

14/02/24

LEGAL ALERT

**BEGINNING OF MINING
CONCESSION PROTECTION
PROCESS AND MODIFICATIONS
INCORPORATED TO THE SAME
AS OF 2024**

BEGINNING OF MINING CONCESSION PROTECTION PROCESS AND MODIFICATIONS INCORPORATED TO THE SAME AS OF 2024

We remind you that the mining concession protection process begins on **March 1st** and ends on **March 31st**.

It is necessary to take into consideration the amendments incorporated to the Mining Code in this matter by the entry into force of Law 21,649 and Law 21,420, which are indicated below:

- The distinction between metallic and non-metallic concessions was eliminated.
- The amount of the annual mining fee for exploration and exploitation mining concessions was increased as indicated in the table below, notwithstanding that **exceptionally for this year 2024**, being the first year of entry into force of Law 21,420, **the amount to be paid for exploitation concessions will be 1/10 of a UTM per full hectare**.

NATURE OF THE CONCESSION	AMOUNT
Exploration	3/50 of UTM per full hectare (Ha).
Exploitation	<p>1. Reduced Mining Fee: 1/10 of UTM per full Ha in the following hypothesis:</p> <p>A) If the beginning of works or activities that, in a permanent and continuous manner, allow the development of <i>mining operations</i> (as defined in Law 20,551, which regulates the Closure of Mining Sites and Facilities) is accredited each year;</p> <p>B) Mining properties comprehended within a mining development Project which has obtained an Environmental Qualification Resolution ("RCA") or have been admitted for processing in the Environmental Impact Assessment System (<i>Sistema de Evaluación de Impacto Ambiental</i>) ("SEIA") for its qualification, in accordance with law 19.300 regarding General Standards of the Environment; or</p> <p>C) Mining properties comprehended in a project that, without having to enter to the SEIA, are processing any of the permits established in Title XV of the Mining Safety Regulations (applicable to mining sites which extraction capacity is equal or less than 5,000 tons per month). The mining fee for this concept may only be determined once.</p>

NATURE OF THE CONCESSION	AMOUNT																
Exploitation	<p>2. Mining Fee without Reduction: From 4/10 of UTM up to 12 UTM per full Ha, if the concession is not comprehended within any of the hypothesis indicated for the Reduced Mining Fee. The amount to be paid increases with the number of years passed as of the date of constitution of the concession:</p> <table border="1"> <thead> <tr> <th>Years in effect</th><th>Amount per Ha</th></tr> </thead> <tbody> <tr> <td>1 - 5</td><td>4/10 UTM</td></tr> <tr> <td>6 - 10</td><td>8/10 de UTM</td></tr> <tr> <td>11 - 15</td><td>9/10 de UTM</td></tr> <tr> <td>16 - 20</td><td>1,2 UTM</td></tr> <tr> <td>21 - 25</td><td>3 UTM</td></tr> <tr> <td>26 - 30</td><td>6 UTM</td></tr> <tr> <td>31 onwards</td><td>12 UTM</td></tr> </tbody> </table> <p>3. Benefit of Article 142 ter: 1/10 of UTM per full Ha, to the extent that the holder of the exploitation concession complies with the following requirements:</p> <ol style="list-style-type: none"> 1) To be an Individual (natural person), legal mining company, mining cooperative or an individual limited liability company; 2) To be holder of one more mining properties (<i>pertenencias</i>) which's total extension is not more than 500 hectares; 3) To prove that annual mining fee payments for its concessions are up to date; 4) To prove the development of works in at least one concession which is under any of the hypotheses for Reduced Mining Fees indicated above. Regarding this requirement, it will be enough that the holder proves this circumstance only once for it to be presumed that such situation is maintained for a 5-year period. Notwithstanding the foregoing, it will not be necessary to prove this requirement during the first 5 years of the entry into force of Law 21,649. 	Years in effect	Amount per Ha	1 - 5	4/10 UTM	6 - 10	8/10 de UTM	11 - 15	9/10 de UTM	16 - 20	1,2 UTM	21 - 25	3 UTM	26 - 30	6 UTM	31 onwards	12 UTM
Years in effect	Amount per Ha																
1 - 5	4/10 UTM																
6 - 10	8/10 de UTM																
11 - 15	9/10 de UTM																
16 - 20	1,2 UTM																
21 - 25	3 UTM																
26 - 30	6 UTM																
31 onwards	12 UTM																

Finally, we point out that the non-payment of the annual mining fee within the established term, will initiate the procedure to take the concession to public auction.

CONTACT



Cristóbal Herrera
Associate



Macarena Salazar
Associate