

# Mining Code

## Decree 456/97 - Organized Text

(published in the Official Bulletin Number 28.658, dated May 30, 1997)

WHEREAS this amended text of a law shall be considered the official text of the Code;

WHEREAS the SECRETARIAT FOR INDUSTRY, TRADE AND MINING, reporting to the MINISTRY OF ECONOMY AND PUBLIC WORKS AND SERVICES, in its capacity as competent authority in this area, by Resolution No. 42/95 of the former SECRETARIAT FOR MINING, appointed a Committee for these purposes;

WHEREAS the GENERAL BUREAU FOR LEGAL MATTERS (DIRECCIÓN GENERAL DE ASUNTOS JURÍDICOS ) reporting to the MINISTRY OF ECONOMY AND PUBLIC WORKS AND SERVICES has taken due participation as provided for in Article 7, paragraph d) of Law No. 19,549;

WHEREAS this decree is issued by virtue of the powers provided by Article 19, Law No. 24,498;

NOW, THEREFORE,

THE PRESIDENT  
OF THE REPUBLIC OF ARGENTINA  
HEREBY DECREES THAT:

**ARTICLE 1** - The amended text of the Mining Code, which is included as an integral part to this decree as an Exhibit hereto, be approved.

**ARTICLE 2** - This be informed, published, sent to the Dirección Nacional del Registro Oficial (National Bureau for Official Records), and filed. MENEM. Jorge A. Rodríguez - Roque B. Fernández - Elías Jassán.

**EXHIBIT TO DECREE N° 456**

**MINING CODE OF THE  
REPUBLIC OF ARGENTINA**

**TITLE ONE**

**ON MINES AND ON THEIR OWNERSHIP**

ARTICLE 1 - The Mining Code governs the rights, obligations and procedures related to the purchase, mining and operation of mineral substances.

## **§ I**

### **Classification and Division of Mines**

ARTICLE 2 - As for the rights recognized and conferred by this Code, mines are divided into three categories:

- 1st.: Mines whose soil is an accessory and which belong exclusively to the State and which may only be tapped or exploited under a legal license which is granted by a competent authority.
- 2nd.: Mines which, based on their importance, are preferentially licensed to the owner of the soil; and mines which, as a result of the conditions of deposits, are used on a shared basis.
- 3rd.: Mines which belong solely to their owner and which cannot be tapped or exploited by anybody without their owner's consent, except in case of public benefit or good.

ARTICLE 3 - The first category includes:

- a) The following metal substances: gold, silver, platinum, mercury, copper, iron, lead, tin, zinc, nickel, cobalt, bismuth, manganese, antimony, wolfram, aluminium, beryl, vanadium, cadmium, tantalum, molybdenum, lithium and potassium.
- b) Fuels such as: coal, brown coal, anthracite and solid hydrocarbons.
- c) Arsenic, quartz, feldspar, mica, pear spar, limestone bearing phosphates, sulphur and borates.
- d) Precious stones.
- e) Endogenous steam.

ARTICLE 4 - The second category includes:

- a) Metal sand and precious stones in river beds, flowing waters and diggings.
- b) Burrows and tailings of former mining works, provided such burrows and tailings remain unprotected, as well as burrows and tailings of abandoned or open-pit mining facilities, provided they are not recovered by their owner.
- c) Niter deposits, saltworks, and peat bogs.
- d) Any such metal which is not included in the first category.
- e) Pyritaceous and aluminous earth, abrasives, ocher, resin, steatite, barytine, vitriol and copperas, graphite, argilla or porcelain-clay, alkaline salt or alkaline earth salt, asbestos, zeolite or exchanging minerals.

ARTICLE 5 - The third category comprises mineral stone or earth products and, in general all the output and materials which are used in construction and decoration, the whole or a set of which makes up a quarry.

ARTICLE 6 - As regards the substances which are not included in the foregoing classification, no matter if by omission, or because they were discovered at a later time, a special law shall determine their category as appropriate, according to its nature and importance.

As for classified substances, the same shall occur, if, as a result of newly recognized applications, such substances are to be placed in a different category.

## **§ II**

### **On the Ownership of Mines**

ARTICLE 7 - According to the territory where mines are located, they are a national or provincial private property.



ARTICLE 8 - Individuals are hereby empowered to search for mines, operate mines and dispose of mines as owners, under the provisions of this Code.

ARTICLE 9 - The State may neither tap nor dispose of mines except as otherwise provided herein.

ARTICLE 10 - Without prejudice to the original State ownership which is recognized by Article 7, private ownership of mines shall be established by means of a legal license.

ARTICLE 11 - Mines make up a property different from the ground where they are located; but, except as otherwise and specially provided for in this Code, they are governed by the same principles of common property.

ARTICLE 12 - Mines are a real property.

Any item perpetually used for mining purposes such as constructions, machines, devices, instruments, animals and vehicles used to provide internal services in the tenements, no matter whether surface or underground services, and any such supplies or provisions as necessary to continue with mining work for a term of ONE HUNDRED AND TWENTY (120) days shall also be considered as real property.

### **§ III Special Features of Mines**

ARTICLE 13 - Mining, mine exploration, licensing and any act resulting therefrom, shall be deemed to be for the public benefit or good.

Public benefit or good shall be assumed throughout all the space included within the perimeter of any mine license.

Public benefit or good shall be established outside the foregoing perimeter by proving the mining authority that such public benefit or good results from mining.

ARTICLE 14 - No material division of mines is allowed, whether in relation to mine owners or to third parties.

Neither mine owners nor third parties may exploit or tap an area or a part of a mine in a way which is independent from mining in general.

ARTICLE 15 - Whenever a mine includes TWO (2) or more tenements, the mining authority shall, at the request of the parties, allow for a separation provided that, according to a prior expert survey, such separation is not detrimental to or does not interfere with any independent mining work to be performed in every tenement.

Separation arrangements shall be filed with the mines record and the new tenements shall be subject to the provisions governing ordinary tenements.

ARTICLE 16 - Mines may be either expropriated or condemned only for public benefit or good purposes which go beyond the privilege nature conferred by Article 13 of this Code.

ARTICLE 17 - Mining works may be either stopped or suspended only when public safety, the tenement maintenance and the operators' health or existence so requires.

ARTICLE 18 - Mines shall be licensed to individuals for a limited time.

### **§ IV Location of Mining Rights**

## **and Mining Cadastral Register**

ARTICLE 19 - A sole coordinate system used for official mining cartography purposes shall be used to determine the vertices of the area included in the applications for exploration permits, discovery reports, legal formalities, measurement requests and other mining rights.

ARTICLE 20 - The MINING CADASTRAL REGISTER OFFICE shall report to the mining authority of each jurisdiction and its establishment shall be mainly intended to show a physical location, a legal condition and other background data necessary to make a mining cadastral register for each mining right herein recognized.

Provinces shall aim at establishing consistent mining cadastral systems.

## **TITLE TWO**

### **ON THE PERSONS WHO MAY PURCHASE A MINE**

ARTICLE 21 - Any person with capacity to legally purchase and own a real state property may purchase and own a mine.

ARTICLE 22 - No mine may be purchased or a mine interest or right may be acquired by:

1. Judges, no matter their hierarchy, in the mining section or district of their venue in the area of mining.
2. Engineers working for the State, mining notaries public and their officers in the section or district where their functions are performed.
3. Non-divorced women and children under the parental authority of the above mentioned persons.

ARTICLE 23 - This prohibition does not include any mine which has been purchased before the appointment of any such officials, or the mines that any married woman contributes to her marriage.

This prohibition neither includes any hereditary or legacy mine which is acquired later on.

ARTICLE 24 - Persons who breach or violate the provisions of Article 22 shall loose all their rights, which shall be granted to the first person who so applies for them or who so claims them.

Any person having had a participation in such breach or violation may not apply for or claim these rights.

## **TITLE THREE**

### **ON THE RELATIONSHIP BETWEEN THE OWNER AND THE MINER**

#### **§ I**

#### **On exploration or prospecting works**

ARTICLE 25 - Any natural or artificial person may apply from the mining authorities for an exclusive permit to explore a certain area during the time and to the extent provided by law.

Holders of such exploration permits shall be entitled to obtain mining licenses exclusively within the areas of such permits.

For permit acquisition purposes, an application showing the coordinates of the vertices of the requested area and explaining the purpose of such exploration, with an indication of the name and address of the applicant and of the ground's owner, shall be filed.

This application shall also include a minimum work plan and an estimation of the investment to be made, including the items and equipment for use. This application shall also include an affidavit on the non-existence of any prohibition resulting from Articles 29, second paragraph, and 30, fifth paragraph. Any misrepresentation in the affidavit shall be punished with a penalty similar to that established in Article 26 and with the resulting loss of all the rights applied for or obtained thereby. Except that this information is essential to determine a lost area, the requirement of supplementary data by mining authorities shall not suspend or stop the staging of this application, and it shall, under penalty of considering the dismissal or abandonment of any and all formalities, be answered within a term of FIFTEEN (15) days which shall not be extended. Failure to appropriately submit this information shall cause, without any further act by the mining authorities, the permit to lapse, and the area shall be automatically released.

The applicant shall provisionally pay an exploration royalty for the measurement units thus applied for. This royalty shall be paid simultaneously with the filing of an application and it shall be fully repaid to the interested party in case such permit is denied, or proportionally, if such interested party obtains a smaller area. This repayment shall be made within a term of TEN (10) days following a resolution issued by the mining authorities denying, in part or in full, the permit applied for. Non-payment of the above mentioned royalty shall cause the application to be rejected by the mining authorities and no legal remedies may be used.

The sides of the exploration permits to be applied for shall necessarily head to North- South and East-West.

ARTICLE 26 - This permit is essential to perform exploration works.

Any explorer not having the ground owner's consent and the mining authorities' permit shall pay, apart from any and all damages, a penalty for the benefit of such owner in an amount ranging from TEN (10) to ONE HUNDRED (100) times the exploration royalty for ONE (1) measurement unit, as applicable.

This penalty may not be paid THIRTY (30) days following the publication of the registration of a discovery report by the explorer.

ARTICLE 27 - Following the submittal and registration of the application in the exploration records to be kept by a mining notary public, due notice shall be given to the owner and it shall be published that, in TWENTY (20) days' time, any and all persons holding a right or believing to hold a right must appear to claim for it.

If the owner is not in his or her place of residence, or in case of an uncertain owner, the above mentioned publication shall be considered sufficient notice. The mining authorities shall determine the procedure to serve personal notice to the owners in any district where a property is extremely divided into plots or lots or parceled out.

Publication shall be effected by inserting in a newspaper, TWO (2) times, over a term of TEN (10) days, the application with its interlocutory order, if any; and, ultimately, by showing such publications on the doors of the notary public's office.

The term of TWENTY (20) days mentioned in the first paragraph shall lapse immediately after the term of TEN (10) days following such publication.

In case there is no opposition during the above mentioned term or if such opposition, if any, is briefly and summarily decided, a permit shall be immediately granted and any prevailing conditions shall be determined.

Once any and all rulings are duly enforced or performed, they shall be recorded in any such record as appropriate.

ARTICLE 28 - Any discovery by a third party without the explorer's prior consent within the area of the permit, shall belong to the explorer from the date of submittal of an application.

ARTICLE 29 - The measurement unit of exploration permits shall be of FIVE HUNDRED (500) hectares.

Exploration permits shall consist of up to TWENTY (20) units. No person or its partners, either directly or through an agent, may have more than TWENTY (20) exploration permits or more than FOUR HUNDRED (400) units per province.

In the case of adjacent, simultaneous exploration permits, the permit holder may choose which of these exploration permits shall be assigned to the release under Article 30.

ARTICLE 30 - An exploration permit covering ONE (1) measurement unit, shall be granted a term of ONE HUNDRED AND FIFTY (150) days. Exploration permits shall be extended for another FIFTY (50) days per each increased measurement unit.

After THREE HUNDRED (300) days of such term have elapsed, an area equal to half an area larger than FOUR (4) measurement units shall be discounted. Whenever SEVEN HUNDRED (700) days of such term have elapsed, an area equal to half the remaining area, as reduced above, shall be discounted, excluding, also, the foregoing FOUR (4) measurement units. For these purposes, the permit holder shall file an application to release such an area before any such term as applicable is due. This application shall show the coordinates of every vertex of the area thus held. Non-filing in due time of this application shall cause the mining authorities, at the request of the mining cadastral register office, to proceed under the foregoing paragraph, to release any such areas as appropriate at its own discretion, and to demand the exploration permit holder to pay a penalty in the amount of the royalty which has been previously paid.

The term of the exploration permit shall run THIRTY (30) days following the term for which such exploration permit was issued. Within this term, the exploration works described in the work plan mentioned in Article 25, shall be performed and in place.

The installation time may not be postponed and exploration works may not be stopped once they have been undertaken except in case of a justifiable cause duly approved by the mining authorities.

No consecutive exploration permits over an area or a part of it, shall be granted to a person or its partners, either directly or through an agent; and, between the publication of a lapsed term and the application for another term, there shall be at least ONE (1) year. In NINETY (90) days following the lapsing of such term, the mining authorities may require the technical information and documents obtained during the course of the research, under penalty of paying a fine for twice the amount of the royalty which has been previously paid.

ARTICLE 31 - Whenever research works are performed from an aircraft, the exploration permit may consist of up to TWENTY THOUSAND (20,000) square kilometers per province, no matter whether the applicant is the same person or not, and the term shall not exceed ONE HUNDRED AND TWENTY (120) days as of the last of the following dates: that on which the exploration permit is granted by mining authorities or when the date the flight authorization is issued by aeronautical authorities. The application shall include a work plan with an indication of both the items and equipment to be used.

In provinces with a territorial area larger than TWO HUNDRED THOUSAND (200,000) square kilometers, permits may consist of up to FORTY THOUSAND (40,000) square kilometers and any such term as previously established shall not be amended.

Permits shall be granted without any other limitation and shall be published for ONE (1) day in the Official Bulletin. Such publication shall be considered sufficient notice.

Exploration permits may not affect other mining rights which have been previously applied for or granted in the area. The applicant shall pay, on a provisional basis, a royalty of ONE (1) peso per square kilometer which shall be paid in the way, at the time and for the purposes provided for in Article 25 on applications for exploration purposes.

Within FIVE (5) days following the issuance of any exploration permit, the applicant shall submit a copy of the request for flight authorization which has been previously filed with the aeronautical authorities, under penalty of its application being filed without any further formality.

Any application which is not solved within a term of THIRTY (30) days from submittal for no action by the interested party duly verified by the mining authorities, shall be automatically deemed abandoned or waived and no notice shall be given or further requirement made.

Issued exploration permits shall be recorded in the exploration register and in the mining cadastral registers.

No consecutive exploration permits may be issued over the same area or a part of it, and between a lapsed term and the application for another term, there shall be at least ONE HUNDRED AND FIFTY (150) days.

The mining authorities may require that the information mentioned in the last paragraph of Article 30 be submitted in the time and under the penalty therein provided.

ARTICLE 32 - The explorer shall pay the owner a compensation for such damages as caused by prospecting works and by any other activity resulting therefrom.

The owner may require the explorer to offer a previous guarantee in the amount necessary to cover such damages as are to be paid.

## § II Limitations or Restraints to the Prospecting Right

ARTICLE 33 - Neither an exploration permit nor a mine license shall entitle to occupy the surface with mining works and constructions without the owner's formal consent:

- 1st. At the premises of any building and at the premises of any walled site.
- 2nd. In gardens, farms and vineyards, either walled or consistently fenced; and if such places were not in these conditions, the prohibition shall be limited to a space of TEN THOUSAND (10,000) square meters in gardens and of TWENTY- FIVE THOUSAND (25,000) square meters in farms and vineyards.
- 3rd. At less than FORTY (40) meters from houses and less than FIVE (5) to TEN (10) meters from any other building.  
In case that houses are small and economic, the protection area shall be of TEN (10) meters, which may be extended up to FIFTEEN (15) meters.
- 4th. At a distance of less than THIRTY (30) meters from aqueducts, channels, railroad rails, water troughs and springs.

ARTICLE 34 - In the case of shops, warehouses, mineral deposits, common access roads, machines, holes and other light or provisional works, the protection range shall be reduced to FIFTEEN (15) meters.

ARTICLE 35 - If, to continue with the mining and operation of products, it is necessary to drill a hole, a drive or drift or perform other similar works within the protection range of housing, the authorities shall so allow it upon a meeting with interested parties whereby an expert report and evidence of facts shall be submitted.

