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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2313/37 - 2023 ජනවාරි මස 04 වැනි බදාදා - 2023.01.04
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PART I : SECTION (I) — GENERAL

Government Notifications

L.D.-B. 3/92 (III)

THE MINES AND MINERALS ACT, No. 33 OF 1992

REGULATION made by the Minister of Environment under Section 64 of the Mines and Minerals Act, No. 33 of 1992 read with Sections 34 and 44 of the aforesaid Act.

Z. A. NASEER AHAMED,
Minister of Environment.

Colombo,
03rd January, 2023.

Regulations

The Mining (Licensing) Regulations, No. 1 of 1993 Published in *Gazette Extraordinary* No. 794/23 of November 26, 1993 as amended, from time to time, are hereby further amended as follows:-

(1) by the repeal of Paragraph (9) of regulation 4 and the Substitution therefor of the following:-

“(9) (a) The Bureau may, after scrutinizing the information and documents referred to in Form 2.1, either approve or reject an application made under Paragraph (1).



(b) Where an application is approved by the Bureau, and -

- (i) the Applicant provides the proof of financial investment for total exploration program, in any Licensed Commercial Bank in Sri Lanka, the Bureau shall issue to the applicant, an Exploration License and register the applicant as an Exploration Licensee in the Official Licensing Control System of the Bureau;
- (ii) the applicant requires time to provide the proof of financial investment, the Bureau may issue an initial conditional Exploration License for a period of three months and once the applicant provides the proof of financial investment for total exploration program in any registered Sri Lankan commercial bank, the Bureau shall convert the initial conditional Exploration License to an Exploration license and extend it for a maximum period of two years.

(c) Any such license issued by the Bureau shall be operative from the date of such license and may be extended to one year at a time to maximum period of three years from the date of expiry of such license.

(d) Where an application made under paragraph (1) is rejected by the Bureau, the Bureau shall inform such rejection to the applicant in writing and the applicant may prefer an appeal against such decision of the Bureau, in the manner set out in section 39 of the Act.

(e) Notwithstanding the issuance of a valid Exploration License to an applicant by the Bureau, if an owner of a private land situated within the area of the land in respect of which the license has been issued, may make an application to explore his own land substantially in Form 2.1 to the Bureau along with the payment of at least equivalent to minimum grid unit amount, regardless of the fact that the same grid has been previously granted to a third party under an Exploration License.”

(2) by the repeal of paragraph (10) of regulation 4 and the substitution therefor of the following:-

“(10) The holder of an Exploration License shall, perform or cause to be performed, such technical work as specified in part III. All such technical work shall be documented and submitted to the Bureau for approval before the date of expiry of such license. The annual or minimum value of acceptable technical work performed shall be-

For Exploration of Metric Grid Unit (MGU) areas

<i>Duration</i>	<i>Value (Rs.) Per MGU per year</i>
1st and 2nd year	1,000,000.00
1st renewal - 3rd year	1,500,000.00
2nd renewal - 4th year	2,000,000.00
3rd renewal - 5th year	2,000,000.00

(3) by the addition immediately after paragraph (13) of regulation 4 of the following:-

“(14) (a) An application for the Transfer of an Exploration License shall be made in person by an applicant or his authorized agent along with the application fee specified in regulation 35 and shall substantially be in Form 2.4. The application for transfer of Exploration License shall be accepted by the Bureau only after six months period from the issuance of such Exploration License.

(b) The Bureau shall within fourteen days of the receipt of an application for the Transfer of an Exploration License, require the transferee of such license to make a comprehensive presentation to the Bureau, in respect of the exploration activities to be performed by such transferee, including the outcome of the work carried out by the transferor at the time of such transfer.

(c) If the exploration activities proposed in the presentation made by the transferee is acceptable and the Bureau recommends that the proposed exploration work program be continued for remaining period which the license is valid, the Bureau shall approve the instrument of transfer of such exploration license.

(d) Once the instrument of transfer is approved by the Bureau and the name of the transferee is registered in the Official Licensing Control System of the Bureau as the Exploration Licensee, the conditions of such license including the rights and obligations specified therein shall be applicable to such exploration licensee. The conditions to the license and other requirements relating thereto may be altered at the transfer with approval of the Bureau.

