

[Scanned from unofficial photocopy by La'ó Hamutuk]



**DEMOCRATIC REPUBLIC OF TIMOR-LESTE
DRAFT MINING CODE**

LAW [...] /2013, Of [... 2013

The regulation of the activities pertaining to the carrying out of Mineral Operations, including the prospecting, exploring, evaluating, processing, mining and marketing of minerals is of the utmost importance to the Democratic Republic of Timor-Leste. These activities can have a major impact in securing the supply of materials needed for the development, economic growth and prosperity of the country.

The existing rudimentary legal framework needs to be urgently replaced, and a new set of rules put in place for the purposes of regulating the carrying out of Mineral Operations and other forms of exploration that involve the use of industrial facilities, as well as for the purposes of regulating the sale of minerals in both the domestic and international markets.

Therefore, with the approval of this Law, the Democratic Republic of Timor-Leste moves forward in the setting up of a modern regulatory legal framework, providing the Ministry of Petroleum and Mineral Resources with an integrated framework for the effective regulation of authorizations for prospecting and mining operations in the country, including the administrative procedural rules for the granting of licenses and permits to entities and legal persons wishing to carry on said operations, the definition of concession areas, the rights and obligations of all parties involved, as well as the rules on inspection and supervision of Mineral Operations, the sanctions and penalties applicable in case of non-compliance with the duties set forth herein and specific rules pertaining to the protection of the environment and to payment of taxes related thereto.

With the above in mind, the purpose of this Law is to encourage and facilitate the discovery and development of mineral resources in Timor-Leste, having regard to the need of encouraging ecologically sustainable development, and in particular, to recognize and foster the significant social and economic benefits to the country that may result from the efficient development of mineral resources and to ensure an appropriate return to the State from exploitation of the same.

Now therefore, pursuant to Articles 95.1 and 139 of the Constitution of the Democratic Republic of Timor-Leste, the National Parliament hereby approves, with the force of Law, the following:

Article 1
Approval of Mining Code

The Mining Code attached to this Law is hereby approved.

Article 2
Repeal

All legislation or regulations in force prior to the effective date hereof that contradict the rules contained in the Mining Code are hereby repealed, including but not limited to Ministerial Diploma 1/2008, of 30 July 2008.

Article 3
Effective Date

This Law and the Mining Code attached hereto shall come into force 90 days following its publication.

Approved on [...], 2013

The President of the National Parliament,

[...]

Promulgated on [...], 2013

Be it Published,

The President of the Republic,

Taur Matan Ruak

INDEX

CHAPTER I	GENERAL PROVISIONS	5
CHAPTER II	GRANTING OF MINERAL RIGHTS AND PHASES OF MINERAL OPERATIONS	8
SECTION I	PROCEDURE	8
SECTION II	ASSOCIATED MINERALS AND OTHER MINERAL RESOURCES	12
SECTION III	EXPLORATION AND PROSPECTING PERIOD	13
SECTION IV	MINING PERIOD	18
SUB-SECTION I	DEVELOPMENT PHASE.....	18
SUB-SECTION II	MINING PHASE.....	18
SECTION V	RIGHTS OF THE CONCESSIONAIRE.....	20
SECTION VI	MINERALS USED IN THE CONSTRUCTION INDUSTRY.....	21
SECTION VII	ARTISANAL MINERAL OPERATIONS.....	22
CHAPTER III	WORK PROGRAMMES, BUDGETS, RECORDS AND REPORTS	23
CHAPTER IV	OCCUPATION OF THE LAND, COMPENSATION FOR DAMAGES AND RESETTLEMENT OF LOCAL COMMUNITIES	25
SECTION I	OCCUPATION OF THE LAND	25
SECTION II	COMPENSATION FOR DAMAGES.....	26
SECTION III	RESETTLEMENT, PROTECTION OF, AND CONSULTATION WITH LOCAL COMMUNITIES	27
CHAPTER V	ENVIRONMENTAL REGIME	28
SECTION I	GENERAL PROVISIONS	28
SECTION II	CLASSIFICATION OF MINERAL OPERATIONS	29
SECTION III	ENVIRONMENTAL ASSESSMENT	30
SECTION IV	PROTECTION OF ENVIRONMENT.....	30
CHAPTER VI	HEALTH AND SAFETY	32
SECTION I	GENERAL RULES	32
SECTION II	ADDITIONAL HEALTH AND SAFETY REQUIREMENTS	34
CHAPTER VII	LABOUR REGIME, EMPLOYMENT OF EXPATRIATES AND TRAINING OF NATIONAL CITIZENS.....	35
SECTION I	SPECIAL LABOUR REGIME FOR MINERAL OPERATIONS.....	35
SECTION II	EMPLOYMENT OF EXPATRIATES AND TRAINING OF NATIONAL CITIZENS.....	36
CHAPTER VIII	TRANSFER OF RIGHTS	37

CHAPTER IX	MARKETING.....	38
CHAPTER X	TERMINATION	39
CHAPTER XI	TAX, CUSTOMS AND FOREIGN EXCHANGE REGIME.....	41
SECTION I	TAX REGIME	41
SECTION II	CUSTOMS REGIME.....	44
SECTION III	FOREIGN EXCHANGE REGIME	45
CHAPTER XII	MISCELANEOUS	46
CHAPTER XIII	DISPUTE RESOLUTON.....	46
CHAPTER XIV	INSPECTIONS AND AUDITS.....	47
CHAPTER XV	OFFENCES AND PENALTIES.....	49
SECTION I	GENERAL RULES	49
SECTION II	ADMINISTRATIVE OFFENCES AND PENALTIES.....	51
SECTION III	PROCESS	53
CHAPTER XVI	MINERAL REGISTRY.....	56
CHAPTER XVII	TRANSPARENCY AND GOOD PRACTICES.....	57
CHAPTER XVIII	FINAL AND TRANSITIONAL PROVISIONS	58
APPENDIX I	FORM OF EXPLORATION AND PROSPECTING LICENCE	61
APPENDIX II	FORM OF MINING LICENCE	63
APPENDIX III	FORM OF MINERAL PERMIT	65
APPENDIX IV	FORM OF MINERAL PASS	67

MINING CODE

CHAPTER I GENERAL PROVISIONS

ARTICLE 1 Purpose and Scope

The purpose of this Code is to set out the legal regime governing the activities of Exploration, prospecting, evaluation, Mining and Marketing of Minerals.

ARTICLE 2 Definitions

For the purposes of this Code and the ancillary regulations approved hereunder, the following terms shall have the meanings set out below:

- (a) *Area or Concession Area*: means the geographical area over which a Mineral Rights are granted and which is delimited in the Mineral Pass, Mineral Permit or Mining Contract;
- (b) *Mining Area*: means a demarcated area where Mining activities are carried out;
- (c) *Excluded Area*: means an area classified under Article 4, in which Mineral Operations may not take place;
- (d) *Mineral Permit*: means an authorization to conduct Mineral Operations for Construction Minerals;
- (e) *Large Scale Mineral Permits*: means an authorization that allows the respective holder to carry out Mineral Operations in respect of Construction Minerals for use in an integrated industrial project or for sale in the domestic and international markets;
- (f) *Small Scale Mineral Permits*: means an authorization that allows the respective holder to carry out Mineral Operations in respect of Construction Minerals for the own use of the holder or for sale in the domestic market up to a maximum volume to be defined by the National Directorate of Mineral Resources from time to time;
- (g) *Environmental Assessment*: has the meaning prescribed in Article 1(d) of Decree-Law 5/2011, of 9 February 2011. The Environmental Assessment procedure shall be conducted ~ under the supervision and be subject to approval of the Ministry of Petroleum and Mineral Resources;
- (h) *Good Mining Industry Practices*: means those practices and standards which are generally accepted in the international mining industry;
- (i) *Environmental Bond*: means the financial guarantee or security posted by the Concessionaire under Article 81 ;
- (j) *Marketing*: means the activity aimed at importing, exporting and selling Minerals;
- (k) *Mineral Concession*: means a concession awarded by the member of the Government responsible for the mineral resources sector allowing its holder to carry out Mineral Operations in a Concession Area;
- (l) *Concessionaire*: means the person or entity to which exclusive rights are granted for the Exploration and Mining of Minerals in the Concession Area under this Code;
- (m) *Mining Contract*: means the contract entered into between the State of Timor-Leste and a Concessionaire to govern the performance of Mineral Operations in the Territory of Timor-Leste;
- (n) *Mineral Deposit*: means all natural occurrences of Minerals;

- (o) *National Directorate of Mineral Resources*: means the government body, under the supervision of the member of the government responsible for the mineral resources sector, with the responsibility and powers to supervise Mineral Operations;
- (p) *Community Relations Officer*: means the representative of the Concessionaire appointed under Article 66;
- (q) *Mine Health and Safety Manager*: means the individual appointed by the Concessionaire to supervise workplace health and safety at the mine;
- (r) *National Director of Mineral Resources*: means the person in charge of the National Directorate of Mineral Resources;
- (s) *Mineral Rights*: means the rights to conduct Mineral Operations pursuant to this Code;
- (t) *Inspection Division*: means the body under the supervision of National Director of Mineral Resources entrusted with supervising compliance with this Code;
- (u) *Development Phase*: means the initial phase of Mining during which the means required for extracting minerals are mobilized and installed;
- (v) *Financers*: means an entity providing any form of debt or equity finance to Mineral Operations;
- (w) *Force Majeure*: means any event outside the reasonable control of whosoever claims to have been affected by it, such as a state of war whether declared or not, rebellions or riots, natural catastrophes, fires, earthquakes, cuts in communications and accidents or other reasonably unpredictable and unavoidable circumstances;
- (x) *Inspector*: means an individual appointed by the National Director of Mineral Resources to serve in the Inspection Division;
- (y) *Institute of Petroleum and Geology*: means the State body created by Decree-Law no. 33/2012, of 18 July 2012;
- (z) *Controlling Interest*: means 50% or more of the voting rights or the ability to appoint the majority of the directors of a company which holds Mineral Rights or to have veto powers over decisions pertaining to the shareholder structure;
- (aa) *Environmental Licensing Regulations*: means Decree-Law 5/2011, of 9 February 2011, and any future amendments thereto;
- (bb) *Labour Law*: means Law 4/2012, of 12 February 2012 and any ancillary legislation;
- (cc) *Marketing License*: means a license allowing the respective holder to perform Marketing activities;
- (dd) *Mining License*: means an authorization to conduct Mining operations awarded pursuant to Article 29;
- (ee) *Exploration and Prospecting Licence*: means a licence authorizing a Concessionaire to carry out Exploration activities;
- (ff) *Associated Minerals*: means those Minerals not initially included in the Mineral Concession, found in association with the minerals covered by the Mineral Rights, and which cannot be exploited except in conjunction with the exploitation of the latter;
- (gg) *Construction Minerals*: means those commonly occurring rocks, stones, pebbles, sands, clays, earth and other Minerals traditionally used in the construction industry;
- (hh) *Strategic Minerals*: means those minerals so classified by the Council of Ministers from time to time, under Article 5 of this Code, which due to their importance to the socio-economic development of Timor-Leste shall be subject to special rules on the conduct of Mineral Operations in respect thereto;

- (ii) *Mineral*: means any naturally occurring substance that has been formed as a result of geological processes and which is solid and stable at room temperature;
- (jj) *Artisanal Mineral Operations*: means Mineral Operations that meet the following cumulative requirements:
 - (a) Rudimentary nature of the operations and use of non-mechanical means and simple equipment;
 - (b) Small volume and scale of the Mineral Operations; and
 - (c) Manual processing and transportation methods.
- (kk) *Offshore Mineral Operations*: means all activities aimed at exploring and extracting Minerals from the sea beds;
- (ll) *Mineral Operations*: means the activities and operations aimed at prospecting, exploring, evaluating, processing, mining and marketing Minerals;
- (mm) *Environmental Protection Order*: means an order issued under Article 79.2 aimed at mitigating a situation of environmental risk derived from Mineral Operations;
- (nn) *Country*: means the Democratic Republic of Timor-Leste;
- (oo) *Mining Period*: means the period during which Mining activities are carried out pursuant to a Mining License;
- (pp) *Exploration and Prospecting Period*: means the period during which Exploration activities are carried out pursuant to an Exploration and Prospecting License;
- (qq) *Exploration*: means the set of operations undertaken in order to discover and locate Mineral Deposits using geological, geochemical or geophysical methods;
- (rr) *Mining Plan*: means a plan prepared in support of Mining operations pursuant to and in accordance with Article 27;
- (ss) *Health and Safety Policy*: means a document prepared by the Concessionaire to address risks to health and safety of its employees;
- (tt) *Environmental Licensing Procedure*: means the procedure aimed at assessing the environmental impact of Mineral Operations, to be conducted under this Code and the Environmental Licensing Regulations, prior to the performance of Mineral Operations;
- (uu) *Mining*: means the operations and works carried out with the purpose of extracting, loading, transporting and processing minerals;
- (vv) *Work Programme and Budget*: means the technical and financial document prepared by a Concessionaire detailing work plans and budgeted expenditures in connection with Mineral Operations.
- (ww) *Mineral Registry*: means the registry organized and managed by the National Directorate of Mineral Resources, and in which certain information related to Mineral Operations must be recorded for public consultation;
- (xx) *Feasibility Study Report*: means the report prepared by the Concessionaire under Article 26, aimed at detailing the technical and economic feasibility of the Mining activities;
- (yy) *Mineral Pass*: means an authorization to conduct Artisanal Mineral Activities;
- (zz) *Territory*: means the territory of the Democratic Republic of Timor-Leste, as defined in Article 4 of the Constitution of the Democratic Republic of Timor-Leste, including its Exclusive Economic Zone, Continental Shelf, and sea bed under the jurisdiction of the State; and

- (aaa) *Holder of Mineral Rights*: means a person or entity authorized to conduct Mineral Operations under this Code.

ARTICLE 3

Ownership of Mineral Resources and Mineral Products

1. All Mineral resources in public and private lands within the Territory are deemed public domain of the State.
2. Minerals extracted and mined under the terms of this Code are the property of the Concessionaire to whom the relevant Mineral Rights have been awarded.
3. In cases where Mineral resources occur or are discovered on or under private land, the State may acquire the land in accordance with the law, including by means of expropriation, to facilitate the exploitation of the public domain Mineral resources.

ARTICLE 4

Excluded Areas

1. If national security, the safety and welfare of populations, the incompatibility of Mineral Operations with other existing or planned uses of the soil or sub-soil, or if environmental, cultural or religious reasons so require, the member of the government responsible for the mineral resources sector, after discussion at the Council of Ministers, may declare an area to be an Excluded Area for Mineral Operations.
2. The classification of an area as an Excluded Area shall be published in the Official Gazette.
3. Mineral Rights awarded before the classification of an area as an Excluded Area shall continue to be in full force and effect until they expire or are otherwise terminated pursuant to the provisions of this Code.

ARTICLE 5

Strategic Minerals

1. If so justified by their rarity, economic importance, use for strategic purposes or specific technical Mining aspects, the Council of Ministers, upon proposal of the member of the government responsible for the mineral resources sector may classify certain Minerals as Strategic Minerals by means of Decree-Law.
2. The statute which classifies a Mineral Product as a Strategic Mineral shall set forth the specific and special rules applicable to its Exploration, prospecting, evaluation, Mining and Marketing and shall be published in the Official Gazette.

CHAPTER II

GRANTING OF MINERAL RIGHTS AND PHASES OF MINERAL OPERATIONS

SECTION I

PROCEDURE

ARTICLE 6

General

Granting of Mineral Rights for Exploration, prospecting and Mining of Minerals is made by means of a Mining Contract, a Mineral Pass or a Mineral Permit, following a direct award or competitive tender procedure.

