

Kyrgyzstan to compensate Stans Energy to the tune of \$118.2 million

At the end of last April, Stans Energy Corp. ('Stans', TSXV: HRE | OTCQX: HREEF), won its international arbitration case in the matter between itself



and the Government of the Republic of Kyrgyzstan at the Arbitration Court of the Moscow Chamber of Commerce and Industry. This week, the Court asked the State of Kyrgyzstan to compensate Stans to the tune of USD\$118.2 million. Stans gained more than 50% in Toronto trading, topping CAD\$ 0.20 per share even if the likelihood that the Government of Kyrgyzstan will abide by the Court's ruling is very slim. After all, the Kyrgyz government was given numerous opportunities to demonstrate their willingness to honor international business standards, and allowed the issue to move to the Courts. Nevertheless, Stans still has options and ways to apply pressure on the authorities in Bishkek. One of them involves Centerra, which operates the Kumtor gold mine in Kyrgyzstan, a frequent, which various factions within the Kyrgyz government have often used as 'punching bag' in their internal disputes.

Stans has the legal right to pursue any of the Kyrgyz State's foreign assets including its 32.7% stake, worth about some USD\$ 500 million, in Centerra. Stans has not announced any measures yet – after all it will give the Kyrgyz Government a

chance to abide by the ruling – but, clearly, Centerra appears to be likeliest option. With a gross domestic product (GDP) of about USD\$ 5.7 billion (2012) and annual per capita income USD 1,137 (2012), over 37% of Kyrgyzstan population lives below the poverty line: Kyrgyzstan a poor country. Kyrgyzstan relies for its survival on foreign investment in its most important asset, which remains the Kumtor gold mine, which alone accounts for 5.5% of GDP. Gold exports serve as Kyrgyzstan's main source of foreign currency. Yet Kyrgyzstan is considered to be one of the most democratic states in Central Asia. Its parliamentary democracy works reasonably well, compared to a region dominated by despots. This gives hope that some form of legal solution will be found such that Stans might be compensated.

Kyrgyzstan's growing relationship with Russia may also be useful, given that the Arbitration Court that has ruled in favor of Stans is in Moscow. Russia's President Vladimir Putin has to sponsor – to the tune of a billion dollars – the development of hydroelectric power stations, which is Kyrgyzstan's second largest source of wealth after its mineral assets. Russia's Gazprom, moreover, looking for ways to put pressure on the West in response to the Ukrainian crisis, will be more inclined to offer hydrocarbon resources, perhaps even taking over the ailing Kyrgyz gas network. The fact that the United States has left the Manas airport, which it used since 2001 in the 'War on Terror' (no less than the most important US aviation hub for the war in Afghanistan) has facilitated a gradual foreign relations policy aimed at closer ties to Moscow than Washington. As fragile as it is, Kyrgyzstan's economy cannot deal with more problems, which has made it even further bound to Russia after recently accepting USD\$1.2 billion in aid from Moscow.

Therefore, while Stans's possible pursuit of Centerra shares – for which there is a precedent: a Turkish company, Sistem, took 10% of the Kyrgyz government's Centerra shares – will

embroil it in more political/judicial issues with Bishkek, Moscow's legal pressure could be brought to bear. Indeed, Stans now has the authority to seize Kyrgyzstan's foreign assets as well as any capital transfers beyond its borders, including shipments of minerals such as...gold. In other words, Stans has sufficient means of applying pressure on Bishkek that it has a good chance of resolving the situation through negotiations. Centerra Gold, for its part, has always been able to keep the Kumtor mine up and running, no matter how difficult the political situation in Kyrgyzstan, even managing to received the Government's approval of its mine plan for 2014 – notwithstanding the five and a half months delay. Centerra had even threatened to close the Kumtor mine if it did not get the approval, after 17 years of activity, but it was able to exercise pressure because the Kyrgyz government needs the Canadian gold company's expertise to operate Kumtor and that a closure would have had serious economic and social consequences.

The Kutessay-2 field during Soviet times delivered up to 80% of the USSR's rare earth supply. Kutessay-2 contains up to 15 rare-earth elements, as well as lead, zinc, silver, bismuth, molybdenum, thorium, tin, and copper. In addition, it contains niobium, tantalum and hafnium. The only obstacle standing between Stans moving to full operation has been the Government's obstruction, which has now been dealt by the arbitration process.

