

## Ecuador: Mining Ministry reformed the Instructive of Metal Mining Concessions

Minister of Mining, Javier Cordova, issued a Ministerial Agreement (“Agreement”) that reformed the Instructive of Metal Mining Concessions (“Instructive”). This Agreement include several modifications to the award process of the mining areas.

The modifications include among others the possibility to demonstrate economic solvency through internationally recognized sources of financial information such as, but not limited to, Bloomberg and Reuters. Stages of rectification in the process are a major advance as they were not established in the Instructive. Such stages are included after the presentation of the requirements established on Arts. 35, 36 & 39 of the Instructive.

This reform establishes a limit in the amount of areas per mining project and clarifies that in the event that a requested area was returned to the State, the applicant must determine the phase in which the mining activity will start. Otherwise the activities will start in the initial exploration phase. Additionally, it determines that the economic position presented is compulsory to the person to whom a mining area was awarded, regardless of the anticipated phase change. Moreover, in the event of a partial waiver of mining hectares in areas or projects, the commitment to fulfill with the whole economic position shall be maintained.

### Contact:

Álvaro Ordoñez - [aordonez@ferrere.com](mailto:aordonez@ferrere.com)

Bruno Pesantes - [bpesantes@ferrere.com](mailto:bpesantes@ferrere.com)

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