

THE PRIME MINISTER

No. 2185/QĐ-TTg

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, December 5, 2014

DECISION

Approving the master plan on exploration, exploitation, processing and use of iron ores through 2020, with 2030 vision taken into consideration^(*)

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;

Pursuant to November 17, 2010 Mineral Law No. 60/2010/QH12;

Pursuant to the Prime Minister's Decision No. 2427/QĐ-TTg of December 22, 2011, approving the mineral strategy through 2010, with a vision toward 2030;

At the proposal of the Minister of Industry and Trade,

DECIDES:

Article 1. To approve the master plan on exploration, exploitation, processing and use of iron ores through 2020, with 2030 vision taken into consideration, with the following principal contents:

1. Development viewpoints

- The master plan on iron ores must be in line with the mineral strategy through 2020, with a vision toward 2030; and the master plan on socio-economic development in localities having iron ores. Intensive exploitation shall be carried out in Lao Cai, Yen Bai, Thai Nguyen and Ha Tinh provinces, on the basis of satisfying the requirement of sustainable development linked with national defense and public security, particularly in the Northwest and Central Highlands regions; and to harmonize the interests of the country, localities, enterprises and people in localities where iron ores are exploited.

- Projects on exploitation and processing of iron ores must be associated with metallurgical establishments, and apply advanced, natural resource-economizing and environment-friendly technologies;

- To prioritize solutions to mobilize domestic resources in the stages of exploitation and deep processing of iron ores.

2. Development objectives

a/ General objectives: Exploration, exploitation and processing of iron ores must meet the requirement of sustainable development and fully satisfy the need of metallurgical industry in Vietnam;

^(*) Công Báo Nos 1073-1074 (21/12/2014)

b/ Specific objectives

- Exploration:

+ From now to 2020: To strive to complete about 25 schemes on exploration of iron ores, achieving the target of around 294 million tons of level-121 and level-122 reserves.

+ During 2021 - 2030: Based on the result of baseline survey on iron minerals, to strive to complete 10 - 15 schemes on exploration of potential iron ore mines and presence in Bac Kan, Thanh Hoa, Quang Nam and Binh Thuan provinces, and laterite ore in the Central Highlands, achieving the target of around 230 million tons of level-121 and level-122 reserves.

- Exploitation and processing:

+ From now to 2020: To put into exploitation and processing up to the designed capacity 2 large-sized iron ore mines in Thanh Khe (Ha Tinh) and Quy Xa (Lao Cai); and small- and medium-sized iron ore mines in Ha Giang, Cao Bang, Lao Cai, Bac Kan, Yen Bai, Thai Nguyen, Phu Tho, Thanh Hoa and Quang Ngai provinces.

+ During 2021 - 2030: To develop exploitation and processing of iron ores in some other provinces.

The output of exploitation and processing of iron ores is specified as follows:

+ From now to 2015: To gradually increase the output of exploitation and processing, achieving around 7.2 million tons (or 13 million capacity tons) in 2015.

+ During 2016 - 2020: To gradually increase the output of exploitation and processing, achieving around 17.5 million tons (or 26.4 million capacity tons) in 2020.

+ During 2021 - 2030: To gradually increase the output of exploitation and processing, achieving 25 - 25.5 million tons (or 36 - 37 million capacity tons) in 2025 and 2030.

3. Development orientations

a/ To exploit and process iron ores in an economical and efficient manner and with advanced technologies to meet the environmental protection requirement; and to ensure that annual exploitation output meets the domestic metallurgy industry's material demand. For Thach Khe iron ore mine (Ha Tinh province) which has a large reserve but with complicated geological conditions, foreign partners that have sufficient financial capability may be allowed to become shareholders and cooperate with domestic enterprises in exploitation and processing;

b/ To step up researching metal mineral sorting and processing technology to economically and efficiently use iron ores of Thach Khe mine and laterite ores from the Central Highlands.