In this case, the protection range may be reduced up to FIFTEEN (15) meters.

Under similar conditions, the foregoing works shall also be authorized within walled sites, gardens, farms and vineyards.

ARTICLE 36 - No mining work shall be undertaken in the premises of cemeteries, streets and public sites or at a distance of less than FIFTY meters from buildings, iron roads, highways, aqueducts and public rivers.

But the authorities shall issue a permit to penetrate in this area if, prior to a report by an engineer and to any such vouchers as interested parties show, it is derived that there is no inconvenient or that, if there is so, such inconvenient may be solved.

ARTICLE 37 - No mining works shall be undertaken at less than ONE (1) kilometer away from military facilities without a prior authorization by the MINISTRY OF DEFENSE.

Whenever, in spite of the provisions of the foregoing paragraph, an exploration includes air photographs, an authorization must be requested.

ARTICLE 38 - It is prohibited, even with a permit by the authorities, to perform exploration works within the area of licensed mines.

ARTICLE 39 - If, for the purposes of demarcating a mine which has been discovered outside the exploration area, it is necessary to take part of that ground, such area shall, for those purposes, be considered as a vacant area.

The same shall occur if, in order to demarcate a discovery by an explorer, it becomes necessary to work outside the limits of any granted exploration permit.

In both cases, the foregoing provisions shall be enforced without prejudice to any acquired right.

ARTICLE 40 - Explorers may not establish a formal exploration, or draw minerals before a mine is legally licensed. However, explorers shall own and may dispose of any such mineral as is mined from any prospecting pit, or found on the surface, or needs to be drawn to proceed with prospecting works.

In case of breach, works shall be stopped up until a discovery report and a registration are made and a penalty in the amount of TWENTY (20) to TWO HUNDRED (200) times the mining royalty for the category of any such mineral as drawn, shall be paid.

If no registration is applied for THIRTY (30) days following any such term as required, the explorer's rights shall be granted to the first claimant of a mine.

ARTICLE 41 - Should the exploration permit holder commit any of the following offenses, authorities shall revoke its exploration or prospecting permit, either pursuant to law or at the request of the ground's owner, or of a third party who is interested in continuing with exploration works, or in undertaking a new exploration in the same area:

- a) Failure to perform the exploration works mentioned in the third paragraph of Article 30 within the term therein stipulated;
- b) Discontinuation of exploration works following their undertaking;
- c) Failure to comply with the minimum working schedule of the fourth paragraph of Article 25.

### **§ III**

#### **On the Owner's Right to Explore its Ground**

ARTICLE 42 - The ground's owner may perform any exploration work there or even in excepted sites without an authorization or permit.

However, in case the owner has not obtained the foregoing permit or authorization from the authorities or has not limited with its participation the exploration field, the owner may not oppose to a third applicant or establish a preference in its capacity as owner or a priority in its capacity as former explorer.

ARTICLE 43 - The ground's owner may not, even with a permit by authorities, perform any mining works in the perimeter of a mining license or in the grounds of a prospecting permit.

## **TITLE FOUR**

### **ON MINE PURCHASING**

ARTICLE 44 - Mines are purchased by virtue of a legal license granted by a competent authority under the provisions of this Code.

A mining license is granted on:

Mine discoveries.  
Mines vacant on account of expired licenses.

## § I

### On mine discoveries and discovery reports

ARTICLE 45 - There is a mine discovery whenever, by means of an authorized exploration or by accident, a previously non-registered, deposit is found.

ARTICLE 46 - The discoverer shall file with mining authorities a document reporting the discovery with an accompanying mineral sample.

This document, which shall be submitted in two counterparts, shall include the name, status and address of the discoverer; the name and address of associated discoverers, if any, and the name to be given to the mine.

This document shall also include, according to the provisions of Article 19, the site of the discovery which shall be the same site where the mineral sample shall have been taken from.

The name and minerals of neighboring mines and the name of the owner of the ground, whether the State, the cityhall or private individuals, shall also be mentioned.

In this case, the name and address of the owners shall be stated.

On making a discovery report, the discoverer shall indicate, as per the provisions of Article 19, an area which shall not be larger than twice the maximum possible extension of the mining license, and, within this area, the deposit surveying works shall be performed and mining tenements shall be confined to. The area thus determined shall be square shaped or have any shape resulting from the pre- existence of other mining rights or geographical ground features. This area shall also include the discovery site and will remain unavailable until a measurement survey is duly approved and authorized.

ARTICLE 47 - Prior mineral verification may only be required in case of a contradiction.

ARTICLE 48 - Should authorities happen to notice that a legally required indication or provision has been omitted in any discovery report, a term shall be set for such rectification as may be necessary and for such omission to be duly remedied.

The interested party may do so at any time and, in both cases, without prejudice to any third party.

ARTICLE 49 - The mining notary public shall record in every copy of such petition, the date and the time of submittal, even if the interested party shall have not requested for it.

The notary public shall further certify if there is any other petition or record in relation to the same hill or deposit, and, if applicable, the interested party shall be duly notified.

ONE (1) of the counterparts shall be returned to the applicant, and the other shall be kept in a license file.

In case only ONE (1) copy of the petition shall have been filed, a certified copy of such petition shall be given to the interested party, including any comment and certification.

ARTICLE 50 - Once an application or petition is duly filed, it shall be chronologically and consecutively numbered and the mining cadastral register authorities shall immediately consider such application in order to determine whether it refers to a free area, which shall be duly notified to the petitioner by sending a copy of the cadastral register. Except that the field is fully free, the petitioner shall inform, within FIFTEEN (15) days, if the petitioner is interested or not in the free area. In case there is no express pronouncement, the petition shall be filed.

## § II

### On the record

ARTICLE 51 - In the first hearing, the notary public shall submit a discovery report that the authorities shall cause to be registered and published.

ARTICLE 52 - A record is a copy of the discovery report with comments and provisions, duly made and authorized by a mining notary public in a registered protocol book to be kept for these purposes.

ARTICLE 53 - Publication shall be made by fully inserting the record in a newspaper to be selected by the mining authorities three times over a term of FIFTEEN (15) days.

Regardless of whether or not publication has been made in a newspaper, a notice shall be showed on the door of the notary public's office.

The notary public shall record this fact in the register file and attach thereto the copies of the newspaper with the foregoing publication.

ARTICLE 54 - Mining works may be undertaken and continued following registration, and this shall not forbid any claim or lawsuit associated to the mine or the ground which is to be occupied by such mine.

Any works former to registration are included in this provision.

Claimants may, at their own expense, appoint an auditor or controller and demand posting of a bond or bail to prevent the mine holder from disposing of the products.

The auditor's job shall be limited to a mere inspection of the mine and a close control of expenses and products.

Any demanded bail or bond, may excuse auditors, but, the depository shall exercise such control.

### **§ III**

#### **On those persons who can report mines of the others**

ARTICLE 55 - Nobody may report or record a mine on behalf of another person without a special power of attorney, which shall be issued by the most immediate authority, delivered before TWO (2) witnesses or granted by means of a letter.

The ancestors, descendants and brothers of discoverers shall need no power of attorney.

The company's partners, prospectors and individuals making up an exploring expedition shall neither need a power of attorney.

ARTICLE 56 - The discoverer or the owner of a discovery shall ratify, rectify or reject the discovery report or record on its behalf in no later than TEN (10) days, within which term it will be taken as accepted.

ARTICLE 57 - In case that an individual or an employee working for an exploring expedition reports or records, on his own behalf or on behalf of other persons, a discovery which has been made in the explored area during the expedition, the discovery and record shall solely belong to the owner of the prospecting works, even that a participation has been stipulated.

This provision shall become ineffective ONE (1) year after the exploration is finished.

ARTICLE 58 - Any person who, on performing mining works for another person, makes a discovery, shall discover on behalf of the owner of such mining works.

However, if works are not actually mining works, the discovery shall belong to both parties in equal halves.

This shall be enforced whenever a mine's waged or salaried employee, even without performing no work whatsoever, makes a discovery within an area of ONE (1) kilometer from the boundaries of the mine.

ARTICLE 59 - No expenses of any kind shall be repaid to any person who records a mine without stating the names of the partners in such discovery and who disavows or disclaims the rights of such partners.

**§ IV**  
**On the equality and priority of rights**

ARTICLE 60 - The first discoverer shall be he who first applies for a registration or record, provided this priority is not derived from a lie or from a fraud.

ARTICLE 61 - In case that TWO (2) or more petitions for the same mine are simultaneously made, he who certainly, clearly and unequivocally determines the location of the hill and the nature and conditions of the in-place deposit, shall be preferred among those who fail to meet this requirement.

ARTICLE 62 - If, under the foregoing provisions, it is impossible to determine which is the discovering mine, the most important mine shall be taken as the discovering mine.

However, in this case the discoverer may not take the mines which have registered or recorded simultaneously.

ARTICLE 63 - Whenever the area between TWO (2) simultaneously discovered mines is not enough to fill in or meet latitude measurements according to the slope of the in-place deposit, there shall be a right to follow it until a supplement of such measurement is reached, by going into the tenement.

If the dip of in-place tenements is convergent, the intervening space shall be assigned in halves, but the right to go deep into the junction with any of the in-place deposits in the immediate tenement shall always persist. In this case, and in the former one, due notice shall be given to the owner.

ARTICLE 64 - Single registered mine licensors with crossing in-place deposits may perform their works independently in a common field; but the minerals in the third or intersecting point of in-place deposits shall be shared if they may not be possibly separated.

ARTICLE 65 - If TWO (2) or more persons have made simultaneous discoveries in different sites of the same deposit, they shall take their mines from the point where a mineral sample has been taken.

And in case that linear measures may not be completed in the intervening space, such intervening space shall be assigned in halves.

ARTICLE 66 - Any person who believes it is entitled to a discovery which has been reported by another one, shall file a claim no later than SIXTY (60) days following the publication date.

Those persons whose names are omitted in the discovery report or in the registration shall also be governed by these provisions.

Those who appear following the expiration of the foregoing term of SIXTY (60) days shall not be heard.

**§ V**  
**On the rights and obligations of the discoverer**

ARTICLE 67 - The discoverer shall be entitled to take, in any in-place deposit of his preference, THREE (3) adjacent or separated by intervening spaces tenements which belong to ONE (1) or more tenements.

ARTICLE 68 - In a term of ONE HUNDRED (100) days following that of registration, the discoverer shall have performed works evidencing an in-place deposit, so that the direction, slope and thickness of such deposit is recognized and that the existence and class of the mineral which has been discovered is verified.

Mining works shall have an area of TEN (10) meters and shall be opened over the body of the in-place deposit, in line with its slope or changing it, if possible.

However, it shall not be necessary to work TEN (10) meters, if works performed may satisfactorily show the foregoing circumstances.

In case that tenements are adjacent, single legal formalities shall be enough if any proper means allows to assume, on a scientific basis, that the deposit continues throughout all the adjacent tenements.

ARTICLE 69 - Upon verification of an obstacle which was insurmountable within the terms fixed to perform any such legal formalities as necessary, the authorities may extend such terms up to ONE HUNDRED (100) additional days.

ARTICLE 70 - If, once legal formalities are made, the conditions of the in-place deposit may not be conveniently recognized, or the discoverer is willing to better locate its mines, an extension of FIFTY (50) days shall be granted for work continuance or of ONE HUNDRED (100) days to start new mining works in another site of the in-place deposit.

ARTICLE 71 - IF, THIRTY (30) days following the expiration of the terms provided by Articles 68, 69 and 70, the discoverer shall have not applied for a survey, the mining authorities shall proceed to grant such survey pursuant to law and at the expense of the interested party, by locating all the mines along the run of the in-place deposit.

The discoverer's rights shall be declared no longer valid and the mine or mines applied for by such discoverer shall be registered.

## **TITLE FIVE**

### **ON TENEMENTS AND THEIR DEMARCATION**

#### **§ I**

#### **On tenements**

ARTICLE 72 - Any area of a land plot within whose boundaries a miner is allowed to perform exploration tasks is called a tenement.

ARTICLE 73 - The land plot for every tenement shall be determined, on the surface, by means of straight lines and, in depth, by means of the vertical planes shown by such lines.

Tenements shall be THREE HUNDRED (300) meters horizontally long and TWO HUNDRED (200) meters latitude, which, according to the latitude of the in-place deposit, may be extended up to THREE HUNDRED (300) meters latitude.

ARTICLE 74 - A tenement or a measurement unit is a solid whose basis is a THREE HUNDRED (300) meter long and TWO HUNDRED (200) meter latitude rectangle which has been horizontally measured and with an indefinite, vertical depth.

In case that the latitude extension is similar to the length extension, a tenement shall be a square based solid.

A tenement may have another shape, and it shall be a regular tenement whenever, once the ground or in-place deposit conditions are satisfied, it is so necessary for more useful mining purposes.

ARTICLE 75 - Even though a tenement includes more than a unit of measurement, tenements shall make up a single body and no other overlapping mines or vacant spaces shall divide or split them.

This provision shall be enforced even in case that the ground to be occupied by the mine licensor is not enough to complete the tenement extension.

ARTICLE 76 - Iron mine tenements shall be SIX HUNDRED (600) meters long and FOUR HUNDRED (400) meters latitude, which, according to the in-place deposit slope, may be extended to SIX HUNDRED (600) meters.

Coal and other fuel mining tenements shall be NINE HUNDRED (900) meters long and SIX HUNDRED (600) meters latitude, which, according to the in-place deposit slope, may be extended to NINE HUNDRED (900) meters.

Whenever mineralization is consistently distributed and allows for long scale mining with the use of non-selective methods, any first category, disseminated deposit tenement shall consist of ONE HUNDRED (100) hectares.

Borate and lithium tenements shall also consist of ONE HUNDRED (100) hectares.

In the first paragraph, the annual royalty per tenement shall be THREE (3) times that of a regular tenement of the same category; in the second paragraph, the annual royalty per tenement shall be SIX (6) times that of a regular tenement of the same category, whereas, in the third paragraph, the annual royalty per tenement shall be TEN (10) times that of a regular tenement of the same category.

ARTICLE 77 - The length of a tenement shall be measured by the run or the direction of the in-place deposit; however, should such run or direction happen to wind, vary or branch, the prevailing direction or the direction of the main branch or the mean direction between the various directions shown, shall be adopted, at the interested party's choice.

Measurement shall be a consequence of legal formalities or it shall either derive from the site of the run to be chosen by the interested party itself.

The interested party, in its own discretion, shall either measure the length to both sides of the mining works or distribute it as the interested party best deems so.

But mining works shall never be outside the perimeter of a tenement.

ARTICLE 78 - Latitude shall be measured over a horizontal line which is perpendicular to the line of length at the site where the survey started.

The mining licensor may take full latitude values to both sides, or either distribute it as such licensor best requires.

In case of a legitimate opposition, only TEN (10) meters against the slope of the in-place deposit may be obtained.

ARTICLE 79 - On demarcating a tenement, the mine licensor shall be entitled to the run of the in-place deposit's receiving the extension assigned to its slope and viceversa. However, this shall only occur whenever it is not detrimental to any third party.

ARTICLE 80 - Whenever the slope of an in-place deposit with regard to the vertical of the length line assigned to such tenement, is not larger than FORTY- FIVE (45) degrees, the latitude shall be of TWO HUNDRED (200) meters.

Whenever the slope is larger than any figure ranging between FORTY- FIVE (45) degrees and FIFTY (50) degrees, the latitude shall be of TWO HUNDRED AND FORTY- FIVE (245) meters.

If the foregoing figure is over an amount ranging between FIFTY (50) degrees and SIXTY (60) degrees, the latitude shall be of TWO HUNDRED AND FORTY- FIVE (245) meters. Over any figure ranging between SIXTY (60) degrees and SIXTY- FIVE (65) degrees, the latitude shall be of TWO HUNDRED AND

SEVENTY- FIVE (275) meters; and from SIXTY- FIVE (65) degrees on, the latitude shall be of THREE HUNDRED (300) meters.

## § II

### On tenement surveying and demarcation

ARTICLE 81 - By virtue of a petition in writing duly submitted by the recording party or by any other interested party, tenements shall be surveyed and demarcated.

The foregoing petition and its provisions shall be published as provided by Article 53.

ARTICLE 82 - The application to conduct a survey shall indicate the application, direction, distribution and starting points of length and latitude lines, so that the condition of the tenement and of the ground to be occupied by such tenement may be known.

