*Ոչ պաշտոնական թարգմանություն*

Passed in November 2011

MINING CODE

OF THE REPUBLIC OF ARMENIA

GENERAL PROVISIONS

ARTICLE 1 Subject of Regulation of the Code

* + 1. Present Code defines principles and order of mining throughout the territory of the Republic of Armenia, governs relations associated with protection of nature and environment from deleterious effects, ensures security of works during mining, as well as protection of rights and legitimate interests of state and individuals during mining.
		2. Peculiarities of geological exploration and extraction of petroleum and gas shall be defined by separate law.
		3. Peculiarities of extraction of radioactive raw materials extraction shall be defined by separate law.
		4. Peculiarities of subsurface sweet water extraction shall be defined by the Republic of Armenia Water Code.
		5. Mining relations connected with the urban planning objects (including completely or partially underground ones), engineering and geological explorations and site building shall be defined by the Republic of Armenia Law on Urban Development and legal acts ensuring their application.

ARTICLE 2 Mining Legislation of the Republic of Armenia

1. Mining legislation of the Republic of Armenia incorporates the respective provisions of the Constitution of the Republic of Armenia, National Security Strategy of the Republic of Armenia, Civil Code of the Republic of Armenia and, the present Code and other legal acts adopted in compliance with it.
2. Where international treaties of the Republic of Armenia define norms differing from what present Code, norms of respective international treaties shall prevail.

ARTICLE 3 Main Concepts Used in the Code

The following main concepts shall be used in present Code:

1. subsoil – part of Earth crust located below ground surface, and in case of its absence, below ground level, bottom of water bodies or flows, accessible for mining;
2. geological explorations – complex of geological works of subsoil, with the view to exploring structure of Earth crust, terms of genesis of rocks, exogenous geological processes, volcanic activity, as well as discovering and assessing reserves of minerals;
3. mining – use of subsoil for purposes of geological explorations, extraction of minerals, ;
4. mining operator –legal person (including foreign commercial company), which carries out mining in accordance with present Code;
5. geological exploration agreement –an agreement, which entitles performing in certain subsoil allotment:

a) regional geological exploration – regional geological and geophysical activities, geological extraction (mapping), geochemical, seismic, hydro-geological and engineering and geological explorations, research, archeological and other works aimed at general geographical exploration of subsoil;

b) geological works on examination of volcanic activity – monitoring of exogenous geological processes;

c) creation of mineralogical, archeological and geological collections, collection of aesthetic and semi-precious stones;

d) description and maintenance of geological objects of scientific, cultural, aesthetic and other value (unique geological formations, natural monuments, grottoes, etc),

1. geological exploration permit for the purpose of mining – permit given in special written form, which shall entitle performing geological explorations in certain subsoil allotment for discovery of minerals ,
2. mining permit – permit given in special written form, which shall entitle performing mining works in certain subsoil allotment,
3. mining permit – exclusive rights for geological exploration of certain subsoil allotment, extraction of minerals confirmed by respective mining concord or permit, program or project, mining agreement, mining site allocation; or for extraction of minerals
4. subsoil allotment – part of subsoil comprising certain geographical limitation, where mining works shall be performed;
5. minerals – solid, liquid or gaseous ingredients of subsoil, including subsoil water (sweet and minerals), and geothermal energy, bottom sediments of water basins, flows, chemistry and physical properties of which shall allow using those – directly or after processing;
6. reserves of minerals – accumulations of minerals , volume, quantity, quality and territorial position and form of which shall be identified;
7. deposit – part of subsoil, which shall contain reserves of minerals (including probable), which have been subjected to geological and economic assessment;
8. industrial dumps – accumulations of mountain rocks emerged at the ground surface or mountain scoops as a result of exploration or extraction and processing of minerals;
9. outcrop – subsoil allotment, where presence of minerals has been determined, the quantity, quality and industrial significance has not been assessed yet;
10. balance of mineral reserves – form of state stock-taking of reserves of unearthed minerals – as of January 1 of each year, which shall contain data regarding quantity, quality and level of exploration of identified stock of minerals, as well as changes of those in reporting period;
11. cadastre of mines and outcrops – summary systematic information regarding mines and outcrops, which shall include all identified objects, regardless of type, size, level of exploration and industrial significance of those;
12. mining – extraction of minerals from mines and complex of works aimed at capturing useful components encompassed in these;
13. mining site allocation – document provided to mining operator by authorized body fixing coordinates of borders of subsoil allotments provided for the purpose of industrial mining, which shall be an integral part of the mining right;
14. geological information – data regarding structure, composition of subsoil allotment, existence, quantity and other characteristics of minerals therein, as well as technical and economic indicators of minerals;
15. use of minerals complex – ensemble of buildings, edifices constructed for the purpose of extraction and processing of minerals, installed equipment, communication channels and other infrastructures;
16. technical plan – document developed for implementation of mining works, compiled based on the experts’ assessments in compliance with the Legislation ;
17. plan of geological exploration works – a document agreed upon (approved) by the authorized body for implementation of geological exploration works,
18. agreement on mining – written agreement between authorized body and mining operator, which defines terms of provision of given mining right, rights and responsibilities of parties (geological exploration or extraction of minerals);
19. authorized body – public administration body authorized by the Government of the Republic of Armenia (hereinafter, “the Government”) and implementing authorities reserved to it by present Code;
20. reclamation works – measures provided by design of minerals mining or program of geological exploration for the purpose of nature and environment protection aimed at restoration of lands (bringing to secure or usable state) shattered as a result of mining;
21. quality requirements – requirements towards quality and quantity of minerals, natural conditions foreclosing technical and economic indicators of mine operation;
22. preferential applicant – holder of mining right for implementation of geological explorations for the purpose of mining who submits application for acquiring the right of mining in the respective area to the authorized body.
23. special permit – a permit authorizing legal persons with adequate professional experience to carry out examination of radioactive minerals.
24. Man-made mine - accumulation of minerals on the earth surface or in rock holes or tailing facilities formed as a result of exploration, extraction, processing and enrichment of minerals, which in compliance with the established regulations have received geological and economical assessment
25. Additional exploration-geological-exploration works in the wings of operational mines, detached areas of deep horizons, as a result of which the low graded resources are being upgraded and newly discovered reserves are being assessed.
26. Extraction operation- is carried out for the entire duration of the mine operation as a result of which the forms, conditions of placement and qualitative and technological specifications of the minerals, the mountainous-technical and hydro-geological conditions are being verified as well as the operative calculation of the flows of resources is done.
27. Preliminary impact assessment on the environment and nature- identification and assessment of potential negative impact on the nature and environment during geological exploration.
28. Environmental Management Plan - activities aimed at reducing the environmental losses caused by mining, planned measures preventing the irrevocable impact and indicators for monitoring of their implementation , which are clear and measurable over certain time.
29. Reasonable and comprehensive utilization of the subsurface-use of such technologies in mining that will reduce any possible losses of the minerals to the minimum and maximize the economic profits.

35) mining wastes, such as used in the sense that the set of "waste" in Article 4 of the Law of the Republic of Armenia.
36) mineral processing tailings, generated solid or liquid waste storage hydro technical structures.

ARTICLE 4 Main Provisions of Mining Code of the Republic of Armenia

Main provisions of legal regulation of relationships associated with mining and subsoil protection shall be:

1. ensuring security of population and protection of nature and environment,
2. recognizing subsoil as the exclusive property of the state,
3. development and implementation of state programs in the field of mining and subsoil protection,
4. implementation of state control over mining and subsoil protection,
5. implementation of state inventory of mineral reserves, balance calculation, administration of state cadastre of mines, outcrops and state registration of geological explorations,
6. ensuring reasonable complex utilization of mines;
7. conduction of state expert examination in the field of mining and subsoil protection,
8. implementation of state standardization in the field of mining and subsoil protection,
9. transparency of activities related with mining,
10. principle of charging use of minerals.

ARTICLE 5 Ensuring security of population and protection of nature and environment

Subsoil allotments shall be provided for use under condition of fulfillment of requirements of legislation related with preservation of nature and environment and protection of life and health of people by mining operators.

ARTICLE 6 Development and implementation of state programs in the field of mining and subsoil protection

1. For the purpose of realization of requirements of Mining Code of the Republic of Armenia there shall be conducted development, approval and implementation of state programs providing measures aimed at preservation and reasonable complex utilization of subsoil.
2. Republican, regional and local programs of mining and subsoil protection shall be approved by the Government.
3. Financing of state programs of mining and subsoil protection shall be made from state budget, as well as other sources not prohibited by law.

ARTICLE 7 Conduction of expertise in the field of mining and subsoil protection

1. In the field of mining and subsoil protection there shall be conducted the following examinations:
2. mining engineering,
3. of environmental impact,
4. of technical security,
5. Accuracy of information about explored reserves and other information regarding subsoil, quality requirements and reserves of minerals deposits, as well as logout of reserves which lost industrial significance or have not been confirmed during further works, shall be subject to engineering examination. The objective of engineering examination shall be assessment of information accuracy, verification of quality requirements and reserves, provision of conclusion regarding validity of reserves’ logout.
6. Submitted draft program of mining works shall be subject to expert assessment in terms of environmental impact and technical safety. Programs of geological explorations shall be subject to initial nature and environmental impact assessment.
7. Provision of subsoil for the purpose of mining shall be permitted only after engineering examination of accuracy of information regarding reserves contained in it and confirmation of quantity and quality of explored and assessed reserves in the defined manner.
8. Based on application of mining operator, examinations defined by present Code may be conducted in the defined manner at each stage of geological exploration of subsoil allotment, if mining operator wishes to start use of minerals, and if materials submitted for examination allow to conduct objective assessment of definite quantity and quality of minerals, their industrial significance, technical, geological engineering, hydro-geological, environmental and other parameters.
9. Examination of engineering, documentation shall be conducted in manner established by the Government. The procedure for verification of environmental effects has been established by the Republic of Armenia Law on Examination of Environmental Impact, while the procedure for verification of technical security has been established by the Republic of Armenia Law on State Regulation of Technical Security.
10. Mining operator shall have the right to conduct independent examination of provided geological information on his own cost.
11. Where as a result of independent examinations, geological and economic assessment of deposit, or views on geological structure and other characteristics of allotment have been significantly changed, mining operator may apply to authorized body suggesting reassessment of parameters of the deposit, new estimate of available minerals reserves and logout of reserves that have lost industrial significance or have not been verified during further activities, revision of mining contract and technical plan. The authorized body must review the application and make a decision within one month.
12. Independent examination of geological information may also be carried out during operation of mines and development of technical plan, preparation of mines and minerals, , if such need shall emerge based on new approaches towards information or newly received data.
13. Independent examination shall be carried out in manner established by the Government of the Republic of Armenia.

