

Liberia Mining Law 2000

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AN ACT ADOPTING A NEW MINERALS AND MINING LAW

It is enacted by the Senate and the House of Representatives of the Republic of Liberia in Legislature Assembled:

Section 1. Chapter 5 and Chapter 6 of Title 24, Volume II of the Liberian Code of laws of 1956, Chapter 6 of Title 14 of the Liberian code of Laws revised and all the amendment acts thereto and hereby repealed, and there is hereby enacted in lieu thereof a New Minerals And Mining Law, Part I of Title 23 of the Liberian Code of Laws Revised.

PART 1 : MINERALS AND MINING LAW

1 CHAPTER 1 : GENERAL PROVISIONS

1.1 Title

This act constitutes part of Title 23 of the Liberian Code of Laws Revised.

1.2 Short Title

This act may be cited as the Minerals and Mining Law.

1.3 Definitions

As used in the Minerals and Mining law, the following terms shall have the indicated meaning:

- a. Additional Area: shall mean any unencumbered and adjoining area bearing a geological relationship to the original Exploration Area.
- b. "Affiliate" shall mean a person that controls, is controlled by or is under common control with another Person. "Control" shall mean the possession by one person of the power to direct or administer the affairs of another Person by virtue of the ownership of more than fifty percent (50%) of the share capital or other equity in such person or by virtue of any other right or power to direct and administer the affairs of such Person.
- c. "Blind Trust" shall mean a Trust in which the settler or the creator of the trust places the control of his investment under the control of another independent trustee in order to avoid a conflict of interest.
- d. "Building and Industrial Minerals" shall mean barite, basalt, clay, dolomite, feldspar, gabbro, granite, gravel, gypsies, laterite, limestone, mica, manganosite, marble, phosphate rock, sandstone,

beach sand, slate and talc when mined for the use in Liberia for agricultural, building, road-construction or industrial purposes and includes other minerals and aggregates minerals as the Minister of Lands, Mines and Energy may from time to time declare by notice published in the Official Gazette of the Republic of Liberia to be Building and Industrial Minerals.

- e. "Commission" shall mean the National Investment Commission, an Agency of Government established by Act of Legislature on September 19, 1979.
- f. "Committee" shall mean the Minerals Technical Committee.
- g. "Conciliation" shall mean the adjustment and settlement of a dispute in a friendly manner so as to avoid a civil trial.
- h. "Cooperative" shall mean an association of individual citizens of Liberia who are eligible to hold any Mineral Right.
- i. "Department" shall mean the Department of Mines within the Ministry.
- j. "Deposit" shall mean any natural concentration of Minerals.
- k. "Development" shall mean all preparations for the Exploitation of Minerals including, without limitation, the construction or installation of a mill or any other facility to be used for the Mining, handling, milling and beneficiation or other processing of Minerals.
- l. "Eligible Applicant" shall mean the person eligible to receive the Mineral Right of the type applied for pursuant to the provisions of Section 4.2 of this Law and who has demonstrated the technical and financial capacity required with respect to that Mineral Right.
- m. "Environmental Commission" shall mean an agency of the Government established to review the coordination of environmental activities.
- n. "Exploitation" shall mean the Mining or other extraction of Minerals from any Deposit.
- o. "Exploration" shall mean and include all surface, subsurface or depth investigations for purposes of discovering the existence, location, quantity, quality, characteristics or commercial value of Deposits of Minerals, including any geophysical and remote sensing techniques, drilling and laboratory testing and assays carried out in connection with the foregoing activities.
- p. "Exploration Area" shall mean an area subject to an Exploration License.
- q. "Exploration License" shall mean the license acquired pursuant to Section 5.3 of this Law.
- r. "First Production Data" shall mean the date the Operator is required to commence Mining under this Law.
- s. "Geothermal Deposit" shall mean a deposit enclosed in the earth from which energy can be extracted in the thermal form, particularly by using the subsurface hot waters and steam contained within them.
- t. "Government" shall mean the Government of the Republic of Liberia and all the branches, subdivisions, instrumentalities, authorities and agencies thereof.
- u. "Holder" shall mean the holder of a Mineral Right under this Law.

- v. "ICC" shall mean the International Chamber of Commerce.
- w. "ICSID" shall mean the International Centre for Settlement of International Disputes.
- x. "Land" shall mean any land in the Republic including any creeks, streams, rivers or bodies of water (and their residue) contained on or within all such land.
- y. "Landowner" shall mean a person who owns Land by legal title.
- z. "Law" shall mean this Act and the Regulations.
- aa. "Industrial Operation" shall mean Mining employing large scale, heavy duty or earth moving equipment.
- bb. "MAO" shall mean the Mineral Appraisal Office within the Ministry.
- cc. "Mine" when used as a noun shall mean any place, excavation or working at which Operations involving Mining are conducted together with all buildings, erections and other improvements located on and affixed thereto, including a Quarry.
- dd. "Mine" when used as a verb, shall mean to internationally extract or win Minerals and includes any Operations directly or indirectly incidental thereto.
- ee. "Mineral" shall mean a naturally occurring element or compound having an orderly internal structure and characteristic chemical composition, crystal form, and physical properties, formed by or subject to a geological process and including Building and Industrial Minerals but not including hydrocarbons.
- ff. "Mineral Development Agreement" shall mean an agreement entered into between the Government and an eligible Applicant for a Class A Mining License that shall be effective and binding upon the Republic when signed by the Persons described in Section 6.6(a) and approved by the President of the Republic of Liberia.
- gg. "Mineral Product" shall mean a substance derived from a Mineral by Mining or processing.
- hh. "Mineral Right" shall mean and include a Reconnaissance License, a Prospecting License, Exploration License or a Quarry License.
- ii. "Mining License" shall have the meaning provided in Chapter 6.
- jj. "Minister" shall mean the Ministry of Lands, Mines & Energy of the Republic and his functionaries and successors in office or function.
- kk. "Ministry" shall mean the Ministry of Lands, Mines & Energy of the Republic.
- ll. "New Works" shall mean technical and technological improvements.
- mm. "Occupant of Land" shall mean any person who is in lawful possession of real property
- nn. "Operation" shall mean any activity or process carried out pursuant to a Mineral Right.
- oo. "Operation Permit" shall mean the right granted to a person by the Minister to extract groundwater.
- pp. "Operator" shall mean the holder of a Mineral Right engaged in Operations.
- qq. "Ore" shall mean a natural aggregate of one or more Minerals that can be exploited for profit.

- rr.** "Person" shall mean an individual, partnership, joint ventures, association, corporation, cooperative, trust, estate, un-incorporated entity, government or state and any branch, sub-division, instrumentality, authority or agency of any government or state.
- ss.** "Production Area" shall mean an area subject to a Mining License
- tt.** "Prospecting" shall mean Exploration carried out pursuant to and in accordance with the terms of a Prospecting License.
- uu.** "Prospecting License" shall mean a license acquired pursuant to Chapter 5.2 of this Law.
- vv.** "Quarry" shall mean an open working for the Mining or other extraction of Building and Industrial Minerals.
- ww.** "Quarry License" shall mean a license acquired pursuant to Chapter 7 of the Law.
- xx.** "Radioactive Minerals" shall mean Minerals, which contain by weight at least one twentieth of one percent (0.0005 or $1/20 \times .01$) of uranium or thorium or any combination of them and include but are not limited to 1) monazite sand and other ore containing thorium; and, 2) carnotite, pitchblende and other ores containing uranium.
- yy.** "Reconnaissance" shall mean Exploration carried out pursuant to a Reconnaissance License.
- zz.** "Reconnaissance License" shall mean a license acquired pursuant to Section 5.1 of this Law
- aaa.** "Regulations" shall mean regulations promulgated pursuant Chapter 21.
- bbb.** "Republic" shall mean the Republic of Liberia.
- ccc.** "Small-Scale Operation" shall mean a Mining Operation other than an Industrial Operation.
- ddd.** "Termination" shall mean the lapse of a Mineral Right by the expiry of its term, surrender by the Holder or otherwise as provided by this Law.

2 CHAPTER 2 : OWNERSHIP OF MINERALS

2.1 Property Rights in Minerals

Minerals on the surface of the ground or in the soil or subsoil, rivers, streams, watercourses, territorial waters and continental shelf of Liberia are the Property of the Republic and anything pertaining to their Exploration Development, Mining and export shall be governed by this Law.

