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Mining and Natural Resources Investments in Türkiye

A practical guide to acquisitions, operations and investment protection

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68
PRACTICAL QUESTIONS

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Investment roadmap and transaction structures

The guide follows a mining investment from site selection through closing and rehabilitation. First establish the mineral group, licence position and land access. Then align permissions, the production project and financing within one timetable. Transaction documents should turn the resulting obligations into closing conditions with a named responsible party and documentary completion evidence.

Stage	Principal review	Transaction consequence
Site and rights	Mineral group, coordinates, term, registry and production data	Definition of the right and scope acquired
Permits and land	EIA, forestry, land access, operating and facility permits	Permit schedule, responsible party and closing conditions
Operations	Project, contractors, safety, sales and environmental duties	Operating budget, contracts and compliance timetable
Financing	Security, cash flow, insurance and contractual continuity	Drawdown conditions and control arrangements
Exit and closure	Transfer, termination, registry and rehabilitation	Price adjustments, security release and closure evidence

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Structure	Investor's position	Review and documentation focus
Licence transfer	Acquirer of the mining right	Transfer approval, financial duties, registry and associated permits
Share acquisition	Shareholder in the licence-holding company	Company liabilities, share-transfer approvals, control and historical exposure
Royalty arrangement	Contractual operating relationship within a defined area	MAPEG approval, coordinates, term, production, payment and exit

Questions 7-8, 21-24 and 33-42 explain the legal framework. Where a transaction combines structures, document each structure's approvals and allocation of responsibility separately.

INVESTMENT FILE / 02

1. Legal framework and institutional structure

1. What are the principal legal sources governing mining in Türkiye?

Türkiye's mining framework combines State authority over mineral resources with exploration and operating rights granted to investors. Article 168 of the Constitution places natural wealth and resources under State dominion and control and permits the transfer of exploration and exploitation rights to natural and legal persons for specified periods. Mining Law No. 3213 implements that constitutional framework through licensing, operating and financial obligations, supervision and sanctions. The entitlement acquired depends on the mineral group, licence type and duration, project stage and special provisions applicable to the site. Constitution, Article 168; Mining Law, Articles 1-3 and 16-24.

The principal implementing instrument is the Mining Regulation, published in Official Gazette No. 32040 of 11 December 2022. Its rules on applications, exploration and operating periods, technical reporting and administrative procedures must be read alongside the current Law. Tendering, electronic applications and technical documentation may also engage specific instruments. Legislative history matters: amendments introduced by Law No. 7554 in 2025 changed licensing, permissions, exploration programmes and rehabilitation obligations. Existing investment files prepared under earlier rules therefore require reassessment. The application date, licence date and applicable transitional provisions should be considered together. MAPEG's 2026 announcement on the Regulation and application practice; implementation announcement concerning Law No. 7554.

Development requires compliance with mining legislation and the site's environmental and land conditions. Depending on the project, the review includes Environmental Law No. 2872 and the EIA Regulation; depending on land status, it includes Forestry Law No. 6831, Pasture Law No. 4342, Cultural and Natural Assets Protection Law No. 2863 and their implementing instruments. Planning rules and the Mining Law's special treatment of temporary mining facilities govern relevant structures. Occupational Health and Safety Law No. 6331 and the Regulation on Occupational Health and Safety in Mining Workplaces govern worker protection. The licence footprint, mining method, facility layout and land use together determine the sequence and scope of required steps. Mining Law, Articles 7 and 24(11).

For investors, this structure calls for diligence connecting mining title, surface rights, environmental permissions and operating obligations. An acquisition of an operating site should compare the remaining licence term and transfer conditions with the area, production methods and facilities covered by existing permissions. If increased capacity or a new facility is planned, the review should identify how the existing documents accommodate that change. Depending on their effect, outstanding matters should be reflected in acquisition closing conditions, the investment timetable and financing drawdown requirements.

2. Do minerals belong to the landowner?

Mineral rights and ownership of the surface rest on different legal foundations. Article 4 of the Mining Law places minerals under State dominion and control and separates them from ownership of the land in which they occur. Purchasing a property should therefore be structured separately from acquiring the authorisation to explore for or extract its minerals. The mining right is obtained through the applicable licensing process. Mining Law, Article 4.

Surface use requires a separate legal relationship with the owner, public authority or other relevant right-holder. Private land may require a lease, easement or another enforceable right of use; public land engages its own allocation and permission regime. Expropriation under Article 46 requires a separate examination of the statutory conditions.

Private, forest, pasture and Treasury land consequently present different procedures and timetables.

Diligence should plot licence coordinates and cadastral parcels on the same map. Access arrangements must cover the pit and the roads, waste-rock areas, stockpiles and facilities required for the project. Land agreements should align their duration, transfer provisions and termination events with the licence and financing timetable. Establishment of the necessary surface rights should be made a closing or construction condition where access is critical.

3. Which resources fall outside the Mining Law?

The applicable natural-resources regime follows the legal classification of the resource. Article 2 of the Mining Law defines the scope of economically and commercially valuable substances occurring in the earth's crust and water resources while distinguishing petroleum, natural gas, geothermal resources and water, which engage separate regimes. Technical identification, chemical characteristics and intended use should support that classification. Mining Law, Article 2.

Petroleum and natural-gas activities require consideration of Turkish Petroleum Law No. 6491; geothermal resources and natural mineral waters require consideration of Law No. 5686. Petroleum Law, Articles 1-2; Geothermal Law, Articles 1-2. Water abstraction for a mine, geothermal energy development and extraction of a mineral as ore can therefore produce different permission chains. Where several resources or activities coexist, each should be classified against the actual project design.

Before filing, investors should confirm classification through technical evidence and the competent authority's records. A file prepared under the wrong regime may require changes to the title sought, authority, site boundaries and financial requirements. Acquisition documents should describe the resource, existing administrative entitlement and intended use with corresponding precision. That exercise also identifies whether additional rights must be obtained before the proposed business can proceed.

4. Which authorities are principally involved?

Central mining licensing and registry functions sit with the Ministry of Energy and Natural Resources and the General Directorate of Mining and Petroleum Affairs (MAPEG). The Mining Law and MAPEG's organisational provisions allocate responsibility for licence files, technical assessment, inspections and administrative decisions. Whether a particular step requires ministerial approval or a decision of the General Directorate must be determined from the provision governing that step. Mining Law.

Environmental assessment, land use and facility permissions involve additional authorities. The Ministry of Environment, Urbanisation and Climate Change and its competent provincial units participate in environmental procedures; the Ministry of Agriculture and Forestry and relevant units handle forestry and pasture matters. Cultural-heritage bodies and the authority designated for workplace licensing also have roles. Article 7 and the coordination arrangements adopted after the 2025 amendments require particular attention.

A project timetable should use a permission matrix explaining each document's legal effect. An opinion, approval, allocation, EIA decision and operating permit perform different functions. Recording the applicant, geographical scope, duration, conditions and effect on subsequent steps shows which document controls closing or the commencement of production. Responsibility for obtaining and maintaining each permission should then be assigned in the project contracts.

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2. Investor, company and joint-venture structure

5. Who may hold mining rights?

Article 6 of the Mining Law identifies the persons eligible to hold mining rights: Turkish citizens with legal capacity, companies with legal personality incorporated under Turkish law, and the authorised public bodies specified in the provision. The right is granted to a single natural or legal person. The restrictions applicable to public officials also form part of eligibility review. Mining Law, Article 6.

For foreign investment, the investor and the licensee should be treated as distinct legal persons. An investment may be structured through a shareholding in a Turkish-incorporated company. The licensee remains a Turkish-incorporated company; land use, control and resource-specific restrictions require separate review. The former requirement that the company's constitutional documents expressly provide for mining was removed in 2019 by Article 7 of Law No. 7164.

Before the transaction, the commercial registry, current signing powers and ownership chain should be reconciled. The company's identity must match the licence and application records, its representatives must have authority for the relevant action, and required corporate resolutions must be obtained. In a joint venture, the parties should identify the licensee at the outset and align financing and operating contracts with that entity's rights and responsibilities.

6. Why do the company's constitutional documents matter?

The constitutional documents determine how representation, decisions and shareholder relations operate within the mining investment. Licence applications and project contracts must be executed by persons authorised to act for the company. Although the former mining-object requirement in Article 6 was removed in 2019, corporate identity, valid incorporation and representation remain relevant to the licensing file. Mining Law, Article 6; Law No. 7164, Article 7.

Company objects remain separately relevant to land acquisition by foreign-invested companies within Article 36 of the Land Registry Law: that provision links acquisition and use to activities stated in the constitutional documents. Land Registry Law, Article 36, TKGM official text.

Share ownership in the company and ownership of the mining right operate at different levels. Article 5 preserves the integrity of mining rights, preventing their division into separate independent entitlements held by different persons. Investors instead structure economic participation through shares in the licensee or contractual arrangements. This distinction explains why a share transfer and an administrative licence transfer need separate legal analysis.

The constitutional provisions on representation, voting and share transfers should be checked against the shareholders' agreement. Responsibility for capital increases, borrowing, security and budgets should be explicit. Where preserving the licence requires a time-sensitive payment or filing, the approval process must allow completion on time. A workable authority and notification mechanism should support mandatory licensing actions while preserving the parties' agreed control over commercial decisions.

7. What should a mining joint venture regulate?

A mining joint venture must connect the investors' economic participation with the licensee's continuing legal obligations. Applications, notices, payments and technical work under the Mining Law attach to designated persons and deadlines. The parties' internal allocation should enable the person responsible in the licence file to perform those obligations on time. Mining Law, Articles 5, 6 and 10.

Funding calls, annual budgets, exploration programmes, reserve development, production plans, additional equity and borrowing should operate together. Dilution or exit following a funding default requires a clear calculation method. Technical decisions should be distinguished from commercial decisions that change investment strategy, while authority to preserve the licence and address safety or environmental emergencies should remain effective.

Share transfers, changes of control and exit arrangements should be mapped against any applicable administrative approval requirements. Deadlock procedures must be capable of resolving urgent matters before the next licensing deadline. For lengthy exploration projects, the agreement should also cover ownership of data, access to reports and delivery of records on termination. The shareholders' agreement, constitutional documents and operating contracts should ultimately reflect a consistent allocation of budgets, authority and responsibility.

8. What are the principal checks for a foreign investor?

The starting point for foreign investors is the allocation of roles among the Turkish licensee, operator and financier. Article 6 of the Mining Law governs the licensee's eligibility, while Articles 1-3 of Foreign Direct Investment Law No. 4875 supply the general investment framework. Foreign Direct Investment Law. The shares or assets being acquired should be matched to the holder of the mining right, and any special rules on administrative transfer or control should be examined for the transaction concerned. Mining Law, Article 6.

