



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

National Assembly

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LAW ON MINERALS
(Revised Version)

PART I
GENERAL PROVISIONS

Article 1. Purposes

The Law on Minerals defines the principles, regulations and measures regarding the management, protection, utilization of minerals and mineral resources, and the inspection of minerals activities, with the aim of ensuring that prospecting, exploration, mining and processing of minerals are highly efficient in conjunction with environmental protection and are consistent with the National Socio-Economic Development Plan in order to create conditions for gradual economic growth, industrialization, progressive modernization, sustainable mineral development and to improve the standard of living of all ethnic groups.

Article 2. Minerals

Minerals are naturally occurring, non-renewable, inorganic elements having a characteristic chemical composition and physical properties and which exist in solids, liquids and gaseous forms such as gold, silver, copper, iron, tin, precious stones, rock containing minerals, coal, oil and natural gas, mineral water, hot springs and geothermal waters and others.

Article 3. (Revised) Interpretation of Terms

Defined terms used in this law shall be interpreted as follows:

1. "Mineral deposit" means a natural accumulation of mineral material which has been certified as to quantity and grade of the minerals;
2. "Mine area" includes mining areas, processing factory areas, storage areas for mineral or warehouse, wastewater ponds, hauling roads, settlement areas, office buildings, workshop areas, and warehouses for storage of explosive and chemical substances that are used for mining and production;
3. "Mines" means minerals bearing areas where exploration has been conducted, such as: gold mine, silver mine, copper mine, tin mine, coal mine;
4. "Mineral Concentrates" means minerals which have been treated through grinding, milling, washing, sorting and processed minerals;
5. "Mineral work" means activities related to prospecting, exploration and mining industry;
6. "Prospecting and exploration" means activities related to reconnaissance, prospecting, and exploration until pre-feasibility study;

7. “Mining industry” means mining business operation commencing from a detailed feasibility study, mining, processing, smelting , buying-selling of minerals, community development, through and until mine closure;
8. “Mine Development” means commencing mining industry operations, environmental protection and community development;
9. “Rock containing minerals” means rocks which bears some minerals [a Lao term for a specific commodity];
10. “Tailing” means any amount of remaining minerals, mixed with waste, which is not recovered during extraction, production or processing;
11. “Placer or Alluvial concentrates” means mechanically weathered mineral which has flown [migrated] and accumulated in some location naturally;
12. “Sustainable development of mineral areas” means comprehensive development in the mining area or the development of the mining area after mine closure by coordination with other concerned sectors that should aim to ensure job creation, to gradually improve living conditions of the in situ ethnic community, and to contribute to the effectiveness and continuous expansion of socio-economic development;
13. “Mineral Activities” means various activities related to prospecting, exploration, mining and mineral processing;
14. “Radioactive minerals” means mineral/element such as uranium or thorium which can be used in various scientific matters but which affects the health and life of humans, animals and the environment, such as uranium or thorium;
15. “ San Nu [a Lao term “Mouse substance”]” means arsenic mineral;
16. “Force majeure” means unforeseen and uncontrolled events such as: flooding, erosion, storm, lightning, epidemic and earthquake.

Article 4. Ownership of Minerals

All minerals that occur at the surface or under land or water are the property of the national community and are subject to the centralized and unified management of the State throughout the country.

Article 5. (Revised) State Policy on Minerals

The State’s policy, as changed from time to time, is to carefully screen domestic and foreign enterprises for investment in the minerals and mining industry, based on technical and financial capability.

The State aims to promote rural development and poverty eradication by establishing strategies, policies, and regulations and by incorporating measures such as: policies on duties, taxes in accordance with regulations, providing of information and other facilitation.

The State encourages mineral prospecting and exploration in order to have basic geological and mineral data and information that can support scientific study and research regarding minerals and the transformation into capital [see Article 71].

The State encourages mining operations that are mainly linked to mineral processing in country by using advanced and modern techniques and technology for domestic use and production of commodities for export; and

The State [defines] Reserved Areas and protects some mineral resources areas in accordance with the National Socio–Economic Development Plan for exploration, planning [development] and mining operations in support of the national interest and the sustainability of natural resources.

Article 6. (Revised) Principles concerning Mineral work

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

1. The creation of a strategic plan concerning mineral activities shall be consistent with the National Socio-Economic Development Plan in each period and the real capacity of the State for monitoring and management;
2. Mining and the use of minerals and mineral resources shall be rational, efficient and ensure the sustainable development of the mineral area, and incorporate the obligation to protect the environment;
3. Mineral activities shall be done in conjunction with the development of infrastructure aimed to support socio-economic and community development, improvement of the livelihood of ethnic communities and also to ensure public order and security;
4. The protection of minerals and mineral resources shall be done by the participation of people, families, organizations, local administrative authorities, and legal entities both domestic and foreign.

Article 7. Protection of the Rights and Benefits regarding Minerals

The State protects the rights and highest benefits of the Nation and the rights and benefits of persons undertaking mineral business under the law and all ethnic communities in accordance with the laws and regulations.

Article 8. Obligation to Minerals Protection

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

The protection of minerals and mineral resources shall be the obligation of individuals, legal entities or organizations of all sectors in Lao PDR.

Article 9. International Cooperation

The State supports and promotes regional and international cooperation concerning mineral activities in various forms such as: sharing experiences, lessons learned, information, techniques and technology, marketing, training and upgrading technical levels for staff, seeking technical assistance and financial support, and compliance with international Conventions and Agreements that Lao PDR is a party to.

Article 10. (Revised) Scope of Application

This law applies to individuals and legal entities, both domestic and foreign, who undertake mineral activities and mining operations, except operations related to crude oil and natural gas and construction materials such as: soils, rocks, gravel and sand that are not under the management of this law.

**PART II
MINERALS**

**Chapter 1
Categories of Minerals**

Article 11. (Revised) Basic Geological Surveys

Basic geological surveys refer to the initial investigation and reconnaissance regarding the occurrence of mineralization, study of geological structures, and creating geological maps and

mineral resource maps to be references for classifying minerals into categories and mineral resources areas.

The Ministry of Natural Resources and Environment is responsible for basic geological surveys over the whole territory of the country as assigned by the government in coordination with other concerned sectors and local administrative authorities.

Article 12. (Revised) Mineral Classification

Minerals are classified into the following four categories:

1. Metallic Minerals include: Gold, silver, copper, zinc, iron, lead, tin and others;
2. Non-Metallic Minerals include: Diamond, precious stone, emerald, limestone, rock containing mineral, gypsum, decoration stone and other minerals;
3. Hydrocarbon Minerals include: Coal, crude oil, natural gas and other minerals;
4. Liquid Minerals include: Underground water in any form such as hot spring sources, mineral water sources, and others.

In these four categories of minerals there exist “Reserved” and “Restricted” Minerals which the State shall determine based on the proposals of the Ministry of Natural Resources and Environment.

Chapter 2

Mineral Resources

Article 13. Mineral Resources

Mineral resources are natural accumulations or occurrences of minerals on or under the surface of the ground in various forms, have specific properties and which can be prospected or explored.

Article 14. (Revised) Mineral Resources Areas

Mineral resource areas are divided into four areas as follows:

1. Areas licensed for mineral activities;
2. Reserved areas;
3. Restricted areas;
4. Toxic areas.

The State will agree concerning the determination of areas allowed for mineral activities, reserved areas, restricted areas, and toxic areas, including the reclassification of such areas based on the proposals of the Ministry of Natural Resources and Environment.

Article 15. Areas licensed for mineral activities

Areas licensed for mineral activities are mineral resource areas defined as priority areas for mineral activities business in accordance with defined conditions and standards.

If different sectors need to use the same area but have different objectives, the Government shall agree based upon a comparative study of the socio-economic benefits, socio-environmental impacts, and consistency with long term socio-economic development.

Article 16. Reserved Areas

Reserved areas are Mineral Resources Areas reserved for extraction of a specific mineral(s) or reserved for the development of an area of abundance of natural resources related to tourism.