ARTICLE 7
Application

1. Without prejudice to the special rules set forth below for Small Scale Mineral Permits and Mineral Passes, the application for a Mineral Right shall follow the provisions of this Article.
2. Any natural or legal person with a demonstrated technical and financial capacity may apply for a Mineral Concession. The share capital of the legal persons wishing to apply for a Mineral Concession shall be represented by quotas or, in case of limited liability companies by shares, by registered shares.
3. The application for a Mineral Concession shall be addressed to the National Director of Mineral Resources, accompanied by the following documents and information:
 - (a) Identification documents of the applicant (including, when the applicant is a legal person, an updated certificate of commercial registration, official copy of its by-laws, valid business license for provision of mining services, and tax registration) and indication of the legal representative in the case of a legal person;
 - (b) Indication of the Minerals for which the Mineral Concession is being applied for;
 - (c) Location of the Area applied for, which shall include all land required for buffer zones, and to build support facilities for, amongst others, employee housing, administrative buildings and storage units;
 - (d) Documentation attesting the technical and financial capacity of the applicant; and
 - (e) The work programme which the applicant proposes to carry out and the commitments as regards expenditure the applicant undertakes to make.
4. Upon receiving an application, the National Directorate of Mineral Resources shall organize a competitive tender under the terms set forth in Article 8, aimed at awarding the Mineral Right.
5. Applications may be filed by incorporated or unincorporated joint ventures, such as consortiums, provided that all members comply with the requirements set forth in this Code and applicable regulations and declare to remain joint and severally liable towards the State and any third parties for compliance with all applicable duties and obligations arising out of the Mineral Concession, as well as for any damages caused during the performance of Mineral Operations.
6. Should it require additional data to review the application, the National Directorate of Mineral Resources shall notify the applicant to submit such data within a reasonable time period.

ARTICLE 8
Competitive Tender

1. The National Directorate of Mineral Resources shall consider the competing bids and, through an open and transparent method, select the bid which will better promote the development of the Mineral Resources of the Area, having regard to:
 - (a) The work programme which the applicant proposes to carry out and the commitments as regards expenditure the applicant undertakes to make;
 - (b) The financial and technical resources of the applicant;
 - (c) The previous experience of the applicant in the conduct of Mineral Operations; and
 - (d) The extent to which the bidder will contribute to the development of sustainable Mineral Operations in Timor-Leste.
2. The rules applicable to each specific competitive tender process, including the respective evaluation criteria, shall be established in the terms of reference to be approved by the member of the

government responsible for the mineral resources sector, upon proposal of the National Directorate of Mineral Resources.

3. The model Mining Contract to be entered into between the State of Timor-Leste and the winner of the competitive tender shall be attached in draft form to the terms of reference of the tender.
4. Whenever the public interest or the adequate development of the Mineral Resources of Timor-Leste so justify, the National Directorate of Mineral Resources may propose to the member of the government responsible for the mineral resources sector that a competitive tender be organized, irrespective of whether or not an application has been made in respect of a specific Mineral or Area.
5. The National Directorate of Mineral Resources shall cause a notice to be published in the official website of the Government of Timor-Leste and in a widely read national newspaper, and if it deems adequate in an international trade publication, informing on the opening of the tender and inviting all interested parties to submit a proposal.
6. The applicant which application for Mineral Rights under Article 7 gave rise to the competitive tender shall have a right of first refusal for the award of the Mineral Rights, should it wish to match the winning bid.

ARTICLE 9

Direct Award

1. The Council of Ministers may, by means of a duly grounded Resolution, decide to waive the competitive tendering procedure and proceed to directly award a Mineral Concession, in the following cases:
 - (a) In case of a competitive tender in which no applications have been received;
 - (b) In case of a competitive tender which results in an award, with the winning applicant subsequently withdrawing its proposal;
 - (c) In the case of occurrence of other Mineral resources found within the Concession Area, as described in Article 17 below; or
 - (d) In case of direct award to the National Mining Company created pursuant to Article 174 below.
2. Mineral Passes and Small Scale Mineral Permits shall always be granted by means of direct award.

ARTICLE 10

Decision on Award of Mineral Rights

The decision on the award of Mineral Rights, whether resulting from a competitive tender or from a direct award, shall be made by the member of the government responsible for the mineral resources sector, upon recommendation from the National Director of Mineral Resources.

ARTICLE 11

Mining Contract

1. As soon as the decision to grant a Mineral Concession under Article 10 above is made, the National Directorate of Mineral Resources shall immediately notify the concerned party for the purposes of negotiating and executing the relevant Mining Contract.
2. The Mining Contract shall include, namely but not limited to, the following elements:
 - (a) The identity of the Concessionaire;
 - (b) The delimitation of the Area granted;

- (c) The indication of the Minerals covered by the Mineral Concession;
 - (d) The term of the Mineral Concession and the conditions required for possible extensions, specifying the term of the Exploration and Prospecting Period and that of the Mining Period;
 - (e) The conditions and procedures for changes of the Concession Area;
 - (f) The terms and conditions for the direct or indirect assignment of the Mineral Concession;
 - (g) The indication of the rights and obligations of the parties, including:
 - (i) The conditions and timeframe for reversion of the Mineral Concession to the State;
 - (ii) The payments to be made by the Concessionaire to the State;
 - (iii) The obligations in connection with the Mining of Minerals, the transformation and Marketing thereof, or other obligations which may constitute benefits for the technological and economic development of the Country;
 - (iv) Plans for the resettlement of local communities affected by Mineral Operations;
 - (v) Social and community development programmes to be implemented by the Concessionaire;
 - (vi) The conditions for revision of the Mining Contract; and
 - (vii) The legal framework to which the Concessionaire shall be subject;
 - (viii) The frequency for the submission of plans, budgets and activity reports;
 - (ix) The grounds for termination of the Mining Contract; and
 - (x) The amount of the bond to be posted.
 - (h) The special conditions to which the Concessionaire may be subject, notably the time period for commencement of the Mining works.
3. Mining Contracts shall follow a model contract made available from time to time by the member of the Government responsible for the mineral resources sector, which shall be duly adapted on a case-by-case basis to cater to the specific requirements of the project. The Mining Contract shall be executed by the member of the Government responsible for the mineral resources sector in representation of the State of Timor-Leste.
4. A notice with the main elements of the executed Mining Contracts shall be published in the Official Gazette and on the official webpage of the Government of the Democratic Republic of Timor-Leste within 60 days of their execution. Such notice shall include, amongst other details deemed relevant by the National Directorate of Mineral Resources, the identity of the Concessionaire, the delimitation of the Concession Area, the indication of the Minerals covered by the Mineral Concession and the term of the Mineral Concession.

ARTICLE 12

Exploration and Prospecting Licence

Upon execution of the Mining Contract, the member of the government responsible for the mineral resources sector shall issue an Exploration and Prospecting Licence, in terms and conditions consistent with this Code and agreed in the Mining Contract.

ARTICLE 13

Mining Licence

Where, pursuant to Article 24, the Concessionaire decides to proceed with Mining development, and

upon approval given by the National Director of Mineral Resources to the Feasibility Study Report and the Mining Plan in respect of the Mining Area, and provided that the Concessionaire is not then in default of any of its obligations hereunder and under the Mining Contract, the member of the government responsible for the mineral resources sector shall issue to the Concessionaire a Mining Licence over the Mining Area.

ARTICLE 14
Continuance of Rights

Subject to and in accordance with the provisions of this Code and the Mining Contract, the rights and obligations of the Concessionaire thereunder shall subsist throughout the Exploration and Prospecting Period and the Mining Period.

SECTION II
ASSOCIATED MINERALS AND OTHER MINERAL RESOURCES

ARTICLE 15
Associated Minerals

1. If, in the course of carrying out Mineral Operations, the Minerals covered by the Mineral Concession are found to occur with any Associated Minerals, the Concessionaire shall immediately suspend Mineral Operations solely in respect of such Associated Minerals and, within 3 days of the discoveries or findings notify the National Directorate of Mineral Resources of the discovery. Within a further 10day period, the Concessionaire shall submit a summary report of the relevant geological and technical data, indicating whether or not the Concessionaire is interested in further reviewing the possibility of exploiting the Associated Minerals. Should the Concessionaire be interested in reviewing the possibility of exploiting the Associated Minerals, it shall prepare a detailed study including the quantities and characteristics of the Associated Minerals and whether the Associated Mineral may be commercially exploited. The detailed study shall be submitted to the National Directorate of Mineral Resources within 6 months of their discovery, and include the results of adequate detailed investigations, including bore holes and laboratory analysis, amongst others.
2. Notwithstanding the other provisions of this Article 15 and of this Code, the Mineral Rights shall not cover Associated Minerals.
3. Should the Concessionaire so wish, with the submission of the detailed study mentioned in Article 15.1 above, it may submit a proposal to the National Director of Mineral Resources for development of the Associated Minerals, which may include:
 - (a) Sale of all or part of the shares of the mining company to another company with the technical know-how and financial structure to carry out the Mineral Operations in respect of the Associated Minerals for a fair market price;
 - (b) Formation of an incorporated or unincorporated joint venture with another company to exploit the Associated Minerals; or
 - (c) proposal for carrying out of activities aimed at exploring the Associated Minerals under the existing Mining Contract, and any suggest amendments to the same.
4. The National Directorate of Mineral Resources shall assess the proposal under the terms and conditions set forth in this Code and considering the Concessionaire's technical and financial capability to exploit the Associated Minerals. Should it accept said proposal, the member of the government responsible for the mineral resources sector shall extend the existing Mineral Rights to cover the Associated Minerals.
5. The member of the government responsible for the mineral resources sector, upon proposal of the

National Director of Mineral Resources, may decide to terminate or redeem the Mineral Rights, under the terms set forth in this Code, in the following situations:

- (a) Should the Concessionaire opt not to exploit the Associated Minerals;
 - (b) Should the value of the Associated Mineral deposit clearly exceed the value of the Minerals covered by the Mineral Rights; or
 - (c) in other cases of duly grounded public interest.
6. In the cases of Article 15.5(b) and (c) above, the prior Concessionaire shall have a right of first refusal for the award of the new Mineral Right should its bid in the respective competitive tender be no more than 10% lower than the winning bid.

ARTICLE 16

Preservation

If the Associated Mineral can be commercially mined, but the Concessionaire elects not to do so, and the State opts to not terminate or redeem the Mineral Rights under Article 15.5 above, the Concessionaire shall include provisions in its Work Programme and Budget to stockpile the Associated Mineral or otherwise to preserve the Associated Mineral for eventual exploitation, provided that such preservation it is technically and economically feasible.

ARTICLE 17

Other Mineral Resources

1. If, in the course of carrying out Mineral Operations the Concessionaire discovers within the Concession Area any other Minerals of potential commercial value, other than the Minerals covered by the Mineral Concession and Associated Minerals, it shall immediately suspend Mineral Operations solely in respect of such other Minerals and the part of the Concession Area where they have been found. Within 3 days of the discoveries or findings, the Concessionaire shall notify the National Directorate of Mineral Resources of the discovery
2. The Concessionaire shall, in preference to any third parties, be given an opportunity to negotiate terms and conditions for the direct award of the Mineral Rights covering Exploration and exploitation of such Minerals.
3. If no agreement is reached, the National Director of Mineral Resources may open a competitive tender aimed at awarding a Mineral Concession to third parties for such other Minerals.

SECTION III

EXPLORATION AND PROSPECTING PERIOD

ARTICLE 18

Term and Extension

1. The Exploration and Prospecting Period has a maximum initial term of 5 years, which may be extended one or more times for a maximum period of further 5 years.
2. The Concessionaire shall apply for the extension of the Exploration and Prospecting Period at least 120 days prior to expiry of the initial Exploration and Prospecting Period and, thereafter, not less than 120 days prior to the expiration of each subsequent extension period, by submitting an extension application to the National Directorate of Mineral Resources, accompanied by the following documents and details:
 - (a) The period of extension sought;
 - (b) The area which the Concessionaire intends to retain, with a topographical map of the region

- outlining the configuration and dimension of the area;
- (c) In the event that Exploration activities are being conducted in relation to the area which the Concessionaire intends to retain, a geological report of the Exploration and prospecting operations carried out and the results and conclusions thereof, and, in the event that any feasibility study is being conducted in relation to any area which the Concessionaire intends to retain, a report on the status of the feasibility study; and
 - (d) The proposed overall Work Programme and Budget and minimum expenditures for the Mineral Operations to be carried out during the period of the extension, as well as a detailed Work Programme and Budget to be implemented during the first year of the extension period.
3. Subject to the review and approval of the geological report and/or feasibility study referred to in Article 18.2.(c) above, the National Director of Mineral Resources shall approve the extension request provided that:
- (a) The Concessionaire is not in default of any of its obligations hereunder and under the Mining Contract;
 - (b) The Work Programme and Budget for the extension period are in accordance with Good Mining Industry Practices and the applicable environmental requirements; and
 - (c) The Concessionaire has fulfilled the approved Work Programme and Budget commitments for the Exploration and Prospecting Period due to expire.

ARTICLE 19

Exploration and Prospecting Operations

During the Exploration and Prospecting Period the Concessionaire shall, in accordance with the Work Programme and Budget submitted pursuant to Article 52, carry out Mineral Operations aimed at:

- (a) Delineating Mineral Resources, including the determination of their characteristics and composition;
- (b) Identifying the areas where Mineral Resources occur; and
- (c) Determining the feasibility of commercially Mining the Minerals identified and preparing a Feasibility Study Report, which shall include a Mining Plan.

ARTICLE 20

Enlargement

1. Where any Mineral Deposit discovered by the Concessionaire in the course of Mineral Operations extends beyond the boundaries of the Concession Area, the Concessionaire may request from the National Director of Mineral Resources an enlargement of the Concession Area to include the entire area of such Mineral Deposit.
2. The application for enlargement of the Area may be rejected, notably, in the following cases:
 - (a) The area applied for is not available;
 - (b) The Concessionaire is in default of any of its obligations hereunder and under the Mining Contract; or
 - (c) Public interest.

ARTICLE 21
Relinquishment

1. The Concessionaire may, at any time during the term of the Exploration and Prospecting Period and on 60 days' notice, relinquish its rights in respect of the whole or any part of the Concession Area subject to the Exploration and Prospecting License.
2. The relinquished area shall cease to be part of the Concession Area and the Concessionaire shall to that extent be relieved of its obligations hereunder and under the Mining Contract.
3. Where the Concessionaire proposes to relinquish the entire Concession Area, it shall deliver to the National Directorate of Mineral Resources all geological data and works reports produced hitherto and the respective Mineral Concession shall forthwith lapse.
4. The relinquishment of the entire Concession Area does not relieve the Concessionaire from its obligations under the Exploration and Prospecting Period, including, but not limited to, its commitments in terms of minimum expenditure.

ARTICLE 22
Duties of the Concessionaire

1. During the Exploration and Prospecting Period the Concessionaire shall have the following duties:
 - (a) Demarcate the Concession Area with easily identifiable concrete markers, no later than 30 days as from the date of issuance of the Exploration and Prospecting License or of any change to the Area;
 - (b) Carry out the Exploration and prospecting works within the Concession Area in accordance with approved Work Programmes and Budgets, which shall include, amongst others, the proposed use of explosives in the Mineral Operations (which shall be subject to the approval of the National Police of Timor-Leste) and respective safety and risk mitigation rules and procedures;
 - (c) Prepare and submit to the National Directorate of Mineral Resources annual work reports;
 - (d) Carry out the Mineral Operations in accordance with applicable law and Good Mining Industry Practices and the applicable environmental requirements;
 - (e) Recognize, observe and respect the rights, customs and traditions of local communities;
 - (f) Promote and contribute to the development of the host and neighbouring communities of the Concession Area;
 - (g) Timely pay all taxes, duties and fees relating to its activities;
 - (h) Comply with any orders or instructions issued by the National Directorate of Mineral Resources and other competent authorities; and
 - (i) Take out the insurance required by law, and any other insurance that the Concessionaire, bankers or Financers may deem necessary to ensure adequate cover for the risks of the Mineral Operations.
2. For the purpose of Article 22.1(i) above, the Concessionaire may use international insurance coverage insofar as such coverage may be extended to cover Mineral Operations in Timor-Leste. Upon approval of the National Director of Mineral Resources, the Concessionaire may also resort to self-insurance when the contracting of commercial insurance coverage is not possible or is proven to be excessively onerous.
3. Insurance policies shall be maintained in force at all times, and the coverage limits shall be adjusted to any variations in the risk of Mineral Operations in accordance with Good Mining Industry

Practices. Whenever available at the same market conditions, the Concessionaire shall give preference to insurance companies registered in Timor-Leste.