(e) The licensee shall, within two years from the date of completion of the exploration or expiry of the Exploration license, apply for a mining license. In such instance the applicant of the Mining License shall submit proof of financial investment at least for 20% of the total proposed project program approved by the Bureau, in a licensed commercial bank in Sri Lanka. Where the licensee has submitted a request for retaining the potential area along with the relevant fee, the Bureau shall not consider any other application for exploration license during the period so retained.

(4) by the repeal of regulation 32 and the substitution therefor of the following:-

“32 (1) The Bureau shall have the power to demand, receive and recover royalties in respect of all minerals mined, processed, sold, exported or otherwise acquired under an Exploration, Mining, Trading or Export License, from -

(a) a holder of an Exploration license who removes minerals with the approval of the Bureau, in association with an advanced exploration program;

(b) a holder of a mining License who mines or who processes minerals prior to sale, or merges or converts such minerals into semi-finished or finished products, or consumes such minerals or export thereof;

(c) a holder of a Trading License who purchases minerals which have not been processed from a Mining or Trading License holder and processes such minerals prior to the sale or export or who exports processed or unprocessed minerals thereof.

(2) Every holder of a license referred to in paragraph (1) shall maintain specific books of accounts of the minerals taken from a mine showing -

(a) the quantities of material extracted with a chronological record of all mineral extraction activity;

(b) the sales records from mills or other processing plants or details of Letter of Credit or Telegraphic Transfer, of holders of Trading Licenses;

(c) all other facts and circumstances decided by the Director General necessary for the purpose of ascertaining the amount of royalty payable; or

(d) reserve estimation.”

(5) by the repeal of regulation 33 of that regulation and the substitution therefor of the following:-

“33. (1) For the purpose of calculating the amount payable as royalty and the payment thereof as specified in Forms 1,2, 3.2, 3.3, 4.2, 5.2, 6, 11,13 and 14, the value of the output of a mine over any period, shall be -

(a) the actual market value of the output, as determined in keeping with the sales records; or

(b) where there is no clear means of ascertaining the actual market value or where there is no established market value, the amount determined by the Director General as representing the value of the output, less the prorated deductions permitted in Form 14.

(2) (a) A licensee or an exporter liable to pay royalties as specified in paragraph (1) of regulation 32 shall, prior to the issue of such license make an “Advance Royalty Payment” determined by the Bureau against royalties payable under such license:

Provided however, the Bureau shall determine the amount of “Advance Royalty Payment” against the royalties payable under such licenses;

(b) Holders of Mining, Trading, Export or Exploration licenses who export minerals with special authorization of the Bureau shall deliver a detailed quarterly statement substantially in Form 14 along with the payment of royalties as calculated. such quarterly payment of royalties shall be made to the Bureau, in the following manner:-

<i>quarter</i>	<i>Ending on</i>	<i>To be paid on or before</i>
First	31st March	30th April
Second	30th June	31st July
Third	30th September	31st October
Fourth	31st December	31st January (Succeeding Year)

(c) Where there is a default in the quarterly Payment of royalties, such Payments shall be subjected to a fine, equivalent to twenty per cent of the royalty payable, and shall pay within a period of two months from the due date as specified in paragraph (b).

(3) (a) Notwithstanding anything to the contrary in this regulation, the Bureau may, in its discretion suspend the license for a period of three months, where such default payments of royalties have not been paid in full within the period specified in sub paragraph (c) of paragraph (2).

(b) where such default payments of royalties have not been paid in full within the period specified in sub paragraph (c) of paragraph (2), the Bureau may in its discretion cancel or reject the renewal of the license.

(4) Royalties from sales or determined market value of mine output shall unless specified in the Mineral Investment Agreement be a percentage of that value, as follows:

Precious metals (not exported)	15 per cent
Precious metals (exported)	
Industrial minerals (not exported)	7 per cent
Industrial minerals (exported)	9 per cent
Building Materials	Fixed unit rate annually determined by the Bureau
Dimension stone (not exported)	7 per cent
Dimension stone (exported)	9 per cent
Base metals and other metals (not exported)	7 per cent
Base metals and other metals (exported)	9 per cent

(5) The Bureau may determine the market value of mine output, Percentage of royalty, allowable deductions and royalty payment arrangements within the framework of Investment Agreement.

