

LAW OF GEORGIA

ON SUBSOIL

1. Subsoil located on the land territory, its territorial waters, continental shelf and special economic zones of Georgia is a national treasure of Georgia and it is protected by the State.

2. Subsoil is a part of the earth crust, which is exposed on the ground surface or located in layers of soil and reservoirs, as well as under the soil layer and the bottom of the reservoir, and which is available for exploration and usage.

3. Mineral resources are natural and technogenic formations and/or a combination thereof, which are available in subsoil.

4. Mineral resources that may be extracted or treated at the modern scientific and technological development level, and which is economically feasible and environmentally acceptable, are mineral resources which, depending on the spheres of their designation and use, may be divided into fuel and energy, ore (ferrous and non-ferrous metal ores), construction materials, mining and chemical raw materials, groundwater and non-fuel gas types, and other non-metallic mineral types. Within metalliferous deposits, main and ancillary mineral resources may be selected. In this case the type of metalliferous deposits shall be determined by the content of the main mineral resource within such deposits. The main mineral resource is the main useful component available in the metalliferous deposits, for the extraction of which mining works are carried out. The components available in ore, which are extracted and used together with the main mineral resource, shall represent ancillary mineral resources. Main and ancillary mineral resources shall be determined in accordance with Articles 26 and 27 of this Law.

5. A mineral resource deposit is mineral resource that is concentrated within a certain range of the subsurface by natural or technogenic manner.

The purpose of this Law is to ensure the rational use of subsoil and mineral resources taking into account laws of nature and the potential capacity of the environment, the interests of present and future generations, and the principles of sustainable development.

6. A natural deposit is a subsoil block with resources concentrated in a natural way, the treatment of which is favourable due to its stock, mining and technical conditions, volume, quality and other parameters.

7. A technogenic deposit is a subsoil block created by spoil, terricone, sludge tank, tailing pond, special warehouse, natural or man-made reservoir or other accumulative forms, where technological or other kinds of waste originated as a result of mining works and/or metallurgical activities, including waste deposited in natural and man-made reservoirs, are accumulated, as well as sediments accumulated in reservoirs, and mineral resources remaining as losses during the transportation of mineral resources, the volume, composition, properties, and other parameters of which are beneficial for their use after their direct extraction and/or treatment.

8. Subsoil block is a block with geometric sizes, which, in the depth or on its surface, represents a spatially surrounded block, completely or partially, and which, by natural and technogenic formations existing in it, represents an object of state property with regard to mining.

9. Mining is a combination of mining and related works, by which the technological cycle of the extraction of mineral resources from subsoil is carried out.

10. Extraction of subsoil is the utilisation of a certain amount of minerals as a result of mining carried out directly by a licence holder or a hired entity at the expense of the licence holder for the purposes of its direct sale or for its sale after its treatment, by covering the costs of mining and the payment of fees established by the legislation Georgia.

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Chapter I - General Provisions

Article 1 - Legislation of Georgia on subsoil

1. The legislation of Georgia on subsoil includes this Law and other subordinate legislative act that regulate the study and use of subsoil, any type of mineral resources, and natural underground cavities, and the relations arising in the process of the use, storage and protection of waste (including overburden rocks) from mining and treatment industries, as well as during the construction and operation of underground structures.

2. Operations related to the use of oil and gas resources in Georgia are regulated by the Law of Georgia "On Oil and Gas" and Articles 2 and 3 shall be therefore construed as Articles 3 and 4.

3. Relations associated with the use of air, surface water and fauna during the use of subsoil, shall be regulated by appropriate legislation of Georgia, and relations related to the use of land, including the matters related to the use of subsoil in areas covered with forest and other vegetation, shall be regulated by this Law and the Forest Code of Georgia. Terms for the use of forest resources and other vegetation in the process of the use of subsoil shall be established in view of the requirements of relevant normative acts.

4. This Law shall be in force throughout the territory of Georgia.

Law of Georgia No 1894 of 16 April 1999 - LHG I, No 13(20), 1.5.1999, Art. 50



Article 2 - Status of subsoil of Georgia

1. Subsoil of Georgia is state property. Any action, which overtly or covertly infringes the right of state ownership of subsoil shall be prohibited and such transactions shall be invalid. The right of ownership of land shall not mean and shall not grant the right of ownership of subsoil.

2. Subsoil blocks that have been or may be made allocated for use, shall represent objects of use of subsoil.

3. The use of subsoil in Georgia shall be subject to the payment of fees.

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Article 3 - Unified State Fund for Subsoil

1. Unified State fund about subsoil is comprised of subsoil in the territory of Georgia, its continental shelf, territorial waters and exclusive economic zone, regardless of whether there has been, is or will be a use of subsoil.

2. The procedures for the control of the uniform state fund of subsoil shall be approved by the Government of Georgia.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 4 - Groups of mineral resources

Taking into account their economic importance, mineral resources shall be divided into groups of special state, state and local significance, and the procedure for their determination and a list of mineral resources shall be approved by the Government of Georgia.

Law of Georgia No 447 of 16 September 2004 - LHG I, No 28, 7.10.2004, Art.132

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 5 - (Deleted)

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Chapter II - Use of Subsoil

Article 6 - Use of subsoil

1. The use of subsoil includes:

a) the study of subsoil;

b) the extraction of mineral resources;

b¹) the development of mineral resource deposits and treatment of mineral resources;

c) the use of waste produced by mining enterprises ;

d) the use of natural underground cavities, as well as the construction and operation of such underground structures of various purposes (including for storage of oil and gas production waste, and for waste water discharge) that are not related to the extraction of mineral resources.

e) collection of geological, mineralogical, paleontological collections and museum exhibits.

2. Subsoil shall be allocated for use only on the basis of an appropriate permit (licence), except for the cases provided for in paragraphs three and four of this article.