ARTICLE 83 - Due notice shall be given to the owners of adjacent mines on any application to conduct a survey and on its provisions. This shall occur provided that the owners of adjacent mines are known and have their residence in the mineral site or in the city hall which is the headquarters of the authorities.

In other cases, publication shall be notice enough.

Publication shall occur under the provisions of Article 53.

ARTICLE 84 - Claims shall be made within FIFTEEN (15) days following notification or following the last date of publication.

Any claim which is made after the foregoing term, shall not be admitted.

Claims shall be solved with a meeting of all the interested parties, within a term of TWENTY (20) days following the filing date.

A mineral resource license shall not prevent a survey from being conducted, if the interested party so requires.

The authorities may, whenever the nature of circumstances so require, hold over a resolution until a survey is conducted.

ARTICLE 85 - If no opposition relative to an application to conduct a survey is made or if a finally solved opposition is made, the mining authorities shall proceed to conduct the survey with an official engineer and a mining notary public.

The authorities shall previously cause the administrators of any occupied adjacent mine, whose owners are not personally summoned, to be notified in relation to the time when the survey should start.

The authorities may give a commission to the mining judge or, failing that, to the most immediate judge.

In the absence of an official engineer, an expert or a private engineer shall be appointed; and, in the absence of a notary public, legal formalities shall be conducted before TWO (2) paid witnesses.

ARTICLE 86 - Operations shall start by surveying legal formalities; and, in case that legal conditions are met, length shall be measured and further on latitude shall also be measured under the provisions of Articles 77 and following ones.

Then the sites of boundary lines which determine both the figure and the space of the tenement, shall be demarcated.

These boundary lines, which shall be built immediately, shall be solid, easily noticeable and long lasting.

ARTICLE 87 - For run or direction description purposes, engineers shall refer to the actual North.

In case that authorities so deem it convenient, or if interested parties so require, engineers shall also refer to fixed and clearly manifest objects, and mention their address and distance in relation to any such legal formalities as necessary.

ARTICLE 88 - Any person who is interested in a survey may appoint, each, an expert who witnesses the operation and makes any such indications, comments and claims as caused by any expert proceeding. All the foregoing shall be decided and determined before this requirement is considered to be legally met.

ARTICLE 89 - A minute shall be prepared including all the transactions, applications or resolutions which have taken place during the course of this formality up to its end. This minute shall be signed by the authorities, the parties and the engineer, and shall be authorized and certified by a notary public.

ARTICLE 90 - The judge with whom these formalities are filed, shall send the foregoing minute to the principal, who shall either approve it or make any such amendments as necessary. This shall finally conclude the surveying and demarcation of any tenement.

ARTICLE 91 - The surveying and demarcation of tenements under legal provisions may include buildings, access roads, grown fields, closed sites and any other kind of works and land plots.

The mining licensor may extend its works under rooms and other reserved sites, by paying a guarantee or bond for any such damages as may occur.

Whenever damages are serious and imminent and it is not possible to satisfactorily strengthen the hill, the miner may apply for the award of any such ground and constructions as appropriate, prior to previously checking that they are, under the provisions of the third paragraph of Article 13, useful.

The provisions of the foregoing paragraphs on public buildings and other provisions of Article 36 shall not be enforced, except that any such event as those described in the second paragraph of this article is duly verified.

Underground works may not penetrate in the supporting area, but surface works may.

All these works shall strictly comply with safety and enforcement provisions.

ARTICLE 92 - A bond or guarantee shall not be made whenever underground mining offers no risk whatsoever.

This bond or guarantee shall stop whenever any such risk as existing, has disappeared.

ARTICLE 93 - Once the survey and demarcation under the provisions of the foregoing articles have been performed, the authorities shall cause this information to be recorded in a register and a copy shall be sent to the interested party, as an evidence of title.

The survey file shall be recorded in a special book kept by a mining notary public.

The survey shall give rise to the full and legal possession of a tenement.

### **§ III**

#### **On boundary lines**

ARTICLE 94 - The mine licensor shall have placed the boundary lines of its tenement in TWENTY (20) days following the designation of any such site as it is appropriate.

If this is not the case, the mine licensor shall pay a penalty which shall range between THREE (3) and TEN (10) times the annual royalty accrued by the mine.

ARTICLE 95 - The authorities shall allow or order no removal of boundary lines, except in the case of an improvement or a revamping of tenements which is provided by law; or by virtue of a judgment by a Higher Mining Court over any such legal remedies against the illegality of surveys or measurements as have been opposed; or whenever it has been finally declared that there is a cause for rectification; or in the cases expressly listed by law.

ARTICLE 96 - Mine owners shall keep boundary lines constantly firm and well maintained.

In case that boundary lines are deteriorated or destroyed in part, mine owners shall go to the authorities for them to order repair works and summon the owners of adjacent mines.

If boundary lines have disappeared or been removed, mine owners shall go to the authorities for them to appoint an engineer who, prior to a notice being given, shall mark the sites of the boundary lines under the interested party's title.

The mining judge shall preside this formality, order and execute a summons and take care that boundary lines are built in marked sites; evidence shall be given of all this.

If the owners of adjacent tenements are neither on site or in the city hall, which is the residence of the authorities, the Judge shall summon the administrator or the person who occupies any such tenement as appropriate.

Miners shall have a term which shall not be shorter than TWENTY (20) days or longer than FORTY (40) days for miners to repair or replace any such boundary lines as missing.

If this were not the case, miners shall pay a penalty which shall range from THREE (3) to TEN (10) times the annual royalty accrued by the mine.

#### **§ IV**

#### **On the rectification and challenging of surveys or measurements**

ARTICLE 97 - Any such survey and demarcation operation which is presided, approved or amended by the authorities, may only be challenged by an expert's mistake or manifest breach of law, which should be duly placed on record in a minute.

Any fraud used in an operation or a resolution associated with survey and demarcation proceedings and which have to do with certain and well defined events, shall also be a reason for challenge.

ARTICLE 98 - Whenever a demarcated mine includes an extension larger than that shown in the title, this extension may be rectified at the request of another immediate recorder who claims such surplus or excess to complete a tenement.

But this rectification shall only be effective whenever boundary lines have been secretly removed, or whenever the designation of the sites of such boundary lines or the placement itself has been fraudulent.

Any application made by a new recorder shall not be admitted FIVE HUNDRED (500) days following the survey or measurement.

This rectification shall be made on the basis of the starting point and the directions shown by the survey and demarcation of any such tenement as appropriate.

### **TITLE SIX**

#### **ON THE EFFECTS OF A TENEMENT LICENSE**

#### **§ I**

#### **On in-place deposits in the perimeter of a license**

ARTICLE 99 - A miner owns all the in-place deposits within the boundaries of such miner's tenement, no matter the mineral substance therein contained.

The licensor shall, for record purposes, be obliged to report to mining authorities the finding of any substance liable to be offered under license and which is different from the ones listed in the record and

registration of such mine and, as the case may be take down any consequent effect on the royalty and the investment of capital.

Non-performance of this obligation by the licensor within SIXTY (60) days following a finding, shall cause the licensor to pay a penalty ranging from TEN (10) to ONE HUNDRED (100) times the mining royalty of the substance thus omitted.

ARTICLE 100 - The ground's owner shall be entitled to the substances of the third category drawn by the owner of the mine; except for the following cases:

Whenever, THIRTY (30) days following a notice which is to be given by the licensor, mining and drawing expenditures have been neither claimed nor paid.

Whenever the licensor needs such substances for the licensor's industry and whenever substances are so much mixed that they may not be drawn separately without difficulty or without increasing expenditures.

In these cases, there shall be no right to damages.

ARTICLE 101 - Whenever, in a ground occupied with second or third category substance mining operations, a first category in-place deposit is discovered, the owner may continue with mining works without interfering with the operations of the new mine, but the discoverer may cause such operations to vary or stop by paying damages or the price of the ground.

As for mineral drawing is concerned, the provisions of the THREE (3) final paragraphs of the foregoing article shall be enforced.

## § II

### **On mining operations going deep into private tenements**

ARTICLE 102 - The owner of a tenement may not cause mining operations to leave the boundary lines of such tenement and penetrate into another private tenement, even though a deposit is being followed.

However, whenever an in-place deposit contains ore, there shall be a right to go deep into a tenement through its latitude up to the site where the mining operations of both tenements are communicated.

The same shall occur whenever, prior to going beyond the boundaries of a tenement, ore is discovered.

In order to use these rights, the owner of the adjacent tenement shall be duly notified on the approach of mining operations and on the purpose of their penetration.

Any mineral which is drawn from such penetration into a private tenement, shall be divided by halves and shared with the owner of the adjacent tenement. Costs shall also be shared in halves.

ARTICLE 103 - Expense and product sharing shall last and remain during all the time that the owner of the occupied tenement performs communicating mining works.

In this case, the communication between both mines shall be closed at the request of any of the interested parties at the site of the barline or dividing line.

ARTICLE 104 - If due notice is not appropriately given, the invading party shall deliver to the invaded party all the ore which has been drawn and shall not be entitled to claim expenses.

Notice shall be considered to be inappropriate whenever not given prior to mining operations' having penetrated more than TEN (10) meters into an adjacent tenement.

ARTICLE 105 - There shall be no obligation of returning or sharing the products resulting from any such penetration as above mentioned whenever this penetration occurs between mines which have not been demarcated or whose boundary lines are not properly kept.

But the owner of the mine which is considered to have been invaded may apply for a survey and, as the case may be, for the repair or replacement of boundary lines.

It shall be considered that the barline or dividing line has been determined whenever the foregoing petition is informed to the owner of the invading mine.

Whenever the finishing piece or crest of any reported mining work is sealed, such works may continue with the sole responsibility of delivering, upon payment of any such costs as are incurred into, half of the ore drawn during the time that such works are continued, provided these mining works had penetrated into an adjacent tenement.

ARTICLE 106 - Whenever a mine is not in a condition to be surveyed and its owners have placed provisional boundary lines to determine their tenements, such boundary lines shall serve as a basis for giving a notice and for any other purposes as are resulting or consequent.

However, once a legal survey and a demarcation have been performed, the rights of the parties shall be in accordance with the new boundary lines, and any such returns or restitutions as are necessary, shall be made.

The provisions of the foregoing paragraphs shall not be enforced after the terms provided by law for legal formalities purposes, are due or have lapsed.

ARTICLE 107 - Any owner of a tenement may apply for an authorization or permit to visit an adjacent tenement with a view to collecting useful data for mining purposes, or with a view to avoid any such damages as caused by the works performed or to be performed in the neighboring tenement.

The applicant shall clearly express in a detailed way all the data that the applicant is intending to collect and any such damages that the applicant shall suffer or that the applicant is afraid of suffering.

If the authorities find the reason behind such application or petition to be fair and well founded, a permit shall be granted solely in relation to any such mining works as are immediate to the interested party's tenement.

ARTICLE 108 - Whenever, by virtue of any sufficient and justified reason, it is necessary to either survey or check any the foregoing mining works, the authorities shall so authorize it by accepting any such expert as it is proposed, or by appointing another expert, if the owner of the mine happens to reject such proposed expert.

The owner of the mine shall be entitled to full damages and, in case that serious and irreparable damages result from mining operations, the owner of the mine shall have a right to the above mentioned permit being withdrawn.

## **TITLE SEVEN**

### **ON OTHER ACQUISITIONS OR PURCHASES CALLING FOR A LICENSE**

#### **§ I**

#### **On the extension or augmentation of tenements**

ARTICLE 109 - Extending a tenement is adding to such tenement another one which is similar in shape and size.

There shall be a right to extension whenever the underground mining works which are performed in a tenement, shall have penetrated into or shall have been at the verge of going deep into a vacant land plot.

It shall be understood that mining works are at the verge of going deep into a vacant land plot whenever mining works are at FORTY (40) meters or less away from the boundary lines of such tenement as previously demarcated.

The petition and its content shall be recorded in a report book and published by means of an ad in a newspaper to be designed by the authorities and by means of a sign which shall be shown at the door of the notary public's office.

ARTICLE 110 - For any such extension as above mentioned to occur, it is necessary that mining works penetrate into or approach an adjacent tenement with an orebody.

ARTICLE 111 - Both tenements shall be a part of a single orebody, of a single mine.

The boundary lines of the line of contact with the vacant land plot shall be removed and placed according to the new limits.

ARTICLE 112 - Survey and demarcation works shall be performed by comparing the boundary lines with the vacant land plot and announced THIRTY (30) days in advance, in a way similar to the publication of records.

Within these THIRTY (30) days and up to the time of the survey and demarcation works, any and all claims shall be filed, as they shall not be duly taken care of after that term and following such works.

ARTICLE 113 - There shall be a right to a new extension whenever the mining works of the annexed land plot shall have penetrated into or shall have been in the verge of penetrating into a vacant land plot.

## § II

### On the improvement of a tenement

ARTICLE 114 - In case there is a free area, miners may apply for a partial change of the perimetral tenement in any direction of the boundary lines. This change represents an improvement.

ARTICLE 115 - Whenever a tenement is changed or improved, a part of the area similar to the one being taken shall be abandoned. However, legal formalities shall be restrained to the new limits.

## § III

### On excess

ARTICLE 116 - An excess is any remaining piece of land between two or more demarcated mines, where a tenement may not be formed.

ARTICLE 117 - Any excess between two mines located along the length of an ore deposit shall exclusively belong to the owners of those mines.

ARTICLE 118 - Any excess between the boundary lines of two or more tenements shall be awarded to any such mine or mines whose mining works, according to the deposit in their dip, have penetrated or gone into or are in the verge of penetrating or going into a vacant land plot.

It shall be understood that mining works are in the verge of penetrating or going into a vacant land plot, whenever the progress of such working reaches half the block or measure of length (1 "cuadra") of such deposit dip.

The same shall apply whenever thirty meters from the border of the block or measure of length remain.

ARTICLE 119 - Except from any penetration made or to be made, any excess shall be distributed among all the adjacent *mines in* proportion to their lines of contact with such excess.

ARTICLE 120 - Once an excess is awarded in part or in full, it shall be incorporated or joined to any such tenements as proper.

ARTICLE 121 - Whenever the area remaining along the length of an ore deposit is ONE HUNDRED AND FIFTY (150) meters long or more, it shall be considered as a new mine and it shall be awarded to the first applicant.

ARTICLE 122 - Any person may cause a new mine to be an excess as a result of any such resignation or waiver as it is made by the owners of any adjacent tenement, or because such excess is not occupied with a really useful work, one year after such owners are so required.

This provision shall be enforced whenever an excess is not incorporated to any adjacent mine.

The resigning, assigning or waiving adjacent party shall have a right of accession or augmentation over the other owners of adjacent tenements.

ARTICLE 123 - Miners improving their tenements shall not be entitled to any such excess as derived therefrom.

#### **§ IV On tunnels or adits**

ARTICLE 124 - The owners of one or more tenements who are willing to mine these tenements by means of tunnels or adits starting outside their limits or beyond their boundary lines but in an area which does not belong to a private tenement, shall notify the authorities on the condition and extension of the area which is to be occupied and on the names and residence of the owners.

These owners shall be notified for them to, not later than TWENTY (20) days, claim any such damages as are immediately caused by the opening of a tunnel or an adit and ask for guarantees or bonds in case there is a danger of further damages as mining works are continued.

The owners whose residence is not known, or whose residence is outside the venue of the mining authorities, shall be summoned by means of a decree or an edict shown on the doors of the notary public's office and by means of an ad published during a period of THREE (3) days in a newspaper to be designated by the authorities.

In this case, there shall be term of THIRTY (30) days for appearing before the authorities and once it is due, a permit shall be granted.

ARTICLE 125 - Whenever mining works are to be started or continued in an area with occupied mines, a permit shall be requested from the authorities and the name and residence of the owners of those mines, as well as the location and extension of the area, the direction, length and capacity of the tunnel or adit shall be mentioned in detail.

The authorities, prior to summoning the interested parties and checking that mining works are useful and workable, shall grant a permit and order such permit to be duly registered and published.

ARTICLE 126 - The owners of the mines which are located in the direction of the tunnel or adit may oppose to such tunnel being executed not later than TWENTY (20) days following any such notice as given to such owners or to their administrators, or following publication of such notice, provided mining activities in their mines become extremely difficult or expensive.

However, if the use of the undertaking and the convenience of the proposed plan are recognized and no modifications may be made without going against the purpose of the mining works, or without rendering such works less useful, or causing them to be more expensive and difficult, the authorities shall allow such works to be performed without prejudice to the foregoing opposition.