(6) The Unit or Market values determined by the Bureau shall be published in the *Gazette* each year.”

(6) by the repeal of paragraph (1) of regulation 35 and the substitution therefor of the following:-

“35. (1) The fee payable pursuant to section 44 of the Act shall be calculated in the following manner:-

Issuance and renewal of Artisanal Mineral License:

Category “A”	Rs. 5000/- ha. per year
Category “B”	Rs. 2000/- ha. per year

Issuance and renewal of Industrial Mineral License:

Category “A”	Rs. 50,000/- ha. per year
Category “B”	Rs. 30,000/- ha. per year
Category “C”	Rs. 10,000/- ha. per year
Category “D”	Rs. 5,000/- ha. per year

Registration for Offshore sea sand is 50% of the registration fee of Mining License fee.

Issuance of Exploration License Rs. 100,000/- per year/per MGU/ per mineral

First renewal (end of Year 2) Rs. 100,000/- per year/per MGU/ per mineral

Second renewal (end of Year 3) Rs. 125,000/- per year/per MGU/ per mineral

Third renewal (end of Year 4) Rs. 150,000/- per year/per MGU/ per mineral

Issuance and annual renewal of Reserved Mineral License: Rs.10,000/-ha.

Issuance and renewal of Trading License:

Category “A”	Rs. 15,000/- Per year
Category “B”	Rs. 8,000/- Per year
Category “C”	Rs. 2,000/- Per year

Issuance of Transport License: Rs. 250/-

Issuance of Export License: Rs. 7,500/-

Transferring the title of a Mining License Rs. 100,000/-

For every search of any document relating to mineral title Rs. 1,000/-

For every certified copy of any license or other documents Rs. 1,000/- per page

For miscellaneous services not listed; such amount as may be fixed in each case

Transferring the title of an Exploration Rs. 100,000/-per MGU License

Retention fee	Rs. 200,000/- Per Year/ per square kilo meter/ per mineral
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Letter permitting to send overseas an ornament sample	Rs. 5,000/-
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Letter permitting to send overseas mineral sample	Rs. 5,000/-
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Non- Refundable Processing Fee for Exploration (per request)	Rs. 10,000/-
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(7) by the repeal of Forms 2.1, 2.2, and 9 and the substitution thereof of the following Forms respectively:-

**(Regulation 4 (1))
Form 2. 1**

EXPLORATION LICENCE

APPLICATION

1. Applicant's details:

(a) Individual:

(i) Name in Full:

(ii) National Identity Card No.:

(iii) Nationality:

(iv) Date of birth and age:

(v) Address:

(vi) Telephone Nos.:

(a) Fixed line -

(b) Mobile -

(c) Fax -

(vii) E-mail:

(viii) Profession:

(ix) If employed, designation at employment:

(x) Name of Employer:

(xi) Address:

(xii) Telephone Nos.:

(a) Fixed line -

(b) Mobile -

(c) Fax -

(xiii) E-mail:

(xiv) Proof of financial capability to carry out proposed exploration programme (attach)

A current bank statement with previous 6 months details

(b) For a Company Registered in Sri Lanka:

(i) Name of the registered company and registration number:

(ii) Address:

(iii) Telephone:

(a) Fixed line -

(b) Mobile -

(c) Fax -

(iv) E-mail:

(v) Legal / financial data:

(a) Copy of Certificate of Registration certified by the Registrar of Companies (ROC)-

(b) Details of Directors and Shareholders - attach

ROC registered copy of Form 1(page 1 and 2)

ROC registered copy of Form 15 (Last Annual Return)

ROC registered copy of Form 20 (if applicable)

ROC registered copy of Form 13

(c) Capitalization -

(d) Articles of Association -

(e) Last three years' audited Annual Reports (attach) -

(f) Proof of financial capability to carry out proposed exploration programme (attach)

A current financial statement prepared by a Chartered Accountant

A current bank statement with previous 6 months details

(g) Shareholding - local:% Foreign.....%

(h) If shareholder is a company, attach the following:

Certificate of Registration- / Country of Incorporation

Details of Directors and Shareholders

Copy of Form 1(page 1 and 2)

Copy of Form 15(Last Annual Return)

