



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. Purpose

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 prospecting, exploration, mining and processing of minerals to have high efficiency in conjunction with environmental protection, and consistent with the national socio-economic development plan in order to create conditions for gradual economic growth, industrialization, and progressive modernization, sustainable mineral development, improving the standard of living of all ethnic groups.

Article 2. Minerals

Minerals are naturally occurring inorganic elements, non-renewable, having an characteristic chemical composition and physical properties, which exist in solids, liquids, gases forms: such as gold, silver, copper, iron, tin, precious stones, rock containing minerals, coal, oil and natural gas, mineral water, hot spring 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

- about the quantity and grade of the minerals;
2. “Mine area” means mining areas, processing factory areas, storage area for mineral or warehouse, wastewater pounds, hauling road, settlement areas, office buildings, workshop areas, warehouses for storage of explosive and chemical substances used for mining and production;
 3. “Mines” means [minerals bearing areas where exploration have 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 including processed minerals;
 5. “Mineral activities” means activities related to prospecting, exploration and pre-feasibility study and mining industry;
 6. “Prospecting and exploration” means activities related to reconnaissance, prospecting, 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 until mine closure;
 8. Mine Development means an operation of mining industry, environment protection and community development,
 9. “Rock containing minerals” means rock which bears some mineral;
 10. “Tailing” means any amount of remaining minerals, mixed with waste material which could not be recovered during the extraction, production and washing process.
 11. “Placer or Alluvial concentrates” means mechanical weathered mineral which have flown and accumulated in some location naturally;
 12. “Sustainable development of minerals areas” means comprehensive development in the mining area or the development of the mining area after mine closure by coordination with other concerned sectors aiming to ensure job creation and to improve living conditions of the in situ ethnic community gradually, to contribute to the effectiveness of socio-economic development and continuous expansion;
 13. “Mineral Activity” means various activities related to prospecting, exploration, mining and mineral processing;
 14. “Radioactive minerals” means mineral/element which can be used in various scientific matters but which affects to the health, the life of human and animal and the environment such as uranium and thorium;
 15. “ San Nu [Mouse substance]” means arsenic mineral;
 16. “Force majeure” means unforeseen and uncontrolled events such as: flooding, erosion , storm, lightning, epidemic, 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 has periodically a policy to carefully select domestic and foreign enterprises for investment in minerals and mining industry, based on the technical and financial capability, aiming to promote rural development and poverty eradication by establishing strategy, policies, regulations and 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;

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

The State reserves and protects some mineral resources areas in accordance with the national social–economic development plan for exploration, planning and mining operation for the national interest and sustainability of natural resources.

Article 6. Principles concerning Mineral Activities

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

1. The creation of strategic plan concerning mineral activities shall be in consistent with the national socio–Economic development plan in each period and the real capability of the state for monitoring/management;
2. Mining, use of minerals and mineral resources shall be rational, efficient and ensure the sustainable development of mineral area, and balance with environmental protection;
3. Mineral activities shall be done in conjunction with the development of infrastructure aimed to support socioEconomic and community developments, improvement of the livelihood of all ethnic communities and also to ensure public order and social security;
4. The protection of minerals and mineral resources should be done by the participation of people, families, organizations, local administrative authorities, legal entities both domestic and foreign.

Article 7. Protection of the Rights and Benefits regarding Minerals

The State protects the right and highest benefits of the Nation and 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 Government 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 sector in Lao PDR.

Article 9. International Cooperation

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

Article 10. (Revised) Scope of Application

This law applies to individuals or legal entities, both domestic and foreign, who are undertaking mineral activities and mining operations, except operations related to crude oil and natural gas and construction materials such as: soil, 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 drafting of basic geological maps and mineral resources to be references for the classifications of minerals 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 upon the assignment of the government in coordination with the 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 waters 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 accumulation or occurrences of minerals on or under the surface of 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 such as: areas where unexploded ordinances exists or areas with severe pollution ;
2. Areas near or under buildings or public areas that have national importance such as : archeological and historic sites, areas with basic infrastructure, areas that are important for national defense 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 Area

A toxic area is a mineral resource area where there is poisonous or toxic contamination in the whole territory of the country 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, [smelting and refining];
6. Selling and Buying;
7. Transportation of minerals and 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 aiming to identify feasible areas for exploration.