3. A licence shall not be required for carrying out regional, geological and geophysical, geological surveys, scientific research and other activities, which are aimed at the general study of subsoil, earthquake forecasts and at surveys of volcanic processes, the creation and maintenance of environmental monitoring, at controlling the groundwater regime, as well as any other activities, which do not cause an essential breach of the integrity of the subsoil. Such use of subsoil shall be subject to recording in accordance with Article 23 of this Law.



4. A licence shall not be required for the extraction of mineral resources of local importance for domestic purposes by a user and for the construction and operation of underground facilities within privately owned land plots.

Law of Georgia No 1319 of 1 March 2002 - LHG I №5, 21.3.2002, Art.33

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 7 - Mining and geological allotment

1. The subsoil block shall be transferred for use in the form of a mining or geological allotment.

2. A mining allotment is a portion of subsoil spatially defined by a licence, within which the user shall be granted the right to use subsoil. A mining allotment is an integral part of the licence and it shall be automatically issued together with the licence.

3. A geological allotment is a portion of subsoil block that shall be transferred for study purposes only.

4. A subsoil block shall be allocated in the form of a mining allotment, if the licence gives its holder the right to develop mineral resource deposits, to use natural underground cavities and to construct and operate such underground facilities, which are not related to the development of mineral resource deposits, as well as the right to create such subsoil objects, which require special protection. The subsoil block in the form of a mining allotment shall be also allocated for the development of the deposit by means of simultaneous study of subsoil.

5. It shall be prohibited to use subsoil beyond the boundaries of a mining and geological allotment.

6. When establishing the boundaries of a mining allotment, not only dimensions of the site (length, width, depth) shall be considered, but also the areas of technological influence of works that are related to the use of subsoil (access and mining tunnels for exploitation, protective pillars, etc. A mining allotment shall be limited in depth). If the subsoil block is allocated for the development of groundwater deposits, then the boundaries of the mining allotment shall include the water-containing horizon, and shall represent a zone of strict regime of sanitary protection on the surface. In this case, the boundaries of mining and respective land allotment on the surface shall pass in no less than 15 meters from natural and man-made debits of underground waters. The exact boundaries of mining and land allotments shall be determined in the process of licencing, taking into account specific mining and technical conditions.

7. The boundaries of mining and geological allotments shall be established by an administrative body issuing the relevant licences.

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 447 of 16 September 2004 - LHG I, No 28, 7.10.2004, Art.132

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 8 - Land allotment

1. Objects of subsoil use located on state-owned lands shall be assigned land allotments based on the types of subsoil use, which are allocated for the purposes of ensuring the use of subsoil. A land allotment includes the deposit to be developed, and the related mineral resource storage, spoil disposal areas, also areas for the placement of tailings or other wastes, and belongs to soils for re-cultivation. Taking into account specific geological and mining and technical conditions, the matter of the establishment of the land allotment and its dimensions shall be reviewed by an administrative body issuing the relevant licences. The established land allotment as a land of subsoil fund, shall be entered into the Unified State Fund for Subsoil in accordance with the procedures for the management of the Unified State Fund for Subsoil, and shall be registered in a Public Registry. Subsoil on the lands of a subsoil fund may be used or its use may be temporarily suspended. In accordance with Article 39 of this Law, it shall be allowed to build-up land areas covered with technogenic deposits, and temporary building-up of other objects of subsoil use shall be allowed only if they are not applied for subsoil use for the given period of time. In the event that the use of subsoil has not yet begun on any object or a part of the object, the relevant land areas may be used for agricultural purposes for a period of up to one year, by taking into account the requirements of this Law. It shall be prohibited to allocate lands of the subsoil fund with the right of ownership, lease or in any other form without the consent of the Ministry of Environment and Natural Resources Protection of Georgia ('the Ministry'), and in the case of a licenced object, without the consent of the licence holder as well.

2. The dimensions of the land allotment and the conditions for its use shall be determined by the administrative body issuing the relevant licence taking into account the specific geological and mining and technical parameters.

3. (Deleted – 25.3.2013, No 495).

4. (Deleted).

5. Upon completion of the use of the subsoil or termination of the use of the subsoil on other grounds, and where there is no prospect for further use of subsoil, the user of subsoil shall be charged with the performance of re-cultivation works except for the cases stipulated by the legislation of Georgia.

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 1765 of 23 June 2005 - LHG I, No 36, 11.7.2005, Art.237

Law of Georgia No 3890 of 7 December 2010 - LHG I, No 72, 22.12.2010, Art. 432

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013



Article 9 - Licencing of the use of subsoil

1. Matters related to licencing of the use of subsoil are regulated by the Law of Georgia 'On Licences and Permits', the Law of Georgia 'On Oil and Gas', the present Law and relevant subordinate normative acts.
2. (Deleted – 25.3.2013, No 495).
3. (Deleted – 25.3.2013, No 495).
4. (Deleted – 25.3.2013, No 495).
5. (Deleted – 25.3.2013, No 495).
6. (Deleted – 25.3.2013, No 495).
7. (Deleted – 25.3.2013, No 495).
8. It shall be allowed to issue a licence for different types of simultaneous use of subsoil (study, development, extraction and treatment of mineral resources, treatment of mining and related industrial waste, etc.)
9. (Deleted – 25.3.2013, No 495).
10. (Deleted – 25.3.2013, No 495).
11. A mineral resource deposit shall be developed by several subsoil users based on an agreed technological scheme, which shall exclude its irrational use. Such conditions shall be recorded in the licence by the issuer of the licence and they shall constitute the terms of the licence. If a need of the use of subsoil applying a single technological scheme is revealed during the transfer of a part of a licence or during the use of subsoil in the prescribed manner, a licence issuer shall be authorised to impose an obligation on the licence holder to provide the agreed technological scheme within a reasonable time frame. In the case of the presence of the technological scheme, a licence issuer shall be authorized to commission licence holders or one of the licence holders, upon their agreement, with the obligation to coordinate subsoil users or perform duties under the technological scheme.
12. Within the boundaries of the same geological allotment, subsoil surveys may be conducted within the scopes of licences issued for different fields of survey, in agreement with an owner of the geological allotment. The geological allotment shall not include deposits explored prior to its allocation, and for the development of such deposits on the basis of a separate licence, mining allotments with relevant rights shall be allocated by different licences.
13. Within the boundaries of a mining allotment, other entities may carry out activities related to use of subsoil only with the consent of the holder of the licence, on the basis of an agreement signed between them.
14. (Deleted – 25.3.2013, No 495).
15. (Deleted – 25.3.2013, No 495).
16. (Deleted – 25.3.2013, No 495).
17. It shall be prohibited to extract inert construction materials from riverbeds or to issue the licence for subsoil use required for their extraction within the boundaries of the coastal protection area of the sea and in the cases that the extraction of inert materials breaks the stability of the riverbed and hydraulic structures (dam, bridge, retaining wall, etc.); the extraction of inert materials shall be also prohibited on the sections from dams to the area, where the river has no additional tributary that feeds the river with appropriate volume of solid sediments. The use of subsoil shall be also prohibited in the areas adjacent to such sections, on terraces above the floodplain within 50 meters from the riverbed. It shall not be prohibited to extract inert construction materials from other sections of a river and from water reservoirs constructed on the rivers.