ARTICLE 23
Cores and Samples

1. All cores and samples collected by the Concessionaire during the Exploration and Prospecting Period must be stored in a manner that, as far as possible, prevents their contamination, deterioration, or loss.
2. The National Directorate of Mineral Resources may, by notice in writing, request a Concessionaire to supply to the Institute of Petroleum and Geology a representative sample or core or a representative fraction of any samples obtained in the course of Mineral Operations during the Prospecting and Exploration Period and the Concessionaire must supply the core or sample not later than 10 days after receiving the notice.

ARTICLE 24
Application for Mining License

Where during the course of the Exploration and Prospecting Period the Concessionaire considers that its investigations and studies establish the feasibility of all or part of the Concession Area as a potential commercial Mineral Deposit, the Concessionaire may, within 90 days of the expiry of the Exploration and Prospecting Period, or at any other earlier time and pursuant to the provisions of Article 13, submit an application for a Mining License for the purpose of carrying out the development, operation and Mining of the Mineral Deposits.

ARTICLE 25
Application

1. The Concessionaire shall submit the Mining License application simultaneously with the submission of the Feasibility Study Report and the Mining Plan, which shall contain the information referred to in Articles 26 and 27, respectively.
2. The expiry of the Prospecting and Exploration License while the application for a Mining License is pending shall not lead to the termination of the Mineral Concession; the Concessionaire not being required to submit the respective extension request.

ARTICLE 26
Feasibility Study Report

The Feasibility Study Report shall contain:

- (a) A copy or a summary of the geological report of the Exploration and prospecting operations carried out and the results and conclusions thereof;
- (b) A map of the Concession Area distinguishing the sections according to the type of operations carried out or to be carried out and 'Indicating the areas to be retained or relinquished;
- (c) Preliminary project design and technological data on Mining and processing methods and the projected product characteristics, production profile and capacity of the mine and processing plant during the life of the mine;
- (d) Projected use of explosives during the Mineral Operations and respective safety and risk mitigation rules and procedures;
- (e) Expected requirements for industrial and social infrastructure, utilities, facilities, equipment and machinery for Mining, processing, storage, handling, transport and other Mineral Operations

- correlated with a survey and study of existing infrastructure;
- (f) The projected time schedule for the continuation of the Mineral Operations;
 - (g) An Environmental Assessment analysing the potential impact of the Mineral Operations on land, water, air, biological and natural resources and human settlements;
 - (h) A proposal relating to the financing requirements and available resources for the continued Exploration, as well as for the construction and development of any mine;
 - (i) A proposal regarding the sale of the Minerals; and
 - (j) The Concessionaire's evaluation and conclusions regarding the feasibility of a commercial Mineral project including a detailed forecast of capital investment, operating and production costs, projected revenues and a thorough financial analysis based on assumptions agreed with the National Director of Mineral Resources of prospective cash flows and rates of return of the project.

ARTICLE 27 **Mining Plan**

The Mining Plan, which shall be consistent with the Feasibility Study Report, shall include:

- (a) The delineation of the Mining Area and any other areas including any easements or rights-of way on a topographical and geological map of the area;
- (b) Details of the development work to be carried out and the estimated duration thereof;
- (c) Details of Mining conditions and Mining methods and any alternatives that might be adopted should conditions so warrant;
- (d) Specifications for equipment, machinery and facilities to be used in Mining, processing and other Mineral Operations;
- (e) The capacity and production schedule specifying the intended date of the first throughput, the first sale or disposal and the overall recovery of Minerals; and
- (f) The management and operations structure including workforce requirements for skilled and unskilled labour, positions proposed to be filled by expatriate and local labour, and a detailed programme for the employment and training of Timor-Leste citizens, in compliance with the requirements of Articles 97 through 99 of this Code.

ARTICLE 28 **Review and Approval**

1. The National Directorate of Mineral Resources shall review the Feasibility Study Report, including the Mining Plan, within a period of 120 days from the date of receipt.
2. After hearing the National Director of Mineral Resources and consulting with other relevant government bodies, the member of the government responsible for the mineral resources sector shall approve the Feasibility Study Report, including the Mining Plan, except if it concludes that the Feasibility Study Report and the Mining Plan do not:
 - (a) Provide for the most beneficial, timely and efficient utilisation of the Minerals concerned;
or
 - (b) Meet the requirements set forth in Articles 26 and 27.
3. The National Directorate of Mineral Resources shall within the period provided for Article 28.1 notify the Concessionaire in writing of the approval of the Feasibility Study Report, including the Mining Plan or any objections, amendments or additions.

**SECTION IV
MINING PERIOD**

**SUB-SECTION I
DEVELOPMENT PHASE**

**ARTICLE 29
Issuance of Mining Licence**

Upon approval of the Feasibility Study Report, including the Mining Plan, in accordance with the provisions of Article 28, the member of the government responsible for the mineral resources sector shall issue to the Concessionaire a Mining Licence for the Mineral resources existing in the Mining Area.

**ARTICLE 30
Term**

1. The Development Phase shall commence on the date of issuance of the Mining Licence and shall terminate on the date established in the Mining Plan, but in no event more than 36 months after the issuance of the Mining Licence.
2. The Concessionaire may, not less than 120 days prior to the date on which the Development Phase is due to expire, apply to the National Directorate of Mineral Resources for an extension of the Development Phase.
3. The application shall contain a statement of the reason(s) and the period for which the extension is sought as well as include a report of the works already carried out and a programme and schedule of the works to be carried out during the period of extension as well as any consequent amendments or additions to the Mining Plan.
4. The National Director of Mineral Resources shall, upon review and approval of the extension application and provided that the Concessionaire is not in default of any of its obligations hereunder or under the Mining Contract, grant an extension of the Development Phase for the appropriate period of time.

**ARTICLE 31
Development Operations**

During the Development Phase, the Concessionaire shall:

- (a) Demarcate the Mining Area with easily identifiable concrete markers, no later than 30 days as from the date of issuance of the Mining Licence; and
- (b) Undertake the construction, assembly and commissioning of the infrastructure, utilities, equipment and machinery for the Mining, processing, storage, handling and transport of the Minerals.

**SUB-SECTION II
MINING PHASE**

**ARTICLE 32
Term**

1. The Mining Phase shall begin on the date established in the Mining Plan, but in no event more than 48 months after the issuance of the Mining Licence.
2. The Mining Phase shall have a maximum term of 20 years, which may be extended one or more times for a maximum period of an additional 10 years.

ARTICLE 33
Mining Area

The Mining Area shall be delineated in the Mining Plan and approved by the National Director of Mineral Resources.

ARTICLE 34
Mineral Operations

During the Mining Phase, the Concessionaire shall mine the Minerals identified during the Exploration and Prospecting Period and carry out all associated Mineral Operations.

ARTICLE 35
Duties

1. During the Mining Phase, the Concessionaire shall:
 - (a) Begin Mining of Minerals under the terms of the Mining Contract, but in no event after 48 months have elapsed from the issuance of the Mining License;
 - (b) Carry out the Exploration works within the Concession Area in accordance with approved Work Programmes and Budgets;
 - (c) Prepare and submit to the National Directorate of Mineral Resources annual work reports;
 - (d) Carry out the Mineral Operations in accordance with applicable law and Good Mining Industry Practices and the applicable environmental requirements;
 - (e) Recognize, observe and respect the rights, customs and traditions of local communities;
 - (f) Promote and contribute to the development of the host and neighbouring communities of the Concession Area;
 - (g) Timely pay all taxes, fees and other duties relating to its activities;
 - (h) Comply with any orders or instructions issued by the National Directorate of Mineral Resources and other competent authorities;
 - (i) Take out the insurance required by law, and any other insurance that the Concessionaire, bankers or Financers may deem necessary to ensure adequate cover for the risks of the Mineral Operations; and
 - (j) Comply with the statutory and contractual requirements for hiring and training of Timorese nationals.
2. For the purpose of Article 35.1(i) above, the Concessionaire may use international insurance coverage insofar as such coverage may be extended to cover Mineral Operations in Timor-Leste. Upon approval of the National Director of Mineral Resources, the Concessionaire may also resort to self-insurance when the contracting of commercial insurance coverage is not possible or is proven to be excessively onerous.
3. Insurance policies shall be maintained in force at all times, and the coverage limits shall be adjusted to any variations in the risk of Mineral Operations in accordance with Good Mining Industry Practice. Whenever available at the same market conditions, the Concessionaire shall give preference to insurance companies registered in Timor-Leste.

**SECTION V
RIGHTS OF THE CONCESSIONAIRE**

**ARTICLE 36
Rights of the Concessionaire**

The Concessionaire has the following rights, which shall be exercised in compliance with all approved Work Programmes and Budgets, Feasibility Study Reports, and Mining Plans, as applicable:

- (a) The exclusive right to enter and occupy the Concession Area;
- (b) The exclusive right to conduct Mineral Operations within the Concession Area and therein to remove, treat and dispose of overburden;
- (c) Subject to the rights of any third party, to enter, utilise and occupy areas outside the Concession Area, as may be necessary and appropriate for the conduct of Mineral Operations;
- (d) Subject to the rights of any third party, to lay or pass on, over or under land or water, such roads, railways, pipes, pipelines, sewers, drains, wires, lines and similar facilities as may be necessary and appropriate;
- (e) To construct the necessary facilities and infrastructure in the Concession Area;
- (f) Subject to all applicable licensing and registration requirements from relevant State bodies, to acquire, use and operate radio and other communication facilities, helicopters, or any other type of aircraft, and other transportation facilities, together with auxiliary equipment and facilities;
- (g) To clear away and remove from the Concession Area such timber, overburden and other obstruction as may be necessary;
- (h) To use water in accordance with the applicable law and without the need of requesting additional licenses or permits; and
- (i) To sell and export Minerals.

**ARTICLE 37
Third Parties**

In the exercise of the rights listed in Article 36, the Concessionaire shall take into account other rights granted to third parties, such as grazing, fishing, timber cutting and cultivation rights, and rights-of-way, by conducting its Mineral Operations so as to minimise interference, to the extent possible, with the exercise of such other third parties' rights.

**ARTICLE 38
Exclusivity**

The member of the government responsible for the mineral resources sector shall not grant any other conflicting Mineral Rights to third parties in the Concession Area.

**ARTICLE 39
Infrastructure**

In the planning, construction, establishment, use and maintenance of all facilities and infrastructure required for Mineral Operations, the Concessionaire shall:

- (a) Consult and coordinate its actions with any regional or national studies and plans undertaken by or for the State or approved by the State at a district or national level;
- (b) Comply with any treaty or legislated standards of general application in Timor-Leste; and

- (c) Comply with any directives of the State authorities responsible for territorial planning and administration.

SECTION VI
MINERALS USED IN THE CONSTRUCTION INDUSTRY

ARTICLE 40
Mineral Permits

1. Mineral Permits grant their holders the right to carry out Mineral Operations for Construction Minerals, as well as to market those Construction Minerals.
2. Any natural or legal person with a demonstrated technical and financial capacity may apply for a Mineral Permit.

ARTICLE 41
Award of Mineral Permits

1. The application for Small Scale Mineral Permits shall be addressed to the National Director of Mineral Resources and be granted by direct award.
2. The member of the government responsible for the mineral resources sector may delegate the powers to grant Small Scale Mineral Permits to the National Director of Mineral Resources.
3. The application for Large Scale Mineral Permits shall be addressed to the National Director of Mineral Resources and follow the requirements and procedures set forth in Articles 7 through 9 above.

ARTICLE 42
Contents

The Mineral Permit shall contain the following information:

- (a) Date of issuance and number of the Permit;
- (b) Identity of the holder;
- (c) Construction Minerals covered;
- (d) Term;
- (e) Description of the Area; and
- (f) Topographic map of the Area covered by the licence with the indication of the geographic coordinates, for Large Scale Mineral Permits.

ARTICLE 43
Term and Extension

1. Small Scale Mineral Permits are granted for renewable periods of up to 2 years.
2. Large Scale Mineral Permits are granted for the following maximum terms:
 - (a) For purely extractive operations, up to 5 years, renewable for a maximum additional period of 5 years; and
 - (b) For extractive operations carried out to supply a fully integrated industrial project, up to 20 years, renewable for a maximum additional period of 10 years.

ARTICLE 44
Rights of the Permit Holder

Holders of Mineral Permits shall have the right to:

- (a) Access the Concession Area;
- (b) Explore, evaluate and mine, on an exclusive basis, the Construction Minerals covered by the Mineral Permit and carry out all related works and activities;
- (c) Occupy and use the land required for the carrying out of the Mineral Operations and for the installation of the relevant facilities; and
- (d) Sell, market, export or otherwise dispose of the Construction Minerals mined from the Concession Area.

ARTICLE 45
Duties of the Permit Holder

- 1. Holders of Large Scale Mineral Permits shall have the following duties:
 - (a) Carry out the Mineral Operations within the license area in accordance with approved Work Programmes and Budgets;
 - (b) Carry out the Mineral Operations in accordance with applicable law and good industry practices and the applicable environmental requirements; and
 - (c) Timely pay all taxes, fees and other duties relating to their activities.
- 2. Holders of Small Scale Mineral Permits shall carry out their operations in accordance with basic environmental standards, in compliance with the rules of this Code, the Mineral Permit and any instructions that may be issued by the National Directorate of Mineral Resources, and in such a manner as to avoid unnecessary and disproportionate impact on the site and neighboring communities.

SECTION VII
ARTISANAL MINERAL OPERATIONS

ARTICLE 46
Mineral Passes

- 1. Mineral Passes grant their holders the right to carry out Artisanal Mineral Operations.
- 2. Any national natural person may apply for a Mineral Pass. The applicant must reside in the area in respect of which the application is made, and shall not be employed by any entity or individual to whom the Minerals extracted under the Mineral Pass are sold.
- 3. Mineral Passes cannot be assigned or transmitted.

ARTICLE 47
Application

- 1. The application for a Mineral Pass shall be addressed to the National Director of Mineral Resources.
- 2. Mineral Passes shall be granted by means of direct award, in the form of Appendix IV.

ARTICLE 48
Contents

The Mineral Pass shall contain the following information:

- (a) Date of issuance and number of the pass;
- (b) Identity of the holder;
- (c) Term; and
- (d) Identification of the Area.

ARTICLE 49

Term

Mineral Passes are granted for renewable periods of 2 years.

ARTICLE 50

Rights of the Pass Holder

Holders of Mineral Passes shall have the right to carry out Artisanal Mineral Operations within the Area covered by the Mineral Pass, including Mining, transporting, processing and selling any Mineral mined from the Area,

ARTICLE 51

Duties of the Pass Holder

1. Holders of Mineral Passes shall carry out the Artisanal Mineral Operations in a safe manner, in accordance with basic environmental standards, in compliance with the rules of this Code and any instructions that may be issued by the National Directorate of Mineral Resources, and in such a manner as to avoid unnecessary and disproportionate impact on the site and neighboring communities,
2. Holders of Mineral Passes shall immediately notify the National Directorate of Mineral Resources and suspend their activities should they find possible human remains during the performance of Artisanal Mineral Operations,

CHAPTER III

WORK PROGRAMMES, BUDGETS, RECORDS AND REPORTS

ARTICLE 52

Work Programmes and Budgets

1. Upon execution of the Mining Contract, the Concessionaire shall prepare and submit to the National Directorate of Mineral Resources for approval a detailed Work Programme and Budget consistent with the minimum Work Programme and Budget agreed in the Mining Contract that the Concessionaire proposes to carry out in the year during which the date on which the Exploration and Prospecting Period commences falls,
2. During the Exploration and Prospecting Period, on or before 30 September each year, the Concessionaire shall prepare and submit for the approval of the National Director of Mineral Resources a detailed Work Programme and Budget setting forth the Mineral Operations which the Concessionaire proposes to carry out during the following year,
3. Work Programmes and Budgets shall be prepared in the form and contents approved by the National Directorate of Mineral Resources from time to time,

ARTICLE 53

Variations

1. The Concessionaire may vary or amend the Work Programme and Budget and the Mining Plan

provided that:

- (a) The amendments are consistent with the Concessionaire's obligations under this Code and under the Mining Contract; and
 - (b) If the amendments substantially or materially alter or vary the budget or the general form or objective of the Work Programme and Budget or Mining Plan, the Concessionaire submits its proposals for the amendments to the National Director of Mineral Resources for review and approval before implementation.
2. For the purpose of Article 53.1 (b), a substantial or material alteration or variance of a Work Programme or Budget or the Mining Plan shall include:
- (a) A substantial reduction in any Work Programme or Budget or in Mining as projected in the approved Mining Plan;
 - (b) A change in the date on which Mining is due to begin; or
 - (c) A change in the Mining method.