On the land side, acquisition or use of property by a foreign-invested company requires separate review under Article 36 of the Land Registry Law and applicable geographical restrictions. Military and security zones, protected status and resource-specific regimes may affect location and structure. Land Registry Law, Article 36, TKGM official text. If an administrative designation of a mineral as strategic or critical is relevant, its legal source, scope and application to the site should be verified.

The transaction file should address the ultimate ownership chain, representation, funding, any merger-control clearance and relevant trade restrictions. Closing conditions should identify the approvals required by the actual investor and project structure, with arrangements preventing premature implementation of a transfer that requires prior approval.

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3. Site selection, applications and tenders

9. How should a site be selected?

Site selection is complete when geological potential can be translated into a legally accessible and permittable project footprint. The mineral classification in Article 2, permission framework in Article 7 and application rules in Article 16 of the Mining Law operate together. Coordinates, resource type and intended mining method therefore form the starting information for legal review. Mining Law, Articles 2, 7 and 16.

Mapping should overlay existing licences, protected and prohibited areas, forests, pasture, private ownership, water resources, cultural assets and infrastructure corridors. Following the 2025 amendments, MAPEG's initial-application process excludes overlapping restricted or prohibited portions, affecting the coordinates that can proceed. MAPEG's application guidance.

Review must extend beyond the pit to facilities, roads, power lines, stockpiles and waste-rock areas. The deposit, transport route and facility location each require review against their own legal status and permission conditions. Technical and legal teams should compare alternative layouts and incorporate permission prospects, land costs and timing into the financial model. The initial site commitment should follow resolution of material access and protected-status uncertainties, with spending staged around the documents needed to establish a workable project footprint.

10. When does first-application priority apply?

The acquisition route depends on the mineral group and the legal status of the area. Under Article 30 of the Mining Law as amended by Law No. 7554, Group I, Group II(a) and (c), Group III and Group V licences are awarded by tender. For Group I(a), Article 16(2) provides a special route for private land, covering the owner's application and an application by a third party with the owner's permission. First application may be relevant to Group II(b) and Group IV, but MAPEG may also tender those areas where it establishes the need by reference to location, reserves and historical information. Mining Law, Articles 16(2) and 30.

The position secured by an initial application must be assessed against the group's area limits and existing records. Filing through e-MAPEG requires the correct coordinates, map sheet and mineral group. MAPEG's 2025 guidance explains the exclusion of restricted or prohibited overlaps and assessment of the remaining area. MAPEG implementation announcement.

Investors should therefore check whether the area is open to initial application, earlier titles or applications, tender decisions and restrictions before filing. Subsequent documentation, project and security requirements need their own timetable. Transaction documents should describe the priority secured and the actual administrative stage, linking price and completion conditions to the further decisions required.

11. What is required in an application file?

An exploration-licence file should establish the applicant's legal identity, technical programme and ability to carry out the investment. Article 16 of the Mining Law requires a preliminary report, an exploration project incorporating financial capacity, the licence fee and investment security equal to 5% of the required project investment. Article 11(1) of the Mining Regulation, as amended on 30 October 2025, specifies the supporting documents. The two-month period is linked to the eligibility notification for initial applications and payment of the tender price for tender awards; MAPEG's announcement of 5 February 2026 explains the service-date approach for the former route. Mining Law, Article 16; 2025 amending Regulation, Article 3; MAPEG application announcement.

A corporate applicant supplies the commercial-registry publication containing its current constitutional documents and governing-body information, tax details, a registry certificate identifying authorised representatives and an ownership confirmation showing shareholdings. The list also includes evidence of payment, the Annex 6 application undertaking, Annex 7 preliminary report, Annex 8 exploration project, financial-capacity documents and an active KEP or UETS address. Individuals follow a separate list using identity and signature documents. The company's current legal position should be reconciled with the information entered electronically. Mining Regulation, Article 11(1).

Investment security must also meet the annually published minimum for the group and subcategory. The Regulation permits a definitive, indefinite-duration bank guarantee or another document satisfying the requirement. MAPEG's 2026 announcement explains cash security, the prescribed bank-guarantee form and government domestic debt securities under the specified bank undertaking. Cash must be paid through the collection system on time; originals of guarantee instruments or undertakings must also reach MAPEG within the period. For Group IV, the subcategory covered by the project and security affects the mineral entitlement secured. MAPEG announcement, points 1-6.

The transitional provision makes the file's date decisive: the new project-security requirement does not apply to applications and tenders preceding 24 July 2025. The separate MTA exception in Article 11(1)(b)(6) also requires attention. Application, tender, notification and service records should therefore be obtained before calculating security. The completion schedule should assign responsibility for documents, corporate signatures, bank instruments and electronic submission, identifying the evidence that will demonstrate timely completion. Mining Regulation, provisional Article 12(3).

12. What should be reviewed before a tender?

A mining tender combines an administrative entitlement to the area with the obligations defined in its specifications. Article 30 permits tenders requiring intermediate or final-product production, having regard to the site's characteristics. Eligibility, payment terms and production or facility-investment deadlines must therefore be read in the particular tender documents. Each set of tender conditions should be reviewed against the particular site and investment plan. Mining Law, Articles 16(2) and 30.

The review should connect coordinates, the origin and quality of reserve data, historical operations, access and permission requirements. Security, payment of the tender price and subsequent project submissions may have different deadlines. MAPEG's 2025 guidance explains licensing following completion of the award-holder's requirements and the relevant permission process. MAPEG implementation announcement.

The bid model should include annual licensing and rehabilitation charges, land costs, technical work, facilities and working capital alongside the tender price. Gaps in reserve or permission information should influence valuation, timing and the decision whether to bid. Corporate authority should state the maximum bid and associated obligations, while a separate completion schedule should track the documents and deadlines required to turn the award into the relevant licence.

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4. Exploration, resources and reserves

13. How do exploration periods operate?

Under Article 17 of the Mining Law, the first year following issuance is the preliminary exploration period. General exploration lasts two years for Group IV and one year for other groups. Group IV licences satisfying the general-exploration obligations proceed to four years of detailed exploration. Group IV(b), (c) and (ç) licences may also qualify for a subsequent two-year feasibility period where a reasoned application is accepted. Mining Law, Article 17(1)-(7).

Progress depends on reporting and performance as well as time. Reports must be submitted by the relevant period end and minimum activities completed. As amended by Law No. 7554, Article 17 attaches security and cancellation consequences to late reporting, failure to perform minimum activities and unremedied report deficiencies. Performance below 50% of the investment programme for two consecutive years is a separate cancellation trigger.

The requirement to establish reserves in three dimensions and quantity before moving to operation affects drilling, testing and modelling budgets. The licence calendar should show period commencement, reporting and operating-application deadlines. Transitional rules require separate attention for earlier files. In an acquisition, the remaining time and technical programme should be tested together to determine whether the next legal milestone is realistically achievable.

14. What is the difference between a resource and a reserve?

A resource describes an accumulation capable of meeting prospective economic expectations; a reserve is the part of a resource with established dimensions and grade or quality that can be economically extracted and processed under current conditions. Article 3 of the Mining Law defines these separately. Its visible-reserve definition also considers mining, metallurgical, economic, marketing, legal, environmental, social and financial factors. Mining Law, Article 3, resource and reserve definitions.

The distinction explains why a geological model and a decision to mine require different evidence. Drilling may support a resource estimate, while reserves also depend on extraction methods, recovery, costs, prices and applicable permission assumptions. The reporting date, classification and assumptions affect the quantity usable in an investment model. Statutory references to the national reporting code should be checked against the report required for the particular procedure.

Acquisition and financing comparisons should use like categories. The data room should connect the report, technical model and economic assumptions, while legal diligence checks the land and permission assumptions against current records. If price depends on reserves, the agreement should specify the category, reporting date, qualified preparer, recalculation method and dispute process. This makes the allocation of geological and economic uncertainty explicit.

15. Who prepares statutory reports?

Projects and technical documents under the Mining Law are prepared by authorised legal entities and professionals qualified for the relevant document. The definition in Article 3 and the authorisation and declaration rules in Article 10 operate together. Article 17 requires authorised legal entities to prepare exploration projects and reports; Article 24 requires the operating project to be prepared under a mining engineer's responsibility. Mining Law, Articles 3, 10, 17(4) and 24(1).

Preparation and filing are separate responsibilities. Article 29 requires the licensee to submit reports, projects and technical documents prepared by the authorised entity to MAPEG. Article 10 distinguishes technical professionals' responsibility for declarations within their expertise from the licensee's responsibility for non-technical declarations. False or misleading statements can engage authorisation measures, administrative sanctions and, where the relevant elements exist, criminal rules.

Engagement diligence should confirm current authorisation, responsible engineers and scope. The services contract should address source data, fieldwork, delivery, corrections, responses to administrative deficiencies and handover of records. The licensee should also verify electronic submission and receipt. Outsourcing technical work requires an internal owner for the statutory deadline and a procedure for confirming that the administrative file is complete.

16. How should exploration data be verified in a transaction?

Verifying exploration data requires examination of both the origin of the geological information and its use in the licence file. Article 10 establishes responsibility around accurate technical declarations, while Article 17 links activity and reporting obligations to the continuation of the licence. A purchaser should therefore test both technical reliability and compliance with the relevant exploration-period obligations. Mining Law, Articles 10 and 17.

Independent technical work should reconcile drill logs, coordinates, core and sample records, laboratory results, quality-control data, density assumptions and model versions. Legal diligence connects that material with the licensed area, reporting date, filed documents and authorised preparer. Differences between completed work and declared activity or investment may have separate licensing and security consequences.

The agreement should identify the data-room version at closing and support the seller's statements about accuracy and undisclosed administrative correspondence with specific documents. If a material gap requires repricing or additional drilling, the method and timetable should be agreed in advance. Access to raw data and samples also supplies the evidence needed for later reserve disputes. Coordinating technical verification with licensing review therefore informs both valuation and contractual protection.

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5. Operating licence and operating permit

17. How do an operating licence and an operating permit differ?

An operating licence is the authorisation for operating activities; an operating permit concerns bringing the particular mineral into production. Article 3 defines the two separately, and Article 24 distinguishes the formation of the licensed area from issuance of the permit following the required submissions. The permissible production footprint must be determined by reading the licence, operating permit and underlying permissions together. Mining Law, Articles 3 and 24.