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 10 - Time frames for the use of subsoil

1. (Deleted – 25.3.2013, No 495).
2. The licence terms shall be defined by types of the use of subsoil as follows:
 - a) for mineral resources for energy purposes - up to 45 years;
 - b) for ferrous and non-ferrous minerals - up to 40 years;
 - c) for construction material - up to 30 years;
 - d) for other non-metallic minerals - up to 30 years;
 - e) for underground water and natural non-flammable gases - up to 25 years;
 - f) for the construction of facilities not related to the extraction of mineral resources - up to 45 years;



g) for subsoil surveys - up to 5 years.

3. (Deleted – 25.3.2013, No 495).

4. (Deleted).

5. (Deleted).

6. (Deleted – 25.3.2013, No 495).

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 2148 of 25 November 2005 - LHG I, No 51, 6.12.2005, Art. 338

Law of Georgia No 2114 of 20 November 2009 - LHG I, No 36, 20.11.2009, Art. 274

Law of Georgia No 495 of 25 March, 2013 - website 5.4.2013

Article 11 - Subsoil user

1. A subsoil user may be a natural or legal person, a ministry or a state sub-agency institution under its governance as provided for by the Law of Georgia on Structure, Authority and Rule of Activity of the Government of Georgia, and other organisational entities provided for by law, that are not a legal entity.

2. Subsoil users shall enjoy all rights listed in the licence, and shall be responsible for compliance with its conditions.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 12 - Rights of subsoil users

1. Subsoil users shall be entitled to:

a) use mineral resources within the boundaries of a mining allotment that has been allocated in accordance with the licence;

b) carry out economic operations in a form that is acceptable for him/her/it within the allocated land allotment, for the purposes defined by the licence, unless this contravenes the current legislation;

c) (Deleted – 25.3.2013, No 495);

d) use waste from extracted mineral resources and waste from the treatment of such mineral resources, unless it is restricted by the licence;

e) carry out subsoil surveys at their own expense and without an additional license, within the boundaries of the mining allotment allocated by the licence;

f) address an administrative body issuing a licence with a request to change conditions defined by the licence, if a substantially different situation has arisen.

2. (Deleted – 25.3.2013, No 495).

Law of Georgia No 2148 of 25 November 2005 - LHG I, No 51, 6.12.2005, Art. 338

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 13 - Obligations of subsoil users

1. Subsoil users are obligated to:

a) use subsoil only for purposes defined by a licence;

b) ensure the rational and complex use of mineral resources, and the protection of the environment and subsoil;

c) strictly adhere to the safety rules for the execution of works;

d) ensure the protection of subsoil, ambient air, waters, lands, forests, protected areas, historical and cultural monuments, and buildings and structures of various designation from harmful effects during the execution of works related to the use of subsoil, in accordance with the established standards;

e) carry out complex subsoil surveys, and ensure the maintenance and storage of relevant geological, mine-surveys and other documentation;

f) submit to the Unified State Fund for Subsoil any documents on explored and extracted reserves, and reserves remaining in subsoil, components



contained in mineral resources, as well as on other facilities for the use of subsoil;

g) ensure the preservation (conservation) of exploratory mining tunnels and boreholes in such condition so as to enable their further use, and eliminate those that are worthless for use in the prescribed manner;

h) suspend works during the use of subsoil in the case rare properties with scientific or aesthetic value are revealed, and immediately inform the relevant public authorities thereof;

i) protect and, where necessary, bring land plots that have been damaged during the use of subsoil, to a safe and usable condition in the manner prescribed by the legislation of Georgia;

j) comply with other requirements established by the legislation of Georgia.

2. If, after the issuance of a licence, new types of mineral resources and their valuable components attached to such mineral resources, or the difference between the approved and actual mineral reserves have been discovered, or if other conditions related to the use of subsoil have been changed, reserves of mineral resource deposits shall require re-approval.

Law of Georgia No 495 of 25 March, 2013 - website 5.4.2013

Article 14 - Recognition of the right to use subsoil as void

1. The right to use subsoil may be recognised as void:

a) in the case of serious violation of the terms of the auction;

b) in the case of refusing to pay fees related to a licence;

c) in the case of the violation of the requirements of the Law of Georgia On Competition;

d) in the case of the identification of the fact of making a deal for the purposes of illegal liberalisation of licencing conditions and the reduction of fees;

e) in the case of giving illegal privileges to any of the contenders;

f) in the case of the conservation of the mining enterprise or the violation of the conditions of conservation of the mining enterprise and boreholes, which may result in damage to a mineral resource deposit;

g) if life and health of people working or residing in the area where works related to the use of subsoil are carried out are endangered as a result of the use of subsoil;

h) if a subsoil user has not proceeded with the use of subsoil within the period specified in the licence and in accordance with the established requirements;

i) if there are other grounds as provided for by the legislation of Georgia.

