



**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

The President

No. 291/POR
Vientiane Capital, 13 December 2017

**DECREE OF THE PRESIDENT
OF LAO PEOPLE'S DEMOCRATIC REPUBLIC
ON THE PROMULGATION OF THE LAW ON MINERALS (AMENDED VERSION)**

- Pursuant to the Constitution of the Lao People's Democratic Republic (Amended version 2015), Section VI, Article 67, Clause 1
- Pursuant to Resolution of the National Assembly, No. 063/NA, dated 03 November 2017 on the adoption of the Law on Minerals (Amended Version)
- Pursuant to the Letter of Proposal of the Standing Committee of the National Assembly, No. 027/SC, dated 30 November 2017

**The President
of Lao People's Democratic Republic issues the Presidential Decree:**

- Article 1 To promulgate the Law on Minerals (Amended version)
Article 2 This Presidential Decree is effective from the date of signature

The President of the Lao PDR

[Signature & Seal]

Bounngang VOLACHITH



**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

National Assembly

No .063/NA
Vientiane Capital, 3 November 2017

**RESOLUTION
OF THE NATIONAL ASSEMBLY MEETING
ON THE ADOPTION OF THE LAW ON MINERALS (AMENDED VERSION)**

Referring to Constitution of Lao People's Democratic Republic (Amended version 2015), Article 53 Clause 1, and the Law on National Assembly (Amended version 2015), Article 11, Clause 1;

Following extensive¹ consideration by the 4th Ordinary Session of the National Assembly Meeting, VIII Legislature, of the contents of the Law on Minerals (Amended version) in the afternoon Session held on 3 November 2017,

the meeting of the National Assembly decided:

- Article 1 To adopt the Law on Minerals (Amended version) with the vote of the majority;
[and]
Article 2 This Resolution is effective from the date of signature.

The President of the National Assembly

[Signature & Seal]

Pany YATHOTOU

¹ „extensive“ has been translated from Lao words which translate directly more closely to „widely and deeply“



**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

National Assembly

No. 31/NA
Vientiane Capital, 3 November 2017

**LAW
ON MINERALS (AMENDED VERSION)**

Part I

General Provisions

Article 1 (Amended) Purpose

This Law sets out the principles, regulations and measures regarding the management, monitoring, inspection, protection, trading², and utilization of minerals and mineral resources to allow for the transparent, highly efficient and diligent prospecting, exploration, mining and processing of minerals to ensure the protection of health, life, and safety of workers, the Affected Community and environmental and social protection, aiming to develop the Mine Areas in line with economic, green, sustainable and environmentally friendly development directives; to create conditions for gradual economic growth, industrialization and progressive modernization; to contribute to national social-economic development; and to improve the livelihood of the Lao multi-ethnic people.

Article 2 (Amended) Minerals

Minerals are naturally occurring and have chemical compositions and physical properties and exist in solid, liquid, and gaseous forms [such as]: gold, silver, copper, iron, tin, precious stones, rock, clay, sandstone, sand, potash, coal, oil, natural gas, and mineral water, and water from natural hot springs³.

² The original Lao word is „buy-sell“ which is a broader concept than purchasing and selling and more properly translates as „trading“.

³ This is intended to encompass geothermal water more broadly.

Article 3 (Amended) Definition

The following terms being used in this Law shall have the meanings ascribed thereto below⁴:

1. **“Affected Community”** means a community or group which is located within a project area or in the vicinity of a project area and whose livelihood, access to resources, health, welfare and natural environment is directly or indirectly affected by the mining activities;
2. **“Construction Certificate”** means a certificate issued by the Ministry of Energy and Mines approving a Construction Plan;
3. **“Construction Plan”** means a plan for the construction of a new mining project that ensures sustainable development;
4. **“Environmental Certificate”** means a certificate approving an initial environmental and social impact assessment report, and the nature of the mining activities, including the natural, environmental, and social management and monitoring plan;
5. **“Exploration Area”** means an area where prospecting activities have been completed for [purposes of proceeding]⁵ to exploration activities;
6. **“Mineral Deposit”** means a natural accumulation of minerals which has been confirmed in respect of the quantity and quality of minerals;
7. **“Mine Area”** means mining areas, processing plant areas, storage areas or warehouses for minerals, wastewater pools, hauling roads, camps, office buildings, workshop areas and warehouses for the storage of explosive and chemical substances used for mining and processing;
8. **“Mines”** means mineral bearing areas where exploration has been completed, such as gold, silver, copper, tin, and coal mines;
9. **“Concentrate”** means minerals that have been crushed, grinded, leached, refined, or sorted, and processed minerals;
10. **“Reserved Minerals”** means minerals for which the Government has prohibited or suspended prospecting, exploration, extraction, and processing for economic, social, or environmental reasons as issued by the Government from time to time, such as minor minerals, tungsten, titanium, cobalt and molybdenite;
11. **“Prohibited Minerals”** means minerals in respect of which the Government has prohibited exploration, extraction, and processing in order to ensure the health and safety of human beings and to preserve biodiversity, such as rare-earth minerals, Radioactive Minerals, and poisonous minerals;
12. **“Mineral Activities”** means all activities from prospecting, exploration, economic and technical feasibility studies, mining, and processing until rehabilitation, Mine closure, and post-closure monitoring;
13. **“Mining Industry”** means mining business operations starting from the economic and technical feasibility study, mining, processing, smelting and minerals trading, community development, until Mine closure and post-closure monitoring;

⁴ Defined words have been capitalized throughout the text where such defined terms have been utilized.

⁵ Words contained in [brackets] do not appear from the original Lao text but have been added for purposes of clarity of meaning in the English translation.

14. **“Mine Development”** means the operation of the Mining Industry, environmental protection, and community development;
15. **“Large-scale Mining Project”** means a project with an investment capital equal to one-point five percent of the GDP of Lao PDR or with production of more than one million five hundred thousand tonnes per annum for an open pit, or with a production of more than one million tonnes per annum for an underground Mine;
16. **“Tailings”** means minerals mixed with waste materials which minerals have not all been recovered during extraction, production, or processing;
17. **“Placer or Alluvial”** means mechanically weathered minerals which have flowed and accumulated naturally in some locations;
18. **“Sustainable Mining Area Development”** means comprehensive development of the Mine Area during or after the Mining Activities in collaboration with other concerned sectors, with the aim of ensuring job creation, the gradual restoration of the livelihood of the Lao multi-ethnic people in the Mining Area, and to allow for the effective and continuous growth of socio-economic development;
19. **“Mineral Activities”** means various activities relating to prospecting, exploration, mining, and processing works;
20. **“Radioactive Minerals”** means mineral elements which can be used in various scientific works, but which affects the health and the life of humans and animals and the environment, such as uranium and thorium; and
21. **“Force Majeure”** means unexpected and uncontrollable events such as flooding, erosion, storms, lighting, epidemics, and earthquakes.

Article 4 (Amended) Ownership of Minerals

All minerals that occur on the surface of the land, underground, and underwater within the territory of the Lao PDR are the property of the national community and are under the centralized and unified management of the State.

Article 5 (Amended) State Policy on Minerals

The State promotes human resources to facilitate the development and management of Mineral Activities.

The State encourages and promotes the development of Mineral Activities by outlining strategic and mineral development plans relating to the prospecting, exploration, mining, and utilization of mineral resources in order to economically develop Lao PDR in a highly effective and efficient manner in line with green and sustainable development directives.

The State is committed to conducting studies on geological data through mineral prospecting and exploration in order to have that geological and mineral data available to support mining plans and the effective utilization of mineral resources and define Reserved Mineral areas for the future and the sustainable development of natural resources.

The State may participate in mining business operations to ensure economic effectiveness.

Article 6 (Amended) Principles concerning Mineral Activities

Mineral Activities shall be carried out in accordance with the following principles:

- 1) To be consistent with the State's policy, the Mineral Strategic and Development Plans, the National Socio-Economic Development Plan, laws, and applicable conditions from time to time;
- 2) To ensure that Mineral Activities and the utilization of mineral resources shall be economic, effective, efficient, transparent, and to ensure the safety and the sustainable development of the Mine Areas and surrounding areas and the protection of the environment;
- 3) In line with infrastructure development, to ensure contributions to rural development, poverty reduction of the Lao multi-ethnic people and also to ensure national defence, public safety and security and social order; and
- 4) To ensure the involvement of people, communities, organizations, and all levels of administrative authorities concerned in conducting production works, providing manpower, food supplies, local equipment and available materials, and the protection of minerals and mineral resources.

Article 7 Protection of the Rights and Benefits regarding Minerals

The State shall protect the utmost rights and benefits of the nation, legitimate benefits of mineral business operators and all Lao multi-ethnic people, in compliance with the law.

Article 8 Obligations to Protect Minerals

The State shall take measures to protect minerals and mineral resources throughout the country.

The protection of minerals and mineral resources is also the obligation of individuals, legal entities, and all organizations in Lao PDR.

Article 9 International Cooperation

The State shall support and promote external, regional, and international cooperation concerning Mineral Activities by sharing lessons learned, data, techniques, and technology and by marketing, training, and improving the technical ability of staff, seeking technical and financial assistance and complying with international treaties and conventions to which Lao PDR is a party.

Article 10 (Amended) Scope of Application

This Law applies to both domestic and foreign individuals and legal entities which undertake or are engaged in Mineral Activities and businesses.

This Law is not applicable to crude oil, natural gas, and Radioactive Minerals⁶.

Part II

Mineral Development Plan

Article 11 (New) Mineral Development Plan

The Mineral Development Plan consists of the National Mineral Development Plan and mineral development plans at provincial levels.

In addition to the Mineral Development Plan, the Government also produces strategic plans and visions on mineral development as a basis for establishing strategic mineral development plans from time to time.

⁶ This Law does provide for regulation of Radioactive Minerals by the Government to a limited extent.

Section 1

Mineral Development Strategy

Article 12. (New) Mineral Development Strategy

The Mineral Development Strategy is the fundamental policy on mineral management, administration, utilization, protection, and development.

The Mineral Development Strategy shall have the following contents:

1. A policy on basic geological and mineral surveys, protection of Mineral Deposits that have not yet been prospected, explored, mined, and processed and the economic and effective utilisation of mineral resources;
2. A basic geological and mineral survey plan, the Mineral Deposits required for reservation or protection, the category of minerals or type of minerals to be allowed for exploration, mining, processing and subjected to post-Mine closure, considering the balance between production and utilization during the implementation of the strategy;
3. A strategic environmental assessment; and
4. Important activities and methodologies in basic geological and mineral surveys; reservation and protection of Mineral Deposits; exploration and mining of each category or type of mineral; mining and mineral processing to be balanced between production, utilisation, and reservation during the strategy implementation stage.

The Mineral Development Strategy shall be implemented for ten years and shall comply with the vision for a fifteen-year mineral development period.

Article 13. (New) Establishment of the Mineral Development Strategy

The establishment of the Mineral Development Strategy shall comply with the following basic principles:

1. It shall be consistent with the National Socio-economic Development Plan and activities relating to national defence, public security, and safety;
2. It shall ensure a balance between reservation and extraction as well as effective and economic utilisation consistent with green and sustainable directives;
3. It shall ensure the sufficient supply of minerals and mineral products for socio-economic development and for export abroad;
4. It shall apply the results of basic geological and mineral surveys;
5. It shall be consistent with the international treaties and conventions to which Lao PDR is a party.

The Ministry of Energy and Mines shall deliberate on the establishment of a Mineral Development Strategy to propose to the Government for consideration and to further submit to the National Assembly for final consideration and approval.

Section 2

National Mineral Development Plan

Article 14. (New) National Mineral Development Plan

The National Mineral Development Plan is an integral part of the five-year National Socio-economic Development Plan.

The National Mineral Development Plan shall consist of the following important points:

1. An estimate on basic geological data across the country to define the development areas and reserved areas;
2. An estimate on the approved plans for prospecting, exploration, and mining;
3. An estimate on the quantity of Mineral Deposits, sources of mineral production and types of mineral products;
4. The domestic and export demands of minerals and mineral products;
5. A strategic environmental assessment to avoid material impact to nature, human health, life, and property;
6. The arranging of financial sources and budgets for human resources and mineral development.