Following the 2025 amendments, some institutional opinions and permission steps under Article 7 occur before licence issuance. Article 24(11) nevertheless continues to connect submission of the relevant EIA decision, surface rights, workplace licence and permissions for recorded special areas with the operating-permit stage. The pre-licence consultation process and the documents required to commence production should therefore be distinguished in the file.

Acquisition diligence should confirm whether the permit exists, the mineral and coordinates covered, and consistency with the current project design. Article 10's treatment of production and dispatch outside the operating-permit area is directly relevant to pit or capacity expansion. Commencement and drawdown conditions should require the permit and supporting documents covering the actual planned operations.

18. What is required for an operating-licence application?

An operating-licence application requires timely completion of technical, financial and payment obligations for the relevant group. Article 24(1) uses two months from tender-price payment for Group I(b) and Group II(a) and (c), and the end of the exploration-licence term for the other groups. The special provisions for Group I(a) and Group V require separate attention. Mining Law, Articles 16 and 24.

The general file includes an operating project prepared by an authorised legal entity under a mining engineer's responsibility, evidence of financial capacity, the relevant licence and rehabilitation charges, the base operating-licence fee and an active electronic-notification address. Article 24(13) also engages the overdue-public-debt condition under Article 22/A of Law No. 6183. Capacity, mining method and the investment schedule should be consistent with available financing.

The Law separately regulates notification and correction of technical project deficiencies. Timely initial filing and subsequent correction are distinct obligations and should be tracked separately. The notification, deficiency and evidence of correction should appear in the application schedule. Where an acquisition depends on conversion from exploration to operation, the closing timetable should be tested against the remaining title term and the ability to complete the project file.

19. Which permissions are required for an operating permit?

Article 24(11) identifies the core submissions for an operating permit: the relevant EIA decision, surface rights, workplace opening and operating licence, and permissions for special areas recorded by MAPEG. They must be submitted within three years of the operating licence taking effect. Delay can trigger annual sanctions; failure to obtain the operating permit for these reasons by the licence term-end prevents extension. Mining Law, Article 24(11).

Scope matters as much as document identity. The EIA decision should match capacity and activities, land rights should match parcels and purpose, and the workplace licence should cover the facilities concerned. Article 7 allocates workplace licensing for mining production and the associated on-licence facilities to the special provincial administration or YİKOB. Forestry, pasture, water and heritage requirements follow the site's actual status.

The post-2025 pre-licence consultation process should be taken into account for steps already completed. Underground projects also require attention to Article 7's distinction between the overlying surface and surface facilities or gallery entrances. The permission matrix should cover roads, waste, stockpiles and infrastructure. Production should follow confirmation that the relevant documents overlap across the planned footprint and their conditions are satisfied.

20. When and on what conditions should an extension be planned?

An operating-licence extension requires technical, financial and production conditions to be satisfied before expiry. Under Article 24(2) of the Mining Law and the general procedure in Article 37(1) of the Mining Regulation, the project, base fee and active electronic-notification details must be supplied at least 12 months before expiry. Delay attracts a sanction; failure to complete the requirements by six months before expiry leads to rejection and cancellation at term-end. Group I(a) also requires separate application of the special arrangement in Article 24(3). Mining Law, Article 24(2)-(3); Mining Regulation, Article 37.

Article 37(7), added on 30 October 2025, introduces a measurable production condition for extension applications other than licences held by public institutions, bodies and their companies. Production must reach at least 15% of the total declared in the operating project effective on the application date. The minimum may also be met using average production across all operating-permitted licences held by the same licensee for the same mineral. The applicable project, production records and set of licences should therefore support a reproducible calculation for the authority. Mining Regulation, Article 37(7).

Force majeure, unexpected circumstances and temporary suspension are taken into account; the facility-exemption provisions of Article 24(14) remain reserved. The new 15% condition also excludes extension applications for licences that had less than two years remaining on 24 July 2025. The term-end position on that date and any administrative decisions affecting it should be verified from the file before applying the exemption. Transitional classification should therefore precede the production test. Mining Regulation, Article 37(8) and provisional Article 12(2).

Extension review also covers technical deficiencies, financial obligations and the overdue-public-debt condition in Article 24(13). Failure to obtain an operating permit because the required permissions remain outstanding has separate consequences under Article 24(11). Total duration and the competent decision-maker depend on the mineral group and applicable special provisions. Diligence should therefore address production compliance and permission continuity alongside the filing record.

For an acquisition near expiry, the agreement should allocate responsibility for filing, correcting deficiencies and disclosing correspondence. Financing that assumes an extended mine life should link drawdown to the administrative decision. Where the calculation may be disputed, raw production data, dispatch records, activity reports and suspension decisions should be assembled before closing. The internal schedule should complete this exercise before the 12-month filing date.

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6. Land access and surface rights

21. Does a licence confer access to privately owned land?

Access to privately owned land requires an enforceable surface-use right alongside the authority conferred by the mining licence. A lease, easement or contractual use arrangement should be selected according to the project's requirements. Article 46 of the Mining Law also allows an applicant to request a time-limited easement or usufruct through MAPEG during exploration. Where an operating application follows, the right may be extended within the operating term, or a new right requested. Mining Law, Article 46.

At the operating stage, land required for operations may be expropriated where agreement fails, the licensee applies and the Ministry determines that a public interest exists. The statutory exclusion for Group I minerals and specified construction materials should be checked at the outset. Routes bringing electricity, water and communications from outside the licence area also require separate planning under Article 46's infrastructure provisions.

Diligence should therefore cover the haul road, portal, facilities and infrastructure routes as well as the extraction parcel. Each should be plotted against ownership, occupation and encumbrances. Acquisition documents should make delivery of the surface rights needed for uninterrupted operations a closing condition. An unfinished expropriation process should appear as a separate dependency in the development timetable.

22. Who bears the expropriation cost?

The operating licensee bears compensation and procedural costs for mining expropriation. Article 46 requires the process to follow Expropriation Law No. 2942 and the land to be registered in the Treasury's name. The licensee receives an allocation for mining use while the licence remains legally effective. That distinction should be preserved in asset valuation and security analysis, including where the investor finances the compensation. Mining Law, Article 46.

A reliable budget needs more than the initial valuation. It should identify every parcel, existing rights, compensation disputes, procedural expenses and the date on which lawful possession becomes available. Where an acquisition includes pending expropriation proceedings, payments should be matched to individual files and parcels; outstanding obligations and allocation documents should be checked separately. Seller expenditure must be linked to the actual land available to the buyer.

If MAPEG determines that the land is no longer required for mining, Article 46 provides a process allowing the former owner to reacquire it at market value. The acquisition model should therefore value the allocated use rather than assume a freely disposable investor-owned asset. Financing and exit assumptions should follow the allocation's purpose, continued licence validity and the mine's continuing land requirements.

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23. What approach applies in forests?

Mining in State forests should be structured under Article 7(4), as amended by Law No. 7554. It provides for a free authorisation for 24 months, issued within three months on MAPEG's request, for exploration, extraction and necessary facilities and infrastructure. MAPEG may request a further 12 months. The roles of the requesting authority, the investor actually operating the site and the forestry authority collecting charges must be distinguished. Mining Law, Article 7(4).

Once that free authorisation is operated, transferred to private persons or made available for operation, the prescribed charges must be paid into the General Directorate of Forestry's special-budget account and a paid undertaking delivered within one month. Earlier permissions have their own continuation and transfer-to-MAPEG provisions. The financial model should include charges linked to operation and transfer and identify when, and under which provisions, the permission was issued.

Diligence should compare permit coordinates with pits, plant, roads, power and water routes and waste-rock areas. Transition from exploration to operation also carries the provision's force-majeure and restrictive-legislation qualifications. Closing documents should reconcile the permission, mapped annexes, undertakings, payments and transfer status of older permissions. Unresolved areas and charges should become conditions to commencement of production.

24. What matters in a land agreement?

A land agreement should secure the project's actual use over an area and term aligned with the mining licence and permits. Read together, Article 46's surface-rights regime and Article 7's ownership-permission and operating requirements make the commercial value depend on what activities can lawfully occur, when access begins and how securely it is maintained. Title particulars should be linked to a coordinate-based plan. Mining Law, Articles 7 and 46.

Beyond rent, the agreement should address haulage, blasting, water supply, power routes, installations, waste-rock storage and maintenance access, within the landowner's powers and the relevant permissions. Its term should track exploration, development and production. Licence extensions, capacity changes, temporary suspension and early termination should have stated consequences for payment and use. Existing occupiers and competing rights should be addressed in the delivery arrangements.

Acquisition and financing documents should also deal expressly with assignment, changes of corporate control, lender intervention and termination notices. These are drafting recommendations; administrative authorisations require their own verification. A handover record, baseline environmental evidence and agreed damage, removal and rehabilitation standards help confine future disputes about responsibility and proof.

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7. Environmental and other permits

25. Is EIA separate from licensing?

EIA is a separate administrative assessment of environmental acceptability that must be planned alongside mining licensing. Article 10 of Environmental Law No. 2872 requires an EIA report or project introduction file for projects capable of causing environmental problems. Projects subject to EIA require the relevant environmental decision before investment proceeds; the same provision permits earlier applications in the authorisation and licensing processes. Mining Law Articles 7(11) and 24 connect the environmental review with mining permissions. Environmental Law Article 10 following Law No. 7554; Mining Law, Articles 7 and 24.

The Environmental Impact Assessment Regulation determines the review route by project type, capacity, footprint and process. Following the 5 March 2026 amendment, Annex II review also leads to an EIA Positive decision or a decision that an EIA report must be prepared. The amendment also revised the Annex I mining-project category. Older decisions should therefore be assessed against the transitional provisions and the project's present characteristics. Amendments to Articles 4, 5 and 17 and Annex I/25.

For capacity, process or layout changes, the investment schedule should follow comparison of the intended activity with the existing decision and commitments. Acquisition diligence should obtain the decision, report, annexes, capacity data and litigation records and compare the operating project, EIA area and actual facilities on one map. Any necessary application or update should become a closing or expenditure-release condition according to its significance.

26. What happens if an institution does not issue an opinion?

Institutional silence has two distinct consequences under Article 7. For non-forest areas within Article 7(2), MAPEG requests permission before issuing the licence. The institution has three months to respond; if it remains silent, MAPEG grants an additional month. Permission is deemed granted if no decision is communicated by the end of that additional period. The file must establish the request, competent institution, land category and grant of the extension. Mining Law, Article 7(3).

Article 7(11) governs EIA consultation separately. Institutions have up to three months to comment, with a requested extension of at most one month. An institution that has completed its assessments but gives no opinion within those periods is treated as favourable. The legal consequence concerns that institution's opinion; the Ministry's EIA decision-making process must still be completed. Forest authorisations follow the specific route in Article 7(4).

