

LAW N° 2023/014 OF 19 DEC 2023

RELATING TO THE MINING CODE

*The Parliament deliberated and adopted,
the President of the Republic hereby
enacts the law set out below:*

PART I
GENERAL PROVISIONS

CHAPTER I
PURPOSE AND SCOPE

SECTION 1: (1) This law lays down the Mining Code of Cameroon. It shall govern the reconnaissance, exploration, mining, possession, transportation, processing and marketing of mineral substances.

(2) The purpose of this law is to boost, encourage and promote investments in the mining sector that can contribute to the economic and social development of the country.

SECTION 2: (1) The provisions of this law shall apply throughout the territory of the Republic of Cameroon, in the continental shelf, territorial waters and the exclusive economic areas.

(2) Surface water, liquid and gaseous hydrocarbons as well as bituminous schists shall be governed by specific instruments.

CHAPTER II
DEFINITIONS

SECTION 3: For the purposes of this law and the implementing instruments thereof, the following definitions shall apply:

Mining activity: reconnaissance, exploration, development, mining, processing, enrichment, transportation, storage, loading, marketing and mining site restoration and closure.

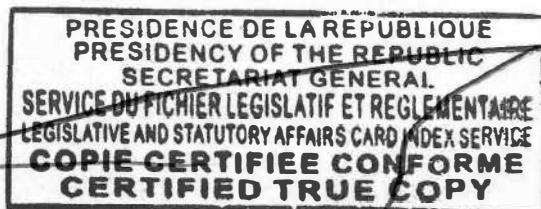
Quarry activity: reconnaissance, development, mining, processing, enrichment, transportation, storage, loading, marketing and mining site restoration and closure.

Authority in charge of mines: public entity particularly responsible for implementing the mining policy and promoting, monitoring and overseeing mining activities.

Refinement: production of a high purity mineral substance from a crude, processed or enriched product.

Farm-out: deed by which the holder of mining title transfers the mining of a deposit to a third party against payment of royalty or any other method of consideration agreed between the farmor and the farmee.

Anomaly: a feature observed in the normal characteristics of a mineral which suggests the presence of mineral traces or concentrations that could warrant mining.



Artisanal miner: a natural adult person of Cameroonian nationality involved in artisanal mining activity on his own behalf and who is holder of an artisanal miner's card.

Artisanal mining: an operation consisting in using traditional methods and processes to extract and concentrate top- or sub-soil mineral substances at a maximum depth of ten (10) metres, and obtaining marketable products.

Competent authority: a public authority empowered to issue instruments granting, renewing and approving mining titles and other mining sector-related licences.

Artisanal mining licence: a legal document that confers on its holder the exclusive right to carry out artisanal mining within the assigned perimeter.

Semi-mechanized artisanal mining licence: a legal document that confers on its holder the exclusive right to carry out semi-mechanized artisanal mining within the assigned perimeter.

Mining Registry or Mining Office: Entity responsible for preserving, publishing and updating the map of mining sites, mining titles, permits and other authorizations for the mining of quarries, spring water, mineral water, thermo-mineral water and geothermal deposits.

Quarry: perimeter for the mining of building material or industrial phosphates and nitrates, as well as related facilities.

Artisanal quarry: perimeter for the extraction of quarry material using manual and traditional methods and processes not involving the use of explosives.

Public interest quarry: perimeter for the industrial extraction of quarry substances intended for public interest works.

Domestic quarry: perimeter for the artisanal extraction of quarry substances by the landowner solely for personal and non-commercial use.

Industrial quarry: perimeter for the extraction of quarry substances using industrial methods and processes which may involve the use of explosives.

Mining site map: up-to-date official topographic map on which the boundaries of all current mining titles, pending applications, available areas, land, forest and wildlife reserves, as well as national parks and protected areas are recorded.

Certificate of origin of mineral substances: document issued by a national consular chamber in charge of mines, which confirms the Cameroonian origin of the mineral substance.

Cession: complete or partial transfer of a mining right by its holder to a third party.

Mining Code: this law.



Collector of precious and semi-precious mineral substances: a natural person of Cameroonian nationality, holder of a collector's card which confers on him/her the right to buy from artisans any precious and semi-precious artisanal mining mineral substance and sell same exclusively to a duly authorized public body.

Packaging: operation which consists in preserving a mining product in a container designed in accordance with the requirements of use, presentation, protection, handling and marketing.

Consolidation: combining of all existing mining licences or titles of the same type into one or more licences or titles of such type.

Local content: all activities geared towards local capacity building, use of local human and material resources, technology transfer, sub-contracting local business, services and products and creation of measurable value added for the local economy.

Mining exploration contract: specifications laid down by the State, which are binding on any mining company applying for an exploration permit.

Mining agreement: a partnership contract between the State and an exploration permit holder laying down conditions for developing and mining a newly discovered mineral deposit, including site closure and restoration operations.

Mining right: prerogative conferred on the holder of a mining licence or title.

Spring water: water with little or no mineral content, carbonated or not at the discharge point, suitable for human consumption without treatment or addition other than those authorized.

Mineral water: natural water obtained directly from groundwater through natural or drilled outlets, containing a solution of either mineral salts whose content determines its classification, gases or both and having therapeutic properties.

Thermo-mineral water: mineral water whose temperature is more than five degrees Celcius (5°C) above the average temperature of the discharge point.

Embossing: operation consisting of affixing a stamp on or engraving a gold bar.

Mining project feasibility study: a report indicating the possibility of mining a deposit with reserves proven and certified by a competent authority and demonstrating that a project is technically feasible and economically viable.

Mining project pre-feasibility study: a report indicating the possibility of mining a deposit based on mineral resource estimates.

Environmental and Social Impact Assessment: a systematic review to determine potential positive and negative effects of a project on the natural and human environment.

Mining: all preparatory works, extraction, transportation, treatment and analysis on a given deposit to obtain marketable or useful products.

Artisanal mining: mining operations consisting in extracting and concentrating mineral substances, and obtaining marketable products through traditional methods and processes exclusively.

Semi-mechanized artisanal mining: operations carried out to extract and concentrate mineral substances, and obtaining marketable products using some mechanical means in the chain of operations.

Industrial mining: mining based on prior proof of the existence of a deposit that can be commercially mined, using the fixed facilities required for collecting minerals through industrial processes.

Industrial quarry mining: mining of all quarry substances using methods, processes and instruments such as suction machines, crushers, excavators, backhoe loaders and similar industrial equipment.

Extraction: all works intended to remove mineral substances or quarry material from the soil and sub-soil.

Deposit: any natural deposit of mineral substances workable under the current economic conditions.

Previously proven deposit: a deposit on which studies have been conducted up to the stage of mechanical and geotechnical surveys using concentrated grid, geophysical surveys and geochemical and alluvial prospecting campaigns.

Mineral deposit: a concentration of mineral substances within a specific area of the earth's crust.

Geothermal deposit: deposit embedded in the soil from which thermal energy can be tapped, particularly through the hot water and underground vapour contained therein.

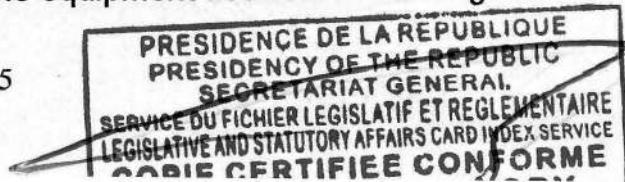
Trace: directly crosschecked and reliable information about mineralization in a particular place.

Extractive Industries Transparency Initiative (EITI): international standard which aims to ensure transparency in the extraction and management of the oil, gas and mining resources of various countries.

Buffer zone: space between two (02) mines which helps to prevent any contact between their works.

Mining list: a document that specifies imported goods for which import duty and tax exemptions are granted to the holder of a mining title in the exploration, installation or construction and operation phases.

Mine: mineral substances deposits not classified under quarries, excluding liquid or gaseous hydrocarbons, or an open cast or underground mineral substance site, including facilities and movable or immovable equipment used for the mining.



Mineral ore: any potentially workable mineral substance in solid, liquid or gaseous form occurring naturally above or under the ground, excluding water and oil.

Miner or mine worker: an adult natural person working under the supervision and authority of a mining operator.

Duly authorized public body: public enterprise set up by the State to develop and promote the mining sector in Cameroon.

Mining operation: artisanal and semi-mechanized artisanal mining activity relating to the reconnaissance, exploration, mining, treatment, or transportation of mineral substances, excluding liquid or gaseous hydrocarbons and surface water.

Articles: items made of precious or semi-precious substances.

Production sharing: sharing of the final production of mineral ore ready for marketing or exportation among the parties to the agreement.

Perimeter: the area limiting the land for which a mining title or a reconnaissance permit has been granted.

Reconnaissance permit: a legal instrument which confers on its holder:

- the non-exclusive and non-transferable right to carry out reconnaissance operations within the reconnaissance perimeter;
- the right to enter into the reconnaissance perimeter.

Exploration permit: a legal instrument that gives the holder the exclusive right to conduct exploration works within the perimeter of the permit.

Mining permit: a legal document that confers on the holder the exclusive right to conduct mining operations within the perimeter of the permit.

Small-scale mine: any permanent small-scale mining project using semi-industrial or industrial processes, and whose annual production does not exceed a certain tonnage of the marketable product in the form of mineral ore concentrate or metal.

Installation or construction phase: period in-between the end of the exploration phase and the beginning of production proper. Such period is reserved for preliminary work and setting up of the requisite production equipment .

Production phase: the period during which the mineral substance is extracted.

Stamping: impressing a mark or pattern on a material by perforation using a puching machine.

Neighbouring population: the people or communities of people living or residing around mining or quarry sites.

First commercial production: the first marketing of a mining product as provided for by the development project presented in the feasibility study.

Kimberley Process: an international system for certifying rough diamond which brings together governments, civil society and diamond industrialists, with the aim to avoid negotiating the purchase of diamond introduced on the world market by rebel movements to finance their military activities.

Exploration: any investigation process or method to locate and evaluate mineral deposits comprising prospecting bulk sampling and laboratory tests.

Reconnaissance: overall systematic and mobile survey of surfaces, notably, through geological or geophysical methods aimed at detecting traces or concentrations of useful mineral substances.

Mining royalty: an amount deducted during first sale and paid to the State or to national sector institutions, in respect of the value of production from the mine.

Value-based royalty: *ad valorem* tax levied on mining substances and the extraction tax on quarry material.

Area-based royalty: annual amount paid by holders of mining titles, quarry licences and permits as well as permits to tap mineral water for the area occupied by their activity.

Mining Titles Register: register drawn up and kept by the Mining Titles Registrar, in which every document relating to a mining title, permit, or licence must be recorded.

Standard mining rules: technical requirements and methods of exploring and mining designed to better develop the potential of the deposit, as well as maximize productivity and conditions of industrial safety, public safety and environmental protection.

Rehabilitation: restoration of a former mining site to conditions of security, rural productivity, and physical appearance close to their original state.

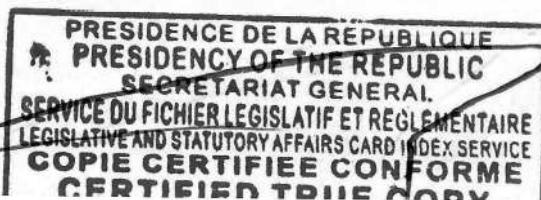
Mining waste: topsoil or waste rock from mining operations or any solid or liquid residue from mineral or processing.

Reserve: part of measured and indicated resources that can be economically mined under the market conditions prevailing at the time of valuation.

Probable reserve: economically usable part of indicated and, in some cases, measured resources proven by a pre-feasibility study.

Proven reserve: economically usable part of indicated and, in some cases, measured resources proven by a feasibility study.

Mineral resource: natural concentration of substances in the Earth's crust, with substantial economic significance.



Mining company: any Cameroonian company with the required technical and financial capacity to carry out mining operations.

Sub-contractor: any natural or legal person who, on behalf of the holder of a mining title, does work related to the main activities provided for or authorized under the said title, in keeping with signed contracts, standards, specifications or plans required by the title.

Quarry substances: building materials or industrial minerals extracted through excavation or other methods, with a view to supplying materials for building, commerce or industry.

Mineral substances: amorphous or crystalline solid, liquid or gaseous natural substances, as well as organic fossilized substances and geothermal deposits.

Non-transferable mineral substances: all mineral substances managed by Regional and Local Authorities (RLAs) as part of artisanal mining.

Strategic mineral substances: mineral substances whose scarcity, value or importance warrant special measures for their exploration, mining and/or preservation.

Precious substance: precious metals, precious and semi-precious stones.

Radioactive substances: uranium, thorium and their derivatives.

Ad valorem tax: amount deducted by the State in respect of the value of production of mining products and spring water, mineral and thermo-mineral water and geothermal deposits from a mine.

Extraction tax: amount deducted by the State in respect of the value of the production of commercial artisanal quarry substances, semi-mechanized artisanal quarries and industrial quarries.

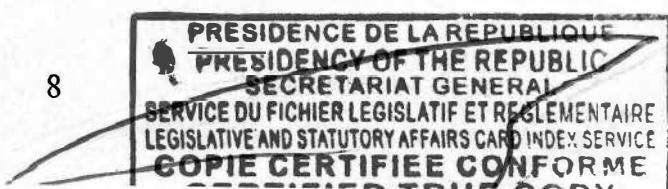
Mining title: any official instrument issued by the competent authority to a natural or legal person for purposes of carrying out mining activities on a parcel of the national territory.

Holder: any natural or legal person whose name is recorded in the Mining Title Register and to whom a mining right has been granted and a title issued.

Treatment: any mineralogical and/or metallurgical process or any concentrating and enriching activity that leads to obtaining a marketable mineral substance or to enhancing the quality of the mineral ores extracted.

Transfer: change of ownership of a mining title by cession, merger or conveyance.

Processing: any industrial process that involves changing the shape and nature of a treated mineral substance and deriving finished or semi-finished marketable products therefrom.



Cadastral units: standard quadrangular polygons of constant dimensions with a fixed position within a suitable coordinate system.

Mining plant: buildings, facilities, machinery, equipment, tools or any other property required for mining, whether ground-mounted or not.

