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REGULATIONS ON THE DELIVERY OF GENERAL INFORMATION OBTAINED FROM BASIC GEOLOGICAL EXPLORATION WORKS

On May 25, 2017 Decree No. 104 issued by the Ministry of Mining, which approved the Regulations on the delivery of general information obtained from basic geological exploration works (the "Regulations") was published in the Official Gazette. It will enter into force on July 24, 2017.

Introduction

Pursuant to article 21 of the Chilean Mining Code, in relation with article 2° number 16 of Law No. 3,525 of 1980 that created the National Service of Geology and Mining ("Sernageomin"), Sernageomin is entitled to request from anyone who conducts or has conducted basic geological exploration works, by themselves or through third parties, to deliver the general information obtained in this regard.

The Regulations aim to "set forth the definitions, terms, conditions and proceedings" to comply with this obligation to deliver the information requested by Sernageomin.

Provisions contained in Law No. 19,880 on Basis of the Administrative Proceedings that Govern the Actions of the State's Administration Entities, will apply in substitution to the administrative proceedings that result from the application of the Regulations.

Definitions

The following are the most relevant definitions contained in the Regulations:

• **"Exploration"** : combination of works and actions conducive to the discovery, characterization, delimitation and estimation of the potential of a concentration of mineral substances.
• **"Basic Geological Exploration"** : first stage of the exploration process, consisting of the selection of geographical areas with

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geological features favorable to contain mineral deposits, and the identification in such areas of specific sectors or targets in which the presence of such deposits may be eventually proved, by applying one or more geological survey techniques.
• **"General Information"** : combination of documentation such as samples, drawings, surveys, tables or studies, obtained from Basic Geological Exploration works.
• **"Informing Entity"** : any natural or legal person that conducts or has conducted Basic Geological Exploration works, by themselves or through third parties.

Proceeding

Sernageomin shall elaborate a program that sets forth the geographical and temporary criteria that will determine the Basic Geological Exploration works whose information shall be requested. Such program shall be set by means of an Exempt Resolution issued on the year previous to its entry into force. Notwithstanding, any Informing Entity can deliver General Information voluntarily and without prior request.

Sernageomin's request may not include information older than four years, counted as of the date of notification.

The General Information shall be delivered to Sernageomin through a letter signed by the Informing Entity or its legal representative, which shall be submitted either in person or by electronic means, but in both cases in digital form.

The abovementioned letter must have enclosed an affidavit indicating that the delivered information is complete, consistent and truthful.

Upon receiving the General Information, Sernageomin will conduct a formality examination in order to detect errors or omissions, and a substantive review in order to request further explanations, amendments and additions. Once the legal terms set forth to that effect have expired, Sernageomin shall issue a resolution that will have the General Information as delivered.

The General Information is property of each Informing Entity, but will have public nature in accordance to the provisions of Law No. 20,285 on Access to Public Information.

Sanctions

Sernageomin has the exclusive competence to oversee compliance with the Regulations, whose breaches can be penalized with fiscal benefit fines of up to 100 Annual Tax Units (approximately USD$83,500), that shall be imposed by Sernageomin's National Director.

The punitive proceeding shall initiate with the filing of charges. Together with filing its response, the infringer can request probative means that can be denied by founded resolution.

For the calculation of the amount of the fine to be imposed, Sernageomin will consider, among other circumstances, the previous record of the infringer in relation to matters contained in the Regulations, and their financial capacity according to the accurate information provided for that purpose.

Transitory provisions

Within the two years following the entry into force of the Regulations, Sernageomin shall request the delivery of General Information of Basic Geological Exploration works conducted within the four years prior to such entry into force, and the Informing Entities will have a one-year term as of the notification to provide the requested information.

Before the entry into force of the Regulations, Sernageomin shall issue an Exempt Resolution containing the Program for Information Request applicable to the rest of the year.

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