Article 17. Restricted Areas

Restricted Areas are areas where no mineral activities are allowed including the following:

1. Dangerous areas include: areas where unexploded ordinances exist or areas with severe pollution;
2. Areas near or under buildings or public areas that have national importance including: archaeological and historic sites, areas [covered by] basic infrastructure, areas that are important for national defence and security, and areas that are not appropriate for mineral activities;
3. Forest conservation areas, biodiversity conservation areas, aquiferous animal sanctuaries, wildlife and upstream forest areas.

Article 18. Toxic Areas

A toxic area is a mineral resource area where there is poisonous or toxic contamination in the region such as: areas with arsenic mineral, mercury mineral and other.

**PART III
MINERAL ACTIVITIES**

Article 19. (Revised) Mineral Activities

Activities concerning minerals are as follow:

- 1) Prospecting;
- 2) Exploration;
- 3) Pre-Feasibility Study and Detailed Feasibility Study;
- 4) Mining;
- 5) Mineral processing, [including smelting and refining];
- 6) Selling and Buying [of minerals and mineral products];
- 7) Transportation of minerals and mineral products;
- 8) Rehabilitation and Mine Closure; and
- 9) Transfer of Mining Activities.

Article 20. Prospecting

Mineral prospecting refers to the study of data and information and field work to determine geological conditions of the area and occurrences of mineralization including evaluation of mineral data that aims to identify feasible areas for exploration.

Article 21. (Revised) Exploration

Mineral exploration refers to the study and evaluation of geological structures and mineral deposits within identified areas, and may include geological work, geophysics, drilling, tunnelling and adit, trenching, pitting, sampling, analysis and assay and other activities to learn about quantity and grade of any mineral deposits and to preliminarily assess the feasibility and technical conditions potential mining.

Article 22. (Revised) Pre-Feasibility Study and Detailed Feasibility Study

The term of a pre-feasibility study is one year and may be extended only one time not to exceed one additional year based on the consideration of the Ministry of Natural Resources and Environment.

A detailed feasibility study and report shall be completed prior to mining and is subject to the review of the Ministry of Energy and Mines along with:

A document certifying funding of the project,

An environmental Certificate issued by MONRE, documents certifying plans to use the land, timber, water, and materials in the mine development area, for the purpose of entering into the negotiation of an agreement on mining and minerals processing.

The terms and detailed steps regarding the review of documents mentioned above will be determined by regulation.

Article 23. (Revised) Mining

Mining is the extraction of minerals from the surface and underground by any process of topsoil and overburden removal, stripping, excavating, digging, drilling, pumping, blasting, concentrating, or storing of minerals.

The mining process is divided into two phases of work: construction and mining operations.

For the construction of a mine and mining operations, the techniques and technology shall be highly effective, meet modern standards and reduce the adverse impacts to the environment and society.

Article 24. (Revised) Mineral Processing

Mineral processing is the procedure or stage of production to upgrade the quality of minerals and to create [additional] economic value, for example by crushing, grinding, separating, refining, smelting, changing of form, cutting and polishing, or beneficiation of minerals into a commodity.

Article 25. Selling and Buying

Selling and buying refers to an agreement between mining investors with individuals or legal entities, both domestic and foreign, who desire to buy and take the minerals or concentrate for further processing into products or commodities.

The terms and conditions of selling and buying of concentrate shall be provided in accordance with the Contract Law and Tort Law.

Article 26. [Revised] Transportation of Concentrates and Minerals

Transportation of concentrates and minerals means the moving of concentrates and minerals from one location to another location within the country or overseas.

Transportation of concentrates and minerals shall be undertaken in accordance with this and other relevant laws and regulations including proper documentation for transport such as:

- identification of the transportation route,
- payment of any required [financial] obligations,
- weight measurements, and samples for inspection.

Article 27. (Revised) Rehabilitation and Mine Closure

After the completion of mineral activities in any area, the investor shall restore and rehabilitate impacted areas in accordance the applicable Environment Management Plan, such that the area can be used for further purposes or activities.

When mining activities are terminated, the mine should be closed and the licensed area(s), including any remaining operations should be returned [to the Government] as provided in Article 28 of this law.

Article 28. Handing over/Transfer of the Mining Operation

After the completion of rehabilitation and mine closure, the mining investor shall transfer the mining area including any data and information concerning geology and mineral deposits, equipment, vehicles and machinery, and other properties to the State in accordance to regulation without any compensation.

In the case that the State does not want to take [the remaining] property, the investor shall have the responsibility to dismantle and remove the operation [and restore the area pursuant to Article 27].

**PART IV
MINERAL BUSINESS**

Article 29. Forms of Investment in Mineral Business

Forms of investment for a mineral business include an individual enterprise, a Partnership or a Company as provided in Article 10 of the Enterprise Law.

Article 30. (Revised)Reconnaissance

An individual or legal entity who has the objective to undertake a mineral business shall apply for a reconnaissance permit for a specific mineral from the designated Natural Resources and Environment sector.

Work under a reconnaissance permit may be undertaken by desk study (ies) in the office and site visit(s) in order to study outcrops and possible mineralization, environmental circumstances, and to sample from the surface only for analysis.

Article 31. (Revised) Application and Renewal of Investment License

After reconnaissance work, and if there is sufficient data, domestic and foreign investors who wish to invest in minerals activities shall submit an investment application to the concerned sector for consideration in accordance to the process as provided in the Investment Promotion Law.

An investor who has the intention to renew an investment license shall comply with the procedure and condition as follows:

- 1) For renewal of an investment license, an investment license renewal proposal should be submitted ninety days before the end of the term of the contract;
- 2) Demonstrate that the company has fulfilled all financial obligations, obligations to local authority, and any other required obligations completely, lawfully and in compliance with investment contract signed with the government;
- 3) Implementation of contract has been conducted regularly and efficiently by having the certification of the assessment from other relevant sector and local authority where the project is located;
- 4) Work program for the continuation of project should be obtained an approval from relevant sector.

If there is no application for renewal, it will be considered that the investment license ceases of effectiveness automatically and the State will not compensate any damages and expenses.

Article 32. (Revised) Size of Mineral Deposits

The sizes of mineral deposits are divided into three scales:

- Large size;
- Medium size; or
- Small size.

The Government shall agree on the scale of mineral deposits based on the estimated reserves and types of minerals based on the proposal of the Ministry of Natural Resources and Environment.

Article 33. Types of Mineral Business

Mineral Business includes the following three types:

- 1) Business concerning the study of geology and mineral deposits data;
- 2) Mining Business; and
- 3) Business on Specific Categories of Minerals.

Chapter 1

Business on the Study of Geology and Mineral Deposit Data

Article 34. (Revised) Business Activities concerning the Study of Geology and Mineral Deposit Data

Business activities concerning the study of geology and mineral deposit data consists of prospecting, mineral exploration and pre-feasibility studies.

The stages of prospecting, exploration and pre-feasibility studies are under the management of the Ministry of Natural Resources and Environment.

Article 35. (Revised) Conditions for Investors on Prospecting and Mineral Exploration

The basic conditions for investors to undertake prospecting and mineral exploration are as follows: The company shall

- 1) be established and registered with a properly declared business purpose to undertake mineral activities and business;
- 2) demonstrate sound financial status, have other sufficient financial sources to undertake its work plan, and provide a registered security interest or guarantee against appropriate collateral in accordance to the regulations;
- 3) Has a sound and reliable background in the mineral business;
- 4) Has sufficient technical staff and experience in prospecting and mineral exploration.

In addition, the investor shall submit a plan that includes the proposed area, a prospecting and mineral exploration work program, minimum expenditures, and a preliminary environmental and social impact assessment report.

In addition, for an application for mineral exploration, the investor shall submit a report on the results of its mineral prospecting in the area that is proposed for mineral exploration.