The same shall occur if any such mine as it is interested in the opening of a tunnel, were more important than the mine or mines of the opposing parties.

All damages shall be previously paid and a bond or guarantee given while an estimation is made.

ARTICLE 127 - On granting a permit, the authorities shall make any such modifications as necessary in the plan which has been proposed and thus establish the feasibility and use of works so that security is convenient and the rights recognized to the owners of the mines are effective.

ARTICLE 128 - Whenever a general tunnel including a wide mineral area is to be opened by people who have no tenement of their own to be authorized and approved, it shall be necessary to have the consent of the owners of any such tenements as are to be occupied.

However, the owners of mines which are to be authorized and approved, may offer an interest participation in the company to strangers or outsiders.

ARTICLE 129 - Any person may open a mining or surveying tunnel prior to complying with the provisions of Article 124.

The length and latitude of the area necessary to perform such surveying activities shall be declared and stated in the application, having all the mining and exploring rights as set forth in the THIRD TITLE.

In this case, the provisions of Article 133 about in-place deposits found in depth, shall be enforced.

ARTICLE 130 - Businessmen may not alter or change the direction and size of any tunnel or the conditions of a mining license without the consent of the authorities which shall only consent to it upon a report by an engineer.

In case of a breach or a contravention, works shall be either suspended or rectified and any such repair as necessary shall be performed, all at the expense of the businessman.

ARTICLE 131 - The obligations of a tunnel licensor in a free area shall be restrained to the security of works and workers and to the mining order and enforcement.

ARTICLE 132 - If, in the course of its activities the tunnelmaker happens to find an in-place deposit which belongs to a private tenement, the tunnelmaker shall tap and mine such deposit and the direction and size of works shall not be changed.

The ore thus drawn shall be delivered to the owner of the tenement, who shall pay mining and transportation expenses.

ARTICLE 133 - The tunnelmaker shall have all the privileges of a discoverer in any such new in-place deposit as it is found in a vacant land plot during the course of the tunnelmaker's activities.

These tenements shall be demarcated in the area according to the location, direction and other features of the in-place deposit which are known in depth.

ARTICLE 134 - The tunnelmaker shall be entitled to mine any new in-place deposit which is found in a tenement of another deposit which is registered in the area and to undertake new mining activities following the new in-place deposit and to make use solely of any such ore as it is drawn.

This right shall cease from the time when mining operations are in communication with the tunnel.

ARTICLE 135 - A permit to make a tunnel in a free area shall include an authorization to explore an area of ONE THOUSAND (1,000) meters at each side and along the whole length assigned to the tunnel.

Businessmen may report and register specially any such tenement as it is abandoned in the area where they are located.

This preference shall not interfere with a report by a third party whenever the tunnel works are finished or abandoned, or whenever works shall have gone beyond the perimeter of these tenements and FIFTY (50) days shall have elapsed and this right has not been exercised.

ARTICLE 136 - The owners of any such tenement as crossed shall have right to use and profit from the tunnel without prejudice of the rights of the tunnelmaker.

The owners of mines who use the services of the tunnel, shall pay the businessman an amount of money which shall be determined by experts, on the basis of any such service as it is provided, of the cost and expense of such service, of the benefits paid to the miner and of the saving costs.

ARTICLE 137 - The owners of any such mine as it is crossed shall stop any kind of work FOUR (4) meters before the mining works or before the tunnel.

However, if ore is to be drawn, or if works are to be communicated, or if an useful activity is to be performed, notice shall be duly given to the authorities for them to determine, with an engineer's report in their hands, the thickness of the pillar, or to declare the kind of supporting works which are to replace the ore thus drawn.

The owners of the mines shall pay any and all expenses.

#### **§ V On the formation of mining groups**

ARTICLE 138 - The owners of TWO (2) or more adjacent mines may turn them into a single tenement with a single mining operation.

This joining of tenements which belong either to a single owner or to different owners is called a mining group.

ARTICLE 139 - In order to establish a mining group, the following requirements shall be met:

The tenements shall be in a block throughout all the length of one of their sides, making up a single body and with no gap in between.

The mining group shall be easily and fruitfully mined.

The authorities shall, upon hearing the case and knowledgeable of the reasons, issue a license.

ARTICLE 140 - The owners of the tenements which shall make up a mining group shall file an application with the authorities for licensing purposes.

This petition or application shall include the following information:

- 1st. The titles of every and all tenements.
- 2nd. A drawing with the mining group showing its relative location, the area and shape of any such mines as are concurrent, their names, the names of their owners, the name of the new tenement and the name of any adjacent mine.
- 3rd. The participation or the right allocated to each and all interested parties.
- 4th. The statement or declaration of any such tax or encumbrance as there is over each tenement and the name of the persons on whose behalf such statement has been made.
- 5th. An agreement with the creditors on how the foregoing taxes or encumbrances are to be passed over the mining group and, if this is not the case, a proposal with suggestions to come to an agreement.

ARTICLE 141 - Notice of this application or petition shall be given to the persons in whose behalf such tenements are registered.

If the foregoing persons are not in their place of residence, publication shall be considered as a sufficient process of service.

Publication shall also be used as a sufficient process of service on behalf of any such person as may be affected by the tenement or mining group.

Publication shall be made by inserting an application THREE (3) times within a term of TEN (10) days, in a newspaper to be designated by authorities, and by showing this application on the door of the notary public's office during the same term of TEN (10) days.

The authorities shall solve any such claims as are submitted not later than THIRTY (30) days following the last day of publication.

ARTICLE 142 - If tenements are not levied, or if this issue and any other claimed issue shall have been solved, the authorities, together with an expert and a notary public, shall proceed to the identification and verification of facts and events.

If joining tenements is feasible and convenient, boundary lines shall be fixed at the ends of the lines to be determined by the mining group and in any other accurate point for easy identification purposes.

The judge shall take care that boundary lines are immediately placed at any such site as demarcated by an expert.

ARTICLE 143 - A minute with information on any such act as is made shall be issued and signed by interested parties, by the authorities, and by the expert. This minute shall be authorized and certified by a notary public.

The foregoing minute shall include the following information:

The number of concurrent tenements, their name and the names of their owners.

The shape and size of the mining group and its boundary lines, with an indication of those which are to be kept and the identification of the sites of any such new boundary line as it is necessary.

The condition of the mines and objects in the adjacent area.

Further to the execution of the foregoing minute, a licensing order shall be issued stating, if this is the case, the order and how tenement taxes and encumbrances are to be passed over to the mining group, whether in reference to an agreement between the parties, or with a judgment which has been issued, in case that the above mentioned agreement is not made.

ARTICLE 144 - Both the minute and the licensing order shall be recorded in the surveying register and the parties shall be given, by way of title, any such counterpart as it is requested.

This file shall be recorded in the book mentioned in the second paragraph of Article 93.

ARTICLE 145 - The mining group may consist of a number of any such previously surveyed tenement as, in the mining authorities' opinion, is necessary to include the geological union of any deposit which is covered by such tenements. This shall be complied with at the time provided by Article 142.

## **TITLE EIGHT**

### **ON MINING**

#### **§ I**

#### **On the right of way**

ARTICLE 146 - Once the mining license is given, both surface and immediate properties, as the case may be, shall be subject, prior to payment of damages, to the following rights of way:

- 1st. Being occupied in any such area as it is appropriate, with rooms, offices, warehouses, melting furnaces, drawing equipment, extraction facilities for mine products, ore dumps, land plots and dump heaps.

- 2nd. Occupying the ground to open up communication and transportation lines, whether by common or ordinary means, whether by tramways, railroads, channels or others, up to any such premises, loading docks, warehouses, public or private access roads as are nearer or more convenient, and up to a gouache, a water point and any area with available water.
- 3rd. The use of natural water for mining needs, for drinking purposes to satisfy the needs of the people and animals used in mining activities and in the movement and service of machinery.  
This right shall include the right of performing any such work as it is necessary for water supply conduction purposes.
- 4th. The use of natural grass in non-closed land plots.

ARTICLE 147 - In case that current water carrying represents a real damage to any such crops as are grown in the property or to any industrial facilities which are already installed or are under construction, the right of way shall be limited to the amount of water which may be carried without causing the foregoing damages.

However, there shall always be a possibility for water drinking by animals and for haulage or carrying purposes so that the mine needs are met.

ARTICLE 148 - The use of the access roads opened for ONE (1) or more mines shall be extended to all the mines of the same ore or settlement, provided construction and maintenance costs and expenses are paid in proportion to any such benefit as it is derived therefrom.

ARTICLE 149 - The owners of mines shall be reciprocally and mutually obliged to allow for the performance of jobs, works and services which are useful or necessary to the mining operation, such as drains, ventilation, passage and others which are similarly convenient, provided such jobs, works and services are not against the mining operation itself.

ARTICLE 150 - The ore which is drawn during the course of the foregoing works shall be freely available to the owner of the occupied mine.

Whenever works are continued in a free area, the ore shall belong to the businessman, as if such ore shall have been drawn from such businessman's tenement.

ARTICLE 151 - The rights of way which are relative to foreign or strange properties shall be exercised whenever they may not be established within the mining concession.

The establishment of a right of way should be preceded by a permit by the mining authorities.

In case that the ground to be occupied is a free area, an extension may be applied for under the first paragraph of the SEVENTH TITLE.

ARTICLE 152 - The rights of way shall be established, prior to payment of a compensation in the amount of any occupied land plot and of any damages following such occupation.

ARTICLE 153 - Whenever any such work as it is to be undertaken is urgent, or in the case of the continuation of other works which have already been started and whose postponement causes damages, or whenever FIFTEEN (15) days have elapsed from the date following any notice given to the mining licensor or following any claim by the owner, or whenever there shall have been no damages, or in the case that the value of damages may not be clearly ascertained, there shall be a right to apply for a prior establishment of a right of way and enough securities shall be guaranteed.

ARTICLE 154 - The owner may continue with mining operations under rooms and reserved places, prior to a consent by the authorities which has been issued after a meeting or a hearing with the owner and with a bond or guarantee being duly offered.

The authorities shall not grant a permit whenever the security of both the rooms and their dwellers is at risk. However, the mining licensor may apply for the award and allocation of rooms and constructions with any such land plot as it is appropriate under the provisions of the third paragraph of Article 13.

ARTICLE 155 - The mining licensor may, without prior consent, establish, in the area of its tenement, any such works as the mining licensor deems it necessary or convenient for mining purposes.

The owner may oppose to the starting and continuation of those works, only in the following cases:

1st. Whenever they breach, in the owner's detriment, a legal provision.

2nd. Whenever a land plot is occupied and damages shall have not been paid or guaranteed.

Opposition shall not exclude the right to offer a bond or guarantee in any such case as allowed by law.

## § II

### On ground purchase

ARTICLE 156 - Any mine license shall include the right to demand the sale of any such ground as appropriate.

In the meanwhile, the provisions of the paragraph on the right of way shall be enforced.

ARTICLE 157 - The right given to a mine licensor under this article, shall be restrained to the area of a regular tenement, provided the perimeter of the mine license is larger.

However, there shall be a right to a new purchase provided the needs of the mine so require or it is in the best interests of the mine.

As for the rest of the ground which makes up a tenement, the provisions of the last paragraph of the foregoing article shall be enforced.

ARTICLE 158 - In case that the ground of a mine license belongs to the State or to a City Hall, such ground shall be freely assigned.

This assignment includes the rights listed in Article 156.

The assignment of the ground shall persist provided the mine is not declared to be vacant or it is not abandoned.

In case that the ground is grown, the mine licensor shall pay damages.

ARTICLE 159 - Whenever the ground belongs to an individual, the price of such ground and the damages shall be previously paid. However, if the miner has occupied the ground or is willing to occupy the ground, the miner shall grant enough securities while payment arrangements are being made.

The appraisal shall cover the area included within the provisional boundary lines to be fixed for tenement determination purposes.

Once a legal survey and demarcation are conducted, any such area as appropriate shall be returned on the basis of any such larger or shorter area as it is finally allocated.

ARTICLE 160 - If, prior to apply for and obtain a ground, mining damages had been paid to the owner, the appraisal shall be limited to the condition of things at the time of the purchase or acquisition.

In case that certain areas of the occupied ground had been paid, the value of these areas shall be a part of the price.

## § III

### Responsibilities

ARTICLE 161 - A mine owner shall be responsible for any damages caused to third parties as a result of surface and underground mining works, even in the case that such damages derive from an accident or from an act of God.

Damages shall be previously justified, and may not be claimed SIX (6) months following the day of the event.

ARTICLE 162 - A mine owner's responsibility shall cease:

- 1st.: Whenever any such works as damaged have been undertaken following the granting of a license of fully mined or currently mined areas, or in the same direction of the activities which are being conducted, or in relation to a reported or identified in-place deposit.
- 2nd.: Whenever, following the granting of a mine license, works are undertaken and no notice is given to the authorities and the owner of the mine is not notified.
- 3rd.: Whenever postponed works are continued ONE (1) year after a mine license is granted.
- 4th.: Whenever the danger of any such work or activity as are to be undertaken, existed prior to or is a consequence of the new mining activities.

A notice having been given, the sites shall be identified and it shall be placed on record that the site designated by the owner of the ground is included or not in any of the events described by the foregoing paragraphs.

ARTICLE 163 - A compensation shall be paid to owners who stop working as a result of any of the reasons listed in the foregoing article.

Whenever construction works are necessary or really useful, the ground necessary for those works, and it shall not be possible to set them forth in another item ¿¿?? (something is missing in the original document).

In this case, the owner may choose to:

Either pay the price difference between the ground as it is and the ground which is considered to be inappropriate for the works to be undertaken, and the potential benefits from those works shall be ruled out or done without.

Or pay the designated ground according to an appraisal and, in this case, the ground shall be owned by the mine licensor.

ARTICLE 164 - ONE (1) year following the expiration of any such term as provided to conduct any legal formality, the owner may demand that the mine licensor purchases the occupied ground if, as a result of any mining activity, the ground is rendered useless or inappropriate for regular applications.

TWO (2) years following the expiration of these terms, the owner may demand the purchase of the mine license ground, no matter its condition.

In case that the mine license is larger than a measurement unit, the owner may only demand the purchase of any such unit as it is occupied by non-provisional works.

These acts shall be governed by the provisions of Article 160.

ARTICLE 165 - The owner of the ground shall pay a compensation to the owner of the mine as a result of any such damages as caused by mining activities with works which were performed prior to the mine license in the same cases that, under Article 162, such owner is not entitled to receive a compensation.

In this case, compensation shall consist in the payment of objects which are rendered useless and of any repairing or supporting work as necessary to completely authorize a mine.

ARTICLE 166 - At the request of the mine licensor and under the mine licensor's responsibility, any mining works which threaten to undermine the security of the mining operations or which cause damages, shall be stopped.

If it turns out that there is no risk for the mining activities, works shall continue. If this is not the case, it shall be necessary that enough securities are granted to guarantee any such damages as may be derived from.

These damages shall be paid if works are continued after a postponement order is given and before securities are guaranteed.

ARTICLE 167 - A mine licensor may not oppose to the construction of access roads, channels and other public highways or routes if mining works are to be completed by the State or by individuals who have obtained an expropriation or condemnation right on public benefit or good grounds, and whenever the direction of the roads or the location of the works may neither be varied nor altered in a way which is favorable to the mine license.

ARTICLE 168 - The owner of a mine license which is subsequent to the authorization of a public access road shall, without a right to claim damages, comply with all the restraints and encumbrances leading to the construction of such road.

ARTICLE 169 - Whenever mine licensing is prior to the authorization of any public access road, the mine licensor shall be entitled to receive a compensation from the State, from the city hall and from private businessmen.

ARTICLE 170 - Public melting and ore extracting facilities shall be governed by the legal provisions which rule regular industrial companies.

## **TITLE NINE**

### **SPECIAL PROVISIONS ON SECOND CATEGORY SUBSTANCES**

#### **SECTION ONE**

##### **Substances which may be granted under a license specially to the owner of the ground**

ARTICLE 171 - Whenever the substances listed in paragraphs c) and following paragraphs of Article 4 are in a privately owned ground, they shall belong to the owner. However, the mining authorities shall grant such substances to the first applicant, provided the owner does not mine them in a term of ONE HUNDRED (100) days or does not declare the owner's will to mine such substances in a period of TWENTY (20) days.

#### **§ I**

##### **On discoverers**

ARTICLE 172 - Any owner willing to mine any such substance over which a preference is legally recognized, shall previously apply for the demarcation of tenements.

