.	Thailand	Coal	2614	Exploration & Feasibility Study
13.	Sino Chateau Co.Ltd.	England	Tin-Tungsten and Associated Minerals	390	Exploration & Feasibility Study
14.	Wuntho Resources Co.Ltd.	Australia	Gold, Copper and Associated Minerals	40031	Prospecting, Exploration & F.S
15.	Wuntho Resources Co.Ltd.	Australia	Copper and Associated Minerals	49420	Prospecting, Exploration & F.S
16.	Wuntho Resources Co.Ltd.	Australia	Copper and Associated Minerals	49420	Prospecting, Exploration & F.S
17.	Southern Nonferrous Co.Ltd.	China	Tin-Tungsten and Associate Minerals	2488	Prospecting, Exploration & F.S
18.	Myanmar Resources Development	Japan	Gold, Copper and Associate Minerals	21937	Prospecting, Exploration & F.S
19.	Myanmar Resources Development	Japan	Gold, Copper and Associate Minerals	16087	Prospecting, Exploration & F.S
20.	Myanmar Jin Yuan Mining Co. Ltd.	China	Lead& Woflam Associate Minerals	1300	Prospecting, Exploration & F.S

Permits Issued to Foreign Investors

Sr.	Company	Registered Country	Type of Mineral	Area (Acre)	Type of Permit
21.	Bonaza sumit	Thailand	Lead& Woflam	926	Prospecting, Exploration & F.S
22.	Unity E &metal Co.,Ltd	Australia	Lead, Zinc & Copper	28069	Prospecting, Exploration & F.S
23.	Unity E &metal Co.,Ltd	Australia	Lead, Zinc & Copper	32020	Prospecting, Exploration & F.S
24.	Unity E &metal Co.,Ltd	Australia	Coal	18250	Prospecting, Exploration & F.S
25.	Unity E &metal Co.,Ltd	Australia	Coal	23852	Prospecting, Exploration & F.S
26.	South Earth Joint Venture	China	Lead and Associated Minerals	337.84	Prospecting, Exploration & F.S
27.	Wuntho Resources Co.Ltd.	Australia	Copper and Associated Minerals	187682.855	Prospecting, Exploration & F.S
28.	Locrian Precious Metals Co.Ltd.	Australia	Gold, Copper and Associated Minerals	112730	Prospecting, Exploration & F.S
29.	Myanmar Tasaki Co.,	Japan	Pearl	28159.52	Pearl Firm
30.	Myanmar Atlantic Co.,Ltd	Australia	Pearl	10501.75	Pearl Firm
31.	Myanmar Adman Pearl Co.,Ltd	Thailand	Pearl	19199.67	Pearl Firm
32.	Belpearl(s) Pte.Ltd.	Singapore	Pearl	7680	Pearl Firm

Permitted licenses on end of August, 2020

Sr. No.	State& Region	Large Scale	Medium Scale	Small Scale	Exploration	Subsistence	Total
1	Kachin	4	5	75	25	2	111
2	Kayar	1	5	11	1	-	18
3	Kayin	5	-	37	2	1	45
4	Chin	-	-	-	3	1	4
5	Sagaing	24	17	143	14	20	128
6	Tanintharyi	18	5	40	19	4	86
7	Nay Pyi Taw	3		-	-	-	3
8	Bago	-		6	1	-	7
9	Magway	3	3	36	7	1	50
10	Mandalay	40	89	154	28	7	318
11	Mon	5		12	1	1	19
12	RaKhine	1		-	3	-	1
13	Shan(South)	16		103	11	8	138
14	Shan (North)	19		61	7	6	93
15	Shan (East)	2	10	59	5	4	80
16	Ayeyarwaddy	2		1	-	-	3
Total		143	134	738	124	55	1194

Mineral resources management and future goals

Regulatory Framework and Basic Mining Laws

- Law No. 008/1994 on Myanmar Mines
- Law No. 72/2015 on Amended Myanmar Mines
- Rule No. 13/2018 on Myanmar Mines

- Law No.07/1995 on Myanmar Pearl
- Law No. 34/2014 on Amended Myanmar Pearl
- Rule No.48/2000 on Myanmar Pearls

- Law No.08/1995 on Myanmar Gems
- Law No. 23/2016 on Second Amended Myanmar Gems
- Rule No.70/1995 on Myanmar Gems

► **Brief overview:**

- ❖ Ministry with the approval of the Government can issue Large Scale Production Permits for Foreign Investment.

- ❖ Medium Scale and small scale reserved for local investment.

- ❖ Currently MPE produce white and gold South Sea pearls from Pinctada maxima oyster in Myeik archipelago.

- ❖ 100% Foreign Investment or JV for Pearl Culturing

- ❖ Foreign Investors do not allowed in Gem Stone Mining but can invest in Jewellery and value adding process.