ARTICLE 54

Records

1. The Concessionaire shall prepare and maintain comprehensive, accurate and current records of the Mineral Operations carried out in the Concession Area.
2. The Concessionaire shall give notice to the National Directorate of Mineral Resources of all major developments taking place during the course of the Mineral Operations and shall furnish to the National Directorate of Mineral Resources all available information, data, reports, assessments and interpretations relating to these developments.

ARTICLE 55

Monthly Reports

The Concessionaire shall, within 30 days after the end of each month, prepare and deliver to the National Directorate of Mineral Resources a progress report of the Mineral Operations carried out during that preceding month, which shall include:

- (a) During the Exploration and Prospecting Period, details of any sampling or drilling programme, including location, amount of drilling and trenching performed, the results and interpretation of air photo and satellite imagery, any field or laboratory tests and analyses, costs and expenses incurred, workforce data and the Concessionaire's evaluation and conclusions of the operations being carried out; or
- (b) During the Development Phase, details regarding the progress of completion of the construction, assembly and commissioning of the infrastructure, utilities, equipment and machinery and any delays or alteration in the construction and commissioning schedule.

ARTICLE 56

Annual Reports

1. During the term of the Mineral Concession, within 60 days after the end of each year, the Concessionaire shall prepare and deliver to the National Directorate of Mineral Resources an annual summary of the Mineral Operations carried out in the preceding year presenting technical, economic and financial information relating to the Mineral Operations carried out.
2. The report containing the annual summary of the Mineral Operations shall be prepared in the form and contents approved by the National Directorate of Mineral Resources from time to time.

ARTICLE 57

Submission Technical Documents, Reports, Programmes and Budgets

All technical documents, reports, programmes and budgets required in this Code shall be signed by a qualified technician registered with the National Directorate of Mineral Resources, according to regulations to be issued in this respect.

CHAPTER IV

OCCUPATION OF THE LAND, COMPENSATION FOR DAMAGES AND RESETTLEMENT OF LOCAL COMMUNITIES

SECTION I

OCCUPATION OF THE LAND

ARTICLE 58

Right to Access and Occupy the Land

1. Holders of Mineral Rights have the automatic right to access and occupy State land within the Concession Area over which its Mineral Rights have been granted.
2. The document conveying title over land belonging to the State or the right to use the same for Mineral Operations shall be included as an annex to the Mining Contract, the Mineral Permit or the Mineral Pass.
3. Whenever necessary for reasons of public interest, the State may expropriate land or land rights to be included in a Concession Area, under the terms set forth in the law.

ARTICLE 59

Restriction to Land Occupation

1. Except if otherwise authorized by the member of the government responsible for the mineral resources sector or if lower distances are mentioned in the Mineral Rights concession the following land may not be occupied in connection with the conduct of Mineral Operations:
 - (a) Reserved for cemeteries;
 - (b) Containing archaeological and cultural heritage sites or a national monument;
 - (c) Containing religious landmarks;
 - (d) Situated on or less than 250 meters from a dam or reservoir;
 - (e) Situated less than 100 meters from a State building;
 - (f) Used for national defence or occupied by the national defence institutions, including a buffer zone of 100 meters surrounding the same;
 - (g) Located within 100 meters or less from an airport;
 - (h) Reserved for railway or pipeline projects;
 - (i) Reserved for the planting of saplings or forestry;
 - (j) Situated in, or less than 250 meters from the boundary of a village, town, municipality or a city;
 - (k) On which streets, roads, bridges and other public infrastructure are located and a buffer zone of 100 meters on either side;
 - (l) Within a national park; and

- (m) Classified as an Excluded Area pursuant to Article 4.
2. When the economic value or other benefits associated with Mineral Operations clearly exceed the value and importance of the archaeological and cultural heritage sites or, national monuments or religious landmarks, or any other restricted use areas imposed by general law, the member of the Government responsible for the mineral resources sector may exceptionally authorize that Mineral Operations be carried out within such sites, after consulting with the other relevant State body, and obtaining approval from the Council of Ministers.

ARTICLE 60
Protection Measures

The National Directorate of Mineral Resources may order the construction of structures or zones for the protection of buildings and built-up areas, water sources, roads, civil engineering and public utility works, or for the general public interest within the perimeters of areas over which Mineral Rights have been granted.

SECTION II
COMPENSATION FOR DAMAGES

ARTICLE 61
Obligation to Compensate

The Holder of a Mineral Right is liable to pay compensation for damages caused by Mineral Operations to third parties and the State.

ARTICLE 62
Compensable Damages

Compensable damages include, but are not limited to, damages caused by Mineral Operations to:

- (a) Human life and health;
- (b) Lands, crops, livestock and forest products;
- (c) Cemeteries, cultural and religious sites; and
- (d) Infrastructure,

ARTICLE 63
Qualified Applicants

The following persons and entities may apply for compensation for damages:

- (a) Any individual and his/her successors, in the event of loss or damage to his or her life, health or property;
- (b) Any owners of damaged private lands, structures or infrastructures; and
- (c) Any farmer for damage to crops or livestock,

ARTICLE 64
Compensation Application Procedure

1. An application for compensation for damages under this Code shall be filed with the National Directorate of Mineral Resources within 60 days from the occurrence of the damage,
2. Applications should be supported by the following documents:

- (a) Documentation of the damage claimed by the applicant;
 - (b) Proof of ownership of the damaged property; and
 - (c) Other information that may be required by the National Directorate of Mineral Resources,
3. Applications shall be governed by the Administrative Procedure Law, the final decision being subject to appeal according to the terms of said law,

SECTION III

RESETTLEMENT, PROTECTION OF, AND CONSULTATION WITH LOCAL COMMUNITIES

ARTICLE 65

General Principle

In planning and carrying out Mineral Operations the State, the Concessionaires, and any third parties that cooperate with them in the performance of Mineral Operations shall endeavour to consult with the local communities and to address their legitimate concerns, insofar as same does not exceedingly hinder Mineral Operations or make them excessively onerous.

ARTICLE 66

Liaison with Local Communities

1. For the purposes of Article 65 above, the Concessionaire shall appoint a duly qualified Community Relations Officer, of Timorese nationality, who shall be responsible for, together with a representative of the State appointed by the National Directorate of Mineral Resources, liaising with the local communities in the Concession Area and surrounding areas.
2. During the planning of Mineral Operations, the Community Relations Officer and the representative of the State shall consult with the local community leadership to discuss all relevant aspects of the Mineral Operations that may impact on the local community, including:
 - (a) Creation of jobs and training for Timorese nationals and local residents;
 - (b) Development of local infrastructure;
 - (c) Resettlement, if necessary;
 - (d) Protection of the environment;
 - (e) Protection and/or relocation of cultural and/or religious sites; and
 - (f) Rights of way or easements for movement of populations and animals, as well as for the grazing of the latter or access to water or cultural and religious sites.

ARTICLE 67

Resettlement

1. If the continued presence of local communities in areas over which Mineral Rights have been granted is incompatible with Mineral Operations, holders of Mineral Rights shall prepare and implement a resettlement plan for the regrouping of such communities in an area located as close as possible to the area from which they have been displaced.
2. The resettlement plan shall be approved and monitored by the National Directorate of Mineral Resources, and shall foresee, amongst others, the movement of any religious or cultural artefacts located at the land.
3. All costs associated with the resettlement of local communities, including, but not limited to, the cost of building housing facilities and other social infrastructure, shall be borne by holders of

Mineral Rights.

4. Persons that have occupied land in the Concession Area without formal title prior to the application for the Mineral Rights shall be entitled to compensation and relocation, provided they are acknowledged as legitimate occupants after consultation between the Community Relations Officer, the representative of the State and the local community leadership.

ARTICLE 68

Compensation to Displaced Communities

1. Local communities displaced as a result of Mineral Operations shall also be entitled to be compensated for the loss of crops, livestock, forestry products or any other loss of land use profits.
2. The compensation referred to in Article 68.1 shall preferentially consist in the offering of jobs to the members of displaced communities and, alternatively, in the payment of cash compensation.

CHAPTER V

ENVIRONMENTAL REGIME

SECTION I

GENERAL PROVISIONS

ARTICLE 69

Environmental Licensing

1. Mineral Operations are subject to a mandatory Environmental Licensing Procedure, carried out in accordance with the applicable law and regulations, as amended by the provisions of this Chapter.
2. The Environmental Licensing Procedure shall be aimed at, amongst others, assessing compliance with the applicable legal and technical requirements, approving the location, installation, expansion and operation of facilities and activities using natural resources which are real or potential polluters, or otherwise may cause harm or alteration to the environment, as well as the technical specifications applicable to the Mineral Operations under review.
3. The National Directorate of Mineral Resources shall be responsible for organizing and conducting the Environmental Licensing Procedures respecting to Mineral Operations, under the Environmental Licensing Regulations, and in collaboration with the other environmental authorities.
4. The National Director of Mineral Resources shall be responsible for approving all acts in the Environmental Licensing Procedure set forth in Environmental Licensing Regulations, acting as High Authority for Environmental Matters thereunder.

ARTICLE 70

Environmental Managing of Mineral Operations

1. All Mineral Operations shall be planed and exercised in accordance with:
 - (a) The laws and regulations in force aimed at protecting and preserving the environment, with the view of using and exploiting Mineral Resources in a sustainable way; and
 - (b) The best Good Mining Industry Practices used internationally, in order to prevent and minimize the waste and loss of natural resources and protect them from unnecessary damage.
2. Save for the holders of Mineral Passes, and without prejudice to the other applicable legislation, the adoption of the following measures shall be mandatory:

- (a) Use of drilling equipment fitted with automatic dust capture devices, or as an alternative water injection devices, with a view to preventing the propagation or avoiding the formation of dust resulting from the Mineral Operations;
 - (b) Fight against the formation of dust within the Area where Mineral Operations are carried out and in the access ways thereto, by means of the use of appropriate systems, including water sprinkling;
 - (c) In the cases where the Mineral Operations jeopardize the normal supply of water to the populations, guarantee that the normal supply will be restored in quality and quantity, by resorting to alternative means, including the prior water treatment and the reconstitution of their sources;
 - (d) Notification to the National Directorate of Mineral Resources of possible archaeological and cultural findings;
 - (e) Notification to the National Directorate of Mineral Resources of the finding of possible human remains;
 - (f) In open-cast Mineral Operations, storage as much as possible of the cover soil, with a view to the subsequent recovery of the land and flora; and
 - (g) Preparation and implementation of a water management and conservation plan.
3. In the situations referred in Article 70.2(d) the National Directorate of Mineral Resources shall advise the member of the government responsible for archaeological and cultural matters of the findings as soon as reasonably possible.
4. In the situations referred in Article 70.2(e) the Concessionaire shall immediately suspend its activities in the area where the remains have been found, and the National Directorate of Mineral Resources shall advise the relevant criminal investigation authorities as soon as reasonably possible of the findings.

ARTICLE 71

Environmental Licensing of Mineral Operations

Mineral Operations may only be carried-out after the appropriate Environmental Licensing Procedure has been duly completed.

ARTICLE 72

Existing Operations

Existing Mineral Operations must undergo the applicable Environmental Licensing Procedure within 180 days of the effective date of this Code.

ARTICLE 73

Alterations

The upgrading, renovation, extension and/or alteration to the mineral facilities is also subject to prior environmental licensing.

SECTION II

CLASSIFICATION OF MINERAL OPERATIONS

ARTICLE 74

Classification of Mineral Operations

Mineral Operations may fall within one the following environmental categories:

- (a) Level 1 activities -the activities of Exploration and prospecting which do not involve mechanized methods;
- (b) Level 2 activities -Mineral Operations in quarries or Mineral Operations in respect of Mineral resources for construction, or that involve mechanized equipment; and
- (c) Level 3 activities -Mineral Operations not included in the previous definitions and that make use of mechanized methods and processes.

**SECTION III
ENVIRONMENTAL ASSESSMENT**

**ARTICLE 75
Competent Authority**

- 1. Environmental licenses shall be issued by the member of the government responsible for the mineral resources sector, after consultation with the member of the government responsible for environmental matters.
- 2. Without prejudice to the provisions of this Code, the Environmental Licensing Procedure, including the information and support documents to be provided by the applicants, proceedings to be adopted, grounds for refusal, penalties for environmental infringements and additional rights and duties, shall be governed by the existing general Environmental Licensing Regulations.
- 3. Mineral Operations may only commence upon the issuance of the respective environmental license.

**ARTICLE 76
License Application**

The environmental license shall be applied for by means of an application submitted to the National Director of Mineral Resources, which shall coordinate the Environmental Licensing Procedure with the State entity responsible for environmental matters.

**ARTICLE 77
Conduct of Mineral Operations**

- 1. Level 1 activities must be conducted in compliance with the basic standards of environmental management, which shall be defined and approved by the member of the government responsible for the mineral resources sector, by means of Joint Ministerial Diploma of the members of the government responsible for the mineral resources and environmental sectors.
- 2. Level 2 activities are subject to the preparation and submittal of an Initial Environmental Examination and Environmental Management Plan, pursuant to the rules and procedures set forth for in the general Environmental Licensing Regulations for “Category B” projects.
- 3. Level 3 activities are subject to the Environmental Assessment procedure set forth in the general Environmental Licensing Regulations for “Category A” projects.

**SECTION IV
PROTECTION OF ENVIRONMENT**

**ARTICLE 78
Environmental Audits**

- 1. Whenever deemed necessary, the State entity responsible for environmental matters and the National Directorate of Mineral Resources in conjunction with the environmental authorities may perform environmental audits, aimed at ensuring that the activities are being carried out in

compliance with the applicable environmental requirements, in particular pollution prevention standards.

2. For purposes of the preceding paragraph, the Holders of Mineral Rights shall provide all necessary assistance to the supervision activities conducted at the facilities, including, without limitation, collecting of samples and the provision of requested information. Any obstruction by the Concessionaire or its staff is punishable as an offence under Article 146.

ARTICLE 79 **Review of Operating Conditions**

1. Mineral Concessions must be reviewed from an environmental protection standpoint whenever the Mineral Operations:
 - (a) Have caused harm to the environment;
 - (b) Have caused a situation of non-compliance with the existing environmental licenses; or
 - (c) Constitute a breach of the environment legal regime or regulations.
2. If one of the situations provided for in the preceding paragraph occurs or is expected to occur, the State entity responsible for environmental matters and the National Director of Mineral Resources may issue an Environmental Protection Order aimed at:
 - (a) Preventing the violation;
 - (b) Ceasing the continuity of the activity; or
 - (c) Ensuring the compliance with the applicable environmental standards.
3. The Environmental Protection Order shall be issued in writing, detailing the factual and legal grounds for the same.
4. The Environmental Protection Order may include the following aspects to be observed by the Concessionaire or its contractors:
 - (a) Recommendation on actions and/or omissions to be adopted; and
 - (b) Suspension of all or part of the Mineral Operations for a determined period of time or until further notice is issued by the competent authorities.