2.2 Mineralized Area

Consistent with and subject to Chapter 10 of this Law, the Minister may declare an area in which Minerals have been discovered to be a "Mineralized Area" and may cause any unallocated Mineral Rights therein to be awarded pursuant to the provisions of this Law.

2.3 Right of Ownership

Holders of Mineral Rights shall acquire ownership of and title to the Minerals they extract by Mining pursuant to this Law.

3 CHAPTER 3 : ADMINISTRATION OF THE MINERALS AND MINING LAW

3.1 Administration

Subject to and in keeping with the provisions of this Law, the Minister shall be responsible to see that this Law and the Regulations shall be so administered as to achieve their purposes and promote the policies set forth herein.

3.2 Authority to Investigate

The Minister shall be clothed with the authority to conduct such investigation as may be necessary, appropriate and in keeping with the laws of Liberia, in order to ensure compliance with this Law by all Persons.

3.3 Minister's Authority to Delegate

The Minister may delegate any power conferred on him by this Law, excluding the power to make Regulations hereunder, to the Deputy Minister, Assistant Ministers, Directors and other officials commensurate with their functional responsibilities and in keeping with the laws of Liberia.

3.4 Establishment of Minerals Technical Committee.

There is hereby established the Minerals Technical Committee composed of the following:

The Minister of Lands, Mines & Energy (Chairman);

The Ministry of Justice;

The Ministry of Finance;

The Ministry of Planning & Economic Affairs;

The National Investment Commission;

The Ministry of Labour;

The Council of Economic Advisors to the President of Liberia;

The Central Bank of Liberia;

a. The President may from time to time designate such other Persons not more than three (3), who shall not be officials of the Government to serve as members of the Minerals Technical Committee.

3.5 Power of the Committee

The Minerals Technical Committee is hereby empowered under the chairmanship of the Minister to negotiate and conclude agreements for Class A Mining Licenses.

4 ELIGIBILITY FOR MINERAL RIGHTS

4.1 Mineral Rights Required

No Person shall conduct Exploration, Mining or Operations except in accordance with the Mineral Right Provisions under this Law.

4.2 Persons of Individuals Not Eligible for Mineral Rights

The following Persons or Individuals shall not be eligible to be Holders of Mining Licences:

- a. An individual who is less than eighteen (18) years old;
- b. A Person who has been adjudged insolvent or bankrupt during the prior seven (7) years under the laws of Liberia, or any other country, except under the plan of reorganization approved by the courts of Liberia or of such other country and permitted by the laws of Liberia, and with respect of which such person is in compliance;
- c. A Person or an individual who is not lawfully qualified to conduct business in the Republic;
- d. An individual who has been convicted of a felony in Liberia, or who has been convicted elsewhere, or has pleaded *noro contondre* to a crime, the elements of which could constitute a felony in Liberia;
- e. A Person whose application does not meet the requirement of this Law;
- f. The President of Liberia, the Vice-President of Liberia, any members of the National Legislature, Justices of the Supreme Court and Judges of the subordinate courts of record, Cabinet Ministers, Managing Directors of Public Corporation during their tenure in office. However, in the event that any of the forgoing Persons was already a Holder of a Mineral Right prior to assuming the functions of the office then such Person may either dispose of such Mineral Right or place such Mineral Right in a Blind Trust.
- g. An employee of the Ministry or Commission;
- h. With respect to a Class C Mining License, (1) an individual who is not a citizen of Liberia, or (2) a Person that is legally or beneficially owned and controlled entirely by individuals who are not citizens of Liberia;
- i. With respect to a Class C Mining License, (1) an individual who is not a citizen of Liberia unless legally permitted to be a resident of Liberia or to seek employment in Liberia or (2) a Person other than an individual, unless individuals who are citizens of Liberia own and control at least six percent (60%) of the equity or voting power in such a person or are entitled to receive at least sixty (60%) of such a Person's net profits or distributable income.

5 THE RIGHT TO CONDUCT EXPLORATION

5.1 *Reconnaissance License*

The minister upon receipt of an application by an Eligible Applicant for any Mineral Right that conforms to the requirements set forth in this Law or in the Regulations, shall grant such Person a Reconnaissance License for the area applied for subject to the following terms and conditions.

- a. that the area shall not already be subject to a valid Mineral Right other than a Quarry License granted to another Person;
- b. that the area subject to the Reconnaissance License shall not exceed 2000 square kilometres;
- c. that the Holder of a Reconnaissance License shall have the right during its term, to conduct Reconnaissance License in the area subject to the Reconnaissance License;
- d. that the holder of a Reconnaissance License shall not engage in drilling or sinking of pits;
- e. that upon completion of the Reconnaissance of the area granted the Holder may apply for an Exploration License with respect to all or portion of the Reconnaissance area so granted;
- f. that the Minister shall grant and award the Exploration License subject to the Applicant having met and conformed to the requirements of this Law and the Regulations, including the payment of all relevant fees;
- g. that the Exploration License so granted shall be in conformity with Applicant's Reconnaissance reports, findings and programs filed with the Minister;
- h. that Minerals found in the course of a Reconnaissance survey may be disposed of subject only to the declaration of such Mineral finds to the Minister;
- i. that the Minister shall grant and issue a Reconnaissance License for a maximum period of six (6) months, renewable once for another six (6) months provided that the Holder shall have met all the obligations under his Law and the Regulations.

5.2 *Prospecting License*

A Person who is an Eligible Applicant for a Class B Mining License or Class C Mining License over an area to be specified in the application. The Minister shall grant the Prospecting License to such Eligible Applicant(s) if the application conforms to the requirements set forth in this Law or in the Regulations, subject to the following terms and conditions:

- a. that the area shall not already be subject to a valid Mineral Right granted to another Person;
- b. that the area granted under this Prospecting License shall not exceed one hundred (100) acres;
- c. that the Holder of the Prospecting License shall have the exclusive right during its term to conduct Prospecting over the granted area and to apply for a Class B or Class C Mining License with respect to any part of the granted area;

- d. that the Holder shall file and submit to the Minister a proposed work plan for prospecting;
- e. that the Minister, upon receipt of the Prospecting Plan and application, shall grant to the Holder the Prospecting License provided that said Holder shall have paid all relevant fees and met all requirements in compliance with this Law and the Regulations;
- f. that the Prospecting License granted herein to prospect shall not be interpreted as the right to conduct commercial mining. However, a Holder of a Prospecting License shall have the right to dispose of Minerals extracted in the course of Prospecting subject only to declaration of such Mineral finds to the Minister;
- g. that the Minister is authorised to grant to the Holder a Prospecting License for a period of six (6) months, renewable once for a further period of six (6) months provided that the Holder meets its obligations under this Law and the Regulations;

5.3 Exploration License

The Minister, upon receipt of an application from a Person who is an Eligible Application for a Class A Mining License as defined herein in Chapter 6 of this Law shall grant such Person an Exploration License for the area applied for provided the mineral rights have not being granted to another person; subject to the following terms and conditions:

- a. that the area shall not already be subject to a valid Mineral Right granted to another Person;
- b. that Government and the Eligible Applicant shall have concluded an Exploration Agreement, or other agreement, which has become effective, pursuant to its terms, covering the area applied for;
- c. that the Holder of the Exploration License shall have the exclusive right to conduct Exploration work in the area granted and covered under the terms of the Exploration License;
- d. that the Holder shall submit a proposed exploration program to the Minister within the ninety (90) days after the issuance of the Exploration License;
- e. that the Holder shall commence Exploration within one hundred and eighty (180) days after the issuance of the Exploration License unless the Minister agrees to a longer Period
- f. that the initial terms of the after the issuance of the Exploration License shall be not more than three (3) years and it may be extended for a single two (2) year term upon the written application of a Holder who has fulfilled its work and expenditure obligations under the proposed exploration program and otherwise complied with this Law and the Regulations;
- g. that provided the Exploration License Holder does not choose to keep all or a portion of the area he has explored for mining purposes, the Exploration License shall automatically terminate at the expiry of its term; unless for good cause and the Minister otherwise agree to a different schedule in keeping with 5.3 (f); then
 - (1) at or before the expiration of the Initial Period of the Exploration License, the Holder may select the entire Exploration Area or any part thereof as a Proposed Production Area.

