



ICLG

The International Comparative Legal Guide to:

Mining Law 2019

6th Edition

A practical cross-border insight into mining law

Published by Global Legal Group, with contributions from:

Ali Budiardjo, Nugroho, Reksodiputro

Allens

Bilé-Aka, Brizoua-Bi et Associés

Boden Law

Claro & Cia.

Dempsey Law Firm

Eric Silwamba, Jalasi and Linyama Legal Practitioners

Georgi Dimitrov Attorneys

GTs Advocates LLP

Holland & Hart LLP

Jincheng Tongda & Neal Law Firm

JLA Advogados (Jamal, Langa & Associados) in
collaboration with Abreu Advogados

Johanna Cuvex-Micholin

Kazakov & Partners, Attorneys at Law

Lawson Lundell LLP

Mayer Brown International LLP

Project Lawyers

RB Abogados

Rebaza, Alcazar & De Las Casas

Reindorf Chambers

Vieira de Almeida

Werksmans Inc

Wintertons

Wolf Theiss

WSCO



global legal group

Contributing Editor

Tom Eldridge, Mayer Brown International LLP

Sales Director

Florjan Osmani

Account Director

Oliver Smith

Sales Support Manager

Toni Hayward

Senior Editors

Suzie Levy,
Caroline Collingwood

CEO

Dror Levy

Group Consulting Editor

Alan Falach

Publisher

Rory Smith

Published by

Global Legal Group Ltd.
59 Tanner Street
London SE1 3PL, UK
Tel: +44 20 7367 0720
Fax: +44 20 7407 5255
Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design

F&F Studio Design

GLG Cover Image Source

iStockphoto

Printed by

Stephens & George
Print Group
September 2018

Copyright © 2018

Global Legal Group Ltd.
All rights reserved
No photocopying

ISBN 978-1-912509-36-2

ISSN 2052-5427

Strategic Partners



General Chapter:

1	Changing Times; Changing Laws – Policy and Regulations Under Scrutiny Again – Tom Eldridge, Mayer Brown International LLP	1
---	---	---

Country Question and Answer Chapters:

2	Angola	Vieira de Almeida VdA Legal Partners: João Afonso Fialho & Ângela Viana	5
3	Australia	Allens: Gerard Woods & Melanie Rifici	11
4	Canada	Lawson Lundell LLP: Khaled Abdel-Barr & Karen MacMillan	19
5	Chile	Claro & Cia.: Nicolás Eyzaguirre	30
6	China	Jincheng Tongda & Neal Law Firm: Guohua Wu (Annie) & Yingnan Li (Jason)	37
7	Congo – D.R.	Vieira de Almeida: Olivier Bustin & Matthieu Le Roux	43
8	Ethiopia	Dempsey Law Firm: Christopher Dempsey	48
9	Gabon	Project Lawyers: Jean-Pierre Bozec	54
10	Ghana	Reindorf Chambers: Fui S. Tsikata & Dominic Dziejornu Quashigah	61
11	Greenland	WSCO: Bo Sandroos	67
12	Indonesia	Ali Budiardjo, Nugroho, Reksodiputro: Woody Pananto & Freddy Karyadi	73
13	Ivory Coast	Bilé-Aka, Brizoua-Bi et Associés: Joachim Bilé-Aka & Moussa Traoré	85
14	Macedonia	Georgi Dimitrov Attorneys: Katarina Ginoska & Marija Jankuloska	91
15	Mali	Johanna Cuvex-Micholin	97
16	Mauritania	Dempsey Law Firm: Christopher Dempsey	103
17	Mexico	RB Abogados: Enrique Rodríguez del Bosque	111
18	Mongolia	GTs Advocates LLP: Zoljargal Dashnyam & Mend-Amar Narantsetseg	119
19	Mozambique	JLA Advogados (Jamal, Langa & Associados) in collaboration with Abreu Advogados: Zara Jamal & Manuel de Andrade Neves	127
20	Peru	Rebaza, Alcazar & De Las Casas: Luis Miguel Elias	133
21	Poland	Wolf Theiss: Ronald B. Given	139
22	Portugal	Vieira de Almeida: Manuel Protásio & Catarina Coimbra	146
23	Russia	Kazakov & Partners, Attorneys at Law: Pavel Posashkov & Alexey Mazurov	152
24	Senegal	Dempsey Law Firm: Christopher Dempsey	158
25	South Africa	Werksmans Inc: Christopher Ian Stevens	165
26	Turkey	Boden Law: Değer Boden & Ceren Akkur	171
27	United Kingdom	Mayer Brown International LLP: Tom Eldridge	177
28	USA	Holland & Hart LLP: Karol Kahalley	185
29	Zambia	Eric Silwamba, Jalasi and Linyama Legal Practitioners: Joseph Alexander Jalasi, Jr. & Eric Suwlanji Silwamba, S.C.	193
30	Zimbabwe	Wintertons: Nikita Madya & Farai Chigavazira	200