During the prospecting phase, it is prohibited to enter into new joint investment arrangements, to transfer, buy or sell a concession right. During the exploration phase, the license holder may seek joint venture partners, but must disclose this information and obtain the approval of the government.

Article 36. (Revised) Time for Consideration of Application and Term of License concerning Mineral Prospecting and Exploration

An application for mineral prospecting or exploration shall be considered within ninety days from the date the complete document is received. The applicant shall be notified of the result of consideration in writing.

The term for a mineral prospecting license shall not exceed two years from the date the prospecting contract is signed, and can be extended for an additional term of one year.

The term for a mineral exploration license shall not exceed three years from the date the exploration contract is signed, and can be extended for an additional term not to exceed two years.

Conditions for extension of the term of a license for mineral prospecting and exploration are the following:

- 1) Valid agreements and relevant licenses such as: an investment license, enterprise registration, and tax registration;
- 2) Proposal for the extension of license shall be submitted three months prior to the expiry of the license;
- 3) Company has fulfilled all its financial obligations, obligations to local authority and any other obligations in accordance with the Laws and contracts signed with Government;
- 4) Submission of a report on the results of the prospecting or exploration work in the whole concession area and have completed a minimum of at least sixty per cent of the approved work program;
- 5) Submission of a work program for the continuation of prospecting or exploration activities that has been approved by the Ministry of Natural Resources and Environment;

If there no application for renewal, the license shall be automatically terminated. A proposal to provide a presentation of report after the date of expiry will not be considered and the State will not compensate any damages and expenses.

Article 37. (Revised) Area granted for Mineral Prospecting and Exploration

An Enterprise or a Company may undertake mineral prospecting in one block and the block area shall not exceed three hundred square kilometres and an extension of the area is not permitted. Subsequently an area granted for mineral exploration shall be based on the results of the mineral prospecting work already undertaken.

For an area where prospecting work already has been undertaken and geological data already exists, an Enterprise or Company may directly apply to undertake mineral exploration, but the area shall not exceed three hundred square kilometres.

Conditions, standards and systems for licensing of mineral prospecting and exploration shall be subject to specific regulations.

Article 38. (Revised) Relinquishment of Mineral Prospecting and Exploration Area

After the completion of mineral prospecting and exploration, the investors shall relinquish areas deemed uneconomic back to the Government together with any geological and mineral deposit data.

A mineral prospecting and exploration area shall be relinquished under the following circumstances:

- 1) The license is revoked due to a [severe] material breach of contract or severe violation of laws or regulations;
- 2) Expiry of the license for mineral prospecting and/or exploration;
- 3) The license holder no longer needs to use the mineral prospecting and/or exploration areas; or
- 4) When the license holder causes severe negative impacts to the environment or causes severe social problems.

The relinquishment of a mineral prospecting and exploration area will not receive any compensation, expenses or be replaced with a new area.

Article 39. (Revised) Sending Samples for Analysis

An investor [with a mineral prospecting or exploration license] who intends to send mineral samples for analysis within the country or overseas shall obtain authorization from the Ministry of Natural Resources and Environment.

The license holder shall split the mineral samples that will be sent for analysis to the Ministry of Natural Resources and Environment for storage or comparative analysis. After completion of the analysis, the license holder shall submit a summary report on the results to the Ministry of Natural Resources and Environment.

The quantity, volume and weight of samples that will be sent for analysis are determined in prospecting and exploration work plan which approved and in accordance with specific regulation.

**Chapter 2
Mining Business**

Article 40. (Revised) Mining Business

“Mining business” includes activities as stipulated in Article 19 of this law, except prospecting, exploration and pre-feasibilities.

After expiry of a concession license for mineral prospecting and exploration, if the investor intends to undertake mining business, a detailed feasibility study must be undertaken in order to demonstrate that the mining of the mineral deposit is economically and technically feasible, and, along with an environmental and social impact assessment. These shall be, submitted with an application for a mining license from the government. Approval of a mining license by the government shall be based on the proposal of concerned sectors. For Large Scale Mining, the National Assembly will consider the project based on the proposal of the government.

In the case that an investor can not complete a detailed feasibility study due to circumstances such as the impact from the price of mineral commodities; it may retain the area for a term of two years. In the case that an investor does not wish to conduct a detailed feasibility study, it shall notify the government in writing within thirty days from the date of the completion of the mineral exploration, submit all data which the investor has gathered while undertaking prospecting and exploration work and relinquish the concession to government without any compensation.

Article 41. (Revised) Conditions of Investor in Mining Business

In addition to the basic conditions as stipulated in Article 35 (1) (2) and (3) of this law, the investor intending to conduct mining business shall have sufficient technical staff and experience in mining.

Moreover, the investor shall have:

- 1) Data and results from the prospecting, exploration and pre-feasibility study in accordance with Article 22 of this law;
- 2) A mining work program, processing program and sound detailed Feasibility Study approved by the Ministry of Energy and Mines in accordance with Article 22 of this law.

Article 42. (Revised) Acceptance of a Pre- and Detailed Feasibility Study Reports

The Ministry of Natural Resources and Environment shall consider for acceptance the report on the results on the pre-feasibility study not later than one hundred and twenty days from the date when it received such report.

In the case that the [pre-feasibility] report is accepted, the Ministry of Natural Resources and Environment shall propose to the government for consideration through the Ministry of Planning and Investment.

The Ministry of Energy and Mines shall consider and approve the detailed feasibility study and mining work program.

In the case that such documents are accepted, the Ministry of Energy and Mines shall propose to the government for consideration through the Ministry of Planning and Investment.

Article 43. (Revised) Sending Mineral Samples to Select Technology for Designing Plant

The license holder undertaking mining business can send mineral samples within the country or overseas for testing in order to select appropriate technology to design a plant with the approval from the Ministry of Energy and Mines in coordination with the Ministry of Natural Resources and Environment.

The products received from the testing of mineral samples [under this Article] may be sold with the consent of the Ministry of Energy and Mines in coordination with the Ministry of Natural Resources and Environment.

Article 44. Mining

Mining business activities shall be carried out as provided in Article 23 of this law.

The term of a mining license shall not exceed twenty years from the date the mining license is issued and can be extended [for a term] not to exceed five years as agreed by the State on a case by case basis depending on the scale of the mine.

Article 45. Mineral Processing

A Mining operation shall be related with mineral processing within the country in principal to upgrade mineral values by using modern and advanced techniques and technology to produce semi final or final products depending on the type of mineral in order to supply commodity within the country and for export in accordance with mineral policy of each period.

Article 46. Another Business related to Mining

Mineral processing, buying and selling of mineral products, removal, rehabilitation and mine closure shall be carried out as provided in Articles 24, 25, 26 and 27 of this law.

Article 47. Transformation of Enterprise or Investment Company

In the case that an investor in Mining Business intends, or it becomes necessary, to transform the Enterprise or Company to be another type of enterprise or company, it may apply to the Government for consideration, accordance with article 211 and 220 of the Enterprise Law.

Acceptance or refusal of the transformation of the enterprise or investment company engaged in mining business shall be given by the government. It will notify the Enterprise in writing within ninety days from the date of receipt of such proposal.

Article 48. Steering Committee on Large Mining Project

A Steering Committee on Large Scale Mining Projects is established to ensure the implementation of the contract and to ensure correct and effective compliance. The Government shall appoint members of the Steering Committee, to consist of:

- 1) Vice Minister of the Ministry of Energy and Mines as Chairman;
- 2) Concerned Vice Governor or Vice Mayor as Vice-Chairman; and
- 3) Representatives of concerned sector as members.

The organization, activities, rights and duties of the Steering Committee, for Large Scale Projects shall be provided in specific regulations.

Chapter 3
Business related to Special Categories of Minerals

Article 49. Business related to Special Categories of Minerals

Business related to special categories of minerals is not required to follow the steps of prospecting and exploration, [as prescribed elsewhere in the law], in the operation of its mining business.

