

## CHAPTER 10 MINING

The mining industry comes under the jurisdiction of the Department of Mineral Resources which is itself supervised by the Ministry of Industry.

**Minerals Act** A new Minerals Act came into force in August 2017. It repealed numerous previous statutes and is the key statutes regarding prospecting or mining licences.

**Provincial regulation** The Provincial Mineral Committee deals with licenses, renewals, transfers or revocation of conditions related to mining of category 1; consider complaints or impacts of mining of category 1; provide recommendations to the Provincial Governor on mineral administration in that province, and; to do other acts as assigned to it. .

**Prospecting** Prospecting regulations are similar to those issued under the Mining Act (1967). There are three types of prospecting licenses.

**De-centralising** CThe new Act includes a degree of de-centralisation:

- An application for a prospecting licence is applied for to the local authority. It is valid for one year from the date of issue.
- An application for an exclusive prospecting licence is applied for locally. It may be issued valid for a maximum of two years. The area applied for must not exceed 2,500 rai.
- An application for a special prospecting is applied for locally. It is valid for up to five years. The area applied for is 10,000 rai for an onshore exploration area and not more than 500,000 rai for offshore exploration.

**Mining licences - general provisions** Applications for a mining licence are submitted locally. An applications must include plans for restoration, development, utilization and monitoring impact on the environment and health of those living in the vicinity after closure of the business. Applicants are obligated to organise public referendums in the area relating to mining.

**Categories of mining activities** The Minister may classify mining activities in three categories, as follows:

- Category 1 mining, This means mining in an area not exceeding 100 rai. The licence is issued locally;
- Category 2 mining. This means mining in the area not exceeding 625 rai. The licence will be issued from the central authority;

- Category 3 mining. This means any mining activity other than categories 1 or 2, offshore mining and underground mining. Here the licence will be issued by the central authority.

**Environmental Impact Assessment Report** Certain mining activities will require the preparation of an EIA. These are deemed to be Category 2 or 3 mining activities.

**Term of licence** The maximum validity period for a mining licence is 30 years.

**Environmental and health matters** In a case of complaints regarding environmental or health matters, investigations may be instigated, or where the licence holder's activities have impacted the environment or the health of individuals, and no settlement can be reached. The licence holder may be ordered to carry out remedial work.

**Underground mining** Licences for underground mining will now include provisions for restoration after mining ceases, and security or insurance.

**Compensation** The Act includes provisions for determining compensation after loss.

**Regulations** Regulations may be issued regarding purchase, sale, possession, storage or transport of minerals.

**Import/export/transport restrictions** The Regulations may be issued regarding the import or export of certain minerals, or requiring licences to import prohibited minerals, and transport of minerals within Thailand.

**Mineral Dressing and Metallurgical licenses** These are issued centrally. They may be issued for up to five years.

### **Mineral royalties, fees and special contribution royalties**

Royalty rates are to be set under regulations.

Licence holders are liable to pay a special fee of not more than 10% of the royalty of the minerals produced under that license.

**Civil liability** The license holder is responsible for compensation for damages arising out of their business operations.

**Transitional provisions** In general, regulations under previous legislation remain valid unless they conflict with the new Act.

*Revised 1 September 2018*