ARTICLE 173 - Any discoverer of a second category substance in a privately owned ground shall be entitled to a compensation by the owner provided the owner prefers to mine such discovery at its own expense.

The value of this compensation shall be determined by the importance of the discovery and of mining expenses, provided such discovery has been made within the boundary lines of a private property.

#### **§ II**

##### **On the demarcation of tenements**

ARTICLE 174 - Mine licenses shall consist of a single rectangular or square orebody provided the geographical features of the ground and the ore deposit so allow it.

Any pit or ditch excavated by the mine licensor shall serve as a basis for demarcation purposes and firm boundary lines shall be fixed in any such site as it is convenient to clearly and accurately determine the shape and location of a tenement.

ARTICLE 175 - The owner of the ground may, prior to the application or petition provided by Article 72, take any number of continuous or non-continuous tenements.

ARTICLE 176 - Any mine license granted to a discoverer shall consist of TWO (2) tenements and of THREE (3) tenements if such mine license is on behalf of a company.

ARTICLE 177 - The metal substances mentioned in the penultimate paragraph of Article 4 shall be applied for in the same way as the first category substances are applied for.

ARTICLE 178 - Pyritaceous earth and the other substances mentioned in the final paragraph of Article 4, shall also be included.

ARTICLE 179 - Saltpeter deposits, saltworks and peat bogs shall be applied for in the same way as the first category substances are applied for.

ARTICLE 180 - Tenements with the substances mentioned in Articles 178 and 179 shall have the same shape and size as established in the FIFTH TITLE, Caption I, of this Mining Code.

ARTICLE 181 - Tenements with saltpeter deposits and saltworks shall consist of ONE HUNDRED (100) hectares.

Tenements with rock salt and peat deposits shall consist of TWENTY (20) hectares.

## SECTION TWO

### Jointly mined substances

ARTICLE 182 - Jointly mined substances are those included in paragraphs a) and b) of Article 4.

ARTICLE 183 - No mining license, permit or prior notice shall be required to mine the substances included in Article 182.

ARTICLE 184 - The substances listed in paragraph a) of Article 4 shall not be jointly mined if they are in a grown ground.

ARTICLE 185 - At the request of any person, and prior to any such checking as necessary, the mining authorities shall order joint mining activities to be performed in bings, dump heaps and tailings of abandoned mines or extracting facilities, no matter the owner of the ground.

Upon publication of the foregoing order, deposits may be mined without a license, a notice or other legal formalities.

ARTICLE 186 - Anybody may apply for a tenement to exclusively use jointly mined substances.

## § I On tenement licenses

ARTICLE 187 - Whenever an exclusive river and diggings exploration activity is intended to be performed in a fixed extracting facility, mining tenements shall be applied for.

This application shall accurately describe the site and, in case there are no firm objects for reference, its provisional boundary lines.

ARTICLE 188 - Whenever river and diggings exploration activities are to be made in fixed extracting facilities, tenements shall consist of ONE HUNDRED THOUSAND (100,000) square meters.

ARTICLE 189 - Any such work and equipment as necessary for extracting purposes shall be in an operating condition THREE HUNDRED (300) days following a notice by the authorities.

In the meanwhile, the substances included in the reported perimetral area may not be mined not even by the applicant itself.

The authorities, upon a report by an official engineer, shall declare the conditions of the facilities necessary to grant a mining license.

ARTICLE 190 - Whenever mining tenements for fixed extracting facilities are applied for, a notice shall be given to the persons occupying such space.

In case that an application is made for the substances listed in paragraph c) and following paragraphs of Article 4, the names of the persons and any such other information as it is necessary to include in mine reports, shall be informed.

ARTICLE 191 - The bing and dump heap tenements shall have an area of SIXTY THOUSAND (60,000) square meters.

ARTICLE 192 - The authorities shall grant applicants any site as it is designated for exclusive mining purposes.

~~The authorities may, upon the request of applicants, provide them with the necessary equipment for mining purposes and for mining business.~~  
In both cases, the means and equipment necessary for extracting purposes, shall be free.

ARTICLE 193 - Any such allocations as made in the cases of Article 192, shall consist of TEN THOUSAND (10,000) square meters, an area which may be reduced to the half by the authorities or duplicated according to the number of applicants and to the area of the in-place deposits.

Further on, provisional boundary lines shall be placed with the participation of a judge who shall make a decision over any doubt or claim.

These boundary lines may be ratified or rectified by the judge with the participation of an official engineer or expert.

ARTICLE 194 - For all the purposes of Article 186, the following is liable to be reported and shall be awarded to the first applicant:

- 1st. The bings, tailings and dump heaps of abandoned mines, provided they are not occupied or reported THREE (3) months following the declaration of such abandonment.
- 2nd. The dump heaps of extracting facilities which shall have been abandoned by their owners and which are not protected by walls or fences.

ARTICLE 195 - The owners of mines or extracting facilities whose bings, tailings and dump heaps are reported, shall be notified for them to start mining activities in a period of ONE HUNDRED (100) days.

In case the foregoing owners are not known or are absent, the application and its contents shall be shown on the door of the notary public's office for a term of TWENTY (20) days and it shall be published FIVE (5) times within this period of time in any such newspaper of the city hall as designated by the mining authorities.

In case that owners do not start mining activities in the term of ONE HUNDRED (100) days mentioned in the foregoing paragraph, the report shall be approved and justified.

ARTICLE 196 - Whenever a third party reports an abandoned mine, the mine licensor of such deposits shall be entitled to continue with mining activities if a compensation is not duly paid.

## **§ II**

### **On the relationship between the mine licensors and the owners of the ground**

ARTICLE 197 - In the case of jointly mined substances or of any other substance which, as a result of their nature or of their deposits, are not permanent, mine licensors shall not be entitled to demand the sale of the perimetral ground included in its tenement.

ARTICLE 198 - No compensation shall be paid for the ground occupied by deposits, whether they are used for jointly mining purposes or are the object of a license.

No compensation shall either be paid in the amount of the substances, even in the case that such substances are in a layer or in any other regular form.

ARTICLE 199- If the owner needs a part of the ground occupied by deposits to build a construction or perform any other task as it is appropriate, the mining authorities shall give the mine licensor a comfortable period of time on the basis of summary proceedings for such mine licensor to vacate and clear the ground.

ARTICLE 200 - In all the cases which shall have not been set forth in this TITLE and which are contrary to the provisions of this TITLE, the provisions governing the first category substances shall be enforced.

## **TITLE TEN**

### **PROVISIONS ON SUBSTANCES OF THE THIRD CATEGORY**

ARTICLE 201 - The State and city halls may freely or conditionally assign and enter into any kind of agreements on quarries if such quarries are located in a land plot owned by the State or city halls.

In the meanwhile, these quarries shall be jointly mined.

ARTICLE 202 - Whenever a site being mined by a third party is to be assigned to another third party under the provisions of the foregoing article, the occupant shall rank first in preference under the same conditions.

ARTICLE 203 - If substances are in a privately owned land plot, any third party may mine these substances provided such undertaking is declared of public benefit or good.

In this case, preference shall be given to the owner for it to mine such substances at its own expense, under the same conditions proposed by the third party.

ARTICLE 204 - Quarry mining shall be governed by this Code and by mining regulations on the enforcement and security of mining activities.

## TITLE ELEVEN

### ON NUCLEAR MINERALS

ARTICLE 205 - The exploration and mining of nuclear minerals and of any such burrow, tailing and dump heap containing such nuclear minerals shall be governed by the provisions of this Code on mines of the first and second category, as not amended by this TITLE.

An entity to be appointed as required by law, shall provide technical, mining and risk prevention advisory services on nuclear exploration and mining activities to be performed in every province. For these purposes, this entity may enter into agreements with provinces on the activities to be performed.

ARTICLE 206 - Uranium and thorium are hereby declared to be nuclear minerals.

ARTICLE 207 - Nuclear mineral containing mine miners shall be obliged to file with the mining authorities a plan to recover the natural space which is damaged by any mine waste which is to be neutralized, and to maintain or preserve liquid or solid tailings and other processing products containing radioactive or acid elements under regulations in force and, failing that, under any such legal provisions as agreed with the mining authorities or the entity to be appointed as required by law. The above mentioned products may not be reused or assigned for any other use without the consent of the above mentioned entity and of the mining authorities.

Non compliance with the provisions of the foregoing paragraph shall be duly penalized, as the case may be, by provisionally or finally closing the extracting facilities, by causing the mine license or the authorization to lapse and/or by levying an increasing fine which may amount to a ceiling of FIVE THOUSAND (5,000) times the value of the annual royalty to be paid for a tenement with substances of the first category. On top of this all, full responsibility shall be assumed for any such damages as resulting from the foregoing non-compliance and/or for any such expenses as are to be paid to either prevent or repair these damages, under the regulations to be issued by the NATIONAL EXECUTIVE POWER, without prejudice to the penalties set forth by environmental and criminal regulations in force.

ARTICLE 208 - The title holders or legal owners of mines containing nuclear minerals shall supply, on an affidavit basis and at the request of the entity mentioned in Article 205 and of the mining authorities, information on the reserves and production of these minerals and concentrates, under penalty of paying a fine of up to FIVE HUNDRED (500) times the amount of the royalty to be paid for the tenement of the foregoing Article.

ARTICLE 209 - The State, through the entity mentioned in Article 205, shall have the first option to purchase, under usual market terms, nuclear minerals, concentrates and by- products which are produced in Argentina under regulations to be issued by the NATIONAL EXECUTIVE POWER. Any breach of these regulations shall be sanctioned with fines imposed by the enforcement authority and which shall range between a minimum of TWENTY PER CENT (20%) and a maximum of FIFTY PER CENT (50%) of the value of any such material as illegally marketed, according to any such price as agreed upon or to any selling price of the national or international market, whatever is higher.

ARTICLE 210 - Exports of nuclear minerals, concentrates and by- products shall call for the prior consent by the entity mentioned in Article 205 of any such agreement as executed over these products, and the internal supply and control of the final destination of export minerals or materials shall be guaranteed.

ARTICLE 211 - The COMISIÓN NACIONAL DE ENERGÍA ATÓMICA (NATIONAL COMMISSION FOR ATOMIC ENERGY) may prospect, explore, mine nuclear minerals under the general provisions of the Mining Code. In case that a new statute is to be adopted, these activities shall be governed by the provisions of this statute.

The COMISIÓN NACIONAL DE ENERGÍA ATÓMICA (NATIONAL COMMISSION FOR ATOMIC ENERGY) is empowered to make a decision on the mining or retiring of the following nuclear deposits which

are registered on behalf of and in the name of this Commission: "Doctor Baulies", "Los Reyunos" (Province of Mendoza) and "Cerro Solo" (Province of Chubut).

ARTICLE 212 - Decree law No. 22,477/56, as ratified by Law No. 14,467 and as amended by decree law No. 1,647/63 and by law No. 22,246, and its Regulatory Decree No. 5,423 of May 23, 1957, as amended by decree No. 2,823 of April 21, 1964 and by Decree No. 2,765 of December 31, 1980, are hereby annulled and repealed. The provisions of Decree No. 1,097 of June 14, 1985, as amended by Decree No. 2,697 of December 20, 1991, of Decree No. 603 of April 9, 1992 and of Decree No. 1,291 of June 24, 1993 shall continue to be enforced in terms of the provisions of Article 209.

## **TITLE TWELVE**

### **ON THE CONDITIONS OF THE MINE LICENSE**

#### **SECTION ONE**

#### **ON THE PROTECTION OF MINES**

ARTICLE 213 - Mines shall be granted under license to individuals who shall pay an annual royalty per tenement to be periodically fixed as required by National law and paid by the mine licensor to the National or Provincial Administration, depending on the jurisdiction or venue of mines and under the provisions of this Code.

ARTICLE 214 - During the first FIVE (5) years of the mine license following the date of registration, no other tax than that set forth by the foregoing article shall be levied on the mine tenements or the products therefrom, extracting facilities, equipment, shops and vehicles used for mining activities.

This tax exemption includes any and all encumbrances or taxes, no matter their names and no matter they are national, provincial or municipal, current or future, which are to be levied on the mining and marketing of mining products.

Service return taxes are excluded from this tax exemption. As for the stamp tax, it shall be any such tax as it is usually levied on an administrative or judicial basis.

ARTICLE 215 - Mine royalties are fixed in the following way and under the following scale:

- 1st. In the case of the substances of the first category of Article 3 and of the river and diggings recovery of Article 4, paragraph a), and provided fixed extracting facilities are mined under Article 186 of this Code, EIGHTY (80) pesos per tenement or measurement unit shall be paid in any of the ways provided from Articles 74 through 80.
- 2nd. In the case of the substances of the second category of Article 4, except for those of paragraph b), FORTY (40) pesos per tenement shall be paid under the provisions of the NINTH TITLE, FIRST SECTION, Part II. The substances listed by Article 4, paragraph a) shall also be excluded if these substances are included in the former figure and whenever these substances are jointly mined.
- 3rd. Provisional mine licenses for the exploration or prospecting of the substances of the first and second categories, regardless of their terms, shall pay, under the provisions of this Code, FOUR HUNDRED (400) pesos per measurement unit or fraction under the dimensions set forth by Article 29.
- 4th. The mines owned by the owner of the ground, following their assignment to a third party or after registration by their owner, shall pay a royalty under any such way and scale as provided by the foregoing articles and according to their category.

ARTICLE 216 - The royalty shall be paid in advance and in equal parts in TWO (2) periods of six months which shall expire on June 30th. and on December 31st. every year, and any fraction of a period of six months shall be considered as a full period of six months.

Except for the provisions of Article 224, a royalty shall accrue from the date of registration, whether the mine is surveyed and measured or not.

A mine license shall expire ipso facto TWO (2) months following its expiration date in case that an annual payment is not made.

ARTICLE 217 - In a term of ONE (1) year following the date of any such application for a survey as provided by Article 81, and whether the mine shall have been surveyed or not, mine licensors shall file with the mining authorities an estimation of the plan and of the amount of the capital investments to be made in each of the following items:

- a) Performing mining works
- b) Constructing camps, buildings, access roads and auxiliary exploration works
- c) Purchasing machinery, power stations, items and ore mining and extracting equipment which are to be permanently used in the mine. In this case, the installed production or treatment capacity shall be clearly described.

Estimated investments shall be fully *made in a term* of FIVE (5) years following submittal of the information mentioned in the foregoing paragraph, and mine licensors may, at any time, change such estimated investments provided the originally forecast global investment is not reduced and that notice shall be duly given to the mining authorities. A mining investment may not be lower than THREE HUNDRED (300) times the annual royalty of a mine according to its category and to the number of tenements.

Without prejudice to the above mentioned, in each of the TWO (2) first years of the above mentioned term, the amount of the investment shall not be lower than TWENTY PER CENT (20%) of the estimated aggregate amount originally informed as provided in the first paragraph of this Article.

Mine licensors shall file with the mining authorities, within a term of THREE (3) months following the expiration of each of the FIVE (5) annual terms of the foregoing paragraph, an affidavit on the estimated investment compliance.

Prior to the approval of any investment that shall have been made, the mining authorities may order any such technical and accounting verifications as mining authorities deem it appropriate.

Purchasers of abandoned, vacant or no longer valid mines shall have a term of ONE (1) year to perform or complete, as the case may be, the obligations herein provided.

ARTICLE 218 - A mine license shall expire and no longer be valid when:

- a) The estimated investment funds of the foregoing Article are not applied as therein provided.
- b) Such investment is lower than an amount which is tantamount to FIVE HUNDRED (500) times the annual royalty of the mine according to its category and to the number of tenements.
- c) The estimated investment mentioned in the foregoing Article is not filed with the mining authorities.
- d) The affidavit provided by the foregoing Article is not filed with the mining authorities.
- e) These statements are false and fake.
- f) Forecast investments shall have not been actually made.
- g) Mine licensors shall have changed estimated investments and reduced the amount of such investments, and no notice shall have been given to the mining authorities.

In the cases of paragraphs a), b), c) and d), a mine license shall expire and not longer be valid if the mine licensor shall have not remedied such mistake or omission in a term of THIRTY (30) days following any such due notice as it is to be given by mining authorities.

In the cases of paragraphs e), f), g) and h) the mine licensor shall be duly notified and a term of FIFTEEN (15) days shall be given for defense purposes.

Legal remedies against expiration statements shall be granted with a staying effect.