Article 21. Exploration

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

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

Term of a pre-feasibility study is one year and may be extended only one time not more than one year based on the aconsideration of the Ministry of Natural Resources and Environment.

A detailed feasibility study is the review of a detailed feasibility study report, document certified fund support from financial institutes, Certification on Environment, document certified the use of the land, timber, water, materials in the mine development area, by the Ministry of Energy and Mines for the entering into the negotiation of an agreement on mining and minerals processing.

Term and detailed steps regarding the review of documents as mentioned above has determined in a specific regulation.

Article 23. (Revised) Mining

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

Mining process is divided into two phases of works: Construction and mining operation phase.

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

Article 24. Mineral Processing

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

Article 25. Selling and Buying of Concentrate

Selling and buying of concentrate is an agreement between the mining investors with individuals or legal entities, both domestic and foreign, who desire to take the concentrate to process into products or commodities.

The form and method 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 to overseas.

Transportation of concentrates and minerals shall have documents for transportationl, determine of transportation route, payment of any [financial] obligations, provide the weight measurement and collect samples for inspection and must be done in accordance with other relevant laws and regulations.

Article 27. (Revised) Rehabilitation and Mine Closure

After the completion of exploitation activities in any area, investors have to improve and rehabilitate mined out areas in accordance with conditions which has been determined in plan for environment management that can be used for particular purposes or activities.

When the mining operations are terminated, the mine should be closed and the licensed areas including the exploitation activities/operation should be returned [to the Government] as provided in Article 28 of this law.

Article 28. Handing over/Transfer the Mining Operation

After the completion of the rehabilitation and mine closure, the mining investor shall transfer the mining enterprise in principle including 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 such property, the investor shall have the responsibility to dismantle and remove the operation.

**PART IV
MINERAL BUSINESS**

Article 29. Forms of Investment in Mineral Business

Forms of investment in mineral business include Individual enterprise, Partnership and Company as provided in Article 10 of the Enterprise Law.

Article 30. (Revised)Reconnaissance

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

Work under the reconnaissance permit may undertake by desk study in the office and site visit in order to study outcrops and possible mineralization, environmental circumstance and to sample from the surface for analysis.

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

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

Investor who has the intention to renewal investment license shall implement in compliance with the main condition as follows:

1. Renewal of investment license proposal should be submitted ninety days in advance before the end of the life [term] of the contract;
2. Company has fulfilled financial obligation, obligation for local authority and other obligation completely and lawfully and in compliance with contract which has been signed with 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 consider that investment license cease of effectiveness automatically and the State will not compensate any damages and expenses.

Article 32. (Revised) Size of Mineral Deposits

Size of mineral deposits are divided into three scales:

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

The Government shall agree on the scale of mineral deposits based on the reserves estimated 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;
3. Business on Specific Categories of Mineral.

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 consist of prospecting and mineral exploration and pre-feasibility study.

The period of prospecting and exploration and pre-feasibility study are under the management of the Ministry of Natural Resources and Environment.

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

Basic conditions for investors concerning prospecting and mineral exploration are as follow:

1. Shall be Enterprise or Company that is established and registered to undertake mineral business correctly;
2. Shall have sound financial status and have other sufficient financial sources, and have secured property in accordance to the regulations;
3. Shall have a good sound and reliable background related to mineral business;
4. Shall have technical staff and experience concerning prospecting and mineral exploration;

In addition, the investor shall determine the proposed area, submit a prospecting and mineral exploration work program, minimum expenditure cost, and a preliminary environmental and social impact assessment report.

In addition, for the investor on mineral exploration, the investor should have a report on the results of the mineral prospecting in the area proposed for mineral exploration.

During the period of prospecting, it is to prohibit to have new joint investment, transfer or, buying–selling of concession right ; as for exploration, the license holder may seek to have a joint venture with other investors, but shall have a consent from government.

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

The 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 it can be extended for 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 additional term not to exceed two years.