Article 50. Types of Business related to Special Categories of Minerals

Types of business related to special categories of minerals are as follows:

- 1) Artisanal mining;
- 2) Small-scale mining; and
- 3) Extraction of industrial minerals and rocks.

Article 51. Artisanal Mining

Artisanal mining operated as a business means mineral extraction activity by using primitive tools, mechanized equipment with fewer than five horse power and no more than ten workers.

For an Artisanal mining operation that is a non-permanent type of operation, done seasonally, only using primitive tools for excavation, and using no mechanized equipment, shall be allowed and shall not be regarded as a business.

Artisanal mining shall be permitted only for Lao citizens residing in the concerned community.

Minerals allowed for artisanal mining are alluvial gold, alluvial tin and tailings.

Article 52. Small -scale Mining

Small-scale mining means stripping of top soil and overburden, digging, drilling, blasting, and sorting of minerals from the surface, underground or underwater where it is not appropriate for industrial mining, within an area not to exceed ten hectares.

Small- scale mining shall be permitted only for Lao entities.

Types of minerals and mineral reserves which are permitted for small-scale mining shall be provided in specific regulations.

Article 53. Extraction of Industrial Minerals and Rocks

Industrial minerals and rocks are non-metallic minerals including limestone, marble, silicate sand, sulphur, phosphates, basalt, granite, kaolin, barite, laterite, andesite, adobe, gabbro, serpentine, alunite, dolomite, feldspar, graphite, mica and pagodite.

Exploitation of industrial minerals and stones includes extraction by excavation, drilling, cutting, and blasting.

Article 54. (Revised) Granting of Industrial Minerals and Rocks Exploitation Permit

Based on the proposal of the Energy and Mines Sector [Provincial Energy and Mines Department] in coordination with other concerned government sectors [all Provincial Department], Governor of the province, Major of the City has the authority to grant an area for the exploitation of industrial minerals and rocks for an area not more than five hectares for one block with a term of five years.

An investor in the extraction of industrial minerals and rocks must contribute to local infrastructure by the repair of bridges, Roads, and establishing weight scales and other.

The exploitation of industrial minerals and rocks is permitted only to be undertaken only by Lao legal entities.

Article 55. Extraction of Precious Stones as Artisanal Mining Type

The extraction of precious stones as an artisanal mining type shall be carried out in accordance with the provisions on artisanal mining as provided in Article 52 of this law.

Article 56. Extraction of Precious Stones as Small-scale Mining

Small -scale mining for precious stones means stripping of topsoil and overburden, excavating and sorting of precious stones from the surface, underground or underwater by using mechanized equipment in compliance with regulations, using not more than ten workers, within an area of not more than half hectare and with the term of one year, and can be renewable on a yearly basis subject to the decision of the Energy and Mines sector.

The extraction of precious stones as Small-scale mining shall be permitted only to a Lao legal entity.

**PART V
SAFETY AND ENVIRONMENT**

**Chapter 1
Safety**

Article 57. Occupational Safety and Health

An investor in mining business shall be required to develop a system to ensure safety and to protect the health of labour by identifying risks and measures to address these risks and by establishing a warning system to prevent, control, eliminate, or minimize the impacts and risks that are dangerous to mining labour in the mine area.

All activities concerning minerals shall institute a mine safety and labour health committee which consists of the participation of employees' representative in accordance with the Labour Law.

An investor in mining business shall cooperate with and facilitate the committee's operations and duties.

Article 58. (Revised) Measures ensuring Occupational Safety and Health

In order to ensure occupational safety and health, an investor concerned with mineral business shall implement main measures as follows:

- 1) establish rules and measures for occupational safety and health by providing health checkups for labour at least once per year;
- 2) design exploitation operations, construct and install adequate machinery and equipment to meet relevant safety and technical standards;
- 3) use techniques and technology effective to protect against pollution and to supply safety equipment and uniforms for worker;
- 4) have a safe place or warehouse for the storage of explosive and chemical substances;
- 5) install an alarm system to deal with emergencies and accidents;
- 6) regularly report on safety and health of labour including relevant statistics.

Article 59. Report on Accidents

An accident or other occurrence impacting safety related to 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 local authorities, surrounding people, and other relevant agencies and to respond in a timely fashion to protect health and safety and provide remediation measures.

Chapter 2
Environment and Sustainable Development

Article 60. Environment and Social Protection

In order to avoid or minimize negative environment and social impacts, investors in mineral activities must undertake the following:

- 1) Create a plan for the management of the environment and a plan of resettlement for 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) Contribute to the Environmental Protection Fund for the project;
- 5) Treat waste from the mine [Mine waste , tailings] in order to ensure the health, safety and life of people, animals and the environment;
- 6) Regularly [analyze,] summarize and report on the assessment of social and environmental impacts to the concerned mineral management/monitoring and inspection organizations.

Article 61. Sustainable Development

In order to ensure sustainable development in the mining and/minerals sector, investors undertaking mineral business must comply with the following practices:

- 1) Exploitation must be consistent with the National Socio-Economic Development Plan and consistent with the government's Strategic Plan for the Development of the Mining Industry and Development Plan, and Plan on Integrated Land Use;
- 2) Ensure a balance between mining and socio-economic development activities, as well as natural resource conservation and environmental protection; and,
- 3) 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 aiming to create gradual economic development.

PART VI
RIGHTS, DUTIES AND OBLIGATIONS OF THE MINERALS BUSINESS
OPERATORS

Chapter 1
Rights, Duties and Obligations of the Business Operators
related to the Study of Geology and Mineral Deposit Data

Article 62. (Revised) Rights, and Duties of the Business Operators related to the Study of Geology and Mineral Deposit Data

A business operator undertaking activities related to the study of geology and mineral deposit data has the following rights and duties:

- 1) To start their business operation within sixty days after the date of receiving a mineral prospecting or exploration license;
- 2) To provide relevant information to the Natural Resources and Environment sector within thirty days after the discovery of minerals other than those that are indicated in their prospecting or exploration license and such information must be kept confidential;
- 3) To ensure safety during the operation of mineral prospecting or exploration;
- 4) To report any situation, such as an accident or event that is considered a threat or a threat of damage to individuals, legal entity or organizations, the natural environment or society;
- 5) To obtain relevant facilitation including access to or to pass over the land or area of individuals, legal entities or organizations to access their concession area, through coordination with local administration and the owners of land use rights;
- 6) To transform the initial form of enterprise or company to a new form according to regulations;
- 7) To summarize and report progress on the prospecting or exploration work program to the Natural Resources and Environment sector and other concerned sectors on a monthly, quarterly, six months, nine months and annual basis to the Natural Resources and Environment sector and other concerned government sectors.

Article 63. Obligations of Business Operators related to the Study of Geological and Mineral Deposit Data

A business operator undertaking activities related to the study of geological and mineral deposit data have the following obligations:

- 1) To cooperate with the local authority where the operation is located and to undertake prospecting and exploration in accordance with the approved prospecting and exploration work plans, environmental management plan and the socio-economic development plan;
- 2) To maintain documents related to the prospecting and exploration work. For instance, fieldwork records and notebooks, sampling, testing/assaying, analysis, and measures undertaken for environmental protection and social development;
- 3) To remove structures, temporary fixtures, camp and equipment used for prospecting and exploration within thirty days after the license is terminated, except when the State wishes to use such things;
- 4) To rehabilitate the land which has been affected from the prospecting and exploration work into usable condition such as: restoration, rehabilitation, filling, covering,

- improvement of land, cleaning up chemical waste, and replanting of trees in accordance with the concerned laws and regulations;
- 5) To pay land concession fee, tax and duty, charges and technical service fee, contribute to the Environmental Protection Fund; direct contributions to community development, human resources development, project management and sustainable development of the mineral area.
 - 6) To exercise the rights and perform other duties as provided in the laws and regulations.