Present value of previous studies: all updated costs relating to the economic value of exploration works.

Market value: price of products sold on the market or calculated with reference to the current market price at the time of the transaction without any deduction of charges.

Beneficiation: any process to improve the economic value of run-off-mine ore to meet product composition and size requirements.

CHAPTER III PRINCIPLES AND INSTRUMENTS GOVERNING MINING SECTOR DEVELOPMENT

SECTION 4: (1) Mineral substances contained in the soil and sub-soil of the territory of the Republic of Cameroon, its territorial waters and its continental shelf shall be the property of the State that shall exercise sovereign rights thereon.

(2) The State shall reserve the right to undertake mining operations through the duly authorized public body.

(3) The duly authorized public body referred to in Section 4(2) above shall be exclusively responsible for purchasing and marketing gold and diamond nationwide.

(4) The State may, exceptionally, entrust the mining of previously identified deposits that have become national mining property, to a duly authorized public body, without requiring a prior exploration permit.

(5) The State may authorize companies under Cameroon law to carry out mining operations and activities, in accordance with the provisions of this law and its implementing instruments.

(6) Holders of mining titles and other licences and permits shall acquire mining rights over mineral substances extracted in accordance with the provisions of this law.

(7) With regard to mining operations in Cameroon, the State shall opt in particular for production sharing as a means of enhancing the economic value of its sovereign rights over mineral resources.

(8) Regional and Local Authorities shall be responsible for managing artisanal activities under the terms and conditions laid down by regulation.



(9) The perimeter of quarry rocks shall belong to the natural public property and the State shall grant occupancy licences to operators in accordance with land tenure laws.

SECTION 5: Depending on their legal regime, natural deposits of mineral substances shall be classified into mines and quarries.

SECTION 6: (1) Any mineral substance classified among quarries may be reclassified under mines by the Minister in charge of mines.

(2) Any mineral substance classified under mines may be reclassified under quarries by the Minister in charge of mines.

(3) The Ministry in charge of mines may carry out classification of any newly discovered mineral substance.

SECTION 7: The State may exclude any land or mineral substance from exploration or mining under the terms and conditions laid down by regulation.

SECTION 8: (1) The State may declare any mineral substance as "strategic mineral substance" under the terms and conditions laid down by regulation.

(2) The regime applicable to strategic mineral substances shall be laid down by a separate instrument.

PART II LEGAL REGIME APPLICABLE TO MINING

SECTION 9: (1) All mineral deposits containing, in particular, iron, manganese, titanium rocks, chromium, vanadium, copper, lead, zinc, cadmium, germanium, iridium, selenium, tellurium, molybdenum, tin, tungsten, nickel, cobalt, metals of the platinum group, gold, silver, magnesium-antimony, barium, boron, fluorine, sulphur, arsenic, bismuth, strontium, mercury, titanium and zirconium mineral sands, rare earth elements, coal and other fossil fuels, uranium and other radioactive elements, phosphate, bauxite, sodium and potassium salts, alum, sulphates other than alkaline earth metals, metallic minerals for industrial use, marble, limestone or other industrial or ornamental rocks, calcedony and opal, ruby, sapphire, emerald, garnet, beryl, topaz, as well as all other semi-precious stones and diamond shall fall under the legal regime applicable to mining.

(2) All mineral substance deposits not classified among quarries, including geothermal deposits, spring water, mineral and thermo-mineral water shall also fall under the legal regime applicable to mining.

SECTION 10: Mineral deposits located on the continental shelf and within the exclusive economic zone, irrespective of the substances they contain, shall, according to their legal regime, be considered under the category of mineral deposits subject to the mining regime.

SECTION 11: The following 6 (six) types of mining titles are hereby instituted:

- artisanal mining licence;
- semi-mechanized artisanal mining licence;
- mining waste processing licence
- exploration permit ;
- small-scale mining permit;
- industrial mining permit.

SECTION 12: (1) Contiguous mining titles of the same type covering the same mineral substance may be consolidated into one or several mining titles.

(2) The terms and conditions for consolidating mining titles shall be laid down by regulation.

SECTION 13: (1) To improve geological or scientific knowledge under conditions that do not require obtaining a mining title, the State shall carry out or authorize reconnaissance activities under conditions laid down by regulation.

(2) Geological surveys with a view to issuing geological opinions or notices required to construct facilities and develop mining sites shall be dealt with in a separate instrument.

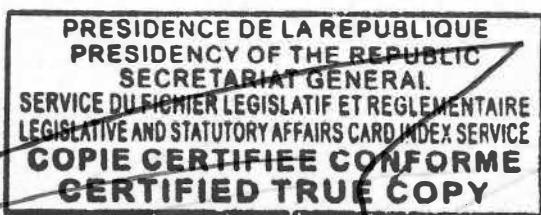
(3) The surveys referred to in Section 13(2) above as well as exploration activities, shall be subject to quarterly reports published in compliance with international norms and standards.

SECTION 14: Topographical survey and mining title demarcation shall be attached to the national geodesic network under conditions laid down by regulation.

SECTION 15: The holder of a small-scale or industrial mining permit, a semi-mechanized artisanal mining licence for precious and semi-precious substances or an artisanal mining licence may have, for his mining purposes and related industries, resources other than mineral substances. However, he shall be bound to comply with the laws and regulations in force governing such materials.

CHAPTER I COMMON PROVISIONS GOVERNING RECONNAISSANCE PERMITS AND MINING TITLES

SECTION 16: (1) Any natural or legal person may undertake or carry out an activity governed by this law on State public land or State private land, national land or private individual land.



(2) All mining activities, except reconnaissance, shall be subject to prior issuance of a mining title.

(3) Reconnaissance activities shall be subject to issuance of a reconnaissance permit.

(4) The granting of a reconnaissance permit or a mining title shall be subject, under conditions laid down by regulation, to proof of the technical and financial capacity required for all operations relating to such permit or title.

(5) With the exception of artisanal and semi-mechanized artisanal mining licences, only mining companies shall be granted a mining title.

SECTION 17: The conditions for granting or renewing mining titles shall be laid down by regulation.

SECTION 18: The granting of exploration or permits shall be subject to payment of a deposit, according to the size of the mining project, to ensure that the permit holder fulfils his obligations. The amount of such deposit and the payment conditions shall be laid down by regulation.

SECTION 19: The national territory shall be divided into basic cadastral units forming a grid system whose features and connection to the existing coordinate system shall be determined by regulation.

CHAPTER II PROVISIONS SPECIFIC TO EACH MINING TITLE AND TO MINING OPERATIONS

I – ARTISANAL AND SEMI-MECHANIZED ARTISANAL MINING

SECTION 20: (1) Artisanal mining shall be carried out only by natural persons of Cameroonian nationality. It shall be subject to the issuance of an individual artisanal miner's card and an artisanal mining licence.

(2) The terms and conditions for issuing and renewing the individual artisanal miner's card and the artisanal mining licence shall be laid down by regulation.

(3) Radioactive substances shall be excluded from the artisanal mining licence regime.

SECTION 21: The holder of an individual artisanal miner's card may, at any time, mark out one or several artisanal mining perimeters, in accordance with the provisions of this law and the conditions laid down by regulation.

SECTION 22: The collection of precious and semi-precious mineral substances shall be subject to prior issuance of an individual precious and semi-precious mineral substance collector's card.

SECTION 23: (1) The perimeter for which an artisanal mining licence is granted shall be a quadrangle equal to one (01) hectare in surface area with sides not exceeding 100 (one hundred) metres in length.

(2) An artisanal mining licence may be granted within an exploration permit, under the terms and conditions laid down by regulation.

II - SEMI-MECHANIZED ARTISANAL MINING OF MINERAL SUBSTANCES

SECTION 24: (1) The semi-mechanized artisanal mining of mineral substances shall be subject to the issuance of a licence.

(2) The licence referred to in Section 24(1) above shall be issued only to legal entities under Cameroonian law, under the terms and conditions laid down by regulation.

(3) Under pain of ineligibility, the majority shareholders of the legal entity referred to in Section 24(2) above shall be nationals.

(4) The surface area covered by the semi-mechanized artisanal mining licence shall not exceed twenty-one (21) hectares and shall be a single polygonal-shaped block within a cadastral unit.

(5) With the exception of quarry substances, no semi-mechanized artisanal mining licence shall be granted within an exploration permit.

SECTION 25: (1) The State shall deduct a combined flat rate mining tax of twenty-five (25%) of the gross production of every semi-mechanized artisanal mining site.

(2) The tax referred to in Section 25(1) above shall represent the share of the State in mining production, *ad valorem* tax on precious and semi-precious substances and corporate tax monthly instalment.

(3) The State may, under the Finance Law, empower a duly authorized public body to collect the combined flat rate mining tax.

(4) The tax referred to in Section 25(1) above shall represent 17.8% (seventeen point eight percent) of the share of the State in mining production, 5% (five percent) of *ad valorem* tax on precious and semi-precious substances, and 2.2% (two point two percent) of corporate tax monthly instalment.

(5) The conditions for distributing the share of the State referred to in Section 25(1) above between the Treasury, the duly authorized public body, Regional and Local Authorities, the Mining Sector Development Fund and the Mining Site and Quarry Restoration, Rehabilitation Fund provided for by this law, as well as the neighbouring population shall be laid down by regulation.

SECTION 26: (1) The State shall have preemptive right over the purchase of mineral substances obtained from semi-mechanized artisanal mining.

(2) Where the State decide to waive its preemptive right, it shall notify the semi-mechanized artisanal miner by letter with acknowledgement of receipt. The latter shall then be free to dispose of his share to any other buyer. In such case, he shall be liable to payment of all other taxes, duties and fees in force.

(3) The export of the semi-mechanized artisanal miner's share shall be subject to the issuance of prior authorization, co-signed by the minister in charge of mines and the duly authorized public body, and payment of the relevant duties and taxes.

SECTION 27: The State shall ensure that raw materials, representing at least 10% (ten percent) of its share, are available for entities involved in local processing of precious and semi-precious substances derived from artisanal and semi-mechanized artisanal mining.

III - INDUSTRIAL MINING

III (i) - PROVISIONS COMMON TO SMALL-SCALE AND INDUSTRIAL MINING

PARAGRAPH I RECONNAISSANCE PERMIT

SECTION 28: (1) The reconnaissance permit shall be issued to a mining company for the purpose of conducting systematic and mobile surface surveys using geological, geophysical or other methods covering vast expanses, for the purpose of detecting traces or concentrations of useful mineral substances.

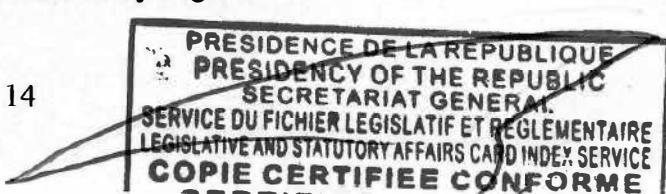
(2) The reconnaissance permit shall be issued or renewed by the Minister in charge of mines under the terms and conditions laid down by regulation.

SECTION 29: The surface area covered by the reconnaissance permit shall not exceed 1 000 km² (one thousand square kilometres) and shall be a single polygonal-shaped block within a cadastral unit.

SECTION 30: The reconnaissance permit shall confer on its holder:

- the non-exclusive and non-transferable right to carry out reconnaissance operations within the reconnaissance perimeter;
- the right to enter and set up appropriate facilities within the reconnaissance perimeter, subject to compliance with the land, property, environmental and forestry laws in force.

SECTION 31: The holder of a reconnaissance permit shall be bound to carry out operations in line with his works schedule and submit related periodic reports, the content and periodicity of which shall be specified by regulation.



PARAGRAPH II
EXPLORATION PERMIT

SECTION 32: (1) The exploration permit shall be issued to a mining company, for the purpose of conducting exploration works to locate and evaluate mineral deposits and to determine conditions for the commercial mining thereof.

(2) The granting of an exploration permit shall be subject to the signing of a mining exploration contract between the State and the mining company.

(3) The State shall participate in Board sessions of the mining company holder of the exploration permit, under the conditions laid down in the exploration contract.

(4) In the event of failure, by the mining company, to invite the State to the Board sessions, its exploration contract may be terminated and the permit withdrawn.

(5) The mining exploration contract drawn up between the State and the mining company shall in particular include:

- rights and obligations of the mining company;
- exploration perimeter;
- minimum exploration work schedule and corresponding financial commitments, which the applicant undertakes to implement for the initial validity period of his exploration permit and for each renewal period;
- conditions for operating the exploration implementation monitoring committee;
- conditions for supporting follow-up teams in the field;
- conditions for supporting the training of Cameroonians;
- conditions for reimbursement of exploration expenses;
- obligations relating to commercial discoveries;
- contract renewal conditions;
- conditions for monitoring the execution of exploration works;
- contributions to the Mining Sector Development Fund;
- provisions relating to State participation in mining company's Board sessions.

(6) The mining exploration contract shall be bound by the provisions of this law.

SECTION 33: (1) The exploration permit shall be issued for an initial maximum period of 3 (three) years. It shall be renewed no more than 3 (three) times, each renewal not exceeding 2 (two) years.

(2) The terms and conditions for issuing and renewing an exploration permit shall be laid down by regulation.

SECTION 34: (1) At the end of the period provided for in Section 33 above, the holder of an exploration permit who has identified a deposit and has demonstrated to the Minister in charge of mines, based on a pre-feasibility study, that he cannot mine the said deposit within the set time limit, may apply for a change on the schedule to enable him pursue exploration activities in the area covered by the permit for a further non-renewable

period of 2 (two) years. This shall be after he has obtained the mandatory opinion of the Commission harboured by the duly authorized public body.

(2) In the case referred to in Section 34(1) above, the exploration permit holder shall propose a new schedule enabling him to complete exploration works in the perimeter concerned.

(3) Upon expiry of an exploration permit whose holder does not apply for renewal, or at the end of the last validity period of the permit not followed by an application for a mining permit, the mining title surface area shall be deemed unoccupied. Such surface area may be allocated to another applicant without payment of compensation to the previous permit holder.