ARTICLE 80 **Damage caused by Mineral Operations**

1. The Concessionaires and their associates or contractors are under the obligation of protecting the environment and shall be held responsible for damage they may cause to the environment as a result of Mineral Operations.
2. The serious environmental damages caused by actions or omissions in breach of the existing environmental operating conditions of the mine may lead to the revocation of the Mineral Rights, when such sanction is applicable pursuant to Article 112.

ARTICLE 81 **Environmental Bond**

1. In order to ensure that all environmental policies, rules and requirements are complied with, Holders of Mineral Rights carrying out Level 2 and 3 Mineral Operations must provide a financial guarantee to ensure payment of the costs of rehabilitation and removal from site at closure of the Mineral Operations.
2. The amount of the Environmental Bond will be defined and set forth in the Environmental License,

taking into consideration the specific nature and environmental classification of the activities proposed to be carried out, the respective environmental risks, and the cost estimates for the rehabilitation and removal of the site.

3. The Environmental Bond shall be provided either in the form of insurance policy, unconditional and irrevocable bank guarantee or deposit in a bank account opened solely for that purpose with a credit institution duly registered and licensed to operate in Timor-Leste, in favor of the member of Government responsible for the mineral resources sector. Whenever available at the same markets conditions, the Concessionaire shall give preference to bank guarantees and insurance policies issued by banks and insurance companies registered in Timor-Leste.
4. The value of the Environmental Bond may be revised in the event of partial abandonment or if any other circumstances so require and shall be returned to the Holder of Mineral Rights at the end of the Mineral Operations, if the latter complies with all of its environmental obligations under the Mining Contract and the law.
5. The National Directorate of Minerals shall carry out a detailed inspection of any site where Mineral Operations are being carried out between 6 months and 1 year prior to the total or partial abandonment of the site, to assess the extent of the operations and determine the adequacy of the respective abandonment plan. A similar inspection shall be carried out prior to the return of the Environmental Bond under Article 81.4.
6. The terms and conditions of the insurance policy and the bank guarantee shall be previously approved by the National Director of Minerals.

CHAPTER VI HEALTH AND SAFETY

SECTION I GENERAL RULES

ARTICLE 82 Health and Safety Policy

1. The Concessionaire shall ensure that no work is carried out before a Health and Safety Policy has been prepared, which:
 - (a) Demonstrates that the risks to which (a) persons working at the mine may be exposed have been assessed in accordance with the applicable regulations;
 - (b) Demonstrates that adequate measures, including measures concerning the design, use and maintenance of the mine and its equipment, have been and will continue to be taken to safeguard the health and safety of the persons at work;
 - (c) Includes a statement of how the measures referred to in sub-paragraph (b) will be implemented and coordinated; and
 - (d) Includes a mine evacuation plan, if applicable.
2. In addition to the matters referred to in Article 82.1, the Health and Safety Policy shall, where appropriate, also include:
 - (a) A plan detailing the equipment and measures required to protect persons at work from the risk of explosion;
 - (b) A fire protection plan detailing the likely sources of fire, and the precautions to be taken to protect against, to detect and combat the outbreak and spread of fire;

- (c) Where toxic gases are or may be present in the atmosphere at the mine, in such concentration that the atmosphere may be harmful to the health of persons at work, a plan detailing the protective equipment and measures required to protect persons working at the mine from the harmful atmosphere; and
 - (d) In any zone below ground where rockbursts or gas outbursts may occur, an operating plan setting out as far as possible the susceptible zones and the measures necessary for the protection of persons at work in, approaching or traversing such zones.
3. The Concessionaire shall ensure that the Health and Safety Policy is:
 - (a) Kept up to date and revised when necessary including, without limitation, if the mine undergoes major changes (including natural changes), extensions or conversions; and
 - (b) Made available and explained to each employee at work at the mine, as part of their initial and on-going training.
 4. The Concessionaire shall ensure that the measures identified in the Health and Safety Policy are observed and that any plans included in that document are adopted.

ARTICLE 83

Fitness Certification

1. The Concessionaire shall ensure that every person working at a mine is provided with such fitness certification as is appropriate.
2. In this Code “appropriate” means appropriate having regard to the nature and magnitude of the risks to the health and safety of the persons created by the relevant work.

ARTICLE 84

Appointment of a Mine Health and Safety Manager

1. No mine shall be worked before a competent and qualified Mine Health and Safety Manager is duly appointed.
2. The Mine Health and Safety Manager shall be appointed by the Concessionaire, after the approval by the National Directorate of Mineral Resources.
3. When temporarily the Mine Health and Safety Manager is not readily available or the post is vacant, a suitably qualified and competent person shall be appointed by the Concessionaire as a substitute to hold the authority and perform the duties of the Mine Health and Safety Manager.
4. If the National Directorate of Mineral Resources considers that the appointed Mine Health and Safety Manager does not have the necessary or desired experience may resolve that the Mine Health and Safety Manager shall attend training sessions.

ARTICLE 85

Accident Investigation Committee

When an accident in a Mine causes serious damage to persons, property or environment, it must be notified to the National Directorate of Mineral Resources within 24 hours and an accident investigation committee composed of 2 members, one appointed by the National Director of Mineral Resources and the other by the Concessionaire, shall be created within 15 days of the date of the accident to investigate the causes of the accident and propose any changes to the Health and Safety Policy.

SECTION II
ADDITIONAL HEALTH AND SAFETY REQUIREMENTS

ARTICLE 86
Additional Health and Safety Requirements

1. Additional health and safety requirements may be adopted by Regulation upon decision of the member of the government responsible for the mineral resources sector.
2. The Concessionaire or any other employer of persons at work at a mine shall ensure that the additional health and safety requirements are in each case complied with as appropriate having regard to the features of the mine, to the nature and circumstances of the work carried on there and to the provisions of the respective Health and Safety Policy.

ARTICLE 87
Alarms and Emergency Lighting

Every place at a mine where a person is likely to be exposed to risks must be equipped with emergency alarms and those places at the mine where a person may be exposed to risks in the event of the failure of artificial lighting shall be provided with emergency lighting of adequate intensity and, where that is impractical, persons at work in that place shall be provided with a personal lamp.

ARTICLE 88
Control of Explosive Atmospheres

Where there is a risk of an unintended explosion at any place where Mineral Operations are being carried out, all necessary measures shall be taken with a view to preventing the occurrence and accumulation of explosive atmospheres and preventing the ignition of explosive atmospheres.

ARTICLE 89
Smoking and Use of Open Flame

At every place where Mineral Operations are carried out and where there is a particular risk of fire or explosion:

- (a) smoking shall be forbidden;
- (b) no open flame shall be used nor any work carried out which may give rise to an ignition hazard, unless safety precautions are first taken to prevent the occurrence of any fire or explosion; and
- (c) Any tools or materials used shall be designed in such a way as to not create sparks or other ignition sources.

ARTICLE 90
Fire-fighting Equipment

1. The location of fire-fighting equipment shall be indicated by signs which are placed at appropriate points at the site where Mineral Operations are being carried out.
2. The type and placement of the fire-fighting equipment shall be set forth in the Health and Safety Policy.

ARTICLE 91
Written Instructions

Written instructions shall be drawn up for every mine which shall set out comprehensible:

- (a) rules and safety instructions to be observed to ensure the health and safety of persons at work and the safe use of equipment; and
- (b) information on the use of emergency equipment and action to be taken in the event of an emergency at or near any place of work at the mine.

ARTICLE 92

Flammable Materials taken below Ground

Flammable materials taken below ground at a mine shall be limited to the quantity which is strictly necessary for the Mineral Operations, in accordance with Good Mining Industry Practice and applicable regulations.

CHAPTER VII

LABOUR REGIME, EMPLOYMENT OF EXPATRIATES AND TRAINING OF NATIONAL CITIZENS

SECTION I

SPECIAL LABOUR REGIME FOR MINERAL OPERATIONS

ARTICLE 93

Regular Working Hours

The weekly regular working hours for employees engaged in Mineral Operations may be extended up to 54 hours without additional compensation in case the employer adopts the regimes of shift work or when the employee's mere presence is required.

ARTICLE 94

Night Work

Night work, as defined in the Labor Law, confers the right to an additional compensation of 25% of the salary due for identical work performed in daytime.

ARTICLE 95

Shift Work Time Schedule

1. Whenever the mine operation period exceeds the maximum duration of the daily working hours permitted by the Labour Law, various teams of employees may be organized in shifts.
2. Shifts may be either fixed or rotational. Rotational shifts are those in which employees are subject to time schedule variations as they work in all the established shifts.
3. The work rendered under a rotational shift system entitles the employee to receive an extra compensation of 20% of his/her base salary, which shall be due for as long as the employee is subject to such system of work.

ARTICLE 96

Rotational Work Schedule

1. A work schedule consisting of a maximum period of four weeks of effective work followed by an equal period of rest may be established for employees engaged in Mineral Operations.
2. The system of work referred in Article 96.1 shall comply with the following rules:
 - (a) Weekly rest days, complementary weekly rest days and public holidays comprised within the period of work shall be regular working days, their enjoyment being transferred to and

- included in the next rest period; and
- (b) The annual leave period shall be counted within the periods of rest.

SECTION II
EMPLOYMENT OF EXPATRIATES AND TRAINING OF NATIONAL CITIZENS

ARTICLE 97
General Principle

1. The entities carrying out Mineral Operations in Timor-Leste shall comply with all applicable legislation on recruitment, integration and training of nationals of Timor-Leste.
2. Notwithstanding the provisions of Article 98, the entities carrying out Mineral Operations in Timor-Leste shall, whenever possible, use local manpower and services, as well as locally manufactured products thus enabling the creation of employment, the acquisition and development of local skills and knowledge and technology transfer.

ARTICLE 98
Recruitment of Timor-Leste Nationals

1. Unless otherwise authorized by the National Director of Mineral Resources under Article 98.2 below the entities carrying out Mineral Operations in Timor-Leste shall employ Timor-Leste nationals in their Mineral Operations in the following minimum percentages:
 - (a) At least 30% of the job positions during the Exploration Period and the Development Phase of the Mining Period; and
 - (b) At least 70% of the job positions during the Mining Phase of the Mining Period.
2. Should it be proven that sufficient duly qualified and experienced Timorese citizens are not available in the national labour market to comply with the aforementioned minimum percentage of Timorese employees, foreign personnel may be hired provided that a prior authorization from the National Director of Mineral Resources is obtained.
3. The proof referred to in the preceding paragraph shall be made by presenting the publication of advertisements announcing the existence of vacancies, the description of the relevant position, and the curricula or certificates submitted by potential candidates for the positions to be filled.

ARTICLE 99
Integration and Training of Timor-Leste Nationals

1. The entities carrying out Mineral Operations in Timor-Leste are required to train all their Timorese personnel directly and indirectly involved in the conduct of Mineral Operations, for the purposes of improving their knowledge and professional qualification in order to ensure the gradual replacement of foreign employees by Timorese personnel, as soon as they reach the level of knowledge and professional qualification held by the foreign employees.
2. The training shall also include the transfer of knowledge of mining technology and the necessary management experience to enable the Timorese personnel to use the most advanced and appropriate technology in place in the Mineral Operations, including proprietary and patent technology, know-how, and other confidential technology, to the extent permitted by applicable laws and agreements, and subject to appropriate confidentiality agreements.
3. In addition to any other duty provided for in the law, each employer shall prepare a strategy for the recruitment, integration and training of their Timorese personnel, to be included in three-year plans. In this respect, the employer shall undertake, notably, to:

- (a) Prepare a draft of the initial plan and submit it for the approval of the National Directorate of Mineral Resources within 3 months as of the effective date of the respective Mining Contract;
 - (b) Prepare a proposal for implementation of the plan and submit it to the National Directorate of Mineral Resources within 1 month as of the approval of such plan by the National Directorate of Mineral Resources;
 - (c) Implement the approved plan in accordance with the instructions of the National Directorate of Mineral Resources; and
 - (d) Prepare and submit annual updates on the implementation of the plan.
4. The Concessionaire shall require from its subcontractors that are engaged in the performance of Mineral Operations for a period exceeding 6 months in a given year, compliance with the requirements for the training of Timorese staff, and shall monitor compliance with these obligations.

ARTICLE 100

Employment of Expatriates

Whenever the performance of Mineral Operations requires the hiring of foreign employees, the Government, through the National Directorate of Mineral Resources, shall assist the employer in obtaining all the necessary visas, permits or other approvals required for the employment and admission into the Democratic Republic of Timor-Leste of such expatriate personnel.

ARTICLE 101

Infractions

Breach of any duties or obligations set forth in this Chapter constitutes a serious offence punishable under Article 146 of this Code.

CHAPTER VIII

TRANSFER OF RIGHTS

ARTICLE 102

Assignment or Transfer of Rights

1. Mineral Rights may not be transferred, assigned, sold or otherwise disposed of to any third party without the prior written consent of the member of the government responsible for the mineral resources sector, upon proposal of the National Director of Mineral Resources.
2. A Holder of Mineral Rights that wishes to transfer or otherwise dispose of its rights shall notify the member of the government responsible for the mineral resources sector of its intention by means of a letter addressed to the National Director of Mineral Resources, which shall contain, amongst other relevant details, the full identity of the prospective assignee or transferee, and the economic and other terms of the proposed transaction.

ARTICLE 103

Change of Control

1. A Controlling Interest in a company holding Mineral Rights may not be transferred, assigned, sold or otherwise disposed of or encumbered without the written consent of the member of the government responsible for the mineral resources sector, upon proposal of the National Director of Mineral Resources.

2. The shareholder wishing to transfer or otherwise dispose of or encumber a Controlling Interest shall notify the member of the government responsible for the mineral resources sector of its intention by letter addressed to the National Director of Mineral Resources, which shall contain the full identity of the prospective assignee or transferee, as well as the economic and other terms of the proposed transaction.

ARTICLE 104

Pledge of Mineral Rights and Mineral Assets

1. Mineral Rights and assets used in Mineral Operations may not be charged or encumbered without the written consent of the National Director of Mineral Resources.
2. The Holder of the Mineral Right or of the asset used in Mineral Operations shall notify the National Director of Mineral Resources of its intention by means of a letter, which shall contain the full identity of the entity in favour of which the charge or encumbrance is created and details of the underlying transaction pursuant to which the Mineral Rights or assets used in Mineral Operations are to be pledged.
3. The consent of the National Director of Mineral resources shall not be required in respect of the charge or encumbrance created as security for the funding or financing the Mineral Operations. if the entity in favour of which the charge or encumbrance is created undertakes in writing that any sale in execution or any other disposal pursuant to the foreclosure of security will be subject to the consent of the member of the government responsible for the mineral resources sector.

CHAPTER IX MARKETING

ARTICLE 105

Marketing of Mineral Resources

1. The marketing of Minerals may be freely carried out by the holders of a Mining License when the marketed Minerals result from Mineral Operations carried out in accordance with such Mining License.
2. The Marketing of Minerals by third parties is subject to the prior licensing by the National Director of Mineral Resources pursuant to the provisions of Article 106 below.
3. Marketing of Minerals from Exploration and prospecting work may be authorized, when technically and economically justified.

ARTICLE 106

Marketing Licenses

1. The entities who wish to carry out Marketing of Minerals under article 105.2 shall apply for the respective Marketing License with the National Directorate of Mineral Resources.
2. Marketing Licenses entitle their holders to carry out the activity of Marketing Mineral Resources specified in the license during the term of validity thereof.
3. Applications for Marketing Licenses shall be addressed to the National Director of Mineral Resources, accompanied by the following documents:
 - (a) Identification documents of the applicant and indication of the legal representative in the case of a legal person;
 - (b) Indication of the Minerals for which the Marketing Licence is being applied for;

- (c) Demonstration of technical capacity; and
 - (d) Demonstration of financial capacity, including proof of non-existence of debts to the tax authorities and social security.
4. Marketing Licenses shall be valid for renewable periods of 3 years.

