

INVESTOR GUIDE

How to Obtain a Mining License in Mongolia

A step-by-step guide for anyone starting copper, gold or coal exploration and mining, or a solar or wind power plant project

5 steps

Core process

12 years

Exploration license

30 years

Mining license



— What you will learn from this guide

- 1 How a foreign investor sets up a company in Mongolia and becomes eligible for a license
- 2 Where to find exploration areas and how to take part in the tender
- 3 Which documents to prepare, how much to pay and how long it takes
- 4 What to do after you get the license and which mistakes to avoid
- 5 Whom to contact, and where

Inquiries: One-Stop Service Center

7555-1717 · 7700-1717

Two types of license

In Mongolia, the subsoil and its minerals are **owned by the State**. To explore or mine them, a private company must obtain a **license** from the State.

Exploration license

IN PLAIN TERMS

The right to **search** for minerals underground

WORK INVOLVED

Geological mapping, sampling, drilling

HOW TO GET IT

Compete for areas announced by the State

TERM

3 years, extendable 3 times — up to **12 years** in total



Mining license

IN PLAIN TERMS

The right to **extract** from a discovered deposit

WORK INVOLVED

Building a mine and running production

HOW TO GET IT

By **application**, once exploration has defined reserves

TERM

30 years, extendable twice by 20 years



Four rules to remember

01 A foreign company cannot hold a license directly

Licenses are granted only to companies **incorporated and paying taxes in Mongolia**. So the first step is to set up a Mongolian subsidiary.

02 You cannot pick any area you like

New exploration licenses are issued only for **areas announced by the State**, through an online **tender** (a competition similar to an auction).

03 Exploring is not the right to mine

To extract, you need a **separate mining license** once reserves have been defined.

04 A license does not cover everything

Land, water, environmental assessment, construction and blasting each need **their own permits**.

Five steps to an exploration license



WHAT TAKES THE MOST TIME



Legalizing and translating documents issued abroad, and waiting for a suitable area to be announced. Finish your company setup **before the area is announced** so you are ready.

STEP 1 / 5

Set up a company in Mongolia

The foreign company sets up a **subsidiary** in Mongolia (usually an LLC). All licenses will then be issued in this company's name.

WHERE

General Authority for State Registration

TIME

~10 working days (~1 month incl. preparation)

FEE

MNT 750,000

— Foreign-invested company



25%+

shareholding held by a foreign investor



\$100,000+

minimum investment per foreign investor

If a foreign investor holds **more than 25%** of the shares, each foreign investor must invest **at least USD 100,000**. Such a company is called a “foreign-invested company”.

TIP · Apostille

Have documents issued abroad legalized by **apostille** and given a certified Mongolian translation. This can take several weeks, so start it first.

If the investor is foreign state-owned

Prior government approval is required before holding **more than 33%** of a Mongolian mining company. Private companies are not affected.



What to prepare — checklist

- ☐ Registration application, forms and company name approval
- ☐ Resolution to establish the company (minutes of meeting if 2+ founders)
- ☐ Proof of a registered address in Mongolia (title certificate or lease agreement)
- ☐ Passport copies of shareholders, ultimate beneficial owners and the CEO
- ☐ Receipt for the state stamp duty
- ☐ Company charter; shareholders' agreement if 2+ shareholders
- ☐ Bank document proving the investment
- ☐ Power of attorney if registering through a representative

After registration

- 1** Register for tax and obtain a “taxpayer certificate”. Without it you cannot take part in the tender.
- 2** Register with **social insurance** and open a bank account.
- 3** Report any change in company details to the state registry within **15 working days**.

Choose an area

Based on proposals from the provinces and the capital, the Government approves exploration areas, and the **Mineral Resources and Petroleum Authority (MRPAM)** announces the tender.

WHERE

mrpam.gov.mn, tender.gov.mn

TIME

30+ days after the notice

AREA SIZE

25 – 150,000 ha

— How areas are announced



10–20

areas usually included in one notice — each with location, coordinates, size and reserve price

30+ days

minimum time between publishing the notice and the tender itself

Check these sites regularly



mrpam.gov.mn

→ “Tenders” section



tender.gov.mn

→ “Minerals” menu

TIP

Many companies compete for the same area. Work out your maximum price **in advance** and do not bid above it. If you win but cannot pay, you lose your reserve price.