Exclusive: Evidence of

Chinese Interests driving Effort to block Stans Energy in Kyrgyzstan

✘ Robert Mackay, CEO of Stans Energy Corp ('Stans', TSXV: HRE | OTCQX: HREEF) spoke to ProEdgeWire about what appears to be a Chinese government backed rare earth company's efforts to block, and possibly take over Stan's rare earth producing and processing facility in Kyrgyzstan. Stans Energy is the sole owner of Kutessay II, a past-producing heavy rare earth mine.

Stans Energy Corp. ('Stans', TSX-V: HRE,) was forced to halt trading from April 1 to April 3 in response to a renewed effort by some Kyrgyz government members to interfere in Stan's activities by targeting its local subsidiary 'Kutessay Mining LLC'. The MP's alleged that Stans improperly acquired the license to develop the Kutessay-2 deposit. However, Stans has already successfully and irrefutably defended its legal right to the property in a series of Court cases, the last ending on March 4. On that date, the Kyrgyz Republic's legal representative was forced to withdraw an appeal against the Company in the Inter-District Court of Bishkek in the face of overwhelming evidence in Stan's favor, formally validating its rights over the Kutessay-II license and backing a previous verdict issued in Stans's favor to this effect last November.

Stans acquired a 20-year license for the development of the Kutessay-2 field in 2009, at the price \$860.000. Two years later the company completed the purchase of the local Kashkinsky plant of rare earth elements, specialized in the processing of rare earth elements from the Kutessay-2 field during Soviet times, delivering up to 80% of the USSR's rare earth supply. Kutessay-2 contains up to 15 rare-earth elements, as well as lead, zinc, silver, bismuth, molybdenum, thorium, tin, and copper. In addition, it contains niobium,

tantalum and hafnium. The property is very desirable because of its proven metallurgy and until Lynas (ASX: LYC) started production last March, Stans was the only operational REE processing facility outside of China

Stans has always been able to defend itself, producing all relevant documents filed since the outset of its venture, confident in its right of ownership owing to its unwavering and transparent observation of Kyrgyz law and with the approval of the Kyrgyz Parliament from the time of acquisition to the launch of operations. Indeed, were the case to move to international arbitration, Stans would win it outright. Mining is crucial to the Kyrgyz economy and the legal entanglements affecting Stans Energy suggests that the obstacles have a political motivation. Yet this is only partially so. Certainly, factional politics have had their repercussions on foreign owned businesses, mining ones in particular. The nationalist Ata Zhurt party, in opposition, has shown hostility to foreign owned companies, in the hopes of intimidating them into abandoning the country.

A wasteful legal quagmire

The pointless pursuit of legal disputes with foreign investors is self destructive as it will discourage others from even considering Kyrgyzstan. Oddly, the current government in Bishkek, the capital, has a mandate to improve the investment climate in order to attract foreign investment. It is clear, however, that some MP's have been deliberately sabotaging these valuable goals as well as showing a lack of respect for the judiciary and its verdicts. Such an attitude, given its plain contradiction to Kyrgyz national interest, raises suspicions. The most obvious is that the MP's acting against Stans – and against the interests of the Kyrgyz people-have strong personal incentives or motivations to act against Stans. Given that the country is in dire need of investment, it is unlikely that there is a domestic party interested in taking over Stans's license and developing the project.

Evidently, there must be an external entity involved. It had been suggested in a previous article that the source of the 'odd' attitude from certain MP's might be Chinese in origin.

China has been investing billions in Central Asia as it needs security and stability to prevail in this crucial region at the crossroads of energy pipelines and mineral resources. The anti-Stans MP's then may be looking for a 'better deal' with China, by taking Stans' license away and granting it to a Chinese company. Even if that were legally possible, it would still fall short in explaining why the MP's might have been persuaded. Stans management has decades of mining experience, bringing novel practices to the country and offering better conditions to employees and Kyrgyz government alike. It would be most unusual for a Chinese investor to be able to do better. No, the motivation for the MP's is personal and points to some form of baksheesh having been promised, or already given, to specific MP's. Robert Mackay has come across evidence pointing precisely in this direction.