SECTION 35: The surface area covered by the exploration permit shall not exceed 500 km² (five hundred square kilometres) or its equivalent in number of cadastral units. The exploration perimeter shall comprise a single block, marked out under the terms and conditions laid down by regulation.

SECTION 36: (1) The holder of an exploration permit may, if need be, request a change of the current works schedule, in accordance with the conditions laid down by regulation.

(2) The new work schedule shall be approved following the same procedure as for the granting of the original permit.

(3) The holder of an exploration permit shall start exploration works in the area covered by the permit within a maximum period of 9 (nine) months. Beyond such deadline, the State shall issue him a formal notice through any means in writing.

(4) The holder of an exploration permit who fails to heed to the formal notice shall be liable to the penalties provided for in this law and its implementing instruments.

SECTION 37: (1) The exploration permit shall authorize its holder to:

- access and occupy the surface area covered by the exploration permit;
- extract, remove and dispose of rocks, earth, soil or mineral substances, excluding precious and semi-precious substances, in quantities allowed by the approved works schedule;
- collect and use water situated on or flowing through the said surface area for any purpose pertaining to the exploration activity, in accordance with the laws and regulations in force;
- carry out any other works deemed necessary for exploration of the surface area.

(2) The holder of an exploration permit may be allowed to dispose of the substances and precious stones found during exploration works only where the said substances and stones have to undergo physical and chemical analyses or other laboratory analyses, on the express authorization of the State.

(3) The holder of an exploration permit shall have the exclusive right to carry out exploration works within the area covered by the permit, subject to respect for third party rights as provided by the land, property, forestry and agro-pastoral laws and regulations in force.

SECTION 38: (1) The holder of an exploration permit shall submit quarterly reports to the Minister in charge of mines, copying the duly authorized public body, a technical report and a financial report, under the terms and conditions laid down by regulation.

(2) During the validity period of an exploration permit, no report submitted to the Minister in charge of mines shall be published or disclosed to any individual, unless for statistical purposes.

(3) Any report concerning a piece of land that has been relinquished may be made available to the public for perusal and copying.

(4) The studies and works executed by the holder of an exploration permit that has expired without application for renewal, or has been relinquished shall fall within the public domain and transferred to the duly authorized public body.

(5) The duly authorized public body may disclose to any new third-party holder of the former exploration permit any information at its disposal concerning works executed by the previous holder without the latter laying claim to any compensation or raising any confidentiality clause whatsoever.

(6) The State, the duly authorized public body, and the former exploration permit holder shall not be liable to any damages arising from the use of such information.

(7) Sites containing previously proven deposits abandoned by their discoverers or withdrawn, shall be systematically transferred to the duly authorized public body.

(8) In the event of withdrawal or renunciation of an exploration permit, the former holder may not, by himself or through a middle person, apply for a new grant for the same site.

SECTION 39: (1) With the exception of precious and semi-precious substances, the holder of an exploration permit shall have the right to freely use the substances extracted during exploration for testing, on condition that exploration operations do not assume the character of mining works.

(2) The procedures for exporting non-commercial value samples for analysis or industrial testing shall be laid down by regulation.

(3) The holder of an exploration permit who discovers a deposit and proves such discovery shall be issued a mining permit for the said deposit, provided he fulfills the conditions provided for by this law and its implementing instruments.



PARAGRAPH III
MINING AGREEMENT

SECTION 40: (1) A mining agreement shall be signed between an exploration permit holder and the State with a view to developing and mining or financing a new mineral deposit.

(2) The mining agreement referred to in Section 40(1) above shall be negotiated by all the stakeholders within a framework set up by the duly authorized public body, the organization and operation of which shall be laid down by regulation.

(3) The mining agreement shall be signed, on behalf of the State, by the Minister in charge of mines and, on behalf of other parties to the agreement, by their legal representatives.

(4) The mining agreement referred to in Section 40(1) above must include the following information:

- purpose, justification and scope of the projects involved;
- site where the infrastructure required for mining activities will be established;
- detailed description of the activities to be carried out under the mining agreement and the technical and financial requirements for their implementation;
- conditions for auditing the exploration works and related expenses as applicable;
- conditions for reimbursement of exploration expenses and release of the duly authorized public body's share in the mining implementation phase, in proportion to each party's shares in the mining company;
- legal form of the mining company;
- duration of the mining agreement and the relevant renewal, non-renewal, extension, termination, expiry, renunciation and force majeure conditions;
- conditions for sharing production between the State and the mining company;
- procedures for implementing transfer conditions;
- rights and obligations of parties to the agreement, establishing, where necessary, the difference between the rights and obligations of the body duly authorized by the State to manage its commercial interests and the sovereign rights of the State;
- terms and conditions for granting, renewing and withdrawing licences and permits required to carry out the activities provided for in the mining agreement;
- rules of ownership of products derived from mining among parties to the mining agreement as well as conditions for their marketing;
- conditions for defining, implementing, controlling and monitoring the social welfare projects and programmes designed for the indigenous or neighbouring population;
- rules governing movable and immovable property required to carry out the activities provided for in the mining agreement;

- provisions relating to the local content of the projects to be implemented under the mining agreement, notably training, employment and protection of Cameroonian labour, outsourcing to local small- and medium-sized enterprises (SMEs), development and upgrading of local enterprises to enable them take part in the construction or operation of the plants or infrastructure provided for in the mining agreement, as well as in the social projects aimed at developing the neighbouring or indigenous populations;
- conditions for and amounts of contributions to the Funds provided for by this law;
- indexation clauses relative to the economic environment of mineral substances;
- provisions relating to the rights and obligations of sub-contractors;
- obligations pertaining to public health, security, hygiene, safety of facilities and environmental and cultural heritage protection;
- obligations pertaining to prevention of and compensation for occupational hazards, especially industrial accidents and occupational illness;
- obligations pertaining to abandonment of facilities and restoration of mining project sites, as well conditions for takeover of infrastructure and facilities by the State upon cessation of mining activities, as applicable;
- envisaged mining economic and financial model;
- the rights and obligations of the mining title holder, as well as the general conditions for constructing, operating and maintaining mining project facilities and infrastructure, as well as related facilities;
- terms of collection and payment of royalties;
- conditions for applying the relevant legal, fiscal, customs, exchange and general guarantee regimes, including guarantee of the stability of these regimes that shall not exceed the indicated period for return on investments;
- conditions for applying penalties in the event of breach of the mining agreement;
- disputes settlement procedures;
- applicable land and property regime, in accordance with the laws and regulations in force;
- conditions for opening, keeping and closing foreign currency bank accounts on the national territory;
- conditions for employing Cameroonian and foreign workers;
- requirements for subscribing to, holding and transferring shares of companies to be established under the mining agreement;
- conditions for transferring technologies and skills to nationals within the framework of projects implemented under the mining agreement;
- conditions for compensation or allocation of property, where applicable;
- conditions under which the State shall provide guarantees for mining projects;
- any exclusive rights which the mining companies signatories to the agreement may be entitled to;
- conditions under which third parties could have access to infrastructure constructed as part of the projects provided for under the mining agreement;
- terms and conditions for locally processing at least 15% (fifteen percent) of overall production of mineral substances;
- conditions for monitoring and controlling the works for which a permit is granted.

- terms and conditions under which the rights of the mining permit holder could be substituted and subrogated.

(5) Apart from the provisions contained in Section 40(4) above, other provisions may be negotiated by mutual agreement between the parties, in accordance with the laws and regulations in force.

(6) The duration of the mining agreement shall correspond to that of the mining title.

SECTION 41: (1) The mining agreement shall be established on the basis of an exploration permit application deemed admissible. The mining agreement shall be signed before the granting of a small-scale or industrial mining permit and shall take effect from the date of notification of the permit.

(2) The signing of the mining agreement referred to in Section 41(1) above shall be subject to classification and certification of the reserves of the mineral substances to be extracted.

(3) The provisions of this law shall remain binding to the mining agreement.

PARAGRAPH IV MINING PERMIT

SECTION 42: (1) A small-scale or industrial mining permit shall be granted to any holder of an exploration permit that has provided evidence of the existence of a deposit within his perimeter.

(2) The grant of small-scale or industrial mining permit shall entail cancellation of the exploration permit within the perimeter covered by the mining permit.

(3) In the event where the exploration permit holder intends to continue exploration within the perimeter covered by the mining permit, the State shall issue him an exploration permit extension instrument.

(4) The costs of the exploration referred to in Section 42(3) above shall be included in overall project costs only in the event of a new economically profitable discovery.

(5) As part of the exploration referred to in Section 42(3) above, where a mineral substance other than that for which the mining permit was granted is discovered, the permit holder shall enjoy the preferential right to mine it.

(6) The preferential right period shall not exceed 18 (eighteen) months with effect from the date of notification of the discovery to the State.

SECTION 43: (1) The small-scale or industrial mining permit shall authorize its holder to:

- access and occupy the land covered by the small-scale mining permit, in accordance with the provisions of this law, in order to undertake the operations related to the mining title concerned;
- construct a treatment plant on the said land;
- treat the minerals specified in the mining permit on the said land or elsewhere, and declare other related substances;
- construct any other facilities required for the treatment of mining waste;
- remove and take the rocks, earth and minerals from the land before or after treatment;
- collect and use water found on the said land or flowing through it, for all purposes required for mining and treatment operations, in accordance with the laws in force;
- carry out any other appropriate activities necessary for the mining and treatment operations on the said land.

(2) The small-scale mining permit holder shall be entitled to exclusive occupancy for mining purposes and any other related operations, and to dispose of only mineral ores specified in the mining permit.

(3) An amendment to the mining agreement shall be required for the mining of any related minerals not specified in the mining permit.

SECTION 44: A small-scale or industrial mining permit holder who undertakes to build a plant for processing or adding value to all or part of the mining production shall enjoy the benefits and facilities provided for by the laws on private investment incentives .

SECTION 45: A small-scale or industrial mining permit holder shall submit progress reports in hard and soft copies to the Minister in charge of mines, with copy to the duly authorized public body, under the terms and conditions laid down by regulation.

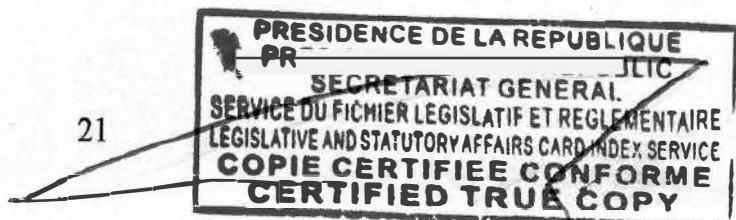
PARAGRAPH V
MINERAL WASTE MINING LICENCE

SECTION 46: (1) Mineral waste mining shall require a prior licence.

(2) The conditions for obtaining and renewing a mineral waste mining licence shall be laid down by regulation.

PARAGRAPH VI
STATE PARTICIPATION IN SHARE CAPITAL AND PRODUCTION SHARING

SECTION 47: (1) A duly authorized public body shall ensure State participation in the share capital of companies involved in small-scale and industrial mining.



(2) The State participation referred to in Section 47(1) above shall be up to 10% (ten percent) of total shares. As resource owner, the State shall be entitled to the said shares free-of-charge and unencumbered.

(3) Shares held by the State shall not be subject to dilution in the event of share capital increase.

(4) Notwithstanding the provisions of Section 47(2) above, the State may increase its shares in the capital for profit purposes, by mutual consent of the parties, in proportions not exceeding 10% (ten per cent) for small-scale mining and another 25% (twenty-five percent) for industrial mining.

SECTION 48: (1) Conditions for sharing production between the State and a mining permit applicant shall be negotiated by mutual agreement between the parties to the mining agreement, in accordance with the terms and conditions laid down by regulation.

(2) The State's portion in production sharing shall depend on the size of the project and the nature of the substance. It shall be deducted from the finished product ready for sale, and shall range between:

- 1% (one percent) and 5% (five percent) for precious and semi-precious substances;
- 2% (two percent) and 15% (fifteen percent) of the production for other mineral substances.

III (ii) – PROVISIONS SPECIFIC TO SMALL-SCALE MINING

SECTION 49: (1) Small-scale mining permits shall be issued by the Minister in charge of mines.

(2) A small-scale mining permit shall confer on its holder the right to extract mineral substances from the soil or sub-soil, by any standard process or method, to obtain the useful substances therefrom.

SECTION 50: (1) The small-scale mining permit shall be granted for an initial period of 5 (five) years, renewable for periods of 3 (three) years.

(2) The terms and conditions for granting and renewing small-scale mining permits shall be laid down by regulation.

SECTION 51: (1) The area for which a small-scale mining permit is granted shall be determined on the basis of the mineral deposit that a feasibility study had earmarked for mining.

(2) The surface area for which the permit referred to in Section 51(1) above is granted shall consist of a single polygonal block, wholly contained within the exploration permit on the basis of which the small-scale mining permit is issued.

(3) A small-scale mining permit holder shall be required to start developing the site within a period not exceeding 1 (one) year, with effect from the date of notification of the permit, failing which the permit may be withdrawn after a formal notice served remains unheeded.

(4) A small-scale mining permit holder shall be required to start mining and developing the deposit within a period not exceeding 2 (two) years, with effect from the date of notification of the permit, failing which the permit may be withdrawn after the formal notice served remains unheeded, without prejudice to other penalties provided for in this law.

III (iii) - PROVISIONS SPECIFIC TO INDUSTRIAL MINING

SECTION 52: (1) An industrial mining permit shall confer on its holder the right to extract minerals from the soil or sub-soil using a standard process or method, in order to obtain useful substances therefrom.

(2) An industrial mining permit shall be granted by decree.

SECTION 53: (1) The industrial mining permit shall be granted for an initial period not exceeding 20 (twenty) years. It shall be renewable for one or more periods not exceeding 10 (ten) years each.

(2) The terms and conditions for granting and renewing industrial mining permits shall be laid down by regulation.

SECTION 54: (1) The surface area for which an industrial mining permit is granted shall be determined on the basis of the mineral deposit which a feasibility study has earmarked for mining. It shall consist of a single polygonal block, wholly contained within the exploration permit on the basis of which the mining permit is issued.