Article 15 (New) Establishment of the National Mineral Development Plan

The Ministry of Energy and Mines shall deliberate on the establishment of the National Mineral Development Plan in collaboration with concerned sectors to propose [such] to the Government for consideration and for further submission to the National Assembly for final consideration and approval.

The National Mineral Development Plan shall refer to the following conditions and factors:

1. It shall be consistent with policies, directives, the Mineral Development Strategy and the National Socio-economic Development Plan, national defence, public security and safety;
2. Management and utilization of mineral resources in an economic, effective, and efficient manner and development towards green and sustainable directives;
3. Domestic and international market demands; and
4. Previously successful mineral development.

Article 16 (New) Amendment of National Mineral Development Plan

In the event that it is necessary, the Government may review and amend the National Mineral Development Plan and propose [such amendments] to the Standing Committee of the National Assembly for consideration and approval.

If any amendments of any contents of the National Mineral Development Plan is related to the mineral development plans at provincial level, the Ministry of Energy and Mines shall notify the same to the relevant provincial and capital authorities to undertake an amendment of their mineral development plans accordingly.

Section 3

Provincial Mineral Development Plan

Article 17 (New) Provincial Minerals Development Plans

The Provincial Mineral Development Plans are integral parts of the Government's Mineral Development Plan and Provincial five-year Socio-economic Development Plans.

The Provincial Mineral Development Plans shall have a structure [and] content similar to the National Mineral Development Plan as specified in Article 14 of this Law.

Article 18 (New) Establishment of the Provincial Mineral Development Plans

Twelve months prior to the end of the National Mineral Development Plan, the Provincial Departments of Energy and Mines shall collaborate with other departments and units concerned to study and collect the basic data [necessary] for the establishment of their mineral development plans following which [such plans] will be submitted to the Ministry of Energy and Mines for comments prior to submission to the Provincial Governor and Mayor of the Capital⁷ for consideration and further to submit [such plans] to the Provincial People's Assembly for consideration and approval.

After approval [of the plan] by the Provincial People's Assembly, the Provincial Department of Energy and Mines shall send such plan to the Ministry of Energy and Mines to incorporate into the National Mineral Development Plan.

Conditions and factors for the establishment of the Provincial Mineral Development Plans shall comply with the requirements as provided for in Article 15 of this Law.

Article 19 (New) Amendment of the Provincial Mineral Development Plans

In the event that it is necessary, the Provincial [and] Capital administrative authorities may review and amend their mineral development plans following which they will submit [such plans] to the Standing Committee of the Provincial People's Assembly for consideration and approval.

Part III

Minerals

Article 20 (Amended) Basic Geological Surveys

Basic geological surveys refer to the initial investigation pertaining to the occurrence of minerals, the study of geological data to create basic geological and other maps to be used as references for classifying minerals into categories and determining the occurrence of minerals across the country.

The Ministry of Energy and Mines shall undertake basic geological surveys throughout the country in collaboration with other concerned sectors and local administrative authorities.

The Ministry of Energy and Mines shall compile and collect data on basic geological surveys and disseminate this [information] to the public, except for information that may impact on the national security or social welfare of the community and society.

Article 21 (Amended) Mineral Classification

Minerals are classified into the three categories below:

1. Metallic Minerals which include: Antimony, arsenic, bauxite, bismuth, chromite, cobalt, copper, gold, silver, indium, iron, tin, lead, zinc, manganese, mercury, molybdenum, nickel, tungsten, mineral-bearing sand, minor minerals, rare-earth minerals, Radioactive Minerals, and others;
2. Non-Metallic Minerals which include: Barite, bentonite, calcite, chlorite, dolomite, emerald, feldspar, fluorite, garnet, graphite, gypsum, halite, kaolin, limestone, magnesite, magnesium salts, marble, pagodite, mica, quartzite, peat, phosphates, potash, sodium salts, ruby, sapphire, tourmaline, clay, gravel, black soil, lateritic soil, basalt, granite, andesite, gabbro, serpentine, rhyolite, diorite, and others;
3. Hydrocarbon minerals which include coal, crude oil, natural gas, oil shale and others.

⁷ This refers to Vientiane Capital.

These three categories of minerals include Reserved Minerals and Prohibited Minerals which the Government shall determine based on proposals from the Ministry of Energy and Mines.

Article 22 (Amended) Mineral Resources and Mineral Reserves Estimation

A mineral resource is an accumulation of minerals of economic interest on or under the surface of such quantity and quality which allows it to be exploited effectively.⁸

The estimation of mineral resources and mineral reserves is the calculation of the quantity and quality of minerals contained in ore.

The estimation of mineral resources and mineral reserves shall be carried out in accordance with the standardized approaches based on internationally recognized codes for mineral resources and reserves estimation, such as the JORC Code, SAMREC, CIM standard, Reporting Code, SME guideline, CRIRSCO, NAEN Code and UNFC.

Article 23 (Amended) Prohibited Areas

Prohibited areas are those areas in which [persons] are not allowed to conduct any Mineral Activity, as set out below:

1. Dangerous areas such as toxic areas, areas where unexploded ordinances exist or areas with severe pollution;
2. Areas adjacent to towns, communities or land areas connected with people's livelihoods or areas located beneath buildings, facilities or public areas which are of significance for the national interest such as historical, cultural, and natural tourist sites, heritage areas, historic areas, infrastructure areas, national defence and public security areas and those areas that are not appropriate for Mineral Activities;
3. Areas reserved for forests⁹, protected forest areas¹⁰, biodiversity preservation areas, aquatic and wildlife propagation areas, and forest watershed areas.

The Ministry of Energy and Mines, in collaboration with the line ministries and local authorities concerned, undertakes the research and makes proposals to the Government to consider and determine the prohibited areas from time to time.

Article 24 (Amended) Reserved Areas

Reserved areas are mineral resource areas reserved for the extraction of specific minerals or reserved for the development of those areas of abundant natural resources related to tourism.

The Ministry of Energy and Mines, in collaboration with the relevant ministries and local authorities concerned, undertakes the research and makes proposals to the Government to consider and determine reserved areas from time to time.

Article 25 (Amended) Toxic Areas

A toxic area is a mineral resource area where there is poisonous or toxic contamination dangerous to living things, such as areas with arsenic and mercury.

⁸ A direct translation of the original Lao version is closer to „to be exploited for effective utilization“.

⁹ This likely refers to Conservation Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

¹⁰ This likely refers to Protected Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

The Ministry of Energy and Mines, in collaboration with the relevant ministries and local authorities concerned, undertakes the research and makes proposals to the Government to consider and determine toxic areas from time to time.

Article 26 (Amended) Areas Allocated for Mineral Activities

Areas allocated for Mineral Activities are mineral resource areas or reserved mineral areas which are determined to be priority areas for mineral business operations in accordance with the determined conditions and standards.

In the event that multiple sectors need to use the same areas but have different objectives, the Government shall decide [on the allocation] based on a comparative study of the socio-economic benefits and the natural, social and environmental impact and consistency with the National Socio-economic Development Plan.

Part IV

Mineral Activities

Article 27 (Amended) Mineral Activities

The Mineral Activities are as follows:

1. Prospecting;
2. Exploration;
3. Economic and technical feasibility studies;
4. Mining;
5. Mineral processing;
6. Minerals and mineral products trading;
7. Transportation of minerals and mineral products;
8. Mine closure; and
9. Relinquishment of Mine Areas.

Article 28 (Amended) Prospecting

Mineral prospecting means the study of data and information and fieldwork to determine the geological conditions of an area and the occurrence of minerals including the evaluation of mineral data aiming to identify feasible areas for exploration. Modern equipment shall be used when prospecting to ensure that effective prospecting outputs are obtained.

No person, individual entity or¹¹ organization may conduct prospecting activities without obtaining permission granted in accordance with the law.

Article 29 (Amended) Exploration

Mineral exploration means the study of geological structures and Mineral Deposits which includes geological works, geophysics, drilling, tunnelling, trenching, pitting, sampling, analysis and assay and other activities to gain knowledge about the quantity and quality of a Mineral Deposit and to enter into an assessment of the economic and technical feasibility and technical conditions for mining.

¹¹ „and“ should likely be translated to „or“ in this instance.

No person, individual entity or¹² organization may conduct exploration activities without obtaining permission granted in accordance with the law and¹³ no person, individual entity or organization may conduct mining extraction during the exploration period.

Article 30 (Amended) Economic and Technical Feasibility Study

An economic and technical feasibility study is the study of exploration results to find the best alternatives for Mine Development taking into account technical aspects, technology, marketing, investment, and social, natural and environmental impact.

Article 31 (Amended) Mining

Mining is the extraction of minerals from the surface and underground by any process of land clearance, excavation, drilling, pumping, blasting, concentrating, removing and storing of minerals.

No person, individual entity or¹⁴ organization may conduct mining activities without obtaining permission granted in accordance with the law.

Article 32 (Amended) Mineral Processing

Mineral processing is the extraction of commercial products as needed from ore or coal by any process of crushing, grinding, screening, washing, jigging, tabling, concentrating, leaching, floating, distilling, electrowinning, smelting, and the permanent safe storing and handling of waste products.

Article 33 (Amended) Trading of Minerals and Mineral Products

Trading of minerals and mineral products is an agreement between a mining license holder and a domestic or foreign individual or legal entity for the trading of minerals that have been mined for processing for purposes of supply to the domestic or export market.

A license holder that is only allowed to conduct mineral processing is also entitled to buy, sell and import raw materials and to produce semi-finished products for domestic processing and supply and for exporting.

Article 34 (Amended) Transportation of Minerals and Mineral Products

The transportation of Minerals and mineral products means the moving of minerals or mineral products from one location to another location within the country or from the country to another country or from another country into the country, which shall be undertaken in accordance with this Law and other relevant laws.

Article 35 (Amended) Mine Closure

Mine closure means the restoration and rehabilitation of disturbed areas after the completion of Mining Activities so as to return it back to the Government.

Article 36 (Amended) Relinquishment of Mine Areas

Relinquishment of Mine Areas means the transfer of rights to permitted mine concession areas to the Government.

¹² *Ibid*

¹³ *Ibid*

¹⁴ *Ibid*

Part V

Mineral Business

Article 37 (Amended) Forms of Investment in a Mineral Business

Investment in a mineral business shall be carried out only in the form of a company [established] in accordance with the Law on Enterprises.

Article 38 (Amended) Types of Mineral Business

Mineral business consists of two different types as set out below:

1. Mining business;
2. Business related to a special category of minerals.

Article 39 (Amended) Mining Business

Mining business is mining activities related to prospecting, exploration, [the conduct of an] economic and technical feasibility study and mining including participating in an auction of mining rights.

Article 40 (Amended) Business Related to a Special Category of Minerals

A business related to a special category of minerals is a business operation that is not required to follow all of the same prospecting and exploration processes as a Mining Business.

Businesses related to a special category of minerals are as set out below:

1. Traditional panning¹⁵ for metallic minerals;
2. Extraction of non-metallic minerals for construction [purposes];
3. Extraction of non-metallic minerals for industry.

Article 41 (New) Service Providers to Mineral Businesses

Service providers to mineral businesses are businesses providing services related to prospecting, exploration, mapping, geophysics surveys, drilling, mining, transportation, minerals trading, analysis, mining advisory services and other services related to mining.

An individual or entity which intends to provide services to mineral businesses shall submit an application for the establishment of an enterprise to the Ministry of Industry and Commerce in accordance with the Law on Enterprises and the Law on Investment Promotion.

¹⁵ „Traditional panning“ as the name for the category can also be translated as „artisanal mining“.