What to check when choosing an area

	Geological data	Assess how likely minerals are present and decide how much to bid. Once you pay the fee, you can access the area's geological data.
	Environmental restrictions	Proximity to protected areas, rivers, springs or forests will make it harder to start work.
	Local community	Herders' winter camps, pastureland and the views of local residents.
	Infrastructure	Whether roads, power and water are nearby. In the Gobi region, water matters most .
	Multi-year costs	Not just the bid — budget for 12 years of fees and exploration costs together.

Take part in the tender

The tender is **fully online** — no paper documents and no need to visit any office.

WHERE
tender.gov.mn (fully online)

FEE
MNT 250,000 (per area)

RESERVE PRICE
MNT 7,000 per hectare

— Step-by-step



- 1 **Register on tender.gov.mn** — in the name of your Mongolian-registered company.
- 2 **Pay the MNT 250,000 service fee** — by Visa card or SocialPay. Once paid, you can view the area's geological data.
- 3 **Pay the reserve price** — area size × MNT 7,000, by bank transfer to the State Treasury account given in the notice. The submit button activates only after the payment is confirmed.
- 4 **Upload your documents as PDFs** — before the deadline stated in the notice.
- 5 **Receive a confirmation of receipt** — a coded, dated acknowledgement.



NOTE

Bank transfers made **after 4:00 pm** arrive 1–2 working days later. Don't wait for the last day — pay a few days in advance.

STEP 3 · THE TENDER

What to submit — checklist



- ☐ Company name, address, phone and email
- ☐ Copy of the state registration certificate
- ☐ Taxpayer certificate
- ☐ Receipts for the service fee and the reserve price
- ☐ **Data access consent form** (Annex 1 form of the regulation)
- ☐ **List of specialists** — proof of employment, diplomas and certificates (notarized)
- ☐ **List of equipment** — ownership certificates and technical passports (notarized)
- ☐ **Technical proposal** — what exploration work, at what scale, over how many years and at what cost
- ☐ **Environmental protection and rehabilitation plan**, with costs
- ☐ **Price bid** — on the approved form (above the reserve price)



If any document is missing, the bid will not be evaluated. Each notice may add its own requirements, so read the whole notice carefully.

STEP 4 / 5

If you win: pay and receive the license

The company with the highest total score wins. In a tie, the higher price bid wins.

WHERE
MRPAM

TIME
~3–4 weeks

MAIN COST
Bid balance + MNT 145/ha

— How the winner is chosen



Bids are scored out of **100 points**:



60 points · **Price bid**

The highest price bid gets 60 points. Others score in proportion to the highest bid. A bid scoring **under 20 points** is not evaluated further.

40 points · **Technical**

How realistic the specialists, equipment, work plan and environmental measures are.



A high price alone is not enough — a strong technical proposal matters too.

STEP 4 · AFTER YOU WIN



Timeline after winning

● Government authority ● Your action

1 working day

1

The committee sends its results to the head of MRPAM

2 working days

2

The head of MRPAM issues a decision

2 working days

3

You receive a notification

Within 10 working days

4

You pay the **difference** between your bid and the reserve price

Within 10 working days

5

You pay the **first-year** license fee

3 working days

✓

After payment, the license is issued and registered (valid for **3 years**)



What if you don't pay in time?

The decision is cancelled and the **reserve price you paid is not refunded**. The license may go to the runner-up.

Start exploration work

Even with the license in hand, you **cannot drive machinery onto the site and start drilling right away**. First, settle the following.

WHERE

Relevant authorities

TIME

Depends on the project

MAIN COST

Annual fees, exploration costs

— Before work begins



Environmental assessment — a general assessment, and a detailed one if required, depending on the project's level of impact



Submit your **exploration work plan** to MRPAM



Settle **land use** (camp, roads) with the provincial and soum land offices



For **water use**, get a permit from the river basin authority (drilling wells without a permit is prohibited)



Meet and brief the **local** governor and residents

What do you pay each year?

License holders pay fees **in advance** every year and must carry out a minimum amount of exploration. Fees rise over time — the aim is **active exploration**, not “holding and waiting”.

Year	License fee (per ha)	Min. exploration spend (per ha)
1	MNT 145	—
2	MNT 290	USD 0.5
3	MNT 435	USD 0.5
4–6	MNT 1,450	USD 1.0
7–9	MNT 2,175	USD 1.5
10–12	MNT 7,250	USD 10

LATE PAYMENT

0.3% / day

penalty. More than **30 days** late and the license is revoked.