Further copies of this book and others in the series can be ordered from the publisher. Please call +44 20 7367 0720

Disclaimer

This publication is for general information purposes only. It does not purport to provide comprehensive full legal or other advice. Global Legal Group Ltd. and the contributors accept no responsibility for losses that may arise from reliance upon information contained in this publication. This publication is intended to give an indication of legal issues upon which you may need advice. Full legal advice should be taken from a qualified professional when dealing with specific situations.

Portugal



Manuel Protásio



Catarina Coimbra

Vieira de Almeida

1 Relevant Authorities and Legislation

1.1 What regulates mining law?

The Portuguese legal system is integrated in the civil/continental law system, which means that the majority of the legal provisions are comprised and enacted by statutes, written law being its primary source. The legal system is structured hierarchically and the Constitution is the leading legal instrument. The political bodies empowered to pass legislation are Parliament and the Government. The Government has the power to legislate on all subjects that are not reserved for Parliament and enacts legislation under the form of Decree-Laws.

Until 2015, Mining Law was regulated by the Decree-Law 90/90 of March 16, which established the General Regime for the Discovery and Use of Geological Resources and by specific Regulations for each type of mineral resource (Decree-Law 84/90, of March 16, which established the Spring Waters Regulation; Decree-Law 85/90, of March 16, which established the Heavy Waters Regulation; Decree-Law 86/90, of March 16, which established the Mineral Waters Regulation; Decree-Law 87/90, of March 16, which established the Geothermic Resources Regulation; Decree-Law 88/90 of March 16, which established the Mineral Deposits Regulation and Decree-Law 270/2001, of October 6, which established the Quarries Regulation).

In June 2015, the Legal Framework for the Discovery and Use of the Geological Resources Located in Portugal (including National Maritime Space) – Law 54/2015 of 22 June – was enacted (the “Geological Resources Law”). The Geological Resources Law revoked Decree-Law 90/90 of March 16.

The creation of this new legal regime derived from the National Strategy for Geological Resources (“ENRG-RM”) – Council of Ministers Resolution 78/2012 – which envisaged the establishment of a new – more efficient – legal and institutional framework.

The Portuguese Government should have approved all complementary legislation within three months from the entry into force of the Geological Resources Law, notably the new mineral deposits legal framework. The passing of complementary legislation has, however, been delayed, taking into consideration (*inter alia*) that general elections took place and a new Government has been in office since the last quarter of 2015. In the meantime, the specific Regulations for each type of mineral resources mentioned above remain in force regarding everything which is not incompatible with the Geological Resources Law.

Other key statutes include the General Health and Safety at Work on Mines and Quarries Regulation (approved by Decree-Law 162/90, of May 22), the Regulation on Environmental Recovery of

Deteriorated Mining Sites (approved by Decree-Law 198-A/2001, of July 6), the Regulation on Waste Management of Mineral Deposits’ Exploitation (approved by Decree-Law 10/2010, of February 4), the Regulations on Manufacture, Storage, Trade and Use of Explosive Products (approved by Decree-Law 376/84, of November 30, 1984, as amended) and the Regulation on Social Security for Employees in Mines (approved by Decree-Law 195/95, of July 28). Furthermore, the legislative framework is complemented by several circulars enacted by the General Directorate of Energy and Geology (“DGEG”), regarding, for instance, the authorisation for the acquisition and use of explosive products on mines and quarries (Circular no. 9/2018, April 1, 2018).

1.2 Which Government body/ies administer the mining industry?

The mining industry is currently administered by the Ministry of Economy and is under the direct supervision of the DGEG, save in relation to geological resources located in the national maritime space, which are supervised by the General Directorate of Natural Resources, Security and Maritime Services. Notwithstanding the above, specific matters governed by different authorities regarding health and safety, nature conservation and cultural heritage, may also apply.