ARTICLE 107

Transfer of Marketing Licenses

1. Marketing Licenses may not be transferred, assigned, sold or otherwise disposed of without the prior written consent of the National Director of Mineral Resources.
2. The holder of the Marketing License that wishes to transfer or otherwise dispose of its Marketing License shall notify the National Director of Mineral Resources of its intention by means of a letter, which shall contain, amongst other relevant details, the full identity of the prospective assignee or transferee, the form and conditions of the proposed transaction.

CHAPTER X TERMINATION

ARTICLE 108

Grounds for Termination

Notwithstanding any other actions contemplated herein, Mineral Concessions and other Mineral Rights may be terminated, with or without compensation to the Holder of Mineral Rights, on any of the following grounds:

- (a) Agreement between the State, represented by the member of the government responsible for the mineral resources sector, and the Holder of Mineral Rights;
- (b) Expiration;
- (c) Revocation;
- (d) Redemption; and
- (e) Relinquishment of the entire Area in respect of which Mineral Rights have been granted.

ARTICLE 109

Termination by Mutual Agreement

Mineral Rights shall be extinguished by agreement between the State, represented by the member of the government responsible for the mineral resources sector, and the Holder of Mineral Rights, on the application of the latter stating the duly substantiated grounds which determine that Mineral Operations are not technically or economically viable.

ARTICLE 110

Expiry of Mineral Concessions

Mineral Concessions shall expire upon:

- (a) Expiry of the Exploration and Prospecting Period or any extensions thereof, without the Concessionaire having applied for a Mining Licence pursuant to Article 24, except for areas where Mineral Operations are still being carried out under the contractually agreed or duly authorized terms; or
- (b) Expiry of the Mining Period, or any extension thereof.

ARTICLE 111
Expiry of Other Mineral Rights

Mineral Permits and Mineral Passes shall expire upon the elapsing of the term for which they have been granted.

ARTICLE 112
Revocation

1. Revocation of Mineral Rights may occur:

- (a) On the grounds of a material breach by the Holder of Mineral Rights of any of the provisions of the Mining Contract, Mineral Permit or Mineral Pass, this Code or ancillary Regulations (not attributable to any act or omission of the State or to any official representing the State);
- (b) Whenever the Holder of Mineral Rights ceases to meet the requirements for holding the Mineral rights after the same has been granted;
- (c) Whenever serious harm to the environment occurs as a result of Mineral Operations and such harm is attributable to the wilful misconduct or gross negligence of the Holder of Mineral Rights;
- (d) Whenever the Holder of Mineral Rights fails to comply with the obligation of restoring the land in case of any damage resulting from Mineral Operations in accordance with the applicable environmental quality standards;
- (e) For failure to pay the applicable taxes, duties and fees;
- (f) Whenever the Holder of Mineral Rights intentionally submits false information to the member of the government responsible for the mineral resources sector, National Directorate of Mineral Resources, or any other Government agency;
- (g) For failure to comply with the general obligations to relocate local communities or compensate them for damages caused to them or their property as a result of Mineral Operations;
- (h) If Mineral Rights are transferred or assigned in breach of the provisions of Article 102;
- (i) If a Controlling Interest is transferred in breach of the provisions of Article 103; and
- (j) If Mineral Operations are suspended for 120 consecutive days, except when such suspension (i) has been approved by the National Director of Mineral Resources or (ii) is due to an act or omission on the part of the State or of any person representing the State or (iii) is a result of a Force Majeure event.

ARTICLE 113
Redemption of Mineral Rights

1. Mineral Rights may be redeemed by the State, in whole or in part, for reasons of public interest, against payment of fair compensation.
2. The compensation referred to in Article 113.1 shall be negotiated between the State and the Holder of Mineral Rights.
3. If no agreement is reached as to the value of compensation referred to in Article 113.1, the matter shall be referred to arbitration conducted in accordance with the rules and principles established in Article 131.

CHAPTER XI
TAX, CUSTOMS AND FOREIGN EXCHANGE REGIME

SECTION I
TAX REGIME

ARTICLE 114
General principles

1. This chapter contains the special rules applicable to the taxation of Mineral Operations and the Holders of Mineral Rights, as well as to the importation of goods and equipment used in Mineral Operations and to the exportation of Minerals. Such rules shall supersede any and all conflicting rules of general application on the above mentioned matters.
2. Except if otherwise expressly set forth herein, Holders of Mineral Rights and their subcontractors shall, in the conduct of Mineral Operations, be subject to the applicable Timorese Law in respect of the tax regime.

ARTICLE 115
Tax Charges

The following tax charges apply to Holders of Mineral Rights:

- (a) General Income Tax on their profits, assessed in accordance with the Tax Law and the provisions of this Chapter XI;
- (b) Mineral Production Tax; and
- (c) Surface Tax.

ARTICLE 116
Mineral Production Tax

1. A Mineral Production Tax, levied on the value of the Mineral Resources extracted, mined or produced within the Territory, is hereby created.
2. Mineral Production Tax is due by any entity undertaking Mining operations and activities, and regardless of being duly licensed to carry out same.
3. The annual State Budget may allocate up to 15% of the Mineral Production Tax revenue arising out of Mineral operations performed in a given Municipality to infrastructure development projects in the same Municipality.

ARTICLE 117
Exemptions

The following products shall be exempted from Mineral Production Tax, provided they are for exclusive use of the Holder of Mineral Rights or of the local community, or if the annual revenue derived from the sale of the same does not exceed US\$ 6,000:

- (a) Minerals extracted, mined or produced under Mineral Passes; and
- (b) Construction Minerals mined under a Small Scale Mineral Permit.

ARTICLE 118
Taxable Value

1. The taxable basis of Mineral Production Tax is the value of the quantity of Minerals actually

extracted, mined or produced, regardless of being sold, exported or otherwise disposed of.

2. The value of the quantity of Minerals shall be assessed on the basis of the price of sale of said Mineral Resources.
3. When no sales have been made in a given month, the Minerals extracted, mined or produced during that month shall be valued on the basis of the price of the last sale made by the taxpayer.
4. The tax authorities may adjust or otherwise correct for tax purposes the value of the sales of Minerals when such sales have not been made in normal commercial terms and on an arm's length basis.
5. If no sale has been made by the taxpayer during the preceding 6 months, Minerals shall be valued on the basis of their fair market price, as assessed by the member of the Government responsible for the mineral resources sector, grounded on international market prices as defined in applicable trade publications and mercantile exchanges.

ARTICLE 119

Rates

Mineral Production Tax rates are as follows:

Precious Minerals (gold, silver and platinum): [10] %;

Precious and semi-precious stones: [8] %;

Base metals: [6] %; and

Other minerals: [3] %.

ARTICLE 120

Assessment

Mineral Production Tax shall be assessed monthly by the taxpayer and paid to the tax authorities until the 15th day of the calendar month following the month to which it relates.

ARTICLE 121

Surface Tax

With the exception of holders of Mineral Passes and holders of Mineral Permits, entities carrying out Mineral Operations shall pay an annual Surface Tax, assessed on the basis of the number of square kms of the Concession Area and calculated in the following manner:

During the Exploration and Prospecting Period:

Year 1 -USD [8] per km²;

Year 2 -USD [8] per km²;

Year 3 -USD [15] per km²;

Year 4 -USD [25] per km²;

Year 5 -USD [25] per km²;

Year 6 -USD [50] per km²;

Year 7 -USD [50] per km²;

Year 8 -USD [70] per km²;

Year 9 -USD [70] per km²; and

Year 10-USD [80] per km².

During the Mining Period: USD [50] per km²

ARTICLE 122
Ring-fencing of Tax Charges and Obligations

The assessment of taxable income and the computation of tax charges for each Concession shall be carried out on a completely independent basis, with the tax obligations pertaining to a given Concession being entirely independent from the obligations pertaining to any other Concessions that a mining Concessionaire may be granted, or other economic activities that it may carry out within the Territory or abroad.

ARTICLE 123
Costs

1. All costs properly incurred by Holders of Mineral Rights in the performance of Mineral Operations shall be deductible for tax purposes, including but not limited to:
 - (a) Costs with its employees and other personnel, whether Timorese or foreign, including salaries, allowances, bonuses, retainers, premiums, travel expenses, accommodation and living expenses, insurance, pension and other retirement plans, medical care and other social benefits, legal charges and other payments due under applicable law and in accordance with Good Mining Industry Practices;
 - (b) Training costs of Timorese nationals, incurred under training programs approved pursuant to Article 99 hereof;
 - (c) Purchase of materials, products, supplies and consumables used in the Mineral Operations, including the cost of any insurance, freight, taxes, customs charges, duties, rates or other tariffs, and deducting any rebates that may be offered;
 - (d) Purchase and rental of equipment, machinery and any other objects or tools used in the Mineral Operations, including the cost of insurance, freight, taxes, customs charges, duties, rates or other tariffs, and deducting any rebates that may be offered;
 - (e) Overheads and other administrative expenses for maintaining offices in Timor-Leste, with a maximum of 3% of the total deductible costs incurred in each year;
 - (f) Purchase, constitution of surface rights or other land rights, or lease of housing (including maintenance thereof) for the accommodation of employees and personnel, or other persons engaged in the Mineral Operations;
 - (g) Purchase, constitution of surface rights or other land rights, or lease of offices, warehouses, yards, parks, plots of land or other premises or structures required for the Mineral Operations;
 - (h) Any services provided by third parties related to the Mineral Operations, including by subcontractors, consultants, experts, specialists, law enforcement corps, security or other technical personnel or representatives, whether in operational, technical, security, economic, auditing, legal or other areas;
 - (i) Insurance required by law or which the Holder of Mineral Rights deems appropriate in view of the operational and other types of commercial risk, consistent with Good Mining Industry Practices;
 - (j) Principal, interest and other financial charges or costs from loans or finance, or the provision of guarantees for Mineral Operations;
 - (k) Reasonable promotional, selling, marketing and advertising expenses appropriate to the Mineral Operations; and
 - (l) Other costs, fees, charges and expenses as may be contemplated in the Mining Contract, or

previously approved in writing by the member of the government responsible for the mineral resources sector.

2. Holders of Mineral Rights shall keep cost and expense accounts updated and accurate at all times in accordance with applicable laws and regulations and Good Mining Industry Practices.

ARTICLE 124

Non-deductible costs or losses

The following costs or losses shall not be deductible for tax purposes:

- (a) Expenses incurred due to serious fault, gross negligence or willful misconduct;
- (b) Indemnification, fines or penalties for breach of legal or contractual obligations;
- (c) Taxes and other charges of a fiscal nature;
- (d) Costs and losses which result from failure to implement adequate risk management programs;
- (e) Costs and losses resulting from the inadequate observance of warranty conditions, as well as those resulting from the acquisition of material which is not guaranteed against defective workmanship by the suppliers, manufacturers or agents, in accordance with Good Mining Industry Practices;
- (f) Costs and losses resulting from the depreciation of materials which are not used in Mineral Operations;
- (g) General and administrative expenses incurred outside of Timor-Leste which do not fall within the sphere of technical and administrative assistance;
- (h) Foreign exchange and other financial losses and costs incurred in hedging foreign exchange, interest rate and market risks; and
- (i) All losses, liabilities, damages and expenses that may be sustained or incurred as a result of any of Mineral Operations, including losses, claims, damages and adverse court judgments, irrespective of fault.

SECTION II

CUSTOMS REGIME

ARTICLE 125

Custom Duties

Except as otherwise provided for herein, Holders of Mineral Rights shall pay custom duties on the import of goods, materials and equipment in accordance with the provisions of the Tax Law and other customs laws and regulations.

ARTICLE 126

Exemption

1. Upon the prior written approval of the Minister of Finance and the member of the government responsible for the mineral resources sector, goods, material and equipment to be used in Mineral Operations shall be exempted from custom duties, including, *inter alia*, the following:

- Drilling and excavation machinery;
- Pumps and dust extractors;
- Mechanical screening machines;
- Trucks;
- Engines;
- Tanks and other liquid storage equipment;

- Medical and first aid equipment;
 - Communication devices;
 - Ventilation and refrigeration equipment;
 - Power supply devices, generators, batteries, alternators and inverters;
 - Water treatment systems;
 - Chemical products;
 - Explosives;
 - Conveyor belts and systems;
 - Alarms and work lights;
 - Cranes and pulling machines;
 - Filters;
 - Fire protection and firefighting equipment;
 - Gravity separation and mineral processing equipment;
 - Trailers, tippers and loaders; and
 - Lubricants and lubrication equipment.
2. The above exemption shall not apply if the imported goods, material and equipment are available in Timor-Leste, are of a similar quality and can be acquired for a price which is not more than 10% higher than the price quoted on the international market.
 3. The exemption provided for in Article 126.1. above shall cease to apply if the imported goods, materials and equipment are sold, leased or otherwise disposed of, or if any security interest or other form of guarantee is created over same, without the express prior approval of the National Director of Mineral Resources.

**SECTION III
FOREIGN EXCHANGE REGIME**

**ARTICLE 127
Foreign Exchange**

Holders of Mineral Rights and their foreign sub-contractors shall have the following rights, subject to applicable law:

- (a) Freely open and operate bank accounts in Timor-Leste and abroad;
- (b) Import hard currency into the Country to carry out Mineral Operations;
- (c) Transfer hard currency abroad in order to repay loans to finance Mineral Operations and to pay foreign suppliers for goods and services necessary for the conduct of Mineral Operations;
- (d) Transfer hard currency abroad for the payment of dividends, profits or other amounts to non-resident shareholders;
- (e) Transfer hard currency abroad for the repatriation or export of foreign capital invested in Mineral Operations; and
- (f) Transfer hard currency abroad obtained from the transfer, sale or assignment of Mineral Rights or assets used in Mineral Operations.

CHAPTER XII MISCELLANEOUS

ARTICLE 128 State Guarantees

The State guarantees to the Holders of Mineral Rights:

- (a) The right to organize their assets and their businesses as they deem fit subject to any required approvals and applicable law;
- (b) Subject to the provisions of Articles 97 through 99, the right to hire sub-contractors and to recruit personnel needed to carry out Mineral Operations;
- (c) Free movement of the Holder of Mineral Rights' personnel and those of its sub-contractors within the Territory;
- (d) The freedom to import goods and hire services, including from foreign subcontractors, necessary for Mineral Operations, subject to applicable laws and regulations and the provisions of this Code; and
- (e) To facilitate acquisition of all documents required for foreign personnel of Holders of Mineral Rights and those of their sub-contractors to enter and stay in Timor-Leste and access the places where Mineral Operations are to be carried out.

ARTICLE 129 Compensation for Expropriation

Mineral Rights, Minerals mined or the assets used by Holders of Mineral Rights may not be subject to forced expropriation by the State, except for circumstances of public interest under the terms of the law and subject to payment of and timely compensation to the Holder of Mineral Rights.

CHAPTER XIII DISPUTE RESOLUTION

ARTICLE 130 Venues

Disputes arising in connection with Mineral Operations and other matters hereunder shall be resolved by means of arbitration as established in the Mineral Contract, or by recourse to the judicial courts of Timor-Leste.

ARTICLE 131 Arbitration

Disputes between the State of Timor-Leste and foreign investors shall be conducted in accordance with:

- (a) The rules of the International Centre for the Settlement of Disputes between States and Nationals of other States (ICSID), adopted in Washington on 15 March 1965, or pursuant to the Convention on the Settlement of Disputes between States and Nationals of other States; or
- (b) The rules of such other international instances of recognised standing as agreed by the parties, provided that the parties have expressly defined the conditions for implementation including the method for the designation of the arbitrators and the time-limit within which the decision must be made.