2. Upon the termination of the right to use subsoil, where necessary, a complete or partial conservation of the mining and exploratory enterprise or of other underground structures shall be carried out in the prescribed manner. To this end, the authority that has issued a licence, shall meanwhile determine a reasonable time for a licence holder, while elimination or conservation costs shall be incurred by a user of subsoil in the manner established by the legislation of Georgia, except for the case provided for by paragraph three of this article.

3. Unless circumstances referred to in sub-paragraph 'g' of this article are caused due to a user of subsoil, complete or partial conversation of mining and exploratory enterprise or other underground structures during the termination of the right to use subsoil, shall be carried out in the manner prescribed by the legislation of Georgia.

4. During the liquidation or conservation of a mining and exploratory enterprise or other underground structures, geological, mining survey or other documentation reflecting the situation at the time of the completion of work, shall be transferred to the relevant administrative body in order to be reflected in the Unified State Fund for Subsoil.

5. The conservation time shall be included in the total validity of the licence.

6. If there are objective circumstances, a licence holder may temporarily suspend work and conserve a mining and exploring enterprise for a specified period of time, or eliminate it with the consent of the licence issuer. The conservation time shall be included in the total validity of the licence.

7. Cancellation of a licence shall automatically cancel the rights of a licence holder on the mining, geological and land allotments. Former subsoil users shall have the right to alienate, within a reasonable time, to new subsoil users, surface and underground structures located on mining, geological and land allotments, the destruction of which shall not pose threat to the protection of subsoil, or to carry out their dismantling; however if the dismantling of surface and underground structures poses threat to the protection of subsoil, former subsoil users shall carry out financial and physical liquidation of such surface and underground structures in accordance with existing rules and regulations. Any other action shall be deemed an encroachment on the right of state ownership of subsoil and shall entail responsibility of a former subsoil user. The former subsoil user shall not be held responsible, if he/she /it transfers free of charge a financially liquidated structure without its physical liquidation to the State, with the consent of the State. The right to use objects that have been transferred into state ownership under such procedures shall be granted to a new subsoil user on the basis of a licence, along with the allocation of mining and land allotments.

Law of Georgia No 6154 of 8 May 2012 - website 25.5.2012

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013



Article 15 - (Deleted)

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 16 - (Deleted)

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 17 - Procedures for issuing a licence

A licence for the extraction of mineral resources shall be issued in accordance with the procedures provided for by the Law of Georgia on Licences and Permits.

Law of Georgia No 1765 of 23 June 2005 - LHG I, No 36, 11.7.2005, Art.237

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 18 - (Deleted)

Law of Georgia No 859 of 29 December 2004 - LHG I, No 6, 19.1.2005, Art. 30

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 19 - (Deleted)

Law of Georgia No 447 of 16 September 2004 - LHG I, No 28, 7.10.2004, Art.132

Law of Georgia No 1765 of 23 June 2005 - LHG I, No 36, 11.7.2005, Art.237

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 20 - Form of a licence

The form of a licence for the extraction of mineral resources shall be approved by the Minister of Environment and Natural Resources Protection of Georgia ('the Minister').

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 447 of 16 September 2004 - LHG I, No 28, 7.10.2004., Art.132

Law of Georgia No 1765 of 23 June 2005 - LHG I, No 36, 11.7.2005, Art.237

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Chapter III - State Management

Article 21 - State management of the use of subsoil

1. In order to implement a unified state policy in the field of the use of subsoil, a unified state system for the management of the use of subsoil shall operate in Georgia, the purpose of which shall be to:

- a) ensure the implementation of state policy for the rational use of subsoil;
- b) ensure equal opportunities for all legal and natural persons for the use of subsoil;
- c) develop free economic links, and implement competition policy in the field of the use of subsoil;



d) provide necessary guarantees for subsoil users, including for aliens, and protect their rights with regard to the use of subsoil.

2. State management of the use of subsoil in Georgia shall be carried out by the Ministry and appropriate institutions within its system, within the scope of their authority.

3. State management of the use of subsoil in Georgia shall be carried out by means of registration, licencing, monitoring and supervision of the use of subsoil.

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 6154 of 8 May 2012 - website 25.5.2012

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 22 - Tasks of state management of the use of subsoil

1. The task of state management of the use of subsoil is a complex and rational use of subsoil, the protection of subsoil and the environment, as well as state regulation of relations arising in the course of the use of subsoil, and the creation of a database of mineral resources.

2. In order to perform the tasks of state management of the use of subsoil the following shall take place:

The determination of the allowed extractable amount of different types of mineral resources;

The development of raw material base of mineral resources;

The determination of sites that can be used for purposes other than those determined for the extraction of mineral resources;

The determination of economic grounds for the use of subsoil;

The establishment of standards and norms in the field of surveys and protection of subsoil, for comprehensive and rational use of its resources, and in the field of safety during the performance of works related to the use of subsoil, and the control and supervision over the implementation of such works.

Article 23 - State registration system

1. Works related to the surveys of subsoil, mineral resource deposits, their reserves and resources, construction and operation of underground structures, as well as the use of subsoil blocks, which are not related to the extraction of mineral resources, shall be subject to registration in the Unified State Fund for Subsoil.

2. The Unified State Fund for Subsoil shall maintain a cadaster of all objects of subsoil use and the balance of mineral resources.

3. All subsoil users shall be required to transfer any information related to the use of subsoil to the administrative body issuing a licence. At the same time all subsoil users are obligated to transfer free of charge any information on subsoil that is available to them to the Unified State Fund for Subsoil.

4. The procedures for the preparation of projects for the use of subsoil, technological schemes for the development of mines and of plans for mining operations, shall be approved by the Minister.