Update Investment requirements on Mining Industries

Investors of Mining Industries in Myanmar shall perform –

- Initiate Environment Examination (IEE)
- Environment Impact Assessment (EIA)
- Environmental Management Plan (EMP)
- Occupational health and safety assessment system (OHSAS)
- Funds Deposit to Designated Bank for Mine Closure, Mine Reclamation and CSR activities.
- Become a responsible mining projects.

ENVIRONMENTAL CONSERVATION WORKS FUND

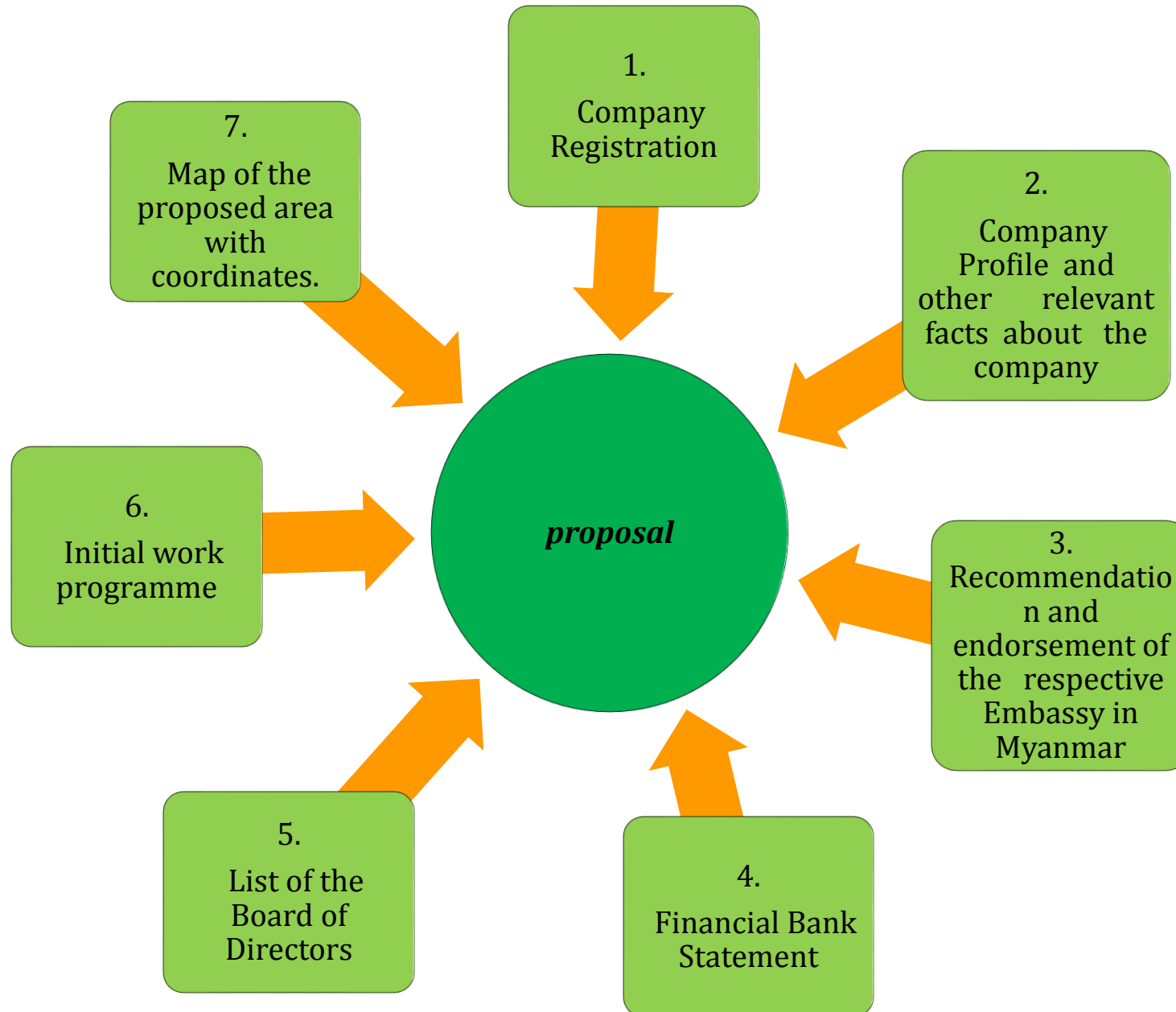
Focusing on activities to minimize the environmental degradation and socio-economic impact on local community in carrying out the mineral production and raising fund for environmental conservation.