ARTICLE 8 Implementation of state standardization in the field of mining and subsoil protection

1. State standardization in the field of mining and subsoil protection is the development and adoption of respective standards, limitations, norms, regulations and other normative documents.
2. Standards, limitations, norms, regulations and other normative documents adopted in established manner shall be mandatory for observance for all parties of legal relationships associated with mining and subsoil protection.
3. Standards, limitations, norms, regulations and other normative documents of mining and subsoil protection shall be developed in accordance with legislation of the Republic of Armenia.

ARTICLE 9 Transparency of activities related with mining

Dissemination of information regarding activities related with mining shall be carried out in manner established by the Republic of Armenia laws.

ARTICLE 10 Payment for Mining

Payment against mining shall be charged, unless provided otherwise by Article 62 of present Code.

ARTICLE 11 Property Right over Subsoil

1. Subsoil of the Republic of Armenia is the exclusive domain of State, which may be provided for use only for purposes of geological explorations, mining.
2. Any parts of Subsoil may not be subject to purchase and sale, pledging, or alienation in other form.

ARTICLE 12 Property Right over Geological Information

1. Information regarding geological structure of subsoil, minerals , geological data, size of reserves, processing terms, as well as other peculiarities of subsoil, which are included in the geological reports, maps, primary and other geological documentations, are the property of the Republic of Armenia, irrespective of financing source for their acquisition.
2. Irrespective of financing source, geological information which has been subjected to state geological engineering examination, shall be submitted to the authorized body on a fee free basis for administration, maintenance, classification and consolidation, as defined by the Government.
3. Irrespective of information acquisition form, mining operator may administer and use acquired geological information only within limits of the mining right.
4. Upon expiry of the mining right period or in case of its waiver, geological information owned by mining operator shall be passed to the authorized person within three months period as defined by the Government procedure.
5. Geological information obtained during the construction of underground facilities not related with extraction of minerals being objects of urban development activities shall be submitted to the authorized body of the mining sector on a fee-free basis in a procedure set forth by the Government.

ARTICLE 13 Procedure for Provision of Geological Information and Non-Disclosure

1. Geological information shall be provided free of charge, whereby the authorized body shall be paid only for services on provision of information in accordance with the procedure established by the Government.
2. Geological information provided by mining operator within the mining right may not be disclosed without consent of the mining operator. The authorized body must ensure non-disclosure of geological information to third parties during its accumulation, recording, maintenance, transfer and usage.
3. In case of disclosing confidential geological information, the person disclosing it shall bear liability in accordance with the Republic of Armenia legislation.
4. The requirement on non-disclosure of geological information is exonerated where geological information is provided:
5. based on court decision,
6. for the purpose of preparing state statistical report regarding mining rights,
7. for the purpose of use in internal framework of the authorized body,
8. to state inspectorate of subsoil control and state inspectorate of environmental protection, to tax entities- for the purpose of performing supervision and monitoring as defined by law, within the scope of their authority.

ARTICLE 14 – The ownership rights over man-made mines, extracted mineral and industrial dumps

* + - 1. Man-made mines are the exclusive property of the Republic of Armenia and may be provided for the purpose of extraction of mineral resources in a manner prescribed in this Code
			2. Mining fees shall be paid for extraction of man-made mines in the manner established by the legislation of the Republic of Armenia.
			3. The ownership right over the industrial dumps formed due the mining activity of the Mine Operator shall belong to that given Mine Operator for the validity period of his/her mining right.
			4. The Mine Operator shall enjoy the right of using the industrial dumps formed due to its operations without any additional permits or agreements for the validity period of his/her mining right or to transfer the use of their rights to another party.
			5. The user of the industrial dumps shall pay mining fees in a manner established by the legislation of the Republic of Armenia.
			6. Upon termination of the mining right, the ownership over the industrial dump shall be transferred to the Republic of Armenia for free, which can be allocated for utilization as man-made mines.
			7. After the user’s right over the industrial dumps is transferred to the Republic of Armenia, they can be provided for use in the manner prescribed by the present Code.

STATE REGULATION OF MINING SECTOR

ARTICLE 15 Public Administration of Mining, Subsoil Protection and Mining Related Nature and Environmental Protection

1. Public administration of mining and subsoil protection, as well as mining related nature and environmental protection is conducted by the Government and public administration bodies authorized in this field within the scope of their authorities.

2. Authorities of the Government in the field of mining and subsoil protection are:

1. design and implement mining policy,
2. in cases provided by legislation of the Republic of Armenia, govern relations in the area of mining and subsoil protection, as well as adopt legal acts on land allocation,
3. develop procedure on development, operation and manage a unified system of geological information,
4. approve legal acts regulating legal relations in the mining sector,
5. approve forms of mining licenses and geological exploration agreements,
6. approve reference forms of mining agreements,
7. design forms of quarterly and annual reports on flows of minerals reserves,
8. design a register for registration of daily minerals reserve flows,
9. develop procedure on measures to ensure carrying out of necessary regime observations, securing water resources from depletion and pollution during operation of underground mineral water mines,
10. design procedure for carrying out research works in order to protect safety of communities and health of population in the areas of mining and disposal and storage of industrial waste generated from mining activities;
11. design procedure on quality criteria of information about financial and technical capacities and resources required from the applicant;
12. design procedure on status and protection of rare geological bleakness and mining formations, other objects representing special archeological, antiquarian, scientific and scientific-cultural values
13. implement international cooperation in the area of mining and subsoil protection, and exercise other authorities established by laws of the Republic of Armenia.
14. Protection of the rights of Mining Operators and Citizens
15. Land Relations Necessary for Realization of Mining Right

Relations between mining operators and local administration shall be regulated by legislation of RA.

1. Authorities of Authorized Bodies in the Area of Mining, Subsoil Protection and Mining Related Nature and Environmental Protection

1. Authorities of authorized body in the field of mining and subsoil protection are:
2. Ensure design and implementation of state policy in the mining area,
3. conduction of supervision over standards, norms and regulations adopted in the field of mining and subsoil protection,
4. development and implementation of programs of reasonable and comprehensive mining and subsoil protection,
5. approval of legal acts regulating legal relations in the mining sector
6. provision of mining right,
7. establishment of reference form of mining site allocation act,
8. conduction of state examination in mining field within the limits of its authorities,
9. administration of state balance of mining, state registration of subsoil allotments provided for the purpose of mining, administration of state cadastre of mines and outcrops,
10. provision of necessary permissions and consents for mining within the scope of its authorities,
11. development and adoption of normative acts regulating mining process, ensuring public administration and supervision, as well as norms and regulations required for mining, within the limits of its authorities,
12. signing of mining agreements,
13. updating of separate allotments of subsoil banned for mining, during provision of mining right,
14. creation, operation and administration of unified system of geological information,
15. application of limitations in mining field provided by legislation of the Republic of Armenia,
16. provision of geological information in manner established by laws and other legal acts of the Republic of Armenia,
17. coordination of activities of the state inspectorate on subsoil use and protection (hereinafter subsoil control),
18. approval of business plans of subsoil supervision state inspection and reception of statements regarding implemented works.
19. Granting agreement for geological exploration and extraction of minerals in the part of subsoil which is already subject to mining right, by notifying in writing the person holding the mining right at least 14 days in advance.
20. Have access to any area of the sub-soil for implementation of geological exploration activities designed under state programs, by notifying in writing the person holding the mining right at least 14 days in advance
21. Authorities of the authorized body for the state management in the sector of the mining related nature and environmental protection are:
22. impose public control over compliance with the nature and environmental protection norms, conditions and requirements in the mining sector;
23. carry out expert examination of environmental impact of mining designs, projects, draft programs on dismantling of mining complexes, conservation, closure and disclaim of mines;
24. participate in formulation of state policy in the area of mining related nature and environmental protection;
25. enforce restrictions stipulated by the Republic of Armenia legislation in order to secure mining related nature and environmental protection;
26. monitor environmental impact of programs on dismantling of mining complexes, conservation, closure and disclaim of mines;
27. establish deadlines and take decisions on use of the nature and environment protection fund resources, size of allocations, and carrying out of reclamation works;
28. during the stage of assessing the environmental impact, approve and control the plan or program on nature and environmental monitoring;
29. design a monitoring procedure for ensuring the safety of communities and health of population in the areas of mining and disposal and storage of industrial waste generated from mining activities.

3. Authorities of local self-governance entities in the sector of mine use and preservation shall be as follows:

1) concluding a land use contract with persons holding mining rights by the head of the community at the decision of the Community Council;

1. submitting to the community head’s approval the . reclamation plan aimed at recovery of lands abused as a result of mining (bringing them to a condition fit for safe use) by person having land use right;
2. person having received the land use right may not commence mining activities without the consent of the respective owner of the given territory or without the contract on the land use.

ARTICLE 18 Public administration of geological exploration works

1. Public administration of geological exploration works shall be implemented through approval of geological exploration state programs, developed consistently with socio-economic development programs of the Republic of Armenia, by the Government, and ensuring implementation of those by authorized bodies.
2. State programs shall be developed in manner established by the Government and shall particularly include:
3. assessment of existing situation in the field of geological explorations in the Republic of Armenia – with identification of challenging issues for each type of works and substantiation of issues requiring priority solution,
4. list and schedule of publicly financed (through public order) starting and on-going projects in the planned period, forecast and substantiation of financial resources, which will be necessary for implementation of planned works,
5. list of starting and on-going projects in the planned period, which are financed through private investments, including the schedule of attracting businesses for implementation of those projects and their completion.
6. Public order in the field of geological exploration shall be prepared by authorized body, which shall develop terms of references or design estimates of geological and(or) technical works to be implemented.
7. Geological exploration work under public order shall be implemented in accordance with the Republic of Armenia law on state budget.