Conditions for extension of the term of the licenses for mineral prospecting and exploration shall be subject to following conditions:

1. Agreements and relevant licenses such as: investment license, enterprise registration, tax registration are still valid;
2. Proposal for the extension of license shall be proposed three months in advance before the expire of the license;
3. Company has fulfilled financial obligations, obligations for local authority and other obligations completely in accordance with Laws and contracts signed with Government;
4. Report on the results of prospecting or exploration in the whole concession area shall be finished at least sixty per cent of the approved work program;
5. Work program for the continuation of prospecting or exploration activities shall be obtained an approval from the Ministry of Natural Resources and Environment;

If there is no application for renewal, the license shall be automatically terminated. The proposal to provide a presentation of report 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 area shall not exceed three hundreds square kilometers and the extension of the area is not permitted. Subsequently an area granted for mineral exploration shall be based on the results of the undertaken mineral prospecting work.

For an area where prospecting work already has been done and mineral prospecting work and geological data already existed, an Enterprise or Company may directly apply to undertake mineral exploration , but the area shall not exceed three hundreds square kilometers.

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 uneconomic concession areas to the Government together with geological and mineral deposit data.

The relinquishment of a mineral prospecting and exploration area shall be made by the following cases:

1. The license is revoked due to the severe material breach of contract or severe violation of laws and regulations;
2. Expiration 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;
4. When there are severe negative impacts to the environment or no benefit for society.

The relinquishment of a mineral prospecting and exploration area will not receive any compensations, expenses and replacement a new area.

Article 39. (Revised) Sending Samples for Analysis

An investor for mineral prospecting and exploration who has the intention to send mineral samples for analysis within the country or overseas shall have authorization from the Ministry of Natural Resources and Environment.

The investor shall split the mineral samples that will be sent for analysis to the Ministry of Natural Resources and Environment; for storage and comparative analysis. After the completion of the analysis, the investor shall submit a summary report on the result of analysis to the Ministry of Natural Resources and Environment for compiling and inspecting.

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 and exploration and pre-feasibility study activity.

After the expiration of concession license of mineral prospecting and exploration, if the investor intends to undertake mining business, a detailed feasibility study must be undertaken to, provide the calculation of economic effectiveness, assessment on the impact to environment and society, in order to apply for a mining license from the government 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 the investor, can not enter into a detailed feasibility study due to the impact from the price of mineral commodities, it may retain the area within the term of two years or in the case that investor does not require 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 and has to submit all data which the investor has gathered while undertaking prospecting and exploration work 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 in mining business shall have technical staff and experience in exploitation.

Moreover, the investor shall have:

1. Data related to the results of the prospecting, exploration and pre- feasibility study in accordance with Article 22 of this law;
2. Mining Work Program, processing program and sound detailed Feasibility Study that are 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 the acceptance of the report on the results on the pre-feasibility study [in writing] not later than one hundred and twenty days from the date when it received such report.

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

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

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

Investor in mining sector can send mineral samples within the country or overseas for testing in order to select technology in designing a plant with the approval from the Ministry of Energy and Mines in the coordination with the Ministry of Natural Resources and Environment.

The products received from the testing of mineral samples may be sold with the consent of the

Ministry of Energy and Mines in the coordination with the Ministry of Natural Resources and Environment.

Article 44 . Mining

Undertaking of mining business shall be carried out as provided in Article 23 of this law.

The term of the mining license shall not exceed twenty years from the date of obtaining the mining license and can be extended 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 in country in principal to upgrade mineral values by using modern and advanced techniques and technology to produce semi finished or finished product depending on the type of mineral in order to supply commodity within the country and for the export in accordance with mineral policy of each period.

Article 46. Another Business related to Mining

Undertaking of processing business, buying and selling, 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 the 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, and shall be done in accordance with article 211 and 220 of the Enterprise Law.

Acceptance or refusal of the transformation of the enterprise or investment company related to 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

The Steering Committee on a Large Scale Mining Project is established to ensure the implementation of the contract to ensure correct and effective compliance. The Government shall appoint a steering committee, which consists of:

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

The organization and activities, including the 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 does not have to follow the steps of prospecting and exploration 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 laborers.

For an Artisanal mining operation that is a non-permanent type of operation, done seasonally, only by using primitive tools for excavation and no mechanized equipment and 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 tailing.