An investor should preserve submission and delivery records, deficiency correspondence, extension decisions and evidence that assessments were completed. Where closing or drawdown relies on a deemed outcome, written confirmation through MAPEG and the relevant administrative file should identify precisely which permission or opinion arose and on what date. This turns a timetable assumption into a verifiable transaction condition.

27. What if environmental harm arises during operations?

Mining shown to harm the environment or human health is suspended until necessary measures are taken. Article 7 requires relevant ministries to report inspection findings to MAPEG. Article 29 separately permits immediate suspension of production where departures from the operating project create danger to the operation. The legal basis and conditions for lifting an environmental suspension should therefore be tracked separately from project-related safety measures. Mining Law, Articles 7 and 29.

For a waste-storage or discharge incident, the immediate priority is containment and compliance with the competent authorities' measures. Legal, technical and operating teams should work from the same incident record, including sampling location and time, measurement methodology, laboratory identity, weather data and interventions. These records support both the adequacy of remedial measures and assessment of the source and extent of damage.

Before scheduling a restart, the investor should identify the precise suspension decision and defects requiring correction, then obtain technical evidence and the necessary administrative assessment. If an acquisition proceeds during an unresolved incident, remediation expenditure, lost revenue and insurance notifications should be reviewed separately. Seller indemnities should be coordinated with the actual remediation plan and the conditions for resuming production.

28. What if a protected area is designated later?

Where land becomes subject to a permission regime after the licence is issued, Article 7(7) starts from continuation of mining activities. As amended by Law No. 7554, it treats discovery of cultural property separately: continued mining requires a favourable opinion from the Ministry of Culture and Tourism. If that opinion is refused, compensation equal to investment expenditure calculated by MAPEG is paid from the budget of the authority benefiting from the restriction. Mining Law, Article 7(7).

Application requires a common chronology of licence issuance, designation or permission rules, coordinates and the subject of the discovery. A later area designation and later discovery of an existing cultural asset raise different documentary questions. The affected activities and portion of the site should be identified against the operating project and environmental commitments. Continuation remains subject to operating inspection and safety obligations.

Acquisition diligence should obtain restriction correspondence, designation decisions and written institutional opinions. Where cultural-property findings lead to an adverse opinion, documentary proof of investment expenditure should be retained separately. Valuation should follow the investment-expenditure measure and the scope of MAPEG’s calculation. Price and closing conditions should follow the area that can actually be mined and the remaining administrative process.

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INVESTMENT FILE / 09

8. Legal due diligence

29. What is the first document in licence due diligence?

Licence diligence should begin with a mining-register record obtained close to the transaction date. Article 38 requires transfers, succession, attachments, pledges, mortgages and termination to be recorded; it also governs public access and the effect of registration. The seller's licence copy should therefore be linked to current registry evidence of title and encumbrances. Mining Law, Article 38.

The registered holder, mineral group, area, term and rights should be compared with original operating-permission decisions and coordinate annexes. Earlier transfers and extensions explain the current title chain. If value depends on a particular reserve block or facility, the same area should be traced through the licence, operating permission and surface-use documents.

Royalty agreements, discovery rights and visible-reserve development rights require attention to the function of their entries. Informational registration of a royalty agreement and determination of its contractual duration or termination are separate matters. The Eighth Chamber of the Council of State emphasised that distinction in its decision of 17 February 2025, E.2022/7556, K.2025/961. Signed contracts, amendments and dispute files should therefore be obtained before closing alongside the registry record. Decision, legal assessment.

30. Which obligations should be calendared?

The obligations calendar should follow each licence's mineral group, stage and project documents. Articles 13, 14, 17, 24 and 29 respectively address fees and rehabilitation funding, State royalty, exploration work, operating and extension conditions, and operating reports. Combining these under a generic annual renewal obscures different deadlines and consequences. Mining Law, Articles 13, 14, 17, 24 and 29.

Article 13 uses the end of January for full payment of licence and rehabilitation fees. Article 29 generally requires the preceding year's operating documents by the end of April, with a separate end-of-January rule for Group I(a). Operating extensions have their own Article 24 timetable. Each entry should identify the applicable date, exception or transitional rule, responsible person and proof of payment or filing.

Permit continuity must also reflect Article 7's provisions linking authorisations to continuing licence rights and extensions. An old date printed on a document should be considered with the legal rules on continuation. At acquisition, the calendar should include historic shortfalls and require delivery of the seller data needed for the first post-closing report or payment. This aligns the economic cut-off with the person responsible for public-law obligations.

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31. How should liabilities and sanctions be reviewed?

Liability diligence should identify both unpaid sums and conditions preventing administrative applications from progressing. Article 13 links numerous requests to licence and rehabilitation fees, State royalty and supporting documents. Its specific treatment of State royalty already accrued or to accrue on licence transfers requires attention. Article 24 also requires an absence of overdue debt within Article 22/A of Law No. 6183 for the listed licence procedures. Mining Law, Articles 13 and 24.

Accounting schedules should be reconciled with MAPEG assessments, bank receipts, collection-office records and the application file. Additional royalty exposure arising from production and sales declarations and unresolved inspection findings should be investigated separately. A seller covenant to discharge debt should identify the documentary evidence and date on which the administrative process can proceed.

For sanctions, diligence should record the infringement, legal basis, service, remediation and any litigation or stay. Certain repeated infringements under Articles 7 and 10 can lead to cancellation, so reviewing only unpaid fines misses relevant history. Earlier findings should enter the chronology. The documents should then distinguish defects requiring correction before closing from exposures addressed through price, retention or other security.

32. How should technical information be treated legally?

Technical information should be reviewed according to the right and commercial assumption it supports. Article 3 distinguishes resources, reserves and feasibility reports; Article 10 allocates expertise and responsibility for technical declarations. Article 29 requires operations to follow the project and project amendments to be submitted to MAPEG before implementation. A reserve table, production plan and official operating file therefore answer different questions. Mining Law, Articles 3, 10 and 29.

Diligence should establish the author's qualifications, data date, sample and assay records, economic assumptions and geographic coverage. Technical specialists should explain classifications and mineability assumptions. Lawyers should reconcile those assumptions with permit boundaries, surface rights and remaining terms. A block treated as mineable in the model may depend on land access or an operating-permission area still to be secured.

The acquisition agreement should identify permitted reliance on technical reports and the dated version of the delivered data room. Seller assurances about existing data should be distinguished from future price and production projections. Material reserve and processing assumptions should receive independent review before closing. Missing raw data, inconsistent maps or undated tables require a defined supplementary investigation and an assessment of their effect on value.

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INVESTMENT FILE / 10

9. Transfers, acquisitions and closing

33. How is a licence transfer completed?

A licence transfer requires contractual arrangements and completion of the administrative steps. Article 5 establishes indivisibility, Ministry approval and completion through entry in the mining register. Article 27 likewise treats the operating licence as a whole. The buyer must satisfy Article 6's eligibility requirements. The transaction should align the economic interest promised by the seller with the right that can legally be transferred. Mining Law, Articles 5, 6 and 27.

Articles 13 and 24 govern relevant payments, debt and documentation conditions. Article 5 sets the transfer charge at twice the licence fee applicable on the transfer date; the calculation should use the actual licence data then current. Remaining term, encumbrances and file obligations should be reviewed together. A new investment programme may require separate project and permit changes.

The agreement should allocate filing responsibility, correction of deficiencies, interim operation and release of consideration. Ministry approval, registry entry and transition of land rights and contracts should be verified within one coordinated closing sequence. This documents production, revenue, expense and responsibility between the economic cut-off and the date the legal licensee changes.

Where the transaction also changes the project owner, Article 21 of the EIA Regulation requires the new owner to submit the prescribed file, including transfer documents and undertakings, to the relevant provincial directorate within 90 calendar days. The previous owner’s commitments and obligations are assumed from the transfer date. EIA Regulation, Article 21.

34. How do share and licence transfers differ, and which approvals apply?

A share transfer changes ownership of the licensee; a licence transfer changes the holder of the mining right. Article 5 of the Mining Law regulates licence transfers through ministerial approval and the mining-register process. The company's legal personality continues after a share acquisition, and its historical and current mining obligations remain part of transaction diligence. The asset and relationship transferred should be identified from the structure of the transaction before choosing its contractual form. Mining Law, Articles 5-6.

Share acquisitions also engage a mining-specific approval threshold. Article 79(11) of the Mining Regulation requires ministerial permission for transfers of more than 10% of the shares capable of changing the licensee's ownership structure. The parties apply simultaneously to MAPEG, explaining their reasons; an approved transaction is notified to the company. The percentage, parties and connected steps should be examined against that provision, and approval should be reflected in the agreement as a step to be completed before closing. Mining Regulation, Article 79(11).

A different allocation of authority applies to a royalty operator: transfers exceeding 10% under Article 101(10) require MAPEG's permission. Where a structure includes both a licensee and a royalty operator, the provisions may require separate application to each company. Change-of-control terms in financing, land and shareholder arrangements, together with merger-control analysis, require their own transaction-specific review. Mining Regulation, Article 101(10).

Environmental incidents, employee claims, State-royalty reviews and royalty contracts affect valuation and the purchaser's economic exposure. Representations and specific indemnities should

therefore cover historical operations, while closing documents should reconcile the ministry or MAPEG decision, corporate resolutions and updated ownership records. A merger or demerger requires separate examination of legal continuity and the person receiving the title. Coordinated public-law conditions and private-law protections allow the share-transfer mechanics and the project's legal continuity to be reviewed together.

35. How should closing conditions be structured?

Closing conditions should ensure that payment gives the buyer the agreed legal and operational position. A licence transfer must coordinate Article 5's approval and registration stages, Articles 13 and 24's application conditions and Article 7's operating authorisations. In a share deal, the corporate and contractual approvals required by the structure serve the same transaction objective. Mining Law, Articles 5, 7, 13 and 24.

Conditions should identify current registry and debt confirmations, administrative decisions, agreed releases or continuation of security, surface rights and transition of critical operating contracts. Permit files, technical information, production and stock records and recent inspection findings should also form part of delivery. Each condition should specify the issuing body and required result, rather than rely exclusively on abstract buyer-satisfaction language.

Interim covenants should address ordinary operations, new debt, changes in production and new royalty commitments. A delayed administrative decision needs a long-stop date and agreed consequences for extension, held funds and termination. A written closing sequence should align payment, registration and delivery, reducing disputes in which the parties treat different milestones as completion.