In the exclusive interview given to ProEdgeWire, he has disclosed the details of an orchestrated attack against Stans by a Chinese organization through Kyrgyz public officials, namely, members of the Ar-Namys Party including MP Nurzhan Badykeeva, who led a parliamentary committee of the Jorgorku Kenesh, (the Kyrgyz parliament) to demand the State Geological Agency to annul Stan's licences for Kutessay II and the Kalesay deposit, subjecting them to a new government auction. The matter was brought before the Courts, which validated Stans's ownership in two separate cases. It seemed that the end of the nine months of legal bickering had been reached last March 4 when Badykeeva's Committee dropped all claims. Yet, this was not because the MP's had suddenly remembered where they had last seen their reason. It was a mere shift of tactic because on March 15, the same parliamentary group put pressure on the Kyrgyz State Geological Agency, suing it over Stans' mining license acquisition in 2009 and citing its local

subsidiary, Kutessay Mining LTD, as a co-defendant in the case. Meanwhile, the Kyrgyz Chemical and Metallurgical Plant" (KCMP), from which Stans had acquired all legal rights to the Kashka plants, to the surprise of all concerned was still claiming to the Chinese that they owned the plants.

Serendipitous Leaks

Stans found this out when it started to entertain calls from the Chinese Baotou Hongbo Te Technology LLC (Baotou), a group that had previously owned 60% of Central Asian Metals, the license holders of Kutessay II from 2006-2009. Baotou claimed to have reached an agreement with KCMP when they re-acquired the license, demanding some form of cooperation. Stans' management met Baotou in June 2012 but refused to continue the discussions noting that their proposals presented to Stans would have no benefit for Stans' investors. Baotou thought it was dealing with amateurs, trying to entice Stans into collaboration by boasting that it could put Kutessay II back into production at double the historic rate for USD\$ 10 million. Stans had a market capitalization of over \$100 million dollars at the time, and Baotou was essentially asking to buy 60% of the property for 6 million dollars – an absurd offer, and one that was structured in antagonism with Kyrgyz law. Stans refused any deal with Baotou. Coincidentally, it was shortly after that meeting that MP Badykeeva launched the anti-Stans rhetoric. And Baotou has been actively seeking to regain control of the Kutessay II deposit. To this effect, Baotou contacted international rare earth processing groups, claiming to have control of the Kutessay II license.

One of the groups in question was Solvay/Rhodia, which disclosed the Chinese efforts to Stans. Moreover, in its haste and greed, Baotou also sent 3 separate letters to Kyrgyz Government officials, revealing an intent to pay a USD\$100,000 'baksheesh' to certain government officials to keep their license in 2009 –before Stans acquired it through legal and transparent methods. Baotou's effort failed because the

partner entrusted to deliver the kickbacks was rather unreliable, keeping the entire sum. More evidence of such unsavory practices emerged when Alastair Neill, a well known consultant in the Rare Earths mining industry with many years of experience in China as well, was asked by Baotou to discuss project finance prospects for a rare earth property in Kyrgyzstan, adding that it had lost the property in an unfair manner. Baotou also claimed to own 67% of Central Asia Metals while a legal contact in Kyrgyzstan owned 13% and held an additional 20% in trust on behalf Kyrgyz Government officials that are secretly hiding ownership of Kutessay through Baotou. In addition, they also revealed that one legal contact in particular was working behind the scenes to take back Stans' license by the third quarter of 2013 and for the 'fee' of USD\$1.5 million. Alistair Neill's role would have been to find the financing to complete the deal.

Chinese actions against Stans hurt its own Interests – as well as those of other Investors and Kyrgyzstan

The series of meetings and links has ultimately explained why and how it has been possible for Stans to be the target of such a relentless campaign to shut it down by certain parliamentary officials. There are no environmental concerns, no social concerns and no labor rights concerns at heart; the campaign has been motivated by personal gain and through methods that in any Court would be called out for the corruption that it represents. If Stans has been targeted, apart from the obvious political risks, it can also produce significant evidence, if any were needed that its Kutessay II project has tremendous strategic value and metallurgy having is a highly desirable characteristic. Stans' ordeal also strengthens the need for Western and other companies to secure reliable rare earths supplies to avoid dependence on China.