Mine licensors may not claim, in any case, damages for any such works as performed in the mine, but mine licensors shall be entitled to withdraw, with the participation of mining authorities, any such equipment, machinery, tools and other goods used in mining, treatment and extracting activities, as may be removed without causing any damage to the mine. Mine licensors shall also be entitled to remove any such ore as drawn and warehoused. This right may not be exercised if there are mortgagees or preferred creditors.

ARTICLE 219 - In the case of a mine license expiration, the mine shall be returned to the original ownership by the State and registered as a vacant mine which is in a position to be purchased under the provisions of this Code.

In case that the expiration of a mine license is determined as a result of a failure to pay a mining royalty, due notice shall be given to the mine licensor in any such address as informed in the mine license file. The mine licensor shall have an unextendible term of FORTY- FIVE (45) days to recover the mine, and shall pay any such royalty as it is due plus a TWENTY PER CENT (20%) charge. The mine shall automatically become vacant if the foregoing debt is not paid on time.

If mortgagees or preferred creditors, or holders of interests in land or of personal rights relative to the mine are registered, such mortgagees or preferred creditors, or holders of interests in land or of personal rights relative to the mine may apply for a mine license not later than FORTY- FIVE (45) days following a notice given in any such address as informed on the declaration of mine license expiration, and any such royalty as it is due until the time of the license expiration shall be paid.

Mortgagees or preferred creditors shall have a mine license priority over the other holders of registered rights.

Whenever a mine license expiration is determined as a result of non-payment of a mine royalty, such determination shall be subject to the mine licensor's not having exercised its recovery or rescue right on time.

Following the registration and publication of a mine as a vacant mine, the applicant shall pay any such royalty as it is due until the time when the expiration occurred and payment shall be made upon submittal of such an application. If this is not the case, the application shall be rejected and filed and no legal remedy shall exist. The former mine licensor may apply for the mine only ONE (1) year following vacancy registration.

ARTICLE 220 - Mining authorities shall consider that, regardless of any reason whatsoever and whether a survey is approved or not, both current and future vacant mine records shall be automatically invalidated THREE (3) years following their registration as such. The ground or land plots of these mines shall be considered to be free areas and exclusively and freely included in mining permits and in protection areas or subject to any such agreement as it is currently in force. The same shall apply to any mine which is registered as a no longer valid mine in case that the legal condition of such mine is not remedied in a term of NINETY (90) days following the publication of this law, except in the case of expiration of the second paragraph of Article 219.

ARTICLE 221 - In the case of Article 128 and of Articles 124, 129 and 135, tunnel licensors shall pay an annual royalty of FORTY (40) pesos plus any such royalty as it is to be paid for every new or abandoned mine tenement to be purchased under the provisions of Articles 133 and 134. And, in the case of Article 135, tunnel licensors shall also pay a royalty of TWO HUNDRED (200) pesos every ONE HUNDRED (100) meters of the area to be declared as an exploration area at each side of the project.

As for the obligation of making a capital investment, tunnels are governed by the provisions of this Code on joint tenements.

ARTICLE 222 - Any mine licensor or miner may abandon such license or such mine under Article 226 of this Code and shall be exempt of tax payment only after the date when due notice is given to the authorities. The mining authorities of any such jurisdiction or venue as appropriate shall publish every period of six months or, at the least, every year, a record with all the mines distributed on a district, section or department basis. This record shall also include a detail on the status of such mine licenses.

Within the term of the publications and in case of abandonment or up to THIRTY (30) days after, mortgagees and preferred creditors may ask for the mine to be offered for public auction with a view to cancel any such debt as it is due with the proceeds of such auction, once the mine royalty and expenses which are due are paid. In case this right is not exercised, taxes and encumbrances shall expire.

ARTICLE 223 - The provisions of the foregoing articles on the payment of royalties shall be enforced in the same way, even in the case that, as a result of an enlargement or augmentation, or of the formation of a mining group or of a mining company under Articles 87, 109, 113, 116 and 140, the number of measurement units of every mine license is increased.

Any excess, regardless of its extension, shall be considered, for royalty payment purposes, as a full tenement in any and all cases and events as provided by Part III, SEVENTH TITLE.

Whenever a mine licensor or an excess owner is not the mine licensor or excess owner of an adjacent tenement, such mine licensor or excess owner shall be obliged to make a capital investment under this Code and to pay any such royalty as it is appropriate.

ARTICLE 224 - Ore discoverers in general shall be exempt, for a period of THREE (3) years, of paying any such royalty as applicable to the tenements awarded to such ore discoverers.

ARTICLE 225 - Whenever a mine shall have been inactive for more than FOUR (4) years, mining authorities may call for the submittal of a project to either activate or reactivate this mine according to the production capacity of the mine license, to the features of the area, to available transportation means, to the demand for products and to the availability or the existence of mining equipment.

A mine shall be considered to have been inactive whenever no regular exploration, preparation or production works shall have been conducted during the term of the above mentioned paragraph.

Notice shall be given in a term of SIX (6) months under penalty of rendering the mine license no longer valid.

Once any such project as the above mentioned is submitted, the mine licensor shall comply with every and all stages in the terms and conditions previously foreseen which, under penalty of rendering the mine license no longer valid at the time of the first non-performance, may not exceed FIVE (5) years.

## SECTION TWO

### ON MINE ABANDONMENT

ARTICLE 226 - A mine license shall be liable to be reported, even in the case that such mine license shall have passed to third parties as a result of its having been abandoned, whenever mine owners directly and spontaneously report to the authorities that they have decided not to continue with mining works.

Any owner of a mine willing to abandon it, shall so declare it in writing to mining authorities TWENTY (20) days in advance.

The document with this declaration shall include the name of the mine, the name of the ore to be drawn, the type of substance which is mined and the condition of mining works.

Both this declaration and its contents shall be recorded in any such book for records as appropriate and duly published.

The rights and obligations of a mine owner shall remain in effect provided the regulatory authorities shall have not admitted the abandonment of such mine.

ARTICLE 227 - In the case of a mortgaged mine, previous notice shall be given to creditors, to whom the mine shall be awarded if they so require, not later than THIRTY (30) days following notification.

If, for any reason whatsoever, notice may not be given within FIFTEEN (15) days following a decision by the authorities, publication shall serve as a sufficient process of service.

In the case that more than one mortgagee appears, preference shall be given to creditors with the highest seniority.

ARTICLE 228 - Publication shall be made by showing on the door of the notary public's office during a term of FIFTEEN (15) days, a sign with the declaration above mentioned.

This sign shall be published THREE (3) times during the same period of time above mentioned in an official newspaper and, if this is not the case, in any such newspaper or publication as it is determined by the authorities.

ARTICLE 229 - After submittal of the foregoing document, abandonment shall be admitted and an official engineer shall be simultaneously requested to conduct a mine survey and to report on the mine condition and on any such works whose performance is necessary or convenient.

This report, which shall be made as soon as possible, shall be kept at the office for third party information purposes.

The owner of the mine shall not be responsible for the expenses of this legal formality or for the cost of any other legal formalities related to mine abandonment.

ARTICLE 230 - Should an abandonment notice not be given, the right to remove machinery, tools and any other element used for mining purposes and which may be removed without causing any damage to the mine, shall be given in.

ARTICLE 231 - Once the abandonment is admitted, any person may apply for and record such abandoned mine and no other requirement shall be met but evidencing such fact.

This application shall include the name of the owner, the name of the mine, the name of the ore to be drawn and the kind of substance which has been mined.

ARTICLE 232 - The owner of a mine may keep its rights and drop the abandonment declaration by means of a writing which is to be submitted within the term of publications.

Mine owners may re- register their mines SIXTY (60) days following the expiration of the term for publications.

In both cases, it is assumed that the mine has not been previously awarded or applied for.

## **TITLE THIRTEEN**

### **ON MINING CONDITIONS**

#### **SECTION ONE**

##### **TECHNICAL MINING CONDITIONS**

ARTICLE 233 - Miners may freely mine their tenements and no other rules but security, enforcement and environmental regulations shall govern these activities.

The environmental protection and maintenance of natural resources and of the cultural heritage in the field of mining activities shall be governed by the provisions of the SECOND SECTION of this TITLE and by any such other legal provisions as are to be set forth under Article 41 of the NATIONAL CONSTITUTION.

ARTICLE 234 - Mining works shall be kept in a fully safe condition. In case that, as a result of the low consistency of the ground or for any other reason whatsoever, there is a risk of cover caving or of a cave- in, the owners shall conveniently support the mines and due notice shall be given to mining authorities.

ARTICLE 235 - Stoops, bridges or pillars may not be removed or canched without a consent from the authorities, which shall so grant it upon a survey and a report conducted by a mining engineer.

If the above mentioned report is contrary to, or any such means as proposed are inconvenient to the mine owner, the authorities shall make a decision on the basis of legal evidence and shall appoint a new expert, if necessary.

ARTICLE 236 - In mines, all mining works which are necessary or useful for mining purposes shall be kept under clean and ventilated conditions.

ARTICLE 237 - Any ladder, equipment and mining work which is necessary to meet the transportation or descent needs of workers and other employees working in the mine, shall be comfortable and safe.

Works shall be stopped whenever communication and transportation means are not sure enough and while such communication and transportation means are being repaired or built.

But, in the case of an expeditious mining job, works shall continue.

ARTICLE 238 - The authorities consent, which shall be granted upon a report by an engineer, shall be necessary to communicate or drain top mining works by means of lower mining works.

Interested parties may file a claim with the same authorities if they find any inconvenient with any such precautionary measures as are imposed.

ARTICLE 239 - Children under the age of 10 years may not work in mines. Neither impuberate children nor women may perform internal mining works or activities.

ARTICLE 240 - In case of any accident with casualties, wounds or lesions or with any other damages, the mine owners, directors or managers shall give due notice to the judge with venue in the ore which is to be drawn or in the most immediate or similar one, and the judge shall immediately inform the mining authorities.

From the time the judge is informed about the accident, any such measure as necessary shall be adopted to remove any cause for danger. To this end, the judge shall resort to the engineer or expert working in that mining jurisdiction.

Without prejudice to the foregoing measures, the judge shall gather information on facts and on their reasons.

ARTICLE 241 - The same notice shall be given provided there is reason to be afraid of a serious accident.

Without prejudice to notifying the judge with venue in any such ore as drawn, notice shall also be given and addressed to mining authorities.

ARTICLE 242 - The authorities, together with an official engineer or an expert and with a notary public and, in case that such notary public is absent, with TWO (2) witnesses, shall visit at least once a year any such minerals as are subject to their jurisdiction or venue.

If, during these visits, the authorities find non-compliance with any of the provisions of this SECTION or other provisions dealing with mining safety, order and enforcement, the authorities shall take and cause to execute any such measures as considered appropriate.

If, as a result of this inspection, it is derived that the life of people or the maintenance of the mines are in danger, works shall be stopped.

ARTICLE 243 - Non-compliance with the provisions of the foregoing Articles shall be punished as follows:

- a) In the case of Articles 234 and 240, with a fine in an amount ranging between FIFTEEN (15) and EIGHTY (80) times the annual royalty accrued by the mine.
- b) In the case of Article 235, with a fine in an amount of THIRTY (30) times the annual royalty accrued by the mine. This amount may be increased to THREE HUNDRED (300) times, according to the value

- of the ore which is to be drawn and extracted and without prejudice to the personal responsibility of the offender.
- c) In the case of Articles 236, 237 and 238, with a fine in an amount ranging between THREE (3) and FIFTY (50) times the annual royalty accrued by the mine.
  - d) In the case of Article 239, with a fine in an amount ranging from THREE (3) to FIFTEEN (15) times the annual royalty accrued by the mine.
  - e) Infringements to mining enforcement and environmental protection regulations shall be punished with a fine in an amount ranging between THREE (3) and FIFTEEN (15) times the annual royalty accrued by the mine, if not punished by any such penalty as set forth in those regulations.

ARTICLE 244 - If the Judge with venue in the ore to be drawn or the official engineer are somehow or other acquainted with an accident or with an infringement of the foregoing provisions, they shall go to the mine to check and verify these events and duly attest so with the assistance of a notary public and, in case that the notary public is absent, with TWO (2) witnesses.

In the case of an occurrence, any such steps as the seriousness and urgency of the case so require, shall be taken.

ARTICLE 245 - The authorities shall, on the basis of a report made by the engineer, cause penalties to become effective, and due notice shall be given to the miner for it to perform any repair as necessary in a reasonable length of time under penalty of paying a new fine.

In the case of an opposition or challenge, the authorities shall, if necessary, appoint a new expert, and the interested party may, for its part, appoint another expert.

On the basis of a report conducted by these experts and taking into account the report of the official expert, a final solution shall be taken.

## **SECTION TWO**

### **ON THE ENVIRONMENTAL PROTECTION OF MINING ACTIVITIES**

#### **§ I**

##### **Field of Application. Scope**

ARTICLE 246 - The environmental protection and the maintenance of natural resources and of the cultural heritage which may be affected by mining activities, shall be governed by the provisions of this SECTION.

ARTICLE 247 - The regime of this SECTION includes all public and private, natural and artificial persons, centralized or non-centralized entities and state- owned, province- owned or city hall- owned companies which are engaged in the activities of Article 249.

ARTICLE 248 - The persons included in the activities of Article 249 shall be responsible for any and all environmental damages resulting from non-compliance with the provisions of this SECTION, whether directly caused or caused by any of its employees, contractors or subcontractors or whether caused by a risk or a defect of the chose.

In the same cases, mining right holders shall be joint and severally liable for any such damages as caused to persons empowered by such mining right holders to exercise their right.

ARTICLE 249 - The activities included in this SECTION are as follows:

- a) The prospecting, exploration, mining, development, preparation, extraction and warehousing of all the mineral substances included and governed by this Mining Code, including all the activities leading to the closing of a mine.
- b) Crushing, milling, extracting, pelletization, sintering, briquetting, primary manufacturing, calcination, melting, refinement, stone sawing, faceting or cutting, polishing processes and any other process as it is derived from new technologies, as well as the management and disposal of any kind of waste.

ARTICLE 250 - The authorities to be determined by the provinces according to their venues, shall be the regulatory authority of the provisions included in this SECTION.

## § II

### On environmental management instruments

ARTICLE 251 - The people responsible who are included in Article 248 shall file with the regulatory authority, and prior to starting any of the mining activities listed in Article 249, a report on the environmental impact.

The regulatory authority may provide advisory services to small producers for manufacturing purposes.

ARTICLE 252 - The regulatory authority shall evaluate the Environmental Impact Report and decide to approve it by means of an Environmental Impact Statement for every project or effective implementation stage.

ARTICLE 253 - The Environmental Impact Report for the prospecting stage shall describe the type of activities to be performed and any environmental impact risk which may be derived therefrom.

As for the exploration stage, the above mentioned report shall contain a description of any such necessary environmental and protection methods as used and any such actions as taken.

In the foregoing stages, the regulatory authority shall approve and authorize, without prejudice to the responsibilities listed in Article 248 as a result of any such damages as actually caused, the Environmental Impact Report prior to the start of any mining activity.

ARTICLE 254 - The regulatory authority shall make a decision by expressly approving or rejecting the Environmental Impact Report not later than SIXTY (60) working days following submittal by the interested party.

ARTICLE 255 - If, based on a well- founded decision, the contents of the Environmental Impact Report is considered to be insufficient, the person responsible may submit a new report in a term of THIRTY (30) working days following notification.

The regulatory authority shall, in a period of THIRTY (30) working days, make a decision by either expressly approving or rejecting such report.

ARTICLE 256 - The Environmental Impact Statement shall be updated twice a year at the latest, and a report with the results of environmental protection measures and with new events shall be submitted.

ARTICLE 257 - In case that there is a disagreement between the actual results and the results expected under the Environmental Impact Statement, the regulatory authority shall amend such statement in terms of new data on the performance of any affected ecosystem and of any action aiming at the improvement of efficiency with a view to protect the activity's influence area. These measures may also be considered at the request of the mining operator.

ARTICLE 258 - The prevention equipment, facilities, systems, actions and activities, as well as any environmental mitigation, rehabilitation, recovery or repair measures described by the responsible person and included in the Environmental Impact Statement shall represent an obligation for the responsible person and shall be verified for enforcement checking purposes by the regulatory authority.

ARTICLE 259 - Submittal shall be rejected whenever the holder, or any other kind of principal or professional working for the company, is disqualified or complying with a punishment or penalty imposed as a result of its having infringed the provisions of this SECTION.

ARTICLE 260 - Any and all natural or artificial persons engaged in the activities of this SECTION and complying with the requirements herein, may apply for an Environmental Quality Certificate from the regulatory authority.