EXTENSION

Apply **1 month before** expiry. Extend 3 times by 3 years — up to **12 years** in total.

NEXT STAGE

The mining license

Apply once reserves are defined. Only the **holder of the exploration license** for that area may apply.

DECISION

20 working days

TERM

30 years (+20 +20)

ANNUAL FEE

MNT 21,750 / ha

— What to prepare



- ☐ Application on the approved form
- ☐ Proof that the company is incorporated and pays taxes in Mongolia
- ☐ Map of the area, coordinates, and the province and soum location
- ☐ Minutes of the **Minerals Professional Council** reviewing the exploration results and reserves

- ☐ Proof that environmental obligations during exploration were met
- ☐ Environmental impact assessment
- ☐ Receipt for the service fee



Once mining begins

MNT 21,750/ha

Annual fee. MNT 7,250 for coal, limestone and minerals for domestic processing.

5%

Royalty on the sales value of products. 2.5% for coal sold domestically; a surcharge applies when prices are high.

50%

of the **annual environmental protection budget** is deposited in a dedicated account.

3 months

after registration, mark out the **mine boundary** on the ground.

Agreement

Sign a cooperation agreement with the **local community**.

2+ years

To extend, apply **at least 2 years before** expiry.



If the deposit is strategic

The State may take a 34–50% stake, and extra requirements apply — e.g. no single shareholder may hold more than 34%. **Always consult a lawyer.**

COST EXAMPLE

1,000 ha area, MNT 10 million bid

Suppose you win with a bid of **MNT 10,000,000**, above the reserve price. Only payments to the State are shown; staff, equipment and adviser costs are excluded.

TOTAL UPFRONT PAYMENT

**MNT
11,145,000**

— Upfront payments



■ Reserve price · 63% ■ Bid balance · 27% ■ Fees and year-1 license fee · 10%

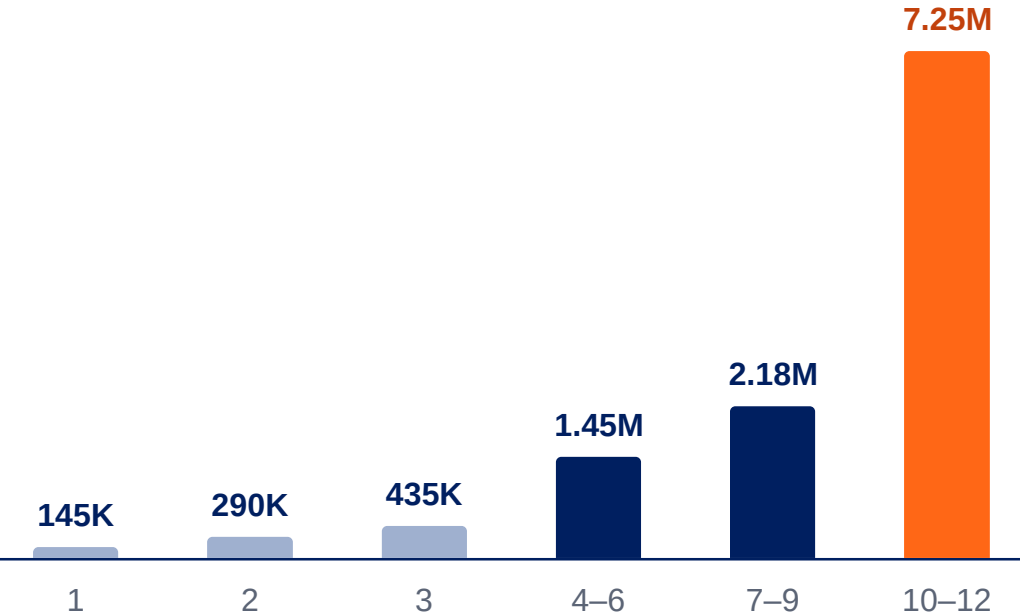
Payment	Calculation	Amount (MNT)
Company registration fee	—	750,000
Tender service fee	—	250,000
Reserve price	1,000 ha × 7,000	7,000,000
Bid balance	10M – 7M	3,000,000
Year-1 license fee	1,000 ha × 145	145,000
Total		11,145,000



In the following years (each year)

Annual license fee, MNT

Year	License fee (MNT)	Min. exploration spend
2	290,000	USD 500
3	435,000	USD 500
4–6	1,450,000	USD 1,000
7–9	2,175,000	USD 1,500
10–12	7,250,000	USD 10,000



Actual exploration costs (drilling, laboratory work, etc.) are often several times higher than the minimum.