Chapter 2

Rights, Duties and Obligations of Mining Business Operator

Article 64. Rights and Duties of Mining Business Operator

A mining business operator has the following rights and duties:

- 1) To construct or install necessary fixtures, equipment, plant and buildings for the purposes of mining, transportation, processing, analyzing, washing, smelting and storing;
- 2) To have ownership of assets obtained from the mining business operations;
- 3) To dispose of any mineral products from mining activities in compliance with regulations;
- 4) To receive the protection of its rights and fair benefits in compliance with the law;
- 5) Protection against disclosure of its confidential data and information concerning the operation of business and scientific and technology patents from disclosure to other individuals or entities, with the exception of disclosure to the State only;
- 6) To transfer its initial form of the enterprise or company to another form in accordance to the regulations;
- 7) To conduct such other activities which are reasonably related to the mining operations with consent from the government;
- 8) To propose to suspend the operation temporarily to the Energy and Mines sector when there is a force majeure event causing the failure of the operation;
- 9) To obtain relevant facilitation to obtain, for example: access or pass-through the land area of individuals or organizations to access their concession area through coordination with local administration and the owners of land use rights; and
- 10) To exercise the rights and perform other duties as provided in the laws and regulations.

Article 65. Obligations of Mining Business Operator

Obligations of the mining business operator are:

- 1) To undertake mining in accordance with the approved work plan;
- 2) To cooperate and to facilitate the work of the concerned state inspection officer of mining work;
- 3) To use as much as possible: local or domestic goods; transportation services of domestic transportation enterprises or companies; local labour who are Lao citizens in all areas of work based on their capacity' effective anti-pollution techniques and technology; to supply tools, equipment and facilities to ensure the safety and health to workers, and to provide social welfare and other policy to labour;
- 4) To use and build the capacity of the Lao workforce by transferring skills and technology to Lao technical staff both in the short term and long term to replace the importation of workforce from abroad;
- 5) To compensate for the removal of land and agricultural products and to provide an appropriate place for the livelihood of people affected by the mining operation;

- 6) To maintain records on technical data with regard to samples, drawings, maps, as well as data on mining operations, interpretations, the accounting system and assets in the field;
- 7) To treat waste water, limit air pollution, dust, noise and properly dispose of remaining chemical substances, to treat and deposit landfill wastes in conformity with the environmental protection plan;
- 8) To timely report to the relevant Energy and Mines sector on serious accidents or events that have happened or are foreseen as likely to happen; to summarize and report information to the Energy and Mines sector on the results from exploration, mining and processing, including performance of operations as well as accounting records on a monthly, quarterly, and annual basis;
- 9) To pay land concession fee, royalty, tax and duty , charges and technical service fee, contribute to Environmental Protection Fund; direct contributions to community development , human resources development, project management and sustainable development of the mineral area;
- 10) To perform other obligations as provided in the laws and regulations.

Chapter 3

Rights, Duties and Obligations of the Business Operator related to Special Categories of Minerals

Article 66. Rights and Duties of the of the Business Operator related to Special Categories of Minerals

The business operator related to special categories of Minerals has the following rights and duties:

- 1) To conduct mining activities for special categories of mineral within the permitted area in conformity with sound practice for mining, socio-economic development and environmental protection;
- 2) To process, buy and sell special categories of minerals in compliance with regulations;
- 3) To obtain relevant facilitation to access or pass-through the land area of individuals or organizations to access their concession area through coordination with local administration and the owners of land use rights;
- 4) To submit summary reports to the relevant Energy and Mines sector, on a monthly, quarterly, semi-annual, and annual basis concerning mineral production, costs, the disposal of mineral products, and the number of permanent workers.

Article 67. (Revised) Obligations of the Business Operator related to Special Categories of Mineral

Obligations of the business operator related to special categories of mineral are:

- 1) To undertake mining in accordance with the approved plan of work;
- 2) To cooperate and to facilitate the concerned state inspection officer of mining work;
- 3) To use effective anti-pollution technology and to provide tools, equipment and facilities to ensure the safety and health of workers;
- 4) To compensate for the removal of land and agricultural products, manage resettlement and to provide an appropriate place for the livelihood of people affected by the business operation related to special categories of minerals;
- 5) To cleanup various roads where transportation of industrial minerals take places, cleanup construction soil and rock,, store and dispose of wastes into landfill in conformity with the environmental protection plan;
- 6) To timely report to the relevant Energy and Mines sector on accidents, incidents or events that happened or are foreseen as likely to happen; to summarize and report on

various information to the Energy and Mines sector on the results from exploration, mining and processing, including performance of operations as well as accounting records on a monthly, quarterly, and annual basis;

- 7) To pay land concession fee, royalty, tax and duty, charges and technical service fee, contribute to Environmental Protection Fund; direct contributions for community development, human resources development, project management and sustainable development of the mineral area.
- 8) To perform other obligations as provided in the laws and regulations.

Article 68. (Revised) Service Provision and Fiscal Obligations of Mineral Business Operators

In addition to the implementation of its own Mineral Business, the operator may also provide other services regarding mineral activities as follows:

- 1) Services for mapping survey;
- 2) Services for geophysical survey;
- 3) Services for drilling;
- 4) Services for mining;
- 5) Services for analysis;
- 6) Services for mining consulting;
- 7) Services for processing or buying-selling and other services related to minerals.

An operator that receives income from any services as mentioned above shall fulfil fiscal obligations in accordance with relevant law and regulation.

PART VII GOVERNMENT'S SHARE

Article 69. Equity Participation by the Government

After the investor has completed exploration and presented a detailed feasibility study report, the Government has the right to undertake an equity share in such mineral business.

Article 70. Notice of Equity Participation by the Government

Government shall notify the mining business investor of its intent to participate, or not to participate, in the equity share no later than one hundred and twenty days after the date the detailed feasibility study report is received from the investor.

Article 71. (Revised) Payment of Share by Government

After the government notifies the mining business investor of its intent to participate in the equity share, it shall pay the corresponding amount in the following forms: in-cash method or advanced by investor then repayment by application against dividends payable to the government or in another form according to the agreement.

Government can turn minerals deposits into capital to use in its equity participation.

Article 72. Representative of the Government

Government has the right to appoint its representative to sit on the board of directors of the enterprise or company in which it holds the equity share according to regulations.

PART VIII PROHIBITIONS

Article 73. Prohibitions for Staff and Mining Inspector

The following conduct is prohibited for staff and mining inspectors:

- 1) To abuse duties and position and to receive bribes for their own benefit;
- 2) To over use the rights and duties that cause loss to the benefits of the State, collectives, or people's fair rights and benefits;
- 3) To abandon their duty or fail their responsibility for assigned tasks;
- 4) To disclose State and Government secrets or confidential business trade and techniques related to minerals. To falsify documents such as signature, seal, account, and data of activities related to minerals;
- 5) To participate in mineral business operations or to allow a family member to take an operation or to participate in such business;
- 6) To move, change or destroy boundary markers of a concession area without permission;
- 7) To use violence, intimidation, threats or other illegal measures; or
- 8) Other prohibited behaviours as provided in laws and regulations.

Article 74. Prohibitions for Investors

The following conduct and activities are prohibited for domestic and foreign investors:

- 1) To carry out prospecting, exploration, mining, processing or selling and buying of minerals without licenses;
- 2) To undertake prospecting, exploration, mining and processing out of the approved work program, or to undertake mineral business operation outside the licensed areas;
- 3) To encroach or damage mineral deposits or mines;
- 4) To move, change or destroy boundary marking signs or stakes of licensed areas;
- 5) To import expatriate labour, vehicles, machinery and equipment for a mineral business operation without permission;
- 6) To undertake mining, selling and buying, moving or transporting of restricted minerals;
- 7) To remove minerals exceeding the weight, quantity, size, or not in compliance with the proper documentation;
- 8) To use a license as security, share contribution or in-kind investment or to loan, lease, transfer, pledge or sell a license without approval;
- 9) To offer a commission or bribe to a government officer, mining inspector or local people; or to offer bribes to the public to encroach, mine or pan for minerals by using different methods;
- 10) To destroy, defraud, conceal or sell mineral samples, or to sample without approval;
- 11) To use violence or to refer to an official's name to intimidate mining staff, mining inspectors or local people;
- 12) Make false reports or to falsify documents or seals related to minerals;
- 13) Other prohibited behaviours as provided in laws and regulations.