2. Names of minerals sought to be explored:

3. Technical / Professional data;

(a) Metric designation of area requested (attach 1 : 50,000 scale location and metric grid units identification Form 2.3) -

(b) Professional / Technical expertise of the project team (attach Resumes of all team members) -

4. License fee receipt (attach);

I / We, the undersigned, do hereby certify that the statements, contained in this application are true and correct to the best of my knowledge and undertake to comply with the provisions of the Mines and Minerals Act No. 33 of 1992 and the regulations made thereunder. I / We also hereby undertake to inform the Director General of any changes to the statements mentioned herein from items 1 through 4 inclusive, within fourteen (14) calendar days of such occurrence of change.

Signature of Applicant

Name:-

Designation:-

Date:-

5. Official receipt / Pending license;

(a) Authorizing officer -

(i) Signature and date:-

(ii) Name:-

(iii) Designation:-

(b) Scrutinized by:- (to be completed within 45 days from the date of authorization of the application)

(i) Signature and date:-

(ii) Name:-

(iii) Designation:-

Exploration License No.:-

Exploration area permitted [in square kilometers (km²) or in square meters (m²) if less than one km²] :-

Application approved / declined.

DIRECTOR GENERAL

Signature and date:-

(Regulation 4(1))

Form 2.2

EXPLORATION LICENCE

(to be submitted at least sixty (60) days prior to the date of expiry and information provided herein should not be less than ten (10) months of operations)

(Late submissions will incur a 10% surcharge of the application fee per month)

APPLICATION FOR RENEWAL

1. License No. :-

2. Year of renewal:

First ☐ Second ☐ Third ☐
(Place ✓ in relevant box)

3. Applicant's details (changes only):

(a) Individual:

(i) Name in Full:

(ii) National Identity Card No.:

(iii) Nationality:

(iv) Date of birth and age:

(v) Address:

(vi) Telephone Nos.:

(a) Fixed line -

(b) Mobile -

(c) Fax -

(vii) E-mail:

(viii) Profession:

(ix) If employed, designation at employment:

(x) Name of Employer:

(xi) Address:

(xii) Telephone Nos.;

(a) Fixed line -

(b) Mobile -

(c) Fax -

(xiii) E-mail:

(xiv) Proof of financial capability to carry out proposed exploration programme (attach)

A current bank statement with previous 6 months details

(b) For a Company Registered in Sri Lanka ;

(i) Name of the registered company and registration number;

(ii) Address;

(iii) Telephone;

(a) Fixed line -

(b) Mobile -

(c) Fax -

(iv) E-mail:

(v) Legal / financial data;

(a) ROC certified copy of Certificate of Registration-

(b) Details of Directors and Shareholders - attach

ROC registered copy of Form 1(page 1 and 2)

ROC registered copy of Form 15 (Last Annual Return)

ROC registered copy of Form 20 (if applicable)

ROC registered copy of Form 13

(c) Capitalization -

(d) Articles of Association -

(e) Last three years' audited Annual Reports (attach) -

(f) Proof of financial capability to carry out proposed exploration programme (attach)

A current financial statement prepared by a Chartered Accountant

A current bank statement with previous 6 months details

(g) Shareholding - Local:% Foreign.....%

(h) If shareholder is a company, attach the following:

Certificate of Registration- / Country of Incorporation

Details of Directors and Shareholders

Copy of Form 1(page 1 and 2)

Copy of Form 15(Last Annual Return)

4. Technical / Professional data;

(a) Metric designation of area proposed to be relinquished (attach map with metric grid units) -

(b) Metric designation of area to be retained in km² or m² -

(c) Professional / Technical project team (attach Resumes of new team members) -

5. Technical Work Report (attach);

6. Work expenditure:

(a) Metric designation of area to be retained (attach map with metric grid units) -

(b) Technical Work credits earned as gleaned from the Technical Work Report -

(c) Technical Work credits required to retain title to units requested -

(d) Technical Work credits available -

(e) Total value of technical work credits available -

(f) Technical work credits carried forward -

(g) Deficiency cash payment made where technical work credits are insufficient -

7. License fee receipt (attach);

I / We, the undersigned, do hereby certify that the statements, contained in this application are true and correct to the best of my knowledge and undertake to comply with the provisions of the Mines and Minerals Act, No. 33 of 1992 and the regulations made thereunder. I / We hereby further undertake to inform the Director General of any changes to the statements mentioned herein within fourteen (14) calendar days of such change.

