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# Commercial Rights and Obligations

- Government Assurances
- Operational Standards
- Goods and Services
- Employment and Training
- Environment
- Other



# Government Assurances

The government is granting rights to the national patrimony – minerals in the ground.

- What rights should it retain over the conduct of the company?
- How will the agreement be authorized and implemented? Legislation?



# Government Assurances (cont'd)

- Should there be a stability agreement, or can the government pledge that no “Material Adverse Effects” will result from changes in law?
- What commitments can the national government make regarding permit issuance?



# Government Assurances (cont'd)

- Should the national government bind local government regulation?
- When can the government resume control over the minerals and project assets?



# Operational Standards

What standards can the government use, and the company commit to, governing the project operation?

- “Good and miner-like manner”?
- Designs in a bankable feasibility study?



# Operational Standards (cont'd)

- Does government approval of mine operation place responsibility and liability on the government?
- When can the company change the operations previously approved by the government?



# Operational Standards (cont'd)

- Who provides infrastructure for the mine project (water, power, etc.)?
- Who is responsible for providing access to the mine site?





# Goods and Services

- Will the company be required to purchase materials locally? At what prices?
- Will the company be required to purchase services locally (consultants, professionals, etc.)?



# Goods and Services (cont'd)

- What rules should govern import of equipment and supplies, and export of product and surplus?
- What preferences will be given to the company to encourage its commitment, and what level of commitment is required.



# Employment and Training

- Will there be specific hour and wage requirements on the project?
- To what extent may expatriots be employed?
- At what level can skilled and unskilled workers be imported?



# Employment and Training (cont'd)

- Is any local employee training required?
- Is any off-site local business development required?
- Will the project be required to be subject to collective bargaining?



# Environmental

- What environmental standards will be employed? National? International?
- How will local laws affect these standards?
- Will any financial assurances be required?



# Other

- Government rights and obligations.
- Company rights and obligations.
- Third party rights and obligations?



# Thanks

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