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 24 - State cadaster of subsoil

The State cadaster of subsoil shall include mining-technical, hydro-geological, environmental, geological, economic and other data on mineral resource deposits or on all their individual exposures, as well as on subsoil blocks, that can be used for the purposes other than those that are used for the extraction of mineral resources, as well as data on all other objects of the use of subsoil.

Article 25 - State balance of the reserves of mineral resources

The State balance of the reserves of mineral resources shall contain data on the size, quality and results of surveys of reserves of all mineral resources in deposits, the level of their use for industrial purposes, on their placement, extraction, losses and their established reserves, as well as data on providing the industry with exploited reserves.

Article 26 - Conditions of mineral resources

Conditions of mineral resources is a combination of requirements that have been established as a result of feasibility studies and that are necessary for the development of subsoil.



The conditions shall include the complex use of both main and ancillary mineral resources.

Article 27 - Approval of reserves of mineral resources

1. Reserves of exploited mineral resource deposits, as well as additional reserves of mineral resources identified in the course of their further development, shall be approved by the State Inter-Agency Commission on Reserves existing under the Ministry. Regulations and composition of the State Inter-Agency Commission on Mineral Reserves shall be approved by the Government of Georgia.

2. Conditions of the placement of a deposit and results of its survey, reliable data confirming the quality and quantity of the exploited reserves of mineral resources, technical and economic characteristics of the deposit, its conditions, and information on the economic importance of mineral resources for their use for industrial purposes shall be presented to the State Inter-Agency Commission on Mineral Reserves for the purposes of the approval of the reserves of mineral resources.

3. An opinion of the State Inter-Agency Commission on Mineral Reserves shall be the sole grounds for the inclusion of the exploited mineral reserves into the state balance.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Law of Georgia No 1032 of 6 September 2013 - website, 23.9.2013

Article 28 - Writing-off of reserves of mineral resources from the state balance

The amount of mineral resources extracted from the deposit of mineral resources, as well as reserves of mineral resources, which has lost commercial value or which has not been confirmed in the course of further geological exploration and deposit development works, shall be written off from the state balance of mineral resources. An opinion of the State Inter-Agency Commission for Reserves shall be the sole ground for the writing-off of mineral resources from the state balance.

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 29 - Ownership of information on subsoil

Information on the geological structure of subsoil, mineral resource reserves and other resources, mining and technical conditions for the development of a mineral deposit, and on other properties or parameters, shall be the property of an entity, by whose means such information has been obtained.

It shall be permitted to sell or purchase geological or other kind of information on subsoil and mineral resources.

The legislation of Georgia protects the right of ownership of geological or other information on subsoil and mineral resources.

It shall be prohibited to give information included in the state information fund to other legal or natural persons without the consent of the owner of the information.

Article 30 - (Deleted).

Law of Georgia No 447 of 16 September 2004 - LHG I, No 28, 7.10.2004, Art.132

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 31 - State supervision and control over the use of subsoil

1. The main objective of state supervision and control over subsoil, its status and use shall be to determine how subsoil users comply with the requirements of the subsoil legislation, and to take measures stipulated by legislation in order to eliminate identified violations of subsoil legislation.

2. The following shall be subject to the state control and supervision over the use of subsoil:

a) any action of a subsoil user related to the use of subsoil;

b) any stage of the study of subsoil, hydro-geological, geo-technical, geophysical, geochemical, geo-ecological and other works, direction, technique, complexity and quality of works for the study of subsoil;

c) extraction and treatment of mineral resources from deposits both of natural and technogenic origin;

d) the use of subsoil for purposes other than those for the extraction of mineral resources;

e) protection of subsoil, and rational and complex treatment of its resources, directions of the use of main and supplementary mineral resources, its method, complexity and quality, as well as the volume of losses as a result of the use of subsoil, and their compliance with applicable standards, rules and



regulations;

f) ensuring the safety of subsoil and works related to the use of subsoil;

g) conservation and liquidation of objects of the use of subsoil;

h) compliance with the legality of the use of subsoil and with the conditions stipulated by the licence;

i) the implementation of standards, rules and regulations of the use of subsoil at any stage of the use of subsoil;

j) direction, methodology, complexity and quality of the study of subsoil;

k) compliance with rules and regulations for the safe execution of works during the use of subsoil;

l) the accuracy and timeliness of measures that ensure public security, and the protection of the natural environment, historical and cultural monuments, buildings and structures, existing and conserved mining tunnels and boreholes, from the harmful effects of works related to the use of subsoil;

m) the prevention of the leakage of oil, gas and other substances and materials that are stored underground, waters discharged into subsoil, hazardous substances buried in the depth of subsoil and production waste into mining tunnels, on the ground surface and water facilities;

n) compliance with the regulations of geological and mining survey works during the exploitation of mineral resource deposits.

3. The state control over the use of subsoil shall be carried out by a state sub-agency institution subordinate to the Ministry, called the Department of Environmental Supervision ('the Department').

4. State supervision over the safety of works related to the use of subsoil shall be carried out by the administrative bodies defined by the legislation of Georgia.

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 32 - (Deleted)

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 32¹ - The stability of relations regulated by a licence for the extraction of mineral resources on the continental shelf of Georgia

1. The State shall ensure the protection of the rights of a holder of a licence to extract mineral resources on the continental shelf of Georgia in accordance with the legislation of Georgia. Amendments to the legislation of Georgia, if they worsen investment conditions and/or have a negative impact on the rights and interests of a licence holder as determined by a licence, shall not apply to a licence for the extraction of mineral resources on the continental shelf of Georgia.

2. Paragraph one of this article shall apply to normative acts issued by the executive governmental authority of Georgia, if such acts restrict the property rights acquired and implemented by a licence holder in accordance with the licence.

3. State bodies and officials shall have no right to impede a licence holder during the realisation of the rights granted by a licence for the extraction of mineral resources, except for cases where the licence holder violates the legislation of Georgia or licence conditions.