MINING RIGHT

ARTICLE 19 Types of Mining

Subsoil may be used for purposes of:

1. geological explorations;
2. extraction of minerals for industrial purposes.

 ARTICLE 20 Provision of Mining Right

1. The mining right shall be provided by the authorized body, as defined in the present Code and other legal acts, through mining permission or consent, mining site allocation act, or by signing a mining agreement with mining operator. Mining right shall be integral and may belong only to one legal person.
2. The mining right is irrevocable and can be vested only in one legal entity (including in a commercial foreign company)
3. Extraction of nonmetal minerals for own needs with a not-for-profit purpose from land plots belonging to mining operator by property right shall be implemented through unlimited and free mining right.
4. Only legal persons holding special permission may apply for acquisition of mining right for geological exploration of radioactive raw materials. Procedure for provision of special mining permission shall be established by the Government.

ARTICLE 21 Mining Site Allocation

1. Mining site allocation for extraction of minerals (excluding underground sweet and minerals waters) shall be provided simultaneous to granting the mining right and shall constitute integral part of mining right.
2. Mining site shall be allocated pursuant to mining plan.
3. Mining operator shall have exclusive right for operation within the allocated territory.
4. Mining operator shall have the right to conduct mining activities only within limits of the received allotment.
5. Person holding mining right shall have the right of conducting geological exploration within limits of subsoil allotment decided by mining site allocation act by notifying the authorized entity about it.

ARTICLE 22 Mining Right Disposal

1. Mining right is transferable. Transfer of mining right with right of use is prohibited.
2. Transfer of mining right shall be made by authorized body’s consent, which shall be provided in manner established in Article 23 of present Code. Consent provided by authorized body shall be the base for reformulation of mining right.
3. All transactions and activities, aimed at transfer of mining right conducted without consent of authorized body, shall be void.

ARTICLE 23 Procedure on Provision of Consent for Transfer of Mining Right

1. Person who intends to sell its mining right, shall submit an application to authorized body asking for its consent to transfer the mining right.
2. The application shall contain:
3. full name of legal person to whom the mining right shall belong;
4. reference about mining right to be transferred;
5. information required under this Code for claiming mining right;
6. report on performed activities as stated in the designed program or work plan , including environmental protection measures.
7. Documents attached to application shall be presented in originals or properly validated copies.
8. Within 30 days after receiving application, the authorized body shall make decision on approval or rejection of the transfer of mining right. In case of absence of decision of authorized person within the period indicated hereof, consent shall be deemed given, while the responsible officer of the authorized entity shall be held responsible in a manner prescribed in the Laws.
9. The authorized body shall reject the transfer of mining right in accordance with the respective provisions for rejection of claim for mining right established under the present Code.

ARTICLE 24 Transfer of Mining Right

1. Transfer of mining right in case of reorganization of legal person through separation or division based on the separation balance sheet as legal succession with the consent of the authorized body issued in observance of requirements established under Article23, part 2:

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ARTICLE 25 Mining Right Guarantees

1. Protection of mining operator’s rights shall be guaranteed by the Republic of Armenia legislation. In case of amendment of legislation of the Republic of Armenia within 3 years starting from the date of granting the right of mining, based on application of mining right holder to authorized body, tax rates of natural resource user fees (including royalties), profit tax of residents, dividends to non residents, interest rates, and royalties effective at the date of providing extraction right shall be applied towards the mining right holder.

ARTICLE 26 Prohibition of Mining

1. Using of separate subsoil allotment shall be prohibited in a manner prescribed in the Laws of Republic of Armenia from the perspective of ensuring national security, protection of human lives and health, cultural values or nature and environment, if land plot on the claimed subsoil allotment:
	* + 1. has cemetery on it,
			2. accommodates natural, historical and cultural monuments,
			3. accommodates plants or animal settlements registered in the Red Book of the Republic of Armenia, or if is on migration routes of animals,
2. Mining activities in the protected areas may be carried out solely in manner defined by the RA environmental legislation.

ARTICLE 27 Effective Period of Mining Right

1.Mining right shall be provided for a certain period (with the exception of Clause 3 of Article 20):

1) for the purpose of geological exploration of subsoil – not exceeding 3 years, which can be extended in a procedure set out under Article 42 of this law.

 2) for the purpose of mining – for the whole period of mines operation, in accordance with technical plan, which passed expert examination in established manner, however for not more than 50 years, which can be extended in a manner stipulated in Article 55 of this Code

2. Mining periods shall be indicated in the documents which confirm mining right.

ARTICLE 28 Pledging of Mining Right

* + - 1. Mining rights may be subject of pledge.
			2. Pledge agreement between mining operator and pledgee shall be signed after informing authorized person in written form. Signed pledge agreement shall be submitted to the authorized body for the purpose of registration in register of mining rights and may be submitted for registration "on the registration of secured rights to movable property" as defined by the law of the Republic of Armenia.
			3. Realization of pledged mining rights shall be conducted exclusively through public auction, in manner established by Article 29 of present Code.

ARTICLE 29 Compulsory Alienation of Pledged Mining Right

1. Compulsory alienation of pledged mining right shall be conducted through public auction.
2. Right to participate in public auction shall have those legal persons (including foreign commercial organizations) that received the consent of authorized body for participation.
3. Application for participation in public auction shall be submitted to the authorized body and reviewed in manner established by Article 23 of present Code.
4. Consent of authorized body for signing a deal on mining right alienation as a result of public auction shall not be required.
5. In case of declaring public auction failed, subject to initial consent given by authorized body in manner established by Article 23 of present Code, the pledgee has the right of ownership (acquire title) over the pledged mining right), or may request appointment of a new public auction.
6. Provisions of pledge agreement and other agreements, which disagree with rules of present Article, shall be void.

ARTICLE 30 Warning and Termination of Mining Right

1. The mining right shall be terminated only in compliance with the causes prescribed and in a manner established by present Code.
2. Authorized body may give written warning to legal person holding mining rights, if it:

1) fails to fulfill responsibilities provided by present Law;

2) fails to meet conditions of mining right, including provisions on fulfilling responsibilities provided by mining agreement, program or design, except during strikes, electricity outages and cutoffs in water supply services and other cases for reasons beyond the control of the economic entity, force majeure, such as fires, floods, earthquakes, storms or other natural disasters, as well as explosions, war, terrorist attack, civil war, riot, insurgence, nationalization, etc. that render implementation of activities impossible within 90 days and have filed the documents providing relevant evidence to the authorized body.

 ;

3) fails to pay duties provided by law within one month after the established period.

1. Authorized body may not make a decision on termination of mining right, if holder of mining right has remedied the failures within 90 days after receiving warning notice.
2. Termination of the mining right may not enter into force until judicial processes on mining right initiated against the holder of mining right have been competed.
3. Mining right shall be terminated in the following cases, if:
4. period of validity of mining permission or consent has expired;
5. mining operator that is a legal person was liquidated or mining operator discontinued his status of a sole proprietor;
6. mining right holder failed to remedy the indicated breaches within period (90 days) established by authorized body;
7. the subsoil was used for purposes different from what it has been provided for;
8. the mining operator has discovered and failed to notify the authorized body within 14 days of:
9. discovery of mineral deposits not mentioned in the mining right,
10. the existence of rare objects and those of scientific-cultural value,
11. identification of unforeseen environmental risks.

1. In cases defined in Clause 5 of this Article, the authorized body may unilaterally terminate the mining agreement.
2. Mining right may also be suspended for civil society and state reasons, in manner established by the Law of the Republic of Armenia on Alienation of Property for Needs of Society and State.
3. Termination of the mining right shall serve as a ground for suspension of rights of mining operator towards land provided for mining.

ARTICLE 31 Registration of Mining Right

1. Authorized body shall administer centralized register of mining rights registration, where registered information regarding those rights, as well as amendments, transfers, pledges, warning and suspensions of those rights is kept.
2. Centralized register of mining rights registration shall consist of two unified ledgers:
3. register of geological explorations rights, where applications for geological exploration rights shall be registered. Each application registered like that shall be numerated. Date and time of receiving the application shall be mentioned in the receipt provided to applicant or its authorized person, or shall be sent to applicant by a registered letter;
4. register of mining right, where application for mining right shall be registered. Each application registered like that shall be numerated. Date and time of receipt of application shall be mentioned in the receipt provided to applicant or its authorized person, or shall be sent to applicant by a registered letter;
5. Information from unified register of accounting mining rights shall be provided in manner established by the Law of the Republic of Armenia on Freedom of Information.

MINING FOR THE PURPOSE OF GEOLOGICAL EXPLORATIONS

ARTICLE 32 Procedure for Geological Explorations

1. Geological explorations may be conducted by legal persons (including foreign commercial companies), which acquire such right in manner established by present Code.
2. Right to conduct supplementary and operational exploration of deposits that are operated or planned to be operated belongs only to a person holding the right for operation of the given deposit.
3. Geological exploration wor shall be carried out based on the permit provided by the authorized body and the signed mining agreement.
4. Geological explorations for the purpose of mining of provided allotments of subsoil shall be based on permission given by authorized person and signed mining agreement.
5. Procedure for provision of mining right for geological exploration defined in part 3 of present Article shall be established by the Government.
6. Mining right for geological exploration of the possibility of use of minerals shall be provided in manner established by present Code.
7. Results of geological exploration activities shall be subject to state mining verification and registration, as established by the Government.

ARTICLE 33 SEEKING AN AGREEMENT FOR EXPLORATION ACTIVITIES

* + - 1. Application for the geological exploration right shall be submitted to the authorized entity.
			2. The following shall be mentioned in the application and be enclosed with it:
		1. Name of the applicant, address (location)
		2. Copy of State Registration Certificate of the Applicant
		3. The timeline required for the implementation of the activities
		4. Description of the area of the sub-soil for exploration of which the application is submitted and the mapping design of that area with the border-edge coordinates
		5. The work plan for geological exploration
		6. Data on the mining rights held by the Applicant in the past within the Republic of Armenia
		7. Information on financial and technical resources and capacities, the contents and requirements for which shall be defined by the Government
		8. The list of the documents enclosed with the application.