Signature of Applicant

Name:-

Designation:-

Date:-

For Official Use Only

- A. All terms and conditions of the license have / have not been satisfied and therefore the requested area of [in square kilometers (km²) or in square meters (m²) if less than one km²] can / cannot be recommended for further exploration.

Scrutinized by:- (to be completed within twenty one (21) days from the date of receipt of this application)

(i) Signature and date:-

(ii) Name:-

(iii) Designation:-

- B. The renewal as applied for is recommended / not recommended

Authorizing officer:-

(i) Signature and date:-

(ii) Name:-

(iii) Designation:-

- C. The First / Second / Third (Final) application for Renewal is Approved / Declined

**(Regulation 4(1))
Form 9**

EXPLORATION LICENSE

ADVANCED EXPLORATION RESTORATION PLAN

Exploration License No.:

All Advanced Exploration Restoration Plans shall contain the following particulars supported by relevant plans and maps:

- (1) Location of proposed site and excavation activities:
- (2) Size and description of all excavations (trench, pit, stripping, shaft, decline, dewatering, etc.)
- (3) Present all planned excavation activities and restoration work as a Gantt Chart:
- (4) Give details of all proposed temporary constructions:
- (5) Description of all materials that are to be;
 - (a) excavated,
 - (b) disturbed,
 - (c) used in construction,
 - (d) disposed,
- (6) Estimated cost of restoration work to be progressively conducted over the time period as specified in paragraph (3) above:
- (7) Financial performance guarantee:

(8) Map of area under advanced exploration:

Note:- “Advanced Exploration Restoration plan - Status and Update” is to be included as a substantive section of each Annual Technical Work Report, where applicable (Form 11).”;

(8) by the insertion immediately after Form 2. 3, of the following Form:-

(Regulation 4(1))
Form 2.4

EXPLORATION LICENSE
APPLICATION FOR TRANSFER

1. License No. :

2. Name of Transferor:

3. Transferee Information:

(a) Individual:

(i.) Name of Applicant/ Authorized Agent:

(ii.) Address:

(iii) Nationality:

(iv.) Profession:

(v.) In Sri Lanka:

(a) place of Business:

(b) Residence:

(vi.) Proof of financial capability to carry out proposed exploration programme (attach)

A current bank statement with previous 6 months details

(b) For a Company Registered in Sri Lanka;

(i) Name of the registered company and the registration number:

(ii) Address:

(iii) Telephone:

(a) Fixed line -

(b) Mobile -

(c) Fax -

(iv) E -mail:

(v) Legal / financial data;

(a) copy of Certificate of Registration certified by Registrar of Companies (ROC)-

(b) Details of Directors and Shareholders - attach

ROC registered copy of Form 1(page 1 and 2)

ROC registered copy of Form 15 (Last Annual Return)

ROC registered copy of Form 20 (if applicable)

ROC registered copy of Form 13

(c) Capitalization -

(d) Articles of Association -

(e) Last three years' audited Annual Reports (attach) -

(f) Proof of financial capability to carry out proposed exploration programme (attach)

A current financial statement prepared by a Chartered Accountant

A current bank statement with previous 6 months details

(g) Shareholding - local:% Foreign.....%

(h) If shareholder is a company, attach the following:

Certificate of Registration- / Country of Incorporation

Details of Directors and Shareholders

Copy of Form 1(page 1 and 2)

Form 15(Last Annual Return)

4. Technical / Professional data;

(a) Metric designation of area requested

(Attach 1:50,000 location map and Unit Identification form 2.3)

(b) Professional / Technical credentials of project team (attach):

(c) Project Proposal

5. Reason of Transfer:

6. Terms and conditions of Transfer:

7. License Fee Receipt (attach):

I, the undersigned, do hereby certify that the statements contained in this Application are true and correct to the best of my knowledge and undertake to comply with the provisions of the Mines and Minerals Act, No. 33 of 1992 and the regulation made thereunder.

Witness:

.....
Signature
(Transferee)

Approval of Director General:

Date:

Signature,
(Director General)

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