4. Forecast iron ore demand

The demand for iron ores and ore concentrates for the domestic metallurgical industry is forecasted to reach around 7.2 million tons by 2015, around 18 million tons by 2020, around 32 million tons by 2025 and around 41 million tons by 2030.

5. Development master plan

a/ Iron ore resource and reserve

- The total iron ore resource and reserve already surveyed, assessed and explored in the country is around 1.3 billion tons (excluding laterite ore in the Central Highlands).

- Laterite ore in the Central Highlands has a great potential reserve of around 1.2 billion tons of concentrates. However, the quality of this ore is low because of poor iron and high aluminum content.

The iron ore resource and reserve are provided in Appendix I to this Decision.

b/ Master plan on development of exploration

- From now to 2020:

+ To complete the exploration of 6 iron ore mines and presences which have been licensed but remain unexplored.

+ To complete some 20 schemes on exploration of potential iron ore mines and presences in Ha Giang, Bac Kan, Yen Bai, Tuyen Quang, Phu Tho, Thanh Hoa, Quang Nam, Quang Ngai and Gia Lai provinces.

- During 2021 - 2030:

+ To complete the exploration of iron ore in Nui Doi mine, Quang Ngai province.

+ To explore potential iron ore mines and presences based on the result of the survey and assessment of iron ore potential in Bac Kan, Thanh Hoa and Binh Thuan provinces.

+ To further explore some areas which may have laterite ore in the Central Highlands, based on results of baseline surveys of laterite ore in the Central Highlands and outcomes of metal ore sorting and processing technology and the demand of domestic metallurgical establishments.

The list of iron ore exploration projects is provided in Appendix II to this Decision.

c/ Master plan on development of iron ore exploitation and processing (sorting)

- From now to 2020:

To renovate and increase the capacity of 16 mines and make new investment in 35 potential iron ore mines and presences in Ha Giang, Cao Bang, Lao Cai, Bac Kan, Yen Bai, Tuyen Quang, Thai Nguyen, Phu Tho, Thanh Hoa, Ha Tinh, Quang Ngai and Gia Lai provinces. To strive to complete construction, exploitation and processing of iron ore in Thach Khe mine with an output of 5 million tons/year (phase 1), exploitation and processing of iron ore in Quy Xa mine with an output of 3 million tons/year (phase 2). To carry out trial exploitation and processing of laterite ore in Gia Lai province.

- During 2021 - 2030:

+ To make expansive and new investment in exploitation and processing of iron ores in 9 potential iron ore mines and presences, and iron ore areas in Ha Giang, Lao Cai, Yen Bai, Thai Nguyen, Phu Tho, Ha Tinh, Quang Nam and Quang Ngai provinces.

+ To invest in a number of projects on iron ore exploitation and processing with appropriate scale and output, ensuring socio-economic efficiency and environmental protection when specific domestic metallurgical establishments have demands, based on results of baseline surveys and exploration of potential iron ore mines and presences in Bac Kan, Thanh Hoa, Binh Thuan provinces and the Central Highlands (Gia Lai province).

The list of iron ore exploitation and processing projects is provided in Appendix III to this Decision.

d/ Master plan on use of iron ores

To meet the quantitative and category demand and ensure economical use of natural resources and socio-economic efficiency of domestic metallurgical establishments, investment projects on iron ore exploitation and processing must be linked with establishments using iron ores (metallurgical establishments). Specific establishments using iron ores shall be identified by project owners upon formulation of investment projects.

The tentative master plan on use of iron ores in mines and presences by metallurgical establishments is provided in Appendix III to this Decision.

6. Investment capital

The total investment capital demand for exploration, exploitation and processing of iron ores by 2030 is expected at VND 20,282.5 billion, including VND 692.5 billion for exploration and VND 19,590 billion for exploitation and processing (sorting).

