



Lao People's Democratic Republic

Peace Independence Democracy Unity Prosperity

Ministry of Mines and Energy

Ref. 1116/MEM

Vientiane Capital, dated 21.09.2010

Regulation on

Sending mining samples for testing [examining]

- Pursuant to the Law on Mines, Ref.no 04/NA, dated 8/12/2008;
- Pursuant to the Prime Minister's Decree, Ref. no 136/PM, dated 24/7/2006 on the Organization and Activities of the Ministry of Energy and Mines

The Minister of Energy and Mines issues this Regulation as follows:

Article 1: Purpose

This Regulation is aimed at harmonization of the management, inspection and monitoring of the testing [examining] process both in domestic and/or abroad; to regulate some types of tests [examination], including the weights of samples to be tested [examined] by individuals, legal entities or organizations operating the mining activity, especially during the exploration-survey as well as at the start of the mining [extracting] phase. In addition, this Regulation is to stipulate the awards and penalties aimed at encouraging the implementation of this Regulation by those individuals, legal entities or organizations and governmental agencies to comply with their commitments, to work according to the technical principles, laws and regulations.

Article 2. Definition

- The test [examination] of minerals is to determine the substances contained in the minerals or mining samples, which can be done in the laboratory by using tools, equipment and chemical substance in compliance with the relevant methodology of such test [examination].
- The test [examination] of minerals in this Regulation is to determine the physical characteristics, etc., the exploration techniques and other additional materials, which can be done in different levels of laboratory testing by using testing [examining] tools and equipment in compliance with the objectives and targets of such testing [examining].

Article 3. Scope of application

This Regulation applies to individuals, legal entities or organizations operating mining business activities; to governmental agencies, departments, provincial office of the local authorities dealing with the management, inspection and monitoring of the mining testing [examining] process both domestic and/or abroad, especially during the mining exploration-survey until the start of the mining [extracting] phase.

Article 4. Allowed sampling quantity for technology testing

In general, the testing of technology sampling has different purpose and uses different quantity of minerals in the experiment. However, the important purpose is to study the methodology of processing such minerals [ores] in the most effective way in order to select [determine] the types of processing plant (washing, filtering, separating, extracting, etc.) appropriate to the characteristics and types of such minerals [ores].

The sampling quantity of minerals [ore] or sampling technology used in the following testing [examination] is to determine the primary ore, mainly some amounts of iron, copper, lead, zinc, coal, etc. As for details of each ore, they will be determined separately. As for rare earth elements and some remaining [left-over] ores, they will be determined separately:

- a. A specific sample or part with weight from 1 to 100 kg, taken during the exploration-assessment phase in order to determine the type of mineral ore.
- b. A small sample with weight from 100 to 200 kg in order to determine the technology for the ore, taken during the initial exploration. In the last stage of the initial exploration phase, the sample to be tested shall not be more than 10 tons in order to determine the structure/methodology for separating, crushing or washing, filtering... such mineral ore.
- c. A large sample with weight from 10 to 300 tons for testing [examining] at the semi-processing plant (semi-industry [size]) and from 2.000 to 5.000 tons for testing-examining at the processing plant (industry [size]) in order to produce in industrial quantities permanently. This sample is taken during the last phase of detailed survey.

Article 5. Sample quantity of precious stones allowed to be tested [examined]

- The sample of precious stones explored during the survey phase after they have been classified or graded, the amount sent to be tested [examined] shall not be more than one-fourth of all samples.
- The sample of precious stones explored during the exploration phase after they have been classified or graded, the amount sent to be tested [examined] shall not be more than one-third of all samples.
- The sample of precious stones explored during the extraction phase after they have been classified or graded, the amount sent to be tested [examined] shall follow the extraction plan.
- The remaining precious stones: 3/4 from 1/4 and 2/3 from 1/3 shall temporarily be kept under the agreement of the two parties (investor and the government or in accordance with the agreement signed between the two parties) and under the management of the officially appointed committee.