(2) in the event the Holder decides to apply for an extension of the Exploration License, the Holder shall be obliged to surrender minimum of fifty (50) percent of the Exploration Area at the end of the Initial Term of the Exploration License.

(3) at the end of the Extension Period, the Holder may declare the entire remaining area as a Proposed Production Area or any Portion thereof. In the event the Holder declares only a portion of the Exploration Area as Production Areas, the remaining portion of the Exploration Area must be surrendered to Government and the Exploration License shall then cease to exist.

- h.** that the Holder of an Exploration License may conduct pilot Mining in connection with and as permitted by a proposed Exploration Program.
- i.** that the Holder of an Exploration License shall incur costs in the conducting Exploration in such sum, calculated on a per acre, per hectare, or per square kilometre basis, as may be provided in the Regulations or agreed between the Holder and Government.
- j.** that the Exploration License shall terminate, subject to the provisions of section 9.14, if the Holder shall be in material breach of its terms and conditions and of this Law and the Regulations.
- k.** That the Holder shall continuously conduct Exploration during the term of the Exploration License, provided that the Holder and Government may agree that Exploration may be temporarily suspended for an agreed period of time not to exceed one year except in the case of force majeure, and subject to such conditions as they may agree during which time the running of the term of the Exploration Agreement shall also be suspended.
- l.** that where marginal Deposits are discovered within an Exploration Area but Exploitation thereof must be postponed, the Minister, upon application by the Operator and upon recommendation of the Department of Mines, shall grant the application for postponement of Exploitation for reasonable period until economic and technological conditions prove more favourable for the Development of such marginal Deposits.
- m.** that each and every holder of an Exploration License shall have the right to dispose of all minerals extracted in the course of such Holder's Exploration activity and assays, subject only to the declaration of such Mineral finds to the Ministry.
- n.** that the Exploration Area shall be contiguous and shall not exceed one thousand (1,000) square kilometers.
- o.** that the holder shall have the right to add to the Exploration Area any unencumbered areas that have geological relationship to adjoining Exploration or production areas. This additional area shall not exceed twenty (20) percent of the original Exploration Areas granted.

5.4 Exploration License Required

No Person shall conduct Exploration in Liberia except pursuant to a license provided for in this chapter, or as may be otherwise provided for by this Law.

6 THE RIGHT TO OPERATE MINES

6.1 Mining License Required

No person shall engage in Mining in Liberia except pursuant to a license provided for in this chapter.

6.2 Construction

This Law shall be construed to require that an Exploration License first be obtained in order to acquire Mining License so as to avoid granting or obtaining Mining License for Non-mineralized area.

6.3 Class C Mining License

Any Person who is an Eligible Applicant for a Class C Mining License may apply for, and the Minister shall grant, a Class C Mining License over a production Area not subject to a Mineral Right granted another Person subject to the following terms and conditions:

- a. that the holder of a Class C Mining License shall have exclusive right to Mine in the Production Area covered by the Mining License.
- b. that the term of Class C Mining License shall be one (1) year, renewable for further terms of one year each if the Holder has met all of its obligations under this law and the Regulations, and is in compliance with the provisions of the Mining License.
- c. that the size of the Production Area covered by Class C Mining License shall be not more than twenty-five (25) acres.
- d. that one Person may hold up to four (4) Class C Mining Licenses at the time.
- e. that holders of Class C Mining Licenses may upon notice to and with the approval of the Minister, conduct Mining on a cooperative basis in order to share costs and shall not thereby be deemed to constitute a single enterprise so long as the separate identity of each Holder is maintained;
- f. that the Holder of a Class C Mining License shall conduct Mining predominantly as a Small-Scale Operation, and the Minister may pursuant to this Law and Regulations, penalize Holder of a Class C License that is not predominantly engaged in a Small-Scale Operation.
- g. that the Ministry shall promulgate Regulations governing the survey of Mining Claims of Holders of Class C Mining Licenses.

6.4 Class B mining License

Any Person who is an Eligible Applicant for a Class B Mining Licence may apply for a Class B Mining Licence over an area not subject to a Mineral Right granted to another Person, on the same terms and conditions as

a Class C mining Licence with the following exceptions and subject to the following further terms and conditions:

- a. that the initial term of a Class B Mining Licence shall be five (5) years and any renewals thereof shall be for not more than five (5) years each;
- b. that the Holder of a Class B Mining Licence may conduct Mining as an Industrial Operation
- c. that up to fifteen (15) Holders of Class B Mining Licences may, upon notice to the Minister form a Cooperative to conduct Mining in order to share costs of equipment or infrastructure and shall not thereby be deemed to constitute a single enterprise so long as the separate identity of each Holder is maintained;
- d. that a Holder of a Class B Mining Licence shall submit a production plan to the Ministry prior to commencing Mining at the start of each calendar year thereafter, and the Minister may require the Holder to amend the production plan in any manner necessary such that it conforms to the standards set forth herein, and the other requirements of this Law

6.5 Class A Mining Licence

Upon receipt of Notice from the Operator during or at the end of the Exploration Period, of a discovery of exploitable deposits, the Minister shall grant a Class A Mining Licence

- a. that Government and the Operator shall have concluded, and the Eligible Applicant is materially in compliance with, a Mineral Development Agreement, which has become effective, permitting Mining in the proposed Production Area pursuant to its terms and conditions.
- b. that the Operator shall have successfully completed a proposed exploration program and submitted to the Minister a detailed map and descriptive statement based on actual surveys which shall set forth the boundaries of the proposed Production Area, identified by metes and bounds, and the boundaries and size of the Deposits from which the Minerals are to be Mined
- c. that the Operator shall have completed a feasibility report describing a plan for the efficient and economic conduct of Mining in the Proposed Production Area in keeping with the standards set forth in and the other requirements of this Law, a description of the Minerals proposed to be Mined and the Mining and processing methods to be used, the design, costs and construction schedules for the proposed plant, facilities and equipment to be used, and the marketing arrangements contemplated.
- d. that the Minister shall have approved the feasibility report which approval shall not be withheld if such feasibility report is in accordance with the standards and other requirements of this Law.
- e. that the initial term of a Class A Mining Licence shall be not more than twenty-five (25) years, and may be extended, in such case upon a showing that proven reserves exist, and upon submission of a revised and up-dated feasibility report, for consecutive additional terms not to exceed twenty-five (25) years each

- f. that the Minister shall have been satisfied that the Operator possesses the necessary technical skill and experience, and the financial resources necessary, to permit it to carry out Mining Operations in keeping with the requirements of a Class A Mining Licence and of this Law.

6.6 Mineral Development Agreement

As set forth in sections 5.3 and 6.5 of this Law an Eligible Applicant shall have concluded a Mineral Development Agreement or other agreement with Government in order to receive either an Exploration Licence or a Class A Mining Licence. The following terms shall apply to the Ministerial Development Agreement:

- a. A Mineral Development Agreement shall be effective and binding on the Republic pursuant to its terms when: (1) signed by the Minister of Lands, Mines & Energy, the Minister of Finance and the Chairman of the National Investment Commission, or by their successors in office or function of any of the foregoing; (2) attested to by the Minister of Justice or by his or her successor in office or function; and (3) approved by the President of Liberia.
- b. Government may agree to, and be bound by, terms set forth in the agreement relating to any matters left to the discretionary authority of the Minister, including matters that are, or could be, a subject of the Regulations.
- c. Government may agree to and be bound by terms that set forth and fix the fiscal and tax obligations of the other party, but for no period longer than twenty-five (25) years, and subject to periodic review of those terms every five (5) years in order to consider any modifications of these terms that, due to substantial changes in circumstances during the preceding five (5) years the parties agree are warranted and
- d. Government may agree to and be bound by terms guaranteeing the right of the other party to be free from currency of other exchange controls with respect to the proceeds of export sales, to repatriate earnings, and to exchange currency in Liberia at fair market rates of exchange, consistent with Acts establishing the Central Bank of Liberia and Regulations pursuant thereto.
- e. Right granted to a party to a Mineral Development Agreement to commence Mining or to obtain a Class A Mining Licence for the purpose shall be suspended until such other party has fulfilled its obligations as set forth in Sections 6.5(b)(c) and (d) and 5.3(d)(e),(j) and (k) of this Law and the Mineral Development Agreement shall terminate if such other Party has not fulfilled its obligations as described above by or before the end of the initial or any extended term of the Exploration Licence, or such other period as it may be required by this Law.
- f. Government may agree to be bound to such other terms as it considers conducive to the encouragement of investment in and enhanced productivity of the Minerals and Mining sector in Liberia, including but not limited to terms providing for International binding arbitration of disputes arising out of or in connection with a Mineral Development Agreement terms guaranteed a party to

a Mineral Development Agreement that its investment will not be actually or constructively expropriated, nationalised or seized; terms affirming such party's right to import goods and equipment for use in its operations and to export Minerals, and terms providing such party with protection against discrimination in favour of any other producer or exporter of minerals in Liberia.