4. This article shall not apply to the relations regulated by the Law of Georgia on Oil and Gas.

Law of Georgia No 2114 of 20 November 2009 - LHG I, No 36, 20.11.2009, Art. 274

Article 33 -The requirements of competition policy in the field of the use of subsoil

1. Any act of state bodies of Georgia and local self-government bodies, which significantly restrict competition in the field of the use of subsoil, shall be prohibited.

2. It shall be prohibited to restrict the use of infrastructure by subsoil users.

3. Matters related to competition in the field of the use of subsoil shall be governed by the Constitution of Georgia, this Law and the Law of Georgia on Competition.

Law of Georgia No 6154 of 8 May 2012 - website 25.5.2012

Law of Georgia No 2162 of 21 March 2014 - website 27.3.2014

Chapter IV - (Deleted)



Article 34 - (Deleted)

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 35 - (Deleted)

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 36 - (Deleted)

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 37 - (Deleted)

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Chapter V - Protection of Subsoil and the Requirements for the Safe Use of Subsoil

Article 38 - Main requirements for the rational use of subsoil and for their protection

Main requirements for the protection of subsoil are to:

- a) prevent unauthorised use of subsoil;
- b) protect the objects or blocks of subsoil that have special scientific and cultural value;
- c) secure areas where deposits of mineral resource are located, from building-up, impoundments, etc;
- d) rationally use mineral resources and make use of mining waste;
- e) secure subsoil blocks that are used for arranging engineering structures associated with the extraction of mineral resources, underground storage facilities, landfills, facilities for temporary storage of waste and waste transfer stations as provided for by the Waste Management Code;
- f) comply with the procedures for the transfer of subsoil for use established by the legislation of Georgia and prevent unauthorised use of mineral resources (without a licence or outside the boundaries of mining allotments allocated on the basis of a licence);
- g) ensure a complete and complex study of subsoil, subsoil protection, and rational and complex use of its resources;
- h) ensure a preliminary study of subsoil in order to obtain reliable data for the evaluation of the reserves of mineral resources and for the establishment of characteristics of other objects of the use of subsoil;
- i) keep records of reserves of mineral resources and subsoil blocks allocated for the use of subsoil;
- j) extract from the depths both the main and ancillary mineral resources as completely as possible, and ensure the keeping of records, as well as to ensure the compliance of losses with applicable standards, rules and regulations and take measures in order to reduce them;
- k) secure deposits of mineral resources from impoundment, flooding, pollution, fire, de-watering and other factors that worsen the quality of mineral resources, reduce the commercial value of deposits or complicate their use;
- l) prevent harmful effects on subsoil during the storage of gas and other substances in subsoil, during the burial of hazardous substances and industrial waste and during the discharge of waste waters;
- m) comply with the established rules of conservation and liquidation of mining enterprises and underground facilities that are not related to the extraction of mineral resources;
- n) prevent unauthorised build-up of areas, where objects of subsoil use are located;
- o) prevent disposal of waste provided for by the legislation of Georgia, near the head work structures for the supply of drinking and technical water and within their water catchment areas;
- p) ensure reliable forecast and assessment of the environmental impact of works related to the use of subsoil, and take necessary measures for the



protection of the environment and public safety.

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Law of Georgia No 3006 of 26 December 2014 - website, 12.1.2015

Article 39 - The procedures for building-up areas of mineral resource deposits

1. It shall be prohibited to design and construct settlements, industrial complexes, communications, economic and other facilities until it is verified that there are no mineral resource deposits (except for technogenic deposits) or other exposures thereof in the forthcoming build-up area. Build-up in areas of mineral resource deposits shall be permitted, if an initiator of the build-up process pays to the owner of mineral resources compensation that is equal to the price (in the amount of a fee for the use of relevant natural resource as provided for by the Law of Georgia On Fees for the Use of Natural Resources) of the type of mineral resource, the use of which is limited or delayed by the scheduled build-up. If the build-up is carried out in the area under licence, the consent of the licence holder shall be required.

2. Unauthorised build-up of areas of the use of subsoil and mineral resource deposits (lands of Subsoil Fund) shall be terminated without the compensation of costs incurred. If the existing built-up areas in the territories of mineral resource deposits (lands of Subsoil Fund) substantially limits or impedes the possibility of the use of subsoil, the rules and procedures provided for by this Law and the Law of Georgia on the Procedure for Depriving Property Due to Urgent Public Necessity shall apply.

3. It shall be permitted to design and construct settlements, industrial complexes and other commercial and residential facilities only in those areas where there are no mineral resource deposits (except for technogenic deposits), as evidenced by an opinion of the Legal Entity under Public Law called the National Environment Agency.

Law of Georgia No 1409 of 22 April, 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 3890 of 7 December 2010 - LHG I, No 72, 22.12.2010, Art. 432

Article 40 - Protection of subsoil blocks of scientific, historic, aesthetic or other cultural significance

1. Rare (unique) geological, paleontological, archaeological sites, mineral formations, areas of meteorite placement, as well as subsoil blocks of scientific, historic, aesthetic or other cultural significance, may be granted the relevant category of protected areas in the manner prescribed by the legislation of Georgia

2. It shall be prohibited to carry out any type of activities within the boundaries of the protected area that are not covered by a protection regime.

3. In case of detection of objects provided for by paragraph 1 of this article during the use of subsoil , a subsoil user is obliged to suspend works in respective areas and report them to the administrative body that issued the licence.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 41 - Main requirements for the study of subsoil

Legal and natural persons engaged in the study of subsoil, are obliged to ensure:

the effective study of subsoil;

the establishment of the geological, mining and technical, hydro-geological and other conditions for the development of mineral resource deposits, as well as for the construction and operation of underground structures for various purposes;

the use of subsoil within the boundaries of a mining allotment allocated on the basis of a licence;

the completion of works for the study of subsoil under a licence and the reliability of the results of study;

the objectivity of the determination of the quantity and quality of the reserves of main and ancillary mineral resources, as well as of the components of surrounding rocks, and compliance with the requirements for subsoil and environmental protection;

the application of such methods and techniques during the study of subsoil that are safe for human health and are environmentally friendly, and that do not lead to unjustified loss of mineral resources or the deterioration of their quality;

the placement of rocks extracted from subsoil in a way that excludes or reduces their harmful impact on the environment;

the preservation of mining survey tunnels and boreholes that are suitable, and the elimination of those that are not suitable for further use for the purposes of achieving the goals of deposit development and national economy;

the preservation of geological and technical documentation, samples of rocks, ores and duplicates of core-samples and samples for further study of subsoil, deposit exploration and development, as well as for their possible application for different kind of subsoil use.