Article 6. Licensing procedures for export of samples of ores to be tested/examined

Individuals, legal entities or organizations wishing to send ores for testing [examining] domestically and/or abroad shall submit an application with the following documents and [according to the following] procedures:

1. A proposal letter to request sending the sample ores for testing [examining] domestically and/or abroad;
2. An approval letter for exploration or survey of such ores issued by the Department of Mines;

3. The plan for sending such ores or testing [examining] plan indicated in the exploration/survey plan or in the specific plan for testing [examining] (copy version); these plans will have already been approved by the Department of Geology, Ministry of Energy and Mines ;
4. Form to ask for permission to send the sample ore to be tested [examined] domestically and/or abroad issued by the Department of Geology;
5. Some relevant Documents
 - If the proposal letter and all documents are correct, the Department of Geology will review, consider and approve to send the mines/ores to be tested [examined] domestically and/or abroad within 05 working days.
 - Prior to sending such sample ores to be tested [examined] domestically and/or abroad, the sample ores shall be checked [inspected] by the relevant technical officials from the Department of Geology and/or the provincial Department of the local authority responsible for the management, inspection and monitoring of the minerals [ore] testing [examining] process.

Article 7. Agencies responsible for the management and approval of sending sample ore to be tested [examined]

The Department of Geology, Ministry of Energy and Mines is responsible for reviewing, considering and approving sending the sample for testing [examining] domestically and/or abroad.

In case the exploration and survey mining project is located far from the Department of Geology such as its location is in the northern or southern regions with difficulty of road transportation, etc. the Department of Geology will assign the Provincial Department of Energy and Mines to manage, monitor, inspect and approve this provided that the applicant who wishes to send such samples shall submit the application with all related documents according to the forms and procedures assigned by the Department of Geology to such Provincial Department.

Article 8. Implementation procedures to send samples for testing [examining]

- The samples that individuals, legal entities or organizations collect from the business operation activities, especially during the exploration-survey phase in order to test [examine] them according to the plan approved [endorsed] by the Department of Geology, shall be sent to the laboratory of the Department of Geology or other mining laboratory centers approved by the Ministry of Energy and Mines .
- In case the laboratory of the Department of Geology or mining laboratory center mentioned in Article 8, is not able to conduct the test [examination], for instance, the sample quantity is excessive (more than its capacity to handle the test [examination]) or it cannot test [examine] the sample in accordance with the types or methodology proposed by those individuals, legal entities or organizations, the samples may be sent to another laboratory with consideration by the Department of Geology .
- In the case of individuals, legal entities or organizations operating the mining activities, especially during the exploration-survey phase and using their own laboratory; such individuals, legal entities or organizations shall send the processed samples (as duplicate to be tested [examined] so as to compare with the results of testing [examining] by the in-house laboratory) to the Department of Geology to check any discrepancy in the testing results. If budget is not sufficient or chemicals/other mixtures [must be] used for testing [examining], the Department of Geology may request those individuals, legal entities or organizations for support either in kind or in cash to cover the costs.

- With the application to send the sample for testing [examining] domestically and/or abroad, the applicant shall request from the Department of Geology that at least one official shall collaborate locally to inspect the types, quantity and weight of such samples. If it is correct, that official shall sign the document of such inspection. In case the applicant sends the samples to the official at the Department of Geology to inspect in the Department's building or elsewhere, it is not necessary for the local official to participate in the inspection. Then, the Director General or Deputy Director General of Geology Department shall sign the approval for sending the samples to be tested [examined].

Article 9. Organizations to accept [certify] the results of testing [examining]

Individuals, legal entities or organizations sending samples for testing [examining] domestically and/or abroad shall submit the results of such testing [examining] to the Geology Department, Ministry of Energy and Mines to review, inspect, check and consider endorsement of such results.

In case there is any suspicion, the Geology Department will re-test [re-examine] the samples. Due to limited government budget, individuals, legal entities and organizations may be asked to cover the costs.

Article 10. Rights and obligations of the applicant who requests sending the samples to be tested [examined]

Rights:

- To receive documents related to sending the samples to be tested [examined] domestically and/or abroad with consideration from the Department of Geology;
- To receive the letter [certificate] with respect to the results of testing [examining] from the Department of Geology;
- To use the results of testing [examining] those are certified by the Department of Geology to report or attach with a report on the exploration-survey.

