

Detailed Rules for Implementation of the Law of the People's Republic of China on Mineral Resources - 1994

(Promulgated by Decree No. 152 of the State Council of the People's Republic of China on March 26, 1994, and effective on the date of promulgation)

Contents

Chapter I General Provisions

Chapter II Mineral Resources Prospecting Registration and Mining Consideration and Approval

Chapter III Mineral Resources Prospecting

Chapter IV Mineral Resources Mining

Chapter V Mine Enterprises under Collective Ownership, Private Mine Enterprises and Individual Miners

Chapter VI Legal Responsibility

Chapter VII Supplementary Provisions

Chapter I General Provisions

Article 1

Pursuant to the Law of the People's Republic of China on Mineral Resources, these Rules are enacted.

Article 2

Mineral resources mean the natural resources which are formed by geological action, bear value for use and take the solid, liquid or gaseous state.

The varieties and classification of mineral resources are referred to the "Classified Catalogue of Mineral Resources" appended to these Rules. Any newly-discovered mineral variety shall, after approval by the State Council, be announced by the competent department of the State Council for geology and minerals.

Article 3

All mineral resources are owned by the State, and the State ownership over surface and subsurface mineral resources shall not be changed by reason of the variance of the ownership or use right of the land to which the mineral resources are attached.

The State Council represents the State to execute the ownership over mineral resources. The State Council authorizes the competent department of the State Council for geology and minerals to impose a unified control over the allocation of mineral resources in the whole country.

Article 4

Any person who prospects or mines mineral resources in the territory of the People's Republic of China and in other sea areas under its jurisdiction must abide by the Law of the People's Republic of China on Mineral Resources (hereinafter referred to as the "Mineral Resources Law") and these Rules.

Article 5

The State implements a permit system for the prospecting and mining of mineral resources. Any person desiring to conduct prospecting of mineral resources must apply for registration according to law, seek a prospecting permit and acquire the right of prospecting; any person desiring to conduct mining of mineral resources must apply for registration according to law, seek a mining permit and acquire the right of mining.

For the purposes of delineating the boundary of prospecting area and the mining site, the block divided by longitude and latitude shall be the basic unit. The competent department of the State Council for geology and minerals shall devise the concrete methods.

Article 6

In the Mineral Resource Law and these Rules, the meanings of the following terms are as follows:

The right of prospecting means the right to prospect mineral resources within the boundary delineated in the prospecting permit which is obtained according to law. An unit or individual that has obtained the prospecting permit is referred to a person entitled to prospect the mineral.

The right of mining means the right to mine mineral resources and obtain the mineral products mined within the boundary delineated in the mining permit which is obtained according to law. An unit or individual that has obtained the mining permit is referred to a person entitled to mine the mineral.

The special minerals for which the State adopts a protective mining mean the minerals which are determined by the State Council in accordance with the needs of the national economic construction and high-technology development and the extent of scarcity and valuableness of the resources, and for which their mining shall be approved by relevant competent departments of the State Council according to the State's plan.

State-planned mine sites mean the mineral resources areas which are, in accordance with the construction plan and mineral resources plan, designated by the State for the construction of large- or medium-sized mines.

Mine sites having significant value to the national economy mean the protection zones of mineral resources which are designated by the State in accordance with the needs of the national economic development but is not included in the State's construction plan, and which, large in quantity and good in quality, have good prospect for future development.

Article 7

The State permits foreign companies, enterprises and other economic organizations as well as individuals, in pursuance of the provisions of relevant laws and administrative regulations of the People's Republic of China, to invest in prospecting and mining of mineral resources in the territory of the People Republic of China and other sea areas under its jurisdiction.

Article 8

The competent department of the State Council for geology and minerals is in charge of the supervision and control work in mineral resources prospecting and mining in the whole country. Relevant competent departments of the State Council shall, according to their respective duties and functions prescribed by the State Council, assist the said department to carry out such supervision and control.

Competent departments for geology and minerals of people's governments of provinces, autonomous regions and municipalities directly under the Central Government, are in charge of the supervision and control work in the mineral resources prospecting and mining within their respective jurisdictions. Relevant competent departments of people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall assist the said departments at their respective level to carry out such supervision and control.