6.7 Provisions Common to all Mining Licenses

Each Mining License shall be subject to the following additional provisions:

- a. Limitations A Mining License shall not be issued with respect to any area that is already subject to a valid Mineral Right granted to another person;
- b. Form of Application The application for a Mining License shall include such information and be in such form as may be specified in the Regulations including but not limited to the name, address, nationality, legal status and other information regarding the Person making the application the Minerals expected to be mined, the boundary of the area subject to the Mining License Area, the metes and bounds of the area, and an accurate survey of not less than 10000 accompanied by a map which shall show the geographic position of the claim with reference to adjacent natural landmarks such as rivers, mountains, towns, villages or other known boundaries if there should be any permanently marked Government survey station located within ten kilometres of the proposed Mining Licence Area such Government survey station is to be connected with the points shown on the map and its direction and distance to be shown.
- c. Effect of Discovery of other Minerals Every Person holding a Mining License who is in the course of Development or Mining discovers that a Mine or Deposit contains another Mineral not the subject of the Mining License shall have the right to Mine such additional mineral; in such case the mineral in question shall not be mined until the application made to the Ministry which shall not be unreasonably denied, same being approved within ninety (90) days; subject to the terms prescribed in this section. Any Person holding a Mining License shall file a separate notice with the Minister as to each Mineral which has been discovered and is to be Mined, for permission to have its Mining License amended to cover the new Mineral. The Ministry shall promulgate Regulations governing the recovery of associated minerals.
- d. Surface Under Mining Licences Unless otherwise specified in the Mineral Development Agreement, the grant of a Mining License shall carry the following surface rights:
 - (1) Erection of habitations, office buildings, mill buildings, engine houses, store houses,
 - (2) Building of dumps, ditches for drainage, roads within the surface boundaries of the Production Area;
 - (3) Making trenches and open outs, constructed for and necessary for Mining Operation;

- (4) Cutting of timber only insofar as it is necessary to clear for buildings and such works as are mentioned in subparagraphs (1), (2) and (3) hereof and to use in construction of the mining site and
- (5) Use of water and other resources necessary for the execution of the work
- e. Right of Operator to Operate Transportation and Communication Lines A Mining License shall not in the absence of contrary provisions in the Mineral Development Agreement be deemed (1) to convey the right to operate a railroad except between the pit, Mine opening place workings and the mill, nor (2) to grant the right to operate telephone, telegraph, water system, hydraulic or electric system, or any other public utility except within the bounds of the Production Area and between a Mine and the mill;
- f. Rights of Holder to Dispose of Mineral A holder shall have the right to freely dispose of within Liberia, all Minerals extracted under the terms of his License, and may export all such materials in their original or changed form subject to specific provisions of this Law;
- g. Reports by Holders Each Holder shall submit to the Ministry not later than September 30 of each year a report giving statistical and descriptive information concerning the operation of the License. Each Holder shall demonstrate upon request to the satisfaction of the Minister that the provisions of this Law and the Regulations are being complied with. Such reports shall be submitted not later than December 15 of each year;
- h. Inspections of Mining premises and books The Ministry shall have the right to order an inspection at any time of any Exploration Area or Production Area and, upon reasonable notice, of the books and records of the Holders of Mineral Rights.
- i. Requirements for maps The Ministry may order topographical maps and the underground maps to be filed by the holder of a Mining License at any time, but not more often than once every six months. All such maps must be sworn to by a competent surveyor, who in his affidavit shall set forth a statement of his training and ability.

7 THE RIGHT TO OPERATE QUARRIES

7.1 *Right to Operate Quarry*

No person may operate a Quarry or Mine Building and Industrial Minerals except pursuant to a valid Quarry Licence obtained as provided for in this Chapter

7.2 *Eligibility*

Persons eligible to receive a Class B mining Licence or a Class C Mining License shall be eligible to receive a Quarry License.

7.3 Grant of Quarry License

The Minister shall grant a Quarry License on the same basis as a Class B Mining License, and subject to the same terms and conditions with the exception of the following:

- a. No Quarry License shall be issued for an Area exceeding fifty (5) acres.
- b. The holder of a Quarry License shall have the exclusive right to develop, Mine, and sell Building and Industrial Minerals found within the area subject to the Quarry License but shall not have the right to Mine other Minerals.

8 ENVIRONMENTAL PROTECTION

8.1 Protection of the Environment

Each Holder of a Mineral Right shall take reasonable preventative, corrective and restorative measures to limit pollution or contamination of, or damage to streams, water bodies, dry land surfaces and the atmosphere as a result of Exploration or Mining.

8.2 Restoration of Site

Each Holder of a Mineral Right shall be responsible to restore the terrain of any Land disturbed by Exploration or Mining to its prior state or if it is not feasible to do so, then to undertake such reclamation as will render the Land useful for economically and socially desirable purposes. To this end, each such Holder shall among other things level all surfaces to the extent reasonable, or contour, grade and terrace all exposed artificial gradients and declivities created as a result of Exploration or Mining.

8.3 Environmental Safeguards

Each Holder shall ensure that all water polluted by its Exploration or Mining is restored to its prior state, and that any water courses that have been closed are re-opened, or substitute water courses opened, such that the area is drained by natural runoff with a minimum of erosion. Each such Person shall also engage in restoration activities if responsible for large scale felling of trees during Exploration or Mining. The Minister shall issue detailed Regulations in keeping with this Law and all other laws of Liberia relating to the protection of the environment, setting forth those operational and other measures to be taken by each Holder of a Mineral Right to ensure compliance with the policies set forth in this section.

8.4 Environmental Impact Assessment Study

The Minister shall require each applicant for a Class A or Class B Mining License to submit as a condition precedent to the grant of the Mining License, an Environmental Impact Assessment Study Report prior to the grant of any such application. This study shall state the adverse Impact Mining or the Exploitation of Minerals and related activities proposed to be undertaken may have on the environment, and set forth a plan of mitigation and reclamation. Special attention shall be paid to any adverse effects on nearby

communities. The Minister shall grant the application for a Mining License only after reviewing the study and confirming that its mitigating and reclamation proposals adequately protect the environment.

8.5 Environmental Management Program

An Environmental Management Program in respect of the surface of the Land affected by any Exploration, Mining or other Operation shall be submitted by the Holder of the Mining Right to the Minister before the commencement of any such Operations.

8.6 Periodic Environment Assessment

For each ongoing Operation, the Minister shall, in collaboration with the Operator conduct periodic environmental assessments as shall be defined in the Regulations.

9 PROVISIONS COMMON TO ALL MINING LICENSES

9.1 Development of National Minerals Resources

Mining of Buildings and Industrial Minerals shall be carried out in such a manner as to ensure sustainable development of the national Mineral resource base. The Holder shall follow standard technical procedures accepted by the Minerals Industry worldwide as set forth in this law and the Regulations.

9.2 Existing Rights

Mineral Rights are always issued subject to existing rights of other Persons in the lands subject to such Mineral Rights.

9.3 Renewal

If a License conferring a Mineral Right expires without a decision having been made on an application for its renewal that was presented in the form and within time limits prescribed by this Law and the Regulations, the said license may nonetheless be extended *nuno pro tunc* to the date of expiration, and in that case a renewal notice shall be sent to the applicant that his request for renewal has been granted. No Mineral Right may be granted to any other Person until a decision has been made on any application for renewal submitted prior to the date the licence expired, provided that the request for renewal shall be deemed denied if, within one hundred and eighty (180) days after the expiration of the said license, no decision has been made and communicated to the applicant.

