



UNCLASSIFIED

IN CRAS YETD8473 29DEC93

TO EXTOT/LOT

INFO ISTCOTT/68TM EDCOTT/MEXCA CIDAHULL/SEL EMROTT

---VENEZUELA MINING-LEGAL FRAMEWORK (DECREE 3821)

SINCE 1991, THERE HAS BEEN CONSIDERABLE CONFUSION OVER MINERAL

RIGHTS IN THE VENEZUELA GUAYANA REGION, (IN PARTICULAR BOLIVAR

STATE). THE REASON FOR CONFUSION WAS DUE TO THE FACT THAT THERE ARE

TWO WAYS TO QUOTE HOLD MINING RIGHTS UNQUOTE: (A) CONCESSIONS GRANTED

BY THE MINISTRY OF ENERGY AND MINES - (MEM) - THESE ARE THE MINERAL

PROPERTIES ISSUED PRIOR TO PRESIDENTIAL DECREE 1409 OF DEC

1991 AND (B) LEASES GRANTED BY THE CORPORATION VENEZOLANA DE GUAYANA

(CVG), UNDER UNBELLIA CONCESSION FROM THE MEM, AS REGULATED IN DECREE

1409.

2. AS OF 29DEC, THE MINISTERS COUNCIL (WITH THE APPROVAL OF THE

PRESIDENT OF THE REPUBLIC) DICTATED DECREE 3821 BY WHICH CVG IS THE

ONLY ENTITY AUTHORIZED TO LEASE OUT MINING RIGHTS IN BOLIVAR STATE,

TO INTERESTED PARTIES UNDER ITS TERMS AND CONDITIONS WHICH IN TURN

MUST COMPLY WITH THE TERMS OF THE MINING LAW OF EXTREME IMPORTANCE

IS FACT THAT DECREE 1409 CLARIFIES LEGALITY OF LEASES GRANTED BY

CVG UNDER DECREE 1409.