People's governments of cities divided into districts, of autonomous prefectures and of counties, and their departments which are responsible for the control of mineral

resources, shall carry out according to law supervision and control over the state-owned mine enterprises approved to be established by the people's government of the same level, mine enterprises under collective ownership, private mine enterprises and individual miners within their respective administrative domains as well as the units and individuals engaging in prospecting construction within their respective administrative domains, and protect the legitimate rights and interests of the persons entitled to prospect and to mine the minerals according to law.

The competent superior department for geology and minerals is entitled to redress or cancel the administrative control behaviors on mineral resources prospecting and mining of the competent lower department for geology and minerals, which are illegal or improper.

Chapter II Mineral Resources Prospecting Registration and Mining Consideration and Approval

Article 9

Any person desiring to conduct prospecting of mineral resources shall, in accordance with the State Council's regulations on the management of mineral resources prospecting registration, complete the process of application, consideration and approval and prospecting registration.

Any prospecting of special minerals shall be subject to application, consideration and approval as well as prospecting registration according to relevant regulations of the State Council.

Article 10

A State-owned mine enterprise intending to mine mineral resources shall, in pursuance of the State Council's regulations on the management of mining registration, complete the process of application, consideration and approval and mining registration. At the time of undergoing application, consideration and approval and mining registration for the mining of minerals in the State planned mine sites and the mine sites having significant value to the national economy, as well as special minerals for which the State adopts a protective mining, the documents of approval issued by relevant competent departments of the State Council shall be submitted.

The mining of special minerals shall be subject to application, consideration and approval as well as mining registration according to relevant regulations of the State Council.

Article 11

For the purpose of establishing a State-owned mine enterprise, the following conditions shall be satisfied, in addition to the conditions set forth by relevant laws and regulations:

1. having the mineral prospecting report used for mine construction;
2. having the feasibility study report on the mine construction project (including the resources utilization proposal and the report of mine environment impact);
3. having the designated boundaries of the mine site and the mining;
4. having the design of the mine; and
5. having the required production and technology conditions.

In accordance with relevant regulations of the State on the control of fixed assets investment, the State Council, its relevant competent departments and people's

governments of provinces, autonomous regions and municipalities directly under the Central Government shall examine the State-owned mine enterprise applying for establishment according to the conditions listed in the proceeding paragraph, and grant approval if it is found that all conditions are satisfied.

Article 12

In regard to the applications for the establishment of mine enterprises under collective ownership, private mine enterprises and individual miners, the consideration and approval and the mining registration shall be governed by relevant regulations of provinces, autonomous regions and municipalities directly under the Central Government.

Article 13

In applying for establishment of a mine enterprise under collective ownership or a private mine enterprise, the following conditions shall be satisfied, in addition to the conditions set forth by relevant laws and regulations:

1. having the mineral prospecting materials used for mine construction, which can match with the mining operation;
2. having the approved and indisputable mining boundary;
3. having the capital, equipment and technical personnel, which can match with the scale of the mine to be established;
4. having the feasibility study report, design of the mine or the mining schedule, which can match with the scale of the mine to be established and are in conformity with the state's industrial policies and technical standards; and
5. the director of the mine shall have the basic knowledge on mining operations, safety control and environmental protection.

Article 14

An individual applying for mining shall satisfy the following conditions:

1. having the approved and indisputable mining boundary;
2. having the capital, equipment and technical personnel, which can match with the mining operation;
3. having necessary reference materials on mineral resources prospecting and the approved mining schedule; and
4. having necessary means and measures for safety production and environmental protection.

Chapter III Mineral Resources Prospecting

Article 15

The State adopts an unified planning for the prospecting of mineral resources. The medium- and long-term plans of the national mineral resources prospecting shall, under the guidance of the competent planning department of the State Council, be prepared by the competent department of the State Council for geology and minerals in accordance with the medium- and long-term national economic and social development plans and on the basis of the prospecting plans of the relevant competent departments of the State Council.

The national annual mineral resources prospecting plan and the annual mineral resources prospecting plans of provinces, autonomous regions and municipalities directly under the Central Government shall, in accordance with the medium- and long-term plans of national mineral resources prospecting, be prepared respectively by the competent department of the State Council for geology and minerals and competent departments for geology and minerals of provinces, autonomous regions and municipalities directly under the Central Government by organizing relevant competent departments, and be implemented with the approval of the competent administrative department for planning of the people's government at the same level.

Where laws have otherwise provisions on the consideration and approval of the prospecting plan, such provisions shall apply.