The Autonomous Regions of Azores and Madeira are responsible for the granting of rights over geological resources located in those territories.

1.3 Describe any other sources of law affecting the mining industry.

As a Member State of the European Union, Portugal is subject to European legislation (please refer to question 14.2 below).

Mining activity must also take into account environmental, tax, waste management, social security, territorial planning, health and safety regulations and the special regulations for hazardous activities. Legislation with a regional scope further applies in connection with mining activities in the Azores and Madeira autonomous regions.

2 Mechanics of Acquisition of Rights

2.1 What rights are required to conduct reconnaissance?

The Geological Resources Law acknowledges and regulates the concept of reconnaissance. To conduct reconnaissance, an entity

must hold a prior evaluation right over area/areas designed for the exercise of activities for the use of metallic mineral deposits. Such right is granted under an administrative contract (with a maximum non-renewable term of one year) and may be requested to DGEG by any entity with recognised technical, economic and financial suitability. Prior evaluation rights entitle the holder of such rights to develop studies to allow a better knowledge of the geological potential of the envisaged area, namely through the analysis of available information and samples taken from the area.

2.2 What rights are required to conduct exploration?

To conduct exploration of mineral deposits, one must hold a prospecting and research right or an experimental exploitation right. The procedure for obtaining prospecting and research rights may be initiated by the interested parties through the submission of an application, or by the Portuguese State through a tender procedure (subject to the provisions of the Public Procurement Code), while the experimental exploration rights are granted at the request of the interested parties. These rights may only be granted over available areas (except if there is no incompatibility between the concessions granted, or to be granted, and the prospecting and research rights) and to legal entities who give proof of suitability and financial and technical capacity to perform these activities. The contract for prospecting and research activities and for experimental exploitation rights has a maximum term of five years.

A prospecting and research title gives the right to develop activities aimed at the discovery of resources and the definition of their characteristics, until the determination of the economic value of any resources found.

If the discovered resources fail to have the necessary conditions to initiate their immediate and effective exploitation, the interested parties may submit an application for experimental exploitation rights. These rights are granted through an administrative contract, with a maximum legal term of five years, and entitle their holder to perform the same activities as those entrusted to a holder of an exploitation title.

2.3 What rights are required to conduct mining?

The right to exploit geological resources (mining) is granted by means of a concession (with a maximum term of 90 years), following a prior evaluation/prospecting and research/experimental exploitation agreement (if resources have been discovered) or, in case no such prior agreement exists, granted in respect of (i) available areas, or (ii) areas covered by prior evaluation, prospecting and research, experimental exploitation rights, in case these relate to different mineral resources and the different mining activities are compatible. The text of the exploitation concession agreement shall be published in the Official Gazette. This concession entitles its holder to the right of exploitation for economic use of resources.

2.4 Are different procedures applicable to different minerals and on different types of land?

Complementary legislation to be enacted shall regulate the legal framework for the discovery and use of mineral deposits, as well as other geological resources, as mentioned in section 1. To date, no different procedures have been applicable to the different mineral deposits or different types of land under the mining law.

2.5 Are different procedures applicable to natural oil and gas?

Yes. Oil and gas are expressly excluded from the Geological Resources Law (in line with the previous framework) and are regulated by specific laws, the main legal framework being set out in Decree-Law 109/94 of April 26 1994, as amended by Law 82/2017, of 18 August 2017.

3 Foreign Ownership and Indigenous Ownership Requirements and Restrictions

3.1 What types of entity can own reconnaissance, exploration and mining rights?

Exploration concessions may only be granted to legal persons giving proof of technical, economic and financial suitability. Other than that, the law does not impose restrictions on the type of persons at stake. The Companies Code contemplates two forms of limited liability companies that are normally used for the purpose of developing mining projects in Portugal. Those corporate forms are the *sociedade anónima* (SA) and the *sociedade por quotas*.

3.2 Can the entity owning the rights be a foreign entity or owned (directly or indirectly) by a foreign entity and are there special rules for foreign applicants?