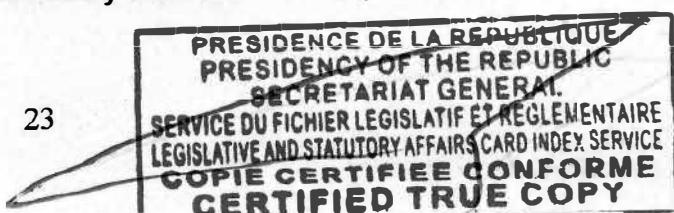
(2) Industrial mining permit holders shall be required to start developing the site within a period not exceeding 2 (two) years, with effect from the date of notification of the permit.

(4) Industrial mining permit holders shall be required to start mining and valorising the deposit within a period not exceeding 5 (five) years with effect from the date of notification of the permit.

CHAPTER III PROVISIONS SPECIFIC TO RADIOACTIVE SUBSTANCES

SECTION 55: (1) The mining of radioactive substances and their derivatives shall be carried out in accordance with international agreements signed by Cameroon.

(2) Mining titles for radioactive substances and their derivatives, as well as related mining agreements, shall be issued by decree.



SECTION 56: Conditions for possessing, transporting and storing radioactive substances shall be laid down by a separate instrument.

SECTION 57: Any natural or legal person that identifies deposits or traces of radioactive substances and their derivatives must immediately inform the authorities in charge of mines.

SECTION 58: Any transaction on radioactive substances and their derivatives shall be subject to prior approval by the State.

PART III
LEGAL PROVISIONS RELATING TO QUARRIES

CHAPTER I

COMMON PROVISIONS RELATING TO THE MINING OF QUARRY SUBSTANCES

SECTION 59: (1) The following shall be subject to the legal provisions relating to quarries:

- deposits of building materials and amendment to land cultivation and other similar substances such as sand, silica sand, gravel, peat, pozzolan, clay, laterite, calcite, dolomite, talc, mica, graphite, kaolin, pyrophyllite, onyx;
- common clay and clayey rocks used for the manufacture of clay products; all rock types used as dimension stone, crushed stone, silica ore or for manufacturing cement or direct use in building.

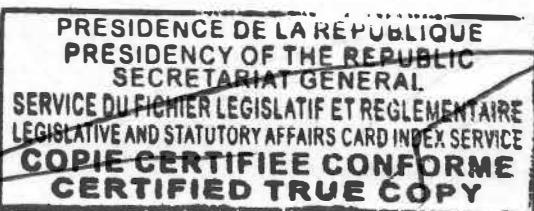
(2) The following substances shall be subject to the legal provisions relating to quarries: phosphates, nitrates, alkaline salts and other salts associated in the same deposits, topsoil and inert residues, where the substances and residues are used for construction purposes, for the manufacture of building materials or soil enrichment.

SECTION 60: The provisions relating to mining titles shall apply *mutatis mutandis* to the mining of quarry substances, subject to those provided for in this "Part".

SECTION 61: The following 4 (four) types of quarries are hereby instituted:

- family-owned quarries;
- artisanal quarries;
- public interest quarries;
- industrial quarries.

SECTION 62: (1) Any exploration for deposits of quarry substances shall be subject to the reconnaissance permit regime whose conditions for issuance and renewal shall be laid down by regulation.



(2) Artisanal quarry miners shall not be required to hold reconnaissance permits.

SECTION 63: (1) The mining of quarry substances shall be subject to declaration and issuance of a mining licence or permit, as the case may be.

(2) Quarry mining licences and permits shall be issued only to Cameroonian nationals or companies governed by Cameroonian law.

(3) The terms and conditions for issuing or renewing quarry mining licences and permits referred to in Section 63(1) above shall be laid down by regulation.

SECTION 64: (1) A quarry licence or permit shall confer on the holder, within the confines of the perimeter and the conditions set out therein:

- the exclusive right to mine the quarry substances found therein;
- the right to transport extracted quarry substances and the resulting primary derivatives, or have them transported up to the storage, treatment or loading site;
- the right to dispose of the extracted quarry substances on the domestic market or to export them.

(2) A quarry licence or permit shall be transferable under the terms and conditions laid down by regulation.

SECTION 65: (1) The holder of a public-interest or industrial quarry licence shall, on a permanent basis, continue excavations under safety conditions in order not to cause damage to persons or property, animals and the environment.

(2) The holder of a public-interest or industrial quarry licence shall submit a quarterly report to the Minister in charge of mines.

SECTION 66: (1) The validity of a quarry licence or permit shall end through renunciation or expiry of the validity period.

(2) A quarry licence or permit may be withdrawn by the competent authority under the terms and conditions laid down by regulation.

CHAPTER II PROVISIONS SPECIFIC TO EACH TYPE OF QUARRY

I – ARTISANAL QUARRIES

SECTION 67: (1) Artisanal quarry mining shall be subject to a declaration to the Minister in charge of mines under the terms and conditions laid down by regulation.

(2) The artisanal quarry mining referred to in Section 67(1) above shall be subject to regulations governing health, safety, labour and the environment.

II – SEMI-MECHANIZED ARTISANAL QUARRIES

SECTION 68: A semi-mechanized artisanal quarry substance licence shall enable the holder to extract substances to a depth not exceeding 10 (ten) metres.

SECTION 69: The holder of a semi-mechanized artisanal quarry mining licence shall be subject to the obligations provided for in this law, within the semi-mechanized artisanal mining perimeter, particularly the preservation of the health of the people and safety on the worksites included therein.

III - PUBLIC INTEREST QUARRIES

SECTION 70: (1) Public interest quarry substances shall be and shall remain State property. They shall not be for commercial purposes and exempted from fixed duties, duties relating to land concession or land tax and quarry products extraction tax, except communal taxes and duties provided for by the laws and regulations in force.

(2) The public interest quarry licence holder may, in accordance with the regulations in force, set up, within the limits of his site, machinery for digging, crushing, cutting and piling quarry substances, construct buildings to be used as offices and warehouses.

SECTION 71: At the end of the construction work for which the public interest quarry licence was granted, the said quarry shall be retroceded to the State.

However, where the licence holder intends to continue the mining activity for commercial purposes, he shall have 3 (three) months prior to the expiry of the public interest quarry licence to request a change of such licence into a commercial mining permit for industrial quarry substances under the terms and conditions laid down by regulation.

SECTION 72: Artisanal and industrial quarries may be declared to be of public utility and transformed into public interest quarries, in accordance with the laws and regulations in force.

IV - INDUSTRIAL QUARRIES

SECTION 73: (1) The validity period of the industrial quarry permit shall not exceed 5 (five) years, with effect from the date of notification of the permit granting instrument. It shall be renewable for periods not exceeding 3 (three) years each.

(2) Only companies under Cameroonian law, at least 35% (thirty-five) of whose shareholders are nationals, shall be eligible for an industrial quarry mining permit.



(3) Where the permit is not used within 12 (twelve) months with effect from the date of notification, it shall be considered null and void and any future activity shall be subject to a new application, except for cases of force majeure.

SECTION 74: (1) The surface area of an industrial quarry shall be specified in the permit granting instrument.

(2) The holder of an industrial quarry permit may, in accordance with the regulations in force, set up, within the limits of his site, machinery for digging, crushing, cutting and piling quarry substances and construct buildings to be used as offices and warehouses.

SECTION 75: (1) The holder of an industrial quarry permit shall operate same in accordance with the laws and regulations in force. In addition, the holder shall be required to submit, for approval by the Minister in charge of mines, the quarry development plan, emergency plan, mining plan and the site rehabilitation plan.

(2) Any change in the industrial quarry development or mining plan as well as any new acquisition of equipment for such purpose shall be subject to prior authorization by the Minister in charge of mines.

PART IV

LEGAL PROVISIONS RELATING TO SPRING WATER, MINERAL AND THERMO-MINERAL WATER AND GEOTHERMAL DEPOSITS

CHAPTER I

TAPPING OF SPRING WATER, MINERAL AND THERMO-MINERAL WATER AND GEOTHERMAL DEPOSITS

SECTION 76: (1) The tapping of spring water, mineral and thermo-mineral water as well as geothermal deposits shall be subject to prior issuance of a permit.

(2) The spring water, mineral or thermo-mineral water or geothermal deposit permit shall be issued for a period of 5 (five) years, renewable in periods of 3 (three) years.

(3) The terms and conditions for granting or renewing the permit referred to in Section 76(1) above shall be laid down by regulation.

SECTION 77: (1) The spring water, mineral or thermo-mineral water or geothermal deposit shall be tapped in such a manner as to preserve the environment and water quality.

(2) The conditions for preventing, managing and settling cases of pollution shall be laid down by regulation.

CHAPTER II

PACKAGING OF SPRING WATER, MINERAL AND THERMO-MINERAL WATER

SECTION 78: (1) The packaging of spring water, mineral or thermo-mineral water intended for public consumption shall be subject to prior issuance of a licence.

(2) The packaging licence shall be issued for a period of 5 (five) years renewable in periods of 3 (three) years.

(3) The terms and conditions for granting or renewing the packaging licence shall be laid down by regulation.

PART V
RIGHTS AND OBLIGATIONS
RELATING TO MINING ACTIVITIES

CHAPTER I
TRANSACTIONS ON MINING TITLES, PERMITS AND LICENCES

SECTION 79: (1) Save for artisanal, semi-mechanized artisanal mining or mineral waste mining licence, any right over a mining title may give rise to any form of transaction, in particular farm-out, cession, collateral and pledge. It may also be attached in accordance with the laws in force.

(2) The cession and conveyance of mining titles to any eligible person shall be free.

(3) Any direct transaction on a mining title shall be subject to the prior approval of the State.

(4) In the event of cession of shares by a mining company, the State shall have a preemptive right under the conditions laid down by regulation.

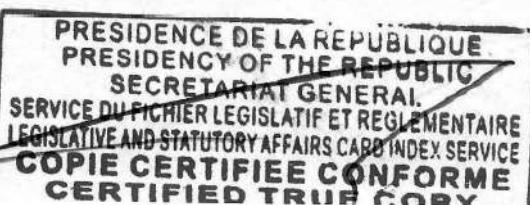
(5) The cession, farm-out, conveyance, pledge or mortgage instrument must be entered into the register of the mining registry. At the time of registration, a new permit shall be issued and the rights and obligations attached to the initial permit shall be transferred to the new holder.

(6) The terms for carrying out the forms of transactions referred to in Section 79(1) above shall be laid down by regulation.

SECTION 80: (1) The artisanal mineral substance mining licence shall be personal, and may not be open to cession, farm-out or conveyance.

(2) The semi-mechanized artisanal precious and semi-precious substance mining licence shall be personal, and may not be open to cession, farm-out or conveyance.

SECTION 81: The reconnaissance permit shall not be open to cession, farm-out, conveyance or pledge.



SECTION 82: The exploration permit shall be a right open to cession, conveyance, farm-out and pledge.

SECTION 83: The small-scale mining permit shall confer on the holder a movable real right on the substance and an immovable real right within the perimeter during the period of the permit. Such rights shall be open to farm-out and may be pledged and mortgaged respectively.

SECTION 84: The industrial mining permit shall establish, for its holder, a real movable right on the substance and a real immovable right within the perimeter for the period of the permit. Such rights shall be open to farm-out and may be pledged and mortgaged respectively.

SECTION 85: The small-scale mining permit and the industrial mining permit may be subject to capital contributions.

SECTION 86: (1) With the exception of ordinary stock exchange operations, any direct or indirect transaction on a mining title shall be liable to a capital gains tax payable to the State, without prejudice to the levying of any tax, duties or charges provided for in this law, its implementing instruments or any other law or regulation in force.

(2) The rate of the capital gains tax shall be 10% (ten per cent). The amount of the tax shall be calculated as follows:

- exploration permit:
 - capital gains tax = (gross cession amount – direct expenses relating to the exploration carried out by the holder) x rate (10%);
- mining permit:
 - under common law conditions provided for in the General Tax Code.

(3) Expenses and transactions on mining titles must be audited and validated in accordance with the principle of fully effective competition, at reference prices and market prices, where they exist.

(4) The beneficiary of the transaction and the mining title holder shall be jointly and severally liable to the capital gains tax.

(5) The conditions for the auditing and validation of expenses, recovery and distribution of the capital gains tax shall be laid down by regulation.



CHAPTER II
LAND TENURE AND STATE PROPERTY SYSTEM APPLICABLE
TO MINING AND QUARRY ACTIVITIES

I - ACCESS TO LAND

SECTION 87: (1) Validation of the pre-feasibility study shall entitle the exploration permit holder to initiate the procedure for the granting, for use, of land required for mining the mineral substances discovered, in accordance with law and regulation in force.

(2) The granting of land for use referred to in Section 87(1) above shall be preceded by expropriation in the public interest under the terms and conditions laid down by the regulation in force.

(3) The expropriated land shall be registered in the name of the State and leased to the exploration permit holder.

SECTION 88: With regard to semi-mechanized artisanal mining, industrial quarry mining as well as the tapping of spring water, mineral and thermo-mineral water and geothermal deposits, the operator shall be issued, depending on the legal status of the land concerned, either a lease, concession, or temporary occupancy licence, as the case may be, in accordance with the regulations in force.

SECTION 89: The holder of a mining title, permit or licence shall be bound to repair damages which mining works may cause to private property. Similarly, he shall be bound to repair damages caused to neighbouring structures. In such cases, he shall only be liable to pay compensation corresponding to the value of the prejudice caused.

SECTION 90: The compensation to which the landowner or the neighbouring population may lay claim shall include the following in particular:

- denial of the right of use or possession of the natural land surface;
- damage caused to the natural surface of the land;
- severance of the land, or any part thereof, from lands held by the landowner;
- loss or restriction of enjoyment, passage or any other right;
- damage caused to the environment;
- loss or damage caused to improvements;
- interruption of farming activities on the land.

SECTION 91: (1) The amount of the damages shall be determined by a written agreement between the mining title holder and the landowner or neighbouring population.

(2) In the event of disagreement, the parties shall resort to the State to determine the amount to be paid.



(3) The State shall automatically determine the amount of the damages following an expert assessment conducted at the expense of the mining title holder.