Obligations:

- Shall coordinate with the relevant technical official of the Department of Geology to review and set up a plan for the inspection in relation to the types of minerals, quantity and weight of samples, etc.;
- Shall supply equipment, tools as necessary for the work;
- Shall pay for the travel, accommodation, fees and labor costs [allowance] of officials in accordance with rules issued by the Department of Geology or by the Government;
- Shall pay for the labor costs [allowance] of officials from the Department of Geology prior to starting the work at least 01 (one) day in advance through the Finance Unit of the Department with respect to the number of working days stated in the plan or in the assignment letter. In case there are more days of work than those in the plan or in the assignment letter; the applicant or investors shall pay more for the additional days, *or* in case the number of working days is less than those in the plan, the applicant or investor has the rights to request for the excess allowances to be refunded according to the actual number of working days.
- Shall pay the allowance for those local officials working in the field who are participating in the work according to the rate determined by the Provincial Department or related regulations issued by the Government.
- Shall pay for the testing [examining] costs occurred by the Department of Geology or laboratory center stipulated in Article 8;

- Shall be responsible for illness, accidents occurred to officials or individuals during the work as appropriate or in accordance with relevant rules, regulations, laws of Lao PDR.

Article 11. Rights and Obligations of the Department of Geology

- To follow-up, inspect the plan of the applicants or investors for sending samples to be tested [examined] domestically and/or abroad;
- To notify/warn the applicant or investor; and act in respect of the applicant or investor who is not followed this Regulation;
- To sign and certify the results of testing [examining] to the applicant or investor after it has reviewed, inspected, checked/compared the results once they are correct;
- Technical officials who are assigned to work in the field by the Department of Geology have the right to receive the allowances from the applicant or investor and they must pay the [tax] obligation to the government from their incomes in accordance with the rate determined by the Department or issued by other relevant governmental agencies.

Article 12. Rights and Obligations of Vientiane Capital and Provincial Department of Energy and Mines

- Technical officials who are assigned to work in the field by the Vientiane Capital and Provincial Department of Energy and Mines have the right to get the allowances from the applicant or investor and they must pay the [tax] obligation to the government from their incomes in accordance with the rate determined by the Department or issued by other relevant governmental agencies.
- To manage, monitor, inspect and approve sending the samples to be tested [examined] domestically and/or abroad to the applicant or investor in accordance with the assignment of the Department of Geology;
- To coordinate with the Department of Geology and other relevant agencies in Vientiane Capital/Provinces when the applicant or investor does not comply with this Regulation so as to address the issues.

Article 13. Awards

Individuals, legal entities, organizations, domestic or/and foreign companies who have performed well in implementing this Regulation will be rewarded or will receive other appreciations from the Ministry of Energy and Mines as appropriate.

Article 14. Penalties / measures towards offenders

Individuals, legal entities, organizations, domestic or/and foreign companies who breach this Regulation will be warned, fined, have their business operation temporarily suspended, their license suspended or receive other punishment in accordance with relevant laws and regulations with respect to the level of offense.

Article 15. Implementation

The Department of Geology is assigned to coordinate with the Department of Mines, Vientiane Capital and Provincial Departments of Energy and Mines, International Checkpoints and other relevant local authorities to implement this Regulation strictly and for good results.

Article 16. Enforcing provision

If individuals, legal entities, organizations, domestic or/and foreign companies submit the documents [application] stipulated in Article 6 of this Regulation incompletely,

the Department of Geology, Ministry of Energy and Mines will not consider such application for sending the samples to be tested [examined].

Article 17. Enforcement

This Regulation enters into force from the date of its signature.

Minister of Mines and Energy

The image shows the official seal of the Ministry of Mines and Energy of Laos, featuring a central emblem with a scale and a sword, surrounded by text in Lao and French. To the right of the seal is a handwritten signature in black ink. Below the signature, the name 'ສຸລິວົງ ດາລາວົງ' is printed in Lao script.

Soulivong Dalavong