Part VI

Mining Business

Section 1

Prospecting, Exploration and Economic and Technical Feasibility Studies

Article 42 (New) Investment in Minerals Prospecting, Exploration and Economic and Technical Feasibility Studies

A legal entity which intends to invest in prospecting, exploration and [the undertaking of] economic and technical feasibility studies shall submit an application for an investment license to the one-stop-service office as specified in the Law on Investment Promotion.

Prospecting, exploration and [the undertaking of] economical and technical feasibility studies do not require the execution of an agreement.

After obtaining the investment license, an application for prospecting, exploration and [undertaking an] economic and technical feasibility study shall be submitted to the Ministry of Energy and Mines.

A. Prospecting

Article 43 (Amended) Reconnaissance

Any legal entity which intends to operate a minerals business may conduct a reconnaissance field visit over a specified area, which area is not a prohibited area and the minerals therein are [otherwise] permitted by the Government¹⁶, provided that the [prior] approval of the Ministry of Energy and Mines shall be required.

The following documents shall be provided in support of a request to undertake a reconnaissance field visit:

1. An application for a reconnaissance field visit;
2. A copy of the enterprise registration [certificate of the legal entity];
3. A technical certificate of the field visitors [conducting] the reconnaissance field visit;
4. A map indicating the location where the reconnaissance [field visit] is requested.

Requirements for reconnaissance field visits are determined in a separate regulation. The authorized field visitors have no exclusive rights to the areas pertaining to the reconnaissance field visit.

Article 44 (New) Consideration of the Grant of Permission for Reconnaissance

After receiving all required documents, the Ministry of Energy and Mines shall consider the authorization for the reconnaissance field visit within ten working days from the date of receiving the application. In the event of any rejection, the applicant shall be notified in writing within such period of time.

Reconnaissance field visits are determined¹⁷ in a separate regulation.

Article 45 (New) Rights and Obligations of the Authorized Reconnaissance Field Visitor

An authorized reconnaissance field visitor shall have the following rights and obligations:

¹⁶ This references permission by the Government to conduct mining business in relation to such mineral(s).

¹⁷ „Determined“ can be more appropriately translated to „regulated“ in this and similar instances in this Law.

1. To enter into permitted areas;
2. To undertake a reconnaissance field visit based on the permission granted;
3. To report the reconnaissance field visit results to the energy and mines sector¹⁸ within fifteen working days from the date of completion of the reconnaissance field visit.

Article 46 (New) Application for Prospecting License

After receiving an investment license, the license holder shall submit an application for a prospecting license to the Ministry of Energy and Mines for consideration and the issuance of the prospecting license within thirty working days from the date of receiving the application together with all required documents.

An application for prospecting license shall consist of the following main documents:

1. An investment license;
2. A report on the reconnaissance field visit;
3. A map indicating the location proposed for prospecting;
4. A work plan for prospecting and minimum expenditures, including financial sources to undertake its prospecting activities;
5. Certificates of qualifications and experience related to minerals of the technical officers.

Article 47 (New) Prospecting License

A prospecting license is a formal document certifying the rights granted to the license holder for carrying out the prospecting activities in accordance with the work plan approved by the Ministry of Energy and Mines.

The prospecting license shall specify the following main contents:

1. Name and family name, and position of the persons assigned by the authorized legal entity;
2. Address of the office of the company for communication purposes;
3. Permitted minerals, location and size of the areas and term of prospecting license;
4. Minimum expenditures to be incurred in the approved work plan;
5. Prospecting concession fee and other related obligations.

Conditions for the use of the prospecting license are as set out below:

1. To be used only for prospecting for the specific minerals in the permitted areas and within the term of the license;
2. The license shall be displayed at the site office and head office of the company.

The prospecting license cannot be assigned, transferred or sold, used for joint ventures with other persons or for loan security or for other benefits.

Article 48 (New) Term of Prospecting License

A prospecting license has a term of not more than two years and it can be extended once, but it shall not be [extended] for more than one year.

Conditions for the extension of the prospecting license are as set out below:

¹⁸ The „energy and mines sector“ refers broadly to all units, departments and spheres of Government interested in energy and mines. There is no clear translation of which entities would comprise the sector.

1. An application for an extension must be submitted [at least] ninety days prior to the expiration of the prospecting license. If the application is not submitted within such period of time, the extension will not be considered;
2. All financial obligations, obligations to local administrative authorities and any other obligations under the relevant laws must have been fulfilled;
3. Submission of a report on the prospecting results and that [the license holder] has completed at least sixty per cent of the activities in the approved work plan;
4. A proposed work plan for the continuation of prospecting activities;
5. Unnecessary digging and drilling holes must be rehabilitated and refilled;
6. The applicant shall relinquish a minimum of at least twenty five percent of the permitted prospecting areas where there is no economic minerals, including a prospecting report, which consists of prospecting data, relevant maps and coordinates indicating where samples were collected and analysis results thereof.

Article 49 (New) Permitted Prospecting Areas

A legal entity can conduct mineral prospecting in an area of not over two hundred square kilometers. The area shall be consistent with the mining cadastre system of the Ministry of Energy and Mines.

The permitted prospecting areas for the different types of minerals are determined in a separate regulation.

People who earn their livelihood in the permitted prospecting area may¹⁹ continue their activities.

B. Exploration

Article 50 (New) Application for Exploration License

After completion of the prospecting work, if there is possibility²⁰ for exploration, the prospecting license holder may submit an application for authorization to conduct exploration to the Ministry of Energy and Mines [at least] ninety days prior to the expiration of the prospecting license.

The Ministry of Energy and Mines shall consider and issue the exploration license within thirty working days from the date of approval of the prospecting report and the [submission of the] application for exploration.

An application for exploration shall consist of the following main documents:

1. The prospecting license and the [approved] prospecting report;
2. An exploration work plan and minimum expenditures, including financial sources to be used in the exploration work;
3. The natural, environmental and social management and monitoring plan;
4. A document certifying the fulfillment of financial obligations [and] any other obligations as provided for in the relevant laws.

For those areas where prospecting has already been carried out and available geological data has been provided, any legal entity can submit an application for authorization to conduct mineral exploration directly²¹.

¹⁹ The intention is to entitle such people to continue their activities and can be translated as „must be entitled to...”

²⁰ „possibility” suggests that it is „viable” or „feasible”.

²¹ „Directly” likely is intended to mean „without having had a prospecting license”.

Article 51 (New) Joint-Venture during the Exploration Period

During the exploration period, the license holder may enter into a joint-venture with other investors, provided that it has obtained consent from the Central Committee for Investment Promotion and Management based on a proposal of the Ministry of Energy and Mines.

A joint-venture shall have the following requirements:

1. More than fifty percent of exploration shall have been completed in accordance with the exploration plan, which must be certified by the Ministry of Energy and Mines;
2. The exploration license holder must maintain its investment as at least twenty percent of the total exploration cost;
3. Reasons and necessity for a joint-venture must be provided in writing;
4. Fulfilment of financial obligations [and] any other obligations as provided for in the relevant laws.

Article 52 (New) Exploration License

An exploration license is a document certifying the rights of the license holder to carry out exploration activities in accordance with a work plan approved by the Ministry of Energy and Mines.

The exploration license shall specify the following main contents:

1. Name and family name, and position of the persons assigned by the license holder;
2. Address of the office of the company for communication purposes;
3. Permitted minerals, location and size of the area and term of the exploration license;
4. Minimum expenditures to be incurred in the approved work plan;
5. Concession fees and other obligations.

Conditions for the use of the exploration license are as below:

1. To be used only for the exploration of the specified minerals, and in the permitted areas and within the term of the license;
2. To be displayed in the site office and head office of the company.

In event of an extension [being sought], an application for the renewal of the license must be submitted to the Ministry of Energy and Mines [at least] ninety days prior to the expiration of the license.

The exploration licence cannot be used as loan security.

Article 53 (New) Term of Exploration License

An exploration license has a term of not more three years and it can be extended once, but it shall not be [extended] for more than one year.

The conditions for the extension of an exploration license are as set out below:

1. An application for an extension must be submitted [at least] ninety days prior to the expiration of the exploration license;
2. All financial obligations and obligations to local administrative authorities and any other obligations under relevant laws shall have been fulfilled;
3. Submission of a report on the exploration results indicating that activities comprising at least sixty per cent of the approved exploration work plan have been completed;
4. A proposed work plan for the continuation of exploration activities;

5. Unnecessary digging and drilling areas, such as trenches and wells, must be rehabilitated and refilled;
6. The applicant shall relinquish a minimum of at least twenty five percent of the permitted Exploration Areas where there are no economic minerals, including an exploration report, which consists of exploration data, relevant maps and coordinates indicating where samples were collected and analysis results thereof.

Article 54 (New) Areas granted for Exploration

A legal entity can undertake mineral exploration in a single Exploraton Area based on the results of prospecting activities that have already been carried out. In the event that the proven mineral vein stretches beyond the boundary of the permitted area, the license holder may request an expansion of the Exploration Area not exceeding ten percent of the existing Exploration Area, provided that the consent of the Government or of the Standing Committee for National Assembly shall be required as the case may be.

Article 55 (New) Certification of Mineral Resources and Mineral Reserves

The Ministry of Energy and Mines shall appoint a committee for the review and approval of the quantity of the mineral resources and mineral reserves, in accordance with the standards prescribed in Article 22 of this Law, in order to certify the quantity of the accumulated minerals prior to approving the exploration report.

Article 56 (Amended) Relinquishment of Prospecting and Exploration Areas

After completion of mineral prospecting, the license holder shall relinquish prospecting area deemed uneconomic of not less than twenty five percent of the total granted area back to the Government together with the prospecting data. If the remaining areas are two or more areas which are not connected, the prospecting license holder may submit a proposal to maintain retention areas for exploration, but they shall not be more three areas.

If it is geologically certified that prospecting or Exploration Areas contain minerals, such areas may be retained.

To relinquish mineral prospecting and Exploration Areas, the license holder shall notify the Ministry of Energy and Mines in writing to issue a certificate pertaining to the relinquished area within thirty days of receiving such notification.

The relinquishment of mineral prospecting and exploration shall not be subject to any compensation for damage nor any costs nor any new areas as substitution.

Article 57 (Amended) Sending Mineral Samples for Analysis

A prospecting or exploration license holder who intends to send mineral samples for analysis within the country or overseas shall obtain authorization from the Minitry of Energy and Mines [to do so].

The license holder shall split the mineral samples which must be sent for analysis and to the Ministry of Energy and Mines for storage and comparative analysis. After completion of the analysis, the license holder shall submit a summary report on the results of the analysis to the Ministry of Energy and Mines.

In Laos, the terms mineral resources and mineral reserves are often used interchangeably and differ from technical definitions used in internationally recognized codes for mineral resource and mineral reserve estimation as mentioned in Article 22. The purpose of the Committee in Article 55 is to review and approve a mineral resource or mineral reserve estimation contained

within an exploration report to satisfy the Committee that the estimation methodology has followed an internationally recognized code listed in Article 22. Such approval is required by MEM to progress from exploration stage to the feasibility study stage. In practice the mineral deposit is likely to only be at the level of a mineral resource and requires additional work during the feasibility study stage to upgrade to a mineal reserves classification. It is anticipated that the committee wil also be required to review and approve a mineral resourceor mineral reserve contained in a feasibility study lodged under Article 62 and Article 63, as part of the approval process for assessing a feasibility study, a necessary stage in the application process for obtaining a Mining Licence.

The quantity, volume and weight of samples that will be sent for analysis and kept as samples are determined in a separate regulation.

C. Economical and Technical Feasibility Study

Article 58 (New) Economic and Technical Feasibility Study

After the exploration report has been approved, the license holder can submit an application to conduct an economic and technical feasibility study to the Ministry of Energy and Mines for its consideration and approval within fifteen working days from the date of its receiving the application.

The economic and technical feasibility study shall be carried out in accordance with regulations issued by the Ministry of Energy and Mines.

Article 59 (New) Term of Economic and Technical Feasibility Study

The term of an economic and technical feasibility study shall be not more than two years and can be extended once, but it shall not be [extended] for more than one year.