New notify for Vacant Fallow Lands and Virgin Lands Management

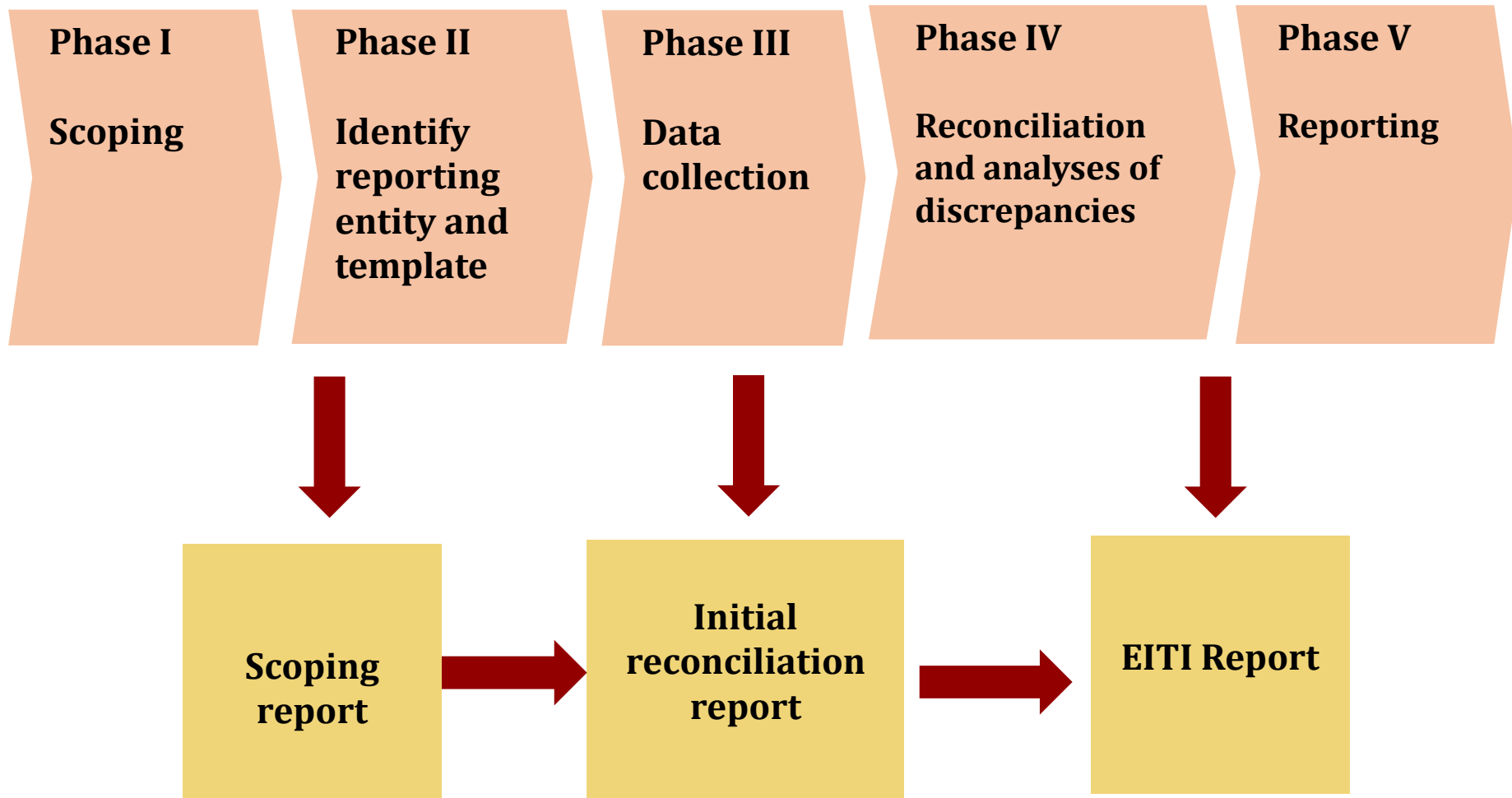
- Vacant Fallow Lands and Virgin Lands Management Law was enacted on 2012 and Vacant Fallow Lands and Virgin Lands Management Amending Law was enacted on **11.9.2018**.
- According to Section 5 of the Vacant Fallow Lands and Virgin Lands Management Law,
- When the new mining project to applying for land use permits in accordance with Myanmar Mining Law and rules; it should be applied to the **Central Committee for Management of Vacant Fallow Lands and Virgin Lands at the same time.**

Opportunities for investors

Documents to include with the proposal



Ministry participation in EITI Process



EITI Report Procedure

EITI Published Reporting



- ❖ **First report on January 2016 for (2013-2014) Fiscal year**
- ❖ **Second and third Report on (30.3.2018) for (2014-2015) and (2015-2016) Fiscal year**
- ❖ **Fourth Report on (30.3.2019) for (2016-2017) financial year**
- ❖ **Fifth Report) on (30.3.2020) for (2017-2018) Fiscal Year**

Expectation

Promote the utilization of Myanmar valuable mineral resources for the production to refined products through the contribution of foreign investment with advanced technologies.



Thank you
for your attention