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UNITED STATES

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1. Overview

1.1 Main features of the mining industry in the United States

The US is a common law jurisdiction with a multilayered federal, state, and local regulatory framework for mining. Jurisdiction depends primarily on land and mineral ownership. Key federal legislation includes:

- The General Mining Law of 1872 (GML) governs locatable minerals, including non-metallic minerals and metallic minerals on federal lands open for mineral entry.
- The Federal Land Policy and Management Act of 1976 (FLPMA) governs federal land use.
- The National Environmental Policy Act (NEPA) historically required federal agencies to assess environmental consequences before approving projects. However, NEPA has experienced expansive reform following executive orders suggesting the various federal agencies implement their own guidelines.
- The Securities and Exchange Commission's (SEC) Regulation S-K Subpart 1300 ("S-K 1300"), effective 2021, governs mineral reserve and resource determinations and disclosures for publicly traded companies.
- For non-public companies, Committee for Mineral Reserves International Reporting Standards (CRIRSCO) based frameworks serve as voluntary reporting benchmarks for mineral reserve and resource determinations, including the SME Guide for Reporting Exploration Results, Mineral Resources, and Mineral Reserves.

1.2 Ownership and nature of mineral resources

Mineral ownership depends on land type:

- **Federal lands.** The federal government usually owns the surface and mineral estates. The US Department of the Interior Bureau of Land Management (BLM) manages mineral disposition; the US Forest Service (USFS) governs surface effects. Locatable mineral claims may be patented, but no new patents have been issued since 1994 due to a mining patent moratorium. Leasable minerals are governed by the Mineral Lands Leasing Act of 1920, as amended, or the Mineral Leasing Act for Acquired Lands of 1947.
- **Private land.** Questions of estate ownership for resources on private lands are governed by state contract and real property law, though applicable federal and state laws continue to apply to mining operations and environmental compliance.
- **State-owned land.** Subject to state law, with federal and state regulations governing mining operations and environmental compliance. Some states permit local zoning to regulate mining.

1.3 Surface rights

In split estates, mineral estates generally take priority over surface estates. Holders of valid mining claims are entitled to the exclusive use of the surface area within the claim's boundaries, limited to exploration, mining, processing, and reasonably incidental uses, and subject to federal surface management regulations. On state

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lands, similar obligations typically apply, including multiple-use accommodation, surface resource protection, and reclamation, while privately owned surface rights are generally governed by private contract.

1.4 Granting and maintaining mineral rights

The BLM administers locatable mineral rights on federal lands; the USFS governs surface effects on National Forest lands; and state agencies administer rights on state-owned lands. Mining on federal lands requires concurrent compliance with federal, state, and county law.

GML locatable mineral rights are acquired by discovering a valuable mineral deposit, locating and marking claim boundaries, and recording with the BLM and the relevant county recorder within 90 days. Claims continue indefinitely provided annual maintenance fees are paid and are freely transferable without government approval, subject to timely filing with the BLM and relevant county. State-owned mineral rights are commonly granted by lease for a defined term, renewable upon compliance, and subject to termination for non-payment or failure to conduct diligent operations. Mining rights in privately owned minerals continue indefinitely and are freely transferable by contract.

1.5 Classification system of mineral resources

S-K 1300 replaced Industry Guide 7 and aligns US disclosure requirements more closely with the CRIRSCO and other global reporting codes. S-K 1300 applies to SEC registrants with material mining operations, including foreign private issuers; non-public companies are not subject to S-K 1300 but may look to CRIRSCO-aligned reporting frameworks, such as the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves incorporated by reference in National Instrument 43-101, as guidance for classifying and reporting mineral resources and reserves. A key change in S-K 1300 from prior reporting is the ability and requirement to disclose mineral resources in addition to mineral reserves.