ARTICLE 34 The Content of the Agreement for Geological Exploration

* + - 1. The Agreement for geological exploration, shall in particular include:
	1. the Serial number of the agreement, date (day/month/year) issued and validity period
	2. the coordinates of end-points for the area of sub-soil in unified coordinate system
	3. the purpose of exploration
	4. the exploration plan and agreement, that are an integral part of the agreement shall be attached to the agreement

ARTICLE 35 Contract for Geological Exploration

* + - 1. A sub-soil utilization contract shall be signed between the authorized body and the Mining Operator for geological exploration.
			2. The contract, shall, in particular, include:
			3. The purpose and timeline of the activities,
			4. The end-point coordinates of the sub-soil area
			5. Validity period of the contract
			6. The liability of the Mining Operator on submitting the findings of the exploration to the Authorized entity in an established manner.

ARTICLE 36 The Program of Geological Exploration

1. Attached to the application seeking the right for geological exploration, the work plan for the geological exploration shall be submitted to the Authorized Entity for approval.
2. The work plan for geological exploration shall include:
3. the objectives of the activities to be performed along with the anticipated timelines;
4. analysis of the geological exploration activities conducted in the past in the area of subsoil subject to exploration, if such have been conducted;
5. the anticipated methods, manners, resources and approximate volume of the works;
6. the required mapping materials shall be attached to the geological exploration work plan.
7. Preliminary assessment of nature and environmental impact, including the environmental plan;
8. Using the sub-soil for geological exploration purposes without a work-plan approved by the Authorized Entity shall be prohibited.

ARTICLE 37 The Content of the Geological Exploration Permission Granted for the Purpose of Extraction of Mineral Resources

1.The permission in particular, includes:

1. serial number, date/month/year of issuance and validity period
2. the end-coordinates for the area of sub-soil in accordance with the unified coordinates system
3. purpose of geological exploration
4. name of the mineral

2. Exploration program and agreement on geological exploration shall be attached to the permit constituting its integral part.

ARTICLE 38 Application for Geological Exploration Right for the Purpose of Mining

1. Application for claiming geological exploration right for the purpose of mining shall be submitted to the authorized body.
2. Application shall contain:
3. in case of legal person, copy of state registration certificate of applicant,
4. time requirement for implementation of works,
5. minerals subject to geological exploration,
6. general and geological description of the requested subsoil allotment, with geological map and coordinates of borders,
7. work plan for geological exploration in compliance with Article 39 ,,
8. data regarding mining rights held by applicant in the Republic of Armenia,
9. names (name), nationality (in case of legal persons – copy of state registration certificate) of persons holding 10 or more percent of shares of applying legal person,
10. information on financial and technical capacities and means, the content and requirements to which shall be approved by the Government,
11. list of submitted documents .

ARTICLE 39 Business Plan of Geological Exploration for the Purpose of Mining

1. For the purpose of co-ordination, geological exploration business plan shall be attached to the application on geological exploration for the purpose of mining.
2. Business plan of geological exploration of subsoil shall include:
	1. objectives and proposed terms of planned works,
	2. planned methods, modes, means in line with the best international practice and approximate volume of works,
	3. necessary mapping materials shall be attached to geological exploration business plan,
	4. preliminary assessment of nature and environmental impact, including also the environmental program;
	5. without a work-plan approved with the authorized body it is prohibited to do geological exploration of the sub-soil for the purpose of extraction of minerals .

ARTICLE 40 Decision on Application on Geological Exploration Right for the Purpose of Mining

* 1. Within 5 days after registration of application for geological exploration right, the authorized body shall notify the applicant whether the documents attached to the application were complete and the application was registered.
	2. Within 10 days after registration of application, the authorized body shall review the geological exploration business plan submitted with the application and submit it to for preliminary assessment of the nature and environmental impact as defined by this law. Within 15 days after receiving the plan, the authorized public administration body in the field of nature protection in the area of nature and evironmental protection shall provide a conclusion on the plan.
	3. In case if the conclusion on the preliminary assessment of nature and environmental impact was not provided within 15 days, it shall be deemed as positive, while the responsible officer of the authorized entity shall bear responsibility in the manner prescribed by law.
	4. Within 45 days after receiving positive opinion conclusion on the preliminary assessment of nature and environmental impact, the authorized body shall take a decision regarding the application and notify in writing the applicant about it. If the authorized body does not make a decision regarding application within the indicated period, the application shall be deemed satisfied, while the responsible officer of the authorized entity shall bear responsibility in the manner prescribed by law.
	5. If two or more persons submit application for the same allotment of subsoil or such allotment, which has a merging part, preference shall be given to the applicant whose application was registered first.
	6. If documents submitted by applicant are incomplete, or the submitted exploration program or financial and technical capacities and means of the applicant do not comply with provisions established by legislation, the authorized body shall inform applicant thereof within ten days. Within ten days after receipt of notification, the applicant shall remedy the mentioned shortcomings. If mentioned shortcomings were not remedied within the established period, the authorized body shall reject the application.
	7. Authorized body shall reject application if:
1. submitted documents or information are false or untrue,
2. subsoil allotment for which applicant applies, or part of it, is a separate object of mining t,
3. subsoil allotment for which applicant applies, can not be an individual object of mining right,
4. subsoil allotment for which applicant applies, exceeds the territory indicated in the brief business plan of geological exploration provided by the applicant,
5. incompliance of applicant's information on financial and technical capacities and resources with the requirements set out by the legislation;
6. provision of geological exploration right contradicts with requirements of legislation of the Republic of Armenia, including national security of the Republic of Armenia, as well as international treaties signed by the Republic of Armenia,
7. any mining right held by applicant in the past has been suspended based on grounds indicated in Article 30 part 5, clauses 3- 5 of the present Code,
8. subsoil allotment is located in the area defined in Article 26 of the Code,
	1. All reasons for rejection shall be indicated in application’s rejection decision.
	2. Rejection of application on grounds not defined in present Article is prohibited.

ARTICLE 41 Signing of Sub-soil Geological Exploration Agreement For the Purpose of Extraction of Minerals

1. Within 10 days after receiving notification from authorized body regarding satisfaction of application on obtaining the right of geological exploration for the purpose of mining, the applicant shall be invited for signing of geological exploration agreement.
2. Geological exploration agreement shall indicate:

1) purpose of geological exploration,

2) schedule of works by phases, including time-table of geological explorations, expected period for submission of obtained information for state expertise,

3) coordinates of borders of the allotment,

4) duration of contract according to business plan of geological explorations,

5) types of minerals, exploration and further extraction of which is permitted to mining operator,

6) a provision that where new types of minerals, which were not indicated before have been identified during implementation of works, respective amendments in the mining right for exploration of minerals shall be introduced,

7) nature protection measures in accordance with the legislation,

8) the terms and conditions for the mid term and final reports on the progress of activities

 to the authorized entity

1. Within 10 days after approving the contract, documents confirming geological exploration right for the purpose of mining shall be provided to the applicant. In case of not arriving in mentioned terms, decision on satisfaction of application claiming geological exploration right for the purpose of mining shall be nullified.
2. Geological exploration permission for the purpose of mining, geological exploration agreement and business plan coordinated with authorized body together represent documents confirming geological exploration right for the purpose of mining.
3. Documents confirming the right of geological exploration for mining shall be provided immediately after submission of the receipt on payment of fee for provision of mining right.
4. Application for claiming geological exploration right, the plan, permission, and agreement shall serve as a basis for registration of geological exploration works by authorized body in established manner as defined in Article 63 hereof.

ARTICLE 42 Period of Validity of Geological Exploration Permit for the Purpose of Mineral Extraction and its Extension

1. Subject to application submitted by mining operator, geological exploration permission for the purpose of mining shall be provided for a period not exceeding 3 years, which may be extended for 3 consecutive times, each time not exceeding 2 years.
2. Period of validity of geological exploration permission for the purpose of mining, after the verification of the deposits, may be extended by one year for development of mining design.
3. Period of validity of geological exploration permission for the purpose of mining may not be extended, if extension of mining right is preconditioned by a breach of contract liabilities by mining operator.
4. Period of validity of geological exploration permission for the purpose of mining may not be extended, if mining operator does not plan to refuse from non-perspective allotments identified based on results of exploration, which may not be more than half of the originally provided allotment.
5. Extention application shall indicate:
6. Applied period of extension,
7. circumstances, which served as a basis for extension of geological exploration works,
8. report on the progress of activities envisaged in the plan or project including the measures intended in the environmental plan
9. amended business plan
10. grounds for continuation of geological explorations.
11. Based on application submitted in accordance with requirements of present Article, period of geological exploration permission for the purpose of mining may be extended, but not more than the requested period.
12. Within 30 days after receiving the application on extension of the period of validity of geological exploration, the authorized body shall review the revised business plan on geological exploration attached to the application, and make a decision notice the applicant thereof in writing. If the authorized body does not make a decision within the defined period, the application is deemed satisfied, while the responsible officer of the authorized entity shall bear responsibility in a manner prescribed by law.
13. Within 10 days after receiving the notice, the applicant shall submit the respective revision of the agreement on geological exploration for verification, after which the revised version of the mining right agreement shall be given to him within the next 10 days. In case if the applicant does not arrive within the mentioned period, the decision on approving the application for extension of geological exploration permission for mining purposes shall be repealed.

ARTICLE 43 Enlargement of Subsoil Allotment Provided for Geological Exploration for the Purpose of Mining

1. Person receiving geological exploration right for the purpose of mining may apply to authorized body for enlargement of subsoil allotment, attaching amended business plan of geological exploration.
2. Application regarding enlargement of subsoil allotment may be submitted to authorized body after implementation of at least half of geological exploration works provided by business plan of geological exploration, necessity of which should be substantiated by information received based on exploration. In general, subsoil allotment may be enlarged not more than only once.
3. Application submitted for enlargement of subsoil allotment shall be subject to rules established under Parts 2, 3 and 7, Article 40 of present the Code.