36. What should seller warranties cover?

Seller warranties should cover verifiable facts about the legal position and operating value acquired. Article 10's responsibility for declarations and Article 29's project-compliance obligations explain the need to compare official records with actual operations. The package should address title and encumbrances, payments, production and reporting, permit scope, land use and existing contracts. Mining Law, Articles 10 and 29.

Environmental and safety incidents, inspections, employee claims and third-party disputes need file-specific disclosure. A known waste-site problem or royalty dispute calls for transaction-specific economic protection alongside general compliance assurances. A specific indemnity should identify the event, period, recoverable costs, conduct of defence and payment mechanism. Resource and reserve assurances should distinguish accuracy of existing information from projected production results.

Caps, claim periods, disclosure effects and security should be negotiated together. A seller's contractual commitment gives the buyer an economic remedy; legislation determines whom the authority may pursue. Protection should therefore combine indemnities with appropriate pre-closing remediation, price retention and organised document delivery. The chosen mechanism should reflect the identified exposure and practical recoverability.

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INVESTMENT FILE / 11

10. Royalty and operating agreements

37. What is a mining royalty agreement?

A mining royalty arrangement, commonly called rödovans, allows an operator to exploit minerals under a contract with the licensee in return for agreed consideration. The contract defines operating powers and payment, while the registered holder retains the licence. Additional Article 7 requires MAPEG permission and preserves the holder's responsibilities under the Mining Law. Mining Law, Additional Article 7.

Availability depends on the mineral and site. Subject to the exception for public bodies and their participations, Additional Article 7 prohibits third-party production royalty arrangements in underground coal operations. Article 29 also prohibits royalty agreements in designated mining regions and provides for cancellation of existing agreements there. Site status and mining method should therefore be confirmed before the commercial offer is developed.

The contract should explain who directs production, employs staff, sells the product and bears operating risk, distinguishing the model from service procurement and a licence transfer. For an acquisition involving an existing arrangement, diligence should review permission, area and term annexes, payment records and termination provisions. Continuity after transfer and the date on which the buyer obtains effective operational control should enter valuation and closing planning.

38. Which approval and multiple-operator rules apply to royalty arrangements?

A royalty agreement between the licensee and a third party requires MAPEG permission. Additional Article 7 of the Mining Law provides for suspension of mining conducted under an unapproved agreement. Article 101(1) of the Mining Regulation requires submission of the agreement and amendments, informational registration from the permission date, and distinguishes MAPEG's administrative role from the private contract. Signature, permission and registry entry should be evidenced separately. Mining Law, Additional Article 7; Mining Regulation, Article 101(1).

The amendment of 30 October 2025 materially limits multiple royalty arrangements within a single licence area. Article 101(5) prohibits more than one agreement except for Group IV(c) licences and licences held by public institutions, bodies and their subsidiaries; agreements without coordinates are not registered. Even within the exceptions, Article 101(3) requires assessment of workable area and operational interference. Article 101(6)'s restriction on multiple agreements covering the same area despite different elevations or levels, and the special independent-access and ventilation conditions for public underground coal operations, also require separate attention. Mining Regulation, Article 101(3)-(6); 2025 amendment, Article 21.

Applications require review of financial compliance, active KEP or UETS details and, for operating-permitted sites, the permanent-supervision and authorised-entity arrangements. Article 101(7) separately governs the operator's mining-right eligibility and financial capacity. The contract must specify its end date, including potential extensions, and identify the area by coordinates. Extension or coordinate changes are new applications under Article 101(11), requiring permission before registration. The operating timetable should therefore reconcile the

signed contract with the approved scope. Mining Regulation, Article 101(2), (6)-(7) and (11).

Investors should reconcile all agreements, amendments, approval decisions, entries and actual operating areas on the same coordinate plan. Price commencement and production obligations should follow confirmation of the mineral-group exception, safety conditions and approved scope. The agreement should also identify the documents and sequence needed on exit or dispute, connecting private-law termination, the administrative permission and the registry process.

39. How should responsibility be allocated?

Responsibility under a royalty agreement should elaborate the statutory allocation. Additional Article 7 places administrative, financial and legal responsibilities arising under labour and occupational safety law from mining in the contract area on the operator, while preserving the licensee's Mining Law obligations. Information flows between the party managing staff and operations and the holder responsible for the licence file are therefore central. Mining Law, Additional Article 7.

The contract should assign production planning, engineering supervision, technical reports, State royalty calculations, permit compliance, environmental monitoring and incident reporting. Duties to public authorities should be distinguished from contractual reimbursement between the parties. If the licensee's reports depend on operator production and sales data, access, audit and correction rights must be practically usable.

Accidents, environmental events and suspensions require a coordinated notification, emergency-response, investigation and defence procedure. Insurance and indemnities should match each party's actual work and exposure. Enforceability must be assessed against the operation's factual organisation and other mandatory rules. The legal allocation should therefore be compared with the site's real responsibility and authority chart before signature.

40. How should consideration be drafted?

Royalty consideration should rest on a measurable product definition and an auditable calculation. State royalty under Articles 3 and 14 is a separate public obligation; contractual royalty is the commercial consideration agreed by the parties. The agreement should distinguish the two calculations and cost allocations and identify any shared source data. Mining Law, Articles 3 and 14 and Additional Article 7.

For production-based payments, the contract should define run-of-mine, concentrate or finished product, measurement point, weighing and sampling methods and grade or moisture adjustments. Sales-based payments need a price reference, currency conversion, discounts, permissible transport or processing deductions and related-party sales treatment. Minimum payments or production commitments should expressly address permit delays, suspension and force majeure.

Monthly reconciliation, access to records, independent review and objection periods should be agreed in advance. Technical measurement differences may be referred to an expert, alongside a separate dispute clause for interpretation and legal entitlement. At closing, stocks and receivables should be allocated to the correct period and supported by weighing, assay and invoice records. That reduces the need to reconstruct accumulating differences while production continues.

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INVESTMENT FILE / 12

11. Financing, public receivables and fiscal obligations

41. Can a mining licence secure financing?

An operating licence may be mortgaged to secure debt incurred, or to be incurred, for the mine. Article 42 of the Mining Law defines the purpose and scope; Article 38 establishes the effect of mining-registry registration. The mortgage covers the entire statutory bundle of facilities, vehicles, tools and materials in Article 40(1) forming a whole with the operating right. Diligence should reconcile registry records with the asset inventory, ownership and prior rights. Mining Law, Articles 38, 40 and 42.

The mortgage term cannot exceed the licence term. Debt maturity should be assessed against the remaining licence life and extension timetable. Article 42(2) continues an existing mortgage on the replacement licence following an area change, while Article 42(6) confines it to assets outside Article 33(1) when the operating right ends. Long-term lending therefore requires separate valuation of the going concern and residual assets.

On enforcement, Article 43 requires the purchaser to evidence eligibility through MAPEG. MAPEG's notice of 14 May 2024 also requires mortgage documents to address licence cancellation and purchaser eligibility. These conditions affect recovery value and completion timing from the outset. MAPEG mortgage notice.

Recommended covenants cover fee payments, permits, reporting and transmission of sanction notices to lenders. Registration and ranking should be drawdown conditions; refinancing should coordinate release of old security with creation of new security. This connects initial creation with preservation of the security's legal and economic value throughout the loan.

42. Can security be created over extracted minerals?

Extracted ore may secure finance through a registered pledge without delivery of possession. Article 39 permits an exploration or operating licensee to apply to MAPEG in writing for a pledge in favour of a specified creditor, recorded in the mining registry. Sale during the pledge requires the creditor's written consent. The extracted product and the mortgage over the operating right are distinct security subjects. Mining Law, Articles 38-39.

The file should identify location, quantity, grade, moisture, product characteristics and segregation. Ownership, prior pledges, purchaser rights and storage at third-party facilities require review. Unextracted reserve value and extracted stock value should be shown separately, with collateral identified physically and legally. Valuation should also reflect transport, processing and quality-dispute exposure.

For continuing shipments, the agreement should specify the batches or conditions covered by written sale consent, the account receiving proceeds and replenishment by new production. Changes should trigger review of collateral coverage and necessary registry steps, reducing gaps between stock and receivable security. Lender counting and document checks should use the same batch references as production, dispatch and sales records.

Article 40 separately protects operational integrity against individual attachment and interim measures over essential assets. Whole-operation attachment and ore pledges must follow their respective conditions. Where lenders compete, sale consent, priority and recovery sharing should align. This creates a workable connection between continued sales and the lender's security from stocks through to revenue.

43. What are the principal public payments?

The core mining payments are licence fees, rehabilitation fees for operating licences and the state royalty. Article 13 of the Mining Law governs the first two; Article 14 governs royalties. Following Law No. 7554, the rehabilitation fee equals the operating licence fee. Royalty calculations require the mineral, group, pithead sales value, statutory minimum and applicable adjustments to be considered together. For licences with operating permits, the 2025 amendment setting the minimum royalty by reference to the licence fee increased by 50% also matters, subject to the exception for spring saltworks, meerschaum and Oltu stone. Current Mining Law, Articles 13-14. Mining Law, Articles 13-14; Law No. 7554, Articles 5-6 and 13.

Forestry and land-use payments, permitting costs and general taxes may also apply. The debtor, assessment period and collecting authority should be identified for each item. Where historical accounts combine former environmental-security amounts and the new rehabilitation fee, the transition and transfers under provisional Article 46 require reconciliation.

For an acquisition or financing, a licence-specific assessment and payment statement is more useful than a receipt for the latest annual payment. The royalty base should reconcile with production, sales and stocks. The agreement should allocate supplementary assessments relating to the pre-closing period. This allows the statutory public liability and the parties' contractual allocation of its economic cost to be tracked together.

44. What is the critical payment-calendar distinction?

The ordinary payment deadline and the final cancellation threshold must be distinguished. Under Article 13 of the Mining Law, annual licence and rehabilitation fees are payable by the end of January. Any outstanding amount must be paid by the last day of June, increased by reference to the late-payment rate under Article 51 of Law No. 6183. Missing that threshold leads to licence cancellation. The statute provides for these payments without a further individual notice. Mining Law, Article 13; Law No. 7554, Article 5.

The calendar must also reflect the official holiday treatment for the particular year. MAPEG announced 2 February 2026 as the 2026 deadline because 31 January fell on a weekend. The June threshold should therefore be treated as a default and cancellation control, while the ordinary deadline remains the budgeting reference. State royalties are payable by the last day of June under Article 14; annual operating reporting is separately monitored under Article 29. MAPEG 2026 deadline notice.

The transaction file should reconcile the licence, period, payment category and collection record. Differences between bank receipts and e-Maden should be resolved before closing. An acquisition during January-June may inherit an imminent threat to the licence from the seller's arrears; payment status should be refreshed at closing.