Article 16

A person entitled to prospect the mineral is entitled:

1. to carry out prospecting operation within the boundary, term and prospecting objects set forth in the prospecting permit;
2. to lay electricity, water and telecommunications lines in the prospecting site and its neighboring areas, however, they may not affect or damage the already-existing lines;
3. to trespass the prospecting site and its neighboring areas;
4. to use temporarily the land according to the need of the prospecting operation;
5. to have the priority in obtaining the right to prospect any newly-discovered mineral in the prospecting site;
6. to have the priority in obtaining the right to mine mineral resources in the prospected site; and
7. to sell on its own mineral products recovered according to the approved engineering design during the prospecting activities, however, with the exception of such mineral products which should, according to the State Council's regulations, be purchased by the designated units.

A person entitled to prospect the mineral exercising its rights listed in the proceeding paragraph shall, if requiring the approval or other procedures under relevant laws and regulations, abide by the provisions of such relevant laws and regulations.

Article 17

A person entitled to prospect the mineral shall fulfill the following duties and obligations:

1. to commence the construction within the prescribed time limit, and complete the prospecting work within the time limit stipulated in the prospecting permit;
2. to report to the management department of prospecting registration such information as the commencement of construction;
3. to construct according to the mineral prospecting engineering design, and may not carry out any mining operation without authorization;
4. to conduct general prospecting and comprehensive evaluation on the inter-growth and associated minerals at the same time when prospecting and determining the main mineral;

5. to compile the prospecting report of mineral resources, and submit to relevant departments for consideration and approval;
6. to compile and submit, according to relevant regulations of the State Council, archive information on the findings of mineral resources prospecting;
7. to comply with the provisions of relevant laws and regulations for labor safety, land reclamation and environmental protection; and
8. to close and fill the wells and pits left over from the prospecting operation or to take other measures so as to eliminate potential hazards immediately after the prospecting operation is completed.

Article 18

A person entitled to prospect the mineral may mine a complicated ore body or deposit which is in compliance with the requirements set by the State for mining-while-prospecting. In such case, however, the person shall submit analysis materials to the department which originally issued the prospecting permit, the department in charge of consideration and approval on mineral reserve and the competent department of the prospecting project, and after consideration and approval, shall go through the mining registration according to the State Council's regulations for management of mining registration.

Article 19

Mineral resources prospecting reports shall be considered and approved according to the following provisions:

1. Prospecting reports of large-scale key ore body or deposit used for mine construction and prospecting reports of underground water used for water supply construction shall be considered and approved by the organ in charge of consideration and approval of mineral reserve under the State Council; and
2. Prospecting reports of large-, medium- and small-scale ordinary ore body or deposit used for mine construction or prospecting reports of underground water used for the construction of medium- and small-scale water supply shall be considered and approved respectively by the organs in charge of consideration and approval of mineral reserve of provinces, autonomous regions or municipalities directly under the Central Government;

The organ in charge of consideration and approval of mineral reserve and the competent department to the prospecting unit shall make a written reply within six months from the date on which the prospecting report of mineral resources is received.

Article 20

Prospecting reports of mineral resources and other valuable prospecting information shall, in accordance with relevant regulations of the State Council, be used in a paid manner.

Article 21

A person entitled to prospect the mineral obtaining the temporary land use right shall, if causing damages to the property of another person during the prospecting operation, make compensation according to the following provisions:

1. Where damages are caused to farmland, compensation thereto shall be computed and paid annually according to the local average market price at the time when such compensation is made, based on the annual average output of the damaged acreage of farmland in the previous three years, and the said person shall be responsible for restoring the farmland to farming conditions and returning it promptly;

2. Where damages are caused to the pasture grassland, yearly compensation thereto shall be made in accordance with the provisions of the proceeding Item, and the person causing such damages shall be responsible for restoring the vegetation of the grassland and returning thereto promptly;
3. Where damages are caused to the grain crops or cash crops on the farmland, compensation shall be computed and paid according to the local average market price at the time when such compensation is made, based on the annual average output of the acreage of farmland in the previous three years;
4. Where damages are caused to bamboo or trees, compensation thereto shall be computed and paid according to the local average market price at the time when such compensation is made, based on the number of bamboo or trees actually damaged; and
5. Where damages are caused to the construction structures affiliated to the land, proper compensation thereto shall be paid according to the actual damage and the local average market price at the time when such compensation is made.