The license holder [entitled to conduct an] economic and technical feasibility study shall pay rental for the concession areas and comply with its other obligations in accordance with the relevant laws and regulations.

After completion of the economic and technical feasibility study, the license holder may obtain mining rights through the negotiation and signing of a [Mining Development] agreement with the Government.

Article 60 (Amended) Sending of Mineral Samples to Select Technology for Designing Plant

With the authorisation of the Ministry of Energy and Mines, the license holder [entitled to conduct] an economic and technical feasibility study may send mineral samples for testing in order to select technology for designing the plant within the country or overseas [which mineral samples must] not [consist of] more than three hundred tonnes for metallic and non-metallic minerals, and not more than one hundred tonnes for coal.

Products obtained from the testing of mineral samples shall be subject to payment of natural resources levies and other obligations in accordance with the laws.

Products obtained from the testing of mineral samples may be sold with the consent of the Ministry of Energy and Mines.

The results of the analysis and the selected plant design shall be reported in writing together with certified documents to the Ministry of Energy and Mines no later than three months from the date of receiving authorisation for sending the samples [for testing].

In the event that the results of the mineral analysis of the project company and the relevant Government agency²² do not correspond, the parties should refer the matter for analysis by a laboratory of a third party of international recognized standards which will be used to calculate fees to be paid to the State.

Details with respect to precious stones are determined in a separate regulation.

D. Approval of the Report on the Results of Prospecting, Exploration and the Economic and Technical Feasibility Study

Article 61 (New) Approval of the Report on the Results of Prospecting

The Ministry of Energy and Mines approves a report on the results of prospecting based on the following contents:

1. The technical work and prospecting methods implemented;
2. The geological data of the region, concession area and Mineral Deposit areas;
3. The characteristics of mineralization and Mineral Deposits;
4. The geo-engineering study;
5. The results of the analysis of samples;
6. Results of the data collection on the natural, environmental and social conditions;
7. Relinquished areas surrendered to the Government;
8. Expenditures in conducting the prospecting activities.

Article 62 (New) Approval of the Report on the Results of the Exploration

The Ministry of Energy and Mines approves the report on the results of exploration based on the following contents:

1. The technical work and exploration methods implemented;
2. The geological data of the region, concession area and Mineral Deposit areas;
3. The characteristics of mineralization and Mineral Deposits;
4. The geo-engineering study;
5. The results of the analysis of samples;
6. The mineral resources and mineral reserves estimations;
7. Relinquished areas surrendered to the Government;
8. Expenditures in conducting exploration activities.

The Ministry of Natural Resources and Environment approves the report on the results of the data collection of the natural, environmental and social conditions and the natural, environmental and social management and monitoring plan.

²² The direct translation is „public sector“ but, as with the footnote in respect of the „energy and mines sector“, the intended translation is likely more accurately phrased as „the relevant Government agency“.

Article 63 (Amended) Approval of the Economic and Technical Feasibility Study

The Ministry of Energy and Mines shall consider and approve the economic and technical feasibility study within one hundred and twenty days from the date of its receiving the completed report.

The approval of the economic and technical feasibility study shall be based on the the following contents and documents:

1. The geological setting and location;
2. The mineral resources and mineral reserves;
3. The mine designs, operational plans and processing technology;
4. The waste and Tailing disposal plan;
5. The infrastructure design, organizational structure and estimated costs of the project which includes the capital costs, mining costs, processing costs, rehabilitation costs and mine closure costs;
6. The human resources development plan;
7. A financial analysis and investment assessment, including a risk assessment;
8. Environmental Certificate approving the natural, environmental and social impact assesment report, the natural, environmental and social management and monitoring plan together with the certificate approving the natural, environmental and social obligations;
9. Environmental rehabilitation and Mine closure plans, including a post-Mine closure monitoring plan;
10. The compensation scheme for land use rights within the mining areas, including building facilities and crops in accordance with the relevant laws and regulation;
11. Documents certifying the project funding sources.

For a Large-scale Mining Project, the Ministry of Energy and Mines recommends that an assessment of the economical and technical feasibility study, the natural, environmental and social impact assessment, and the rehabilitation and Mine closure plan shall be undertaken by a reputable mining-related third party.

Costs of the assessment shall be born by license holder [entitled to conduct] the economic and technical feasibility study.

**E. Suspension and Withdrawal of Licenses
for Prospecting, Exploration and [the Conduct of an] Economic and Technical Feasibility Study**

Article 64 (New) Suspension of License for Prospecting, Exploration and [the Conduct of an] Economic and Technical Feasibility Study

The licenses for prospecting, exploration and [the conduct of an] economic and technical feasibility study shall be suspended in any of the following cases:

1. Failure to comply with the approved prospecting, exploration and economic and technical feasibility study work plans;
2. Conflicts that may cause material losses;
3. Failure to follow the target point of the [license for] prospecting, exploration and [the conduct of an] economic and technical feasibility study;

4. Failure to comply with the financial obligations, or²³ natural, environmental and social obligations or²⁴ other obligations in accordance with the relevant laws and regulations;
5. Failure to comply with the natural, environmental and social management and monitoring plan;
6. Contravention of relevant laws and regulations.

The Ministry of Energy and Mines shall notify the license holder in writing on the suspension, and the duration which the license holder has to remedy or improve following the receipt of such a notification.

Article 65 (New) Withdrawal of Prospecting, Exploration and [the Conduct of] Economic and Technical Feasibility Study Licenses

The license for the prospecting, exploration and [the conduct of an] economic and technical feasibility study shall be withdrawn in any of the following cases:

1. Failure to conduct the prospecting, exploration and economical and technical feasibility study within one hundred and twenty days from the date of obtaining the license;
2. There is a final judgement of the court to withdraw the license;
3. Failure to comply with the suspension notification as stipulated in Article 64 of this Law.

The Ministry of Energy and Mines shall withdraw a license after serving the second notification for remedy or improvement.

Section 2 Mining

Article 66 (New) Investment in Mining

Investment in mining requires a Mining Development agreement, an application for mining and Mine closure [plans]²⁵.

A. Mining Development Agreement

Article 67 (New) Negotiation of Mining Development Agreement

After the economic and technical feasibility study has been approved, the license holder may submit an application for investment to the one-stop-service office to negotiate a Mining Development agreement.

The Ministry of Energy and Mines shall submit a proposal to the Central Committee for Investment Promotion and Management for consideration and authorization to proceed to negotiate a Mining Development agreement.

²³ „and“ has been translated into „or“

²⁴ „and“ has been translated into „or“

Failure to follow target point means suspension for exploring for minerals other than the permitted minerals ie an investor holding a license granted under Part VI cannot explore for minerals permitted under Part VII and vice versa.

The participation of representatives from the Ministry of Energy and Mines, the Ministry of Planning and Investment and other relevant sectors and local administrative authorities is required during the negotiation of a Mining Development agreement.

A Large-scale Mining Project or a project that impacts an area reserved for forests²⁶, a protected forest²⁷, water sources or community areas must be submitted to the Standing Committee of the National Assembly for consideration and approval.

Article 68 (New) Duration of Negotiation

The duration of negotiations shall not be more than one hundred and eighty days. If the negotiation is not successful within such period of time, the investor may ask for re-negotiation once only, by submission of an application to the Ministry of Planning and Investment within sixty days after the end of the negotiation date.

The duration of the second negotiation shall not be over one hundred and twenty days.

A Mining Development agreement shall be terminated if the investors do not have a mining license or the mining license has been withdrawn, cancelled or expired.

Article 69 (New) Signing the Mining Development Agreement

After completion of the negotiations in respect of a Mining Development agreement between the Government and investors, the Central Committee for Investment Management and Promotion shall report the results of the negotiation to the Government for its consideration.

In the event that the Government approves the mining project, the Prime Minister shall issue an authorization letter to the Minister of Planning and Investment and/or the Minister of Energy and Mines to sign the Mining Development agreement and [for same] to be witnessed by the local administrative authorities concerned.

Article 70 (Amended) Steering and Management Committee for Large-scale Mining Projects

The Steering and Management Committee for Large-scale Mining Projects is appointed by the Prime Minister based on a proposal from the Minister of Energy and Mines. The Steering and Management Committee for Large-scale Mining Projects is established for the purpose of ensuring the proper and effective implementation of [Mining Development] agreements. The Committee is comprised of:

1. Vice Minister of Energy and Mines as Chairman;
2. Vice Minister of Planning and Investment, Vice Provincial Governor, Vice Mayor of Municipality concerned as Vice Chairman;
3. Representatives of the concerned sectors as members.

The organization, activities, rights and duties of the Steering and Management Committee for Large-scale Mining Projects are determined in a separate regulation.

Expenditures of the Steering and Management Committee for Large-scale Mining Projects are [drawn²⁸] from the State budget.

²⁶ This likely refers to Conservation Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

²⁷ This likely refers to Protected Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

²⁸ Or „taken“.

B. Application for Mining Authorization

Article 71 (New) Application for Mining License

After obtaining an investment license and the signing of the Mining Development agreement, the investors shall submit an application for a mining license to the Ministry of Energy and Mines.

The Ministry of Energy and Mines shall consider the application and issue a mining license within thirty days from the date of receiving the application.

Article 72 (New) Mining License

A mining license is a document certifying the rights granted to the license holder to carry out mining activities in accordance with the operational²⁹ plan approved by the Ministry of Energy and Mines.

A mining license shall specify the following main contents:

1. Name and family name, and position of the persons assigned by the license holder;
2. Address of the office of the company for communication purposes;
3. Permitted minerals, location and size of the area and term of the license;
4. Minimum expenditures to be incurred in the approved work plan;
5. Concession fees and others obligations.

Conditions for the use of the mining license are as below:

1. To be used only for the mining of the specified minerals, and in the permitted areas and within the term of the license;
2. To be displayed at the site office and head office of the company.

In the event of an extension [being sought], an application for renewal of the license must be submitted to the Ministry of Energy and Mines [at least] ninety days prior to the expiration of the license.

The mining licence shall not be used as loan security.

Article 73 (New) Term of Mining License

A mining license has a term of not more than twenty years and may be extended for ten years at a time. The term of the mining license includes the post Mine-closure monitoring period.

Conditions for the extension of the mining license are as below:

1. An application for an extension shall be submitted [at least] twelve months prior to the expiration of the mining license;
2. All financial obligations and any other obligations shall have been fulfilled in accordance with the relevant laws;
3. The approved operational plan for mining has been complied with;
4. An operational plan for continuation of the mining project is available;
5. To the extent required, re-negotiation of the terms of the [Mining Development] agreement.

²⁹ „operational plan“ can be translated as „work plan“ and vice versa. It is a reference to the appropriate document labelled as either of the aforementioned, or similarly labelled, depending on the license.

Article 74 (New) Mining Operation

The mining license holder shall undertake their mining activities³⁰ by using modern techniques and technologies in compliance with construction and safety standards, reduction of adverse impacts to the environment and communities in the vicinity of the mine area.

Mining operations are divided into two different stages of works, i.e., Mine construction work and mining work.

Article 75 (New) Mine Construction Work

Mine construction work consists of the construction of mining areas, minerals storage facilities, transportation routes, processing plants, Tailings dams and other infrastructure to be used in the mining works.

Before commencing mining operations, the investors shall submit a Mine Construction Plan to the Ministry of Energy and Mines for consideration and approval.

A Mine construction plan consists of the following:

1. Work plan for Mine construction, including drawings of Mine construction areas, duration of the construction, transportation routes from main road to the site;
2. List of contractors and sub-contractors, including a copy of their enterprise registration certificates;
3. Measures for the mitigation of pollution, such as air pollution, noise pollution and speed control of vehicles;
4. Erosion management measures;
5. Health and safety measures;
6. Inventory and origin of the equipment and materials for construction;
7. The number of Lao national and foreign employees and workers expected to be employed, including local manpower;
8. A trigger action plan for responding to environmental and social issues.

Article 76 (New) Mining Works

Mining works refers to the extraction of minerals from the Mines and taking them into the production process.