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INVESTMENT FILE / 13

12. Operations and mineral trading

45. May an operating project be changed?

An operating project may be revised as reserves and production conditions require, but amendments must be submitted to MAPEG before implementation. Article 29 requires operations to follow the project and changes to be submitted in advance. Failure to submit leads to suspension of production. The same article separately addresses a period for correcting activities that depart from the project and immediate suspension where the departure creates an operational danger. Mining Law, Article 29(1)-(3).

Changes to the mining method, benches, underground workings, capacity or plant layout also require the relevant permit files to be reviewed. For a capacity increase, the proposed output should be compared with the parameters assessed in the EIA and land permissions. Additional applications or decisions depend on the nature of the change and each permit's scope; the effect of submitting the revised mining project must be assessed separately for each permission.

The revision package should include technical reasons and drawings, affected permits, costs and commissioning dates. Equipment and construction contracts should reflect this sequence. The authorised technical entity's work, the licensee's filing responsibility and actual site works should be tracked together so that the version filed with the administration matches the version implemented.

46. What is the annual reporting obligation?

The general annual operating-report deadline is the end of April; Group I(a) minerals have an end-of-January deadline. Under Article 29, the licensee submits the previous year's technical operating documents, operating activity report and information on any exploration within the operating site to MAPEG. Group I(a) reports go to the governorate in metropolitan provinces and the provincial special administration elsewhere. Non-compliance can result in an administrative fine and suspension of production until the filing obligation is fulfilled. Mining Law, Article 29(3)-(5).

The report connects measured site activity with commercial records. Production quantities should reconcile with dispatch records, invoices, stock movements, assays and royalty calculations. Where one company operates several licences or a common plant processes material from several sites, the underlying data should remain attributable to each licence and product. This reduces the risk of assigning production to the wrong licence's fiscal account.

Although authorised entities prepare the technical documents, the licensee remains responsible for submission. The internal calendar should sequence data closure, technical review, management approval and electronic filing. Acquisition diligence should obtain the report, filing confirmation and deficiency notices, assessing how historical corrections affect operations and public liabilities.

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47. What should a mineral sale agreement cover?

A mineral sale agreement should define the product, completion of delivery and the measurements governing price. Article 207 of the Turkish Code of Obligations establishes the sale relationship, while Articles 219 and 223 govern defects, inspection and notification. Code of Obligations, Articles 207, 219 and 223. Because both quantity and quality commonly determine the invoice, sampling and assay procedures should be integrated into the payment mechanism.

The agreement should specify acceptable grade, moisture, particle size, impurities and penalty elements; the weighing point; representative sampling; an independent laboratory; sample-retention periods; and an umpire laboratory for inconsistent results. Indexed pricing should connect the quotation period, exchange rate, recovery factors, treatment deductions and provisional and final settlements. This establishes which shipment is affected by a quality dispute and which amount remains payable.

For exports, the delivery term and selected Incoterms edition should be aligned with title, insurance, customs documents and payment security. Title and payment need their own contractual treatment. Governing law and dispute resolution should accompany provisions addressing product- or destination-specific restrictions and the consequences of failing to supply origin or end-use information.

48. Why is a compliance file important?

A compliance file provides traceability from licensed source to delivery and links each obligation to evidence. Article 12 of the Mining Law governs mineral dispatch through dispatch documentation, while Article 29 brings production data into annual operating reports. Connecting production, transport and invoices to the same product and quantity chain supports review of origin and public payments. Mining Law, Articles 12 and 29.

Cross-border transactions add tariff classification, origin, customs declarations and any product-specific permissions. The Ministry of Trade explains that origin and tariff classification together determine applicable trade-policy measures. The country of extraction, country of dispatch and customs status should therefore be distinguished in the file. Ministry of Trade - rules of origin.

Customer, bank, destination and end-use checks should reflect the Turkish and foreign rules actually applicable to the transaction and its financing arrangements. Their scope depends on those connections. Contractual information rights, clarification of suspicious data and cooperation on lawful delivery are recommended. A maintained file allows the same documentary chain to be produced efficiently for customs review or a purchaser's sourcing audit.

AKTAY 2026

INVESTMENT FILE / 14

13. Disputes and sanctions

49. Which disputes belong to which courts?

Jurisdiction depends on the legal relationship and the relief sought. Administrative courts review the legality of MAPEG decisions on licences, permits, suspension and cancellation. Payment, performance, termination and damages claims arising from private contracts fall to the competent civil court or arbitration under a valid arbitration agreement. Article 2 of Administrative Procedure Law No. 2577 frames administrative review. Article 2.

The distinction is particularly relevant to royalty operating arrangements. In its judgment of 17 February 2025, E. 2022/7556, K. 2025/961, the Eighth Chamber of the Council of State distinguished civil jurisdiction over contractual validity and duration from administrative review of MAPEG's registry decision. Its registry reasoning concerned a contract recorded for information in 2011 and the legislation applicable to the challenged act. Judgment, Legal Assessment.

The registry consequence and the contractual relief should therefore be formulated separately. Where the same events require both an annulment action and contractual proceedings, deadlines and interim relief should be tracked independently. An arbitration clause should distinguish the administration's licensing powers from contractual rights that the parties may validly submit to arbitration.

50. What is the time limit for challenging a fine?

An administrative fine imposed under Mining Law No. 3213 must be challenged before the administrative court within thirty days of service. Article 13 separately provides one month for payment, thirty days for bringing proceedings, and continued enforcement and collection despite a challenge. Payment and litigation deadlines should therefore be calculated under their respective rules. Mining Law, Article 13, paragraph on administrative fines.

This special rule does not supply a universal deadline for every sanction received by a mining business. Environmental, occupational-safety and other sanctions require examination of their own statutory basis and remedy. Licence cancellation and suspension measures require the applicable special provision and the general time-limit rules in Articles 7-8 of Law No. 2577 to be considered together. Where one notice contains several measures, each measure's basis and deadline should be identified separately. Administrative Procedure Law, Articles 7-8.

The initial file should include the decision, service record, inspection report and calculation. For electronic service, system delivery and the legally effective service date should be distinguished. Continued collection also requires attention; where the conditions are met, a stay application should be supported by concrete financial and operational evidence.

51. When is a stay of execution important?

A stay matters where an administrative measure would have serious and difficult-to-reverse effects before judgment. Article 27 of Administrative Procedure Law No. 2577 requires both manifest unlawfulness and harm that is difficult or impossible to remedy. Filing an annulment action generally leaves implementation unaffected. Article 27(1)-(2).

In mining, suspension or cancellation can affect pit safety, dewatering, employee access, delivery commitments and financing as well as output. The application should evidence these effects through safety plans, production schedules, contractual obligations and relevant technical material. Alleged unlawfulness should identify a specific defect in competence, form, grounds, subject matter or purpose. Investment size alone does not establish the two statutory conditions.

EIA decisions falling within Article 20/A have a thirty-day filing period and expedited procedure, including exclusion of the Article 11 administrative-review mechanism; administrative sanctions are outside that particular category. The classification depends on the act challenged. The application should define the particular decision and operations for which protection is sought and explain how site safety will be maintained while the dispute proceeds.

52. Which evidence should be preserved?

Evidence should connect the challenged act or contractual claim to a defined date, site and activity. Registry extracts, licences, permits, applications, service records and inspection reports establish the administrative chain; contracts and amendments establish obligations; coordinates, workings maps, samples and measurements establish technical facts. A common chronology shows which evidence supports each proposition.

Original data and methodology should be retained. Sampling location, personnel, custody, laboratory delivery and analytical method should be traceable. Photographs and surveys should retain date and location references; production, dispatch and sales should remain attributable to the licence and shipment. Where the site may change, the appropriate judicial evidence-preservation procedure should be considered promptly.

Article 31 of Law No. 2577 provides the procedural reference for expert evidence, while legal characterisation remains for the court. The Eighth Chamber's judgment of 7 February 2023, E. 2019/5595, K. 2023/401, illustrates the need to resolve conflicting site reports through inspection and expert examination. Objections should identify the inconsistent measurement, assumption or dataset and formulate the expert question around it. Judgment, Legal Assessment and Operative Part.

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INVESTMENT FILE / 15

14. Closure, rehabilitation and exit

53. Does responsibility end when the licence terminates?

Safety, environmental restoration and final-record obligations continue after termination. Article 32 of the Mining Law covers both lapsed licence areas and areas relinquished from a continuing licence. The licensee must provide final technical records, complete the prescribed measures within the statutory maximum of one year and restore the worked area consistently with the operating project. Mining Law, Article 32(1)-(3).

Closure is therefore a technical and legal process extending beyond removal of the licence from the registry. Slope stability, underground access, water management, waste and facilities should be addressed against the project and actual site conditions. Article 32(4) preserves the licensee's responsibility until measures are taken and governs recovery of qualifying costs incurred by the authorities. Current Article 13 and provisional Article 46 also govern the financial rehabilitation file.

A sale agreement allocating historical restoration costs to the seller establishes the parties' economic allocation. Responsibility towards the administration follows the applicable law and licence relationship. The closure budget, site-handover documents, evidence of technical completion and contractual security for costs should be prepared together. Environmental provisions should be separately identified in the business valuation.

54. How does the rehabilitation account operate?

The rehabilitation payment is held in a statutory special account dedicated to restoration of mining-affected land. Article 3 identifies the public-bank account held for the relevant investment-monitoring authority or provincial special administration for Group I(a), and for MAPEG for other groups. Under Article 13 as amended in 2025, the fee equals the operating licence fee and earns interest in a term account. Both the fee and yield are reserved for rehabilitation and protected from attachment, pledge and assignment. Mining Law, Articles 3 and 13; Law No. 7554, Articles 2 and 5.

The unused fee is refundable when the licensee has no remaining rehabilitation obligation. Acquisition accounts should therefore assess it against project obligations, completed works and administrative acceptance records. MAPEG may suspend production until the rehabilitation obligations it specifies are fulfilled. The account balance and actual restoration cost should be assessed separately to establish the project's remaining environmental exposure.

Provisional Article 46 transfers historical environmental payments and cash security into the account and provides a one-year transition for replacing guarantee letters with cash or realising them. A 2026 transaction should verify completion through banking and administrative records. The price mechanism should separately allocate the economic benefit and responsibility for pursuing any eventual refund.

55. What happens to stocks and waste rock?

Stocks, waste rock, processing residues and slag should be tracked separately according to value and environmental characteristics. Article 36 governs material containing ore, metal or economic value which cannot presently be recovered technically or economically. Subject to environmental acceptability, it must be separately preserved in its final processed form. Quantities, physical properties, properly obtained assays and disposal locations must appear in activity reports, plans and maps. Mining Law, Article 36(1).

