

MINING REPORT

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WHAT'S NEW IN MINING?

REQUESTS FOR AMENDMENTS TO THE MINING AND METALLURGY LAW

Noticias Fides

03/16/2025: The National Federation of Mining Cooperatives of Bolivia (Fencomin) has requested the repeal of certain restrictions established under Article 93 of the Mining and Metallurgy Law. Specifically, they seek to annul the prohibition on conducting mining activities near watershed headwaters, lakes, rivers, springs, and reservoirs, arguing that such restrictions hinder their productive development.

[Read more](#)

CLOSURE OF MINE ENTRANCES AT CERRO RICO OF POTOSÍ

COMIBOL

04/09/2025: It has been reported that, out of the 56 mine entrances operating in mineral extraction at Cerro Rico of Potosí, 36 have been closed. The definitive closure of an additional 10 mines and the suspension of eight more are expected by 2026, with the aim of mitigating environmental and social impacts in the region.

[Read more](#)

SUSPENSION OF ILLEGAL MINING ACTIVITIES IN PROTECTED AREAS

Resumen Latinoamericano

02/27/2025: The Mining Administrative Jurisdictional Authority (AJAM) has announced the suspension of illegal mining activities in 13 areas of the Manuripi Amazon Wildlife Reserve and the Iturralde Forest Immobilization Reserve, located in the departments of Pando, La Paz, and Beni. This action is the result of a criminal process for the alleged illegal mining in these areas.

[Read more](#)

WHAT'S NEW IN MINING?

STRENGTHENING OF CONTROL IN THE MARKETING OF MINERALS

SENARECOM

04/06/2025: The National Service for the Registration and Control of Mineral and Metal Marketing (SENARECOM) has signed an agreement with the Nueva Calamarca R.L. Mining Cooperative. This agreement aims to improve the settlement processes in the marketing of minerals and metals, ensuring transparency and efficiency in operations.

[Read more](#)

AGREEMENT FOR MINING PROSPECTING AND EXPLORATION IN POTOSÍ

Ministry of Mining and Metallurgy

03/12/2025: The Geological Mining Service (Sergeomin) and the Potosí Government have signed an agreement for the execution of two mining prospecting and exploration projects in the Potosí department. This agreement aims to strengthen regional autonomy in mining management and improve the monitoring and control of mineral and metal transportation, increasing royalties and contributing to local economic development.

[Read more](#)



ANALYSIS AND OPINION

BOLIVIA AND CANADA: SIMILARITIES AND DIFFERENCES WITH 'SOCIAL LICENSES' IN THE EXTRACTIVE INDUSTRIES

By Jeffrey Holden
International trainee



Parallels in Extractive Sector Regulation: Lessons for Canadian Investors in Bolivia

Bolivia, like Canada, has a long and complex history of colonization and evolving state relations with Indigenous peoples—especially in the context of extractive industries such as mining and oil and gas development. These shared historical and sociopolitical dynamics give rise to notable similarities in how extractive activities are approved in both countries. As a result, Canadian investors exploring opportunities in Bolivia may find familiar elements in the regulatory and community engagement landscape.

Consultation as a Legal Requirement.

In both Bolivia and Canada, the approval process for extractive activities begins with mandatory and extensive consultations with affected Indigenous or local communities.

In Bolivia, Article 30 of the Political Constitution affirms that any community with a shared cultural identity, language, historical tradition, institutions, territoriality, and worldview has the right to be consulted before the commencement of any extractive (or business) activity likely to affect them. These consultations must be conducted through culturally appropriate mechanisms and completed prior to project initiation.

Similarly, in Canada, consultation with Indigenous peoples—defined as First Nations, Inuit, or Métis—is constitutionally mandated before extractive activities may proceed in areas affecting their rights or lands.

This duty stems from Section 35 of the Constitution Act, which affirms Indigenous rights and has been reinforced by numerous Supreme Court decisions. While the legal duty to consult typically rests with the federal or provincial government, private companies are often closely involved in the consultation process as a key step toward securing regulatory approvals.

The Role of Consent and “Social License”

Beyond consultation, the issue of consent plays a critical role in both jurisdictions.

In Bolivia, companies must obtain what is commonly referred to as a “social license”—the ongoing approval and acceptance of a project by the local community. Although this concept is not codified in law, it has binding practical effects, particularly in the mining sector. The absence of a social license can lead to partial or total suspension of a project, as well as other legal and operational risks.

In Canada, the framework for consent has evolved, particularly in light of the government’s ratification of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). This framework includes the obligation to obtain free, prior, and informed consent before projects are initiated on Indigenous lands. However, under current Canadian law, failure to secure full consent does not necessarily prevent a project from proceeding—except in cases where Indigenous title has been legally established.

Sociopolitical Resistance and Community Expectations

Despite differences in the legal enforceability of consent, both countries experience sociopolitical challenges that can significantly delay or disrupt projects.