Article 75. Prohibitions for People

It is prohibited for people to conduct the following activities:

- 1) To destroy a mineral deposit by encroachment, mining, mineral panning or undertaking other illegal actions without license or permission;
- 2) To undertake mining, trading, removing or recovering minerals without approval;

- 3) To collude with an investor, staff or mining inspector in undertaking illegal mining, encroachment or destroying mineral resources or mines;
- 4) To falsify documents or seals related to minerals;
- 5) To use violence or to refer to other person's name to intimidate staff, mining inspectors or investors;
- 6) To conceal or destroy minerals or to illegally sell mineral samples; or
- 7) Other prohibited behaviours as provided in laws and regulations.

PART IX

DISPUTE SETTLEMENT

Article 76. Forms of Dispute Settlement

Dispute settlement may be conducted in the following forms:

- 1) Mediation or conciliation;
- 2) Administrative settlement;
- 3) Settlement by the Committee for Economic Settlement; or
- 4) Judgment of the People's Court.

Article 77. Mediation or Conciliation

When a dispute occurs between a [third-party] business operation and a mineral business operation, the concerned parties may negotiate or conciliate their dispute to reach amicable agreement.

Article 78. Administrative Settlement

The minerals management and inspection organizations, in coordination with concerned sectors and local administration at the same levels, shall settle disputes related to administrative matters such as undertaking of a mineral business operation without a license, undertaking a mineral business operation that is not consistent with the work plan, or non fulfilment of tax or fee obligations in accordance with the law. If the mineral business operators are not satisfied with the decision, such persons may take the dispute to the next higher level for settlement.

Article 79. Settlement by the Committee for Economic Settlement

If the dispute cannot be settled by administrative settlement, a mineral business operator may present the dispute to the Committee for Economic Settlement for mediation or arbitration in accordance with laws.

Article 80. Judgment by People's Court

A dispute related to a [third party] business operation and a mineral business operation that cannot be settled by the above methods, the disputants may submit the dispute to the People's Court for judgment in accordance with laws and regulations.

Article 81. Dispute Settlement that has International Component

A dispute related to a [third party] business operation and a mineral business between domestic and foreign investors or between foreign investors in the Lao PDR or between a foreign investor with the Government shall use domestic dispute resolution methods or international methods based upon the agreement of the parties.

PART X
MANAGEMENT, MONITORING AND INSPECTION
OF MINERAL AND MINING ACTIVITIES

Chapter 1
Management of Mineral and Mining Activities

Article 82. Mineral Activity Management Organization

The Government centrally and uniformly manages minerals activities nationwide and designates the Ministry of Natural Resources and Environment to have the responsibility for minerals prospecting and exploration activities and the Ministry of Energy and Mines to have the responsibility for the mining industry and to act as a focal agencies to coordinate with other relevant agencies such as: the Planning and Investment sector, Industry and Trade sector and concerned local authorities.

Mineral activities management organizations and authorities shall include:

- 1) Ministry of Natural Resources and Environment and Ministry of Energy and Mines;
- 2) Provincial and City Natural Resources and Environment and Energy and Mines Departments; and
- 3) District and Municipality Natural Resources and Environment and Energy and Mines Offices.

Article 83. (Revised) Rights and Duties of the Ministry of Natural Resources and Environment and the Ministry of Energy and Mines

A. Rights and Duties of the Ministry of Natural Resources

For the management of minerals prospecting and exploration activities, the Ministry of Natural Resources and Environment has the following rights and duties:

- 1) To undertake study and research; to develop the strategy plan, policy plan, laws and regulation; to elaborate policy directives into work programs and plans; to detail projects regarding prospecting, exploration and pre-feasibility studies; and, to submit to government for approval;
- 2) To conduct prospecting, basic exploration, planning and elaborate and organize the management of mineral resources nationwide;
- 3) To disseminate, provide guidelines, and to monitor the implementation of the Law on Minerals specifically for the prospecting, exploration and pre-feasibility study stages the environmental and social management plan; and the conditions for environmental licenses;
- 4) To conduct scientific, technical, and technological research; to establish a network of statistics and information centres concerning minerals prospecting and exploration;
- 5) To establish the Committee for the Evaluation and Approval of Minerals Reserves;
- 6) To participate in the negotiation and the signing of investment agreements on minerals prospecting and exploration as assigned by the Government;
- 7) To issue and extend licenses for prospecting, exploration and permits to undertake pre-feasibility studies to investors;
- 8) To consider the suspension, withdrawal or cancellation of a prospecting or exploration license or permit to undertake a pre- feasibility study by an investor that violated laws and regulations;
- 9) To propose to the Government for consideration of suspension or cancellation of an agreement on prospecting or exploration that an investor violated;
- 10) To manage and monitor prospecting, exploration and pre-feasibility studies;

- 11) To build, train and upgrade geological and minerals skills to staff;
- 12) To provide technical certificates for the export of samples for analysis in accordance with regulations;
- 13) To issue mineral bulletins on minerals activities and to register mineral prospecting and exploration areas;
- 14) To coordinate with other concerned sectors and concerned local authorities to protect, promote, and monitor mineral operations and to deal with mineral activities dispute settlement;
- 15) To contact and cooperate with foreign countries and international organizations in mineral activities;
- 16) To regularly summarize and report on the result of the implementation of the management of mineral activities to the Government; and
- 17) To exercise the rights and perform other duties as provided in the laws and regulations.

B. Rights and Duties of the Ministry of Energy and Mines

For the management of the mining industry, the Ministry of Energy and Mines has the following rights and duties:

- 1) To undertake study and research; to develop the strategy plan, policy plan, laws and regulation; to elaborate the policy directions into work programs and plans; and detail projects to allow mining development in a sustainable way; and submit to government for approval;
- 2) To study and issue regulations concerning the management of the mining industry;
- 3) To disseminate, provide guidelines and monitor and inspect the implementation of law and regulation related to minerals;
- 4) To conduct scientific, technical and technological research and to establish a network of statistics and information centres concerning the mining industry;
- 5) To establish a Committee to study and consider the acceptance and approval of detailed feasibility study reports;
- 6) To study benefit sharing of the State from the mining industry and to propose to the Government for consideration; and to monitor the implementation of obligations of investors in coordination with other relevant sectors;
- 7) To participate in the negotiation and signing of agreements on mining [and] development as assigned by the Government;
- 8) To issue and extend licenses for mining, processing and smelting plants, and certificates for buying, selling and transportation of concentrates;
- 9) To coordinate with other concerned sectors and concerned local authorities to study and monitor the performance of financial obligations by investors;
- 10) To consider the suspension, withdrawal or cancellation of a license for mining, processing and smelting plants, certificates for buying, selling and transportation of concentrates which violated laws and regulations;
- 11) To propose to the Government for consideration to suspend or cancel a mining concession agreement which an investor has violated;
- 12) To manage and monitor mining, mineral processing, smelting [refining], and the buying and selling of concentrates;
- 13) To build, train and upgrade mining industry skills to staff and workers;
- 14) To provide technical certificates for the export and import of minerals, vehicles, machines, and equipment for the use in the mining industry, including issuing permits for the sending of samples to select a technology to design a plant;
- 15) To issue [mining] bulletins and administer the registration of mining areas;
- 16) To coordinate with other concerned sectors and concerned local authorities to protect,

- promote and monitor operations and to deal with dispute settlement in mining operations;
- 17) To contact and cooperate with foreign countries and international organizations regarding the mining industry;
 - 18) To regularly summarize and report on the result of the implementation of management of the mining industry to the Government; and,
 - 19) To exercise the rights and perform other duties as provided in the laws and regulations.