If any more proof were needed of selfishly motivated interference into Stans' activities in Kyrgyzstan, its geological society fears that the country has fewer mineral

resources than at first believed. It is evident, therefore, that its development requires foreign expertise and foreign capital. And given the importance of mining to the economy, foolish practices would eventually come back to bite corrupt or misguided officials, breeding suspicions with the population, which will grow ever more upset by its leaders. In Kyrgyzstan's difficult economic and political situation, the pursuit of goals through corrupt and unfair means is not affordable. The actions of politicians, subjected to offers of illicit gain from abroad, may go out of control and generate an unpredictable situation. Chinese companies such as Baotou, moreover, are acting against Kyrgyz and Chinese interests alike, apart from illegally encroaching on Stans Energy's efforts. China needs a stable Central Asia and the planned withdrawal of U.S. troops from Afghanistan, in 2014, could lead to instability in the region, jeopardizing the safety and growth of Chinese investment in this area and in the breakaway province of China's Xinjiang region.

China's main interests in Central Asia are energy supply and security of the western border. Kazakhstan, Kyrgyzstan and Tajikistan (as well as Afghanistan and Pakistan) border with the Chinese province of Xinjiang region, where much of the population is of Uyghur origin, a Muslim people with much in common with their Central Asian neighbors. If China wants to keep the spread of Islamic fundamentalism in check, one of its biggest fears, it must allow the States of the region to develop in the best way possible and to attract foreign investors. The government of Kyrgyzstan must reduce corruption and ensure greater transparency. Its measure of success will be its ability to raise the country's economic performance and contain, and reverse, the spread of poverty. Honoring its commitment to Stans Energy will send the right signals to foreign investors and go a long way to achieving its goals.

Stans Energy Trading Halt: Kyrgyz legal Challenges are Baseless

✘ Stans Energy Corp. ('Stans', TSXV: HRE | OTCQX: HREEF) has announced that on April 3, 2013 trading of its shares resumed after a halt issued on April 1. The halt was prompted by a renewed effort by some Kyrgyz government members, and the Ministry of the Economy in particular, alleging that Stans, through its subsidiary 'Kutisay Mining LLC' improperly acquired the license to develop the Kutessay-2 deposit. To this effect, last March 4, the Kyrgyz Republic's legal representative formally withdrew an appeal against the Company in the Inter-District Court of Bishkek, which terminated all legal issues surrounding Stans' licence to operate at Kutessay-2, backing a previous verdict issued in Stans's favor to this effect last November. The Court essentially validated Stans' rights to the Kutessay-2 and its mining License Agreement.

Stans acquired a 20-year license for the development of the Kutessay-2 field in 2009, at the price \$860.000. Two years later the company completed the purchase of the local Kashkinsky plant of rare earth elements, specialized in the processing of rare earth elements from the Kutessay-2 field during Soviet times, delivering up to 80% of the USSR's rare earth supply. Kutessay-2 contains up to 15 rare-earth elements, as well as lead, zinc, silver, bismuth, molybdenum, thorium, tin, and copper. In addition, it contains niobium, tantalum and hafnium.

The government claims that "many mistakes were made [and that]

the conditions were illegal.” Stans has had to endure similar attacks before and it has regularly defended itself, producing all relevant documents filed since the outset of its venture and remaining confident about its legal team’s ability to successfully conclude this latest episode in the ‘series’.

That confidence stems from the fact that Stans Energy has always adhered to Kyrgyz laws from the time of acquisition to the launch of operations. The Canadian government recently demonstrated its support for Stans Energy as senior representatives Bob Dechert; Parliamentary Secretary to Foreign Affairs Minister John Baird and the Trade Commissioner Marc Andre Savage from the Canadian Embassy in Bishkek met Kyrgyz government officials expressing full confidence in Stans’ activities at Kutessay II.

Stans Energy acquired rights to re-develop the Kutessay II mine, which from 1960 to 1991, supplied some 80% of the former Soviet Union’s rare earths. In late 2009, Stans acquired a 20-year mining license for Kutessay II, now fully within the jurisdiction of the independent Kyrgyz Republic. The deal was conducted transparently in accordance with Kyrgyz laws and legal procedures and approved by the Kyrgyz parliament, which implies that if the case were subjected to international arbitration, Stans would win it. In 2011, Stans also purchased the Kashka Rare Earth Processing Plant (KRP), which was used to process rare earths in the Soviet period when it was able to produce 120 different metals, alloys, and oxides. Until Lynas (ASX: LYC) started production last March, Stans was the only operational REE processing facility outside of China. Mining is crucial to the Kyrgyz economy and the fact that Stans legal wrangling have resumed just as another Canadian miner, Cemterra, operator of the Kumtor gold mine, has become entangled in government difficulties over licensing, further points to the highly political nature of the dispute. Kumtor’s gold accounts for some 10% of Kyrgyzstan’s GDP.