CHAPTER XIV INSPECTIONS AND AUDITS

ARTICLE 132 Inspection and Audit

1. The inspections and audits to sites, buildings, facilities and equipment where or through which Mineral Operations are conducted are performed to ensure compliance with the applicable laws and regulations and to confirm that they meet the necessary technical and safety conditions for the carrying out of Mineral Operations and activities.
2. The inspections and audits mentioned in this Article 132 shall be performed by Inspectors appointed by the member of the government responsible for the mineral resources sector or the National Director of Mineral Resources, which may be assisted by any other public staff and authorities or outside technical consultants, as deemed adequate by the National Director of Mineral Resources.
3. For the purposes of facilitating inspections and audits, the member of the government responsible for the mineral resources sector or the National Director of Mineral Resources may approve internal regulations with inspection checklists and create a dedicated Mineral Resources Inspection Division, under the terms of Article 133 below.

ARTICLE 133 Mineral Resources Inspection Division

The Inspection Division shall be the government department, created within the structure of the member of the government responsible for the mineral resources sector, responsible for investigating, inspecting, auditing and supervising Mineral Operations and compliance with this Code and ancillary Regulations. The Inspection Division shall be an administratively dependent entity with technical independence.

ARTICLE 134 Scope of Intervention

The inspection, audit and supervision of Mineral Operations by the Inspectors or the Inspection Division shall include, but not be limited, to:

- (a) Performing preliminary, random and offence inspections and audits, as well as other actions aimed at supervising entities engaged in Mineral Operations;
- (b) Inspection of Areas in respect of which Mineral Rights have been awarded, including facilities and the operations carried out pursuant to such rights;
- (c) Inspection and testing of machinery and equipment;
- (d) Collecting specimens and samples of Minerals or other goods produced as a result of Mineral Operations, and carry out or order the carrying out of any required analysis thereon;
- (e) Performing technical actions to coordinate, articulate and assess the reliability of Mining internal control systems, proposing measures aimed at improving the structure, organization and operation of said systems, and monitoring their respective implementation and evolution;
- (f) Verify compliance with the legal and contractual obligations that Holders of Mineral Rights have undertaken to implement;
- (g) Undertaking investigations, inquiries and appraisals of the entities subject to its or their supervisory powers, as well as proposing administrative sanctions for breach of this Code and ancillary

Regulations;

- (h) Interviewing, questioning and collecting statements from purported offenders and witnesses;
- (i) Photograph, film, record or otherwise collect evidence of administrative offences to this Code and ancillary Regulations;
- (j) Draft notices of offence and offence reports respecting administrative offences verified by it;
- (k) Prepare and undertake all actions required for the investigation and punishment of administrative offences referred in offence reports or notices of offence; and
- (l) Performing any other functions and exercising other powers attributed to it by law or Regulations, as well as other functions and powers deriving from or in furtherance of the above powers and responsibilities.

ARTICLE 135

General Powers upon Access

For purposes of monitoring and enforcing compliance with this Code and ancillary Regulations, upon access to the respective location, the Inspectors or officers of the Inspection Division may:

- (a) Search any part thereof;
- (b) Inspect, measure, test, photograph or film any part thereof or any object found therein;
- (c) Take an object, or a sample found at the location for analysis or testing purposes;
- (d) Review and copy documents;
- (e) Take into or onto the location any persons, equipment and materials the officer reasonably requires for exercising any power under this Code and ancillary Regulations;
- (f) Require that any person found on the location give the Inspector reasonable assistance to exercise the Inspector or officer's powers;
- (g) Interview any person found on the location and collect the respective statements necessary to assist the Inspector in ascertaining whether an administrative offence was, is being or has been committed; and
- (h) Take any necessary measures to prevent the disappearance or destruction of evidence.

ARTICLE 136

Professional Identification

1. The Inspection Division's staff and the Inspectors shall have the right to bear a professional identification card or badge, which shall grant them free-access to all businesses, locations, Mineral infrastructure and equipment, in the performance of their duties.
2. The professional identification card or badge must be shown prior to the performance of all inspection activities.
3. The identification card or badge shall be issued according to Regulations to be approved by the National Director of Mineral Resources, and contain amongst other information, the following elements:
 - (a) A recent photograph of the card-holder;
 - (b) Identification of the Inspector's functions or Inspection Division;
 - (c) Typed name and signature of the respective holder;
 - (d) Identification of the person's specific rank;

- (e) Signature of the National Director of Mineral Resources; and
- (f) Digital or mechanical security seal aimed at preventing counterfeiting of the identification card or badge.

ARTICLE 137
Proportionality

In the performance of their control and inspecting powers and activities, the Inspectors shall conduct themselves by using and implementing procedures that are balanced and proportional considering the aim of the actions undertaken.

CHAPTER XV
OFFENCES AND PENALTIES

SECTION I
GENERAL RULES

ARTICLE 138
Principle of Legality

Only acts described and subject to fines by legislation or regulations in existence prior to the time of their practice shall be punishable as an administrative offence.

ARTICLE 139
Responsibility for Administrative Offences

1. Administrative fines may be applied to physical persons and private or public legal persons, regardless of the regularity of their incorporation and to de facto companies or associations.
2. Legal persons stated in Article 139.1 shall be deemed responsible for the administrative offences set forth herein, provided the acts have been committed in carrying out their respective activity, in their name or on their behalf, by the respective officers, attorneys-in-fact, representatives or employees.
3. Members of the management of the legal persons stated above, as well as individuals responsible for the direction or supervision of areas of activity in which an administrative offence was committed, shall be liable for the penalty applicable to the offender, specially attenuated, if they knew or should have known that the administrative offence would be committed and they failed to take appropriate measures to immediately prevent it, unless a more severe penalty is provided for in another statutory provision.
4. The responsibility under Article 139.2 shall apply even if the legal person proves that although it complied with all the duties it was bound by it nevertheless was unable to prevent the employees or attorneys-in-fact without authority committing the offence. In this case the legal person may request compensation for the damages caused from the employee or attorney-in-fact, under the terms of the law.

ARTICLE 140
Accomplices

1. The legal or physical person who, intentionally and irrespective of its form, materially or morally assists another in the performance of an act with wilful misconduct, is punishable as an accomplice.
2. The penalty applicable to the accomplice is the same set forth for the author, specially mitigated.

ARTICLE 141

Participation

1. If several agents participate in the unlawful act, any of them shall be liable for the offence, even if the unlawfulness or the degree of unlawfulness of the act is dependent on certain qualities or special relationships of the offender that only exist in one of the participants.
2. Each participant is punished according to its culpability, regardless of the punishment or degree of culpability of the other participants.

ARTICLE 142

Repeat Offenders

1. A person that commits an administrative offence with wilful misconduct is punished as a repeat offender if it has previously been punished for any other offence.
2. A person that commits any administrative offence after having been punished for an administrative offence committed with wilful misconduct shall also be punished as a repeat offender.
3. The administrative offence for which the agent has been previously punished is not relevant for purposes of determining a repeat offence if a period corresponding to the first administrative offence's statute of limitations has elapsed between both offences.
4. In case of repeat offence the minimum and the maximum amounts of the fine shall be increased by one third.

ARTICLE 143

Concurrent Offences

1. A person who has committed several administrative offences shall be punished with a fine and/or additional penalties in a maximum amount corresponding to the sum of the fines effectively applied to the various offences in concurrence.
2. The fine may not exceed twice the amount of the highest fine abstractly applicable to the administrative offences in concurrence.
3. The fine may not be inferior to the highest amount actually applied to the various administrative offences.

ARTICLE 144

Concurrent Infractions

1. If the same act constitutes both a crime and an administrative offence, the offender shall be liable for both infringements. In such case, different proceedings shall be initiated and each case shall be decided by the competent authority, subject to the following provisions of this Article 144.
2. The administrative decision that imposes a fine shall lapse if the offender is convicted in a criminal proceeding for the same act.
3. If the offender is punished for a crime, it may still be subject to any additional penalties applicable as a consequence of the respective administrative offence.

SECTION II
ADMINISTRATIVE OFFENCES AND PENALTIES

ARTICLE 145
Determination of Penalties

1. The exact amount of the fines and the applicability and extent of additional sanctions shall be determined considering the seriousness of the administrative offence and the culpability of the offender.
2. The offender's past and subsequent behaviour as well as the prevention needs shall also be taken into account in determining the fines.
3. Coercion, counterfeiting, false statements, simulation or other fraudulent means used by the agent, as well as the existence of acts of concealment or disguise designed to impede the discovery of the offence shall also be taken into consideration.

ARTICLE 146
Offences Punishable under this Code

1. The following acts constitute a light offence punishable with a penalty from USD 250 to USD 15,000, in case of natural persons, and from USD 1,250 to USD 75,000 , in case of legal persons:
 - (a) Failure to timely prepare and submit any reports, studies, records, budgets, plans and other documentation as may be provided hereunder, under ancillary regulations or the Mining Contract; and
 - (b) Any other offences not specifically classified as serious our very serious offences hereunder.
2. The following acts constitute a serious offence punishable with a penalty from USD 750 to USD 50,000, in case of natural persons, and from USD 15,000 to USD 300,000, in case of legal persons:
 - (a) Failure to comply with any orders or instructions issued by any Timor-Leste authority having jurisdiction over holders of Mineral Rights, Mineral Operations or the Concession Area in general; and
 - (b) Failure to timely submit tax returns and pay any tax amounts that may be due, without prejudice to any other penalties that may be provided for in any applicable laws or regulations.
 - (c) Without prejudice to Article 112.1, a material breach by the Holder of Mineral Rights of any of the provisions of the Mining Contract, Mineral Permit or Mineral Pass, this Code or ancillary Regulations.
3. The following acts constitute a very serious offence punishable with a penalty from USD 1,500 to 150,000, in case of natural persons, and from USD 75,000 to USD 1,000,000, in case of legal persons:
 - (a) Conduct of Mineral Operations without holding a valid Mineral Right;
 - (b) Breach of the suspension and notification obligations foreseen in Articles 15.1, 17.1 and 70.4; and
 - (c) Violation of any applicable environmental or health and safety requirements as provided in Chapters V and VI.
4. The application of a fine for a light offence may be preceded by the issuance by the National Director of Mineral Resources of a compliance notice, establishing a deadline no greater than 30 days for the offender to correct the breach, and clarifying that failure to do so within the given

deadline implies the automatic assessment of the penalty.

5. Additional Regulations to be approved by the member of the government responsible for the mineral resources sector pursuant to its powers to regulate the sector may establish the exact limits of the penalties mentioned above, as well as any other administrative offences required to guarantee their enforcement, provided they respect the maximum and minimum amounts referred in Articles 146.1, 146.2 and 146.3.
6. The revenue resulting from application of fines shall be collected by the National Directorate of Mineral Resources and become revenue of the latter to be used for the regulation, supervision and promotion of Mineral Operations.

ARTICLE 147 **Additional Sanctions**

1. Notwithstanding the preceding article, the offender who commits an offence foreseen in this Code and ancillary regulations may also be sanctioned with the following additional sanctions:
 - (a) Seizure and forfeiture of the minerals, goods and equipment belonging to the offender used to commit the offence or produced as a result of the same;
 - (b) Sealing of production equipment;
 - (c) Temporary suspension, for up to 3 years, of authorizations, licences and permits related to the performance of the respective activity, in case of serious or very serious offences,
 - (d) Imposition of any measures deemed adequate to prevent environmental damage, or to recover the situation that existed prior to the offence or minimize the effects resulting therefrom;
 - (e) Revocation of the licence; and
 - (f) Publicizing of the conviction.

ARTICLE 148 **Additional Sanctions Procedure**

1. Additional sanctions shall always apply after the commitment by the offender of 2 very serious offences, or of any conjunction of 4 offences classified as light, serious or very serious, within a given 2 year period.
2. Notwithstanding Article 148.1, whenever the seriousness of the infraction or of the offender's culpability so justify, the offender may be subject to one or more of the additional sanctions listed in Article 147, which may be applied in conjunction with the fines set forth in Article 146.
3. The National Directorate of Mineral Resources shall keep a registry of offences committed by the various offenders for purposes of assessment of additional sanctions.

ARTICLE 149 **Suspension of the Additional Sanction**

1. The National Director of Mineral Resources may totally or partially suspend the enforcement of the additional sanction.
2. The suspension referred in Article 149.1 may be made conditional on the compliance with certain obligations, notably those deemed necessary to correct the unlawful situation, repair the damages caused, or prevent risk to the health or safety of persons and goods, or to the environment.
3. The duration of the suspension shall be between 1 and 3 years, counted as of the date of expiration of the deadline for judicial challenge of the penalty for an administrative offence.

4. Upon expiration of the suspension period, the sanction shall be deemed of no effect, provided the offender has not committed another administrative offence or breached any duty that has been imposed on it during the suspension term. If another administrative offence has been committed or the said duties breached, the additional penalty shall be applied.

ARTICLE 150
Forfeiture of Goods

Any goods that were used or were aimed at being used to commit an offence, or which were produced as a result of the offence, may be forfeited to the State, provided same goods, due to their nature or the circumstances of the situation, represent a serious risk to the health, assets or safety of people or the environment, or there is a serious risk that they will be used to commit another administrative offence foreseen in this Code or in any ancillary regulations applicable to the Mining sector.

ARTICLE 151
Goods Belonging to Third Parties

The forfeiture of goods belonging to third parties can only occur when:

- (a) Their owners have contributed, with fault, to their use or production or have benefited from the offence; or
- (b) The goods have been acquired, by any means, after the commitment of the offence, and the acquirers were aware of their origin.

SECTION III
PROCESS

ARTICLE 152
Ancillary Legislation

1. Notwithstanding the specific rules and procedures set forth herein, the member of the government responsible for the mineral resources sector may approve regulations on the investigation procedures and specific requirements for the determination of the exact amount of the fines and the applicability and extent of additional sanctions.
2. The Criminal Code, the Criminal Procedure Code, and ancillary legislation shall apply on a subsidiary basis, in respect of the establishment and determination of administrative offences, investigation procedures, application of fines and/or additional sanctions and appeals thereof, duly adapted.

ARTICLE 153
Notice of offence and offence Report

1. The Inspectors shall prepare a notice of offence when, in the exercise of their powers and attributions, they personally verify or confirm, even if indirectly, any breach of any rules contained in this Code or ancillary regulations. The notice of offence shall be deemed as evidence of the events verified.
2. If the administrative offence is not personally verified by the Inspectors, the latter shall prepare an offence report with the evidence in its possession for the purposes of performing an inspection.

ARTICLE 154
Requirements of Notice of offence and offence Report

1. The notice of offence or the offence report mentioned in Article 153 shall, whenever possible, contain the following details:

- (a) Facts which constitute the administrative offence and the legal provisions that were breached;
 - (b) Date, time, place and the circumstances in which the administrative offence was committed or detected;
 - (c) If the administrative offence is committed by a natural person, the necessary details to identify the offender and his/her residency;
 - (d) If the administrative offence is committed by a legal person or similar entity, its identification details, including headquarters, identification and residency of its managers, directors and other officers;
 - (e) Identification and address of witnesses, if any; and
 - (f) Name, job position and signature of the Inspector or officer who verified or reported the offence.
2. Entities that do not have powers to investigate the offence shall submit the notice of offence or the offence report to the National Director of Mineral Resources within 5 working days.

ARTICLE 155
Conviction Decision

1. The decision that imposes an administrative fine and/or additional sanctions shall be taken by the National Director of Mineral Resources, and include:
 - (a) The identification of the offenders;
 - (b) Description of the facts and indication of the corresponding evidence; and
 - (c) Indication of the law or regulation which sets forth the penalty and the grounds of the decision.
2. The decision shall also inform that:
 - (a) The conviction shall become final and enforceable unless challenged under Article 157 or Article 158; and
 - (b) In case of judicial review, the court may decide through a public hearing or, if the offender and the Public Prosecutor do not object, by means of a simple judicial order.
3. The decision shall also contain:
 - (a) The order to pay the fine within 30 days of the decision becoming final or *res judicata*; and
 - (b) The indication that if the offender is unable to timely pay the fine, it must advise the member of the government responsible for the mineral resources sector of such fact in writing.