II - PROTECTED ZONES

SECTION 92: (1) Protected zones shall be areas within which prospecting, exploration and mining of mineral or quarry substances are prohibited.

(2) The zones referred to in Section 92(1) above shall aim to protect buildings, agglomerations, cultural sites, burial grounds, places of endemism, tourist sites, water points, communication routes, civil engineering works, public utility works, archaeological sites, agricultural concerns, protected areas and all areas deemed necessary for the preservation of the environment and general interests.

(3) The terms and conditions for establishing the protected zones referred to in Section 92(1) above shall be laid down by regulation.

(4) A compensation may be paid to the mining title, licence or permit holder who suffers a prejudice as a result of the establishment of a protected zone.

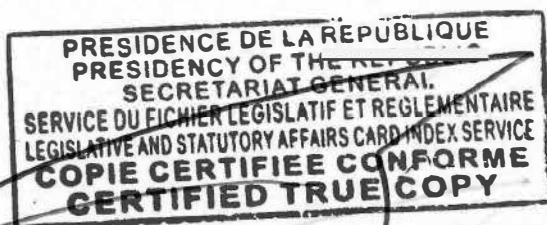
(5) The exclusion of a protected zone, in whole or in part, from mining activity shall be lifted under the same terms and conditions as those referred to in Section 92(3) above.

(6) Mining title, licence and permit applications on an excluded land registered before the publication of the exclusion decision shall be left pending. They shall be given priority during treatment if the exclusion decision ends.

SECTION 93: Prospecting, exploration or mining operations shall not be undertaken within 500 (five hundred) metres of the boundaries of:

- mineral or quarry substances mining;
- built property, villages, groups of houses, wells, religious buildings, cultural, burial grounds and places considered as sacred;
- roads and utility services, in particular communication, water, energy systems and civil engineering works;
- any protected area within the meaning of the forestry and environmental laws and under international agreement.

SECTION 94: In the event of an archaeological discovery or other discoveries not falling within the scope of the mining title, licence or permit, the holders concerned shall be bound to delimit the relevant perimeter and immediately declare such discovery to the Minister in charge of mines.



CHAPTER III RELATIONS BETWEEN OPERATORS

SECTION 95: Neighbouring operators shall be bound to contribute towards providing all facilities useful to them, under mutually defined terms and conditions at the behest of the Minister in charge of mines.

SECTION 96: (1) Various communication routes and electric lines established by an operator may, where they do not entail any prejudice, against payment of a compensation agreed by mutual consent of the parties, where appropriate, be made available to neighbouring establishments at their request. They may be open to the public.

(2) Where an operator refuses to allow another operator to use his communication routes or electric lines under the conditions provided for in Section 96(1) above, the aggrieved operator may refer the matter to the Minister in charge of mines or, where appropriate, to other relevant sector government services under terms laid down by regulation.

(3) The operator shall be responsible for the maintenance and upkeep of the facilities. Such facilities may, where necessary, be declared to be in the public interests in accordance with the laws and regulations in force.

SECTION 97: A buffer zone may be determined to prevent contact between works in a mine with those of other mines already established or to be established. The establishment of the buffer zone shall not entail any compensation on the part of the operator.

CHAPTER IV HEALTH, SAFETY AND HYGIENE

SECTION 98: (1) Any natural or legal person carrying out exploration and mining works pursuant to this law shall be bound to do so according to standard practice and in accordance with the laws and regulations in force, in such manner as to safeguard the health and safety of persons, mine workers and property.

(2) The health, safety and hygiene rules applicable to prospecting, exploration and mining as well as to transportation, storage and use of mineral or dangerous substances shall comply with the laws and regulations in force.

(3) With regard to health, hygiene and safety at work, the operator shall be bound to apply internationally accepted standards ensuring optimum hygiene, health and safety conditions for workers.

(4) Before undertaking exploration or mining activities, the holder of a mine or quarry title shall draw up rules relating to safety, health, hygiene and prevention of occupational hazards for the proposed works, which shall be submitted to the joint approval of the Ministers in charge of mines and labour. Once such approval is granted, the mining or quarry title holder shall comply therewith.

(5) In the event of impending danger or accident at a work site or a mine, the Minister in charge of mines, judicial police officers and other competent authorities shall take all necessary measures to end the danger and prevent its consequences. In the event of emergency or refusal of mining title holders to comply, these measures shall be enforced as of right at the expense of the parties concerned, as the case may be.

(6) In the event of an accident occurring at a mine or quarry or their outbuildings, or in the event of danger detected, the holder of the licence, mining or quarry title shall be bound to take all necessary measures to contain or prevent the disaster and/or request competent bodies to repair same in accordance with the regulations in force.

(7) Any accident occurring or any danger detected at a work site, mine, quarry or in their outbuildings must be reported to the Ministers in charge of mines, health and occupational safety within the time limit prescribed by the regulation in force.

(8) The relevant authorities referred to in Section 98(7) above shall jointly conduct an investigation to determine the causes of the accident and draft a report containing proposals to prevent the recurrence of further accidents.

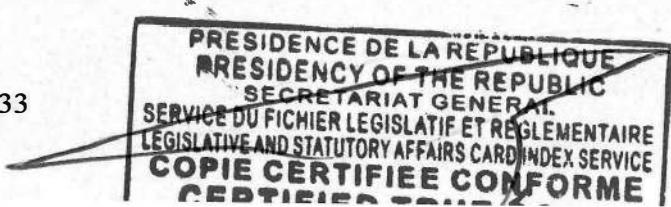
(9) In addition to the health, safety and hygiene rules provided for in the paragraphs and provisions above, all holders of mining titles, quarry mining licences and permits with the exception of artisanal mining operators and operators of artisanal quarries for domestic purposes shall be bound to take an insurance policy to cover any civil liability and any damage that may result from their activities, under terms and conditions laid down by regulation.

SECTION 99: Where the holder of the mining or quarry title or the beneficiary of a licence is unable to prevent or contain the disaster using his own means, the Minister in charge of mines, judicial police officers and other competent authorities shall, at the expense of the operators concerned, take all necessary measures to end the danger and prevent its recurrence.

CHAPTER V PROTECTION OF THE ENVIRONMENT

SECTION 100: (1) Further to the provisions of this law, any mining and quarry operation undertaken must comply with the laws and regulations in force relating to sustainable environmental protection and management.

(2) Apart from the artisanal mining licence, the exploration permit and the licence for artisanal quarry mining for domestic purposes, the granting of mining titles, quarry licences and permits shall be subject to the prior conduct of an environmental and social impact assessment, a hazard and risk assessment and provision of an environmental management plan as well as an emergency plan under the terms and conditions laid down by the regulation in force.



SECTION 101: (1) Each operator shall be responsible for the restoration, rehabilitation and closure of mining and quarry sites.

(2) Holders of mining titles, licences and permits shall be bound to progressively restore and rehabilitate the perimeter covered by their titles, as well as any site affected by their activities, works or installations.

(3) The operations referred to in Section 101(1) above shall include removal, by the operator, of all facilities, including any mining or quarry plant found on the land.

(4) The former mining and quarry sites must be restored to stable conditions of security, agro-sylvo-pastoral productivity and appearance close to their original state or conducive to any new and sustainable development deemed suitable and acceptable by the authorities in charge of mines, the environment and any other relevant authority.

(5) Without prejudice to the provisions of Sections 101(1), (2) and (3) above, the State or mining and quarry operators may use the old sites for various activities.

(6) The post-inspection establishment of the proper rehabilitation and restoration of the mining sites by the authorities in charge of mines and the environment or any other relevant authority shall result in the grant of a discharge which shall release the former operator of any obligation concerning his former mining title, his quarry licence or permit. However, the former operator shall remain responsible for any damage discovered subsequently in connection with his previous activities on the site.

(7) The terms and conditions for implementation of the provisions of Section 101(1) above shall be laid down by regulation.

SECTION 102: In order to ensure the rational use of mineral and quarry resources in line with environmental protection, holders of mining and quarry titles shall be responsible for:

- preventing geo-hazards and geo-disasters;
- preventing or minimizing the discharge of waste in the open;
- protecting fauna and flora;
- promoting or maintaining the general health of the population;
- reducing waste;
- disposing of non-recycled waste in such manner as to ensure safety of the environment, after informing and receiving the approval of the authorities in charge of mining and the environment;
- managing waste in accordance with laws and regulations in force.

SECTION 103: (1) Where a mining title, a quarry licence or quarry permit expires, is abandoned, withdrawn or renounced, the holder shall, within the period prescribed by

the Minister in charge of mines, dismantle, in accordance with standard rules, any mining plant found on the land covered by the title.

(2) Further, the holder of the mining title, a quarry licence or permit shall be liable to payment of the required duties and taxes and shall be bound to honour his obligations relating to the environment and the rehabilitation of mining sites, in accordance with the laws and regulations in force.

(3) Where the mining plant is not dismantled, the Minister in charge of mines may take measures for the mining plant to be sold by public auction or tender. The proceeds of such sale shall be paid into the Treasury.

(4) If upon the expiry of a mining or quarry title, the holder is unable, within the prescribed time limit to remove or complete the treatment of waste under the terms and conditions laid down by regulation, and after a formal notice remained unheeded, the holder shall be liable to the penalties provided for by the laws and regulations in force.

(5) If upon the expiry of a mining or quarry title, the holder is unable, within the prescribed period, to remove other minerals extracted, such minerals shall become State property.

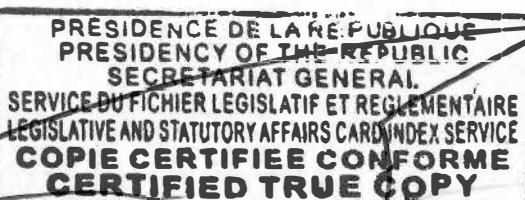
(6) The provisions of this Section shall not apply to agreements between the former holder of the mining or quarry title and the possible owner of the land covered by the mining or quarry title, as concerns the facilities abandoned on the land after the prescribed period.

SECTION 104: The provisions of Sections 43 and 64 of this law notwithstanding, no material used to construct or support any shaft, tree, gallery, terrace, dam or other extraction work shall be removed without the authorization of the authorities in charge of mines.

However, the mining agreement may include other provisions applicable to the holder at the expiry of a mining permit.

SECTION 105: Any mining survey, underground work or excavation, whatever its purpose, the depth of which exceeds 20 (twenty) metres must be subject to prior declaration to the Minister in charge of mines and to the duly authorized public body.

SECTION 106: At the end of mining or quarry activities, buildings, outbuildings, wells, galleries and all structures in general built and used for the mining or quarry activities shall be secured, in accordance with conditions set out in the Environmental and Social Management Plan and the mining sites rehabilitation programme.



CHAPTER VI GOVERNANCE AND TRANSPARENCY IN THE MINING SECTOR

SECTION 107: Holders of mining titles shall be required to comply with the principles of transparency by declaring all payments made to the State, in accordance with the laws and regulations in force.

SECTION 108: Holders of mining titles operating in Cameroon shall be obliged to comply with the international commitments made by the State and applicable to their activities, to improve governance in the mining sector, particularly those relating to the Kimberley Process (KP) for diamond mining and the Extractive Industries Transparency Initiative (EITI).

SECTION 109: Holders of diamond and gold exploration or mining permits and all players involved in the processing and marketing chain of these substances shall be subject to traceability requirements and to internationally recognized rules and principles.

SECTION 110: The instruments on the granting, extension, renewal, transfer, farm-out, withdrawal or waiver of a mining permit shall be published in the Official Gazette and in journals of legal notices.

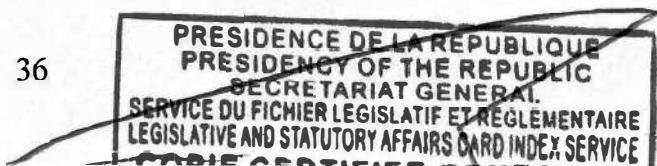
SECTION 111: (1) Every applicant or holder of a mining title, quarry licence or permit as well as their direct subcontractors shall be bound to provide to the State, the identity of all the parties having interests in the mining title, in particular:

- legally identified shareholders of each company holding at least 5% (five percent) of the share capital;
- subsidiaries of each company, their relationship with the company and the court having jurisdiction where they operate;
- the identity of the senior managers and executives of each company, the title holder or his subcontractor and anyone holding 5% (five percent) of the subcontractor's capital.
- the identity of any holder of voting rights giving entitlement to control of the company or rights benefitting the company and the chain through which such rights are exercised.

(2) Any subsidiary of the holder or applicant of a mining title, quarry licence or a shareholder thereof, shall make a prior declaration of identity stating the nature of relationship in all submission with economic and financial stakes for mining companies in Cameroon.

CHAPTER VII ACCESS TO GEOLOGICAL AND MINING INFORMATION

SECTION 112: (1) The geological and mining documentation consisting of any data relating to the national subsoil, its potential, its mineral resources as well as geo-hazards shall be kept in physical or digital form, in geo-referenced or non geo-referenced databases.



(2) The geological and mining documentation shall include especially:

- prospecting reports;
- reconnaissance reports;
- administrative supervision and technical control reports;
- exploration reports by holders of exploration permits;
- geological and mining surveys;
- findings of analyses of mineral substance samples;
- geological and mining maps;
- geo-scientific data.

(3) The terms and conditions for collecting, preserving and disseminating geological and mining documentation shall be laid down by regulation.

SECTION 113: (1) The following may access geological and mining documentation, upon payment of consulting fees:

- mining operators;
- researchers;
- any interested person.

(2) The amounts and conditions of payment and collection of the fees referred to in Section 113(1) above shall be determined by regulation.

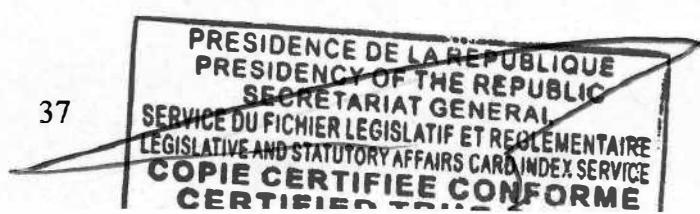
(3) Exploration reports by holders of valid exploration permits may not be conveyed to third parties.