When an operating licence ends, the licensee has six months to remove the material, subject to statutory force-majeure exceptions. Economically valuable minerals remaining after that period are sold by tender through the governorate; material without economic value falls under Article 32's safety and restoration regime. This period directly affects post-termination sales and site-clearance planning. Article 36(2).

Before acquisition or exit, stock counting, sampling and ownership checks should be combined. Sale of pledged ore separately requires the creditor's written consent under Article 39. Environmental conditions should also be assessed when valuing a commercially useful stockpile. Transport, processing, storage and restoration costs should inform the valuation, with contractual allocation of the consequences of material remaining after the removal period.

56. How should exit be planned?

Exit should compare the legal and financial consequences of a share sale, licence transfer and orderly closure. Licence transfers are shaped by Articles 5 and 13 and their transfer and debt conditions. Closure is governed by Articles 32, 33 and 36 on safety, facilities and materials. Article 33 distinguishes wells, galleries and supporting installations passing to the state from other assets remaining with the licensee. Article 13 separately governs use of the rehabilitation payment and the conditions for any refund. Mining Law, Articles 5, 13 and 32-36.

A sale should establish the operational cut-off, stock measurement and handover of land agreements and permitting files. Public debts, employees, suppliers, delivery commitments, data, sample archives and disputes should follow one transition timetable. A share sale requires valuation of obligations continuing within the company; a licence transfer requires separate attention to completion conditions and ownership of associated assets.

For closure, responsibility, budget and records should cover access, safety, restoration, the legal status of facilities and the six-month material-removal period. Exit documents should preserve access to administrative records and technical data needed later. Historical indemnities become more workable when supported by measurable time limits and recoverable security, allowing post-closing costs to be allocated effectively.

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Thresholds to verify in the transaction and operating timetable

The table supports review of transaction structure and licence deadlines. Applicability depends on the mineral group, file dates and transitional provisions. Responsibility for the underlying documents and calculations should also be assigned.

Issue	Rule and scope	Evidence to obtain
Exploration investment security	5% of project investment, also meeting the annual group and subcategory minimum; a transition applies to applications and tenders preceding 24 July 2025.	Application or tender date, budget, security and delivery record.
Extension production test	At least 15% of total production in the current project; public-title, same-mineral averaging, force majeure and transition rules require separate application.	Effective project, production reports, same-mineral licence list and administrative decisions.
Share transfer in licensee	Transfers exceeding 10% capable of changing ownership require ministerial approval.	Before and after ownership chart, simultaneous applications and approval.
Share transfer in royalty operator	Transfers exceeding 10% require MAPEG permission.	Ownership chart, application and MAPEG decision.
ISO 45001	Certification within six months following the operating permit.	Permit date, certification programme and certificate.

The operating permit starts the ISO 45001 period. A new project should therefore prepare its occupational health and safety management system in time to complete certification within the following six months. Acquisition review should obtain the certificate's scope together with the permit date. Mining Regulation, Article 111(4). The table draws on Articles 11, 37, 79, 101 and provisional Article 12 and MAPEG's 2026 application guidance.

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15. Special mineral and site regimes

57. How should doré, refining and sales be structured in a gold project?

Gold mining and placing the product on the market are connected legal stages. Extraction follows the mining title and operating project, while assaying, refining and trading ore-derived precious metals follow precious-metals legislation and Borsa İstanbul rules. The Exchange's section on ore-derived precious metals addresses assay reports, refining and exchange transactions as distinct steps. Borsa İstanbul - ore-derived precious metals.

The route should follow the actual product. Doré, granules, concentrate and refined standard gold may have different physical characteristics and documentary requirements. The Exchange describes domestic refining followed by delivery to its vault, alongside transactions under Exchange rules based on quantities established in an assay report. Export planning also requires the precious-metals provisions of Decree No. 32, product classification and customs procedures. Decree No. 32, Article 7.

The offtake agreement should specify delivery, assay and sampling, refining losses, charges and transfer of title and risk. The financial model should reconcile extracted material with payable fine-metal content and processing time. Written confirmation of the producer's, refinery's, Exchange member's and buyer's respective steps before the first sale makes delivery and payment conditions workable.

58. What special operating and contractual limits apply to underground coal investments?

The operating model for an underground coal mine depends on the licensee's and site's legal status. Additional Article 7 prohibits third-party production royalty agreements except for public bodies and their participations. A revenue-sharing proposal for a private underground coal operation should therefore be tested against that restriction at the outset. Actual allocation of production management, personnel, sales and economic risk should be examined alongside the contractual label. Mining Law, Additional Article 7.

For public coal assets, Additional Article 1 separately regulates the operating, contracting, tendering and conditional transfer powers of the Turkish Hard Coal Enterprise and Turkish Coal Enterprises. Tender specifications, transfer or royalty agreements, capacity commitments and registry entries should be read together. The investor's position depends on distinguishing acquisition of the licence from rights under a public enterprise's operating contract.

Article 31's permanent engineering supervision and staffing requirements should enter the project plan. Contracts and financing schedules should separately identify underground preparation, safety investment and production conditions. Confirming both the legal availability of the model and the required staffing before closing ties investment expenditure to an executable operating structure.

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59. How does strategic or critical status affect permitting and commercial planning?

Strategic or critical status follows Article 8's criteria and determination by the Ministry after consultation with relevant public bodies. Critical status addresses supply risk and industrial inputs; strategic status concerns national security, economic welfare and possible supply restrictions. An economic report's classification should be distinguished from the Ministry determination supporting a particular legal measure, which should be obtained for diligence. Mining Law, Article 8.

These activities may use urgent expropriation under Law No. 2942. The President may also require stocks up to ten per cent of the preceding year's production. Both depend on exercise of the relevant power. The final paragraph of Article 7 provides for Board review of specified refusals involving Group IV and strategic or critical minerals on the Ministry's application, applying an overriding-public-interest assessment.

Financing and offtake documents should address an applicable stockholding decision's impact on deliveries and working capital. The permit plan should distinguish ordinary institutional processing from the conditions for Board review. Where value depends on an authorisation or expropriation decision, its actual scope should be verified. Unexercised statutory powers should enter the model as conditional routes with defined documentary milestones.

60. How is the special provision for mining areas overlapping olive groves applied?

Application of Provisional Article 45 requires several cumulative conditions. It concerns persons already holding a licence or royalty position when the provision entered into force, activities serving national electricity requirements and land within the statute's annexed map and coordinate list. It also requires that the activity cannot be conducted elsewhere. The Ministry's discretionary public-interest permission should be assessed within those conditions. Mining Law, Provisional Article 45 and annexed map and coordinates.

The provision separately regulates relocation of trees, replacement groves where relocation is impossible, and rehabilitation. In the latter case, expert opinions support establishment before permission of an equivalent-sized grove with at least twice the combined number of relocated and non-relocatable trees. An additional amount equal to the operating licence fee is collected for each year of activity; rehabilitation follows the original tree count.

The file should establish historic eligibility, electricity purpose, coordinates, alternative-site analysis, tree inventory and expert evidence. Permission conditions and relocation, replacement and annual rehabilitation financing should enter the investment budget together. Other areas or activities require identification of their applicable olive-grove, land and environmental rules. Acquisition value should depend on proof that the particular site falls within the special provision and can meet its obligations.

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16. Foreign investment protection and international disputes

61. Which legal protections may a foreign mining investor invoke?

Foreign-investment protection requires consideration of domestic guarantees and the applicable international instrument. Article 3 of Foreign Direct Investment Law No. 4875 addresses investment freedom and national treatment subject to special laws and international agreements, expropriation conditions and transfer of specified proceeds abroad. Mining Law Article 6 separately determines eligibility to hold mining rights. The local licensee and the person invoking international protection should be identified distinctly. Law No. 4875, Article 3; Mining Law, Article 6.

Treaty analysis should examine the operative text, investor and investment definitions, admission requirements, temporal scope and dispute clause. ICSID Convention Article 25 additionally requires a legal dispute arising directly from an investment, eligible parties and written consent. Incorporation, seat and control links require documentary examination. ICSID Convention, Article 25.

The acquisition file should explain the ownership chain, capital flows, acquisition dates and ultimate control. Treaty protection and the licence, permits and corporate obligations should be examined in one coordinated exercise under their respective sources. Completing that work before signature lets the buyer structure financing and dispute documents around identified protection for a specific investor and investment.

62. When should treaty protection and ownership structuring be planned?

Ownership should be planned at the investment-decision stage with the relevant treaty's personal and temporal scope in view. ICSID Convention Article 25 attaches nationality conditions to specified dates; the treaty's definitions and requirements also apply. Incorporation, share acquisition, control and investment dates should therefore appear in one chronology. ICSID Convention, Article 25(2).

A restructuring's commercial rationale and timing may be assessed against an existing or foreseeable dispute. In Philip Morris Asia v Australia, the tribunal held the claims inadmissible because the particular restructuring principally sought treaty protection when that dispute was reasonably foreseeable. Within its specific facts and treaty, the decision illustrates the importance of timely, documented investment structuring. PCA, jurisdiction and admissibility award, 17 December 2015, paragraphs 539-554 and 588.

A mining acquisition should document financing, tax, governance, joint-venture and actual commercial reasons for its ownership structure. Changes after a concrete prospect of administrative refusal or cancellation need separate temporal-coverage and procedural review. A contemporaneous record makes it easier to establish who held which rights, when, and for what economic purpose.

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63. How should contractual arbitration, administrative proceedings and treaty arbitration be coordinated?

The appropriate route follows the source of the obligation and the relief sought. A sale or royalty payment claim, judicial review of a licensing decision and a claim for breach of a State's treaty obligations require distinct analysis. Article 3(e) of Law No. 4875 addresses arbitration and other mechanisms for specified investment contracts where statutory conditions and party agreement are satisfied. Law No. 4875, Article 3(e).

ICSID Convention Articles 25 and 26 should be read with the particular consent instrument. Article 26 generally treats ICSID consent as excluding other remedies unless otherwise stated, and allows a State to condition consent on exhaustion of local administrative or judicial remedies. Notice, waiting-period, election and other procedural provisions must be drawn from the actual treaty. ICSID Convention, Articles 25-26.

After an administrative refusal or cancellation, domestic filing periods and treaty requirements should enter the same chronology. Pleadings and notices should identify the claimant, challenged measure, loss and relief. Contract clauses should likewise define parties and scope. Coordination aligns procedural choices and evidence for preserving the licence, recovering a contractual payment and pursuing any international compensation claim.