Based on grounds provided under Article 30, part 5, clauses 3- 5 of the Code, authorized body may reject application submitted for enlargement of subsoil allotment.

1. As well as application for enlargement if the applied allotment is located on territory indicated in Article 26 of the Code.
2. All grounds for rejection shall be mentioned in rejection decision.
3. Within 30 days after the day of registration of application for enlargement of subsoil allotment provided for geological exploration, the authorized body shall review the amended business plan of geological exploration attached to application and make decision regarding application, about which it shall notice the applicant in writing. If the authorized body does not make decision regarding application within the established period, the application shall be deemed satisfied, in which case the responsible officer of the authorized entity shall bear responsible in a manner prescribed by law.
4. Within 10 days after receiving notification from authorized body regarding the decision on enlargement of subsoil allotment, the applicant shall arrive for verifying the respective amendment in geological exploration agreement, upon which he shall be provided with the revised version of the mining right documents. In case if the applicant does not arrive within the mentioned period, the decision on approving the application for enlargement of subsoil allotment shall be repealed.

ARTICLE 44 Amendment of Geological Exploration Program

1. Person holding or applying for geological exploration right for the purpose of mining may make amendments in geological exploration business plan.
2. Each amendment of geological exploration business plan shall become effective after co-ordination with authorized body and making revisions in the environmental plan.
3. Within 30 days after the day of registration of application for enlargement of subsoil allotment provided for geological exploration, the authorized body shall review the amended business plan of geological exploration attached to application and make decision regarding application, about which it shall notify the applicant in writing. If the authorized body does not make decision regarding application within the established period, the application shall be deemed satisfied, while the responsible officer of the authorized entity shall bear responsibility in a manner prescribed by law.
4. Within 10 days after receiving notification from authorized body, the applicant shall arrive for verifying the respective amendment in geological exploration agreement, upon which he shall be provided with the revised version of the geological exploration agreement. In case if the applicant does not arrive within the mentioned period, the decision on approving the application for geological exploration agreement shall be repealed.

ARTICLE 45 Waiver of Geological Exploration Right for the Purpose of Mining on Subsoil Allotment or its Part

1. With the view to disclaiming his right of geological exploration in the subsoil allotment or part of it, a person holding geological exploration right shall apply to authorized body at least 3 months prior to the date of disclaim as indicated in his application.
2. The application shall indicate:
3. desirable date from which disclaim should enter into force,
4. detailed description of works conducted on subsoil allotment, which applicant wishes to disclaim,
5. documents confirming implementation of mentioned works.
6. That application shall describe the section of subsoil allotment which is disclaimed by the mining operator. The following shall be attached to the application:
7. description of the subsoil allotment,
8. amended program of geological exploration,
9. master plan of given allotment, outlining the part of subsoil allotment, which mining operator wants to disclaim.
10. Where certificate relates to the part of subsoil allotment which is subject the geological exploration right, after reviewing the application and amended program of geological exploration, the authorized body within 30 days provide to applicant a waiver, which contains conditions of disclaim from geological exploration right, advising the applicant thereof.
11. Authorized body shall not provide a waiver :
12. to applicant who did not submit documents provided in clause 3, part 2 of the present Article;
13. if the remaining subsoil allotment regarded as the subject of geological exploration right cannot be reasonably and comprehensively used or exploited in accordance with conditions of mining agreement,
14. Waiver shall become effective starting from day mentioned in application defined in present Article or starting from day set by authorized body based on disclaim conditions.

1) If waiver covers the whole subsoil allotment subject to geological exploration right, the geological exploration right for the purpose of mining shall be nullified and geological exploration agreement shall be subject to cancellation after submission of information regarding subsoil allotment to authorized body in established manner,

2) If waiver covers part of subsoil allotment subject to geological exploration right, within 10 days after receiving notification from authorized body, the applicant shall arrive for verifying the respective amendment in geological exploration agreement, upon which he shall be provided with the revised version of the geological exploration agreement. In case if the applicant does not arrive within the mentioned period, the decision on approving the application on disclaiming a section of the subsoil allotment shall be repealed.

1. Waiver from geological exploration right of subsoil allotment or part of is done without prejudice to liabilities and responsibilities towards subsoil allotment or part of, which existed prior to the waiver.

ARTICLE 46 Rights and Liabilities of Person Granted with the Right of Geological Exploration for the purpose of mining

A person granted with the right of geological exploration for the purpose of mining shall have the rights:

1. to perform geological exploration activities within the scope of the territory granted as an exclusive right ;
2. to attract third parties through labor contracts in geological exploration activities carried out for the purpose of mining;
3. has a preference for acquiring mining right for the allotment on which he collected geological information at its own cost
4. Person granted with the right of geological exploration for the purpose of mining shall:

1) carry out the works in accordance with the program coordinated with the authorized body;

2) advice the authorized body about discovery of minerals of industrial significance within 14 days after the discovery;

3) perform control tests to ensure accuracy of data on the quantity, quality and other properties of the metallic minerals in a procedure stipulated by the legislation of the Republic of Armenia;

4) within 60 days after the end of each year, submit to the authorized body interim report focusing on geological exploration works;

5) submit to the authorized body information collected during geological exploration activities in the established manner;

6) provide a nature and environmental impact assessment, including development of a plan on environmental management plan and program for ongoing monitoring;

7) bear other liabilities as defined hereof and in other laws.

ARTICLE 47 Test Extraction and Transportation of Samples of Minerals During Geological Exploration for the purpose of mining

Where provided by business plan of geological exploration, person holding geological exploration right may during the last phase of geological exploration perform test extraction and transportation of samples of minerals from the subsoil allotment provided for geological exploration, if that is deemed necessary for the research purposes with the view to determine value of minerals or carry out examination of minerals. Transportation of minerals from the subsoil allotment provided for geological exploration for other purposes shall be prohibited.

MINING FOR THE PURPOSE OF MINERAL EXTRACTION

ARTICLE 48 Mining Within the Limits of Land Plots Allocated to Legal Persons and Individuals

1. With the view to satisfying their own economic and household needs legal persons and individuals are entitled to conduct extraction of non-metallic minerals not registered in the state balance, at the depth of up to 2 meters, without acquiring mining right, for not-for –profit purposes, as well as build underground facilities at the depth of up to 5 meters in accordance with the procedure established by the Government, by notifying the Authorized Entity.

ARTICLE 49 Application for Obtaining Mining Right

1. A legal person (including foreign commercial company) may apply to authorized body to obtain the mining right from a subsoil allotment, geological information on which is the property of the Republic of Armenia.
2. The application shall indicate:
3. In case of a legal person, copy of state registration certificate, reference about size of statutory capital of the applying legal person,
4. expected period of mining, estimated based on the existing technical and economic indicators,
5. geological description of the subsoil allotment (with a drawn detailed plan comprehensive information regarding confirmed reserves and conditions of minerals in the given deposit), for which the applicant aspires to be granting a mining right;
6. list of confirmed minerals,
7. plan for mining,
8. mine closure plan, which should include:

a) mine physical closure plan, which should include dismantling of infrastructure, machinery, equipment and buildings,

b) reclamation of lands affected from mining, including the reclamation plan during the existence of mine (based on the method mine development),

c) workforce social mitigation program, in a manner defined by the legislation,

d) program for monitoring disposal of industrial dumps emerged during extraction and mine operation and for the purpose of security of and protection of public health in communities close to it,

e) confirming the preparation of the final plan of mine closure two years prior to end of mine operation works,

f) financial guarantees for implementation of mine closure program,

1. data regarding mining right previously held by applicant in the Republic of Armenia,
2. names (name), nationality (in case of legal persons – copy of state registration certificate) of persons holding 10 or more percent of shares of applying legal person, as well as other information regarding those – in accordance with procedure established by authorized body,
3. information regarding financial and technical capacities and means, the content and other conditions of which shall be approved by the Government,
4. financial proposals and guarantees, which should include details regarding operation, capital and operational costs of mine,

ARTICLE 50 Mining Plan

1. The mining plan shall contain:

1) such modes operation systems of opening a deposit, which are in line with the best international practice and shall ensure reasonable and comprehensive, economically feasible industrial extraction of reserves of basic minerals and varietals, ensuring the minimal losses for the environment as well as safe and long-term operation of facilities,

2) details regarding development of planned infrastructures,

3) estimation of expected period of operation of the mine based on the existing technical and economic indicators,

4) assessment of nature and environmental impacts, including development of a plan for environmental management and ongoing monitoring;

5) assessment of social impacts, including:

a) provisions for improving social conditions of population;

b) guarantees for participation in the process of socio-economic development of the community,

6) storage and preservation of removed soil and base ore extracted in parallel,

7) observance of the established rules and norms of work safety, protection of health of employees and nature and environmental protection,

8) reclamation of the affected lands.

ARTICLE 51 Taking Decision on Application for Obtaining the Mining Right

1. Within 10 days after the day of registration of application submitted for the purpose of claiming mining right, the authorized body shall advise the applicant about registration.
2. Within 10 days after the day of registration of application submitted for the purpose of obtaining mining right, the authorized body shall review and submit copies of attached plans to expertise established by present Code. If the authorized body receives positive conclusion on the results of expertise within 12 months after receiving the application, it shall make decision regarding application within 10 days and advise the applicant about it. If the authorized body does not make decision regarding application within the period established hereof, the application shall be deemed satisfied, while the responsible officer of the authorized entity shall bear responsibility for it in a manner prescribed by law.
3. If two or more person submit application for the same allotment or such subsoil allotment, which has a merging part, preference shall be given to the preferential applicant and, in case of his absence, to the person whose application of which was registered first.
4. If documents submitted by applicant are incomplete, or the submitted exploration program or information on financial and technical capacities and means of the applicant does not comply with provisions established by legislation, the authorized body shall advice the applicant about that within ten days. Within ten days after receiving notification, the applicant shall have to remedy the mentioned shortcoming. After elimination of shortcomings and submitting a new application, it shall be deemed registered by authorized body from the day of initial submission. If mentioned shortcoming was not eliminated within the established period, the authorized body shall reject the application.
5. Authorized person may reject application, where:
6. submitted documents or information is false or untrue,
7. subsoil allotment indicated in the application, or part of it, is the object of another mining right,
8. subsoil allotment for which applicant applies, exceeds the territory indicated in the brief business plan of geological exploration provided by the applicant,
9. provision of geological exploration right contradicts with requirements of legislation of the Republic of Armenia, including national security of the Republic of Armenia, as well as international treaties of the Republic of Armenia,
10. any mining right held by applicant in the past has been suspended based on grounds indicated in Article 30 part 5, clauses 3- 5 of the present Code,
11. periods indicated in part 1 of this Article were breached,
12. information about financial and technical capacities of the applicant does not meet the requirements of legislation,
13. subsoil allotment is located in the area defined in Article 26 of the Code,

6, All the grounds for rejection shall be indicated in application’s rejection decision.