Article 22

In a case in which a person entitled to prospect the mineral conducts prospecting on barren hills, barren hill slopes, waste land, barren wilderness, sandy beach, bench-land, lake-shore or sea beach, where there is no crops nor affiliated objects, no compensation shall be made; however, the prospecting operation may not obstruct or damage activities or facilities for navigation, irrigation and flood control, and measures shall be taken after the operation so as to prevent soil erosion and protect the ecological environment.

Article 23

When a dispute over the prospecting boundary arises among the persons entitled to prospect the minerals, the parties involved shall settle it through consultation; if the consultation fails, the dispute shall be adjudicated by the competent department for geology and minerals of the people's government of the province, autonomous region or municipality directly under the Central Government where the prospecting site is located; in case of a dispute over the prospecting boundary involving two or more provinces, autonomous regions or municipalities directly under the Central Government, which the parties involved fail to settle it through consultation, people's governments of involved provinces, autonomous regions and municipalities directly under the Central Government shall settle it through consultation; where such consultation fails again, the said dispute shall be adjudicated by the competent department of the State Council for geology and minerals. A dispute over the prospecting boundary of a special mineral shall, if the consultation among the parties involved fails, be adjudicated by the relevant competent department authorized by the State Council.

Chapter IV Mineral Resources Mining

Article 24

The allocation, exploitation and use of national mineral resources shall be done in consideration both to the interests of the present and the future, and the central and the locality, under unified planning, effective protection, rational mining and comprehensive utilization.

Article 25

Under the guidance of the competent administrative department of the State Council for planning, the competent department of the State Council for geology and minerals shall, in accordance with the medium- and long-term national economic and social development plans, organize the relevant competent departments of the State Council and the people's governments of provinces, autonomous regions and municipalities

directly under the Central Government to draft the national plan of mineral resources, and shall implement after being reported to and approved by the State Council.

The national plan of mineral resources shall make a unified arrangement on the allocation of national mineral resources, and shall define reasonably the limits of consideration and approval and exploitation of mineral resources between the Central Government and the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 26

The mineral resources exploitation plan is the overall plan for the layout of the exploitation and construction of mine sites.

The mineral resources exploitation plan includes the industrial exploitation plan and the regional exploitation plan.

An industrial exploitation plan of mineral resources shall, in accordance with the mineral resources allocated to the particular industry by the national plan of mineral resources, be prepared and implemented by the relevant competent department of the State Council.

A regional exploitation plan of mineral resources shall, in accordance with the mineral resources allocated to the province, autonomous region or municipality directly under the Central Government by the national plan of mineral resources, be prepared and implemented by the people's government of the province, autonomous region or municipality directly under the Central Government, in which overall arrangement shall be made and the limits of consideration and approval and exploitation of mineral resources among the people's governments at the provincial, city or county level shall be determined rationally.

All industrial and regional exploitation plans of mineral resources shall be submitted to the competent administrative department for planning and the competent department of the State Council for geology and minerals for the record.

With regard to an industrial or regional exploitation plan which is not in conformity with the national plan of mineral resources, the competent administrative department for planning and the competent department of the State Council for geology and minerals shall redress it.

Article 27

The establishment, alternation or cancellation of a State planned mine site or a mine site having the significant value to the national economy shall be proposed and furnished by the relevant competent department of the State Council together with the detailed report on the mineral resources and analysis reference materials, and after consideration and approval by the competent administrative department for planning and the competent department of the State Council for geology and minerals, shall be notified in a joint written notice the people's government involved at the county level. The people's government at the county level shall, within one month from receiving the notice, make a public announcement thereof, and report to the competent administrative department for planning and the competent department of the State Council for geology and minerals for the record.

Article 28

A determination or cancellation of a special mineral for which the State adopts a protective mining shall be proposed by the relevant competent department of the State Council, together with analysis reference materials, and shall be reported to the State Council for approval after being considered and approved by the competent

administrative department for planning and the competent department of the State Council for geology and minerals.

Article 29

An unit or individual shall, prior to the mining of mineral resources, commission a unit having a corresponding certificate of mine design to conduct feasibility study and design. Where scattered and sporadic mineral resources and sand, stone and clay for construction purpose are to be exploited, no feasibility study and design are required, however, a mining schedule and measures for environmental protection are required.

A mine design must be based on the design specifications, and adopt a reasonable mining sequence, mining method and techniques for ore dressing.

A mine design must be considered and approved according to relevant regulations of the State; and without approval, it may not be carried out.