9.4 Period to Vacate

When application for renewal or extension of a Mineral Right is denied pursuant to this Law or the Regulations, the Holder thereof shall cease all activity authorised by the Mineral Right on its expiry date, except for such activity as may be necessary for reclamation purposes and the shut down of Operations and removal of equipment or infrastructure. The Holder shall have the period of time set forth below within

which to carry out reclamation activities and the shutting down of Operations and to vacate the area subject to the Mineral Right:

- a. In the case of a Reconnaissance Licence or Class C Mining License, one (1) month after notice of denial;
- b. In the case of a Prospecting Licence or a Class B Mining License, three (3) months after notice if denial; and
- c. In the case of an Exploration License or Class A Mining License, six (6) months after notice of denial or such greater or lesser period of time as may be required under the terms of a Mineral Development Agreement.
- d. For purposes of Section 9.4, the Holder shall be deemed to have received notice at the earlier of the date when it was actually delivered to him, the date when he learned of its contents, or the date his application was deemed denied.

9.5 Extent of Mining License

A Mining License extends to an indefinite depth in the earth within the bound of vertical planes extended downward from the surface boundaries of the Land as to which the privilege has been granted. Any Person holding a Mining License under this Law is expressly prohibited from following a vein of Minerals outside of such vertical planes.

9.6 Boundaries to be identified

Holders of Mineral Rights other than Reconnaissance License shall mark their respective boundaries in accordance with the provisions of this Law. The Ministry shall require the claimed area to be surveyed and demarcated at the expense of the holder.

9.7 Modification

A Mineral Right may be modified to include Minerals other than those for which it was issued under terms and conditions to be agreed upon by Government and the Holder.

9.8 Reporting

Holders of Mineral Rights shall be required to submit to the Ministry reports in such form and manner as the Regulations may require. The contents and frequency of such reports shall be as prescribed by the applicable Mineral Right and by the Regulations.

9.9 Termination of Mineral Rights

The duration including renewals of Mineral Rights may expire by the lapse of time, surrender of the Mineral Right by the Holder or revocation by the Government. When a Mineral Right expires, the rights granted thereunder to the Holder shall revert to Government without charge.

9.10 Government Right of Option to Installation when Class A Mining License Terminates

Government Right of Option to Installations When a class A Licence Terminates. When a Class A License expires, Government shall have the option to acquire all or part of the moveable assets on terms to be set forth in the Mineral Development Agreement, and shall acquire title to all non- moveable fixed assets.

9.11 Surrender of Mineral Rights

Holders of Mineral Rights may surrender such Rights in whole or in part upon prior notice of one (1) month in the case of Reconnaissance License or a Class C Mining Licence, three (3) months in the case of a Prospecting License, Exploration License or Class B Mining Licence, or six (6) months in the case of a Class A Mining License, or such greater period as may acquire in Mineral Development Agreement.

9.12 Holders Obligations to government

Holders of Mineral Rights shall remain liable to Government for settlement of all outstanding taxes, duties and other levies due and payable to Government and for any lawful obligations incurred by the Holders during Operations, including but not limited to reclamation and restoration of Land and water resources, notwithstanding the expiry of the Mineral Right in question or Mineral development Agreement entered into pursuant thereto.

9.13 Extent of Surrender

The surrender of Mineral rights may be total or partial. Partial surrender may extend to certain Mineral listed in the Mineral Right or certain areas subject to the Mineral Right but not others. Any areas surrendered shall form a compact block as much as possible with the border aligned to the true north-south and east-west.

9.14 Revocation of Mineral Rights

Mineral Rights under this law may be terminated by Government on any of the following grounds:

- a. Where the holder of a Mineral Right fails to commence Exploration or Mining within the time required by the Mineral Right, except when caused within the time required by the Mineral Right, except when caused by force majeure.
- b. Where the Operator shall fail to carry out exploration in accordance with a proposed Exploration plan, cease, Exploration for a period of twelve consecutive months when subject to an exploration License, cease Mining for a period of twelve (12) consecutive months when subject to a Class B Mining License twenty four (24) consecutive when subject to a class A Mining License, unless any such failure or cessation is consented to by Government or is caused by force majeure.

- c. Where violation by the operator of a material provision of this Law or the Regulations , or of the terms of Mineral Development Agreement , and/or the failure to cure any such material violation within sixty (60) days after notice or such longer period as the Minister may allow, and
- d. Where the Operator shall fail to pay any taxes duties, levies fees or other payment due Government on the date due and within sixty (60) continued days after receiving notice of default or demand for payment has continued to fail to make payment.

9.15 Effectiveness of Revocation

Revocation by Government shall take effect two months after notice thereof has been sent to the Holder of the Mineral Right at the last registered address of such Holder with the Ministry, or at such other address as may be specified in the Mineral Development Agreement.

9.16 Date of termination of Mineral Rights

The termination of a Mineral Right shall specify the date when the revocation shall take effect and all the rights conferred on the Holder of the Mineral Rights shall terminate as of the date of the revocation.

9.17 Assignment and Transfer of Mineral Rights

Mineral Rights may be assigned only upon the approval of the Government, except for an assignment to an affiliate of the Holder of Mineral Right. Any purported assignment in contravention of this section shall be null and void, and shall constitute a material violation of the Law. The death of an individual Holder of Mineral Right, or dissociation or termination of existence of any Holder, shall result in the termination of the Mineral Right unless, within a reasonable period of time to be prescribed in the Regulations, an assignment of those Mineral Rights is made to a person who is an Eligible Applicant.

9.18 Assignment as Security

Mineral Rights may be assigned to a creditor as security for an obligation or indebtedness, upon notice to the Ministry and pursuant to the laws of Liberia. The Holder's right in any such Mineral Right thus assigned shall terminate upon any foreclosure thereof pursuant to judgement of a court having competent jurisdiction over the Persons and the subject matter, or otherwise pursuant to the laws of Liberia, provided that the judgement creditor or lien creditor shall have no right to conduct Operations under any such Mineral Right unless, within none hundred and twenty (120) days after such foreclosure or other judgement in its favor, the judgement creditor or lien creditor either demonstrates the Minister that it is an Eligible Applicant for that Mineral Right under this Law, in which case the Minister shall grant the judgement appropriate Mineral Right for its remaining term, or assigns that Mineral Right to another Person to another Person that is an Eligible Applicant, in which case the Minister shall grant the Mineral Right to that Person.

9.19 Condition for Transfer

Where there is more than one Holder of Mineral Right, all the Holders thereof must agree to assignment or transfer of the Mineral Right.

9.20 Force Majeure

In the event the Holder of Mineral Right is being rendered unable, in whole or in part, by force majeure to carry out any obligation thereunder, other than an obligation to make payments of money that accrued prior to the commencement of force majeure, such Person shall give notice and particulars of such force majeure in writing to Government as soon as practicable after the occurrence of the cause relied on, and the obligation of the Person giving such notice, insofar as it is affected by such force major, shall be suspended during the continuance of any such inability. However, any such inability shall, as far as practicable, be remedied with all reasonable dispatch. All time periods specified for the performance of obligations or enjoyment of rights granted by Mineral Right that are affected by force majeure, except in connection with an obligation to make payments or money that accrued prior to the commencement of force majeure, shall be extended by the period of time the inability caused by such force majeure exists.

9.21 Force Majeure Defined

The terms force majeure as used in section 9,20 shall mean Acts of God, accidents, wars, acts of war, invasions, acts of public enemies, hostilities (whether war is declared or not), restrictions on trade or other activities of the Holder imposed by any sovereign nation or state embargoes, blockades, revolutions, riots, civil commotions, sabotage, strikes and/or other industrial, labor or employer-employee disputes (if not cured for a period of more than two (2) months) fires, explosions, earthquakes, or any other natural disasters, expropriation of facilities or goods, epidemics, and any similar cause, provided any such cause was not within the reasonable control of the party claiming suspension and could not have been avoided or overcome by such party through the exercise of due diligence.

