Mexico

Relevant Laws

1. Mexican Mining Law 2006 (2006 Mining Law)

Conditions for Competitive Bidding

Mexican mining concessions may be obtained either through a public bid or by application filed by the interested party. Public bids may apply only when the government considers it necessary to exploit certain mining reserve areas or as a result of the cancellation of mining allotments granted to the Mexican Geological Services, which had carried out prior exploration works.

Two-Tier Bidding - Pre-Qualification Criteria

Information not available.

Bidding Process

The Ministry will make public the invitation to bid at least in Mexico's Official Newspaper. The rules for the bidding procedure require the bidder to submit as a minimum the following:

- 1. A description of the lands or zones in question, the studies conducted thereupon, as well as their location, geological and sampling maps
- 2. Evidence of the bidder's legal, technical, and financial capabilities
- 3. Adherence to the system for filing the economic proposal and payment of a "finder's fee" which may be in a closed envelope or otherwise as determined (Article 13, 2006 Mining Law)

Furthermore, "[t]he clauses of the contract, if that should be the case, should be granted in order to guarantee compliance with the economic payment and the premium for discovery that is offered." (Article 13, 2006 Mining Law)

When the land is located in an area inhabited or occupied by an indigenous people or community and said indigenous people or community participates in the tender, the indigenous people or community will have the right to match the best economic proposal that is presented by another bidder and, in the case they do, shall have preferential right with their bid.

Biddable Factors/ Evaluation Criteria

- 1. Evidence of legal, technical and economic capacity
- 2. Economic proposal / finder's fee

Concessions will be granted to the person who or which evidences compliance with the requirements established in the rules and who or which presents the best economic bid, or that bid that presents the best economic conditions for the State. For this purpose, only the economic consideration and offered finder's fee shall be taken into account (Article 13 (II-III), 2006 Mining Law). It may be inferred that compliance with the evaluation criteria may function as sort of a pre- qualification round of evaluation while the ultimate best economic bid will be considered post-evidence of compliance to determine the winner of the tender.

Bidding Fee - Revenue/Buy-In

Information not available.

Eligibility

Mining concessions may only be granted to Mexican nationals and companies. Companies must be incorporated under Mexican law for corporate purposes involving the exploration and exploitation of minerals and have a legal address within the country (Article 11, 2006 Mining Law). Foreign owners of such companies must comply with the provision of the Foreign Investment Law, which only allows 100% foreign-owned Mexican firms to obtain concessions.

Other Sources

1. Guía de Procedimientos Mineros