Before mineral extraction, the investors shall submit a mining operation plan to the Ministry of Energy and Mines for consideration and approval.

The mining operation plan consists of the following:

1. Mining plan;
2. Minerals processing plan;
3. Health and safety preventive measures;
4. Environmental management and monitoring plan;
5. Social management and monitoring plan.

Article 77 (Amended) Minerals Processing

Mining must be significantly associated with mineral processing primarily within the country in order to add value to the minerals through the application of highly advanced and modern techniques and

³⁰ While not included in the Lao version of the Law, it should be noted that the mining operations should be conducted in accordance with the approved operational plan.

technologies to produce semi-finished products and finished products of the different kinds of minerals for supply to the domestic market and for exporting.

In the event that a legal entity intends to run a mineral processing business that is not related to mining³¹, the applicant must submit an application to the Ministry of Energy and Mines for consideration [and approval].

Article 78 (New) Trading, Import and Export of Minerals Products

The mining license holders shall have incentives to operate mineral processing within the country to add value to the minerals, and shall have the rights to trade, import and export the mineral products.

A license holder that is only allowed to conduct mineral processing shall have the rights to trade, import raw materials, semi-finished products and finished products for processing to supply the domestic market and export.

Article 79 (New) Transport of Mineral Products

Transport of mineral products shall be in compliance with this Law and other relevant laws and shall have the following certification documents:

1. Determination of transport route;
2. Fulfillment of financial obligations;
3. Weighting and samples for inspection.

C. Mine Closure

Article 80 (New) Mine Closure Process

Upon completion of mining in each mining site, the investors shall close the Mines in accordance with the Mine closure steps, timeframe and costs estimation for rehabilitation, Mine closure and post Mine closure as specified in the approved rehabilitation and Mine closure plan.

The Mine closure plan and its process shall be continuously implemented since the commencement of mining and shall be reviewed and improved every three years.

The investors shall periodically report on the progress of rehabilitation and Mine closure to the Ministry of Energy and Mines.

Two years before the end of the rehabilitation and Mine closure [process], the Ministry of Energy and Mines in collaboration with the Ministry of Natural Resources and Environment, relevant local administrative authorities and [affected] communities in the project area shall discuss how to use the land, infrastructure, buildings and other facilities.³²

After completion of the rehabilitation and Mine closure [process], the investors shall [apply to] relinquish the concession areas, including infrastructure and other related properties to the State. If the investors fulfilled all requirements correctly and completely, the Ministry of Energy and Mines shall issue to the investors a certificate of Mine closure and relinquishment of concession areas.

³² The committee tasked with translation has noted that this Article should be expounded on in the Implementation Decree.

Article 81 (New) Security of Rehabilitation and Mine Closure

The investors shall secure the cost of environmental rehabilitation and Mine closure, including post-Mine closure, in the form of cash, bonds and/or guarantees or other financial tools deposited with any banks in Lao PDR in accordance with the approved costs of environmental rehabilitations and Mine closure plan.

Security for rehabilitation and Mine closure [costs] may be undertaken in a manner such as the below:

For a project with a term of sixteen to twenty years, security deposits in the first year shall be fifteen percent of the total costs, and thereafter, [the balance of the] security deposit shall be paid proportionally³³ for each year;

For a project with a term of ten to fifteen years, security deposits in the first year shall be twenty percent of the total costs, and thereafter, [the balance of the] security deposit shall be paid proportionally for each year;

For a project with a term of five to nine years, security deposits in the first year shall be twenty five percent of the total costs, and thereafter, [the balance of the] security deposit shall be paid proportionally for each year;

For a project with a term of less than five years, security deposits in the first year shall be fifty percent of the total costs, and thereafter, [the balance of the] security deposit shall be paid proportionally for each year.

Section 3

Auction for Mining Concession Rights

Article 82 (New) Auction for Mining Concession Right

An auction for mining concession rights is a tender process to win the right for prospecting, exploration or Mine Development.

Areas that will be subject to an auction for mining concession rights are as set out below:

1. An area where prospecting and exploration has already been carried out by the Government and geological and mineral data is made available;
2. An area that has voluntarily been relinquished by the license holder to the Government;
3. An area where the license has been withdrawn.

The Ministry of Energy and Mines shall announce an invitation for legal entities to participate in the auction. After completion of the auction, the report on the results of the auction shall be reported to the Central Committee for Investment Management and Promotion for consideration and authorization for investment.

The auction principles, conditions, procedure and methods are determined in a separate regulation.

Article 83 (New) Access to Data

The Ministry of Energy and Mines shall provide data in respect of the areas that will be subject to an auction to the persons interested in participating in the auction and shall facilitate access to the office data and field data.

³³ The intention is to indicate that the amount outstanding after the initial security deposit shall be paid in equal amounts per year over the remaining years.

Article 84 (New) Requirements for Auction Applicants

The selection of bidders to participate in an auction must be conducted in a transparent manner and offer the highest benefits to the State.

The requirements for auction applicants are as set out below:

1. The applicant shall have a letter of intention to conduct a mineral business and that it will participate in the auction³⁴;
2. The applicant is a legal entity who has experience and reputation in mineral exploration and development which is internationally recognized;
3. The applicant has audited financial statements and can be trusted by any financial institution by its latest audited financial statements [having been audited] by a recognized auditing firm³⁵;
4. The applicant has never committed any economic or financial offences or environmental offences;
5. The applicant has paid the fees and any financial obligations related to the auction.

Part VII

Business related to a Special Category of Minerals

Section 1

Traditional Metallic Mineral Panning

Article 85 (New) Traditional Metallic Mineral Panning

Traditional metallic mineral panning is mineral panning by using primitive and traditional tools, such as pans, hoes, spades and/or shovels without using any type of chemical substances.

Article 86 (New) Management of the Traditional Metallic Minerals Panning

The Provincial and Capital Departments of Energy and Mines, District, Municipality and City Offices are responsible for the management of traditional metallic mineral panning.

Traditional metallic mineral panning is specifically granted to Lao citizens residing in the relevant village areas.

The energy and mines sector, in collaboration with the line ministries and local administrative authorities concerned, is in charge of issuing the regulations on the management of traditional metallic mineral panning from time to time, including the monitoring of their implementation.

³⁴ Th phrase “does not contain sufficient quantity to be calculated as a mineral reserve in terms of classification stand set by the Ministry of Energy and Mines” or “but with a volume below the standards and regulations set by the Ministry of Energy and Mines” refers to an internal standard or set of regulations that may or may not yet have been developed. In practice it means satisfying the Ministry of Energy and Mines that the materials proposed to be extracted will only be sold for lower value construction usage. It also means a resource of materials of a grade deemed non-metallic minerals for industry cannot wastefully be used for construction purposes.

³⁴The intention is for the letter of intention to be submitted to the Auction Committee.

³⁵ The Lao word more closely translates as „agency”.

Section 2

Non-metallic Mineral Extraction for Construction Purposes

Article 87 (New) Non-metallic Minerals for Construction [Purposes]

Non-metallic minerals for construction [purposes] are non-metallic minerals that are used for construction purposes, primarily for road and building construction.

Non-metallic minerals used for construction are as set out below:

1. Sand (except for white sand) that contains less than eighty five percent silicium dioxide (SiO_2), whether or not it contains cassiterite, wolframite, monazite, zircon, ilmenite or gold traces, provided that it does not contain sufficient quantity to be calculated as a mineral reserve in terms of the classification standard set by the Ministry of Energy and Mines;
2. Clay for manufacture of bricks and tiles based on the standards and regulations therefor, clay (except for bentonite and kaolin) that is not usable for pottery production (ceramic), fire resistant clay and cement in accordance with the standards and regulations set by the Ministry of Energy and Mines;
3. Sandstone and quartzite that contains less than eighty five percent silicium dioxide (SiO_2), whether or not it contains metallic minerals, native metals, radioactive elements or rare-earth minerals, but does not contain sufficient quantity to be calculated as a mineral reserve in terms of the classification standard set by the Ministry of Energy and Mines;
4. Various type of Alluvial gravels (except for diatomite, bentonite), magma (except for nepheline, syenite, basalt in columnar or spongy form), metamorphic rocks (except for schist-mica that contains a high percentage of vermiculite) whether or not it contains metallic minerals, precious stone, semi-precious stones or³⁶ radioactive elements or³⁷ rare-earth minerals but does not contain sufficient quantity to be calculated as a mineral reserve in terms of the classification standard set by the Ministry of Energy and Mines;
5. All types of schists (except for the roofing slate, oil shale and schists containing sericite, kyanite or sillimanite minerals) with contents exceeding thirty percent;
6. Boulders, gravel or clastic rocks that do not contain gold, platinum, precious stones or³⁸ semi-precious stones, laterite that does not contain native metals or metallic minerals;
7. Limestone, white chalk and marble (except for stalactites, stalagmites, white limestone and white marble) that is below the grade necessary to produce Portland cement and below the grade necessary to produce decorative tiles or engravings³⁹ in accordance with the standards and technical specifications set by the Ministry of Energy and Mines;
8. Dolomite which contains less than fifteen percent magnesium oxide (MgO), dolomite that cannot used for the production of glass but for construction, or raw materials for producing decorative tiles or engravings in accordance with the standards outlined by the Ministry of Energy and Mines.

³⁶ Magma has the same meaning as igneous rocks

„and“ translated as „or“

³⁷ „and“ translated as „or“

³⁸ Schists has the same meaning as metamorphic rocks

Disthen means kyanite

„and“ translated as „or“

³⁹ This refers to sculptures or engravings made from stone or rock.

Article 88 (New) Non-metallics Minerals Mining for Construction [Purposes]

Exploration and extraction of non-metallic minerals for construction [purposes] shall be undertaken in compliance with Article 50, 90, 91 and 92 of this Law.

Section 3

Non-metallic Mineral Extraction for Industry

Article 89 (New) Non-metallic Mineral Extraction for Industry

Non-metallic minerals for industry are all types of non-metallic minerals that are used for the industrial purposes.

A business for the extraction of non-metallic minerals for industry shall be operated in accordance with Article 90 of this Law.

Article 90 (New) Non-metallic Mineral Extraction for Industry

Extraction of non-metallic minerals for industry shall be carried out as follow:

1. Extraction of volumes less than one hundred thousand cubic meters per year shall be considered and approved by the Committee for Investment Promotion and Management at provincial level and shall be granted only to Lao legal entities for the supply of the domestic market and may not be exported;
2. Extraction of volumes from and over one hundred thousand cubic meters per year shall be considered and approved by the Central Committee for Investment Promotion and Management and shall be granted to both Lao and foreign legal entities and may be exported.

The granting of a license for non-metallic mineral extraction will be based on an assessment process that is simpler than the assessment process for a mining business and with a simple economic and technical feasibility study to be conducted.

A Mining Development agreement shall be required to be granted a licence for non-metallic mineral extraction for industry.

Article 91 (New) Application for Non-metallic Mineral Extraction for Industry

The application for a licence to conduct non-metallic mineral extraction for industry, where the extraction volume does not exceed one hundred thousand cubic meters per year, shall be supported by the following documents:

1. A copy of [the applicant's] enterprise registration certificate;
2. A map indicating the location and description of a mining area not exceeding four hectares;
3. An operational plan indicating the methods of extraction, crushing and processing, equipment to be used, types of minerals to be extracted and final products, and number of workers;
4. Rehabilitation and Mine closure plan;
5. Environmental compliance certificate to accommodate the natural, social and environmental impact assesment report;
6. Certified documents evidencing financial funding sources.

An application for a licence for non-metallic mineral extraction where the volume exceeds one hundred thousand cubic meters per year shall be supported by the following documents:

1. A copy of [the applicant's] enterprise registration certificate;
2. A map indicating the locations and description of a mining area not exceeding thirty two hectares;
3. An operational plan indicating the methods of extraction, crushing and processing, equipment to be used, types of minerals to be extracted and final products, and number of workers;
4. Rehabilitation and Mine closure plan;
5. Environmental compliance certificate to accommodate the the natural, social and environmental impact assessment report;
6. Certified documents evidencing cash flow and funding sources.