9.22 Government Ownership of Equity

Government shall receive free of charge an equity interest in all Class A Mining Operations as defined in Chapter 6 of this Law equal to but not less than ten percent (10%) or not more than fifteen percent (15%) of its authorized, issued and outstanding share capital existing at any time and from time to time without dilution.

10 PROTECTED ZONES

10.1 Lands not subject to Mineral Rights

Mineral Rights shall not be granted with respect to any lands located within the boundaries of any cities commonwealth districts, municipal districts, cemeteries, transportation or communication facilities,

aqueducts, military base, port, Poro or Sande grounds, and other grounds reserved for public purposes, except with the consent of the public officials authorised to administer or control the affairs of such entities, and subject to such special terms and reasonable conditions as may be prescribed for the protection of surface users.

11 RIGHTS OF OWNERS OR OCCUPANTS OF LAND AFFECTED BY THIS LAW

11.1 Rights Governed by This Chapter

The rights of Landowners and Occupants of land affected by the granting of Mineral Rights shall be governed by this chapter.

11.2 Obligation to Observe This Law and Regulations

No Landowners and Occupants of Land affected by the granting of Mineral Rights shall undertake any Exploration or Mining on such Land except pursuant to this Law.

11.3 Supremacy of Government's Right

Government's rights as owner of Minerals in the republic of Liberia are absolute and supersede the rights of any Land owners or Occupants of Land in respect of the Exploration of Mining of Minerals, provided that such Landowner or Occupants of land shall be entitled to just, prompt and adequate compensation for any diminution in the value of Land caused by disturbance, disfigurement or other factors occasioned by the Government's exercise of its rights.

11.4 Rights of Land Owners or Occupants of Land in Respect of Mineral Rights

The legal owner of the lawful occupant of property on which minerals are discovered shall be entitled to a right of first refusal in any application for obtaining class A or class B Mining Licenses as against any third party or parties.

11.5 Procedure on Refusal of Land Owner or Occupant to grant Access to land for Exploration or Mining

In the event of the refusal of a Landowner or Occupant of Land to permit the Holder of a Mineral Right to conduct Exploration or Mining, the Holder may petition the Ministry to intervene setting forth all relevant facts and circumstances including any financial offers made to such Landowner or Occupant of land. The Minister shall, by regulation, establish appropriate procedures for the hearing and determination of such petitions.

11.6 Specific Authorization Required

Specific authorization shall be obtained from the Minister by the Holder of a Mineral Right in order to carry out the following activities, unless they are expressly authorised in the text of the license granted the Holder or in a Mineral Development Agreement:

- a. Clearing the land of all trees, shrubs and other obstacles, and cutting wood necessary for the holder's activities outside the boundaries of his license or licenses;
- b. Operating unused or unreserved waterfalls and harnessing them for purposes of such activities;
- c. Installing electrical plants;
- d. Installing plants for preparation, concentration, or chemical or metallurgical treatment of Minerals;
- e. Development of roads, canals, pipelines, channels, conveyors or other above ground conduits for the purpose of transporting products beyond the Land subject to such Mineral Right; and
- f. Creation or development of railways, sea or river sea or river ports and airports.

12 PUBLIC USE OF INFRASTRUCTURE OWNED OR CONSTRUCTED BY HOLDERS OF MINERAL RIGHTS

12.1 Use of Infrastructure

Communication lines and other infrastructure installed or developed by the Holder of Mineral Rights within the area subject of the Mineral Rights may be used by Government or third parties provided however, that fair compensation shall be paid and that such use does not interfere with or hinder the Holder's Operations.

12.2 Fixed and Movable Assets Installed by Holders

All fixed assets installed by Holders of Minerals Rights shall become the property of Government, upon termination of the Mineral Rights, however, the movable assets shall remain the property of the Holder.

13 REGULATION OF RADIOACTIVE MINERALS

13.1 Minister to Make Rules and Guidelines

The Minister shall promulgate rules, Regulations and guidelines for the possession, transportation and storage of Radioactive Minerals and the protection of the public, which shall be incorporated in agreements for the Mining of Radioactive Minerals.

13.2 Obligation to Disclose

Any Person who discovers Deposits or occurrences of Radioactive Minerals or is in possession of said Radioactive Minerals shall immediately notify the Ministry and disclose such discovery or possession to the Ministry. The Ministry will then apply the appropriate Regulations with respect to the Ministry. The Ministry

will then apply the appropriate Regulations with respect to the possession, transportation, safeguard and storage of such Radioactive Minerals.

14 EXPLORATION AND DEVELOPMENT OF UNDERGROUND WATERS AND GEOTHERMAL DEPOSITS

14.1 Prospecting/ Exploration and Mining Rights

No one shall explore for or develop underground or geothermal deposits in the territory of the republic without a license authorised by this chapter.

14.2 Exploration Licenses for the Underground Waters or Geothermal Deposits

Exploration License for underground waters or Geothermal Deposits may either designate the perimeter within which drilling may be carried out or specify the site for such drilling.

14.3 Operation Permit

Operation Permits for the extraction of groundwater (digging of shallow wells and drilling of deep wells) shall be issued by the Minister in conformity with Guidelines and Regulations set forth by the Ministry.

14.4 Specific Condition

In addition, operation Permits for the Operation of underground water and geothermal deposits shall control, regulate or provide the following:

- a. The colonic content of whatever is extracted
- b. The extraction, use and reinsertion of heat-conveying fluids and products contained therein so as to preserve the products as much as possible;
- c. A definition of the perimeter of operations and maximum output of production
- d. The volume limit beyond which the Holder may not extract underground water in order to allow the water to regenerate; and Limitation on the volume of underground water that can be extracted by true-depths.

14.5 Perimeter of Prospecting/ exploration Permits

The perimeter contained and set forth in an Operation Permit for underground waters or Geothermal Deposits issued pursuant to a Prospecting/ Exploration Licences shall include all drilling to be undertaken for the purposes of such Exploration to enable the Holder to reach underground waters with developable qualities.

15 TRADING AND DEALING IN GOLD, DIAMONDS AND OTHER PRECIOUS

MINERALS

15.1 Trade in Gold and Diamonds Regulated

The import and export of gold, diamonds and other precious Minerals obtained from Small-Scale Operations shall be governed by the Law, the Regulations and such rules and regulations as may, from time to time, be promulgated by the Central Bank of Liberia pursuant to applicable Law.

15.2 Eligibility for Broker's Licence

Persons who meet the same requirements as those stipulated for a Class C Mining License shall be eligible applicants for a broker's licenses. A broker's license shall grant the Holder the Right to trade in Gold, Diamond and other precious Minerals in Liberia.

15.3 Eligibility for Dealer's License

Persons who meet the same requirements as those stipulated for a Class B Mining License, or who have been granted the right to obtain a Dealer's License under a Mineral Development Agreement, shall be eligible applicants for a dealer's license subject, however, to the provisions contained in section 15.6. A Dealer's License shall grant the holder the right to trade in Minerals in and out of Liberia.

15.4 Trade and Dealership in Precious Stones and Minerals

A Person wishing to deal in gold, diamonds or other precious Minerals, and who are Eligible Applicants pursuant to this chapter, shall apply to the Minister for a Dealer's License which shall authorize such Person to engage in activities authorised by each License. The Regulations shall fix the terms and conditions that must be satisfied in order to obtain or maintain a Broker's License or Dealer's License.

15.5 Sequence of Transaction

Holders of Class C Mining Licenses shall sell gold, diamonds or other precious Minerals obtained from Operations only to brokers who have a Broker's License, or to dealers who are parties to a Mineral Development Agreement, and subject to its terms. Brokers shall sell to dealers who have obtained a Dealer's License.

15.6 Performance Bond

Dealers in precious minerals shall be required to file bond of Fifty Thousand United States Dollars (US\$ 50,000.00) with a bank established in Liberia prior to the commencement of business and as a condition of obtaining or renewing a Dealer's License under this Chapter.

16 INSPECTION AND SAFETY

16.1 Safety Measures

All Holders of Mineral Rights shall employ and all measures which are intended and/or designed to eliminate or mitigate the risk or danger that their Operations might cause to public safety or hygiene, to mine workers, to the preservation of the Mine or Quarry, to neighbouring Mines Quarries, water sources or public roads.