### **§ III On environmental protection and maintenance regulations**

ARTICLE 261 - The provisions which regulate this SECTION shall set forth:

- a) Any such required procedure, method and standard as it is aiming to environmental protection purposes, according to the stages of the activity provided by Article 249, with activities being ranked on the basis of the environmental risks and ecosystem features of the area of influence.
- b) The establishment of a Register of consultants and laboratories to which both interested parties and the regulatory authority may ask for assistance to perform monitoring works and external audits.
- c) The establishment of a Register of Offenders.

ARTICLE 262 - The Environmental Impact Report shall include:

- a) The location and environmental description of the area of influence;
- b) A description of the mining process;
- c) A description of any soil, water, atmosphere, flora and fauna, relief and social and cultural modification;
- d) A description of prevention, mitigation, rehabilitation, repair or recovery measures, as the case may be;
- e) Used methods.

### **§ IV On the responsibilities for environmental damages**

ARTICLE 263 - Without prejudice to any such administrative and criminal penalty as provided by the regulations in force, any person causing an actual or residual damage to the environmental heritage, shall be obliged to mitigate it, to rehabilitate it, to restore it or to repair it, as the case may be.

### **§ V On infringements and penalties**

ARTICLE 264 - Non-compliance with the provisions of this SECTION, provided such provisions are not included in the field of criminal responsibilities, shall be punished with:

- a) A warning.
- b) Penalties, which shall be set forth by the regulatory authority under the provisions of Article 243 of the Mining Code;
- c) The suspended use of any Environmental Quality Certificate issued in relation to mining products;

- d) The repair of environmental damages;
- e) A provisional suspension of business. In the case of reoffenders, this suspension of business shall be progressive. If THREE serious offenses are made, the business of the mining facilities shall be finally suspended.
- f) Disqualification.

ARTICLE 265 - The penalties provided in the article above mentioned shall be enforced upon summary proceedings under administrative action rules, which guarantee an appropriate litigation, and shall be in accordance with the nature of both the infringement and the environmental damages.

ARTICLE 266 - For punishment imposition purposes, he who makes an offense following a former sanction for non-compliance with this SECTION, shall be considered to be a reoffender or a repeat offender.

#### **§ VI**

#### **On environmental education and defense**

ARTICLE 267 - The regulatory authority shall implement a training and education program with a view to guide inhabitants in the special field of mining and cause them to understand environmental problems, their consequences and prevention according to the regional, ethnic, social, economic and technological features of the site where mining activities are performed.

ARTICLE 268 - The regulatory authority shall be obliged to provide information on the enforcement of the provisions of this SECTION to any party so requiring.

### **TITLE FOURTEEN**

#### **ON MINE EQUIPMENT AND MACHINERY**

#### **§ I**

#### **On the settlement and terms of these contracts**

ARTICLE 269 - A mine equipping contract is an agreement under which a person is obliged to provide everything necessary to tap a mine.

Mine equippers shall have a priority over the other creditors.

ARTICLE 270 - A mine equipping contract may be entered into for a certain period of time, for an amount or for a range of works to be determined in such contract.

ARTICLE 271 - It may be agreed that mine equippers are entitled to a part of the mine in payment of any such supplies as are to be provided.

Mine equippers may also have an interest participation in mining products for a certain time, or until the price of any such supplies as effectively provided, is paid.

In the first case, mine equippers shall be governed by the provisions which rule the activities of mining companies.

ARTICLE 272 - In all other cases, the price of these mine supplies shall be paid with the products drawn from the area of the mine which is awarded or allocated to any such mine equipper.

No right to the products of a mine may be claimed prior to the payment of an agreed amount or prior to the expiration of any such term as previously set forth.

ARTICLE 273 - The price of minerals or of the groundmass which are to be delivered in payment of a mine supply shall be as agreed in the mine equipping contract.

In this case, any rate of interest as freely agreed by the parties, shall be paid.

ARTICLE 274 - If, in order to guarantee the payment of the price of these mine equipping contracts, a mortgage, a bond or any other securities are created and no interest rate shall have been previously agreed upon, the rate of interest which is usual on the marketplace shall be paid.

ARTICLE 275 - Mine equipping contracts shall be executed in writing, by means of a public or of a certified document.

For a certified mine equipping contract to have legal effect over third parties, it shall be recorded in a mine contract register office.

In any case, mine equipping contracts shall be published THREE (3) different times in a period of FIFTEEN (15) days and in a newspaper to be designated by the authorities. Mine equipping contracts shall also be shown on the door of the notary public's office during the period of time above mentioned.

ARTICLE 276 - Whenever a mine equipping contract is terminated and the price of any such mine supplies as effectively provided has not been paid, and the mine equipper has no participation in the mine or in its products, the mine equipper may exercise the rights of unpaid creditors, provided the agreement is not renewed.

ARTICLE 277 - Mine equippers shall provide mine supplies under the terms and conditions previously agreed upon and, in the case that no previous terms and conditions exist, whenever the owner of the mine so requires it for mining need satisfaction purposes.

Notice shall be given to mine equippers FIFTEEN (15) days in advance for them to provide any such mine supplies as necessary within this period of time.

In case that mine equippers fail to provide these mine supplies in due time, the owner of the mine may judicially claim for payment, or take money from other people in the account of and to the order of mine equippers, or enter into a new mine equipping contract with another mine equipper.

ARTICLE 278 - Should a mine equipping contract be terminated on the mine equipper's fault, the mine equipper shall have no privilege whatsoever over the rest of the mine supplies which have been effectively provided, nor a right to foreclose on the mine.

## § II

### On the management of an equipped mine

ARTICLE 279 - The management of a mine shall be the responsibility of the mine owners, except for those cases where such management is legally awarded to mine equippers.

ARTICLE 280 - Mine equippers may undertake the management of a mine in the event its owner incurs in disproportionately high expenses; mining works are mismanaged; or if mine management is deemed to be poorly conducted,

To this end, owners shall be required to perform any repairs and changes as are called for, and, in case that over a period of TWENTY (20) days or in a term to be conveniently fixed by pertinent authorities, such repairs or changes are not performed, the mine management shall be handed over to mine equippers.

The provisions of the TWO (2) paragraphs above shall not apply in the event more than seventy-five percent of the value of such mine supplies have been paid.

Nor shall these provisions apply if appropriate guarantees have been offered.

ARTICLE 281 - In case the owner of a mine does not use the money or the items supplied for mine equipping purposes, and such money or items are invested in a different way, mine equippers may chose between terminating the contract upon receipt of any amounts expended plus interests, or assuming the mine management until the mine equipping price is fully paid.

In this case, those values shall be considered as a capital investment for mine equipping purposes.

ARTICLE 282 - Mine equippers may appoint an auditor at any time, even though such appointment may have not been previously agreed upon.

The auditor shall be entitled to inspect the mine; to take care of accounts; to keep mine equipment moneys and items so as to deliver them in due time. However, an auditor may never participate in the management of mining works, nor oppose to any such mining works as are performed, nor contradict an act by the management.

ARTICLE 283 - The owner of a mine may also appoint an auditor when management shall have been handed over to a mine equipper.

In this case, an auditor shall be empowered to oppose to any operation and to any job which may cause damage to the owner, or which may endanger the future of the mine, or which represents an infringement of any of the provisions under this TITLE.

In these cases, the minerals judge (with jurisdiction on the ore to be drawn), at the request of the interested party, shall cause mining works to be discontinued.

### **§ III**

#### **Termination of mine equipping contracts**

ARTICLE 284 - A mine equipping contract shall be terminated on the following grounds: contractual term expiration, capital investment, or work completion, as provided under the terms and conditions mutually agreed upon.

However, if the term of a mine equipping contract or the number of supplies to be provided, or the mandatory works which are to be performed, would have not been determined, any interested party may, by giving a SIXTY (60) days notice, terminate the mine equipping contract.

In this case, any dismissed mine equipper shall be entitled to receive the value of the items which have been duly delivered and the amount of its credit together with any such bonuses as previously stipulated.

A dismissed mine equipper shall also be entitled to the reception, by any interested party, of any such mine supplies as might have been previously ordered.

In case that the miner is the dismissed mine equipper, payment shall be made with free mine products, after payment to mortgagees and to any subsequent mine equipper.

If there is an obligation to pay in cash, the dismissed owner shall have a term of FOUR (4) months to pay without paying any interest rate.

## **TITLE FIFTEEN**

### **ON MINING COMPANIES**

#### **§ I**

#### **Incorporation of Mining Companies**

ARTICLE 286 - There shall be a mining company whenever TWO (2) or more people are jointly working in one or more mines under the provisions of this Code.

Companies shall be incorporated:

- 1st. upon registration of a mine.
- 2nd. upon purchase of an interest in such registered mine.
- 3rd. through a company incorporation agreement.

This agreement shall be executed by means of a notarized document.

ARTICLE 287 - Any business associated to a company shall be dealt with and solved by a board, on a majority of votes basis.

The above mentioned board shall duly meet with the attendance of half of its voting members. However, notice shall be given to all the partners, even to those who have no voting rights.

Such notice shall state the purpose of the meeting, as well as the date, and the time when this meeting shall be held.

ARTICLE 288 - Partners with a voting right or their legal representatives, if known, shall be personally summoned if their residences are in the province or in the federal territory of the company's place of business.

Otherwise, notice shall be given by means of ads published in newspapers at least TEN (10) days in advance.

ARTICLE 289 - Notice may be given by summons or through a nominal summons decree.

Upon submittal, the partners shall sign in written proof of such legal act.

ARTICLE 290 - If the minutes of the meetings state the purpose, the date and the time of a new or of consecutive meetings, partners shall be supposed to have been personally summoned.

ARTICLE 291 - Notices of meetings or nominal summons decrees shall be issued by the president of the company whenever it is convenient or whenever any partner so requires.

In case that the president is absent, the notices of the meetings or the nominal summons decrees shall be signed by TWO (2) or more partners, or by an administrator or manager, if so empowered.

Partners may check and revise any such summons only in the case of a refusal by the president.

ARTICLE 292 - The company or its board of directors shall appoint a legal representative who shall be duly authorized to perform any and all acts related with the authorities and with third parties.

ARTICLE 293 - Partners shall always be entitled to attend the meetings and to participate in discussions.

However, only those partners who hold ONE (1) or more shares of stock shall be entitled to vote.

Each share of stock shall represent ONE (1) vote, whether it belongs to a single person or to various people.

ARTICLE 294 - For voting majority purposes, the number of votes shall be taken into consideration, not the number of voting partners attending a meeting.

The votes of a single stockholder may not make up, by themselves, a majority.

Whenever the votes of half of the shares of stock are reached or even exceeded, votes shall be tied.

ARTICLE 295 - The authorities shall make a decision upon tied votes regardless of why and in compliance with legal provisions and in the interest of the community.

ARTICLE 296 - No partner may transfer to another person who is not a partner, his or her interest participation in the company, nor be replaced by such person for him or her to perform such partner's

administrative functions in the corporate management without the consent of all the other partners, under penalty of rendering the incorporation agreement null and void.

However, a partner may associate a third party to such partner's interest participation and even assign such interest participation in full to a third party, and this shall not be a reason for such third party to become a member of the company.

## **§ II** **On management**

ARTICLE 297 - The company's management shall be the responsibility of all the partners. However, one or more persons who are elected among such partners may be appointed.

Foreign or strange persons may be appointed. However, in case that two or more partners oppose to the foregoing, TWO (2) thirds of the votes shall be necessary for approval purposes.

Should the Company's incorporation statement not include any provision on the terms, powers, duties, compensation and terms of offices of managers, they shall be determined by a board.

Managers may not incur in a loan, or mortgage or encumber a mine in full or in part, or sell minerals or the groundmass, appoint or dismiss mining work managers, without a special consent.

In any case, partners may, by paying any such expenses and costs as appropriate, prevent minerals and the groundmass from being sold.

ARTICLE 298 - If not otherwise provided, both expenses and products shall be distributed in proportion to the interest participation or to the shares of stock in a mine of each partner.

Any provision which deprives a partner of a participation in the company's profits or products, shall be null and void.

ARTICLE 299 - The distribution of profits or products shall occur whenever the majority of the company's partners so determines.

Or whenever the company's manager and the mine manager deem it appropriate.

Or whenever any of the partners so intends, provided the managers, themselves, deem it appropriate.

ARTICLE 300 - Profit distribution shall consist in the distribution of minerals, groundmass or money, as mutually agreed upon by the company's partners.

If there is no agreement, profit distribution shall consist in the distribution of money.

## **§ III** **On extraordinary expenses equality**

ARTICLE 301 - In order to perform any work which causes to incur into expenses higher than necessary for mining right purposes, or which exceeds any such quota as stipulated, there shall be unanimity of votes.

The same shall be required whenever it is necessary to reduce any such quota as designated for regular mine operation purposes.

A majority of votes shall be enough to use mine products in any such work as are deemed appropriate.

ARTICLE 302 - A minority of votes may prevent, prior to a resolution by the authorities, that more than TEN (10) workers are employed whenever it is not necessary, or whenever works may be timely and satisfactorily completed without increasing the number of workers.

Based on the report of a mine works director and on that of the authorities' official engineer, or on the reports of any such expert as the parties are willing to appoint, the authorities shall make a decision.

ARTICLE 303 - The company's partners may be obliged to contribute with any such fund as necessary, even though they are in excess of regular quotas, to perform mine security and maintenance works.

#### **§ IV**

##### **On the Inequality of expenses and its effects**

ARTICLE 304 - There shall be inequality of expenses:

- 1st. Whenever any such quota as it is appropriate is not paid in due time.
- 2nd. Whenever, in the absence of a provision or of an agreement, such quotas shall have not been delivered THIRTY (30) day following an application.
- 3rd. If, having incurred into expenses and not applied for any quota, or should expenses exceed the value or the price of a delivery, any such portion as appropriate is not paid in a term of FIFTEEN (15) days.
- 4th. When no contribution is made to any such expenses as necessary for mine security and maintenance or upkeep purposes.

ARTICLE 305 - In any of the cases of the foregoing article, the company's manager may dispose of any such part of minerals, the groundmass or money of the defaulting party as are enough to cover any such expenses and quotas as have been paid in advance.

ARTICLE 306 - In case a mine yields no products, or should such products be not enough to pay expenditures and advances in full or in part, any of the contributing partners may ask the mining authorities to require the defaulting party to pay under warning or caution of a waiver of rights.

If payment is not made within THIRTY (30) days following such requirement, the mining party shall have a right of accession proportional to the interest participation of the other contributing parties.

The proportional part of every party shall be recorded in a mining register.

ARTICLE 307 - In case that the defaulting party is not in the district of the mine, or in its place of residence, the above mentioned requirement shall be made through notices and summons, under the provisions of Article 288.

But in this case, FIVE (5) publications shall be made in a term of THIRTY (30) days and bills shall be stuck during the same period of time.

#### **§ V**

##### **On the opposition to a requirement**

ARTICLE 308 - A required party may oppose to the non-defaulting parties' claim within a term of THIRTY (30) days.

The opposition argument shall clearly and accurately describe the grounds on which it is made and any such documents as are relating to it shall be attached thereto.

If an opposition is not made within a fixed period of time, the right to accession shall be irrevocably proved.

ARTICLE 309 - The grounds for opposition shall be as follows:

- 1st. Payment of any such amount as shown in a requirement
- 2nd. These amounts shall derive from works which were performed without the opposing party's consent whenever such consent is necessary.
- 3rd. The amount which is to be paid shall be used in the same kind of works.
- 4th. The existence of enough mineral to pay the debt.

ARTICLE 310 - The claiming partner shall offer, jointly with its opposing argument, a bond in the amount of any such expenditures as incurred in or of any such quotas as are to be paid after such requirement and until a final resolution is made.

Should the right of accession be dismissed by the authorities' decision or as a result of a waiver by the parties, payment shall be made.

**§ VI**  
**On the company's dissolution**

ARTICLE 311 - Mining companies shall be dissolved on the following grounds:

- 1st. All the mining parties are joined in a single person.
- 2nd. In case of abandonment or desertion.
- 3rd. If a mining company is established under special provisions and a dissolution event, under such provisions, occurs.

**§ VII**  
**On the companies' prerogatives and privileges**

ARTICLE 312 - Whenever a mining company includes TWO (2) or THREE (3) members, TWO (2) additional tenements shall be licensed to them, apart from any such other tenement as applicable on the basis of such members' title.