Article 52 . Small -scale Mining

Small-scale mining means stripping of top soil and overburden , digging, drilling, blasting, and sorting of mineral from the surface, underground and under water 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.

Industrial minerals and stones exploitation is the extraction, excavation, drilling, cutting, and blasting in order to take such non-metallic minerals.

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 power to grant the area for the exploitation of industrial minerals and rocks for an area not more than five hectares for one block and has the term of five years.

An investor in the extraction of industrial minerals and rocks must contribute to the repair bridge,

road and establishment of weighing scale and other.

The exploitation of industrial minerals and rocks is permitted only to Lao legal entity.

Article 55. Extraction of Precious Stone as Artisanal Mining Type

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

Article 56. Extraction of Precious Stone 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 laborers, 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 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

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

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

The investor in mining business shall cooperate and facilitate the committee operations and duties.

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

In order to ensure the Occupational safety and health, investors concerned with mineral business shall implement main measures as follows:

- 1) establish rules and measures for Occupational safety and health by providing health check up for labor at least one time per year ;
- 2) design exploitation operations, construct and install adequate machinery and equipment to meet relevant technical standards;
- 3) use techniques and technology which is effective to protect against pollution, and to supply equipment and uniforms to provide safety for labor;
- 4) have a safe place or, warehouse for the storage of explosive and chemical substances;
- 5) have the alarm system and to deal with an emergency case or accident;
- 6) regularly Report on safety and health of labor including related statistics regularly.

Article 59. Report on Accidents

For any accident or other occurrence happening from activity related to mineral business that has or might have unfavorable impact on the environment or health of people or the community, investor must report, within twenty four hours, to local authorities, surrounding people, and other relevant agencies and provide timely protection remedy 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 perform measures as follows:

- 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 regulation;
- 4) Contribute to an Environmental Protection Fund for the project;
- 5) Treat waste water [Mine waste , tailings] in order to ensure the health and life of the people, animals and the environment;
- 6) Regularly summarize and report on assessment of social and environment impacts to the concerned mineral management/monitoring and inspection organization.

Article 61. Sustainable Development

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

- 1) Exploite in consistence with the National SocioE-Economic Development Plan and in consistence with the government Strategy Plan for the Development of the Mining Industry and Development Plan, and plan for integrated land use;
- 2) Ensure a balance between mining and socioEeconomic development activities, as well as natural resource conservation and environmental protection;

- 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 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 for 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, natural environment and society;
5. To obtain relevant facilitation such as to obtain access or pass-through the land area of individuals, legal entity or organizations, to their concession area through coordination with local administration and the owners of the land use rights;
6. To transform the initial form enterprise or company to new form according to the 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 sector on monthly, quarterly, six months, nine months and annually basis to Natural Resources and Environment sector and other concerned government sectors.

**Article 63 . Obligations of the 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 the prospecting and exploration in accordance with the approved prospecting and exploration 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/notebook, 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 conditions such as: restoration, rehabilitation, filling, covering, improving of land and cleaning up chemical wastes 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 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 mining business operations;
3. To dispose of any mineral product from mining activities in compliance with regulations;
4. To receive the protection of his own right and fair benefit in compliance with the law;
5. Protection against disclosure of his own confidential data and information concerning the operation of business or scientific and technology patents to other individuals or entities, except only the disclosure to the State;
6. To transfer his 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 causing the failure of the operation;

9. To obtain relevant facilitation such as to obtain: access or pass-through the land area of individuals or organizations to their concession area through coordination with local administration and the owners of land use rights.
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 plan;
2. To cooperate and to facilitate the concerned state officer for the inspection of mining work;
3. To use, local or domestic goods as much as possible, transportation service of domestic transportation enterprises or companies, local labors who are Lao citizens in all areas of works based on their capacity, effective anti-pollution technique-CE technology, to supply tools, equipment and facilities to ensure safety and health to the workers and take care on the social welfare and other policy to labor;
4. To use and building capacity of Lao workforce by transferring of skills and technology to Lao technical staff both in the short term and long term to replace the import of workforce from abroad;
5. To compensate for removal, land and agricultural products cost, and to provide an appropriate place for livelihood of the affected people from the mining operation ;
6. To maintain records on technical data with regards to samples, drawings, maps, as well as data on mining operation, interpretations, accounting system and assets in the field;
7. To treat waste water, limit air pollution, dust, noise, remained chemical substance to store and put landfill wastes in conformity to environmental protection plan;
8. To timely report, to the relevant Energy and Mines sector, on serious accident or events that happened or would happen; to summarize and report on information to the Energy and Mines sector on the results from exploration, mining and processing, including operation performance as well as the accounting records on 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 with the Special Categories of Mineral