16.2 Danger and Accidents

Each and every Holder of a Mineral Right shall from time to time, advise the Ministry of any and all accidents occurring in connection with Operations.

16.3 Report of Accidents

Accidents occurring in a Mine, Quarry or in connection with Operations that cause serious injury or death must be reported by the Operator as soon as possible to the Ministry, and to such other Persons as may be prescribed by the laws of Liberia within the time specified in such laws.

16.4 Preservation of Accident Scenes

When accidents occur in connection with Operations, the condition of the premises where the accident occurred shall be preserved without alteration until inspectors and representatives of the Ministry have completed their investigations, or authorization to alter the condition of the accident scene or objects therein as obtained from the Minister. However, the foregoing prohibition shall not apply to the extent necessary to permit operations for the preservation of human life and property.

16.5 Obligation to Draw up Workplace Regulations

All Holders of Mineral Rights shall be obliged to observe the highest standards of hygiene and occupational safety as established by the Minister in collaboration with the Minister of Health and Social Welfare, the Minister of Labour the Environmental Commission and other relevant governmental agencies. In this regard, Mine and Quarry Operations shall be further obliged to draw up and enforce Regulations in accordance with such standards to ensure the hygiene and safety of their workers, plants and inventories.

16.6 Approval of Regulations

The texts of any and all such hygiene and occupational safety regulations shall be submitted to the Minister for his prior review and subsequent approval. Once approved, copies thereof shall be posted in the most visible locations for workers within plants, Operation and other work sites.

16.7 Emergency

In cases of emergency, where the Mine or Quarry Operator has failed to take appropriate hygiene and safety measures, the Ministry or its duly authorized agents shall, in collaboration with the appropriate agencies of Government take whatever relief or preventive measures are necessary to remove or mitigate the danger and when necessary shall make demands on local government authorities with the view to saving human life and property.

16.8 Duty of Contractor

When part of the work in a Mine or Quarry is awarded to any contractor or subcontractor, the employees of any such contractor or subcontractor shall in all respects be obliged to respect all Regulations provided for in this Chapter 16.

16.9 Default

Subsequent to a discovery by any official of the Ministry's inspectorate or a complaint that a Holder of a Mineral Rights has failed to implement any of the hygiene and safety regulations in this chapter, the Mineral may prescribe, in collaboration with the Minister of Health and Social Welfare, and the Minister of Labour, after hearing representations, and on recommendations of the Department, measures required to ensure the hygiene and safety of the workers, plant and inventories. In cases of emergencies or imminent peril, the Department may promptly employ or prescribe provisional measures pending issuance of appropriate orders by the Minister.

16.10 Child Labor Prohibited

It shall be unlawful for any Person, Mining or Quarry Operation to employ or hire any child under the age of sixteen (16) years in a Mine or Quarry, whether underground, or on the surface, or on machines for lifting or moving objects, on winding gears for elevators or in connection with the use of explosives.

16.11 Use of Explosives

The conditions for the import, export, manufacture, storage, handling, purchase, sale and use of explosives shall be as strictly prescribed by the Laws of Liberia.

16.12 Application for Explosive Permit

All Mine or Quarry operators shall apply to the Ministry of State for Presidential Affairs, or to such other agency of Government as required by the Laws of Liberia, for permission to import, export, buy, sell, manufacture, store, handle, purchase, use, dispose of or otherwise deal in or with explosives.

17 FISCAL PROVISIONS

17.1 Fees for Mining and Quarry Licenses

The Minister and the Minister of Finance shall establish, from time to time and publish in the Regulations, the rates and payment of fees for the grant of each Mineral Right and the renewal, extension, continuation, assignment and transfer where applicable of any Mineral Right.

17.2 Fees for Mineral Trading and Dealership

The Minister and the Minister of Finance shall review and establish from time to time in the Regulations the fees to be paid by brokers and dealers licensed to trade or deal in gold, diamonds and other precious Minerals.

17.3 Surface Rentals

The Minister and the Minister of Finance shall establish from time to time and publish in the Regulations the annual surface rental fees to be paid by Holders of Mineral Rights on Land owned by Government.

17.4 Mineral Royalties

There is hereby on all Minerals royalties of not less than three (3) percent no more than ten (10) percent, except silica sand and building and Industrial Minerals which shall not be more than five (5) percent. The Minister shall publish Regulations from time to time in consultation with and pursuant to the advice of the Minister of Finance and the Governor of the Central Bank of Liberia setting forth the bases and rates of such royalties, which shall be based upon current prices of Minerals, the return on the investment in Minerals and other economic indices and measures.

17.5 Income Tax and Other Taxes

All taxes, levies, fees and imposts imposed by the laws of Liberia shall be applicable to the Holder of Mineral Rights in respect of all Operations and the income received therefrom, permitted by this Law, provided that the provisions of Section 6.6(c) of this Law shall apply to the Holders of Class A Mining Licenses.

17.6 Government's Right to Receive Royalties, Taxes & Dividends in

The Government may require payment of all royalties, taxes and dividends in kind from all Class a licensees at the sole discretion of the Government.

17.7 Government's Rights to Purchase Licenses' Production

The Government reserves the right upon appropriate notice of ninety (90) days to a Class A Licensee, and subject to prior contractual commitments made to third parties, to purchase a portion or all of the Licensee's production at fair market value.

17.8 Incentive

The National Investment Commission, in collaboration with the Ministry, shall consider, review and decide upon each request for investment incentives by a Holder of Mineral Rights in keeping with provisions of the investment incentives code.

18 MEASURES FOR THE PROMOTION OF MINING ACTIVITIES

18.1 Scientific Investigation

Notwithstanding the provisions of Section 5.4 hereof, the Minister may subject to such conditions as he may determine, authorize any Person to undertake Exploration in the course of a scientific investigation into the geological or Mineral resources of the Republic. However, such Person shall provide all geological reports, and data relating to such scientific investigation to the Ministry which shall keep all such reports and data confidential for a period of three (3) years at the request of the Person conducting such Exploration.

18.2 Minister's Notice

The Minister shall notify each Applicant for a Mineral Right as to the disposition of the application within no longer than sixty (60) days after receipt of the application, provided that in the case of an Applicant for an Exploration License or a Class A Mining License, the Minister need only to inform the Applicant of the current status of the application and commence negotiations within ninety (90) days after receipt of the application.

18.3 Establishment of Mineral Development Fund.

There is hereby established a Mineral Development Fund (the Fund) for the following purposes:

- a. Financing of all or part of activities designed to enhance Mineral resources promotion and Development
- b. Financing of all or part of the Government's equity in a Mining Operation
- c. Financing of all promotion and development of safety standards in the industry
- d. Financing of local and advanced training of personnel
- e. Financing of participation in organizations, at mining conferences and international seminars dealing with development of the mining sector;
- f. Financing of the conduct by the Ministry of Environmental Assessments and related studies
- g. Financing of education and training for Operations engaged in Small Scale Mining; and
- h. Such other purposes as the Minister, with the advice of the Committee, shall designate

18.4 Source of Funding for the Mineral Development Fund.

The Mineral Development Fund shall be funded from the following sources:

- a. A onetime fee of not less than Fifty Thousand United States Dollars (US\$50,000,00) shall be payable by the Holder of a Class A Mining License or by each Person who is a party to a Mineral Development Agreement with Government.
- b. The full amount of all fines imposed and collected pursuant to this chapter
- c. Minerals obtained by Persons not Licensed to Mine under this Law and forfeited to Government pursuant to the Laws of Liberia, and
- d. Twenty- five percent (25%) of Royalties paid pursuant to this Law.

18.5 Administration of the Mineral Development Fund

The Mineral Development Fund shall be administered by the Minister and the Minister of Finance, who shall jointly make all disbursement decisions with the general advice of the Committee.

19 DISPUTE RESOLUTION

19.1 Settlement of Disputes

The resolution of any dispute arising under any of the provisions of this law between holders of Minerals Rights and between another holder of such Rights and the Government of Liberia shall be governed by the respective provisions provided for in such agreements.

20 MISCELLANEOUS

20.1 Indemnity for damages

Holders of mineral Rights shall be obliged to indemnify Government against any claim that may be asserted by any other claim that may be asserted by any other Person for damages and injuries caused to such other person by such Holders.