(4) Subject to the provisions of Section 113(3) above, reports and information relating to improvement of the living conditions of local communities living around mining and quarry sites may be conveyed to institutions in charge of multilateral surveillance, in implementing the good governance mechanisms outlined in this law and under conditions laid down by regulation.

PART VI POSSESSION, TRANSPORTATION, PROCESSING AND MARKETING OF MINERAL SUBSTANCES

SECTION 114: (1) No one shall possess, transport or market mineral substances, unless he is holder of a valid individual artisanal mining operator's card, the individual collector's card, a mining title, permit or licence, an accreditation from a purchasing or marketing office under the conditions laid down by this law and its implementing instruments.

(2) The provisions of Section 114(1) above notwithstanding, natural persons may possess precious and semi-precious substances under the terms and conditions laid down by regulation.



SECTION 115: (1) Artisanal and semi-mechanized artisanal mining operators as well as collectors of precious and semi-precious substances may sell their mining products only to the single marketing office provided for this purpose, under conditions laid down by regulation.

(2) The duly authorized public body shall ensure that the domestic market is supplied with precious and semi-precious substances.

SECTION 116: The control and monitoring of the production, processing and marketing of mineral substances derived from artisanal and semi-mechanized artisanal mining shall be carried out by competent State bodies.

SECTION 117: (1) Any mineral substance extracted from Cameroon's subsoil and destined for export must undergo expert valuation by any approved laboratory under the conditions laid down by regulation.

(2) With the exception of precious and semi-precious substances, the export of mineral substances shall be subject to a compliance check and the issuance of a certificate of origin.

(3) Gold produced in Cameroon shall be exported in refined form and under the terms and conditions laid down by regulation. The said gold shall be stamped by a duly authorized public body.

SECTION 118: Subject to the laws and regulations governing industrial activities, any natural or legal person may be authorized to carry out alloying, refining and manufacturing operations involving precious and semi-precious substances, under the terms and conditions laid down by regulation.

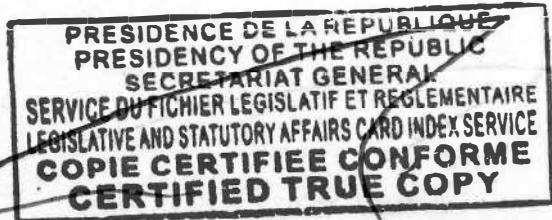
SECTION 119: (1) For the quantity of mineral substances destined for export and for processing by local industries, the compliance check shall be carried out by sampling, in accordance with the laws and regulations in force.

(2) A certificate of authenticity issued by the Minister in charge of mines, at the request of the duly authorized public body, shall be required for all precious stones or metals as well as semi-precious stones leaving the national territory.

(3) The terms and conditions for issuance of the certificate provided for in Section 119(2) above shall be laid down by regulation.

SECTION 120: (1) All jewels made from precious and semi-precious stones sold on the domestic market or exported must be stamped.

(2) The terms and conditions for the stamping referred to in Section 120(1) above shall be laid down by regulation.



PART VII LOCAL CONTENT

SECTION 121: The development of mining resources and industrial quarries includes a "Local Content" component which shall specify the spill-offs of the selected mining and quarry projects on Cameroon's economic, social, cultural, industrial and technological development.

SECTION 122: (1) The Local Content referred to in Section 121 above shall include a human resources development component and a domestic industries and business development component. Both components must be detailed out in the standard mining agreement or in the specifications document.

(2) The Local Content shall include, in particular:

- the types of jobs or trades required as part of the developed projects;
- the detailed mechanisms for transfer of technology and skills to nationals in order to increase their vocational skills in the required trades;
- a recruitment plan highlighting the proportions reserved for nationals by professional category;
- a technical and vocational training programme for Cameroon nationals in order to improve on their skills in the mining trade;
- the working conditions, the protection of workers and social security;
- the terms for subcontracting primarily to local small- and medium-sized enterprises (SMEs) having the requisite capacity to provide goods and services;
- the terms for social development of the neighbouring population and, where necessary, the indigenous populations in the vicinity of mining and quarry activities;
- conditions for a periodic assessment of the capacity of local enterprises likely to contribute to the construction, operation and maintenance of the facilities required for the earmarked mining activities and, where necessary, a development and upgrading plan for those in need thereof.

SECTION 123: The mining companies that had signed a mining agreement, or other specifications documents, shall be required to pay a contribution into a special local capacity building fund, with effect from a date and up to an amount fixed in the mining agreement or specifications document.

SECTION 124: (1) Mining companies shall give priority to the recruitment of Cameroonians, with the required skills, in all socio-professional categories and in all functions required in mining operations.

(2) 95% (ninety-five) percent of the positions that do not require special skills shall be reserved for Cameroonians.

SECTION 125: (1) Mining companies and their subcontractors shall be required to give preference to companies governed by Cameroonian law for construction contracts as

well as contracts to provide services, materials, equipment, and products relating to mining operations, in accordance with the laws and regulations in force.

(2) The Minister in charge of mines shall see to the monitoring and implementation of the provisions of Section 125(1) above, under the terms and conditions laid down by regulation.

SECTION 126: Mining companies shall be required to submit to the State and to carry out, depending on their priorities, technology and know-how transfer programmes relating to their activities, with a view to encouraging, facilitating and enabling the gradual replacement of the expatriate staff of the companies with local staff.

PART VIII
TAX, CUSTOMS AND ECONOMIC PROVISIONS

CHAPTER I
TAX PROVISIONS

I - SPECIAL TAXES

PARAGRAPH I
SURVEY AND EXPLORATION FEES, FIXED COSTS
AND AREA ROYALTY

SECTION 127: (1) Applications for granting and renewing mining titles and other licences and transactions shall be subject to payment of non-refundable survey and exploration fees.

(2) Applications for an exploration permit shall be subject to payment of fees for consultation and acquisition of geo-scientific data of the area covered by the application.

(3) The amounts of and conditions for the distribution of the survey and exploration fees referred to in Sections 127(1) and (2) above shall be laid down by regulation.

SECTION 128: (1) Mining titles and other licences and transactions shall be granted upon payment of fixed duties to the Treasury. The said fixed duties shall apply to the following deeds:

- reconnaissance permit, quarry substance mining licences and permits;
- artisanal and semi-mechanized artisanal mining licences, reconnaissance permit, exploration permits and small-scale and industrial mining permits;
- the mining operator or collector's card;
- licence for marketing, alloying and refining of mineral substances derived from artisanal mining, semi-mechanized artisanal mining, and industrial mining;

- licence to open workshops for the manufacturing of precious stone structures;
- certificates to export mineral substances derived from artisanal mining, semi-mechanized artisanal mining, and industrial mining;
- spring water, mineral and thermo-mineral water operating permits;
- licence for the packaging of spring water, mineral and thermo-mineral water;

(2) The amounts of the fixed duties referred to in Section 128(1) above shall be as follows:

(1) QUARRIES

(a) Artisanal quarry mining licence

- Grant: CFAF 50 000;
- Renewal: CFAF 100 000.

(b) Commercial quarry products marketing licence

- Grant: CFAF 200 000;
- Renewal: CFAF 350 000.

(c) Quarry permit

- Grant: CFAF 2 000 000;
- Renewal: CFAF 2 500 000;
- Transfer: CFAF 3 000 000.

(2) ARTISANAL MINING

(a) Artisanal mining operator's card

- Grant: CFAF 10 000;
- Renewal: CFAF 20 000.

(b) Individual precious and semi-precious mineral substance collector's card

- Grant: CFAF 25 000;
- Renewal: CFAF 50 000.

(c) Artisanal mining licence

- Grant: CFAF 30 000;
- Renewal: CFAF 50 000.



(d) Semi-mechanized artisanal mining licence

- Grant: CFAF 1 500 000;
- Renewal: CFAF 3 000 000.

(e) Licence to open a marketing office for mining substances derived from artisanal mining

- Grant: CFAF 750 000;
- Renewal: CFAF 1 500 000.

(f) Licence to open a manufacturing workshop for articles made from precious and semi-precious substances

- Grant: CFAF 300 000;
- Renewal: CFAF 600 000.

(g) Alloying plant licence

- Grant: CFAF 750 000;
- Renewal: CFAF 1 500 000.

(h) Refining plant licence

- Grant: CFAF 2 500 000;
- Renewal: CFAF 5 000 000.

(3) PERMITS

• Reconnaissance permit

- Grant: CFAF 1 000 000;
- Renewal: CFAF 2 000 000.

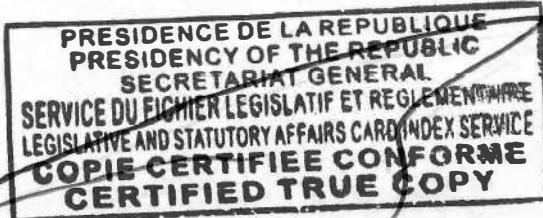
• Exploration permit

- Grant: CFAF 5 000/Km²;
- Renewal: CFAF 10 000/Km²;
- Transfer: CFAF 15 000 000.

• Small-scale mining permit

- Granting: CFAF 5 000 000;
- Renewal: CFAF 10 000 000;
- Transfer: CFAF 25 000 000.

• Industrial mining permit



- Grant: CFAF 10 000 000;
- Renewal: CFAF 30 000 000;
- Transfer: CFAF 50 000 000.

• Mineral waste mining licence

- Grant: CFAF 2 000 000;
- Renewal: CFAF 4 000 000;

(4) EXPORT LICENCE: CFAF 300 000

(5) TRANSIT LICENCE: CFAF 50 000

(6) GEOTHERMAL DEPOSITS, SPRING WATER, MINERAL AND THERMO-MINERAL WATER

(a) Reconnaissance

- Institution: CFAF 300 000;
- Renewal: CFAF 500 000.

(b) Exploration

- Institution: CFAF 1 000 000;
- Renewal: CFAF 1 500 000;
- Transfer: CFAF 2 000 000.

(c) Tapping

- Institution: CFAF 3 000 000;
- Renewal: CFAF 4 000 000;
- Transfer: CFAF 7 500 000.

(d) Packaging

- Institution: CFAF 1 000 000;
- Renewal: CFAF 1 500 000;
- Transfer: CFAF 3 000 000.

(3) Public interest quarries shall be exempt from payment of the aforementioned fixed duties.

SECTION 129: (1) Holders of exploration permits, mining permits or titles, artisanal commercial quarry licences and permits, semi-mechanized artisanal and industrial quarry licences and permits, licences for tapping spring water, mineral and thermo-mineral water and geothermal deposits shall be liable to payment, at the beginning of each financial year, as applicable, of an area royalty or State land concession rights.

(2) The area royalty or State land concession rights referred to in Section 129(1) above shall be assessed on the basis of the surface area covered by the mining or quarry title, the permit or licence on the date of payment.

SECTION 130: (1) The amounts of the area royalty referred to in Section 129 above shall be as follows:

- (a) Artisanal mining licence: CFAF 10 /m²/year
- (b) Semi-mechanized artisanal mining licence: CFAF 50 /m²/year
- (c) Exploration Permit:

- 1st year: CFAF 5 000 /km²/year;
- 2nd year: CFAF 6.000 /km²/year ;
- 3rd year: CFAF 7 000 /km²/year;
- 4th year: CFAF 14 000 /km²/year;
- 5th year: CFAF 15 000 /km²/year;
- 6th year: CFAF 30 000 /km²/year;
- 7th year: CFAF 31 000 /km²/year;
- 8th year: CFAF 62 000 /km²/year;
- 9th year: CFAF 63 000 /km²/year.
- above 9th year: CFAF 200 000 /km²/year.

(2) The amounts of the area royalty concerning geothermal deposits, spring waters, mineral and thermo-mineral waters shall be as follows:

- Mining title for geothermal deposits, spring water, mineral and thermo-mineral water: CFAF 50 /m²/year.

(3) The amounts of the State land concession rights referred to in Section 129 above shall be determined by basic cadastral units as follows:

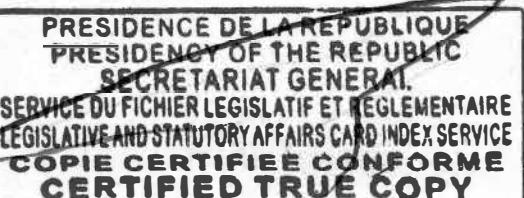
- Quarry mining licences and permits: CFAF 25 /m²/year;
- Small-scale mining permit: CFAF 75 000 /km²/year;
- Industrial mining permit: CFAF 100 000 /km²/year.

(4) The minimum charge for the annual mining concession permit shall be:

- CFAF 2 000 000 (two million) for small-scale mining;
- CFAF 4 000 000 (four million) for industrial mining.

PARAGRAPH II VALUE-BASED ROYALTY

SECTION 131: (1) Value-based royalty shall include the *ad valorem* tax on mining substances and the extraction tax on quarry materials.



(2) It shall be paid monthly by mining licence or permit holders or during the shipment of consignments by mining title holders upon filling out tax returns at the taxation authority. Such returns shall be compared with the royalty payment statements prepared by the Ministry in charge of mines.

(3) Substances subject to the *ad valorem* tax shall be extracted products at their merchantable state, which have been treated or not, entailing no considerable modification in their chemical composition.

(5) The *ad valorem* tax shall be calculated on the basis of the taxable value of ready-to-ship products extracted from the mine, using information, contracts and supporting documents that each royalty payer must submit to the competent authorities to enable them determine such tax.

(5) The base price of the taxable value of products extracted from the mine shall be based on the international market price of the substance.

SECTION 132: The amounts of the *ad valorem* tax on mining products and on spring water, mineral and thermo-mineral water as well as geothermal deposits, and of the extraction tax on commercial artisanal, semi-mechanized artisanal and industrial quarry substances, as well as the council tax, shall be as follows:

(a) For mining products :

- precious stones: (diamond, emerald, rubis, sapphire): 8%;
- dimension or ornamental stones: 2%
- precious metals: (gold, platinum, etc.): 5%
- base metals and other mineral substances: 3%;
- radioactive substances and their derivatives: 10%.