Yes, foreign entities or entities owned by a foreign entity can hold mining rights; there are no special rules for foreign applicants applying. Notwithstanding, under Portuguese corporate law, any foreign company not legally domiciled in Portugal that aims to undertake activity in Portugal for more than one year must create a permanent establishment in the Portuguese territory. Moreover, in what concerns tax representation before the Portuguese Tax Authorities, the Portuguese Corporate Income Tax Code establishes that an entity that has neither its head office or (place of) effective management in Portuguese territory, nor a permanent establishment situated therein, shall be required to appoint a person or entity with residence, head office or (place of) effective management in that territory as its tax representative before the Portuguese Tax Authorities, in case it generates income in this territory. As an exception, companies resident for tax purposes in a Member State of the European Union, or a Member State of the European Economic Area (in the latter case, the exception applies insofar as there is an administrative cooperation agreement in force between Portugal and the relevant EEA Member State) are not required to appoint a tax representative.

Foreign direct investment is not restricted under general Portuguese law. In respect of repatriation of profits and investment, there are no currency controls under Portuguese law and money can be freely transferred into or out of Portugal. Also, there are no restrictions on the remittance of profits or investments abroad.

3.3 Are there any change of control restrictions applicable?

No change of control restrictions are expressly provided for in mining law. However, there are rules on the assignment of contractual positions in prior evaluation, prospecting and research, experimental exploitation and exploitation agreements (please refer to question 5.1 below).

3.4 Are there requirements for ownership by indigenous persons or entities?

No, there are not.

3.5 Does the State have free carry rights or options to acquire shareholdings?

There are no free carry or similar rights under the law. However, the State may control or impose conditions on the exploitation of mineral rights in certain circumstances, notably for reasons of national or regional interest. Also, for public interest reasons, the Ministry of Economy may exercise preferential rights in the acquisition of mineral deposits.

4 Processing, Refining, Beneficiation and Export

4.1 Are there special regulatory provisions relating to processing, refining and further beneficiation of mined minerals?

Yes. Under mining law, any processing/commercialisation or beneficiation of products resulting from exploitation is subject to supervision by DGEG and/or by the relevant trading authorities (depending on the type of processing and trading at stake).

4.2 Are there restrictions on the export of minerals and levies payable in respect thereof?

The export, sale or any other means of transfer (even free of charge) of any products which do not come from authorised exploitations, or which were not legally imported, is forbidden. The export of minerals or land samples may be made under a prospecting and research agreement for industrial analysis and tests if previously authorised by the Ministry of Economy.

Although no restrictions arise from mining law, the export of ore or minerals must, at all times, be made in compliance with the terms of international treaties that Portugal is a party to, which may introduce restrictions thereto.

5 Transfer and Encumbrance

5.1 Are there restrictions on the transfer of rights to conduct reconnaissance, exploration and mining?

Pursuant to the Geological Resources Law, the contractual position under prospecting and research, experimental exploitation and exploitation agreements may be transferred with the express authorisation of the Ministry of Economy. Rights to conduct reconnaissance may not be transferred.

5.2 Are the rights to conduct reconnaissance, exploration and mining capable of being mortgaged or otherwise secured to raise finance?

In accordance with the Geological Resources Law, the creation of mortgages is only authorised over rights arising from a concession

for exploitation – and over the physical facilities created for support of mining activities – as security of credits/loans for the exploitation works, and shall be previously communicated to DGEG.

The enforcement of said mortgage shall follow the rules of the Code of Tax Procedure and Proceedings and of the Civil Procedure Code until the moment of the auction, which shall be executed by DGEG through public tender.

6 Dealing in Rights by Means of Transferring Subdivisions, Ceding Undivided Shares and Mining of Mixed Minerals

6.1 Are rights to conduct reconnaissance, exploration and mining capable of being subdivided?

The option to subdivide rights to conduct reconnaissance, exploration and mining is not provided for, nor forbidden, in the mining laws.

6.2 Are rights to conduct reconnaissance, exploration and mining capable of being held in undivided shares?

The law does not prevent the association of entities for the purposes of acquiring mining rights and, in this context, joint undivided holdings may be considered to be permitted.

The Geological Resources Law introduced the possibility for holders of different concession titles to request the creation of a Agrupamento de Concessões, which will be allocated with the rights and obligations resulting from their capacity as concessionaires, based on neighbourhood or contiguity, ownership by the same economic group, the similarity or complementarity of the exploited geological resources and/or the benefits for the commercialisation or preparation of products.

