

“Dear Madame President,

MSI thanks you for allowing us to take the floor with respect to Part III Section 1.

MSI notes the provisions of Regulation 18 Paragraph 7 which provides for the inter-relationship between the Exploration and Exploitation Regimes.

This highlights an important practical aspect of the future regulatory regime, in which a Contractor may develop one Area within its exploration areas, and apply for a Plan of Work and contract, while simultaneously conducting exploration in other areas in advance of a future contract.

MSI suggests that this regime be made more clear through the addition of a new Paragraph 2 at the end of Regulation 18. We would suggest a paragraph that states:

“The Contractor shall have the right to apply for more than one Contract in any particular area to which it holds exploration rights following the completion of exploration and development of a Plan of Work with respect to such additional area.”

Further, this Section addresses the regulatory regime applicable to amending any Plan of Work. If a “Material Change” is proposed, the Contractor may need to wait a significant period of time before the Commission meets at its next meeting to address such amendment. This may be a significant period of time. MSI submits that the Contractor should be allowed to continue to operate in accordance with any proposed change to a Plan of Work on a temporary basis, if necessary, subject to the approval by the Secretary General. It seems unreasonable to MSI that a Contractor should stop work for months to wait for the next LTC meeting, or alternatively continue to operate to an out-dated Plan of Work that has been recommended to be changed.

In addition, MSI is of the view that the definition of “Material Change” as used in DR 20 para 3 might benefit from more detailed consideration to delineate when an amendment to a Plan of Work would be subject to review by the Secretary General and when it should go to the LTC. The definition of “Material Change” is drafted to reference any change, whether material or not. MSI suggests that the definition of Material Change be amended to include “For the avoidance of doubt, a change which is not reasonably expected to cause additional impacts to the environment, operations or management of a Plan of Work shall not be considered to be a Material Change”. This will allow the Secretary General more flexibility to review and accept changes to Plans of Work on a more rapid basis and would allow for more active responses to operational changes in a mining project.”

Thank you