(b) For water

- geothermal deposits, spring water, mineral and thermo-mineral water: CCAF 800/m³

(c) For quarries

- unconsolidated materials (clay, stones, laterite, pozzolan, sand, etc.): CCAF 200/m³
- hard materials: stones: CCAF 200/t

SECTION 133: (1) The amounts, rates and tariffs of fixed duties, area-based royalties, the *ad valorem* tax and the extraction tax laid down in this Code shall be incorporated into the Finance Law and attached as annex to the General Tax Code as laid down in Sections 128, 129, 130, 131, and 132.

(2) The proceeds from area-based royalties and State land concession fees, the *ad valorem* tax and the extraction tax shall be shared between the Treasury, the authority in charge of mines, the duly authorized public body, councils, the authority in charge of State property, the taxation authority, the Funds provided for in this Code, and the neighbouring community, as the case may be.

(3) The conditions for such sharing shall be laid down by regulation.

SECTION 134: Without prejudice to the taxes, duties and fees defined in Sections 128, 129, 130, 131, and 132 above, the State and the duly authorized public body shall, on an annual basis, collect any income arising from the application of the provisions of Sections 47 and 48 of this law.

SECTION 135: (1) The population living around a small-scale or industrial mine shall be entitled to a compensation whose amount shall be deducted from the *ad valorem* tax.

(2) The population living around a semi-mechanized artisanal quarry or an industrial quarry shall be entitled to compensation on the quarry product extraction tax.

(3) The terms and conditions for payment of the compensation referred to in Section 135(1) and (2) above shall be laid down by regulation.

II - TAX AND CUSTOMS REGIME

SECTION 136: Subject to the implementation of the relevant provisions of ordinary law, tax and customs benefits shall be granted to any exploration or mining enterprise or company carrying out its operations in conformity with this law.

SECTION 137: (1) The tax and customs benefits shall be granted to mining title holders depending on the phases of the mining project.

(2) The phases referred to in Section 137(1) above shall concern:

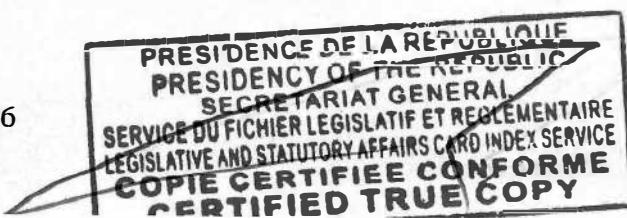
- the exploration phase which covers the research period ;
- the operation phase which covers the installation or construction period and the production period.

II (i) INCENTIVES DURING EXPLORATION PHASE

PARAGRAPH I TAX INCENTIVES

SECTION 138: (1) Exploration permit holders shall benefit from:

- business licensing tax exemption;
- free registration of incorporation, company duration extension or capital increase and unbuilt landed property ownership transfer deeds;
- exemption from VAT on local purchases and on importation of materials and equipment directly related to mining operations featuring on a list jointly established by the Minister in charge of mines and the Minister in charge of finance.



(2) Effective exemption from VAT shall be subject to the presentation of an exemption certificate issued by the taxation authority upon written request by the holder.

PARAGRAPH II
CUSTOMS INCENTIVES

SECTION 139: (1) Exploration permit holders shall be granted temporary entry status for their equipment used for exploration, as well as for professional equipment, machines, appliances, mining site vehicles and spare parts.

(2) Mining site vehicles shall include all types of vehicles with the exception of private vehicles.

However, on the proposal of the Minister in charge of mines, the customs authority shall assess the eligibility of mining company private vehicles for the system referred to in Section 139(1) above, under terms and conditions laid down by regulation.

(3) In the event of "as is" sale or transfer of such materials or equipment, customs duties and taxes shall be collected in accordance with the regulations in force.

(4) The materials and spare parts required for the operation of the plant and professional equipment shall be imported duty-free.

(5) Special lubricants required for the operation of exploration plant and equipment shall be imported duty-free.

II (ii) INCENTIVES DURING EXPLOITATION PHASE

PARAGRAPH I
TAX INCENTIVES

SECTION 140: (1) Subject to the special benefits granted by this law, ordinary law provisions shall be applicable to mining permit holders.

(2) Mining companies and enterprises holding mining permits shall be entitled to the following benefits:

(a) payment of registration fees on incorporation, company duration extension and capital increase deeds spread out over a period of 1 (one) year. Such fees may be split and paid as follows:

- the first third upon submission of the incorporation deed;
- the second third and final third semi-annually.

(b) application of an accelerated depreciation at the rate of 1.25% (one point two five percent) of the normal rate for specific fixed assets whose list shall be jointly

drawn up by the Minister in charge of mines and the Minister in charge of finance;

(c) extension of the loss carry forward period from 4 (four) to 5 (five) years.

(3) Products intended for export shall be liable to a zero VAT rate, where such products are liable to this tax. However, products meant for consumption on the domestic market shall be liable to duties and taxes levied on similar imported products.

(4) Mining company deeds shall be exempt from payment of registration fees and stamp duty up to the date of the first commercial production, with the exception of deeds on the leasing and renting of accommodation premises.

PARAGRAPH II
CUSTOMS INCENTIVES

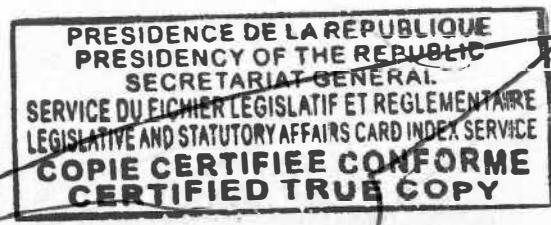
SECTION 141: (1) Holders of mining permits shall, during the mine installation or construction phase as specified in the mining agreement, be exempt from taxes and customs duties on equipment, inputs and capital goods needed for production, as well as on the first consignment of spare parts accompanying start-off equipment, with the exception of private vehicles, office supplies and equipment. They shall also benefit from:

- exemption from taxes and customs duties on replacement of equipment in the event of a technical incident on equipment to be used for expanding the mining operation;
- exemption from taxes and customs duties on imported inputs up to the date of the first commercial production established by a joint order of the Minister in charge of mines and the Minister in charge of finance;
- exemption from taxes and customs duties on the importation of materials and equipment needed for the construction of buildings, up to the date of the first commercial production established by a joint order of the Minister in charge of mines and the Minister in charge of finance;
- exemption from taxes and customs duties on special lubricants.

(2) However, up to the date of the first commercial product established by a joint order of the Minister in charge of mines and the Minister in charge of finance, the permit holder shall be exempt from VAT on imported materials and equipment under the conditions provided for in Section 141(1) above.

(3) All the customs exemptions provided for in this law shall not include taxes on services provided.

SECTION 142: (1) The benefits referred to above shall also be granted to the sub-contractors of exploration permit holders.



(2) Sub-contractors of exploration mining companies shall be approved by instrument of the Minister in charge of mines prior to commencement of their activities.

(3) Under the same quality, price, delivery deadline and payment conditions, holders of agreements attached to a mining title as well as enterprises working for them must give priority to Cameroonian enterprises, especially with respect to construction, supply or service provision contracts.

III - MINING LIST

SECTION 143: The tax and customs benefits provided for in this law shall apply to the following equipment, consumables and materials:

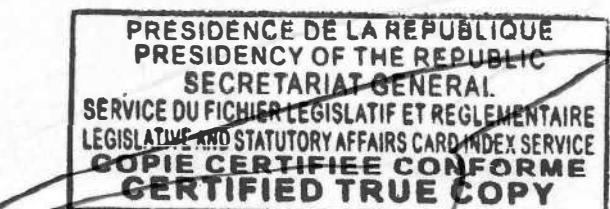
- **First category:** equipment, materials, heavy-duty tools, machines and site vehicles featuring on the fixed assets register of the company concerned;
- **Second category:** consumables intended for extraction and concentration of raw mining substances, including heavy fuels exclusive of ordinary fuels, common lubricants and other petroleum products ;
- **Third category:** consumables intended for on-the-spot processing of mining substances into semi-finished or finished products, including heavy fuels and special lubricants, except for ordinary fuels, common lubricants and other petroleum products.

SECTION 144: (1) Before starting their operations, holders of mining titles must establish a mining list for each of the activity phases specified in Section 145 below and have it approved by the Minister in charge of finance.

(2) The content of the mining list shall be strictly limited to the categories defined in Section 143 above. The list shall comprise all the equipment, materials, machines, raw materials and consumables for which the holder of the mining title is requesting exemption of levies and taxes on imports during the exploration and the construction phases, or requesting reduced customs duties rates during the operation phase.

SECTION 145: The content of the mining list shall be specific to each activity phase:

- the mining list for the exploration phase may only comprise equipment, materials, machines, raw materials and consumables required for the activities of this phase;
- the mining list for the installation or construction phase may comprise only equipment, materials and consumables required for the activities of this phase;
- the mining list for the operation phase may comprise only equipment, materials, machines, raw materials and consumables required for the activities of this phase.



SECTION 146: (1) The mining list may be revised periodically according to needs related to progress of the works in the phase concerned.

(2) Where the equipment, materials, machines, raw materials and consumables to be imported do not feature in the previously established and approved mining list a modification of the existing list shall be submitted to the Minister in charge of mines who, after endorsement, shall forward it to the Minister of finance for approval. The modification shall comply with the conditions for establishing mining lists, especially with respect to category and content.

(3) The sub-contractor's lists of equipment, consumables and materials shall be part and parcel of those of the mining title holding companies to which they are attached. They must appear under a special column established for each sub-contractor.

SECTION 147: A mining list may not comprise equipment, materials, machines, raw materials and consumables the equivalents of which can be manufactured and are available in Cameroon under commercial conditions that are at least equal to those of the goods to be imported.

IV - ACCOUNTING SYSTEM OF MINING COMPANIES

SECTION 148: (1) The accounting system of mining companies shall comply with the OHADA accounting system.

(2) For each calendar year, the companies referred to in Sections 138 and 140 of this law shall keep a separate account for mining operations to enable the establishment of an income statement and a balance sheet showing the results of these operations as well as the allocated or directly related assets and liabilities.

(3) The total amount invested in exploration by the company as at the day of its start of mining shall be equivalent to the overall cost recorded in the minutes of the commission set up under the mining exploration agreement. This amount shall be adopted on that date and stated in the mining agreement. It shall be tied up in a suspense account and amortized from the first profitable years under the conditions laid down in the mining agreement. The depreciation shall be deducted from taxable profit and the surplus carried forward from one financial year to another without time limitation.

(4) The list of fixed assets eligible for accelerated depreciation, together with the corresponding rates, shall be established by a joint order of the Minister in charge of mines and the Minister in charge of finance. The company's specific fixed assets eligible for this depreciation scheme shall be included in the mining agreement and its amendments.

(5) The income statement shall specifically present in its credit column the value of products sold. Such value shall be determined based on the prices obtained by the company, which must comply with current international market prices at the time they were established for the said products, and calculated in accordance with the mining agreement stipulations applicable to the company.

(6) Holders of an operation title may benefit from reimbursement of VAT on the items required for their activity under conditions laid down in the General Tax Code.

(7) Interests paid to partners for the amounts of money they provide to or place at the disposal of companies, in addition to their capital shares, irrespective of the form of the company, shall be equal to those of the Central Bank, plus 2 (two) percentage points.

However, this deduction may only be possible for partners who directly or indirectly own at least 25% (twenty-five percent) of the company's shares or voting rights where:

- the amounts of money provided by all the said partners do not exceed one-and-a-half times the amount of equity capital. Otherwise, interests on the surplus shall not be deductible.
- interests received by the said partners do not exceed 25% (twenty-five percent) of the results before company tax and before deduction of the said interests and depreciations taken into account in determining these results. Otherwise, interests on the surplus shall not be deductible.

V - STABILITY OF THE TAX AND CUSTOMS REGIME

SECTION 149: (1) The stability of the tax and customs regime shall be guaranteed for legal persons holding industrial mining and quarry operation licences and permits for a limited period stipulated in Section 149(3) below. Holders of exploration permits may be entitled to the same guarantee, on condition that they provide evidence of convincing findings during their work.

(2) During this period, the amounts, rates and base of taxation specific to the sector, especially fixed fees, State land concession fees or area-based royalty, *ad valorem* tax and the extraction tax, as well as tax and customs benefits on imports by mining companies shall remain as they were on the date the permit or licence was granted, and no new levy or tax whatsoever shall be applicable to the permit or licence holder or beneficiary during this period.

(3) The stability period, depending on the nature of the title, shall be determined as follows:

- exploration permit: for the duration of the permit, including renewal periods;
- quarry licence and permit: initial duration of the licence or permit;
- small-scale and industrial mining permits: mining period that enables the investor to reach a 15% (fifteen percent) internal rate of return, as indicated in the feasibility study and entered in the mining agreement. In any case, this period shall not exceed 15 (fifteen) years.

SECTION 150: Holders of mining titles shall not, at any given moment and for the same title, combine the tax benefits granted at the various activity phases.

CHAPTER II FOREIGN EXCHANGE REGULATIONS AND GENERAL GUARANTEES

I - FOREIGN EXCHANGE REGULATIONS

SECTION 151: (1) The freedom to transfer capital and income shall be guaranteed for foreign natural and legal persons involved in mining investments financed with hard currency.

(2) Foreign nationals who have carried out mining investments or are working in a Cameroonian mining company shall have the right, subject to foreign exchange regulations, to transfer in the currency assigned at the time the investment was carried out, dividends, all types of proceeds, invested capital, proceeds from the liquidation or realization of their assets, wages, as well as social security contributions and pension funds.

II - GENERAL GUARANTEES

SECTION 152: Natural or legal persons regularly established in Cameroon who are involved in or wish to carry out mining exploration and mining activities shall enjoy the general guarantees and benefits provided for by this law.