If a mining company includes FOUR (4) or more members, they shall be entitled to FOUR (4) additional tenements.

ARTICLE 313 - Except as otherwise provided, partners shall not be liable for the company's obligations, but in proportion to their interest participations in the mine.

**§ VIII**  
**On prospecting or exploration companies**

ARTICLE 314 - An exploration company is incorporated whenever TWO (2) or more people agree to make an expedition to discover in-place deposits.

Such agreement may be an oral agreement or an agreement in writing, whether in a notarized or unnotarized instrument.

ARTICLE 315 - If a prospecting party or an exploration party is paid no salary or remuneration whatsoever, such parties shall be considered as partners of any discovery.

ARTICLE 316 - Any person in the company who is paid a salary regardless of his or her occupation, shall discover on behalf of and for the businessman who pays such salary.

In case of a prior promise or agreement, such prior promise of agreement shall be in writing.

**TITLE SIXTEEN**  
**ON THE COMMUNITY PROPERTY**

ARTICLE 317 - Unless otherwise provided in this Mining Code, and provided civil provisions are not against those of this code, the community property, as any other mining act and agreement, shall be subject to and governed by the civil law.

ARTICLE 318 - The products of every private mine of a spouse shall belong to the community property.

ARTICLE 319 - Any mine which is a community property shall belong solely to the owner of the mine.

ARTICLE 320 - Any debt that any of the spouses may have prior to marriage shall be paid during such marriage with the products of their mines.

ARTICLE 321 - Any such tenement as acquired as a result of an enlargement, shall solely belong to the owner of the original tenement.

ARTICLE 322 - The highest mine value that is acquired during marriage shall belong to the owner of the mine.

## TITLE SEVENTEEN

### ON THE TRANSFER AND ON THE SALE OF MINES

ARTICLE 323 - Mines may be sold and transferred as real state or property is sold and transferred.

Accordingly, an in-place deposit discoverer may sell and transfer the rights acquired as a result of such discovery.

ARTICLE 324 - Nobody may buy mineral from a mine worker or operator without the mine owner's consent in writing.

Contraventions to the above mentioned paragraph shall pay a penalty in an amount of FOUR (4) to THIRTY (30) times that of the annual royalty which is accrued by such mine. Mineral shall be seized until it is proved that mineral belongs to the seller or that the seller is authorized to sell such mineral.

ARTICLE 325 - Mines and transfers shall be made in notarized documents in writing.

Any agreement which is executed before the expiration of any such term as for beginning works may be made in unnotarized documents.

After a mine survey and demarcation is conducted, the above mentioned agreements may be executed only in an unnotarized document.

## TITLE EIGHTEEN

### ON THE ADVERSE POSSESSION OF MINES

ARTICLE 326 - The adverse possession of a mine shall not be against the State, which is the original owner of the mine.

ARTICLE 327 - For title to be bonafide acquired by adverse possession, a TWO (2) year possession should be proved.

For an adverse possession to occur without a fair title, a FIVE (5) year possession should be proved.



ARTICLE 328 - In any of the cases of the foregoing article 327, no difference shall be made between present and absent people.

## **TITLE NINETEEN**

### **ON MINE LEASING**

ARTICLE 329 - Mines may be leased under the same terms and conditions as real state is leased, but with the limitations of the following articles.

Mine and quarry leases may be made for periods of time of up to TWENTY (20) years.

ARTICLE 330 - The lessee shall use a mine under the same terms and conditions of the owner of the mine.

But a special provision shall be necessary to cut bridges and pillars.

ARTICLE 331 - The lessee shall protect the mine and conduct works under the provisions of this Mining Code.

ARTICLE 332 - When there is a risk that the mine is deserted, the owner may apply for the delivery of such mine.

From the time when mining authorities are resorted to the time when a decision is made either to allow or to reject the occupation of a mine, the desertion term shall not lapse.

ARTICLE 333 - If a mine is reported as a result of a lessee's act or a failure to act, the owner of the mine shall, except in case of a lie or a fraud, have no defense whatsoever in the exception of an act of another person or resulting from outside influence.

But the lessee shall pay the cost of the defense or of the release of the mine, and, in case that a desertion is declared, the lessee shall pay the value of such desertion and any such damages as are applicable.

ARTICLE 334 - The lessee shall be liable for any damage caused to third parties as a result of the lessee's own acts.

ARTICLE 335 - Except as otherwise provided for in a lease agreement, mines may not be subleased,.

ARTICLE 336 - The lessee of a common rural property may not mine any mine in such area which has been duly registered and mined by the owner of the mine.

Should the lessee discover an in-place deposit or an abandoned tenement, the lessee shall use any such legal rights as statutorily provided in these cases.

ARTICLE 337 - When a mine has been given on the condition of giving a part of any free products to the owner, the businessman shall have the same rights and obligations than the lessee.

Should mining be suspended under breach of the provisions of an agreement, the owner may terminate such agreement and receive damages.

## **TITLE TWENTY**

### **ON THE RIGHT TO A BENEFICIAL INTEREST**

ARTICLE 338 - Beneficial interests shall include the whole mine, even though beneficial interests are on behalf of various persons.

A beneficial interest holder shall be entitled to use the products and benefits of a mine as the owner may use the products and benefits of a mine.

But a beneficial interest holder of a common rural property may not mine the mines included in such area, even in the case that mining works are under way.

Beneficial interests in mines may be held for a term of FORTY (40) years, whether on behalf of an artificial person or of a natural person and shall not terminate, except as otherwise agreed, with the beneficial interest holder's death.

ARTICLE 339 - Whenever the main industry of a rural property under beneficial interest conditions is quarries or any other substance of the third category, a beneficial interest holder may, except as otherwise agreed upon, mine them all, regardless of the fact that they are currently being mined or not.

A beneficial interest holder may, in any case, take any such materials as necessary to repair the rural property as required and to perform any such works as such beneficial interest holder is obliged to perform.

ARTICLE 340 - If during the beneficial interest participation a mine is licensed within the perimeter of a common rural property, the special interest holder shall be liable for the value of the indemnities to be paid for the non-use of the ground, for the loss of any crop, for the destruction and for the fact of rendering works useless.

The owner shall be liable for any such indemnities as are to be paid as a result of the deterioration of the ground and of having rendered it useless.

ARTICLE 341 - A beneficial interest holder may have bridges and pillars like the owner of the mine.

ARTICLE 342 - A beneficial interest holder may, under its own responsibility, lease its beneficial interest participation or assign its mining right to others.

ARTICLE 343 - Any beneficial interest participation over the property of a person shall include the beneficial interest participation in the mines included in such property.

ARTICLE 344 - The provisions on leases of Articles 332, 333, 334 and 335 shall govern the right to a beneficial interest participation.

ARTICLE 345 - The owner's rights in case of an enlargement and of a penetration shall belong to both the beneficial interest holder and to the lessee.

## **TITLE TWENTY ONE**

### **ON THE GEOLOGIC AND MINING EXPLORATION BY THE STATE**

ARTICLE 346 - Any basic geological and mining research conducted by the National State in the whole country and any such research as made by the provinces in their territories shall be free and require no permit from the mining authorities. Whenever such basic geological and mining research is conducted by the State, it shall have the prior consent of the provinces within whose territory such research works are to be performed.

Provincial authorities or, as the case may be, and under excluding conditions, the state-owned or provincial business or entity in charge of the foregoing research may have, by giving due notice to the mining authorities, exclusive areas which are of special interest

for mining prospecting purposes. These mining prospecting works shall be performed either directly or with the participation of a third party.

Special interest areas may have, as a whole, a maximum area of ONE HUNDRED THOUSAND (100,000) hectares per province and their duration shall not be longer than an unextendible term of TWO (2) years.

In case that there participates a third party, the entities mentioned in the second paragraph of this Article shall, without prejudice to any such works as are to be performed by such entities in that area, call for public tenders and invite companies to submit their background expertise, a schedule of works and a commitment to invest which is in agreement with the objectives of the research.

Such invitation to tender shall be published THREE (3) times in a period of FIFTEEN (15) days in the Official Gazette and in the offices of the mining authorities and of the entity calling for tenders. This invitation shall also contain the objectives of the research, the minimum requirements to be met by proposals, the place of submittal, the deadline for the reception of bids and minimum bidding requirements for bid comparison purposes. If it is deemed convenient, bidding conditions may be included in a bidding document.

Within the term fixed for prospecting works, the successful bidder of an area may apply for one or more exploration permits or make discovery reports, and these rights shall be subject to the general provisions of the Mining Code, without prejudice to any such obligations as are applicable as a result of the call for bids or of any such obligations as are derived from the proposal.

Successful bidders shall be obliged to provide the entity calling for bids with technical documents and information gathered during the course of the research stages, without no requirement whatsoever and within any such term as is set forth by the above mentioned entity, under penalty of a fine in the amount of TWENTY (20) times the value of the exploration royalty applicable to a permit of FOUR (4) measurement units.

Special interest areas where the State or the company or the national and provincial entity has made no prospecting work or awarded no bid whatsoever during the course of the first year shall be automatically released. The mining authorities shall accept any such application for mining rights as are submitted by individuals prior to proving the non-existence of mining works or bid awards.

Any mine discovered by the above mentioned entities during the course of their research and in the areas of special interest to be established by such entities, shall, in case there is a third party, be transferred to the private activity within a year following such discovery and under the procedure provided in this article. If there is no third party, such mines shall automatically become vacant and available to any third party who is interested in them.

Provincial companies or entities which are legally authorized to perform exploration and mining works may cause their research work to adjust to the provisions of this article, without prejudice to their right to apply for permits and royalties under the general provisions of this Code.

ARTICLE 347 - Any such area as protected and committed under the foregoing TITLES XVIII AND XIX, shall continue effective until the expiration of their terms, obligations or procedures under way and until they are terminated.

Notwithstanding, and in order to promote the same treatment for the provisions of this TITLE, the state-owned entities shall try, within a term of TWO (2) years following the effective date of this Code, to transform current or reserved areas into exploration permits under the general conditions of this Code and on behalf of successful bidders and, in case there is not such successful bidder, on behalf of a third party. In this case a call for bids shall take place.

## FINAL TITLE

### GENERAL AND PROVISIONAL PROVISIONS

ARTICLE 348 - The mineral substances which, under former regulations, belonged to the owner of the ground and which are currently under mining conditions, may not be reported.

ARTICLE 349 - The mining area of Yacimiento Carbonífero Río Turbio, in the Province of Santa Cruz, is located within the following boundaries: to the North, parallel 51° 16" 00"; to the East, Meridian 72° 11' 00"; to the South and to the West, the boundaries with the Republic of Chile.

The Río Turbio coal basin shall be considered as a mine including one single tenement and it shall be mined by the National State, through YACIMIENTOS CARBONÍFEROS FISCALES.

The foregoing provisions shall not apply to the mining royalty received by the province of Santa Cruz under Article 213, and the number of tenements shall be determined under the provisions of this Code.

ARTICLE 350 - The mining area of the iron deposit in Sierra Grande, in the Province of Río Negro, is located within the boundaries of land plots 20 and 21, segment E, Colonia Pastoral Coronel Chilavert, Province of Río Negro.

The iron basin of Sierra Grande shall be considered as a single mine which is made up by a single tenement, and it shall be mined by HIERRO PATAGÓNICO DE SIERRA GRANDE, SOCIEDAD ANÓNIMA MINERA.

The foregoing provisions shall not apply to the mining royalty received by the province of Río Negro under Article 213, and the number of tenements shall be determined under the provisions of this Code.

ARTICLE 351 - Articles 67, 176 and 312 of the Mining Code are hereby amended, and it is set forth that the number of tenements therein allocated to mine discoverers and mining companies, shall be multiplied by TEN (10).

In the case of disseminated type deposits of the first category, and of borate and lithium, as mentioned in Article 76, that number shall be multiplied by FIVE (5) and, in the saltpepers and saltworks of Article 181, that number shall be multiplied by TWO (2).

ARTICLE 352 - Mines with capital investments as provided by regulations in force, shall not be obliged to comply with the provisions of Articles 216 and 218 herein.

ARTICLE 353 - Within a term of SIXTY (60) days following notice given by mining authorities, the holder of an exploration permit application or of a discovery report which is in process and without an application for a land survey, shall submit a new graph and comply with the provisions of the last paragraph of Article 45 under this Code. The coordinates of every point making up an area including the above described area in their boundaries shall also be shown. The above mentioned term shall be unextendible and non-fulfillment of these provisions shall represent an automatic abandonment of any such application as it is in process and the subsequent release of the area.

The mining authorities shall examine the coordinates thus submitted and, should such coordinates be correct, a cadastral license shall be issued.

In the case of issued exploration permits or of mines with an application for land survey or of surveyed mines, the mining authorities shall establish the actual location coordinates of such permit or of such mine in the field. This information shall be notified to the owner and, further on, a cadastral license shall be issued, unless these activities are performed by the owner. In this case, the mining authorities shall examine the coordinates and, in case they are correct, a cadastral license shall be issued.

Once the foregoing land registry arrangements are completed, the location resulting from the coordinates of each mining right shall be unchanging. Any mining right which, as a result of a reason attributable to its holder, had not been included in the land registry after land registry arrangements are completed, shall be considered non-existing as a matter of law and without the participation of mining authorities.

Without prejudice to the above mentioned in the foregoing paragraphs, each province shall regulate the stages, procedures, resources and other questions related to the land registry provided herein.

ARTICLE 354 - For the purposes of this Code, THE NATIONAL EXECUTIVE POWER, under a joint proposal by the MINISTRY OF DEFENSE and by the MINISTRY OF ECONOMICS AND PUBLIC WORKS AND SERVICES, and in coordination with the Armed Forces authorities, shall periodically classify strategic mineral substances.

ARTICLE 355 - For the activities of Article 249, which shall start before Act No. 24,585 becomes effective, the licensor or holder of rights to a mining plant and facilities shall submit, not later than a year following such date of effectiveness, an environmental impact report.

ARTICLE 356 - Under the foregoing article:

- a) Irreversible and unavoidable impacts may not affect any activity whatsoever.
- b) The regulatory authority shall require actions aiming at the modification and correction of a future environmental impact derived from continued mining activities from responsible parties, who shall be obliged to put such actions into practice.

ARTICLE 357 - If a new royalty is not established, the values provided by Articles 215 and 221 of this Mining Code shall be effective as a matter of law, without prejudice to a proper dissemination of these values by the EXECUTIVE POWER through the MINISTRY OF ECONOMICS AND PUBLIC WORKS AND SERVICES, or through any body reporting to such Ministry and which has venue in mining matters.

ARTICLE 358 - In order to keep and maintain any of the rights of the Mining Code in force, the conditions set forth by the foregoing articles shall become effective on January 1st. 1919 (as per Act No. 10,273, Article 16).

ARTICLE 359 - Paragraph V, Title IV; Article 137, paragraph 2 of Article 147; Article 168, paragraph 2 of Section III, Title VI and Section I of Title IX are hereby abolished, and in all the other divisions of the Code and in the articles mentioned above, it shall be understood that any provision aiming at the existence of an obligation for the protection or stocking of or population of a mine with activities or work, and that any provision which sets forth, recognizes or regulates the right to report a mining license because such mine has been depopulated, shall be unenforceable. (As per Act No. 10,273, Article 17).

ARTICLE 360 - In these cases, and provided a general amendment to the Mining Code is not passed, judges and administrative authorities shall be governed by the provisions of the current Mining Code, and shall have into account the abolition of populating a mine with work and reporting a mine on depopulation grounds. In case of an irreplaceable silence or darkness, judges and administrative authorities shall base on the general principles of this legislation, on the principles of the Civil Code and on the principles of similar laws. (As per Act No. 10,273, Article 18)

ARTICLE 361 - As of the date of effectiveness, this law shall govern any such mining permit and license rights as granted or in process.

Discovery reports and other mine applications in process shall be governed by these provisions in the acts and procedures subsequent to the effectiveness of this law.

Mine licensors may even adjust their measurements to the provisions of this law, and the rights of third parties shall not be impaired. (As per Law No. 22,259, Article 2).

ARTICLE 362 - This law shall become effective THIRTY (30) days following publication in the Official Bulletin. Without prejudice to the foregoing, the EXECUTIVE BRANCH OF THE NATIONAL GOVERNMENT shall draft, in less than NINETY (90) days, an



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amended Mining Code by removing provisions which have been abolished at different times and giving new numbers to titles, sections, paragraphs and articles under a pertinent sequential order. The amended Mining Code shall be considered as the official Mining Code.