A mineral resource is defined as a concentration or occurrence of material of economic interest in or on the Earth's crust, in such form, grade, or quality and quantity that reasonable prospects for legal and economic extraction exist; it represents a considered estimate that weighs relevant technical factors, including cut-off grade, probable mining dimensions, and deposit continuity. Mineral resources are further differentiated by measured, indicated and inferred mineral resources, reflecting their respective relative likelihood of being potentially upgraded and converted to a mineral reserve. Under S-K 1300 mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Inferred mineral resources have a great amount of uncertainty as to their existence and as to their economic and legal feasibility.

A mineral reserve, proven or probable, is an estimate of the tonnage and grade or quality of indicated and measured mineral resources that a qualified person determines can form the basis of an economically viable project.

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The SEC's requirements are not identical to CRIRSCO or the CIM standards used by many mining companies, and a case-by-case comparison is advisable for registrants also subject to foreign reporting codes.

2. Environmental protection and community relations on mining projects

2.1 Principal environmental laws

Traditionally, NEPA was administered by the Council on Environmental Quality (CEQ), serving as the primary federal environmental review framework for mining on federal lands, requiring federal agencies to evaluate the environmental impacts of proposed federal actions prior to their approval and subsequently prepare a more comprehensive environmental impact statement. Other key federal statutes include the Federal Land Policy and Management Act (prevent degradation of federal lands), Clean Air Act (air quality), the Clean Water Act (water pollution), and the Endangered Species Act (protects endangered species).

The environmental review and permitting process for a US mining project is highly complex, time consuming, and expensive, varying by state and land type, with projects on or adjacent to federal or tribal lands subject to additional layers of regulatory scrutiny.

Following the Unleashing American Energy Executive Order, the CEQ rescinded its implementing regulations in favor of streamlined procedures. The One Big Beautiful Bill Act (OBBBA) introduced a fast-track option allowing developers to pay 125% of review costs for accelerated processing, with Environmental Assessments (EAs) finalized within 180 days and Environmental Impact Statements (EISs) within one year. The principal federal agencies overseeing mining are the BLM, the USFS, the Environmental Protection Agency (EPA), the US Fish and Wildlife Service and the US Army Corps of Engineers.

2.2 Community relations and Indigenous consultation

Native American reservation lands are held in trust by the federal government and administered by the Bureau of Indian Affairs, while Alaska Native lands are owned and managed by Alaska Native corporations. Under the Indian Mineral Development Act of 1982, tribes may negotiate directly with mineral developers for exploration and extraction rights, subject to Secretary of the Interior approval.

Tribal cultural interests are protected through NEPA and the National Historic Preservation Act, which requires federal agencies to consult with tribes and assess cultural and historic impacts. The US does not recognize a free, prior, and informed consent requirement, and tribal consultation does not confer veto power over a project.

Federal mining laws do not mandate community engagement, though several mining companies planning or undertaking mine development or construction activities have voluntarily pursued improved community relations, including consultation with Indigenous communities.

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2.3 Environmental, social and governance (ESG) guidelines and regulations

Federal regulators have historically addressed ESG in the mining sector through both mandatory regulatory requirements and voluntary initiatives. The EPA has published voluntary programs encouraging companies to exceed existing environmental standards. The SEC formally adopted climate disclosure rules for public companies in 2024, requiring registrants to disclose climate-related information in registration statements and annual reports; however, following a legal challenge and voluntary enforcement stay, the rules were effectively voided by the Trump Administration. The Trump Administration has more broadly rolled back ESG-related mandates through executive orders targeting climate change initiatives. Certain state and local governments, California in particular, remain proactive in mandating ESG practices, and project-specific state obligations should be evaluated on a case-by-case basis.

2.4 Illegal mining

Illegal mining is not a significant domestic concern in the US. The primary issue is the external threat posed by transnational criminal organizations that use illegally mined gold from South America to launder billions of dollars in illicit proceeds through the US financial system. In response, the US has pursued bilateral cooperation with South American countries to combat illegal mining through law enforcement training, financial intelligence capacity building, and interagency coordination.

3. Climate change and energy transition

3.1 Climate change

The US formal withdrawal from the Paris Agreement became effective in January 2026, and President Trump issued a presidential memorandum directing withdrawal from over 60 international organizations, including the Intergovernmental Panel on Climate Change and the Intergovernmental Forum on Mining, Minerals, Metals, and Sustainable Development.