In Canada, protest movements have played a central role in extractive sector debates. A notable example occurred in 2020, when members of the Wet'suwet'en Nation and their allies blockaded infrastructure in opposition to the Coastal GasLink pipeline. The protests caused significant national economic disruption despite the eventual continuation of construction.

Similarly, in Bolivia, local communities and civic groups have protested extractive operations. In 2023, protesters led by the Civic Committee of Potosí (Comcipo) blockaded a lithium processing facility, demanding legislative guarantees for greater local participation and increased royalties. Their threat of an indefinite strike highlighted the importance of sustained community engagement and benefit-sharing.

Economic Participation and Benefit-Sharing

Finally, both Bolivia and Canada have developed mechanisms for economic inclusion of local and Indigenous communities in extractive projects.

In Bolivia, there are increasing demands from local stakeholders—especially in resource-rich regions such as Potosí—for a greater share of profits and royalties from lithium and other mineral extraction. Similarly, in Canada, Indigenous communities frequently negotiate Impact Benefit Agreements (IBAs), revenue-sharing deals, equity participation, and other forms of compensation related to extractive projects.

Conclusion

Canadian investors in Bolivia will encounter a regulatory environment that, while distinct in its legal structure, mirrors Canada's in key respects. Both countries require meaningful consultation with affected communities, have developed consent-related frameworks, face occasional sociopolitical resistance, and prioritize benefit-sharing arrangements.

Understanding these parallels can help Canadian stakeholders navigate Bolivia's extractive sector more effectively—leveraging their experience at home to foster respectful, informed, and sustainable partnerships abroad.

Did you know that

RARE EARTHS IN BOLIVIA

¿Did you know that rare earth elements are essential for the global shift to renewable energy and advanced technologies? These minerals are used in the manufacturing of electric vehicles, wind turbines, smartphones, and other high-tech devices. In Bolivia, more than 17 varieties of rare earths have been identified, mainly in the departments of Cochabamba, Potosí, and Santa Cruz, which has drawn both state and international interest. Although the country does not yet have specific legislation for rare earths, their extraction is regulated under broader laws such as Law No. 535 on Mining and Metallurgy and Law No. 1333 on the Environment. These laws establish a legal framework for mining activities and ensure environmental protection.

In 2022, the Bolivian government created the Vice-Ministry of Technological Minerals to design and implement public policies for the development and industrialization of strategic minerals, including rare earths. Additionally, the Bolivian Mining Corporation (Comibol) announced an investment plan of up to \$3 million for the prospecting and exploration of these minerals. Further highlighting Bolivia's growing involvement in this sector, a cooperation agreement was signed with Iran in March 2025 for the joint

development of rare earth projects across 28,500 hectares in Cochabamba and Santa Cruz. This agreement also includes scientific cooperation, technology exchange, and potential joint investments.

However, for such partnerships to be sustainable and beneficial, they must comply with Bolivia's constitutional principles, particularly regarding national sovereignty over natural resources. It is essential that any commercial agreement clearly outlines mechanisms for benefit-sharing, technology transfer, environmental and labor protections, and the active involvement of the Bolivian State in strategic decision-making.

The exploitation of rare earths also presents challenges, especially given the environmental risks and the technical complexity of their extraction. For this reason, Bolivia must strengthen its legal and technical framework to ensure that exploitation is both sustainable and respectful of local communities and ecosystems. Responsible development of rare earths could become a powerful engine for Bolivia's economy—if handled with care and foresight.



AJAM RESOLUTION MODIFIES LATE PAYMENT CALCULATION FOR MINING PATENTS

The Internal Administrative Resolution AJAM/DJU/RES-ADM/5/2025 introduces an updated methodology for calculating mining patent fees, particularly concerning payments made after the stipulated deadline. This update is predicated on the necessity of adhering to Article 2 of Law N° 2434, which mandates the adjustment of customs duties, taxes, and patents owed to the State, considering the fluctuation of the Unidad de Fomento a la Vivienda (UFV), the Housing Promotion Unit.

The updated calculation method preserves the previously established base structure, encompassing variables such as the extension of the mining area (E), the payment per grid (PG), and the seniority multiplier (MA), which are combined in the formula

$MG = E \times PG \times MA$ to determine the management fee (MG). However, the primary amendment lies in the incorporation of an adjustment factor for payments made beyond the legally prescribed deadlines. This factor, designated FA_PAX, is calculated taking into account the UFV variation between the original due date of the obligation and the effective date on which the payment is made. By applying this factor, it ensures that the amount owed is adjusted to the current value of the currency, thereby protecting the real value of the patent and complying with the principle of value maintenance established in Bolivian law. This adjustment is implemented without modifying the taxable base defined in Law N° 535, ensuring the legality and transparency of the process.

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