Article 92 (New) Licence to conduct Non-metallic Mineral Extraction for Industry

After receiving an application together with the relevant documents from the one-stop-service office, the energy and mines sector shall consider the contents of the application for an extraction licence⁴⁰, verify the mining area applied for, and send comments on the application back to the one-stop-service office as specified in the Law on Investment Promotion.

For purposes of granting an extraction licence at the provincial level, the Provincial and Capital Departments of Energy and Mines shall report to and request comments from the Ministry of Energy and Mines prior to sending comments to the one-stop-service office at the provincial level.

The licence for non-metallic minerals extraction for industry has a term of not more than five years and can be extended for another five years at a time.

PART VIII

Health, Safety, and Environment

Section 1 Health and Safety

Article 93 Occupational Health and Safety

An investor in a mineral business shall be required to develop a system to ensure safety and to protect the health of labour by identifying preventive measures and by establishing a warning system to prevent, control, eliminate or minimize the impact and risks of dangers to mining labour in the Mine Area in compliance with the relevant laws.

All [entities conducting] activities concerning minerals shall institute a Mine health and safety labour committee which is composed of the participation of employee and employer representatives in accordance with the Labour Law and other relevant laws.

An investor in a mineral business shall cooperate with and facilitate the performance of the duties of such a committee.

⁴⁰ In light of the heading, we understand that this refers to the Non-Metallic Mineral Extraction License for Industry

Article 94 (Amended) Measures Ensuring Occupational Health and Safety

In order to ensure occupational health and safety, an investor concerned with Mineral Activities shall implement the following measures:

1. Issuing regulations and measures for occupational health and safety, including a requirement for health checks for labour at least once per year;
2. Designing a mining operational plan and constructing and installing adequate machinery and equipment to meet the relevant safety and technical standards;
3. Use techniques and technologies effectively to protect against pollution; to supply adequate personal protective equipment to all employees;
4. Have a safe place or warehouse for the storage of explosive and chemical substances that meets the safety and technical standards;
5. Install an alarm system to deal with emergencies and accidents⁴¹;
6. Establish a committee for the health and safety of the employees;
7. Regularly report on labour health and safety, including [reporting on] the relevant statistics.

Article 95 (Amended) Report on Accidents

An accident or other occurrence related to a mineral business that has or might have an unfavourable impact on the environment, health of people, or the community, must be reported by the investor immediately and no later than twenty-four hours to the local administrative authorities, the energy and mines sector and the surrounding people, and respond in a timely manner to protect the health and safety and take remedial measures. In the event of a severe accident, loss of life or severe injury, the project company must report to the Ministry of Energy and Mines.

After receiving a report, the Ministry of Energy and Mines shall immediately coordinate with the line ministries, local administrative authorities, and other parties to undertake an inspection to assess the cause of the accident and to determine corrective action and preventive measures.

Section 2

Environment

Article 96 Natural, Environmental and Social Protection

In order to avoid or minimize negative natural, environmental and social impact, investors in Mineral Activities must undertake the following:

1. Create a plan for the management of the environment and a plan for the resettlement of people who are impacted from such business related to minerals in accordance with regulations;
2. Establish a plan for rehabilitation of the mined out area and for Mine closure to allow for other uses;
3. Be liable to pay compensation for damages incurred from the impact of the business operation related to minerals subject to relevant regulations;
4. Treat waste water from the Mine project to ensure the health, safety and life of people, animals and environment;
5. Contribute to the Environmental Protection Fund for the project;

⁴¹ Note that the Lao word for „accident“ and „incident“ are the same and this can be translated as either.

6. Regularly summarize and report on the assessment and remediation of the natural, social and environmental impact to the concerned mineral management organization.

Article 97 Sustainable Development

In order to ensure sustainable development in the mineral sector, investors undertaking a mineral business shall comply with the following practices:

1. To undertake the extraction in a manner consistent with the National Socio-economic Development Plan and consistent with the Government Strategic Plan for the Development of the Mining Industry and Development Plan and Plan on Integrated Land Use;
2. To ensure a balance between mining and the protection of the socio-economic development; and,
3. To mitigate any negative impacts that occur during mining and after Mine closure, develop skills of the local people in the project area, and provide community development depending on the potential area focusing on the creation of jobs for local people and to create continuous economic development.

Part IX

Rights and Obligations of Mineral Business Operators

Section 1

Rights and Obligations of Mineral Business Operators

Article 98 (New) Rights and Obligations of Prospecting License holders

A prospecting license holder shall have the following rights and obligations:

1. To conduct mineral prospecting in accordance with the approved prospecting work plan;
2. To enter into the authorized prospecting areas;
3. To cooperate with and assist the relevant Government officers related to prospecting activities or other persons who are assigned to carry out activities for any purposes;
4. To recognize the original rights and to allow the communities and people who have been living and earning their livelihood in the prospecting areas to continue their routine production activities until such areas are subjected to change;
5. To record prospecting data, mainly drilling, trenching, pitting, collection of mineral samples, examination, tests and analyses and then, to maintain the relevant records and documents and minerals samples;
6. To collect natural, environmental and social data;
7. To send the samples for analysis within the country or overseas;
8. To provide security deposits as provided for in the Law on Investment Promotion;
9. To pay the fees, service charges, taxes and duties, and perform other obligations required by the laws;
10. To ensure the safety of workers while conducting the prospecting;
11. To protect the environment, natural resources and traditional and cultural heritage while conducting the prospecting;
12. To be responsible for compensation of damages caused by the prospecting activities;
13. To report all situations, such as accidents or any events that might cause losses and damages to persons, legal entities or organizations and the environment;

14. To submit a final report on the results of the prospecting, including all related prospecting data to the Ministry of Energy and Mines;
15. To summarize and report on the prospecting to the Ministry of Energy and Mines on a regular basis;
16. To exercise and perform other⁴² rights and obligations as specified in the relevant laws.

Article 99 (New) Rights and Obligations of Exploration License holder

An exploration license holder shall have the following rights and obligations:

1. To conduct mineral exploration in accordance with the approved exploration work plan;
2. To enter into authorized Exploration Areas;
3. To cooperate with and assist the relevant Government officers related to the exploration activities or other persons who are assigned to carry out activities for any purposes;
4. To recognize the original rights and to allow the communities and people who have been living and earning their livelihood in the Exploration Area to continue their routine production activities until such areas are subjected to change;
5. To record the exploration data, mainly, drilling, trenching, pitting, collection of mineral samples, examination, tests and analyses and then, to maintain the relevant records and documents and minerals samples;
6. To collect natural, environmental and social data;
7. To send the samples for analysis within the country or overseas;
8. To pay the fees, service charges, taxes and duties, and perform other obligations required by the laws;
9. To ensure the safety of workers while conducting the exploration;
10. To protect the environment, natural resources and traditional and cultural heritage while conducting the exploration;
11. To be responsible for compensation of damages caused by the exploration activities;
12. To report all situations, such as accidents or any events that might cause losses and damages to persons, legal entities or organizations and the environment;
13. To submit a final report on the results of the exploration, including all related exploration data to the Ministry of Energy and Mines;
14. To summarize and report on the exploration to the Ministry of Energy and Mines on a regular basis;
15. To exercise and perform other⁴³ rights and obligations as specified in the relevant laws.

Article 100 (New) Rights and Obligations of the License holders for the Conduct of Economic and Technical Feasibility Studies

A license holder for the conduct of economic and technical feasibility shall studies have the following rights and obligations:

1. To conduct the economic and technical feasibility study in accordance with the approved work plan⁴⁴;
2. To enter into the authorized survey areas;
3. To design mining methods, processing plants, assessments of the natural, social and environmental impact, and rehabilitation and Mine closure plans;

⁴² Other than the rights and obligations enumerated above.

⁴³ Other than the rights and obligations enumerated above.

⁴⁴ This is likely to intend to refer to the relevant guidelines rather than an approved work plan.

4. To analyse marketing, technology and other related aspects;
5. To cooperate with and assist the inspectors in carrying out their activities in accordance with the law;
6. To send mineral samples within the country or overseas for testing in order to select an appropriate technology for designing a plant;
7. To pay fees, service charges, taxes and duties and to perform other obligations in accordance with the relevant laws;
8. To submit the report on the economic and technical feasibility study together with all related data to the Ministry of Energy and Mines for consideration;
9. To summarize and report on the economic and technical feasibility study to the Ministry of Energy and Mines on a regular basis;
10. To exercise and perform other⁴⁵ rights and obligations as specified in the relevant laws.

Article 101 (New) Rights and Obligations of Mining License holders

A mining license holder shall have the following rights and obligations:

1. To undertake the construction and installation of equipment, building of plants and facilities, mining, mineral processing, removal, analysis, refining, smelting and storage in accordance with the the approved operational plan;
2. To own the assets⁴⁶ acquired from the mining business operation;
3. To trade⁴⁷ mineral products obtained from the mining business operation in accordance with the relevant regulations;
4. To have protection of their legitimate rights and benefits in accordance with the relevant laws;
5. To propose temporary suspension of mining activities to the energy and mines sector in the event of any Force Majeure occurring which prevents the activities from being performed;
6. To obtain relevant facilitation in order to, for example: access or pass-through the land area of individuals or organisations to access their concession area through coordination with the relevant local administrative authority and owners of land use rights;
7. To cooperate with and assist the relevant Government officers in inspecting mining activities or other authorized persons in performing their activities for any purposes;
8. To, as much as is possible, use local labour or domestic products; mineral transportation services of domestic transportation enterprises or companies; effective anti-pollution techniques and technologies; to supply tools, equipment and facilities to ensure the health and safety of the employees, and to provide social welfare and other policies⁴⁸ to the employees;
9. To implement the natural, social and environmental management and monitoring plan, and the rehabilitation and Mine closure plan;
10. To employ and build up Lao national manpower in all areas of their work through transferring expertise and technologies in the short term and long term to replace the importation of foreign employees;
11. To compensate for the removal of land, buildings and crops and to provide re-settlement of Affected Communities and also to compensate for other damages caused;

⁴⁵ Other than the rights and obligations enumerated above.

⁴⁶ The phrase directly translates as either „assets“ or „property“, the latter referring, in the context of Lao PDR, to property other than land. Assets in this case means saleable mineral products produced from mining and processing.

⁴⁷ The Lao version directly translates as „sell“ but more properly translates as „trade“ in this context.

⁴⁸ “policies” is used in the sense of “privileges”.

12. To maintain records of technical data on samples, drawings, maps, as well as data on mining activities, technical interpretation, including financial and accounting systems, and properties in the field and offices;
13. To treat waste water, to mitigate⁴⁹ air pollution, dust, noise, chemical residues, and to store and bring the waste Tailings to a backfill, by using methods according with the environmental management plan;
14. To submit a report to the energy and mines sector in a timely manner about accidents or any events which have occurred or may occur;
15. To pay land concession fees, royalties, duties, taxes, fees, service charges and fulfill other obligations in accordance with the relevant laws;
16. To pay contributions to the Environmental Protection Fund, Community Development Fund, Human Resources Development Fund, Project Management Fund and Sustainable Mining Areas Development Fund;
17. To summarize and submit a written report on mining activities and minerals processing on a monthly, quarterly and annually basis, including financial and accounting statements, to the energy and mines sector;
18. To exercise and perform other⁵⁰ rights and obligations as specified in the relevant laws.

Section 2

Rights and Obligations of Business Operator related to a Special Category of Minerals

Article 102 (New) Rights and Obligations of the License holders of Traditional Metallic Mineral Panning

A license holder for traditional metallic mineral panning shall have the following rights and obligations:

1. To conduct traditional metal mineral panning as specified in Article 85 and Article 86 of this Law;
2. To enter into authorized mineral panning areas;
3. To sell the panned minerals in accordance with the relevant regulations;
4. To cooperate with and assist the relevant Government officers in inspecting the mineral panning;
5. To exercise and perform other⁵¹ rights and obligations as specified in the relevant laws.