ARTICLE 156
Notices

1. Notices served under this Code shall be carried out by:
 - (a) Personal contact with the person to be notified and at the place where he/she may be found;
 - (b) Registered letter with proof of receipt; or
 - (c) Simple letter.
2. The offender shall be served with a notice of offence, an offence report, a conviction decision, a

decision which applies an additional sanction, and of the occurrence of any other act, in which its presence is mandatory, through registered letter with proof of receipt or personal contact.

3. Notices shall be addressed to the headquarters of a legal person or to the residence of a physical person.
4. In case the registered letter with proof of receipt is returned to the sending authority, the notice shall be resent by means of a simple letter to the person to be notified.
5. The notice made by simple letter shall have the date of dispatch of the letter and the address where it was sent. In this case, the notice is deemed to have been served on the fifth day following the date of dispatch of the letter.
6. In case the person to be notified refuses to receive or sign the notice, the notifying agent shall certify the refusal in the letter, and the notice is deemed to have been served.
7. Notices may also be served by fax or electronic mail. In these cases, the notice is deemed to have been served the day it is sent. Copy of the receipt stating that the message was successfully sent shall be sufficient evidence of service of notice.
8. Any situation respecting notices not foreseen in this Article 156 shall be governed by the rules on notices and notifications contained in the Criminal Procedure Code and ancillary regulations, duly adapted.

ARTICLE 157

Hierarchical Appeal

1. Within 15 days as of the date of service of notice that imposes an administrative fine and/or additional sanctions, the convicted offender may submit a hierarchical appeal to the member of the government responsible for the mineral resources sector under the terms of the law.
2. The hierarchical appeal will be submitted by means of a requirement in which the appellant must set out all the ground of the appeal and supporting evidence, if any.
3. The request to submit an appeal may be presented to the author of the act or to the authority to which it is directed.
4. The hierarchical appeal suspends the effectiveness of the act appealed against, except in those cases in which the law states to the contrary, or when the author of the act considers that failure to executive it immediately would cause serious harm to the public interest.
5. The hierarchical appeal must be decided within 30 days counting from the date the process is sent to the body competent to assess it.

ARTICLE 158

Judicial Appeal, respective Procedure and Deadline

1. The decision to impose a penalty may be directly challenged before the courts of Timor-Leste under the terms set forth in the Criminal Procedure Code, dully adapted.
2. The appeal may be lodged by the offender or its counsel.
3. The appeal shall be in writing and submitted to the member of the government responsible for the mineral resources sector within 15 days of service of the final decision to the offender. The appeal shall include a statement of the case and conclusions.

ARTICLE 159

Statute of Limitations

Notwithstanding the general rules on interruption and suspension of statutes of limitations contained in

other applicable law which shall be duly adapted, the proceedings aimed at sanctioning administrative offences and applying fines and/or additional sanctions is subject to a statute of limitations of 5 years as of the date on which the infraction occurs.

ARTICLE 160

Civil Liability

The application of the penalties provided for in this Code will be made without prejudice to civil liability for damages arising out of any offence defined in this Code and ancillary regulations.

CHAPTER XVI MINERAL REGISTRY

ARTICLE 161

Mineral Registry

A Mineral Registry shall be established by regulation of the National Director of Mineral Resources.

ARTICLE 162

Purpose of the Mineral Registry

The Mineral Registry shall be used for:

- (a) Registering applications for the granting of Mineral Rights;
- (b) Registering Mineral Rights granted, as well as refusals to grant them;
- (c) Registering the termination of Mineral Rights;
- (d) Registering the enlargement and relinquishment of Areas over which Mineral Rights have been granted;
- (e) Registering the extension of Mineral Rights to Associated Minerals and to other Minerals;
- (f) Registering the transfer or assignment of Mineral Rights; and
- (g) Registering the creation of charges or encumbrances over Mineral Rights, as well as any modification thereto or the extinction thereof.

ARTICLE 163

Registry Book

The Mineral Registry shall establish, maintain and keep up-to-date a special registry book for registering the facts referred to in Article 162.

ARTICLE 164

Registration and Filing Procedures

1. The Mineral Registry shall collect, register and save copies of all documents relating to Mineral Rights in a proper and specific filing system.
2. The Mineral Registry shall prepare an annual document inventory report which shall serve as a guide for the easy retrieval and reconstruction of file in case of damage or loss of documents.

ARTICLE 165

Cadastral Survey Maps

1. The Institute of Petroleum and Geology, under the coordination of the National Directorate of

Mineral Resources, shall develop cadastral survey maps regarding Mineral Rights, containing the specific topographical references indicating the limits of each perimeter of the areas in which Mineral Rights have been granted or whose application is being processed, prepared for each district, to be included in the Mineral Registry.

2. The cadastral survey maps shall be open to the public for information.
3. The National Directorate of Mineral Resources shall be responsible for informing the Institute of Petroleum and Geology of those locations that are to be considered priority areas and in respect of which the first cadastral surveys shall be performed.

ARTICLE 166

Mineral Registry Procedural Rules

The procedural rules applicable to the registration of facts listed in Article 162, maintenance of the registry, consultation, issuance of certificates and other relevant operational matter related thereto shall be approved by means of Regulation issued by the member of the government responsible for the mineral resources sector, upon proposal of the National Director of Mineral Resources.

CHAPTER XVII

TRANSPARENCY AND GOOD PRACTICES

Article 167

Prohibition of Offers or Gratuities

1. Unless otherwise provided in this Article 167, no person or entity shall, directly or indirectly, during the execution or award process of any Mineral Right or for a related activity, provide any gratuity, gift or any other favour to any public official, employee or agent of the State or any other public agency or to any member of their families, irrespective of the reason.
2. The prohibition referred to in Article 167.1 above shall not apply to gifts received by public officials, employees or agents of the State in the following situations:
 - (a) Goods that by their very nature may be immediately integrated into the patrimony of the State and other public legal persons, or re-directed by the public official, employee or agent for the benefit of the community;
 - (b) Gifts that are a part of protocol, notably those that include the logo of the person or entity making the offer and/or an express and visible reference to the event which gave rise to the offer, and do not damage the good image of the State and/or other public legal persons, provided they are kept as property of the respective Ministry or government body or agency for which the public official, employee or agent works; or
 - (c) Gifts provided upon reaching certain mining project mile stones, or to commemorate discoveries, first production, or other relevant project steps, notably those that include the logo of the person or entity making the offer and/or an express and visible reference to the event which gave rise to the offer, provided their value and nature are appropriate to the relevant celebration, and the same are kept as property of the respective Ministry or government body or agency for which the public official, employee or agent works.
3. Notwithstanding the foregoing gifts or offers which, by their very nature and value, are susceptible of compromising the performance of the public officials', employees' or agents' duties, or the honesty required therefor, or that may be deemed harmful to the good image of the State, shall always be prohibited.
4. In no event shall personnel involved in the performance of inspection activities be allowed to

receive gifts or offers, nor shall any gifts or offers be allowed when decisions respecting to the carrying out of mineral activities are pending.

5. Any gifts or offers received under Article 167.2 which are not displayed at the respective Ministry, government body or agency, may be:
 - (a) Integrated into the patrimony of the Ministry, government body or agency, to be used in their respective activities;
 - (b) Subject to a public draw amongst the Ministry's, body or agency's employees at Christmas; or
 - (c) Donated to third party entities to be used in social projects, educational activities, or other public interest activities of a similar nature.
6. Each Ministry, government body and agency shall keep a separate gift registry book in which all gifts and offers mentioned in this Article 167 shall be recorded, as well as the ultimate destination given to the same.
7. Non-compliance with the provisions of this Article 167 by public officials, employees or agents of the State may be deemed a crime under Articles 192 through 296 of the Criminal Code, and/or an offence under Law 8/2004, of 16 June 2004, as amended by Law 5/2009, of 15 July 2009, which approved the Civil Service Statute.

ARTICLE 168 **Disclosure of Revenue**

The member of the government responsible for the mineral resources sector, with the support of the National Directorate of Mineral Resources shall collect, not less than annually, and publish reports concerning State revenues and other direct or indirect economic benefits received by the State from Mineral Operations in accordance with international best practices based on the Extractive Industries Transparency Initiative.

ARTICLE 169 **Disclosure of Information on Holders of Mineral Rights**

For the purposes of preparing the reports referred to in Article 168, the member of the government responsible for the mineral resources sector and the National Director of Mineral Resources may require Holders of Mineral Rights to, not less than annually, submit data, including production, financial data, and other direct or indirect economic benefits received by them and all amounts paid by them in connection with Mineral Operations

CHAPTER XVIII **FINAL AND TRANSITIONAL PROVISIONS**

ARTICLE 170 **Fees**

1. The reception and processing of applications for the granting of Mineral Rights, enlargement of Areas, extension of rights and other administrative acts under this Code are subject to the payment of the administrative fees, which amount shall be approved from time to time by the member of the government responsible for the mineral resources sector by means of a Ministerial Diploma.
2. The administrative fees are an exclusive revenue of the National Directorate of Mineral Resources, to be used in the regulation, supervision and promotion of the minerals sector.

ARTICLE 171
Existing Mineral Rights

Entities conducting Mineral Operations under the laws in force prior to the effective date of this Code shall have a period of 3 months from the effective of this Code to submit applications for reregistration of their rights under the terms provided for herein.

ARTICLE 172
Offshore Mineral Operations

Until the approval of specific rules for such purpose, the provisions of this Code shall apply to Offshore Mineral Operations, duly adapted.

ARTICLE 173
Mineral Fund

The government may create a Mineral Fund to hold and manage all revenue derived from the performance of Mineral Operations in accordance with the principles of transparency and allocation of revenue for the use of future generations.

ARTICLE 174
National Mining Company

The government, upon proposal of the member of the government responsible for mineral resources sector, may opt to create a National Mining Company, and define the terms and conditions of its participation in Mineral Operations.

ARTICLE 175
National Mining Authority

1. The government may, should it so wish, create a National Mining Authority, as a Public Institute, with juridical personality, administrative and financial autonomy, and its own budget and assets, with a view to acting as the regulator of the mining industry and Mineral Operations under this Code.
2. The legal diploma that creates the National Mining Authority may also establish that the Surface Tax amounts collected by the State shall be assigned to funding of the National Mining Authority's activities.

ARTICLE 176
Institute of Petroleum and Geology

In its activities aimed at regulating, licensing and supervising the performance of Mineral Operations, the member of the government responsible for the mineral resources sector and the National Directorate of Mineral Resources may resort to the technical assistance of the Institute of Petroleum and Geology.

ARTICLE 177
Ancillary Regulations

The member of the government responsible for the mineral resources sector and, by delegation, the National Director of Mineral Resources may approve ancillary Regulations aimed at furthering and complementing the rules set forth in this Code, which Regulations shall be binding on all public and private entities and individuals.

ARTICLE 178

Notices

All notices served by the member of the government responsible for the mineral resources sector, the National Director of Mineral Resources, National Directorate of Mineral Resources, or any other competent authority, under or pursuant to this Code and the Regulations shall be effected within a maximum of 10 working days as of the date of the fact to which they respect.

APPENDIX I
FORM OF EXPLORATION AND PROSPECTING LICENCE



EXPLORATION AND PROSPECTING LICENSE

No. ___/20_

COMPANY/INDIVIDUAL IDENTIFICATION		
Name or Company Designation:		
Registration No. / Voter Registration No.:	Share Capital:	
Taxpayer Identification No.:		
Representative:		
Address:		
ZIP Code:	District:	Suco: Aldeia:
Telephone:	E-mail address:	

LICENSE TYPE	
Please check where applicable	
<input type="checkbox"/> New <input type="checkbox"/> Renewal	Duration: ___ years Fee amount and periodicity:
Special conditions, duties or limits of the License:	
Additional details:	

<p>DOCUMENTS FILED Please check where applicable</p>	
<p>The Applicant has filed the following documents with the NDNR:</p>	
<input type="checkbox"/> Companies' Registry certificate / Copy of Voter Registration Card	<input type="checkbox"/> Certificate confirming non-existence of tax and social security debts
<input type="checkbox"/> Copy of the company's by-laws and proof of deposit of the share capital	<input type="checkbox"/> Proof of insurance covering the operations
<input type="checkbox"/> Registration with the National Directorate for Commerce of the Ministry of Tourism Commerce and Industry	<input type="checkbox"/> Documents evidencing the Applicant's technical and financial capability to carry out the operations
<input type="checkbox"/> Taxpayer Identification Card	<input type="checkbox"/> CVs of the technical staff responsible for the management of its operations, evidencing that they have the necessary training, experience and know-how to carry out the same
<input type="checkbox"/> Proof of filing of the previous year's tax return, if applicable	<input type="checkbox"/> Work program and expenditure commitments
<p>Observations:</p>	

<p style="text-align: center;"><i>Signature of Legal Representative</i></p> <p>Signature: _____</p> <p>Place: _____ Date: __/__/__</p>	<p>To be completed by NDNR</p> <p>Fees paid: _____</p> <p>Receipt No. _____</p> <p style="text-align: center;">Signature of the individual in charge</p> <p>_____</p>
--	---

APPENDIX II FORM OF MINING LICENCE



MINING LICENSE

No. __ /20_

COMPANY IDENTIFICATION		
Name or Company Designation:		
Registration No. / Voter Registration No.:	Share Capital:	
Taxpayer Identification No.:		
Representative:		
Address:		
ZIP Code:	District:	Suco: Aldeia:
Telephone:	E-mail address:	

LICENSE TYPE	
Please check where applicable	
<input type="checkbox"/> New <input type="checkbox"/> Renewal	Duration: ___ years Fee amount and periodicity:
Special conditions, duties or limits of the License:	
Additional details:	

Date of approval of Feasibility Study Report: ___/___/20__
Observations:

<p style="text-align: center;"><i>Signature of Legal Representative</i></p> <p>Signature: _____ _____ _____ _____</p> <p>Place: _____</p> <p>Date: ___/___/___</p>	<p>To be completed by NDNR</p> <p>Fees paid: _____</p> <p>Receipt No. _____</p> <p style="text-align: center;">Signature of the individual in charge</p> <p>_____</p>
--	---

APPENDIX III FORM OF MINERAL PERMIT



MINERAL PERMIT

No. ___/20_

IDENTIFICATION OF COMPANY OR INDIVIDUAL		
Name or Company Designation:		
Registration No. / Voter Registration No.:	Share Capital:	
Taxpayer Identification No.:		
Representative:		
Address:		
ZIP Code:	District:	Suco: Aldeia:
Telephone:	E-mail address:	

PERMIT TYPE	
Please check where applicable	
<input type="checkbox"/> New <input type="checkbox"/> Renewal	Duration: ___ years
<input type="checkbox"/> Small Scale <input type="checkbox"/> Large Scale	Fee amount and periodicity:
Construction Minerals covered:	
Special conditions, duties or limits of the Mineral Permit:	

MAP


Geographic reference:
Description on the Area covered by the Mineral Permit:

<p style="text-align: center;"><i>Signature of Legal Representative</i></p> <p>Signature: _____</p> <p>Place: _____ Date: __/__/__</p>	<p>To be completed by NDNR</p> <p>Fees paid: _____</p> <p>Receipt No. _____</p> <p style="text-align: center;">Signature of the individual in charge</p> <p>_____</p>
--	---

APPENDIX IV FORM OF MINERAL PASS



MINERAL PASS

No. ___/20_

IDENTIFICATION OF INDIVIDUAL		
Name:		
Voter Registration No.:		
Taxpayer Identification No.:		
Representative:		
Address:		
ZIP Code:	District:	Suco: Aldeia:
Telephone:	E-mail address:	

PASS TYPE	
Please check where applicable	
<input type="checkbox"/> New <input type="checkbox"/> Renewal	Duration: ___years Fee amount and periodicity:
Minerals covered:	
Special conditions, duties or limits of the Mineral Pass holder:	

LOCATION
Description on the Area covered by the Mineral Pass:

<p style="text-align: center;"><i>Signature of Pass Holder</i></p> Signature: _____ Place: _____ Date: __/__/__	<p>To be completed by NDNR</p> Fees paid: _____ Receipt No. _____ Issued on: _____ Signature of the individual in charge _____
--	--