Mistake → How to avoid it

- | | | | |
|-----------|--|---|--|
| 01 | An area is announced before company registration and the tax certificate are ready | → | Get your company fully ready before looking for an area. |
| 02 | Paying the reserve price on the last day so it arrives too late | → | Transfer a few days early, before 4:00 pm . |
| 03 | Specialist and equipment documents not notarized | → | Check every requirement in the notice's annexes. |
| 04 | Bidding too high and then being unable to pay | → | Set your ceiling in advance and budget for all 12 years . |
| 05 | Starting work as soon as the license is issued | → | Settle environment, land and water issues first . |
| 06 | Forgetting the annual fee | → | Set reminders and pay early. 30 days late means losing the license. |
| 07 | Using forms or bank accounts from an old notice | → | Take fresh forms and account details from each notice. |



General advice

01

Bring in a **lawyer and a geologist** experienced in Mongolian mining early on.

02

If you have questions, ask **MRPAM** in writing — a written answer is more reliable.

03

Laws and fees change. Amendments to the Minerals Law are before Parliament, so **fee levels may change** if adopted.

Questions and answers

Can a foreign company obtain an exploration license in Mongolia?

Yes — but through a subsidiary incorporated and paying taxes in Mongolia.

Can I pick an area I'm interested in and apply for it?

No. You can only bid for areas announced by the State, through the tender.

Do I need to come to Mongolia in person?

The tender is **fully online**. For company registration and document legalization, though, a representative or lawyer in Mongolia is helpful.

How long does it take?

About **1 month** to set up the company. Bids are accepted 30+ days after a notice, and the license is issued **~3–4 weeks** after winning. Overall timing depends on when a suitable area is announced.

Questions and answers

Q How much money is needed?

It depends on the area size and your bid. See the 1,000 ha example on the “**Cost example**” slides (17–18).

Q If I don't win, do I get my money back?

Check the refund conditions in the specific notice. But if you win and fail to pay on time, the **reserve price is not refunded**.

Q Can a license be transferred to someone else?

Yes, under the conditions and procedures set by law. Check registration and tax matters with MRPAM and a lawyer.

Q Does an exploration license give the right to mine?

No. Once reserves are defined, you apply for a separate mining license.



Licensing, registration and tax

AREAS, TENDERS, LICENSES

Mineral Resources and Petroleum Authority (MRPAM)

Phone 7777-1900 · 51-263923
Email info@mrpam.gov.mn
Address Government Building XII, Barilgachid Square-3,
Ulaanbaatar
Web mrpam.gov.mn

INVESTOR ADVICE AND GUIDANCE

Investment and Trade Agency

Phone 7700-1717 · 7555-1717
Email info@ita.gov.mn
Address Government Building XI
Web investmongolia.gov.mn

COMPANY REGISTRATION

General Authority for State Registration

Web burtgel.gov.mn · e-business.mn

TAX REGISTRATION AND CERTIFICATES

Mongolian Tax Administration

Web mta.gov.mn · etax.mta.mn



Policy and energy projects

MINING LAW AND POLICY

Ministry of Industry and Mineral Resources

Email info@mmhi.gov.mn

Web mmhi.gov.mn

SOLAR AND WIND PROJECTS, AUCTIONS

Ministry of Energy

Email info@energy.gov.mn

Address Government Building XIV

ENERGY LICENSES

Energy Regulatory Commission

Email info@erc.gov.mn

Web erc.gov.mn

GRID CONNECTION

National Power Transmission Grid SOJSC

Email info@transco.mn

Phone numbers may change — please check the organization's website before calling.

Implementing Agency of the Government of
Mongolia

Investment and Trade Agency

USEFUL WEBSITES

Always check official sources

Laws and fees may change, so check the
official websites before making decisions.

Inquiries for foreign investors:

One-Stop Service Center

7555-1717 · 7700-1717

— Links



Official legal database

legalinfo.mn

Minerals Law

legalinfo.mn/mn/detail?lawId=63

MRPAM — tender notices

mrpam.gov.mn

Online tender platform

tender.gov.mn

Invest Mongolia — company setup guide

investmongolia.gov.mn/legal-guide

State registration

burtgel.gov.mn

Mongolian Tax Administration

mta.gov.mn