Article 103 (New) Rights and Obligations of the License holders of Non-Metallic Mineral Extraction for Construction [Purposes]

A license holder for non-metallic minerals extraction for construction [purposes] shall have the following rights and obligations:

1. To undertake the construction and installation of necessary equipment, building plants and facilities, mining, processing, removal, analysis and storage in accordance with the approved operational plan;
2. To conduct the processing and sale of minerals in accordance with the license;

⁴⁹ The Lao word translates directly as „minimize“ or „limit“.

⁵⁰ To bring waste to a “backfill” means to provide safe, permanent storage of tailings by methods in accordance with the environmental management and monitoring plan, which forms part of the approved mining operation plan of Article 76. Other than the rights and obligations enumerated above.

⁵¹ Other than the rights and obligations enumerated above.

3. To obtain relevant facilitation in order to, for example: access or pass-through the land area of individuals or organisations to access their concession area through coordination with the relevant local administrative authority and owners of land use rights;
4. To cooperate with and assist the relevant Government officers in inspecting mining activities or other authorized persons in performing their activities for any purposes;
5. To supply tools, equipment and facilities to ensure the health and safety of the employees, and to provide social welfare and other policies⁵² to the employees;
6. To implement the natural, environmental and social management and monitoring plan, and the rehabilitation and Mine closure plan;
7. To pay land concession fees, royalties, duties, taxes, fees, service charges;
8. To pay contributions to the Environmental Protection Fund, Community Development Fund, Human Resources Development Fund, Project Management Fund and Sustainable Mining Areas Development Fund;
9. To be responsible for the impact of the operation of the mineral business in order to protect people living in the mining areas;
10. To summarize and submit reports on the extraction activities and mineral processing on a monthly, quarterly and annually basis to the energy and mines sector and other concerned sectors;
11. To exercise and perform other⁵³ rights and obligations as specified in the relevant laws.

Article 104 (New) Rights and Obligations of the License holders for Non-Metallic Mineral Extraction for Industry

A license holder for non-metallic mineral extraction for Industry shall have the following rights and duties:

1. To undertake the construction and installation of necessary equipment, building of plants and buildings, mining, processing, removal, analysis and storage in accordance with the approved operational plan;
2. To conduct the processing and sale of minerals in accordance with the license;
3. To obtain relevant facilitation in order to, for example: access or pass-through the land area of individuals or organisations to access their concession area through coordination with the relevant local administrative authority and owners of land use rights;
4. To cooperate with and assist the relevant Government officers in inspecting mining activities or other authorized persons in performing their activities for any purposes;
5. To supply tools, equipment and facilities to ensure the health and safety of the employees, and to provide social welfare and other policies⁵⁴ to the employees;
6. To implement the natural, environmental and social management and monitoring plan, and the rehabilitation and Mine closure plan;
7. To pay land concession fees, royalties, duties, taxes, fees, service charges;
8. To pay contributions to the Environmental Protection Fund, Community Development Fund, Human Resources Development Fund, Project Management Fund and Sustainable Mining Areas Development Fund;
9. To be responsible for the impact of the operation of the mineral business in order to protect people living in the mining areas;

⁵² “policies” is used in the sense of “privileges”.

⁵³ Other than the rights and obligations enumerated above.

⁵⁴ “policies” is used in the sense of “privileges”.

10. To summarize and submit reports on extraction activities and minerals processing on a monthly, quarterly and annually basis to the energy and mines sector and other concerned sectors;
11. To exercise and perform other⁵⁵ rights and obligations as specified in the relevant laws.

Article 105 (New) Rights and Obligations of Service Providers to Mineral Businesses

A service provider to mineral businesses shall have the following rights and obligations:

1. To provide services in accordance with the license;
2. To be responsible for their own provided services;
3. To pay their financial obligations [such as] taxes, fees and service charges;
4. To exercise and perform other⁵⁶ rights and obligations as specified in the relevant laws.

Part X

Government Share

Article 106 (Amended) Equity Participation by the Government

The Government has the right to participate in a mineral business in the form of equity of not more than twenty five percent.

After approving the economic and technical feasibility study, the Ministry of Energy and Mines shall submit such report to the Ministry of Planning and Investment for consideration and then, to propose to the Government to consider the [aforementioned] participation.

The contribution and payment for the Government's equity shall comply with the Law on Enterprises or be in accordance with a joint-venture agreement.

Article 107 (Amended) Notice of Equity Participation by the Government

The Government shall notify the investors of its intention to participate or not to participate in the form of equity no later than one hundred and twenty days from the date of the approval of the economic and technical feasibility study.

In the event that the Government participates in the form of equity, the Government shall appoint its representatives to the board of directors of the company.

Part XI

Prohibitions

Article 108 (Amended) General Prohibitions

Individuals, legal entities or organizations are prohibited from doing the following:

1. Destroying a Mineral Deposit by encroaching, mining, mineral panning or other actions in contravention of the laws and regulations;
2. Undertaking mining, trading, removing or recovering minerals without permission;
3. Colluding with an investor, officer or mining inspector in undertaking illegal mining, encroachment or destroying mineral resources or Mines;

⁵⁵ Other than the rights and obligations enumerated above.

⁵⁶ Other than the rights and obligations enumerated above.

4. Falsifying documents or seals related to minerals;
5. Using violence or referring to another person's name to intimidate officers, mining inspectors or investors;
6. Concealing or destroying minerals or illegally selling mineral samples; or
7. Contravening the laws.

Article 109 Prohibitions for Officers and Mining Inspectors

Officers and mining inspectors are prohibited from doing the following:

1. Granting authorization for investment for prospecting, exploration and mining activities in areas reserved for forests⁵⁷ and protected forests⁵⁸;
2. Abusing duties and positions and to receive bribes for their own benefit⁵⁹;
3. Abusing rights and duties that causes loss to the benefits of the State, collectives, or to the legitimate rights and benefits of the people;
4. Abandoning their duty and responsibilities assigned by their organizations;
5. Disclosing State and Government secrets or trade and technical secrets related to minerals;
6. Falsifying documents, such as signatures, seals, accounts and data of activities related to minerals;
7. Participating in mineral business operations or allowing a family member to operate or engage in such business;
8. Moving, changing or destroying boundary markers of concession areas without permission;
9. Using violence, intimidation, threats or other illegal measures; or
10. Contravening the laws.

Article 110 (Amended) Prohibitions for Investors

Domestic and foreign investors are prohibited from doing the following:

1. Prospecting, exploration, mining and mineral processing in areas reserved for forests⁶⁰ and protected forests⁶¹, natural tourism sites, historical and cultural areas;
2. Prospecting, exploration, mining and mineral processing, or trading of minerals, without authorization;
3. Prospecting, exploration, mining and mineral processing that is not specified in the approved work⁶² plan, or conducting mineral business outside of the authorized areas;
4. Encroaching, destroying or damaging Mineral Deposits and Mines;
5. Moving, changing the position or destroying boundary markers of concession areas;
6. Importing foreign labour, vehicles, machinery and equipment for a mineral business operation without permission;

⁵⁷ This likely refers to Conservation Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

⁵⁸ This likely refers to Protected Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

⁵⁹ This is reflective of the original text, though it is not clear whether it intends to capture only bribes which directly benefit the officers and mining inspectors which receive the bribes or whether it would be more appropriate to translate the phrase simply as „bribes“ and remove the phrase „for their own benefit“.

⁶⁰ This likely refers to Conservation Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

⁶¹ This likely refers to Protected Forests as contemplated under the Law on Forests and the laws should be read together for this purpose.

⁶² Or „operational“ as noted previously.

7. Mining, trading, removing or transporting prohibited minerals;
8. Removing or transporting minerals exceeding the weight, quantity, size, or otherwise not in compliance with the proper documentation;
9. Using a license as security or share contribution, or to loan, lease, transfer, assign, pledge or sell same to other persons;
10. Offering a commission or giving bribes to a government officers or mining inspectors; or offering a commission to people to encroach, mine or pan for minerals by using different methods;
11. Destroying, defrauding, concealing or selling mineral samples, or to sample, without permission;
12. Using violence or referring to another person's name to intimidate officers, mining inspectors or people;
13. Making false reports or falsifying documents or seals related to minerals;
14. Contravening the laws.

Part XII

Disputes Resolution

Article 111 Forms of Dispute Resolution

Disputes may be resolved by any of the following methods:

1. Mediation or conciliation;
2. Administrative resolution;
3. Resolution by the Office of Economic Dispute Resolution;
4. Decision of the People's Court;
5. Resolution of a dispute of an international nature.

Article 112 Mediation or Conciliation

In the event that a dispute related to Mineral Activities or mineral business operations has arisen, the disputing parties may resolve such dispute through mediation or conciliation.

Article 113 Administrative Resolution

Disputes related to minerals, such as a mineral business operated in a manner not consistent with its targets, failure to fulfil obligations or the payment of fees in accordance with the laws shall be resolved by the minerals management and inspection organizations in collaboration with local administrative authorities at the same level. If the disputing parties are not satisfied with the decision, either of the parties may refer to the next higher-level authority for further resolution.

Article 114 Resolution by the Office of Economic Disputes Resolution

In the event that an economic dispute occurs from a mineral business operation, the concerned disputing parties are entitled to refer to the office of economic disputes resolution for consideration and resolution in accordance with the laws.

Article 115 Decision of the People Court

In the event of a dispute related to a mineral activity and a mineral business operation that cannot be solved by mediation and conciliation, the concerned disputing parties are entitled to refer to the People's Court for consideration and judgement in accordance with the laws.

Article 116 Resolution of Dispute of International Character

A dispute related to a Mineral Activity or a mineral business operation between a domestic and foreign investor(s) or between foreign investors in the Lao PDR or between a foreign investor and the Government shall be referred to domestic, foreign, or international organizations based on the agreement between the parties.

Part XIII

Management and Inspection of Mineral Activities

Section 1

Management of Mineral Activities

Article 117 (Amended) Mineral Activities Management Organizations

The Government centrally and uniformly manages Mineral Activities throughout the country by assigning the Ministry of Energy and Mines to be directly responsible for and be the principal to coordinate with the line ministries and local authorities concerned.

The Mineral Activities management organizations are comprised of:

1. Ministry of Energy and Mines;
2. Provincial and Capital Departments of Energy and Mines;
3. District, Municipality and City Offices of Energy and Mines.