64. What practical lessons follow from mining arbitrations involving Türkiye?

Westwater Resources v Türkiye illustrates that treaty breach, causation and quantum require separate proof. In its award of 3 March 2023, the tribunal found the licence cancellation breached the treaty but also found that the project would not have reached profitable production irrespective of that breach. The disposition assessed investment costs at US$1,283,000. The result followed the uranium project's specific financial and economic circumstances. ICSID ARB/18/46, paragraphs 429-431 and 444.

Different sources establish different matters in Alamos. The ICSID record for ARB/21/33 records a jurisdiction and liability decision on 18 June 2025 and an agreed suspension on 2 July 2025. Alamos's 14 September 2025 release describes agreement to discontinue the arbitration with prejudice after specified contractual milestones; its 27 October 2025 release announces closing of the Turkish projects' sale. These should be read respectively as procedural records and corporate disclosures. ICSID record; sale and arbitration release; closing release.

Investors should preserve permit and financing evidence alongside damages records: dated capital expenditure, production conditions, financing commitments and offers. A sale or settlement should coordinate instalments, security and the conditions for terminating proceedings. That aligns commercial completion with the timing of procedural waivers.

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Project finance, security, cash control and intervention

65. How should an integrated mining-finance security package be structured?

A mining-finance security package should preserve the connected value of the licence, operating assets, company shares and cash receivables. A registered mining mortgage under Articles 38 and 42 covers the operating right and statutory asset bundle; the ore pledge under Article 39 covers extracted product. Each instrument needs its own identification of assets, owner, creation requirements, ranking and existing encumbrances. Mining Law, Articles 38-43.

Separate legal mechanisms apply to shares, accounts and receivables. Articles 954-956 of the Civil Code govern pledges of transferable receivables and rights, including writing and delivery requirements depending on the instrument. Assignment follows the restrictions and written form in Articles 183-184 of the Code of Obligations. Share security requires examination of company type, certification, constitutional documents and applicable company-law rules. Article 960 of the Civil Code leaves general-meeting representation of pledged shares with the shareholder. Civil Code, Articles 954-956 and 960; Code of Obligations, Articles 183-184.

The economic asset schedule should reconcile with legal ownership. Leased equipment, third-party stocks and previously assigned sale receivables should be identified together. The rehabilitation fee and its yield remain dedicated and protected under Article 13 of the Mining Law. For multiple lenders, contractual arrangements should address recovery sharing, voting, releases and refinancing.

Before drawdown, evidence should establish completion of registration, document delivery and relevant debtor notices. The package should test how preserving the licence, maintaining operations and collecting revenue interact. This identifies the value retained by each security instrument when sales fall or operations stop.

66. How should offtake revenue, account control and insurance support financing?

Cash control works when the creation of the sale receivable, payment into the designated account and allocation to debt service form a coherent chain. A long-term offtake agreement's financing value depends on volume and price as well as quality conditions, rejection and set-off rights, delivery timing and purchaser creditworthiness. Article 188 of the Code of Obligations preserves the debtor's existing defences on learning of the assignment and set-off subject to its conditions. The finance model should therefore use net collectible revenue. Code of Obligations, Articles 183-188.

Receivables assignment and account pledges operate at different levels. Articles 184 and 186 govern written assignment and the payment effect of notification. Articles 955 and 961 of the Civil Code govern creation of a receivable pledge and payment following notice. The account-bank agreement should address covered accounts, instructions, the bank's own rights, permitted withdrawals and blocking triggers. Articles 184-186; Civil Code, Articles 955 and 961.

A contractual waterfall can sequence essential operating payments, public obligations, debt service and distributions against the project model. Debt-service reserves, cash sweeps and distribution tests are negotiated financing terms. The statutory purpose of rehabilitation funds should be preserved and those funds tracked separately from freely available project accounts.

Insurance should be tested against the actual policy: covered risks, assets and business interruption. Lender-payment provisions, assignment of insurance claims and allocation of proceeds to reinstatement or repayment require alignment with applicable law, policy terms and any necessary insurer acceptance. Claims notices, deductibles, cancellation notices and release of repair funds should match the finance

documents so that insurance supports a workable post-loss operating and payment plan.

67. How should direct agreements and lender step-in rights be structured?

A direct agreement allows lenders and the counterparty to a critical project contract to establish notice, cure and potential substitution arrangements in advance. Its effect follows from the parties' commitments. If a party is to be replaced entirely, Article 205 of the Code of Obligations governs contract transfer: participation of the outgoing, incoming and continuing parties, advance consent or later approval, and the form required for the underlying contract must be addressed. Article 205.

Relevant contracts may include offtake, construction, operation and maintenance, energy supply and land use. Recommended provisions include default notice to lenders, an agreed suspension of contractual termination, cure payments, access to project information and objective acceptance criteria for a replacement contractor. The allocation of historical liabilities and obligations arising during intervention should be explicit. Protective payment by a lender and assumption of a contract have different consequences.

Where the proposed structure constitutes a licence transfer or royalty operating arrangement, the eligibility, transfer and permission requirements in Articles 5-6 and additional Article 7 of the Mining Law must also be met. Foreclosure of a mining mortgage requires the purchaser eligibility and MAPEG certificate in Article 43. Contractual intervention arrangements operate subject to these public-law requirements. Regulatory permissions and statutory deadlines require separate monitoring from contractual cure periods. Mining Law, Articles 5-6, 43 and additional Article 7.

Before drawdown, the parties should test a practical intervention scenario: who receives notice, maintains site safety, pays the relevant debt, obtains approvals and brings replacement arrangements into effect. This gives lenders usable time and information while identifying the statutory responsibilities retained by the licensee and operator.

68. What should lenders assess on default, concordat proceedings and bankruptcy?

On financial default, acceleration and the procedure for realising security are separate questions. Article 43 of the Mining Law permits sale under the general rules when a mining mortgage matures or the claim becomes due, and requires purchaser eligibility evidenced by MAPEG. The licence term, permits and operating obligations need monitoring throughout enforcement preparation. If the operating right ends, Article 42(6)'s restricted continuation over residual facilities and equipment changes the recovery valuation. Mining Law, Articles 42-43.

A concordat moratorium separately affects recovery and intervention. Article 295 of the Enforcement and Bankruptcy Law distinguishes commencement or continuation of security enforcement from preservation measures and sale. Its sale restriction has an exception for collateral not required by the project, liable to depreciate or costly to preserve, with permission under Article 297(2). Recovery timing should therefore reflect court orders and the asset's role in the project. Law No. 7101, Article 23; Law No. 7327, Article 3.

Article 296 protects contracts important to continued operations against provisions treating the concordat application alone as breach, a termination ground or acceleration. New security and disposal of important assets during the moratorium require attention to Article 297's court-permission regime. Proposed additional collateral, contract transfers and funding conditions should be tested against those restrictions. Law No. 7101, Articles 24-25; Law No. 7327, Articles 4-5.

A bankruptcy scenario also requires review of security creation and validity, claim classification, the liquidation file, costs and competing rights. Before financing, stress analysis should separately value the going concern and liquidation after loss of the licence or operational integrity. This makes the economic consequences of new money, asset sales or controlled closure visible, grounding recovery expectations in more than nominal collateral amounts.

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Practice note: Ten checks before payment

Diligence on a mining licence or licensee should produce closing conditions capable of verification before the price is released. The following are documentary and contractual recommendations to adapt to the transaction; statutory licence-transfer requirements apply separately, particularly under Articles 5 and 13. Mining Law.

1. Current registry, holder, group, coordinates, term and decisions threatening cancellation. 2. Alignment of the operating licence, operating permit and actual production footprint. 3. Reconciliation of licence, rehabilitation and royalty assessments with payments. 4. EIA, forestry, surface rights and other project permissions: area, capacity and validity. 5. Filing and inspection evidence of exploration, production, reporting and project compliance. 6. Mortgages, ore pledges, attachments, interim measures, royalty arrangements and third-party claims. 7. Surface agreements: term, assignment, termination and site handover. 8. Independent technical review of drilling, samples, assays, resources and reserves. 9. Environmental, safety, employee, tax, litigation, sanction and restoration liabilities. 10. Corporate and administrative approvals, registration, price adjustments and release conditions.

Each finding should have evidence, an owner and a completion date. Items to be cured at closing should be distinguished from risks requiring a price reduction, specific indemnity or retention. The payment instruction can then follow the completed transaction record.

Case note I: Royalty arrangements, registry and jurisdiction

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The Eighth Chamber's judgment of 17 February 2025, E. 2022/7556, K. 2025/961, separates private contractual issues from administrative review of a registry act. The dispute arose from refusal to enter January 2024 as the expiry date of an agreement recorded for information in 2011. The Chamber identified civil jurisdiction over contractual validity and termination, while examining the registry act under the rules applicable when the entry was made. Judgment, Facts and Legal Assessment.

The Chamber upheld dismissal on substituted reasoning based on the informational nature of the 2011 entry and the absence then of a requirement to register an expiry date. It left the contractual-duration dispute to the civil courts. That historical boundary matters when applying the judgment to later agreements. Diligence should compare the original contract, extension provisions, amendments, permission and registry dates, with contractual relief and registry relief pursued through their respective procedures.

Case note II: Environmental review and conflicting expert reports

The Eighth Chamber's judgment of 7 February 2023, E. 2019/5595, K. 2023/401, concerns inconsistent expert reports in separate proceedings about the same limestone site. The operating-licence action relied on an EIA-file report, while another licensing case contained different findings on blasting, water, dust and cultural heritage. The Chamber required site inspection and expert examination to resolve the inconsistency. Judgment, Legal Assessment, pp. 4-6.

It quashed the appellate judgment for inadequate examination and remitted the file for a new decision. It also required notification of the proceedings to the affected licensee. This procedural outcome reinforces the need for investors to monitor third-party permit and licence challenges. The defence file should compare the reports' underlying data, geographic scope, measurement dates and expertise, identifying the examination capable of resolving the particular conflict.

From case law to practice: File design and evidence

The judgments inform file preparation through distinct issues. E. 2022/7556, K. 2025/961 separates contractual validity and duration from review of a registry act. E. 2019/5595, K. 2023/401 addresses inconsistent technical reports and notice to the affected licensee. Each should be used with its own facts and procedural outcome intact. Contract and registry judgment; technical examination judgment.

As a practical recommendation, administrative decisions, contractual documents and technical evidence should form separate chains aligned on one chronology. Each claim can then be linked to its legal basis, forum, starting date and required expertise. Distinguishing the legal relief sought from the technical question for an expert reduces unnecessary examination and procedural misdirection.

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About the author and the firm



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