Article 66. Rights and Duties of the of the Business Operator related with the Special Categories of Mineral

The business operator related with the Special Categories of mineral has the following rights and duties:

1. To conduct mining activity 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 such as to obtain access or pass-through the land area of individuals or organizations to 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 monthly, quarterly, semi-annual, and annual basis concerning mineral production, costs, the disposal of product 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;
2. To cooperate and to facilitate the concerned state officer for the inspection of mining work;
3. To use effective anti-pollution technology; to provide tools, equipment and facilities to ensure safety and health to the workers;
4. To compensate for removal, land and agricultural products cost, management of resettlement, and to provide an appropriate place for the livelihood of affected people from the business operation related to special categories of minerals;
5. To cleanup various roads where transportation existed of industrial minerals and soil-rock for construction, to 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 accident/incident or event that happened or would happen; to summarize and report on various information to the Energy and Mines sector on the results from exploration, mining and processing, including operation performance as well as the accounting records on 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 with the implementation of its own Mineral business, the operator may also provide other services regarding mineral works as follow:

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 mineral.

The operator which has income from any services as mentioned above shall fulfill 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 the report on the detailed feasibility study, Government has the right to undertake the share in such mineral business.

Article 70. Notice of Equity Participation by the Government

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

Article 71. (Revised) Payment of Share by Government

After the government notifies the mining business investor on its intent to participate in the equity, it shall pay the corresponding amount in the following forms: in-cash method or advanced by investor then refund by the dividend payable to the government or in other 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 share according to regulations.

PART VIII

PROHIBITIONS

Article 73. Prohibitions for Staff and Mining Inspector

The following conduct is prohibited for staff and mining inspector:

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 and lack of responsibility for the assigned tasks;
4. To disclose State and Government secret or confidential business trade-techniques related to mining;
5. To falsify documents such as signature, seal and account and data of activity related to minerals;

6. To participate in mineral business operations or to allow a family member to take an operation or to participate in such business;
7. To move, change or destroy boundary markers of concession area without permission;
8. To use violence, intimidation, threats or other illegal measures.
9. Other prohibited behaviors as provided in laws and regulations.

Article 74 . Prohibitions for Investors

It is prohibited that domestic and foreign investors conduct followings activities:

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 and create damage to mineral deposit and mines;
4. To move, change or destroy boundary marking signs/stakes of licensed areas;
5. To import expatriate labor, vehicles, machinery and equipment for a mineral business operation without permission;
6. To undertake mining, selling and buying, moving and transporting of restricted minerals;
7. To remove minerals exceeding weight, quantity, size, or not in compliance with the document;
8. To use a license as security or share contribution as in kind investment, loan, lease, transfer, pledge or sale of the license without approval;
9. To offer commission, bribe a government officer, mining inspector or local people, 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. False reporting or to falsify documents, and seal related to minerals;
13. Other prohibited behaviors 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 mineral without approval;
3. To collude with an investor, staff or mining inspector in undertaking illegal mining, encroachment and destroying mineral resources or mine;
4. To falsify documents or seal related to minerals;
5. To use violence or to refer to other person's name to intimidate staff, mining inspector and investor;
6. To conceal, destroy minerals or illegally sell mineral samples;
7. Have other prohibited behaviors 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 Committee for Economic Settlement ;
4. Judgment of People's Court.