6.3 Is the holder of rights to explore for or mine a primary mineral entitled to explore or mine for secondary minerals?

In general, yes, to the extent that concession agreements are usually not entered into for a specific type of mineral, but for the minerals available in the concession area. If the contract is granted for a specific mineral, the mining of a new mineral may only be made pursuant to an amendment to the concession agreement, which would be subject to approval by the competent authorities.

6.4 Is the holder of a right to conduct reconnaissance, exploration and mining entitled to exercise rights also over residue deposits on the land concerned?

The law does not establish any specific rights over the residue deposits and they may generally be explored if they have an economic value. There is, however, a legal obligation to adequately manage and ensure that the waste generated is treated at the site – by means of a specific licensing procedure – or alternatively, is sent to a duly licensed facility for final destination and treatment. A waste management plan, in order to guarantee that waste is adequately managed, must be drawn up.

6.5 Are there any special rules relating to offshore exploration and mining?

The Geological Resources Law is applicable to all discoveries and use of geological resources located within the national territory, including those located in the Portuguese National Maritime Space (which is defined under Law 17/2014 of April 10 and comprises the seashore, territorial waters, exclusive economic zone and continental platform beyond the 200 maritime miles). In the maritime space, mining activities shall be subject to the granting of a use licence.

7 Rights to Use Surface of Land

7.1 Does the holder of a right to conduct reconnaissance, exploration or mining automatically own the right to use the surface of land?

Prospecting and research and experimental exploitation right holders have the right to temporarily use the land necessary for the performance of works (and establishment of the facilities) and the granting of those rights is accompanied by the creation of an administrative easement over the relevant area. The holders of a concession agreement (exploitation right) may obtain, by means of an administrative act, the necessary administrative easements for the exploitation of resources. In certain circumstances, neighbouring land may be subject to said easement.

These administrative easements have the maximum legal term of seven years, without prejudice to the possibility of continuing occupying land with the consent of the owner of the land.

Also, the holders of a concession agreement have preference rights in the acquisition or transfer *in lieu* of the land located in the concession area, as long as the acquisition is necessary for the exploitation.

7.2 What obligations does the holder of a reconnaissance right, exploration right or mining right have *vis-à-vis* the landowner or lawful occupier?

The holder of a prospecting and research right must compensate any third parties for all damages directly caused by the research activities and implement the relevant security, environmental protection and landscape recovery measures, even after the end of activities.

The holders of experimental exploitation and concession exploitation rights shall compensate any third parties for the damages resulting from exploitation, and shall implement environmental protection and landscape recovery measures.

The temporary use of the necessary land by holders of experimental exploitation rights entails the payment of compensation to the owners of the land.

Also, the creation of administrative easements may give rise to the payment of compensation.

7.3 What rights of expropriation exist?

The holders of a concession exploitation agreement may request the urgent expropriation, by reasons of public utility, of the land necessary for the performance of works and installation of facilities, even if it is located outside the covered area.

8 Environmental

8.1 What environmental authorisations are required in order to conduct reconnaissance, exploration and mining operations?

The main environmental authorisations applicable to mining activities are: (i) a favourable environmental impact assessment declaration – issued under the environmental impact assessment legislation; or (ii) a favourable (more simplified) environmental assessment declaration – issued according to Natura 2000 legislation. The type of authorisation shall depend on the size, location and area occupied by the operation at stake.

Specific authorisations, such as the licensing for the use of water resources, shall also be necessary.

8.2 What provisions need to be made for storage of tailings and other waste products and for the closure of mines?

Pursuant to the Geological Resources Law, a financial guarantee shall be delivered together with the prospecting and research, experimental exploitation and exploitation agreements in order to ensure compliance with the contract, the landscape recovery and the closure of mines.

In accordance with the Regulation on Waste Management of Mineral Deposits' Exploitation, the holder of the mining right must submit a waste management plan, which must be reviewed every five years. The facilities for the storage of tailings or other waste products are subject to a licensing procedure with DGEG or the Regional Directorate or Economy, depending on the type of the facility.

8.3 What are the closure obligations of the holder of a reconnaissance right, exploration right or mining right?

Closure obligations include the removal of all constructions and installations, the removal and delivery of all waste to a final destination in a duly licensed facility and the environmental recovery of the area according to an environmental and landscape recovery plan previously approved by the authorities.