7, Rejection of application on grounds not defined in present Article is prohibited

ARTICLE 52 Expert Examination of the Mining Plan

1. After receiving the application for requesting the mining right, the authorized body within the period defined in Article 51, part 2, shall apply to authorized bodies in manner established by law for carrying out expert examinations of:
2. environmental impact and,
3. technical safety drafts
4. In case of negative expert opinion regarding the project, the applicant shall have the right to eliminate shortcomings and submit the project for a new expert examination, within period established in part 3 Article 51 of the present Code.
5. Utilization of subsoil for the purpose of mineral extraction without the state expert examination of the business plan in an established manner, mining shall be prohibited.

ARTICLE 53 Content of use of minerals permission

1. Use of minerals permission shall particularly include:

1) serial number, issuing year, month, day and terms of permission;

2) volume of provided reserves as per classes and annual yield of mine;

3) coordinates of the allotment borders by unified coordination system,

4) types of minerals and varietals.

 2. Attached to the use of minerals permission shall be the program for of use of minerals subjected to respective expert examination, mining agreement and mining site allocation act, which constitute integral parts of permission.

ARTICLE 54 Signing Agreement on Mining

1. Within 10 days after receiving notification from authorized body regarding satisfaction of application for claiming mining right, the applicant shall be invited for verifying mining agreement, upon which he receives the documents confirming his right for mining. In case of not arriving in mentioned term, decision regarding satisfaction of application for mining right shall be deemed repealed.
2. Documents confirming mining right shall be provided immediately after submission of receipt for payment of state duty for mining.
3. Use of minerals permission, mining agreement, mining site allocation and design subjected to respective examination together constitute document confirming mining right.
4. Mining agreement should provide:
	* + 1. types of minerals, extraction of which is permitted to mining operator,
			2. allocated mining site coordinates,
			3. duration of contract according to the project,
			4. expected periods of industrial and raw materials processing works by phases, and in case of parallel conduction of geological exploration works, their schedule,
			5. environment management plan,
			6. provision on elimination of negative impacts related with mining,
			7. information on confirmed reserves of deposit,
			8. procedure on submission of reports and works supervision provided by present Code and legislation,
			9. provisions regarding calculation and payment of fee for use of minerals, environmental protection fund,
			10. provisions regarding the size and implementation periods of the responsibilities assumed in the field of socio-economic development of community,
			11. provisions related with mine closure,
			12. mining agreement may contain other conditions regulating relationships of parties not contradicting with legislation.

ARTICLE 55 Period of Mining Permission and its Extension

1. Permission for mining shall be provided for the whole term of mine operation, however for not more than 50 years, which shall be estimated based on technical and economic indicators of mining of the given deposit.
2. Person holding right for mining may at any moment, but not later than six months prior to the end of validity period of mining permission, apply to authorized body for extension of mining permission term for subsoil allotment or part of it.
3. The application shall indicate:
4. name , address (location) of applicant,
5. requested extension period,
6. information regarding residual or additionally explored reserves of deposit,
7. information regarding suggested amendments in use of minerals and enrichment methods, if such such are planned
8. amended business plan,
9. list of documents attached to application,
10. grounds for extension of the period of use of mining permission.
11. Based on submitted application, agreement may be extended but not for more than requested.
12. Within 20 days after the day of registration of application submitted for the purpose of extension of period of mining permission, the authorized body shall advice applicant about registration of the application.
13. Within 10 days after receiving notification from authorized body, the applicant shall arrive for verifying the respective amendment in the mining agreement, following which within 10 days s/he shall be provided with the revised version of the mining agreement. In case if the applicant does not arrive within the mentioned period, the decision on approving the application for extension of the permission for mining shall be repealed.

ARTICLE 56 Enlargement of Allotment Provided for the Purpose of Mining

1. Person holding the mining right may apply to authorized body for enlargement of subsoil allotment provided to it.

2. The application shall indicate:

1. description of enlarged subsoil allotment – with such detailed plan, comprehensive information, with data on proven, exhausted reserves and extraction ,
2. amended design,
3. details regarding development of newly planned infrastructures, if such are planned,
4. other information at discretion of the applicant.

3. Application submitted for enlargement of subsoil allotment provided by present Article may be rejected by the authorized body if the grounds provided by part 5 Article 51 of present Code exist.

4. All grounds for rejection shall be mentioned in the application’s rejection decision.

5. The authorized body shall notify applicant about registration of application within 10 days from the day of registration of application submitted for the purpose of enlargement of subsoil allotment for mining,.

6. Within 10 days after registration of application on enlargement of subsoil, the authorized body shall submit copies of amended project attached to application to expert examination established by Part 1, Article 52 hereof. Where the authorized body receives positive expert opinion about the program on enlargement of subsoil within 6 months after the day of application registration, the authorized body shall make decision on application within 30 days and advice applicant about that in writing. If the authorized body does not make decision on application within the period established in present part, the application shall be deemed satisfied, while the responsible officer of the Authorized Entity shall bear responsibility in a manner prescribed by law. In case of negative expert opinion on amended design, mining operator shall have right to eliminate shortcomings and submit it for examination again within the period established by present part.

7. Within 10 days after receiving notification from authorized body, the applicant shall arrive for verifying the respective amendment in the mining agreement, following which within ten days s/he shall be provided with the revised version of the agreement. In case if the applicant does not arrive within the mentioned period, the decision on approving the application for enlargement of the allotment provided for mining shall be repealed.

ARTICLE 57 Amendment of Mining Business Plan

1. Person holding or applying for mining right may make amendments in the mining business plan.
2. Each amendment to business plan shall become effective after passing expert examination in established order.
3. Person holding mining right shall apply to the authorized body requesting to review the amended business plan.
4. Within 10 days after registration of application on reviewing the amended business plan, the authorized body shall submit copies of amended project attached to application to expert examination established by Part 1. Article 52 hereof. Where the authorized body receives positive expert opinion about the business plan within 6 months after the day of application registration, the authorized body shall make decision on application within 30 days and advice applicant about that in writing. If the authorized body does not make decision on application within the period established in present part, the application shall be deemed satisfied, while the responsible officer of the authorized entity shall bear responsibility in a manner prescribed by law. In case of negative expert opinion on amended business plan, mining operator shall have right to eliminate shortcomings and submit it for examination again within the period established by present part.
5. Within 10 days after receiving notification from authorized body, the applicant shall arrive for verifying the respective amendments in the business plan, upon which he shall be provided with the revised version of the mining agreement. In case if the applicant does not arrive within the mentioned period, the decision on approving the application for amended business plan shall be repealed.

ARTICLE 58 Waiver of the Allotment Considered Object of Mining Right

1. Person holding mining right, who shall wish to resign from mining right against subsoil allotment or part of it, should apply to the authorized body at least 3 months prior to day of effectiveness of recession desirable for one.
2. The application shall indicate and attached to it submitted:
	1. desired date from which disclaim should enter into force,
	2. detailed description of works conducted on subsoil allotment, which applicant wishes to disclaim,
	3. mine closure plan, including:

a) dismantling of infrastructures, machinery, equipment and buildings,

b) reclamation plan of lands affected by mining activities, including reclamation activities over the life of the mine,

c) workforce social mitigation plan, which provides for creation of job places after closure of the mine, re-training and professional development issues

d) monitoring program on disposal of industrial dumps emerged during mine operation, for the purpose of security of community and protection of population health,

* 1. financial guarantees for mine closure plan,
	2. documents confirming implementation of mentioned works.
1. Attached to the application for disclaim of the mining right shall be the design outlining the part of subsoil allotment, which mining operator wants to disclaim, as well as the amended business plan.
2. The authorized body shall provide to applicant the waiver within 30 days, indicating provisions of disclaim informing the applicant thereof.
3. The authorized body shall not provide waiver, if:
4. applicant failed to submit documents provided in part 2 of present Article,
5. the allotment remaining subject to mining right may not be reasonably and comprehensively used or operated in accordance with conditions of mining agreement,
6. part of the allotment, in respect of which the mining operator shall wants to disclaim its mining right, may not be deemed independent subject of mining right. This provision shall not apply where the existing technical and economic indicators regarding given subsoil allotment are not sufficient for considering it separate subject of mining right.
7. Waiver shall become effective starting from day mentioned in application provided by present Article or the date fixed by authorized body based on waiver conditions. If waiver covers the whole allotment considered subject of mining right, the mining agreement shall be considered annulled from the same day.
8. If waiver covers part of allotment considered subject of mining right, the mining operator shall apply to authorized body for reviewing the amended business plan. Within 10 days after registration of application on disclaiming mining right over part of the allotment, the authorized body shall submit copies of amended project attached to application to expert examination established by Part 1. Article 52 of the present Code.
9. Where the authorized body receives positive expert opinion about the application on disclaiming mining right over part of the allotment within 6 months after the day of application registration, the authorized body shall make decision on application within 10 days and advice applicant about that in writing.
10. Within 10 days after receiving notification from authorized body regarding satisfaction of the application, the applicant shall arrive for verifying the amended agreement, upon which he shall be issued the mining right. In case of not arriving in mentioned term, decision regarding satisfaction of application the amended business plan shall be repealed. Where no decision is taken, the authorized body within the established period, the application is deemed satisfied, while the responsible officer of the authorized entity shall bear responsibility in a manner prescribed by law.
11. In case of negative opinion provided by expert examination on the amended business plan, the applicant may remedy the failures and apply again. Within ten days after the remedied business plan receives a positive expert examination opinion, the respective changes shall be introduced therein.
12. Disclaim from mining right against subsoil allotment or part of it shall not dispense from liabilities and responsibilities against subsoil allotment or part of it emerged before recession shall become effective.
13. Waiver from mining right is a basis for termination of rights of mining operator over the allotment or part of it.

