Mineral Resources Law of the People’s Republic of China

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Contents

Table of Contents 1

Chapter I — General Provisions 1

Chapter II — Registration of Mineral Resources Exploration and Examination and Approval of Exploitation . . 2

Chapter III — Exploration of Mineral Resources 2

Chapter IV — Exploitation of Mineral Resources 3

Chapter V — Protection of Mineral Resources 3

Chapter VI — Legal Liability 4

Chapter VII — Supplementary Provisions 4

Table of Contents

- Chapter I — General Provisions
- Chapter II — Registration of Mineral Resources Exploration and Examination and Approval of Exploitation
- Chapter III — Exploration of Mineral Resources
- Chapter IV — Exploitation of Mineral Resources
- Chapter V — Protection of Mineral Resources
- Chapter VI — Legal Liability
- Chapter VII — Supplementary Provisions

Chapter I — General Provisions

Article 1 — This Law is enacted to develop the mining industry, strengthen the exploration, development, utilization, and protection of mineral resources, and ensure the present and long-term needs of the state in socialist modernization.

Article 2 — This Law shall apply to the exploration and exploitation of mineral resources within the territory of the People’s Republic of China and other sea areas under the jurisdiction of the People’s Republic of China.

Article 3 — Mineral resources belong to the state. The state’s ownership of mineral resources shall not change with the different ownership of the land or the right to use the land on which the mineral resources are located. The state shall ensure the rational development and utilization of mineral resources. Seizing or damaging mineral resources by any means is prohibited.

Article 4 — The state shall protect the lawful rights and interests of the owners of exploration rights and mining rights. Exploration rights and mining rights shall not be transferred except in accordance with the

Source: https://www.danyoungcpa.com/mineral-resources-law-prc-1996-amendment-english-translation/

following provisions: (1) the owner of exploration rights shall have the right to carry out specified explorations within the designated exploration area; (2) the owner of mining rights shall have the right to exploit mineral resources within the designated mining area.

Article 5 — The state shall implement a system of paid acquisition of exploration rights and mining rights. Mining enterprises shall pay resource compensation in accordance with state provisions. The exploitation of mineral resources shall pay resource tax and resource compensation in accordance with law.

Article 6 — The geological and mineral resources department under the State Council shall be responsible for the supervision and administration of the exploration and exploitation of mineral resources nationwide. The geological and mineral resources departments of local people's governments at or above the county level shall be responsible for the supervision and administration of the exploration and exploitation of mineral resources within their respective administrative regions.

Article 7 — The state shall encourage scientific and technological research on the exploration and exploitation of mineral resources, promote advanced technologies, and improve the level of exploration and exploitation.

Article 8 — Entities and individuals that have made outstanding achievements in the exploration, development, and protection of mineral resources and in scientific and technological research shall be rewarded by the state.

Chapter II — Registration of Mineral Resources Exploration and Examination and Approval of Exploitation

Article 9 — The state shall implement a unified block registration system for mineral resources exploration. The geological and mineral resources department under the State Council shall be responsible for the registration of mineral resources exploration. Mineral resources exploration by Sino-foreign cooperative ventures and foreign-invested enterprises shall be registered in accordance with state provisions.

Article 10 — To apply for mineral resources exploration rights, the applicant shall submit an application including the exploration area map, exploration work plan, funding proof, and other materials. After examination and approval, a mineral resources exploration permit shall be issued.

Article 11 — The term of validity of an exploration permit shall be determined based on the exploration work plan, with a maximum of three years. After expiration, an extension may be applied for, but the total period shall not exceed five years.

Article 12 — The owner of exploration rights shall complete the minimum exploration investment and the minimum exploration workload requirements within the exploration period. Exploration rights that fail to meet the requirements may be revoked.

Article 13 — The establishment of mining enterprises shall be subject to the examination and approval of the relevant competent department in accordance with law. Before applying for establishment, the exploitable reserves of mineral resources shall be examined and approved, and the utilization plan for mineral resources shall be submitted.

Article 14 — Applications for mining mineral resources designated by the state as protected minerals for mining, minerals for which the state implements protective mining, and mineral resources in areas designated by the state as planned mining areas and mining areas of great value to the national economy shall be subject to stricter examination and approval procedures.

Chapter III — Exploration of Mineral Resources

Article 15 — Mineral resources exploration shall be conducted in accordance with the exploration permit and the exploration work plan. The exploration permit shall not be altered, leased, or lent without authorization.

Source: https://www.danyoungcpa.com/mineral-resources-law-prc-1996-amendment-english-translation/

Article 16 — The owner of exploration rights shall submit an exploration work progress report and an exploration fund usage report to the registration authority on a regular basis.

Article 17 — During the exploration period, the owner of exploration rights shall protect the ecological environment and shall not cause damage to mineral resources.

Article 18 — The owner of exploration rights shall have priority in obtaining the mining rights for the mineral resources discovered within the exploration area.

Article 19 — When exploration activities are concluded or the exploration permit expires, the owner of exploration rights shall promptly backfill or seal exploration boreholes or shafts to eliminate safety hazards and environmental impacts.

