



**REGULATORY CHANGES  
IN THE BRAZILIAN MINING SECTOR:**

*What Investors Should Know*

*13<sup>th</sup> Edition*

*Brazil-Canada at PDAC 2019*

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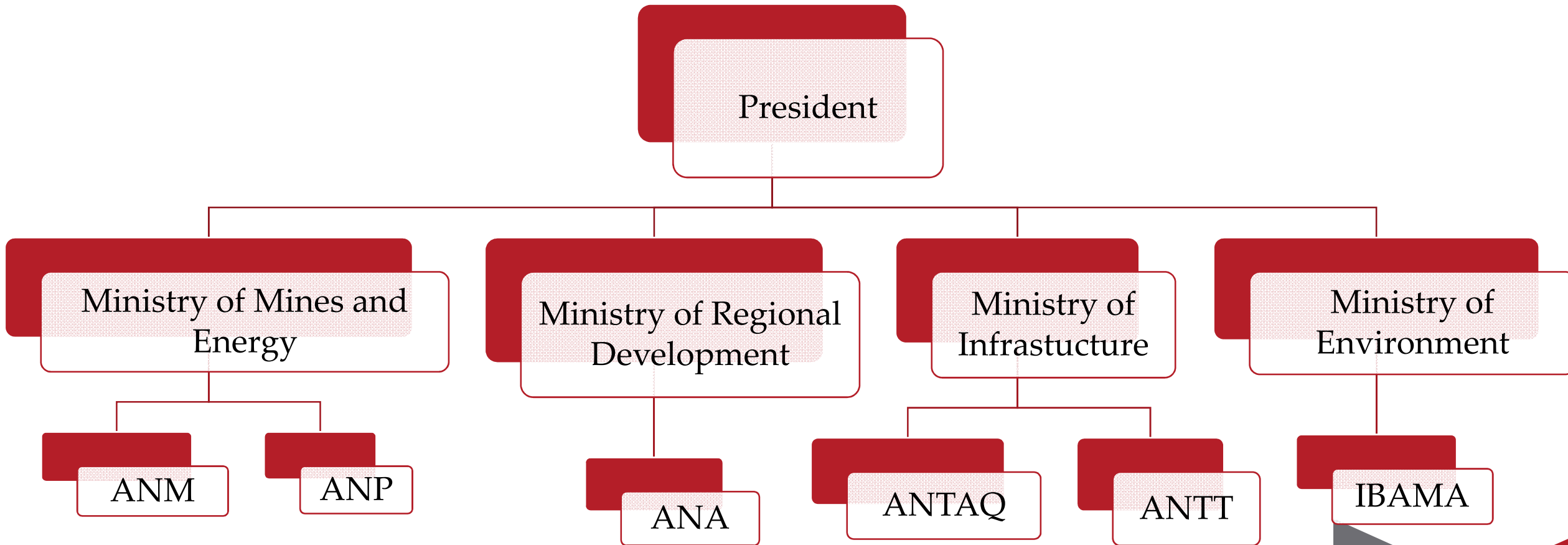
# RECENT CHANGES IN THE LEGAL ENVIRONMENT

## *Law on the Introduction to the Norms of the Brazilian Legal System - LINDB*

- ✓ A Decree-Law which had been originally issued in 1942 was amended in 2018;
- ✓ Rulings cannot be merely based on abstract legal principles; practical consequences of the decision need to be taken in consideration; motivation is mandatory and shall not ignore the potential alternatives;
- ✓ Changes in orientation or interpretation shall establish a transition regime;
- ✓ Possibility of administrative settlements;
- ✓ Any rules issued by all and any branch or authority shall be based on public consultations; and
- ✓ Legal certainty shall be aimed through binding rules and decisions.

# AUTHORITIES WITH RELEVANT JURISDICTION

## *Regulators*



# ANM

## *Upsides*

- ✓ Independent governmental agency;
- ✓ Part of the Executive branch, with technical independence and long-term careers;
- ✓ Capacity to produce Regulatory Impacts Analysis;
- ✓ Participation of the regulated sector in debates through public consultations and hearings.

# MINING REGULATIONS

## *Recent Changes*



# MAIN CHALLENGES FOR MINING PROJECTS IN BRAZIL

*2019-2020 forecast*

- ✓ Logistics;
- ✓ Financing;
- ✓ Interpretation on ownership of rural land by foreigners;
- ✓ Environmental licensing; and
- ✓ Changes in safety rules/standards.

# PUBLIC DIVESTING ON MINING ASSETS

*Opportunities in the PPI*

**1st opportunity:** Palmeirópolis/TO - copper, lead and zinc (5 mining proceedings, with a total of 5,500 ha, which currently are held by a state-owned entity, Serviço Geológico do Brasil – CPRM).

**Next:** Miriri/PB/PE - phosphate (7 mining proceedings , with a total of 7,572.84 ha); Candiota/RS - coal (14 mining proceedings with a total of 20,353.60 ha); and Bom Jardim de Goiás/GO – copper (1 mining proceeding with a total of 1,000 ha).



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