8.4 Are there any zoning or planning requirements applicable to the exercise of a reconnaissance, exploration or mining right?

Mining operations may only be carried out in areas designated for these activities in the applicable municipal zoning plans or in areas where mining is considered compatible with the use foreseen in the municipal zoning plan. In some cases, the municipal plan may not be completely updated in relation to special zoning plans approved by the Government determining legal restrictions for environmental purposes and, therefore, said plans and restrictions must also be taken into account.

9 Native Title and Land Rights

9.1 Does the holding of native title or other statutory surface use rights have an impact upon reconnaissance, exploration or mining operations?

No, it does not.

10 Health and Safety

10.1 What legislation governs health and safety in mining?

Health and safety in mining is governed by Decree-Law 162/90 of May 22, which approves the General Health and Safety at Work in Mines and Quarries Regulation.

10.2 Are there obligations imposed upon owners, employers, managers and employees in relation to health and safety?

Both employers and employees shall comply with health and safety conditions set out in articles 2 and 3 of Decree-Law 162/90 of May 22. The main obligations are imposed on the employer who is required to inform the employee (and in certain situations to publicise or make available easily accessible information) on all health and safety measures imposed by law.

11 Administrative Aspects

11.1 Is there a central titles registration office?

Yes. DGEG is the competent authority for this purpose.

11.2 Is there a system of appeals against administrative decisions in terms of the relevant mining legislation?

General law applies, meaning that, depending on the administration body and decision, administrative decisions may be subject to a claim or opposition against the public body that has taken the decision, in certain cases to an hierarchic appeal (within the public administration) and is generally subject to administrative appeals before judicial courts.

12 Constitutional Law

12.1 Is there a constitution which has an impact upon rights to conduct reconnaissance, exploration and mining?

The Portuguese Constitution determines which assets are to be considered public domain assets. Ordinary law regulates the terms and conditions and the limits for the use of such goods.

Under the Geological Resources Law, geological resources are divided into public domain goods (mineral deposits, mineral waters, mineral industrial waters, geothermic resources, geological resources located in the seabed and subsoil of the national maritime space) and private assets (quarries and spring waters). The granting of rights over the public domain goods is subject to the award of a concession contract, while the granting of rights over the private domain goods is subject to a licensing procedure.

12.2 Are there any State investment treaties which are applicable?

As mentioned above, Portugal is a Member State of the European Union and is subject to European legislation.

13 Taxes and Royalties

13.1 Are there any special rules applicable to taxation of exploration and mining entities?

No, there are not. Companies carrying out exploration and mining activities in Portugal will be subject to the general provisions foreseen in the Corporate Income Tax Code.

However, pursuant to the Company Tax Code, the provisions made retained against the costs in connection with the environmental damage of the mining site are tax deductible.

13.2 Are there royalties payable to the State over and above any taxes?

No, there are no specific rules in mining law concerning royalties payable to the Portuguese State. However, licensing fees, royalties, *premia* and other consideration are nevertheless usually negotiated and established in concession agreements, on a case-by-case basis.

14 Regional and Local Rules and Laws

14.1 Are there any local provincial or municipal laws that need to be taken account of by a mining company over and above National Legislation?

Please note that municipal planning requirements form the basis of planning and zoning regulations (which, once adopted, constitute national law). In any case, the granting of rights regarding prospecting and research/experimental exploitation/exploitation shall occur following mandatory consultation with the relevant municipalities, which will be promoted by DGEG and the answers published on the DGEG website.

14.2 Are there any regional rules, protocols, policies or laws relating to several countries in the particular region that need to be taken account of by an exploration or mining company?

Yes, there are. Portugal has been a member of the European Union since 1986, and has been integrated in the eurozone since its implementation. Therefore, it is subject to European legislation. Accordingly, national law is in line with the European applicable common norms (principle of primacy of European law over internal law), and European Community laws are directly applicable without the need to be ratified by Parliament.

15 Cancellation, Abandonment and Relinquishment

15.1 Are there any provisions in mining laws entitling the holder of a right to abandon it either totally or partially?

The suspension of exploitation may be authorised by DGEG due to force majeure reasons or when it refers to resources considered to be an adequate reserve of other resources in exploitation by the concessionaire. The suspension is valid for one year and cannot be extended for more than five years.

15.2 Are there obligations upon the holder of an exploration right or a mining right to relinquish a part thereof after a certain period of time?