Article 77. Mediation or Conciliation

When a dispute occurs between a 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 mineral 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 objective, non fulfillment of tax and fee obligations in accordance with the law. If the mineral business operators are not satisfied with the decision, such persons may propose 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 business operation and a mineral business operation that cannot be settled by mediation and remedy, 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

The dispute settlement related to a business operation and a mineral business between domestic and foreign investors or between foreign investors themselves in Lao PDR or between a foreign investor with the Government shall use domestic dispute resolution methods, or international methods based on 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 responsibility for minerals prospecting and exploration activities and Ministry of Energy and Mines to have responsibility for mining industry and to act as a focal agency 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/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 Department; and
3. District, Municipality Natural Resources and Environment and Energy and Mines Office.

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-research and to develop the strategy plan, policy plan , laws and regulation and to elaborate the policy directions into work programs and plans, detail project regarding prospecting, exploration and pre-feasibility study and submit to government for approval;
2. To conduct prospecting, basic exploration, planning and elaborate/organize the management of mineral resources nationwide.
3. To disseminate, provide guidelines and monitor the implementation of law on minerals specifically for the period of prospecting, exploration and pre-feasibility study, environmental and social management plan and conditions of environmental license;
4. To conduct scientific, technical, technological research ; to establish a network of statistics and information centers 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, permit to undertake pre- feasibility study to the investors;

8. To consider the suspension, withdrawal or cancellation of a prospecting, exploration license and permit to undertake pre- feasibility study of the investors which violated laws and regulations;
9. To propose to the Government for consideration of suspension or cancellation of an agreement on prospecting and exploration which investor violated;
10. To manage and monitor prospecting, exploration and pre-feasibility study ;
11. To build, train and upgrade geological and minerals skills to staffs;
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 register on mineral prospecting and exploration areas;
14. To coordinate with other concerned sectors and concerned local authorities to protect, promote, monitor mineral operations and 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 on the management of mineral activities to the Government;
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 mining industry the Ministry of Energy and Mines has the following rights and duties:

1. To undertake study-research and to develop the strategy plan, policy plan , laws and regulation and to elaborate the policy directions into work programs and plans and detail project to allow mining development in sustainable way and submit to government for approval;
2. To study and issue regulations concerning management of 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, technological researches ; to establish a network of statistics and information centers concerning mining industry;
5. To establish a Committee to conduct the study, consider the acceptance and approval report on the detailed feasibility study;
6. To study the benefit sharing of the State from the mining industry and to propose to the Government for consideration and to monitor the implementation of obligation of investor in coordination with relevant sector;
7. To participate in the negotiation and signing of an agreement on mining development and as assigned by the Government;
8. To issue and extend licenses for mining, establishment of processing and smelting plant, certificate 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 of investors;
10. To consider the suspension, withdrawal or cancellation of a license for mining, establishment of processing and smelting plant, certificate for buying–selling and transportation of concentrates which violated laws and regulations;
11. To propose to the Government for consideration of suspension or cancellation of a mining concession agreement which investor violated;
12. To manage and monitor mining, mineral processing, smelting [refining], and buying-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 mining industry, including the issuing of permits for the sending of samples to select technology to design plant;
15. To issue [mining] bulletins and administer of mining area registration;
16. To coordinate with other concerned sectors and concerned local authorities to protect, promote, monitor operations and deal with dispute settlement in mining operation;
17. To contact and cooperate with foreign countries and international organizations regarding mining industry;
18. To regularly summarize and report on the result of the implementation of mining industry to the Government;
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, advices and regulations of the Ministry of Natural resources and Environment , Provincial/ City Authority regarding the management and protection of mineral resources;
2. To disseminate laws and regulations related to minerals;
3. To make a list of mineral resources under its responsibility and to give guidelines, support , and to 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 dmonistration Authority for consideration;
5. To monitor and assess the mineral operation activities and businesses on mineral prospecting and exploration including the use of Community Development Fund under its responsibility;
6. To coordinate with other relevant sectors and concerned local administrative authorities to promote, 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, then 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;
10. To exercise the rights and perform other duties as provided in the laws and regulations.