Article 118 (Amended) Rights and Duties of the Ministry of Energy and Mines

To manage Mineral Activities, the Ministry of Energy and Mines shall have the following rights and duties:

1. To research and draft the strategic plans, policies, laws and develop directives into detailed programmes, undertake projects regarding the prospecting, exploration, economic and technical feasibility studies, mining and Mine Development in conjunction with green and sustainability directives and then, propose such to a higher level of authorities for consideration;
2. To conduct prospecting, basic geological exploration, mining, and planning and arrange the management of mineral resources nationwide;
3. To research and issue regulations related to the management of the Mining Industry;
4. To publish, disseminate, guide and monitor the implementation of the Law on Minerals, especially procedures for the prospecting, exploration and economic and technical feasibility studies, mining, natural, environmental and social management plans and the conditions for the issue of Environmental Certificates;
5. To conduct scientific, technical and technological research, to establish a network of statistics and databases concerning prospecting, exploration and the Mining Industry;
6. To undertake strategic environmental assessments related to Mineral Activities in collaboration with the Ministry of Natural Resources and Environment;
7. To establish the Committee for the Review and Approval Mineral Resources and Mineral Reserves;
8. To establish the Auction Committee for auctioning mining concession rights;
9. To establish the Committee for Studying, Reviewing and Approving Economical and Technical Feasibility Studies;

10. To make proposals to the Prime Minister for the appointment of the Steering and Management Committee for Large-scale Mining Projects;
11. To submit economic and technical feasibility studies to the Ministry of Planning and Investment in order to make proposals to the Government for equity participation;
12. To study the benefits of the State sharing operations of the Mining Industry [with investors] and to make proposals to the Government [regarding this] for consideration, including in respect of the monitoring of the fulfilment of financial obligations by investors in collaboration with the concerned sectors;
13. To participate in the negotiation and the signing of Mine Development agreements as assigned by the Government;
14. To issue and extend licenses to investors for prospecting, exploration, economic and technical feasibility studies, mining, establishment of mineral processing and smelting plants; certificates for trading and moving of minerals;
15. To collaborate with other sectors and local administrative authorities concerned to study and monitor the fulfillment of financial obligations by investors;
16. To consider the suspension, withdrawal or cancellation of licenses for prospecting, exploration, economic and technical feasibility studies, mining, establishment of mineral processing and smelting plants; certificates for the trading of minerals and moving of minerals for investors contravening regulations and laws;
17. To make proposals to the Government for the suspension or cancellation of Mining Development agreements of investors in breach;
18. To manage and monitor the prospecting, exploration, economic and technical feasibility studies, mining operations⁶³, mineral processing and smelting, and trading;
19. To build, train and improve the geological and mineral skills of employees and workers in the mining sector;
20. To certify the technical aspects relating to the sending of mineral samples for analysis in accordance with the regulations;
21. To certify the technical aspects of the export or import of minerals, vehicles, equipment, machinery for the operation of a business related to the Mining Industry, including licences for the sending of mineral samples for purposes of selecting the appropriate technology to design plants;
22. To publish bulletins and register Mineral Activities and register areas for prospecting, exploration and mining;
23. To cooperate with other sectors and local administrative authorities concerned to protect, promote and manage businesses and settle disputes related to mineral businesses and the Mining Industry;
24. To contact and cooperate with foreign countries and international organizations regarding Mineral Activities and the Mining Industry;
25. To regularly summarize and report on the results of the implementation of Mineral Activities and Mining Industry management to the Government;
26. To exercise and perform other⁶⁴ rights and obligations as specified in the relevant laws.

⁶³ The committee tasked with translation has noted that the inclusion of rehabilitation, Mine closure and post-closure activities in the Implementation Decree should be considered.

⁶⁴ Other than the rights and obligations enumerated above.

Article 119 Rights and Duties of the Provincial and Capital Departments of Energy and Mines

To manage Mineral Activities, the Provincial and Capital Departments of Energy and Mines have the following rights and duties:

1. To implement the strategic plans, decisions, orders, notices, guidelines and regulations of the Ministry of Energy and Mines regarding the implementation of this law;
2. To disseminate laws and regulations related to Mineral Activities to the public;
3. To encourage and promote the existing prospecting, exploration, and mining activities in its own area and under its own responsibility and to provide comments, support, monitoring and evaluation of the activities implemented by the District Energy and Mines Offices;
4. To study and provide technical comments on Mineral Activities and to make proposals to the Ministry of Energy and Mines, Provincial and Capital administrative authorities for consideration;
5. To issue and extend licenses in accordance with Article 86 and Article 92 of this law;
6. To make proposals to the Ministry of Energy and Mines with regards to the suspension or cancellation of licenses under Article 86 and Article 92 of this Law;
7. To coordinate with other sectors and local administrative authorities concerned to promote, manage and monitor Mineral Activities;
8. To certify the implementation of activities related to mineral businesses and to report to the Provincial and Capital administrative authorities and Ministry of Energy and Mines;
9. To contact and cooperate with foreign countries and international organizations regarding the Mining Industry as such is assigned by the Ministry of Energy and Mines;
10. To summarize and report on the implementation of Mineral Activities to the Ministry of Energy and Mines on regular basis;
11. To exercise and perform other⁶⁵ rights and obligations as specified in the relevant laws.

Article 120 Rights and Duties of the District, Municipality and City Offices of Energy and Mines

To manage Mineral Activities, the District, Municipality and City Offices of Energy and Mines have the following rights and duties:

1. To implement programs, plans, projects, decisions, orders, notifications, and guidelines related to Mineral Activities issued by the Departments of Energy and Mines at provincial level;
2. To disseminate the Law on Minerals and regulations relating to Mineral Activities in its own areas and under its own responsibility;
3. To coordinate with other sectors and local administrative authorities concerned in order to facilitate Mineral Activities in its own areas and under its own responsibility;
4. To regularly summarize and report on the results of the implementation of Mineral Activities to the Provincial and Capital Departments of Energy and Mines;
5. To exercise and perform other⁶⁶ rights and obligations as specified in the relevant laws.

Article 121 (New) Rights and Duties of the Natural Resources and Environment Sector

To manage Mineral Activities, the natural resources and environment sector has the following rights and duties:

1. To consider and certify the social and environmental strategic report;

⁶⁵ Other than the rights and obligations enumerated above.

⁶⁶ Other than the rights and obligations enumerated above.

2. To evaluate and issue an approval letter regarding the natural, environmental and social assessment report; natural, social and environmental management and monitoring plan from the Ministry of Natural Resources and Environment;
3. To consider and issue an Environmental Certificate, to approve the natural, environmental and social assessment report, the natural, environmental and social management and monitoring plan, including the approval letter pertaining to natural, environmental and social obligations;
4. To consider and certify the environmental rehabilitation plan prior to approval of the environmental rehabilitation and Mine closure plan;
5. To collaborate with sectors and local administrative authorities concerned in implementing the management and monitoring of the natural, environmental and social impact report generated by mining projects from exploration, mining, rehabilitation and Mine closure;
6. To summarize and report on the results of the implementation of Mineral Activities to a higher level on regular basis;
7. To exercise and perform other⁶⁷ rights and obligations as specified in the relevant laws.

Article 122 (New) Rights and Duties of other relevant sectors and local administrative authorities

Other relevant sectors and local administrative authorities have the rights and duties to coordinate with the energy and mines sector in managing the Mineral Activities in accordance with their roles.

Section 2

Inspection of Mineral Activities

Article 123 (Amended) Mineral Activities Inspection Organizations

The Mineral Activities inspection organizations consist of the internal and external inspection organizations.

The internal inspection organizations are those Mineral Activities management organizations as specified in Article 117 of this Law;

The external inspection organizations are the National Assembly, People's Assemblies at provincial levels, the State Inspection Organization, the State Audit Organization, the Lao Front for National Construction, and mass organizations in accordance with their own roles as specified in the relevant laws.

Article 124 (Amended) Contents of Inspection

Inspections of Mineral Activities include the following:

1. Implementation of agreements and the Law on Minerals;
2. Implementation of the procedure relating to Mineral Activities;
3. Implementation of the timeframes and operational⁶⁸ plans pertaining to Mineral Activities;
4. Implementation of safety measures and mitigation of the environmental impact from the operation of mineral businesses;
5. Monitoring of the work performance of organizations, employees and Mine inspectors relating to Mineral Activities, including the inspection of business operations;

⁶⁷ Other than the rights and obligations enumerated above.

⁶⁸ The term includes „work plans“.

6. Compensation for damages resulting from impact to the environment, life, health and assets of the people during the conduct of Mineral Activities;
7. Financial system, social welfare and other policies.

Article 125 (Amended) Mineral Activities Inspectors⁶⁹

Mineral Activities inspectors have the following rights and duties:

1. To monitor⁷⁰ and inspect various targets, such as Mineral Activities areas;
2. To receive and record information, demand and verify documents to determine whether such contravenes the Law on Minerals;
3. To coordinate and cooperate with other concerned sectors, including local administrative authorities, relating to the performance of their duties;
4. To carry out the inspection of the areas as specified in Article 124 of this Law;
5. To summarize and report on the inspections of Mineral Activities to the energy and mines sectors which pertain to Mineral Activities inspectors and local administrative authorities.

Article 126 Forms of Inspection

There are three types of inspection:

1. Regular inspection;
2. Inspection with prior notice;
3. Emergency inspection.

A regular inspection is an inspection to be carried out on a regular basis and with an exact timeframe that will be implemented at least twice per year.

An inspection with prior notice is an inspection carried out when necessary by providing prior notice to the investors of at least twenty four hours.

An emergency inspection is an inspection carried out when necessary and urgently by not serving any prior notice to the investors.

The inspections may be carried out through a review of documents and/or an actual inspection at the workplace.

Part XIV

Awards and Sanction

Article 127 Awards

Individuals, legal entities, or organizations with outstanding performance in the management [and] preservation of mineral resources with efficiency and in compliance with the laws of the Lao PDR will receive awards and other benefits as specified in regulations.

Article 128 Sanction against Violators

Individuals, legal entities, or organizations contravening this Law shall be subject to re-education, warnings, disciplinary measures, fines, civil measures, or criminal prosecution in compliance with the laws depending on the severity of the offence.

⁶⁹ This is likely intended to refer to Mine inspectors.

⁷⁰ The Lao term directly translates as „patrol“ and infers a right to enter and inspect Mineral Activities areas.

Article 129 Re-educational Measures

Individuals, legal entities or organizations contravening this Law where such is either not severe or a first contravention, such as reporting on a mineral business operation outside of the given timeframe, its work implementation is delayed, failure to comply with its technical plan, failing to obtain permission for the conduct of mining activities using manual tools or causing damages of an amount of less than one million Kip, but is willing to report such contravention, shall be subject to the re-education and warnings.

Article 130 Disciplinary Measures

A Government official or a mineral activity inspector contravening the Law on Minerals and other relevant prohibitions of a minor nature which does not constitute a criminal offense and caused damage of an amount of less than one million Kip, but has failed to report such contravention for the purpose of evading responsibility, shall be subject to the following disciplinary measures:

1. be criticised, and be admonished by recording a note in his biographical file⁷¹;
2. be suspended from receiving any promotion, [raise in] salary level, or reward;
3. be removed from his position or transferred to another position which has a lower title than his former position;
be dismissed from office without receiving any policy⁷².

Any person who is subjected to disciplinary measures shall return all property illegally obtained to the relevant organizations.

Article 131 Fines

Individuals, legal entities, or organizations contravening the Law on Minerals or other relevant prohibitions as specified in this law which does not constitute a criminal offense and causes damages of an amount more than one million Kip, shall be fined for an amount of the damaged value of minerals, semi-finished products and final products based on their actual market value.

In case of the second contravention or repeated contravention, the contravening persons shall be fined double the amount of the damaged value of minerals, semi-finished products and final products based on their actual market value.

Article 132 Civil Measures

Individuals, legal entities, or organizations contravening this Law that have caused damages to other persons related to a mineral business operation shall be required to compensate those damaged values accordingly.

Article 133 Penal Measures

Any person contravening this Law where such constitutes a criminal offense, such as falsifying a license for a mineral business operation, destroying Mineral Deposits, undertaking illegal mineral extraction, non-compliance with safety and environmental preventive measures that have caused injuries or loss of life, receiving bribes, abuse of power, falsifying documents related to minerals, abusing their duties for their own benefit from a mineral business operation, shall be subject to criminal prosecution including compensation for an amount of the damages caused.

⁷¹ There is a connotation of “public criticism”.

⁷² “policy” is used in the sense of “privileges”.

Article 134 Additional Sanctions

Apart from the measures mentioned in Article 133 of this Law, additional sanctions may be imposed on the offender [such as]: suspension of mining business operations, withdrawal of license, [and] confiscation of the offender's vehicles and equipment associated with the offense by the State.

Part XV

Final Provisions

Article 135 Implementation

The Government of the Lao People Democratic Republic shall implement this Law.

Article 136 (Amended) Effectiveness

This Law takes effect from the date of the promulgating Decree issued by the President of the Lao People Democratic Republic and fifteen days following its publication in the Official Gazette.

This law replaces the Law on Minerals № 02/NA, dated 20 December 2011.

Investors, developers, and enterprises which are subject to the prior Law on Minerals and previously signed an agreement with the Government will continue to be subject to the aforementioned until the termination of such previous agreement.

Investors, developers, and enterprises which want to obtain the incentives under this Law are entitled to submit their intention to the relevant sectors within one hundred and twenty days and thereafter, such relevant sector shall notify them of the implementation.

All regulations and provisions that conflict with this law are null and void.

The President of National Assembly