The holder of prior entitlement rights must, upon expiry of the administrative contract, inform DGEF if it wishes to relinquish the area or request the granting of prospecting and research/exploration rights, experimental exploitation rights or mining/exploitation rights.

At each extension of the contract for prospecting and research activities, the holder of the title shall be required to make available part of the area initially covered by that title, pursuant to the terms and conditions set out in each administrative contract.

15.3 Are there any entitlements in the law for the State to cancel an exploration or mining right on the basis of failure to comply with conditions?

Prospecting and research, experimental exploitation or exploitation agreements may be terminated by the State on the basis of failure to comply with legal and contractual obligations. On the other hand, the holder of such rights may also terminate the agreements, provided that the works are concluded, based on the technical unfeasibility of revelation of natural resources in the area covered by the agreement.



Manuel Protásio

Vieira de Almeida
Rua Dom Luis I, 28
1200-151 Lisboa
Portugal

Tel: +351 21 311 3400
Email: mp@vda.pt
URL: www.vda.pt

Manuel Protásio joined VdA in 1991 and is the head partner of the Projects – Infrastructure, Energy & Natural Resources practice group. In such capacity, he has participated in or led the teams involved in the most relevant transactions carried out in Portugal to date in the power (including the renewable energies), oil and gas, road, transport, water and waste sectors. He has also actively worked in regulation and public procurement procedures of these sectors.



Catarina Coimbra

Vieira de Almeida
Rua Dom Luis I, 28
1200-151 Lisboa
Portugal

Tel: +351 21 311 3400
Email: ccm@vda.pt
URL: www.vda.pt

Catarina Coimbra joined VdA in 2016. She is an associate in the Projects – Infrastructure, Energy & Natural Resources area of practice. In such capacity, she has participated in the teams involved in transactions carried out in Portugal in the oil and gas, mining, road, transport, water and waste sectors.



With over 40 years in the making, Vieira de Almeida (**VdA**) is an international leading law firm, notable for cutting-edge innovation and top-quality legal advice. A profound business know-how coupled with a highly specialised cross-sector legal practice enable the firm to effectively meet the increasingly complex challenges faced by clients, notably in the aerospace, distribution, economy of the sea, green economy, energy, finance, real estate, industry, infrastructure, healthcare, public, professional services, information technology, emerging technologies, telecoms, third, transports and tourism sectors.

VdA offer robust solutions based on consistent standards of excellence, ethics and professionalism. The recognition of VdA as a leading provider of legal services is shared with our team and clients and is frequently acknowledged by the major law publications, professional organisations and research institutions. VdA has consistently and consecutively received the industry's most prestigious awards and nominations.

Through VdA Legal Partners clients have access to a team of lawyers across 13 jurisdictions, ensuring wide sectoral coverage, including all African members of the Community of Portuguese-Speaking Countries (CPLP), and several francophone African countries, as well as Timor-Leste.

Angola – Cabo Verde – Cameroon – Chad – Congo – Democratic Republic of the Congo – Equatorial Guinea – Gabon – Guinea-Bissau – Mozambique – Portugal – Sao Tome and Principe – Timor-Leste

Other titles in the ICLG series include:

- Alternative Investment Funds
- Anti-Money Laundering
- Aviation Law
- Business Crime
- Cartels & Leniency
- Class & Group Actions
- Competition Litigation
- Construction & Engineering Law
- Copyright
- Corporate Governance
- Corporate Immigration
- Corporate Investigations
- Corporate Recovery & Insolvency
- Corporate Tax
- Cybersecurity
- Data Protection
- Employment & Labour Law
- Enforcement of Foreign Judgments
- Environment & Climate Change Law
- Family Law
- Fintech
- Franchise
- Gambling
- Insurance & Reinsurance
- International Arbitration
- Investor-State Arbitration
- Lending & Secured Finance
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Oil & Gas Regulation
- Outsourcing
- Patents
- Pharmaceutical Advertising
- Private Client
- Private Equity
- Product Liability
- Project Finance
- Public Investment Funds
- Public Procurement
- Real Estate
- Securitisation
- Shipping
- Telecoms, Media & Internet
- Trade Marks
- Vertical Agreements and Dominant Firms



59 Tanner Street, London SE1 3PL, United Kingdom
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255
Email: info@glgroup.co.uk