The expected capital sources:

- Capital for the formulation and adjustment of the master plan, and for investment in infrastructure facilities outside fences: From the state budget;
- Capital for the exploration of iron ores: From enterprises' self-acquired sources;
- Capital for the iron ore exploitation and processing (sorting) includes enterprises' self-acquired capital, domestic and overseas commercial loans, capital mobilized through the securities market, project bonds, and other lawful capital sources.

7. Solutions, mechanisms and policies

a/ Solutions

- Management of natural resources:

+ To step up the baseline survey in areas with potential, such as laterite ore areas in the Central Highlands, La E and Conzot iron ore areas in Quang Nam province, and Sung Do and Gia Che (Da Gie) iron ore areas in Yen Bai province, etc.

+ To expeditiously complete the exploration in ore mines and spots for which exploitation licenses have been granted while the exploration has not yet been completed in accordance with the Mineral Law.

+ To develop a database on iron ores to serve the natural resource planning and management.

+ To step up the restructuring of small-sized enterprises which have low output, limited resources, obsolete and polluting technologies; and exploited and processed products not linked with domestic metallurgical establishments, into large-sized and efficient enterprises which possess a lot of mines with large reserves and use advanced and natural resource-economizing and environment-friendly technologies and may supply materials for domestic metallurgical establishments in a stable and long-term manner, in the form of association, merger or transfer of mining licenses.

- Exploitation and processing of iron ores:
 - + To exploit and process iron ores with advanced technologies to meet domestic metallurgical establishments' demand for materials.
 - + To thoroughly and efficiently exploit and use ores of all kinds in two large iron ore mines of Thach Khe (Ha Tinh province) and Quy Xa (Lao Cai province).
 - Science and technology and international corporation: To step up the application of science and technology as well as international corporation; to concentrate on research and transfer of iron ore exploitation and processing technologies under complicated geological conditions in Thach Khe mine (Ha Tinh province) and Na Rua mine (Cao Bang province), and for processing poor ores and laterite ores in the Central Highlands;
 - Inter-disciplinary association and development cooperation solutions: To strengthen the association and cooperation between iron ore exploiting enterprises and metallurgical ones;
 - Infrastructure solutions: To concentrate on investment in construction of synchronous technical infrastructure systems outside fences in large iron ore exploitation and processing areas in Ha Tinh province, Lao Cai province and the Central Highlands.
- b/ Mechanisms and policies
- Iron ore exploitation and processing: To encourage enterprises to cooperate in investing in large-sized poor ore processing establishments and apply advanced and environment-friendly technologies;
 - Finance: To promptly revise taxes, charges and fees of all types, harmonizing interests of the State, enterprises and people in localities where iron ores are exploited.

Article 2. Organization of implementation

1. The Ministry of Industry and Trade shall:

- Assume the prime responsibility for, and coordinate with related ministries and localities in, publicizing the master plan, and guiding and inspecting the implementation of the master plan;
- Propose solutions to strictly control the circulation and consumption of iron ores; coordinate with ministries, localities and the Vietnam Steel Association in formulating specific mechanisms and policies to encourage and promote the use of iron ores in an economical, efficient and environment-friendly manner;
- Direct investment in iron ore exploitation and processing projects in Thach Khe and Quy Xa mines, assuring their progress and efficiency;
- Periodically review and assess results of the implementation of the master plan; update information on the master plan and propose the master plan's modifications when necessary.