Notwithstanding these rollbacks, the mining industry remains central to supplying the metals and minerals required for solar panels, wind turbines, batteries, and electric vehicles.

3.2 Critical minerals

The Trump Administration has prioritized domestic critical mineral production and processing through several executive orders and trade measures. The January 2025, Unleashing American Energy, and March 2025, Immediate Measures to Increase American Mineral Production, Executive Orders mandated expedited permitting, expanded Export-Import Bank of the United States (EXIM) financing, and broadened the definition of "minerals" to include copper, uranium, potash, and gold.

The Inflation Reduction Act of 2022 (IRA) established a domestic production tax credit under section 45X incentivizing the extraction and processing of 50 critical minerals; however, the OBBBA phased out this credit entirely by 2034, with reductions beginning in 2031.

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On June 8, 2026, the bipartisan DOMINANCE Act passed to address China's dominance in rare earth processing through expanded allied cooperation. In February 2026, EXIM approved a direct loan of up to USD 10 billion for "Project Vault," a strategic reserve designed to expand US production and processing of critical minerals.

4. Taxation of mining and exploration

4.1 Mining and exploration duties, royalties and taxes

There are no federal taxes specific to mineral extraction; however, taxes may be invoked at the federal, state, county, and municipal levels in the US mining industry. Private parties mining in the US are subject to a range of taxes, including federal and state income, payroll, sales, property, and use taxes. Federal and state income taxes are primarily profit-based. Many states charge severance taxes, mine license taxes, or resource excise taxes that may function similar to royalties on mineral operations.

The applicable rate and structure of such taxes vary depending on the type of mineral extracted and whether the underlying land is federally, state, or privately owned. Federal tax law generally makes no distinction between domestic and foreign mining operations, though mining claims on federal lands under the GML is limited to US citizens or persons who have declared their intent to become US citizens.

No royalties apply to federally owned locatable minerals. The OBBBA reduced the coal production royalty rate from 12.5% to 7%. Tax stabilization agreements are not available under US federal or state law.

4.2 Tax incentives for the mining industry

The OBBBA has phased out several IRA tax credits and funding programs, including certain credits for critical mineral projects designed to enhance and support the country's critical minerals supply chain. For example, an advanced manufacturing production tax credit to manufacturers for producing certain critical components, which includes certain designated critical minerals.

The hard rock mineral industry also benefits from a percentage depletion allowance, which permits mining companies to deduct a fixed percentage of gross income from taxable income to account for the reduction of their mineral reserves.

4.3 Transfer taxes and capital gains

At the federal level, the transfer of a mining license does not attract any transfer tax or capital gains tax. However, any profit realized from the sale of mineral rights would constitute a capital gain subject to federal income taxation. State-level transfer taxes or fees may apply depending on the jurisdiction in which the mining rights are located, and accordingly each state and transfer should be evaluated individually.

5. Mining investment and finance

5.1 Attracting investment for mining

The US mining sector attracts investment through its dual structure of major and junior mining companies, each offering a distinct risk-reward profile. Major

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mining companies are well-capitalized with extensive operational experience, making them lower-risk investments given their resilience to commodity price volatility. Junior mining companies are smaller and exploration-focused, carrying higher risk but offering significant upside potential, particularly upon the discovery of substantial mineral deposits or if they become acquisition targets for larger operators.

5.2 Foreign investment restrictions applicable to the mining industry

US mining laws generally do not restrict foreign investment. Although the GML and Mineral Lands Leasing Act require claimants, permittees, and lessees to be US citizens, a US-incorporated entity wholly owned by foreign persons or corporations qualifies as a citizen for these purposes, meaning foreign investors may access US mining rights through parent-subsidiary corporate structures.