Article 42 - The main requirements for the development of mineral resource deposits

1. During the development of mineral resource deposits the following requirements shall be complied with:

- a) keep accurate records of the status of deposits of the main and ancillary mineral resources, their dynamics, quantitative and qualitative changes and losses;
- b) ensure the development of the deposit by carrying out the appropriate geological and mining survey works and by maintaining necessary technical and other documentation;
- c) the development of a deposit shall not cause damage to other deposits;
- d) preserve the reserves remaining in subsoil during the deposit development, and carry out the preservation and recording of mineral resources that have been gradually extracted but temporarily unused;
- e) rationally develop overburden rocks and ensure their optimal placement for further use;
- f) ensure the safety of life and health of workers and the public during the execution of works;
- g) protect subsoil and different environmental facilities, buildings and structures;
- h) take into account the likelihood of accidents and develop plans for their elimination;
- i) maintain the ecological balance;
- j) carry out the development of solid mineral resources, oil, gas, and groundwater deposits in accordance with the approved projects of mining enterprises, production plans of mining operations and technological schemes.

2. (Deleted – 25.3.2013, No 495).

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 43 - (Deleted).

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 44 - Main requirements for the treatment of mineral resources

During the treatment of mineral resources the following shall be ensured:

- a) the application of such technological schemes that ensure complex and rational use of mineral resources, and the maximum reduction of losses arising in the course of subsoil use;
- b) the recording and control of the quantity, quality, and losses of useful components obtained from mineral resources at different stages of their treatment;
- c) the regular study of mining and chemical properties and composition of mineral resources, and conduct of test technological inspections in order to further improve the technology of their treatment;
- d) the maximum use of natural resources treatment waste (silt, tailings, powder, waste water, etc.);
- i) treatment of waste waters for the purposes of recycling;
- f) deposit, record and store waste containing useful components that are currently non-usable;
- g) manufacture products so that during their transportation, storage and consumption environmental safety conditions are complied with .

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Article 45 - Requirements with regard to the placement of waste and discharge of waste water in subsoil

Placement of waste and discharge of waste water in subsoil as provided for by the legislation of Georgia shall be allowed only if the following requirements are met:

- a) waste management is carried out in strictly defined boundaries, provided that in the event of an emergency situation their infiltration in mining tunnels, exposure on the surface of the earth and into water bodies are prevented;



b) waste placement and waste water discharge is carried out using environmentally friendly methods and technologies that ensures the protection of subsoil and other components of the environment from harmful effects;

c) the existence of a system of continuous monitoring of the status of waste disposal facilities and environment is ensured, and, in the case of an accident, effective measures for the protection of the population and for their timely notification of the accident are taken .

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Law of Georgia No 3006 of 26 December 2013 - website, 12.1.2015

Article 46 - Requirements with respect to designing, construction, reconstruction and transfer for exploitation of the objects of subsoil use

1. Designing of objects of subsoil use shall be conducted on prospective construction sites taking into account the geological structure of subsoil and other conditions.

The study and use of subsoil for the development of mineral resource deposits, the placement of underground structures and facilities, disposal of production waste, burial of hazardous substances and for other purposes shall be carried out on the basis of developed and approved projects (technological schemes). A project shall include the requirements under this Law.

2. When designing, constructing and transferring for exploitation underground structures that are not related to the extraction of mineral resources, (burial of hazardous substances and waste, waste water discharge, arrangement of underground gas storage facilities, etc.) reliable isolation of rocks adjacent to objects, and primarily of water-containing horizons shall be ensured.

3. (Deleted – 25.3.2013, №No 495).

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 47 - Requirements with regard to safety of the use of subsoil

1. The use of subsoil shall be permitted only if the security of life and health of the population, and especially of employees is ensured.

2. Subsoil users, within their competence, shall ensure compliance with the requirements of the legislation of Georgia on the safe execution of work related to the use of subsoil.

3. The requirements for the safety of execution of work related to the use of subsoil shall be:

The admission of persons with relevant special training and qualification to work;

The provision of persons special uniforms and means of individual and collective protection of persons hired for the execution of mining and drilling work;

The use of methods, materials, technical and technological means that meet established safety rules;

The performance of geological, mining survey and other kind of observations that are necessary for the normal technological cycle of works and are required to predict dangerous situations;

Exercise a systematic monitoring of the content of dust, explosive gas and oxygen in mining tunnels;

The development and implementation of measures to prevent and reduce to acceptable level all kinds of harmful effects on the environment in the course of the use of subsoil;

The preparation of plans for the prevention and elimination of hazardous and emergency situations and the implementation of relevant activities;

The study and compliance with labour safety regulations by employees, as well as the planning and implementation of measures to prevent and eliminate accidents;

The suspension of operations in the event of a threat to the life and health of workers, the evacuation of people to a safer place and the implementation of necessary measures to eliminate the danger;

The use of machinery, equipment and materials during the execution of works that meet the requirements of safety standards and rules;

The recording of explosives and blasting agents, their proper storage and use, as well as their safe, and appropriate application;

The timely completion of technical documentation, including of the plans of mining works, provided for by the safety rules, with data reflecting the boundaries for the safe performance of work and measures for the elimination of accidents.