2. The Ministry of Natural Resources and Environment shall:

- Step up the geological baseline survey in potential iron ore areas in the Central Highlands; add La E and Conzot areas in Quang Nam province and Sung Do and Gia Che

(Da Gie) areas in Yen Bai province to the master plan on baseline survey of potential iron ore areas in order to add iron ore sources to the master plan and mineral reserves to supply iron ores for the metallurgical industry; direct project owners in urgently carrying out the reserve exploration and assessment of mines for which licenses have been granted but the exploration has not yet been carried out; urgently review and zone off as national mineral reserve areas iron ore areas not included in the master plan and submit them to the Prime Minister for approval;

- Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and localities in, examining and inspecting iron ore exploration and exploitation projects and applying measures to handle projects that fail to comply with the mineral law;

- Assume the prime responsibility for, and coordinate with local administrations in, directing and supervising the application of environment-related solutions to iron ore exploitation and processing projects and measures to handle projects that fail to comply with the mineral law;

- Assume the prime responsibility for developing and updating the database on iron ore reserves and resources and other data on management of iron mineral activities.

3. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, directing, supervising and evaluating the transfer and application of technologies to enrich poor iron ores and laterite ores.

4. The Ministry of Transport shall assume the prime responsibility for reviewing and supplementing the master plan on connected transport system and seaports to serve the iron ore exploitation and processing industry in combination with other minerals in areas having iron ores in Ha Tinh and Lao Cai provinces and the Central Highlands.

5. The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with related ministries in, mobilizing ODA and other sources for investment in transport infrastructure to serve iron ore exploitation and processing in areas having iron ores in Ha Tinh and Lao Cao provinces and the Central Highlands.

6. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and the Ministry of Natural Resources and Environment in, revising policies on taxes and charges in conformity with characteristics of iron ore exploitation, processing and use; promulgating a financial regulation mechanism to harmonize the interests of localities having iron ores and those having metallurgical establishments.

7. Provincial-level People's Committees engaged in iron mineral activities shall:

- Closely coordinate with the Ministry of Industry and Trade in organizing the implementation and management of the master plan on iron ores;

- Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and the Ministry of Natural Resources and Environment in, reviewing and reevaluating iron ore exploitation and processing enterprises in their localities, directing the restructuring of enterprises and stepping up the deep and efficient processing of iron ore resources;

- Take measures to enhance the inspection and supervision of iron ore mineral activities in their localities. Effectively prevent illegal exploitation and export of iron ores. Strictly handle iron ore exploitation and processing establishments which cause environmental pollution and fail to ensure safety for tailings discharge lakes;

- Assume the prime responsibility for, and coordinate with project owners in, ensuring the progress of compensation, site clearance, displacement and resettlement of people to serve iron ore exploitation and processing projects in their localities;

- Actively disseminate and popularize guidelines, policies and law on minerals relevant to the implementation of the iron ore master plan in their localities.

8. The Vietnam Steel Association shall:

- Actively participate in social criticism related to the implementation of the master plan; coordinate with state management agencies in researching and proposing mechanisms and policies on development of exploration, exploitation, processing and use of iron ores for the metallurgical industry.

- Encourage member enterprises to take the initiative in renewing kiln technology and economically and efficiently use iron ore resources; support the enterprise restructuring, operation efficiency improvement and sustainable development.

9. Enterprises engaged in iron mineral exploration, exploitation and processing shall:

- Implement the guideline on restructuring of small-sized enterprises into large-sized and efficient ones which possess a lot of mines with large reserves, apply advanced, natural resource-economizing and environment-friendly technologies and may supply materials for domestic metallurgical establishments in a stable and long-term manner in the form of association, merger or transfer of mining licenses.

- Thach Khe Iron Joint Stock Company shall expeditiously complete its restructuring, fully contribute charter capital and mobilize sufficient capital sources to continue carry out capital construction and put Thach Khe iron ore mine into operation and processing according the approved progress so as to supply material iron ores for domestic metallurgical establishments.

Article 3. This Decision replaces the Prime Minister's Decision No. 124/2006/QĐ-TTg of May 30, 2006, and takes effect on the date of its signing.

Article 4. Ministers, heads of ministerial-level agencies, heads of governmental-attached agencies, chairpersons of provincial-level People's Committees, and related enterprises shall implement this Decision.-

Prime Minister
NGUYEN TAN DUNG

** All appendices to this Decision are not translated.*