ARTICLE 59 Rights and Responsibilities of Person Receiving the Right of Mining

1. Person receiving mining right may:
2. carry out geological exploration and mining within the borders of the provided allotment through an exclusive right,
3. enter the subsoil allotment and implement all necessary activities provided in the program for the purpose of mining and exploration,
4. build buildings, premises, communication channels, install equipment, transport, enrich mining extracted during mining works for the purpose of mining,
5. dispose extracted minerals,
6. during the effective period of mining right, use industrial dumps which emerged as a result of its own activities by observing requirements of present Code,
7. involve third parties into implementation of geological exploration works conducted within limits of the mining right provided to it by signing labor contracts,
8. apply to the authorized body for amendment of the mining agreement where unforeseen essential circumstances emerge,
9. apply for early dissolution of its mining right, pending to fulfillment of responsibilities provided by agreement and law.
10. Person receiving mining right has other rights provided by present Code and other laws.
11. Person receiving mining right shall:
12. implement works in accordance with conditions of mining agreement and program,
13. follow instruction of authorized body regarding observance of requirements of legislation,
14. during extraction, transportation and processing of minerals, observe provisions of standards, norms and rules accepted in the Republic of Armenia,
15. observe provisions on use of minerals indicated in the program,
16. prepare geological, surveyor and other documentation during all types of mining works,
17. keep daily log on flows of mining reserves,
18. submit to authorized body quarterly and annual reports regarding flows of mining reserves,
19. submit to authorized body necessary geological information,
20. collect, keep and submit to authorized body data on reserves of explores, extracted minerals and minerals left in subsoil, elements contained therein, quality and quantity of the elements they contain, ,
21. ensure safe implementation of works related with mining,
22. ensure protection of subsoil, atmosphere, soil, forests, water reservoirs and other objects of environment, as well as buildings and other constructions from detrimental impact of mining activities,
23. ensure protection of natural, historical and cultural monuments from detrimental impacts of mining activities,
24. restore and improve lands (reclamation) affected as a result of mining activities, in accordance with mining program and extraction agreement, as well as make them appropriate for economic use or bring to safe state,
25. advice the authorized body about discovery of mineral accumulations not indicated in the mining agreement, within 14 days after the discovery.
26. in case of not extracting newly discovered minerals for mining purposes, provide their storage in manner established by the Government.
27. ensure implementation of mine closure plan;
28. ensure payment envisaged for monitoring of mineral extracted territory, disposal of industrial dumps emerged during mine operation and for the purpose of security of communities close to it and protection of population health.
29. Not later, than once in five years the conditions and deposits of the mines (allotments) under operation shall be subjected to re-assessment and submitted to the Authorized Body for re-approval.
30. Person receiving mining right shall bear other responsibilities defined by present Code and other laws.

ARTICLE 60 Freezing of Mine Workings and Constructions

Freezing of mountainous scoops and buildings related with mining shall be made by the Mining Operator in accordance with the design – in a manner established by the Government.

USE OF MINERALS FEES

ARTICLE 61 Types of Use of Minerals Fees

1. Mining shall be subject to payment, excluding cases provided in Article 62 of present Code
2. During mining the following payments shall be made:
3. environmental fee for implementing environment protection measures,
4. contributions to nature and environmental protection fund (reclamation), for restoration of lands damaged by mining activities,
5. fee for monitoring or the program, ensuring safety and health of people in the areas of mining, and disposal and storage of industrial waste,
6. fee for use of minerals, (except metallic), use of minerals deemed as state property,
7. royalty for metallic minerals, use of minerals deemed as state property,
8. state duty for provision of mining authorization.
9. Fee provided in clauses 1, 4 and 5, part 2 of present Article shall be paid in the manner established by the Law of the Republic of Armenia on Environmental and Natural Resource User Fees.
10. Fee provided in clause 2, part 2 of present Article shall be paid in case and manner established in Article 69 of present Code.
11. Procedure of calculation and payment of the fee provided in clause 3, part 2 of present Article shall be defined by the Government.
12. Fee provided in clause 6, part 2 of present Article shall be paid in the manner established by the Law of the Republic of Armenia on Stamp Duty.

ARTICLE 62 Exemption from Use of Mineral Fees

Mining duty shall not be paid by mining operator, which:

1. in accordance with Article 48 of present Code conduct mining of non-metallic minerals for household purposes within borders of land plots (regardless of the ownership form) provided to them,
2. conduct regional geological explorations (monitoring of volcanoes and exogenous geological phenomena, including engineering and hydro-geological research, etc),
3. collect mineralogical, archeological and other collections,
4. conduct research, description and preservation of unique geological formations and natural monuments.

STATE REGISTRATION IN MINING FIELD

ARTICLE 63 State registration of reserves of minerals, deposits, outcrops and minerals

1. Geological exploration works shall be subject to state registration.
2. Conduction of geological exploration works without state registration shall be prohibited.
3. Mineral reserves, deposits and outcrops shall be subject to state registration carried out in the form of state balance of mining reserves, as well as cadastre of deposits and outcrops.
4. Mining fund is established based on state registered data on reserves of minerals, deposits, outcrops, geological explorations.
5. Opinion of expert examination on mineral reserves shall serve as a basis for their registration and accounting in the state balance sheet,
6. Mineral reserves registered in the state balance sheet shall be written out if they:
	1. were exhausted
	2. deteriorated during extraction
	3. lost industrial significance for technical reasons,
	4. have been dismissed during additional expert examination or industrial extraction of minerals.
7. Based on the results of reassessing the mineral reserves, the respective amendments shall be introduced in the state balance sheet
8. Register of geological exploration works and sectors of subsoil , state balance sheet of mining reserves and cadastre of deposits and developments shall be administered by authorized body, in manner established by the Government.
9. State balance sheet of mining reserves shall be compiled and periodically amended based on confirmed reserves and on respective information (statements) submitted by mining operators in established manner. It shall contain information regarding quantity, quality and level of exploration of all types of discovered minerals of industrial significance contained in deposits, explored and initially assessed reserves of an operating or projected industrial enterprise.
10. State cadastre of deposits and outcrops shall be administered based on information accumulated by the authorized body. It shall contain data describing geological structure of each deposit and outcrop, explored, assessed, initially assessed and predicted reserves of minerals contained there, technical, hydro-geological, and environmental and other terms of mines operation, as well as economic-geological evaluation.

PRESERVATION OF NATURE AND ENVIRONMENT AND SUBSOIL DURING MINING

ARTICLE 64 Terms of preservation of nature and environment during mining

1. Mining operator shall ensure carrying out of the following measures:
2. protection and preservation of environment, water basins, soil, fauna and flora,
3. maintenance of the regime of special protected national parks,
4. for mining purposes, implementation of reclamation, leveling, greening, tree planting works on lands shattered as a result of implementation of mining works, recovery of cultivated mining areas,
5. implementation of measures to use, extract, neutralize and minimize industrial waste
6. observe standards on use, collection, transportation, storage, maintenance, processing, extraction, disposal, rendering harmless, sewage kick, and burial of hazardous materials and industrial and consumption waste (except radioactive),
7. observe provisions of the expert examination on environmental impact and implement the prescribed measures,
8. comply with provisions of pay use of minerals fees,
9. comply with provisions on keeping and providing environmental administrative statistics,
10. ensure fulfillment of contractual obligations aimed at protection of nature and environment.

ARTICLE 65 Main Requirements of Subsoil Protection

1. Main requirements of subsoil protection are:
2. ensuring availability of accurate information regarding subsoil structure, quantity, quality and other characteristics of mining contained in it, based on complete and complex geological exploration,
3. observance of established procedures of mining and prohibition of unauthorized mining. In the meaning of present clause, as unauthorized mining shall be deemed violation of business plan of geological exploration.
4. ensuring accurate registration of mineral reserves flow,
5. full extraction of mineral reserves and reasonable comprehensive use, storage and maintenance of main minerals and varietals,
6. prevention of unauthorized construction on surface of the deposits and observance of rules for using these surfaces for other purposes,
7. filling, isolation or fencing of mountain scoops;
8. protection of the deposits of minerals from fire, flood, and other factors which may deteriorate the quality, reduce industrial value, or affect operation of the deposits.

ARTICLE 66 Preservation of subsoil allotments representing scientific and scientific-cultural values

1. In case of discovery of rare geological bleakness and mining formations, meteorites, other objects representing special archeological, antiquarian, scientific and scientific-cultural values mining operators shall discontinue works in respective allotments and inform authorized body about that.
2. Status and preservation regimes of rare geological bleakness, mining formations, archeological objects and other subsoil allotment representing special scientific and scientific-cultural values shall be established by the Government.

ARTICLE 67 Sanitary protection zones of underground waters deposits

1. According to legislation of the Republic of Armenia, for the purpose of prevention of contamination and preservation of underground waters deposits and water-bearing stratums, sanitary protection zones around pumps and springs shall be established, within limits of which measures excluding possible contamination of soil, water, atmosphere and green spaces as well as land degradation shall be conducted.
2. Design of sanitary protection zones shall be made based on environmental requirements (hydro-geological, hydrological and sanitary norms), which shall be integral part of design of deposit and water-bearing stratum operation and water supply and shall be coordinated with authorized body.
3. Within limits of sanitary zones, mining operators shall have exclusive right for activities and any activity by any other person may be conducted only subject to consent of mining operator.

ARTICLE 68 Financing of subsoil protection measures

1. Financing of nature and environment and subsoil protection measures shall be made at the expense of mining operators.
2. In case of fires, floods, earthquakes, storms or other natural disasters, as well as explosions, war, terrorist attack, civil war, riot, insurgence, nationalization and other force majeur , subsoil protection measures of special importance shall be implemented by state programs, at the expense of the state budget or other financial sources not prohibited by the Republic of Armenia legislation, as part of general nature protection program.

