

Mechel Gets 6 Months' Grace on Violations

By [The Moscow Times](#)

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Workers operating equipment at a coal-mining operation. **Denis Grishkin**

Russia's largest coking coal producer, Mechel, said Tuesday that it had six months to resolve mining license violations at three properties belonging to its Yakutugol subsidiary following a government investigation.

"Yakutugol is working to resolve the violations within the designated time frame," a company spokeswoman said. "The issue of removing the licenses cannot be examined until the time period expires."

She added that the company had received a written statement from the ministry describing how it could resolve the violations.

Corporations doing business in Russia frequently face government reviews of production licenses, although the grounds for scrutiny are often unclear.

The ministry said in a statement that Mechel's violations relate to production volumes, technical mining issues and other matters.

Earlier, sources told Kommersant that the Natural Resources and Environment Ministry had recommended that the Rosnedra licensing agency withdraw three licenses because of ongoing violations.

Rosnedra will meet within the next two weeks to decide on whether it agrees with the ministry's findings, the sources added.

In March, the ministry said an audit at the Yakutugol facility from 2009 to 2011 showed possible license breaches related to output volumes and environmental codes.

When the story broke on March 22, Mechel's shares lost 3 percent of their value, closing at \$9.83 per share in New York. They closed at \$9.14 Monday, down a further 7 percent.

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