The factional politics have been having increasing

repercussions on foreign owned businesses, mining ones in particular, in the form of populism and resource nationalism. The nationalist Ata Zhurt party has stayed outside the ruling coalition, forming part of the opposition, but putting anti foreign enterprise pressure on the government. The Ata-Zhurt party shows hostility to foreign owned companies, in the hopes of intimidating them into abandoning the country. Opportunist political leaders then use foreign companies as scapegoats to gain stature and influence even as they drive away necessary investment.

The government is well aware of this risk and this is why Cemterra will not be nationalized and why Stans Energy will also succeed. It should be noted that the Kyrgyz' government is in dire need of investment and that the Kumtor mine is perhaps its biggest single source of revenue. The pursuit of legal disputes with foreign investors is self destructive as it will discourage others from even considering Kyrgyzstan. This suggests that, if common sense prevails, nationalization for Cemterra – and for Stans – remains out of the question. The government, in fact, took power last fall under a mandate to improve the investment climate in Kyrgyzstan, such as to attract rather than discourage foreign investment. In addition, while some opposition members have suggested the government revoke Stans' license and re-issue a competition for Kutessay II, there is the very important issue that such attempts have already been challenged and won in court.

The one conclusion in this situation is that some MP's are evidently demonstrating a lack of respect for the judiciary and its verdicts. Indeed, Stans Energy's reputation is intact and the attempts by some MP's to disrupt its operations, along with those of other foreign companies, have left all the damage to credibility on the side of the Kyrgyz Parliament – especially the government's Geological Authority – and the country's investment climate. Perhaps, the explanation for the odd behavior should be sought eastward from Kyrgyzstan. China

has been investing billions in Central Asia. China needs security and stability to prevail in this crucial region as well as its fossil fuels and mineral wealth. This may have prompted some MP's to pursue a 'better deal' with China. Conversely, China itself would prefer greater legal and political stability in Kyrgyzstan, which suggests that it could be more a source of solutions than volatility.

Stans Energy is officially free to develop Kutessay-2 Rare Earth Plant

✘ On March 4, Robert Mackay, President and CEO of Stans Energy Corp. (TSX-V: HRE, OTCQX: HREEF), announced that Jogorku Kenesh of the Kyrgyz Republic's legal representative formally withdrew an appeal brought forth by a committee in the Jogorku Kenesh (the "Committee") against the Company in the Inter-District Court of Bishkek, closing all legal issues surrounding Stans' licence to operate at Kutessay II. The withdrawal of the appeal supports an original verdict issued in Stans's favor in Kyrgyzstan dated November 15, 2012. On that occasion the Kyrgyz courts had validated Stans' rights to the Kutessay II deposit in contrast to previous Committee rulings demanding a termination of Stan's Licence Agreement, further recommending that the State Geological Agency withdraw the Licence Agreement itself. The March 4th announcement effectively means that all legal proceedings preventing Stans from continuing to develop its project are concluded – in Stans' favor. Stans Energy is now free to continue its plans leading up to production at Kutessay II.

The legal wrangling suggests that the political bickering behind the license issue is also over. The political climate, as demonstrated by the license suspension issue, has shown that political feuding is certainly a big issue in Kyrgyzstan and Central Asia even though recent events have shown that the political situation in Bishkek is turning in the miners' favor. Stans had its mining license temporarily suspended last September due to political infighting. However, by November, some optimism could be sensed as Stans produced the preliminary results from the first nine holes and published assays for all 11 holes.

Kyrgyzstan is one of the diplomatic chessboards where the confrontation between Russian, US and Chinese interests will be most intense. Nevertheless, Kyrgyzstan, unlike its neighbors, has been a parliamentary republic with a strong prime ministerial role since 2010. The Kutessay license issue was related to political opportunism as some leaders have tried to use foreign companies as scapegoats to gain stature and influence even as they drive away necessary investment. The new government, which came into power toward the end of September, has shown that it is serious about improving the business conditions for mining companies and challenging the actions of nationalist groups harassing foreign mining companies.