Article 84. (Revised) Rights and Duties of the Provincial/City Level Departments of Natural Resources and Environment and Energy and Mines

A. Rights and Duties of the Provincial/City Level Departments of Natural Resources and Environment

For the monitoring of prospecting and exploration activities, the provincial/city department of Natural resources and Environment shall have the following rights and duties:

- 1) To elaborate and implement the strategic plan, decision, orders, notices, advice and regulations of the Ministry of Natural resources and Environment Provincial, Capital City Authority regarding the management and protection of mineral resources;
- 2) To disseminate the laws and regulations related to minerals;
- 3) To maintain a list of mineral resources under its responsibility and to give guidelines, support, and monitor and evaluate the work performance of the district and municipality office on Natural Resources and Environment;
- 4) To study and provide technical comments on mineral activities and then to propose to the Ministry of Natural Resources and Environment and Provincial/City Administration Authority for consideration;
- 5) To monitor and assess the mineral operation activities and businesses on mineral prospecting and exploration including the use of the Community Development Fund under its responsibility;
- 6) To coordinate with other relevant sectors and concerned local administrative authorities to promote and manage mineral resources and to monitor business operations regarding prospecting and exploration activities;
- 7) To certify the implementation of works related to mineral prospecting and exploration activities and then to report to the Ministry of Natural Resources and Environment and Provincial/City Administration Authority;
- 8) To contact and cooperate with foreign countries and international organizations regarding mineral prospecting and exploration activities as assigned by the high level authority;
- 9) To regularly summarize and report the result of the implementation of mineral prospecting and exploration activities to the Ministry of Natural Resources and Environment and Provincial/City Administration Authority; and
- 10) To exercise the rights and perform other duties as provided in the laws and regulations.

B. Rights and Duties of the Provincial/Capital City Level Departments of Energy and Mines

For the monitoring of minerals activities, the provincial/Capital City department of Energy and Mines shall have the following rights and duties:

- 1) To elaborate and implement the strategic plan, decision, orders, notices, advice and regulations of the Ministry of Energy and Mines, Provincial/Capital City authority regarding the management and use of minerals;
- 2) To disseminate laws and regulations related to minerals;

- 3) To maintain a list of active mining operations under its responsibility and to give guidelines and support and to monitor and evaluate the work performance of the district and municipality office on Energy and Mines;
- 4) To study and provide technical comments on mining operations and then to propose to the Ministry of Energy and Mines and Provincial/Capital City Administration Authority for consideration;
- 5) To issue and extend licenses on Special Categories of Mineral Business in accordance to regulation;
- 6) To propose to the Ministry of Energy and Mines for consideration to suspend or cancel business operations of Special Categories of Minerals;
- 7) To monitor and assess mining and business operations including the use of the Community Development Fund under its responsibility;
- 8) To coordinate with other relevant sectors and concerned local administrative authorities to promote, manage and monitor mining business operations;
- 9) To certify the implementation of works related to the mining industry and then to report to the Ministry of Energy and Mines and Provincial/ City Administration Authority;
- 10) To contact and cooperate with foreign countries and international organizations regarding mining industry as assigned by high level authority;
- 11) To regularly summarize and report on the result of the implementation of mining industry to the Ministry of Energy and Mines and Provincial/ City Administration Authority;
- 12) To exercise the rights and perform other duties as provided in the laws and regulations.

Article 85. (Revised) Rights and Duties of the District and Municipality Level of the Natural Resources and Environment and Energy and Mines Office

A. Rights and Duties of the District and Municipality Level of the Natural Resources and Environment Office

For monitoring of mineral prospecting and exploration, the District and Municipality Natural Resources and Environment Office shall have the following rights and duties:

- 1) To implement work programs, plans, projects, decisions, orders, notifications, and guidelines regarding the management of natural resources and mineral prospecting and exploration activities;
- 2) To disseminate mineral laws and regulations;
- 3) To coordinate with other relevant sectors and concerned local administrative authorities to facilitate mineral business operations on prospecting and exploration activities, including to monitor the activities related to minerals prospecting and exploration under its responsibility;
- 4) To regularly summarize and report on the implementation of mineral prospecting and exploration activities under its responsibility to the District and Municipality Natural Resources and Environment Department and District and Municipality Administration Authority;
- 5) To exercise the rights and perform other duties as provided in the laws and regulations.

B. Rights and Duties of the District and Municipality Level Energy and Mines Office

For the monitoring of the mining industry, the District and Municipality Energy and Mines Office shall have the following rights and duties:

- 1) To implement work programs, plans, projects, decisions, orders, notifications, and guidelines related to the mining industry;
- 2) To disseminate mineral laws and regulations;

- 3) To issue permits and register artisanal mining and precious stone extraction for artisanal mining which is not business based on the approval from the District and Municipality Energy and Mines Department;
- 4) To consider the suspension, withdrawal or cancellation of licenses for artisanal mining, and to register artisanal mining and precious stone extraction for artisanal mining which is not business based on the approval from the District and Municipality Energy and Mines Department;
- 5) To coordinate with other relevant sectors and concerned local administrative authorities in order to facilitate the mining industry including to monitor the activities related to the mining industry under its responsibility;
- 6) To regularly summarize and report on the implementation of the mining industry under its responsibility to the District and Municipality Energy and Mines Department and District and Municipality Administration Authority;
- 7) To exercise the rights and perform other duties as provided in the laws and regulations.

Article 86. Rights and Duties of other Sectors and Organizations

The relevant sectors and organizations shall have the right and duty to manage, protect minerals and mineral resources in accordance with their roles.

Local administrative authorities shall have the responsibility to manage and monitor mineral business operations, to ensure rights and benefits of all ethnic communities who reside in the minerals areas, to protect natural resources, to consolidate and report on mineral occurrences to Natural Resources and Environment and/or Energy and Mines sector, and to provide facilitation for mineral business operations including social security and public order within their area.

Chapter 2
Inspection of Mineral Activities

Article 87. Inspection Organization

The Inspection Organization is the same organization as the Mineral Activity Management Organization as stated in Article 82 of this law.

Article 88. (Revised) Type of Inspection

An inspection has two forms as follows:

- 1) Internal inspection;
- 2) External inspection.

An internal inspection is an inspection carried out by the Natural Resources and Environment or Energy and Mines sector.

External inspection is the inspection carried out by the National Assembly, the State Inspection and Anti Corruption Organization, the State Auditing Organization, and people who intend to inspect the performance of the duty of the management and monitoring of mineral activities organizations in order to have the strength, transparency and justice.

In addition, if it is found that there is a violation of the laws and regulations by the Natural Resources and Environment or Energy and Mines sectors, government officials or minerals activities inspectors, individuals, legal entities or organizations may have the right to require concerned authorities to take action.

Article 89. (Revised) Content of the Inspection

Inspection of mineral activities means an undertaking to ensure that mineral activities and operations are carried out in accordance with the laws and regulations, are effective, and to ensure

technical standards in order to protect mineral resources, environment, safety and labour health and the communities in the project areas.

An inspection of mineral activities has the following content:

A. Inspection of mineral prospecting and exploration activities

- 1) The implementation of agreements and laws and regulations related to minerals;
- 2) The compliance with the stages of prospecting and explorations activities;
- 3) The compliance with the timeframe and work plans of prospecting, exploration and pre-feasibility study;
- 4) The implementation of safety standards and mitigation of environmental impacts during the prospecting, exploration and pre-feasibility study period;
- 5) The monitoring of the activities of organizations, government officers and inspectors on prospecting and exploration and the protection and use of minerals including the inspection of other mineral business activities;
- 6) The compensation for negative impacts to the environment, life, health and property of the people during the operation of prospecting and exploration activities; and
- 7) The financial system, social welfare and other policy.