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

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

1. To elaborate and implement the strategic plan, decision, orders, notices, advices and regulations of the Ministry of Energy and Mines, Provincial/City authority regarding the management and use of concentrates [minerals];
2. To disseminate laws and regulations related to minerals;
3. To make a list of active mining operations under its responsibility and to give guidelines, 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/City Administration Authority for consideration;
5. To issue and extend licenses on Special Categories of Mineral business in according to regulation;
6. To propose to the Ministry of Energy and Mines for consideration on the suspension or cancellation of business operations of Special Categories of Minerals;
7. To monitor and assess the mining and business operation including the use of 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 mining industry, then 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 Natural Resources and Environment and Energy and Mines Office

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

For the monitoring of mineral prospecting and explorations works, 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, notification, 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 in order 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 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, notification, and guidelines related to 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 license for artisanal mining, 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;
5. To coordinate with other relevant sectors and concerned local administrative authorities in order to facilitate mining industry including to monitor the activities related to mining industry under its responsibility ;
6. To regularly summarize and report on the implementation of 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 responsibilities to manage and monitor mineral business operations, to ensure rights and benefit of all ethnic communities who reside in the minerals areas, to protect natural resources and consolidate, and report on mineral occurrences to Natural Resources and Environment and/or Energy and Mines sector, to provide facilitations 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) Forms of Inspection

An inspection has two forms as follows:

1. Internal inspection;
2. External inspection.

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

External inspection is the inspection carried out by the National Assembly, the State Inspection and Anti Corruption Organization, by the State Auditing Organization and people who have intention to inspect the performance of the duty of the management and monitoring mineral activities organization 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 and Energy and Mines sectors, government officials or minerals activities inspectors, individual, legal entity or organizations may have the right to require concerned authorities to take action against such decision.

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 labor health and 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 period of prospecting and explorations activities;
3. The compliance of the timeframe and plans of the 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 the organizations, government officers, inspectors on prospecting and exploration, 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 of the mining industry period;
3. The compliance of the timeframe and plans of detailed feasibility study, construction, mining, mineral processing, smelting [refining];
4. The implementation of safety standards and mitigation of environmental impacts during mining operations;
5. The monitoring of the activities of the organizations, government officers, 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 implementation of laws and regulations related to minerals;
2. To inspect activities and businesses related to prospecting, exploration including service businesses related to minerals;
3. To propose to concerned organizations to issue an order to suspend or withdraw activities related to prospecting and exploration or to take disciplinary measure 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 summarize and report on the implementation of inspection work to the immediate higher level regularly; and
7. To exercise the rights and perform other duties as provided in the laws and regulations.

B. Right and duties of mining industry inspection organization

1. To inspect implementation of laws and regulations related to minerals;
2. To inspect activities and businesses related to 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 mining industry or to take disciplinary measure against staff or mining inspection officers who violate the laws and regulations;
4. To compile and inspect reports on the result of the 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 summarize and report on the implementation of inspection work to the immediate higher level regularly; 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 sites inspections of the following targets such as: 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 Natural Resources and Environment sector where inspectors are working for 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 who have the principal rights and duties as follows:

1. To conduct sites inspections of the following targets such as: site of activities for detailed feasibility study, 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 Energy and Mines sector where inspectors are working for and to local administrative authorities.

Article 92. (Revised) Inspection Forms

The inspection of mineral activities are three forms 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 SANCTION

Article 93. (Revised) Awards

Individuals, legal entities or organizations with outstanding performance in the implementation of this law mainly in the management, 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) Re-Education Measures

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 timeframe, working too slowly, not in accordance with the technical plan, carrying out artisanal mining activities without a permit which caused damages with the cost less than one million kips but has been reported in good faith, shall be re-educated and warned.

Article 96. (Revised) Disciplinary Measures

A government official, mineral activity inspector who violates regulations and laws related to mineral and prohibition provisions that are not severe and cannot be constituted as a criminal offense and have cost damages with the cost 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 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 criminal offense and cause damages with a cost more than one million kips shall be fined at the amount of the damages to minerals, semi and final concentrates 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 and final concentrates in accordance with the market price.

Article 98. (Revised) Civil Measures

Individuals, legal entities or organizations violating this Law which caused damages to another individuals 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 with mineral activities, abusing their duty and obtaining personal gain from mining business operations, 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 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 the license holders on mineral activities by contract in the past wish to continue their activities in compliance with this revised Law have to 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