Article 30

A person entitled to mine the mineral is entitled:

1. to conduct the mining operation within the mining boundary and term stipulated in the mining permit;
2. to sell its mineral products on its own, however, those mineral products which, as stipulated by the State, must be purchased by the designated units in an unified manner, shall be excluded;
3. to construct production and living facilities necessary for the mining within the mining boundary;
4. to obtain the land-use right according to law in the light of the need of production and construction; and
5. other rights as provided for by laws and regulations.

A person entitled to mine the mineral exercising the rights listed in the proceeding paragraph shall, if laws and regulations provide that it shall be subject to approval or to the completion of other procedures, abide by the provisions of such laws and regulations.

Article 31

A person entitled to mine the mineral shall fulfill the following duties and obligations:

1. to conduct the construction of the mine or mining operation within the approved time limit;
2. to protect effectively, mine rationally and use comprehensively the mineral resources;
3. to pay resources tax and mineral resources compensation according to law;
4. to abide by the state laws and regulations for labor safety, soil and water conservation, land reclamation and environmental protection; and
5. to accept the supervision and control from the competent department of geology and minerals and relevant competent departments, to fill out and submit, according to regulations, the form of mineral reserve and the statistical statement on the exploitation and utilization of mineral resources.

Article 32

Where, after the expiration of or within the life of the mining permit, the person entitled to mine the mineral intends to close down the mine but the mineral resources have not been mined completely, the said person must take measures so as to maintain the resources at the condition under which the resources could continue to be mined, and have to complete the following works prior to its close:

1. to prepare and compile a report of the current mining situation and the on-the-spot surveying maps and documents;
2. to report and write off the amount of reserve already mined and consumed; and
3. to finish, according to the original design, relevant work on labor safety, water and soil conservation, land reclamation and environmental protection; or to pay in total relevant charges on land reclamation and environmental protection.

An application by a person entitled to mine the mineral for closing down of a mine shall be subject to approval of the competent department which originally approved the establishment of the mine, and only after the application is considered by the department originally issued the mining permit thereto to meet the requirements, can the said person undergo the procedures and formalities to cancel relevant permit and certificate.

Article 33

A mine enterprise intending to close the mine shall undergo the procedures of consideration and approval according to the following order:

1. to file an application for closing of the mine to the competent department which originally approved the establishment of the mine and to submit the geological report of the pits to be closed one year before the mining operation is completed;
2. to submit for approval the geological report of the pits to be closed which is considered and approved by the competent department that originally approved the establishment of the mine by the competent department for geology and minerals together with the organ in charge of consideration and approval of mineral reserve; and
3. after the geological report of the pits to be closed is approved, the person shall prepare and compile the report of the closing of the mine, and submit it for approval to the competent department which originally approved the establishment of the mine together with the competent department for geology and minerals at the same level and relevant competent departments pursuant to relevant industrial regulations.

Article 34

The mine enterprise shall, after its report of closing-down of the mine is approved, complete the following works:

1. to classify and file the geological, surveying and mining information, and to compile and submit the geological report of pits to be closed, report of closing-down of the mine and other related materials according to relevant regulations of the State; and
2. subject to the approved report of closing-down of the mine, to complete the works such as labor safety, water and soil conservation, land reclamation and environmental protection, or to pay in full relevant charges on land reclamation and environmental protection.

The mine enterprise, on the strength of the documents of approval for the report of closing-down of the mine and the testimonial certificates offered by relevant departments

certifying the completion of the works mentioned above, applies to the department that originally issued the mining permit for cancellation of the permit.

Article 35

Prior to the construction of railways, highways, factory, reservoir, oil pipe and power supply lines as well as various large-scale buildings, the construction units must learn about the distribution condition of mineral resources in the places where the construction is located from the competent departments for geology and minerals of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government, where it is located, and shall submit the testimonial certificate issued by the competent department for geology and minerals when submitting the construction project reports for consideration and approval. If an above-mentioned project contradicts the mining of important mineral deposits, a proposal therefor shall be put forward by the relevant competent department of the State Council or the people's government of the province, autonomous region or municipality directly under the Central Government, which shall, after being commented by the competent department of the State Council for geology and minerals, be reported and submitted to the competent administrative department of the State Council for planning to make a decision.