Foreign investments remain subject to US national security laws. The Committee on Foreign Investment in the United States (CFIUS) reviews transactions that may pose national security risks and may recommend that the President block a proposed investment. CFIUS scrutiny of critical minerals assets has intensified, though CFIUS is also seeking to review investments from allied country investors more expeditiously under the America First Investment Policy. The current trend reflects a broader shift toward direct US government funding, public-private partnerships, and the strategic use of offtake agreements to secure domestic mineral supply chains.

5.3 International treaties related to exploration and mining

Recently, the US has pursued an aggressive bilateral strategy in the critical minerals sector, concluding partnership agreements with Australia, Japan, Malaysia, Thailand, and Cambodia in late 2025, each designed to open minerals value chains to US investment, mobilize joint government financing, and reduce dependence on China. At the multilateral level, the US coordinated with fellow Group of Seven members to announce the first round of investments under the Critical Minerals Production Alliance, aimed at diversifying supply chains among member and allied nations.

In February 2026, the US hosted the 2026 Critical Minerals Ministerial, convening 54 countries, signing 11 new bilateral critical minerals frameworks.

5.4 Sources of finance for exploration, development and mining

US mining law imposes no specific financing requirements, and mining activities are funded through a wide range of conventional and alternative mechanisms. The primary sources are equity financing, including initial and follow-on public offerings and private placements, with securities listed on domestic or foreign exchanges, and debt financing through investment or commercial bank loans and bonds.

Alternative financing structures have become increasingly common, including convertible debt, royalty financings, offtake arrangements, streaming mechanisms, special purpose acquisition companies, and special purpose vehicles. These structures are attractive to investors and lenders as they may offer less equity dilution and allow for project-specific risk isolation.

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Federal funding has emerged as a significant new source of capital. The Trump Administration has deployed programs under the Defense Production Act and the Department of Energy Loan Programs Office, with a notable example including a USD 2.23 billion loan for Lithium Americas' Thacker Pass project.

5.5 Security over mining-related assets

Mining finance transactions typically involve two security instruments: a security agreement, granting the lender a security interest in the borrower's personal property assets (such as equipment, inventory, accounts receivable, and bank accounts) governed by the Uniform Commercial Code (UCC); and a mortgage, granting a security interest in real property interests (such as land, mineral interests, and mill sites).

Once executed, a UCC financing statement must be filed with the Secretary of State in the state where the borrower is organized to perfect the security interest. The financing statement must be renewed every five years to maintain perfection. A mortgage must be recorded in the real property records of the county where the property is located.

5.6 Publicly available information

No single regulatory agency is responsible for collecting mineral assessment reports or technical data from private parties, and much of what is collected is protected from public disclosure as a trade secret. Publicly available resources include the BLM's Geospatial Business Platform and the US Geological Survey's Mineral Resource Data System. Mining companies that are traded on a US stock exchange, including non-US foreign private issuers, are also required to file publicly available reports with the SEC that provide extensive business and financial information regarding such companies' mining operations.

5.7 Principal business structures

Private parties in the US have significant flexibility in choosing a business structure for mining activities, with the principal options being corporations, limited liability companies (LLCs), limited partnerships, and joint ventures. Joint ventures have grown increasingly popular, particularly in the critical minerals sector, as they allow parties to share financial risk and enable less experienced or non-US entities to partner with established operators. Joint ventures may be structured as contractual arrangements or through special purpose vehicles, with LLCs being the preferred vehicle due to their combination of limited liability, flow-through taxation, and flexible governance.

6. Outlook and trends

The US mining sector outlook over the next two years is defined by an aggressive push toward domestic critical mineral production. Federal funding mechanisms, including the Defense Production Act and the Department of Energy Loan Programs Office, are being actively deployed to finance domestic mining projects. Permitting reform has accelerated under the OBBBA, which introduced a fast-track option allowing developers to pay 125% of review costs for expedited processing, with agencies required to finalize EAs within 180 days and EISs within one year.

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The mining industry is expected to remain central to supplying the metals and minerals required for solar panels, wind turbines, batteries, and electric vehicles as the energy transition continues.

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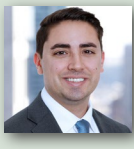
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