4. Responsibility for ensuring compliance with safety rules by subsoil users shall rest with the heads of relevant enterprises, institutions and organisations. They shall define the circle of persons who are obliged to monitor compliance with these safety regulations in structural subdivisions of enterprises, institutions and organisations.

5. Managers of works related to subsoil use and other duly authorised officials shall be required, in the event of an immediate threat to life and health of workers engaged in the production, to immediately suspend works and ensure their safe evacuation. If the population in the zone of influence of works related to the use of subsoil is endangered, relevant subsoil users shall be required to notify duly authorised bodies of such danger.



Article 48 - Liquidation and conservation of mining enterprises or underground facilities that are not related to the extraction of mineral resources

1. After the completion of the development of a deposit as provided for by the project, where on the basis of feasibility and other studies further development of the deposit or a part thereof is deemed impossible, the mining enterprise shall be liquidated or conserved. Such procedure shall apply to underground facilities that are not related to the extraction of mineral resources, in the case where its further exploitation is not feasible, or in the case of the expiry or cancellation of the licence.
2. In the case of liquidation of an enterprise, the matters on the probability of the future use of mining tunnels and boreholes for other purposes shall be reviewed. In the case of a positive decision, the mining tunnels and boreholes shall be brought to such state which ensures the security of the population, compliance with environmental safety conditions, the protection of buildings and structures in the future, and in the case of the conservation of the enterprise, they shall be maintained in working order throughout the entire conservation period.
3. In the case of the liquidation or conservation of a mining enterprise and underground structures that are not related to the extraction of mineral resources, geological, mining survey and other documentation shall be maintained until works are completed and shall be stored in the Unified State Fund for Subsoil.
4. In the areas adjacent to the liquidation or conservation facilities, measures shall be taken to ensure safe execution of mining operations in the future.
5. Before the completion of liquidation or conservation, a subsoil user shall be solely held responsible as provided for by this Law.
6. After the completion of liquidation or conservation of facilities specified in this article, a subsoil user is obliged to provide information thereon to the appropriate administrative body(ies) in the prescribed manner. Liquidation or conservation of facilities shall be deemed complete when a relevant act after the cross-checking of information on the site by a duly authorised body is prepared, which shall then be reflected in the Unified State Fund for Subsoil in the established manner.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 49 - Mine rescue service and the responsibilities of a subsoil user during the liquidation of an accident

Subsoil users are obliged to establish a mine rescue service in a prescribed manner, or to use the services of specialised mine rescue units on the basis of a contract in order to prevent and eliminate accidents in mining tunnels, including in the emergence of open fountains in oil and gas wells.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Chapter VI- Responsibility for Violation of the Law on Subsoil

Article 50 - Responsibility for violation of the Law on Subsoil

1. Transactions, which clearly or implicitly violate this Law shall be null and void.
2. The responsibility shall rest, in the manner prescribed by the legislation of Georgia, with persons, who:
 - a) concluded the transaction referred to in paragraph 1 of this article, as well as with those who used subsoil in an unauthorised manner;
 - b) violated the rules of the use of subsoil, as well as regulations and safety standards for the use of subsoil;
 - c) carried out an unauthorized build-up of areas where objects of subsoil use were placed;
 - d) violated the requirements for the protection of subsoil, as well as for the protection of the natural environment, and buildings and structures from harmful effects of works related to the use of subsoil;
 - e) have encroached on historical and cultural monuments, their territories and protected areas;
 - f) violated the right of ownership of geological information;
 - g) destroyed or damaged water wells drilled for the purposes of groundwater monitoring, as well as mining survey and geodetic benchmarks;
 - h) violated the rules and regulations for the liquidation and conservation of underground structures of various purposes belonging to mining enterprises;
 - i) violated the rules and regulations for the land re-cultivation within the boundaries of the land allotment;
 - j) intentionally provided the administrative body that issued a licence with untimely or inaccurate information about subsoil.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013



Article 51 - (Deleted).

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Article 52 - Compensation for damages

1. Subsoil users are obliged to compensate for damages caused by violation of the requirements established by this Law and the legislation of Georgia.
2. Unauthorised use of subsoil and unauthorised build-up of areas where objects of subsoil use are located shall be prevented without the compensation of expenses incurred.

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

Chapter VII - Treaties

Article 53 - Treaties and agreements

If rules other than those defined by this Law are determined by a treaty or agreement of Georgia, and they do not contravene the Constitution of Georgia, the procedures specified by the treaty or agreement shall apply.

Chapter VIII - Transitional Provisions

Article 54 - Transitional provisions

1. All documents issued prior to the introduction of licencing for the use of subsoil, which certify the right to use mining or a geological allotment, shall be deemed null and void,, unless they are supported by a licence for the use of subsoil in accordance with the legislation of Georgia (except for the cases where such land allotment has been privatised before the entry into force of this Law and the owner of such allotment has already submitted documentation for the registration of the allotment as provided for by the legislation of Georgia), and where underground and associated surface structures located within the boundaries of such allotment (heads of wells, tunnels and boreholes, captation and above-captation structures), as well as such structures that are liquidated and conserved, are deemed an integral part of the subsoil block and they are disposed of in accordance with the legislation of Georgia.

2. (Deleted – 25.3.2013, No 495).

3. (Deleted – 25.3.2013, No 495).

4. (Deleted – 25.3.2013, No 495).

5. Article 9(17) of this Law shall enter into force from 1 October 2002.

6. From 1 October 2002, all licences for the use of subsoil, which contravene the requirements of Article 9(17) of this Law shall be void.

7. (Deleted – 25.3.2013, No 495).

8. (Deleted – 25.3.2013, No 495).

9. (Deleted – 25.3.2013, No 495).

Law of Georgia No 1319 of 1 March 2002 - LHG I, No 5, 21.3.2002, Art.33

Law of Georgia No 1409 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art.153

Law of Georgia No 495 of 25 March 2013 - website 5.4.2013

President of Georgia

Eduard Shevardnadze

Tbilisi,

17 May 1996

No 242–III