Last October 3, in an effort to reassure foreign mining companies, the government arrested the main perpetrators of these threats, including an MP. Prime minister, Zhantoro Satybaldiyev, has categorically ruled out the nationalization of any foreign mining assets, when confronting the 'nationalists', stressing that the government values mining and extraction to be core economic sectors that cannot be compromised. The government has also announced that it would vastly increase the number of mining and geological experts working at the State Agency for Geology and Mineral Resources, which oversees licensing procedures and management. The

current government has been very serious about improving the investment climate and reducing political risks for such companies as Stans Energy and the other miners operating in Kyrgyzstan.

Stans acquired a 20-year license for the development of the Kutessay-2 field in 2009, at the price \$860.000. Two years later the company completed the purchase of the local Kashkinsky plant of rare earth elements, which specialized in the processing of rare earth elements from the Kutessay-2 field during Soviet times. The Kutessay-2 field, which is located in the Keminsky district of the Chui region, during Soviet times, delivered up to 80% of the USSR's rare earth supply. Kutessay-2 contains up to 15 rare-earth elements, as well as lead, zinc, silver, bismuth, molybdenum, thorium, tin, and copper. In addition, it contains niobium, tantalum and hafnium.

Stans Energy optimistic about the \$500 million rare earth metals project in Kyrgyzstan



Stans Energy Corp. plans to continue implementation of a massive project for the production of rare earth metals in Kyrgyzstan at the Kutessay II field, one of the largest rare earth metals' fields in the world and the former Soviet space.

The Canadian company acquired a 20-year license for the

development of the Kutessay-2 field in 2009, at the price \$860.000. Two years later the company completed the purchase of the local Kashkinsky plant of rare earth elements, which specialized in the processing of rare earth elements from the Kutessay-2 field during the Soviet times.

In the case of Kutessay-2 field, which is located in the Keminsky district of the Chui region, during the Soviet times the field provided up to 80% of the country's needs in the rare earth elements. The Kutessay-2 contains up to 15 rare-earth elements, as well as lead, zinc, silver, bismuth, molybdenum, thorium, tin, and copper. In addition, it contains niobium, tantalum and hafnium.

According to Stans Energy, Kutessay II is among a few unique rare earth metals in the world. In contrast to other fields, its ore contains thorium instead of uranium, which can be easily cleaned at the factory. To date, proven reserves of rare earth metals of the field are estimated at 53,000 tons.

In accordance with the initial plans of Stans Energy Corp the launch of production of rare earth metals on Kutessay II was scheduled for early 2014. The project also involves building of all the necessary infrastructure, including factories, mines and tailings.

The volume of production of finished products on the field is estimated at 1500 tonnes. Total volume of investments in the project during the next several years should reach more than \$500 million.

As of today, the company has drilled 6 additional wells from the bottom lift of the field and found additional ore deposits.

It is planned that after the start of the full-scale development of the field the company will resume operation of the Kashkinsky factory of rare earth elements.

During the first year of its operation its gross output is expected to reach \$30 million, while later will be increased up to \$40 million. The new enterprise, which will also include the Ak-Tuz ore processing plant, will create 1500 jobs in the region.

In addition to production of rare earth metals, the Canadian company has also not ruled out the possibility of the launch of manufacture of products, containing rare earth materials.

Prior to this, the company plans to modernize and improve the efficiency of ores, which is expected to take place in cooperation with Russian scientific institutions, which took part in the development of the field during the Soviet times.

Stans Energy has had to contend with delays due to a prolonged period for the approval of the license for the development of Kutessay II by the Kyrgyz Agency for Geology, Boris Arieiev commented:

“Only in the last two years, more than three committees was established in the Agency for Geology in order to inspect our business, however no final decision was taken. Recently, we heard about the establishment of an interdepartmental committee in the Kirgыз Ministry of Economy, which also verifies our activities, but for some reason, this commission is classified”. While, the investment program has suffered setbacks, delaying the Project, Stans Energy remains optimistic and can “see the light at the end of the tunnel”.

A new and more pragmatic government, which came into power toward the end of September, has shown that it is serious about improving the business conditions for mining companies. A new and more pragmatic government, which came into power toward the end of September, has shown that it is serious about improving the business conditions for mining companies.