B. Inspection of mining industry

- 1) The implementation of agreements and laws and regulations related to minerals;
- 2) The compliance with the mining industry period;
- 3) The compliance with the timeframe and work plans of a detailed feasibility study, construction, mining, mineral processing and smelting [refining];
- 4) The implementation of safety standards and mitigation of environmental impacts during mining operations;
- 5) The monitoring of the activities of organizations, government officers and inspectors regarding mining operations, the inspection of the operation and mineral business activities;
- 6) The compensation for negative impacts to the environment, life, health and property of the people during mining operations; and
- 7) The financial system, social welfare and other policy.

Article 90. (Revised) Rights and Duties of the Inspection Organizations

The Inspection Organizations have the following rights and duties:

A. Rights and duties of mineral prospecting and exploration inspection organization

- 1) To inspect the implementation of laws and regulations related to minerals;
- 2) To inspect activities and businesses related to prospecting and exploration including service businesses related to minerals;
- 3) To propose to concerned organizations to issue an order to suspend or withdraw permission for activities related to prospecting and exploration or to take disciplinary measures against staff or prospecting and exploration inspection officers who violate the laws and regulations;
- 4) To compile and inspect reports on the result of the analysis of various mineral samples;
- 5) To cooperate and coordinate with other concerned sectors for the implementation of other concerned sectors rights and duties;
- 6) To regularly summarize and report on the implementation of inspection work to the immediate higher level; and,
- 7) To exercise the rights and perform other duties as provided in the laws and regulations.

B. Rights and duties of mining industry inspection organization

- 1) To inspect the implementation of laws and regulations related to minerals;
- 2) To inspect activities and businesses related to the mining industry such as: mining, mineral processing and smelting [refining] including service businesses related to minerals;
- 3) To propose to concerned organizations to issue an order to suspend or cancel activities related to the mining industry or to take disciplinary measures against staff or mining inspection officers who violate the laws and regulations;
- 4) To compile and inspect reports on the results of analysis for the selection of technology for mining and minerals processing;
- 5) To cooperate and coordinate with other concerned sectors for the implementation of other concerned sectors rights and duties;
- 6) To regularly summarize and report on the implementation of inspection work to the immediate higher level; and
- 7) To exercise the rights and perform other duties as provided in the laws and regulations.

Article 91. (Revised) Mineral Activity Inspection Officers

A. Mineral Prospecting and Exploration Activity Inspection Officers

Mineral prospecting and exploration activity Inspection Officers are the State officials of the Natural Resources and Environment sector who have the principal rights and duties as follows:

- 1) To conduct site inspections of the following targets including: sites where prospecting and exploration activities have been carried out and other places as deemed necessary;
- 2) To receive and record reported violation cases and to request and check documents related to any violation of mineral related laws and regulations;
- 3) To contact and coordinate with other concerned organizations including local administrative authority regarding the implementation of their duties;
- 4) To conduct inspections in compliance with the contents as determined in Article 89 clause (A) of this law; and
- 5) To summarize and report on activities related to mineral prospecting and exploration to the Natural Resources and Environment sector where inspectors are working and to local administrative authorities.

B. Mining Industry Inspection Officers

Mines Inspection Officers [Mines Inspectors] are the government officials of the Energy and Mines sector have the principal rights and duties as follows:

- 1) To conduct site inspections of the following targets including: sites of activities for detailed feasibility studies, construction, mining, mineral transport routes, storage, stockpiles, warehouses for minerals, processing and smelting [refining] plants and other places as deemed necessary;
- 2) To receive and record reported violation cases and to request and check documents related to any violation of minerals related laws and regulations;
- 3) To contact and coordinate with other concerned organizations and local administrative authority regarding the implementation of their duties;
- 4) To conduct inspections in compliance with the contents as determined in Article 89 clause (B) of this law; and
- 5) To summarize and report on activities related to mining industry inspection to the Energy and Mines sector where inspectors are working and to local administrative authorities.

Article 92. (Revised) Inspection Forms

There are three forms of inspection of mineral activities as follows:

- 1) Regular inspection;
- 2) Inspection with advance notice;
- 3) Impromptu inspection.

Regular inspections are carried out at fixed intervals and must be performed at least twice per year.

Inspections with advance notice are inspections carried out, when deemed necessary, by sending advance notice to investors at least 24 hours before the inspection.

Impromptu inspections are the inspection carried out, when deemed necessary, in an urgent situation and without sending any advance notice to the investor.

The inspections could be carried out through both document check and on-site inspection.

PART XI AWARDS AND SANCTIONS

Article 93. (Revised) Awards

Individuals, legal entities or organizations with outstanding performance in the implementation of this law mainly in the management and protection of mineral resources and efficient mineral business operations and in compliance with the laws of the Lao PDR will receive awards and other policies in accordance with regulations.

Article 94. (Revised) Sanction against Violators

Individuals, legal entities or organizations violating this law shall be subject to measures such as re-education, warning, disciplinary measures, fines, civil measures or penal prosecution in compliance with laws and regulations depending on the seriousness of the violation.

Article 95. (Revised) Notification of Violation

Individuals, legal entities or organizations violating this law in minor cases or for the first time, such as: failure to submit a mineral business report within the proper timeframe, working too slowly, not in accordance with the technical plan, carrying out artisanal mining activities without a permit which causes damages with a cost of less than one million kips but has been reported in good faith, shall be notified and warned.

Article 96. (Revised) Disciplinary Measures

A government official or mineral activity inspector who violates regulations and laws related to minerals and prohibition provisions that are not severe and does not constitute a criminal offense and that have caused damages with a cost of less than one million kips, but have not reported in good faith to escape from the offense, shall be subject to the following disciplinary measures:

- 1) Being warned or criticized for the offense by recording such offense in the CV file of such persons;
- 2) Being suspended of level promotion, level of salary and other rewards;
- 3) Being removed from position or transferred to other duty with lower position;
- 4) Being removed from official authority without any compensation policy.

The persons who are put under disciplinary measures shall return all property illegally obtained to the concerned organizations.

Article 97. (Revised) Fines

Individuals, legal entities or organizations violating regulations and laws related to minerals and prohibitions provided in this law that does not constitute a criminal offense that has caused damages with a cost of more than one million kips shall be fined at the amount of the damages to minerals, semi or final products in accordance with the market price.

If it is a second time violation or offense such as a serial offence, such person shall be fined double the cost of the damage to minerals, semi or final products in accordance with the market price.

Article 98. (Revised) Civil Measures

Individuals, legal entities or organizations violating this Law that have caused damages to another individual(s) concerning minerals activity must also recompense the damage which he has created.

Article 99. Penal Measures

A person who violates this Law which constitutes a penal offence such as: falsification of mining Licenses; the destruction of a mineral deposit; illegally mining; failure to apply technical safety and environmental measures causing death or injury; receiving bribes; abuse of power; forging various documents related to mineral activities; abusing their duty and obtaining personal gain from mining business operations; and shall be punished as provided in the Penal Law including to recompense the damage which he/she created.

Article 100. (Revised) Additional Measures

Apart from the measures mentioned in Article 99 of this law, additional sanctions may be imposed on the offender such as: suspension of mining business operations, withdrawal of license, confiscation of the offender's properties, vehicles and equipment by the State.

**PART XII
FINAL PROVISIONS**

Article 101. Implementation

The government of the Lao People's Democratic Republic shall implement this law.

Article 102. (Revised) Effectiveness

This law shall enter into force ninety days from the date of the promulgating decree issued by the President of the Lao People's Democratic Republic.

This law repeals the Law on Minerals No. 04/NA, dated 8 December 2008.

Individuals, legal entities or organizations that have received authorization to operate or undertake activities related to minerals by contract, which is previously effective, shall be entitled to continue to operate their minerals activities in accordance to conditions and contents of concerned contracts.

In the case that license holders undertaking mineral activities pursuant to contract in the past and wish to continue their activities in compliance with this revised Law, they must propose to the concerned sectors within one hundred and twenty days from the date this law comes into force.

All regulations and provisions in conflict with this law are cancelled.

**President of the National Assembly
Pany Yathotou**