



# Construction and Assembly Stage

*In this stage, the required infrastructure to begin the exploitation activities is prepared.*

## What is the Construction and Assembly stage?

The construction works is the necessary infrastructure for the smooth functioning of the supporting and management activities of a mining company. The assembly works refer to the preparation of the mining faces and the installation of the necessary works, services, equipment and machinery to perform activities of extraction, collection, storage, internal transportation, and utilization of minerals.

The construction, installation and assembly activities must meet the features, dimensions and quality standards pointed out in the approved Construction and Works Plan (P.T.O., Spanish). However, concessionaires may make the necessary changes and additions as long as they inform them to the Mining and Environmental Authorities beforehand.

## What is the duration of the Construction and Assembly stage?

The duration of this stage is 3 years. Concessionaires may request an extension for up to one (1) year. If the extension is granted, the exploitation stage is delayed until the construction and assembly extension ends.

## When does the Construction and Assembly stage begins?

The construction and assembly stage starts once the contracted area has been delimited so that the exploitation works and activities –including the activities specifically needed for profit-, internal transportation, supporting services and environmental works may commence. All those activities must be approved in the Construction and Works Plan and in the Environmental Impact Study.

## Are early exploitation activities allowed during the Construction and Assembly stage?

Concessionaires may start mineral extraction, profit, transportation, and commercialization activities during the building and assembly stage as long as the infrastructure and installed equipment allows them to have the necessary quality and quantities required. To such purpose, concessionaires must inform the concedent authority, in writing and in advance, in compliance with a provisional and early exploitation Construction and Works Plan.

CONSTRUCTION AND ASSEMBLY STAGE MILESTONES
<input type="checkbox"/> Three-year term, extendable for up to 1 more year
<input type="checkbox"/> Compliance with the Work Statement
<input type="checkbox"/> Submission of Mining Basic Form (F.B.M, Spanish)
<input type="checkbox"/> Environmental License
<input type="checkbox"/> Early Exploitation
<input type="checkbox"/> Submission of mining-environmental policy
<input type="checkbox"/> Payment of ground rent



## What are the main activities performed during the Construction and Assembly stage?

- A. Adjustment of the Construction and Works Plan Designs  
Once the Construction and Works Plan has been approved, concessionaires must design a specific plan for the activities to be performed as part of the mining project in the short, medium and long term. The same applies for the supporting building and assembly activities so that the mining operations have as little impact as possible on the environment in those ecologically sensitive areas. In case of changes and/or additions to the Construction and Works Plan designs, concessionaires shall inform of the situation to the competent mining and environmental authorities in advance.
- B. Opening and developing of the mine faces and infrastructure works for benefit and transformation  
These activities deal with the preparation, implementation and starting up of the mineral extraction, collection, storage, internal transportation and benefit. Mine faces must be opened according to the characteristics of the deposits and the environmental sensitivity of the area. Likewise, the basic structures and designs must be set in such way they provide stability and safety conditions during the extraction activities.
- C. Civil and infrastructure works  
These works are vital for the smooth functioning of the supporting and management activities of the mining operations. Such works must be consistent with the magnitude of the mining project and must consider the environmental restrictions.

## Must the Mining Basic Form (FBM, Spanish) be submitted during the Construction and Assembly stage?

Yes. The Mining Basic Form (FBM) is a document that collects all the necessary information related to mineral exploration and exploitation activities in the mining title. Therefore, the Mining Basic Forms are deemed as a contractual obligation present in all the 3 contractual stages of the mining concession, and the mining right holders must submit it in all the stages of the mining concession.

### **Legal References**

*Mining Code – Act 685 of 15th August 2001*

*Environmental Legal Framework - Act 99 of 1993*

*Mining-Environmental Guide - Resolution 18-0861 of 20th August 2002*