Article 36

When a dispute over the boundary of the mine site arises between the persons entitled to mine the minerals, the parties involved shall settle it through consultation; if the consultation fails, the people's government at or above the county level where the mineral resources are located shall adjudicate it according to the lawfully approved boundary of the mine site; Where a dispute involving in two or more provinces, autonomous regions or municipalities directly under the Central Government arises, and if the parties involved fails to reach a settlement through consultation, the people's governments of the involved provinces, autonomous regions or municipalities directly under the Central Government shall settle it through consultation; in case the consultation fails, a proposal shall be raised by the competent department of the State Council for geology and minerals, which will be submitted to the State Council for making a decision thereon.

Chapter V Mine Enterprises under Collective Ownership, Private Mine Enterprises and Individual Miners

Article 37

The State protects, according to law, the legitimate rights and interests of the mine enterprises under collective ownership, private mine enterprises and individual miners, and conducts supervision and control over the said enterprises and miners according to law.

Article 38

Mine enterprises under collective ownership may mine the following mineral resources:

1. mineral deposits or spots, which are not suitable for the state to construct large- and medium-sized mines;
2. marginal and sporadic mineral deposits within the mining boundary of state-owned mine enterprises, with consent by the said enterprises and approval by the competent superior departments;
3. remnants of ore bodies of the abandoned mine pits, of which the mining, as certified by the competent departments of the original mine enterprises is safe and would not cause serious environmental consequence; and

4. other mineral resources which may, as planned by the State, be mined by such enterprises.

A mine enterprise under collective ownership which desires to mine the mineral resources listed in Point 2 of the proceeding paragraph must conclude agreements on rational exploitation and utilization of mineral resources and on mine safety with the state-owned mine enterprise, may not waste and damage mineral resources, and may not affect the production safety of the State-owned mine enterprise.

Article 39

The mining scope of mineral resources by private mine enterprises shall be determined by reference to the provisions of Article 38 of these Rules.

Article 40

Individual miners may mine the following mineral resources:

1. the scattered, sporadic and small ore bodies or spots; and
2. sand, stone and clay, which can only be used as ordinary construction materials.

Article 41

The State shall, in establishing State-planned mine sites or mine sites having significant value to the national economy, make according to relevant regulations reasonable compensation to the already-existing mining persons in such sites who shall retreat therefrom.

Chapter VI Legal Responsibility

Article 42

Where, subject to the provisions of Articles 39, 40, 42, 43 and 44 of the Mineral Resources Law, fines are to be imposed, the following provisions shall apply to respectively:

1. any person who, without obtaining a mining permit, conducts mining, or who, without authorization, enters to the state planned mine site, to the mine site having significant value to the national economy or to the mine site of another person for mining, or who, without authorization, mines the special mineral for which the State adopts a protective mining, shall be imposed a fine of or below 50 per cent of the illegal gains;
2. any person who, beyond the approved boundary of mining, conducts mining, shall be imposed a fine of or below 30 per cent of the illegal gains;
3. where the mineral resources are transferred by sale, lease or other means, or the mining right is sold or leased, the selling, leasing or transferring party shall be imposed a fine not exceeding one times of its illegal gains;
4. any person who places the mining right under pledge shall be imposed a fine not exceeding 5,000 yuan;
5. any person who, in violation of regulations, purchases or sells mineral products which, as stipulated by the state, must be purchased in a unified manner, shall be imposed a fine not exceeding one times of its illegal gains; and
6. any person who mines mineral resources by resorting to a destructive method and thus causes serious damages to the resources shall be imposed a fine of or below 50 per cent of the value of mineral resources thus lost.

Article 43

Where, in violation of the provisions of these Rules, any of the following acts has been committed, administrative penalties shall be meted out on the person(s) in charge and the person(s) directly responsible; if a crime is committed, criminal responsibility shall be investigated according to law:

1. to approve an unit or individual that fails to satisfy the conditions to establish a mine; and
2. to issue the mining permit to a mine enterprise or individual that is not approved according to law.

Chapter VII Supplementary Provisions

Article 44

Subsurface water resources have the dual nature of water resources and mineral resources. The Mineral Resources Law and these Rules shall be applicable to the prospecting of subsurface water resources; and the Water Resources Law and relevant administrative regulations shall be applicable to the exploitation, utilization, protection and management of subsurface water resources.

Article 45

The Ministry of Geology and Mineral Resources is responsible for the interpretation of these Rules.

Article 46 These Rules shall enter into force on the date of promulgation.