20.2 Employments of Liberian Citizens

No Operator, its contractors or subcontractors under this Law shall employ foreign unskilled labor. To the maximum extent feasible an operator, its contractors and or sub-contractors shall give preference and employ Liberian citizens at all levels of that Operations structure particularly in skilled technical administrative, financial and managerial positions.

20.3 Training of Liberian Citizens

Any and all Operations, their contractors or subcontractors, shall provide on a continuing basis appropriate training for their Liberian employees, in order to qualify them for skilled m technical, financial, administrative and managerial positions.

20.4 Transfer of Technology

Holders of Mineral Rights and their respective contractors or subcontractors shall conduct business in Liberia in such a way as to encourage the transfer of technology to Liberians to fullest degree possible.

20.5 Fundamental Rights

Each and every Holder of Mineral Rights is subject to the provisions of international conventions which the Government has ratified and the laws and regulations of Government agencies of the Republic of Liberia, guaranteed the following freedoms:

- a. the right to freely dispose of the property and organize their businesses as the wish to.
- b. The right to hire and dismiss the services of their employees, subject to the Labor Practices Law of the Republic;
- c. Unlimited access to raw materials;
- d. Freedom of movement of personnel and products within the republic and any necessary funds and
- e. The right to dispose of and make their products on international markets.

20.6 Non-discrimination

While acting within the scope of their professional activities, foreign employers and employees are subject to the laws of Liberia and rules and regulations promulgated under those laws without discrimination of any kind whatsoever.

20.7 Governments Rights to negotiate Trans-Border Agreements

If and when it becomes necessary, Government may conclude agreements with other States, Government shall grant to all Holders of Mineral rights without distinction all advantages arising out of such agreements.

20.8 Processing Rights

All Holders of mineral Rights shall have the right to establish plants within the Republic for conditioning treatment, refining and processing of minerals, including, but not limited to the working of metals and alloys, compounds or raw derivatives of such mineral subject to the prevailing Regulations.

20.9 Declarations

Subject to prior declaration to and the approval of the minister, the purchase, sale, import, and export of any Mineral, and the conditioning, treatment, refining and transportation thereof including working of metals and alloys, compounds or raw derivatives of such mining or fossil substances may be carried out in Liberia.

20.10 Industrial Infrastructure

Pursuant to section 12:1 of this Law Holder of Mineral Rights shall have the right to install any and all industrial infrastructure necessary for and incidental to Mine or Quarry Operations, in accordance with prevailing standards of the mining and Quarry industries worldwide, this Law and the Regulations.

21 REGULATIONS

21.1 Regulations

The minister shall have and is hereby empowered and authorized to issue, from time to time, Regulations pursuant to this Law for the conservation and development of Mines, Quarries and their substances for the purpose of giving effect to the policies set forth in and provisions of the this Law. The Regulations may provide for or with respect to all matters that are the subject of this Law including but not limited to the following:

- a. Prescribing any measure, which in terms of this Law, needs to be efficiently regulated,
- b. The manner in which applications under this Law shall be made, types and formats of documents required and information to be supplied by the investor/ Applicant.
- c. The shape and size of areas over which Mineral Rights may be granted as well as the manner in which areas and boundaries shall be marked and surveyed and the fees payable in respect of such survey.
- d. In renewal, transfer, assignment and surrender of Mineral Rights, the returns to be rendered and the nature of the accounts, books and plans to be kept by the Holders of Mineral Rights.
- e. The evaluation, sampling, weighing and testing of minerals.
- f. The methods of calculation of the amount of Royalties and the manner and time of payments thereof.
- g. The safety of the public and the safety and welfare of persons employed in Mines and the exploitation of Minerals.
- h. The conduct of operations in safe, proper and effective manner
- i. The reporting of accidents.
- j. The examination of Mines by authorized officers,
- k. The proper and efficient working of Exploration Areas, Production areas and Mines and Quarries the avoidance of wasteful mining or metallurgical practices and
- l. Penalties for offences against the Law or the Regulations.

21.2 Power of Minister to Issue Regulations

The minister shall from time to time pursuant to the provisions hereof issue Regulations which shall govern Exploration and Mining and promote the policies set forth in and the provision of this Law.

21.3 Minister to consult

Pursuant to Section 12.2 of this Law and prior to the assurance of regulations the Minister shall publish such proposed Regulations for at least sixty (60) days prior to their effective date in order to allow public comments on all such proposed Regulations. The Minister shall collect and summarize all such comments and refer them along with the proposed regulations to the Committees for the comments and advice not later than fourteen (140 days before their effective date.

22 OFFENSES AND PENALTIES

22.1 Penalty

Any person who contravenes chapters 4, 5, 6, and 7 of this Law hereof shall be guilty of an offense and shall be liable upon conviction in a court of law.

- a. In this case of an individual, to a fine not exceeding Two Thousand United States Dollars (USD\$2,000.00) or its equivalent in Liberian Dollars or to imprisonment for a term not exceeding twenty–four (24) months or to both such fine and imprisonment and
- b. In the case of any other Persons to a fine not exceeding twenty-five thousand United States Dollars (USD\$25,000.00) or its equivalent in Liberian Dollars.

22.2 Court

The court before whom a Person is convicted under Section 22.8 hereof may order the forfeiture of all Minerals obtained by such Person or if such Minerals cannot be located of such sum of money as may represent the value of such minerals. Any mineral so confiscated shall be sold or otherwise disposed of as the Court may direct and the proceeds of such sales shall be paid into the Mineral Development Fund.

22.3 Liability

Holders of Mineral Rights are liable to the State for breaches committed under this Law by themselves, their employees, agents, contractors and/or subcontractors. When several persons jointly hold Mineral or Quarry Rights, their liability is joint and several.

22.4 Reporting, Offenses and Reports

Offenses under this Law and the regulations shall be reported by law enforcement officers, members of plant protection forces, private security offices (officers), agents of the Ministry, and any private individual to Government.

22.5 Search, Seizure and Visits

Law enforcement officers working in line with mining agents and mineral inspectors of the Inspector General office, the department of Mines and other agents especially commissioned for such purposes shall have the power to investigate search and seizure contrabands pursuant to the laws of Liberia.

22.6 False Representations

Any Person determined to have:

- a. Forged information as to a Mineral right,
- b. Made material false representations in order to obtain a Mineral Right by fraud; or
- c. Destroyed, moved or altered a boundary market of the perimeter of the areas subject to a Mineral Right shall upon conviction by court of competent jurisdiction be subject to a fine of between One Thousand and Two Thousand United States dollars(USD\$1,000:00- USD\$ 2,000:00) or Imprisonment for two(2) to thee(3) months.

22.7 Other offences

It shall be an offence punishable by a fine of between five Thousand or Twenty-five Thousand United States Dollars (USD\$5,000.00-USD\$25,000.00) or imprisonment for a period of six months to twelve months or both the fine and the imprisonment:

- a. If any person is found contravening any provision of this Law with respect to Radioactive Minerals; or
- b. If found contravening any provision of this Law of the Regulations governing hygiene, occupational safety and environmental protection.

22.8 Offenses of possessing Precious Mineral

Except for persons as permitted by this Law, any person found in possession of undefined gold, diamonds and other precious Minerals shall upon conviction by a court of competent jurisdiction be sentenced to a fine commensurate to the value for the Minerals to be determined by the Ministry or imprisonment for a period between six (6) months to two (2) years and the Minerals shall be forfeited to Government. However any Person who finds Minerals other than those permitted by this Law shall report the same to the Ministry within ten(10) days of such find. Failure to do so shall subject said persons to penalties in accordance with the provisions of this law.

23 TRANSITIONAL

23.1 Validity of Prior Mineral rights

Upon the passage of this Law, all existing agreements regarding Mineral Rights and related activities pursuant to the periodic review provisions of said agreement shall be subject to review by the National Investment Commission and the Minister within a period of twelve (12) months, so as to bring said agreements in compliance with the provisions of this Law.

24 EFFECTIVE DATE

24.1 Effective Date of this Act

This act shall take effect immediately upon publication in handbills.

ANY LAW TO THE CONTRARY NOTHWISTANDING