

## “Colombia Mining Code Amendments Improve Project Approval and Licensing”

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February 28, 2010-Bogota, Colombia. Amendments to the Colombian mining code were introduced on July 29, 2010, with the issuance of Law 1382. The amendments further improve the efficient regulatory environment for project approval and licensing. Project proponents will now be required to comply with the following processes:

- Step 1:       **Concession Contract:** The proponent must file a standardized proposal (with Ingeominas except for minerals in Antioquia and Bolívar in all cases, and non-emerald and coal mines in Boyacá, Caldas, Cesar, and Norte de Santander). Proponents may be asked to correct or complete it in a 30-day period. Thereafter the proposal is reviewed in a separate and maximum 180-day period. An approval results in the signing of a maximum 30-year concession contract. The time period will begin to run once it is recorded in the National Mining Registry (or RMN). The contract may be renewed for an additional 20-year period with advance 2-year notice
- Step 2:       **Exploration Phase:** The concessionaire is entitled to an initial 3-year period to conduct exploration activities within the authorized area. Additional 2-year extensions (not exceeding an 11-year total, may be requested with advance 90-day notice. At least 30 days before the authorized exploration period lapses a Work and Investment Plan (PTO) must be filed. The PTO is reviewed within a maximum 30-day period. Thereafter, mandated corrections or additions (if any) must be made by the concessionaire within a maximum 30-day period. Approval of the PTO must occur within a 90-day period and is conditioned upon the issuance of an environmental license. **Environmental License** applications for large mining projects begin with the filing of an Environmental Impact Assessment with the Environmental, Housing and Territorial Development Ministry in accordance with its guidelines. License approval takes on average 18 weeks.
- Step 3:       **Development Phase:** PTO approval marks the beginning of a 3-year period to build and install project infrastructure. An additional 1-year extension may be requested with advance 90-day notice (though 2-year extensions may also be requested for transformation plant installation).

Step 4: **Exploitation Phase:** Formal exploitation activities begin upon completion of project development and last for the remaining time period under the concession contract. Provisional exploitation activities may begin in advance. Exploitation activities mark the beginning of royalty payments (surface fees are paid during previous phases).