Article 20 — The owner of exploration rights shall keep the geological data and mineral resources data obtained during exploration in accordance with state provisions and shall not damage or conceal them.

Chapter IV — Exploitation of Mineral Resources

Article 21 — Mining enterprises shall exploit mineral resources within the approved mining area and in accordance with the approved mining plan. Unauthorized cross-boundary mining is prohibited.

Article 22 — The exploitation of mineral resources shall adopt reasonable mining sequences, mining methods, and ore dressing processes. The mining recovery rate, dilution rate, and ore dressing recovery rate of a mining enterprise shall meet the design requirements.

Article 23 — When exploiting mineral resources, mining enterprises shall strengthen safety management and prevent safety accidents. Mining enterprises must comply with labor safety and health regulations and have the necessary safety production conditions.

Article 24 — When exploiting mineral resources, attention shall be paid to the comprehensive exploitation and utilization of associated minerals. Associated minerals with economic value shall be comprehensively recovered, and discarding associated minerals is prohibited.

Article 25 — When exploiting mineral resources, mining enterprises shall comply with environmental protection laws and regulations to prevent environmental pollution and ecological damage. Land reclamation shall be carried out for land occupied by mining and damaged by mining activities.

Article 26 — Mineral products exploited by mining enterprises shall be sold in accordance with state provisions. The state shall implement uniform purchase of mineral products designated by the state.

Chapter V — Protection of Mineral Resources

Article 27 — The state shall implement a planned exploitation system for mineral resources. Mining enterprises shall exploit mineral resources in a planned manner and shall not engage in destructive exploitation.

Article 28 — Important mineral resources such as those designated by the state as protected minerals for mining and those included in state-planned mining areas shall be managed in a unified manner in accordance with the state plan.

Article 29 — Exploiting mineral resources without a mining permit, or engaging in destructive exploitation of mineral resources in violation of the mining permit requirements, is prohibited.

Article 30 — Mining enterprises shall not exploit mineral resources in areas where mining is prohibited, such as scenic spots, historical sites, nature reserves, and important geological hazard areas.

Article 31 — Mining enterprises closing mines shall submit a mine closure geological report and shall complete environmental restoration and land reclamation.

Source: https://www.danyoungcpa.com/mineral-resources-law-prc-1996-amendment-english-translation/

Chapter VI — Legal Liability

Article 32 — Where mineral resources are exploited without a mining permit, the operation shall be ordered to cease, the exploited mineral products and illegal gains shall be confiscated, and a fine shall be imposed. Where losses are caused, compensation shall be made. Where the circumstances are serious, criminal liability shall be pursued.

Article 33 — Where mining is conducted beyond the approved mining area, the geological and mineral resources department shall order the violator to return to the approved mining area, confiscate the mineral products exploited beyond the boundary and the illegal gains, and impose a fine. Where the violator refuses to return, the mining permit shall be revoked.

Article 34 — Where an exploration permit or mining permit is altered, leased, lent, or transferred in violation of this Law, the geological and mineral resources department shall revoke the permit and impose a fine. The illegal gains shall be confiscated.

Article 35 — Where mineral resources are exploited destructively, the geological and mineral resources department shall order corrective action and impose a fine. Where the circumstances are serious, the mining permit shall be revoked.

Article 36 — Where mineral resources are exploited without conducting environmental protection and land reclamation in accordance with state provisions, the relevant authority shall impose penalties in accordance with law and may order suspension of exploitation for rectification.

Article 37 — Where a dispute arises over exploration rights or mining rights, the parties shall resolve it through negotiation. Where negotiation fails, the dispute shall be handled by the relevant geological and mineral resources department. Where the party is dissatisfied with the handling decision, it may file a lawsuit with the people’s court.

Article 38 — Where a crime is constituted by illegal exploitation of mineral resources, criminal liability shall be pursued in accordance with the relevant provisions of the Criminal Law.

Chapter VII — Supplementary Provisions

Article 39 — The specific measures for the implementation of this Law shall be formulated by the State Council.

Article 40 — This Law shall also apply to the exploration and exploitation of mineral resources within the sea areas and islands under the jurisdiction of the People’s Republic of China by foreign investors and enterprises.

Article 41 — The exploration and exploitation of petroleum and natural gas shall be governed by separate state provisions.

Article 42 — The exploration and exploitation of radioactive mineral resources shall be subject to both the provisions of this Law and the relevant special state provisions.

Article 43 — This Law shall come into force on January 1, 1997. The Mineral Resources Law of the People’s Republic of China promulgated on March 19, 1986 shall be repealed simultaneously.

Disclaimer: This is an unofficial English translation for reference purposes only. The original Chinese text shall prevail in all legal matters. Dan Young Business Consultancy makes no warranty as to the accuracy or completeness of this translation. For legal advice, consult a qualified PRC lawyer.

Source: https://www.danyoungcpa.com/mineral-resources-law-prc-1996-amendment-english-translation/