ARTICLE 69 Nature and Environment preservation fund

1. A nature and environment preservation fund shall be established at the expense of fixed contributions made by mining operators. Procedure on use of funds and calculation of contribution sizes shall be established by the Government.
2. Commitment of mining operator to make allocations for nature and environment preservation fund shall be included in the mining agreement.
3. Proceeds of nature and environment preservation fund shall be kept at the extra-budgetary account of the authorized body opened with the Central Treasury shall be used exclusively for the purpose of:
4. execution of environmental (including reclamation) works indicated in the technical plan, implemented by mining operator,
5. execution of environmental works (including reclamation) indicated in the technical plan, but not implemented by mining operator,
6. liquidation of damage caused to nature and environment as a result of mining operator’s activity and not remedied by it.
7. Amount provided to mining operator from fund for implementation of environmental works may not exceed contributions made by mining operator under part 1of present Article.
8. After conduction of measures provided by present Article, balance of contribution paid to nature and environment preservation fund by mining operator shall be reimbursed to mining operator.

ARTICLE 70 Environment Protection (Including Reclamation)Works

1. Mining operator shall be obliged to implement environment protection (including reclamation) works within period and in manner established by technical plan, as well as in accordance with provisions of mining agreement.
2. In case of amendment of technical plan, enlargement of subsoil allotment, disclaim of mining right over subsoil allotment or part of it, provision of agreement regarding size of contributions for nature and environment preservation fund shall be subject to respective amendment.
3. If mining operator fails to implement environment protection (including reclamation) works provided by technical plan or mining agreement, the authorized body shall request mining operator in writing to implement mentioned measures within period established by it.
4. In case of non-fulfillment of request mentioned in part 3 of present Article, the authorized body shall initiate measures necessary for implementation of mentioned works at the expense of means of nature and environment preservation fund, notifying mining operator about that in advance.
5. With the financial resources contributed by the Mining Operator within the timelines set for mine closure, the Authorized Entity shall conduct on-going monitoring, for prevention of future disasters and development of preventive measures to ensure the safety and health of the people in communities close to the industrial area, placement of industrial dumps emerged during the extraction as well as in neighboring communities .

ARTICLE 71 Dismantling of mining complex

Mining operator shall be obliged to dismantle the mining complex in accordance with the mine closure program stipulated by clause 6, part 2, Article 49, hereof.

STATE CONTROL OVER MINING AND SUBSOIL PROTECTION

ARTICLE 72 Objectives of state control over mining and subsoil protection

1. Objectives of state control over mining and subsoil protection are:

1. ensuring state control for the purpose of compliance with the legislative norms on mining,
2. ensuring observance of procedures mineral reserves flows, state registration of deposits and reporting, established by the legislation of the Republic of Armenia,
3. identification of offences in the mining sector and taking the respective decision in compliance with the Republic of Armenia Code on “Administrative Offences”,
4. promoting prevention and reduction of detrimental impacts on subsoil as a result of mining,
5. prevention of excessive and unauthorized extraction and use of minerals.

ARTICLE 73 Main directions of state control over mining and subsoil protection

1. State control over mining and subsoil protection shall be implemented in the following directions:
2. ensuring that established requirements for use, preservation of subsoil and provision of subsoil for use are met,
3. ensuring that mining requirements established for geological exploration, results of mineral extraction and processing, operation of deposits, and location of waste are met,
4. ensuring the accuracy of administration of geological and surveyor documentation during mining, that the requirements established for implementation of stock-taking of movements/flow/ of minerals and submission of information are met,
5. ensuring that mining works are performed in accordance with business plans for exploration and extraction and designs,
6. ensuring that mining requirements and measures indicated in documents subjected to expert examination are met,
7. ensuring that requirements of the procedure for registration of payers of fee for use of minerals are met,
8. ensuring the procedure for estimation of == actual quantities treated as objects of fee for use of minerals and fees and calculation reports,
9. ensuring the procedure for maintaining and submission of mining administrative statistics.
10. State control over mining and subsoil protection shall also extend over observance of contractual liabilities of mining operators as defined by law.

ARTICLE 74 Body implementing state over mining and subsoil protection

1. Implementation of state control over mining and subsoil protection shall be provided by the authorized body, through state subsoil inspection system, structure of which shall be established by the Government ..
2. State subsoil inspection system is a complex of structural and territorial units of subsoil control state inspection.
3. Territorial units are structures implementing control over observance of requirements of legislation on mining through administrative and territorial principle.

ARTICLE 75 Classification of positions of state inspectors

1. Positions of public inspectors for subsoil are:
2. Chief subsoil public inspector of the Republic of Armenia,
3. Deputy chief subsoil public inspector of the Republic of Armenia, ,
4. Senior subsoil public inspector of the Republic of Armenia,
5. Subsoil republican public inspector,
6. Senior subsoil control public territorial inspector,
7. Subsoil control public territorial inspector.
8. Positions and ranks of persons classified in part 1 of present Article shall be indicated in civil passports of officials occupying respective civil service positions as defined by the law of the Republic of Armenia on Civil Service and other legal acts.

ARTICLE 76 Authorities of subsoil public inspector

1. Subsoil public inspector is authorized:
2. check observance of legislation on mining,
3. have free access to office, facilities, warehouse, laboratory and other territories and sub-units of audited entities accompanied by representative of the entity,
4. request documents, data, explanations, references, as well as take test samples, put seals and make measurements during audits, which shall be directly related with objectives of audit,
5. in case of identifying record violations of mining legislation,
6. confiscate illegally extracted or purchased minerals or production made as a result of their processing in manner and cases provided by law,
7. involve specialists and expert during audits in manner established by law,
8. apply enforcement measures in manner established by law,
9. institute legal proceeding in case of identifying administrative delinquency and make respective decisions through investigation of cases,
10. submit petition to the authorized body regarding termination of mining agreements,
11. based on the result of audits, prepare respective documents on estimation of registered and not registered actual volumes of objects which are subject to environmental fee,
12. file a claim to the court in cases and manner established by law,
13. hand in an application to law machinery on calling to criminal liability for violation of mining legislation.
14. Subsoil control public inspector may have other authorities provided by laws of the Republic of Armenia.

ARTICLE 77 Forms of state control over mining and subsoil protection

1. State control over mining and subsoil protection shall be implemented through inspections, audits and off-site examinations in manner established by the Law of the Republic of Armenia on Organizing and Conducting Inspections in the Republic of Armenia in accordance with the provisions of present Code.
2. Subsoil control public inspector must file a copy of report defined in clause 10part 1, Article 76 of present Code to tax inspectorate.
3. Authorized body must provide tax inspectorate with information on signed mining agreements.

ARTICLE 78 Liability for Violation of Provisions of this Law

1. Mining operators and their officials are subject to liability for violation of provisions of this law in the manner prescribed by the laws of the Republic of Armenia.
2. Performance of mining without mining license is prohibited. Use of minerals or carrying out of geological exploration without having the permits established by this law generates liability for illegal entrepreneurship as defined in the Republic of Armenia law “On Taxes”.

CHAPTER 11

DISPUTE SETTLEMENT

ARTICLE 79 Dispute Settlement Procedure

Any disputes arising during the period of exercising mining rights shall be settled in accordance with the Republic of Armenia laws and other legal acts.

CHAPTER 12

TRANSITIONAL AND FINAL PROVISIONS

ARTICLE 80 Transitional Provisions

1. Present Code shall apply to legal relationships arising during mining activities after the Code enters into force, unless provided otherwise by present Code.
2. Contractual or other legal relationships arising during mining activities carried out before the present Code enters into force shall be subject to the same rights and responsibilities, which shall apply after the Code enters into force.
3. Mining rights provided before present Code enters into force shall remain in force.
4. Those mining operators, which by the date when present Code enters into force do not have registered rights over the land plots that are necessary for mining, may apply to the head of respective community in the established manner for land allocation.
5. Mining licenses provided before shall stay in force until receiving a permit pursuant to new Code. In case of reissuing the right of mining, period for provision and effect of the new permits are deemed as periods established under licenses granted before this law entered into effect.
6. Within 12 months after this law enters into effect, mining operators shall apply to the authorized body for reissuing their mining right (license, contract, act on mining site allotment). In case of reissuing the right, additional payments from mining operator shall not be levied.
7. In case if mining right (license, contract, act on mining site allotment) is not reissued within 6 months after the new Code enters into effect, activities of a mining operator shall be deemed as illegal entrepreneurship, whereby the respective sanctions shall apply.
8. From the moment this Code becomes effective, when the conserved and unused industrial dumps (tailing facilities) shall be provided for utilization, the Operator shall be exempt from the duty of paying the Natural Resource User Fees for Use and (or) Royalty. In case the operation of mentioned tailing facilities shall be resumed, the Natural Resource User Fees and (or) Royalty shall be paid in a manner established in Clause 9 of the present Article.
9. From the moment this Code becomes effective, if the industrial dumps (tailing facilities) under operation at that time shall be provided for utilization, the Operator shall offset the amount of the Natural Resource User Fees and (or) Royalty, which has already been paid as Natural Resource User Fees and (or) Royalty for the minerals. The procedures for offsetting the payment shall be defined by the Government.

ARTICLE 81 Final Provisions

1. Present Code shall enter into force from January 1, 2012.
2. Upon entering of this Code into force to Mining Code of the Republic of Armenia, dated November 6, 2002, the Law of the Republic of Armenia HO-440-N, dated November 5, 2002 on Provision of Subsoil for Exploration and Concession for the Purpose of Mining and clauses “a”, “b”, “c” and “d”, paragraph 4, part 1, Article 22 of the RA Law “On Environmental Control”, HO-82-N, dated April 11, 2005 shall be repealed, while clause “f” shall be rephrased as follows: “fulfillment of liabilities on implementation of environment protection measures provided under the right of mining operators”.
3. Before adoption of law on peculiarities of geological explorations and extraction of petroleum and natural gas, and law on peculiarities of mining for the purpose of extraction of radioactive raw materials the aforementioned relations shall be regulated by decrees of the Government.

REPUBLIC OF ARMENIA

President S. SARGSYAN