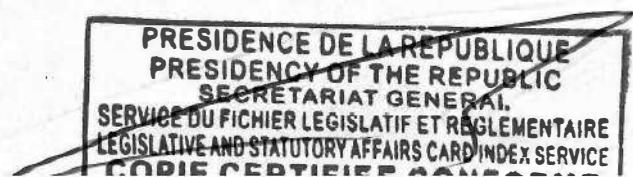
SECTION 153: As part of their professional activities, foreign employers and workers shall, without discrimination, be subject to the laws and regulations in force.

SECTION 154: Subject to the laws and regulations in force and international agreements, natural or legal persons duly established shall enjoy:

- the right to freely dispose of their property and to organize their company at their discretion;
- the freedom to recruit and dismiss workers;
- the freedom to choose suppliers and service providers;
- free access to raw material and inputs;
- free movement of their semi-finished and finished products within the national territory.

PART IX SUPERVISION, CONTROL AND INSPECTION OF MINING ACTIVITIES

SECTION 155: Authorized and/or sworn officials of the Ministry in charge of mines and other relevant ministries or from any duly authorized body shall supervise and control mining activities within the limit of their prerogatives as laid down by regulation.



SECTION 156: Conditions for authorizing and appointing officials and for the administrative supervision and control of mining, quarry and spring water, mineral and thermo-mineral tapping water activities, as well as the mining of geothermal deposits shall be laid down by regulation.

SECTION 157: (1) Before assuming office, the officials referred to in Section 155 above shall take the oath before the competent court of their first duty station.

(2) The wording of the oath referred to in Section 157(1) above shall be as follows: "*I (full name), swear to perform my duties as mining, quarrying and mining company supervision and control officer in accordance with the laws and regulations of the Republic of Cameroon, to maintain at all times the confidentiality of information to which i have become privy when or while exercising my duties.*"

(3) Oath-taking shall be followed by the making of a professional card containing information on the fulfilment of the oath-taking formality. The professional card must be presented to the alleged perpetrator of the violation or offence to be established.

SECTION 158: The confidentiality requirements provided for in Section 113 above shall not apply to public officials responsible for the supervision, control and inspection of mining activities. The officials shall be required to keep confidential any information, documents or data made available to them in the course of their work.

PART X VIOLATIONS, OFFENCES AND ADMINISTRATIVE PENALTIES

CHAPTER I ESTABLISHMENT OF VIOLATIONS AND OFFENCES

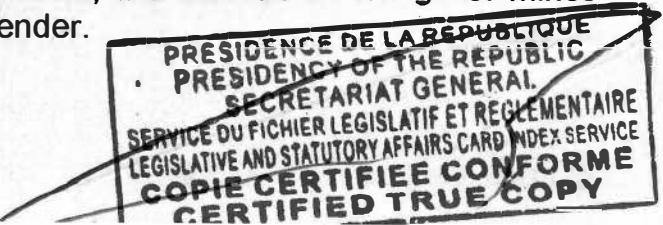
SECTION 159: (1) Violations of and offences against the provisions of this law and its implementing instruments shall be established by any authorized State official.

(2) Without prejudice to the prerogatives of general jurisdiction criminal investigation officers, authorized officials and special jurisdiction criminal investigation officers, as provided for by this law, shall establish violations and offences in the mining sector by means of records or reports.

(3) The records or reports referred to in Section 159(2) above shall be forwarded to the Minister in charge of mines within the 8 (eight) days following their establishment.

(4) Upon receipt of the said records or reports, the Minister in charge of mines shall impose the corresponding administrative penalty.

SECTION 160: (1) In the event of violation of an obligation provided for by this law, the mining title, licence or permit, or the specifications, the Minister in charge of mines shall inflict an administrative penalty on the offender.



(2) In the event of a criminal offence, the Minister in charge of mines shall immediately forward the report to the relevant State Counsel.

(3) In the event of a major or a minor offence, the Minister in charge of mines shall inform the offender of the corresponding fine.

SECTION 161: (1) The person who committed the alleged offence contained in the report may either pay the fine or request for settlement with the Minister in charge of mines.

(2) Where the Minister in charge of mines accepts a settlement proposal, the offender shall be notified within 15 (fifteen) days following the submission of the report by any means in writing.

(3) The settlement procedure shall be prior to any legal proceedings, under pain of nullity.

(4) The amount of the settlement may not be lower than the corresponding minimum criminal fine.

(5) Where the alleged offender does not admit the offence or where, at the expiry of the deadline, he does not pay the fine imposed, the file shall be forwarded to the competent State Counsel.

SECTION 162: (1) In the absence of settlement or in case of non-compliance with the settlement agreement, legal proceedings shall be initiated within seventy-two (72) hours, on the initiative of the authority in charge of mines which is party to the proceedings.

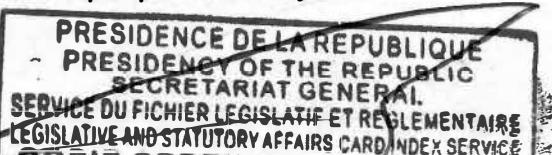
(2) Pursuant to the provisions of the Criminal Procedure Code, the Ministry in charge of mines may:

- summon the offender before the competent court;
- file submissions or pleas and make any oral observations it considers useful to safeguard its interests;
- use the available legal remedies.

SECTION 163: In case of commission of an offence, the civil liability of a mining title holder, or any representative appointed by the latter, shall be absolute and complete.

SECTION 164: (1) The authority in charge of mines shall be civilly liable for acts committed by its agents in the course of their duties. In this case, it may, as necessary, take recourse action against them.

(2) In the discharge of their duties, judicial police officers with special jurisdiction assigned by the authority in charge of mines may resort to security forces in case of *flagrante delicto* or assault perpetrated by the offenders.



(3) In the cases referred to in Section 164(2) above, the military and civilian authorities shall be bound to assist officials of the authority in charge of mines at first request.

(4) In all disputes relating to mining and quarrying operations, the reports and recommendations of the authority in charge of mines shall serve as experts' reports and the record of offences and products seized, save for precious and semi-precious substances, shall be forwarded to the State Counsel.

(5) Where the product seized is a precious or semi-precious substance, it shall be appraised by an expert, sealed and kept by the authorized public body. Failure by the presumed owner to provide proof of ownership, the authorized public body shall sell the product within 48 (forty-eight) hours of the date of the expert examination.

(6) Proceeds from the sale of the precious and semi-precious substances referred to in Section 164 (5) above shall be paid into the Treasury, less expert fees.

(7) The Minister in charge of mines shall distribute the proceeds to participants under the terms and conditions laid down by regulation.

(8) Where appropriate, the offenders shall be referred to the legal department.

CHAPTER II ADMINISTRATIVE PENALTIES

SECTION 165: Without prejudice to legal proceedings, any violations of the provisions of this law and its implementing instruments, or any breach of the obligations relating to mining operations or compliance with the clauses of the agreed specifications, shall, as appropriate, lead to:

- suspension of activities;
- withdrawal of the mining title;
- non-renewal of the mining title.

SECTION 166: (1) Mining titles, quarrying licences and permits, and the other licences governed by this law shall be null and void where:

- they are obtained through fraud or use of false statements;
- their activities do not fall in line with the type of mining title, licence or permit;
- they are fraudulently renewed, in particular without an environmental impact certificate or notice;
- they result from a compromise not approved by the Minister in charge of mines.



(2) The cases of nullity provided for under Section 166(1) above may be raised *ex officio* and, in any case, by the judge.

SECTION 167: Holders of a mining title or licence to carry out mining or quarrying operations shall be bound to comply with the provisions of their mining agreement, their specifications or the requirements of the titles or their licence, as well as the administrative requirements of this law.

SECTION 168: (1) Where the persons referred to in Section 167 above do not comply with the requirements and provisions of their mining agreement and their specifications, or with the requirements of titles or their licence, as well as the administrative requirements of this law relating to the conduct of activities, the Minister in charge of mines shall serve them with a formal notice reminding them of their obligations, and shall give them a deadline to comply with them.

(2) Where, at the end of the deadline, the formal notice is not heeded, the Minister in charge of mines shall establish the failure of the person concerned to comply with their obligations, and shall proceed to withdraw the title or licence. The document establishing the withdrawal shall render free the perimeter covered by the title, licence or permit.

(3) Where the obligation referred to in Section 168(1) above is pecuniary, the Minister in charge of mines shall impose on the owner of the right a penalty corresponding to at least 50% (fifty percent) of the amount of the unfulfilled obligation. The decision imposing the penalty shall be executed concurrently with the fulfilment of the said obligation within the deadline prescribed in the decision.

(4) Where, the owner of the right fails to pay the penalty within the period provided for in Section 168(3) above, the Minister in charge of mines shall establish the expiry of the title.

SECTION 169: (1) Where the obligation referred to in Section 168 above relates to the validity of the mining title or mining licence, the Minister in charge of mines may establish its expiry if the application for renewal of the permit or licence was not submitted within the prescribed deadline or where the requirements for obtaining or renewing it were not fulfilled.

(2) An application for renewal shall be inadmissible where it is submitted after the deadline.

SECTIONS 170: (1) Mining titles and mining licences and permits may be withdrawn in the following cases:

- non-payment of area-based tax;
- mining works carried out by the holder of an exploration permit;
- delay or suspension of exploration for a period exceeding one (1) year;
- delay or suspension of operations for a period exceeding three (3) years;
- violation of public health and safety at work regulations;

- failure to implement the programme of works;
- failure to transmit to the competent authority documents and information required by the regulations in force;
- failure to comply with the provisions of the agreement or the specifications;
- violation of the rules on public health, safety, hygiene and environmental protection;
- irregular keeping of documents required by this law.

(2) Apart from the cases of withdrawal referred to in Section 170(1) above, other violations of administrative obligations could result in suspension of the mining title and the mining licence for up to six (6) months.

(3) Where, at the end of the suspension period referred to in Section 170(2) above, the holder of a mining or quarrying title or a mining licence does not remedy the violations that caused the suspension, the Minister in charge of mines shall pronounce the withdrawal of the title or licence without prior formal notice.

(4) The decision to withdraw shall be notified by any means in writing to the title, licence or permit holder.

(5) Holders of withdrawn mining titles, licences or permits shall vacate the site covered by the mining title, licence or permit at own expense.

SECTION 171: Where, in the course of a dispute over the use of a title or mining licence or products obtained by use of the said title or licence, the court seized shall annul or establish the nullity, invalidity or expiry of such title or licence. Holders stripped of the title or licence shall be required to quit at own expense.

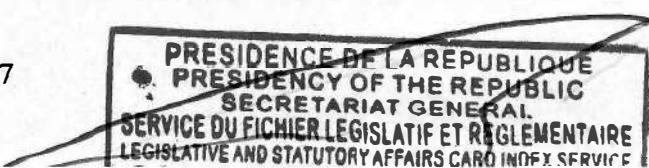
SECTION 172: (1) In the event of repeat of a violation during the period of validity of a mining title or mining licence, the Minister in charge of mines may withdraw the title or the licence or permit.

(2) The withdrawal referred to in Section 172(1) above shall be done after notification by any means in writing to the holder of the title or mining licence, without need for a formal notice, of the violation leading to repeated offence.

CHAPTER III PUNISHMENT OF MINING-RELATED OFFENCES

SECTION 173. (1) Notwithstanding the offences provided for by the Penal Code, any violation of the provisions of this law shall be considered an offence within the scope of mining activities.

(2) Repeated breaches of administrative obligations sanctioned by



the withdrawal of mining titles or licences or by invalidation of titles and licences shall be considered mining offences.

SECTION 174: (1) Legal persons shall be criminally liable for offences committed by their organs, their agents or their representatives.

(2) The provisions of Section 174(1) above shall not apply to the State and its attached services.

(3) The criminal liability of natural persons who commit an offence can be joined to that of legal persons.

SECTION 175: (1) Any holder of a mining title or licence who refuses Inspectors and Assistant Inspectors of the Ministry in charge of mines and other competent authorities entry to his site, shall be punished with imprisonment for from 30 (thirty) days to 6 (six) months or a fine of from CAF 100 000 (one hundred thousand) to 1000 000 (one million) or both such imprisonment and fine.

(2) The penalties provided for in Section 175(1) above shall be doubled where opposition is accompanied by assault or threats.

(3) The penalties provided for in Section 175(1) above shall be imposed on whoever fails to declare to the authority in charge of mines, at least 30 (thirty) days before the commencement of works, the realization of any drilling, underground structure or excavation work for whatever purpose, of a depth exceeding 20 (twenty) meters.

SECTION 176: (1) Whoever operates a mine or quarry without a title or mining licence shall be punished with imprisonment for from 2 (two) to 5 (five) years or a fine of from CAF 500 000 (five hundred thousand) to CAF 5 000 000 (five million), or both such imprisonment and fine.

(2) The penalties provided for in Section 176(1) above shall be doubled where the offender uses fraud or a mining title or licence obtained by fraudulent means or on the basis of false declarations.

(3) The penalties in Section 176(1) and (2) above shall apply to all acts of complicity that aided the commission of such offences.

SECTION 177: (1) Whoever sells, resells or transports products derived from a mine or quarry under Section 176 above shall be punished with imprisonment for from 2 (two) to 5 (five) years or a fine of from CAF 500 000 (five hundred thousand) to CAF 10 000 000 (ten million).

(2) The penalties provided for in Section 177(1) above shall be doubled for whoever is in possession of products derived from a mine or quarry without title, licence or permit.

SECTION 178: (1) Any holder of an exploration permit who possesses products extracted during exploration without declaring same to the authorities in charge of mines, shall be punished with imprisonment for from 5 (five) to 10 (ten) years or a fine of from CFAF 2 000 000 (two million) to CFAF 20 000 000 (twenty million).

(2) The penalties set out in Section 178(1) above shall be inflicted upon whoever refrains from bringing to the knowledge of the authority in charge of mines cases of accident occurring or hazard identified on a work site, a mining site or outbuildings.

(3) The penalties provided for in Section 178(1) above shall be inflicted upon whoever operates a mine or a quarry, or taps a spring, mineral and thermo-mineral water and mines geothermal deposits in a prohibited or protected area.

(4) The penalties provided for in Section 178(1) and (2) above shall be applicable to all acts of complicity that aided the commission of such offences.

SECTION 179: (1) Whoever taps spring water, mineral or thermo-mineral water without a licence or permit, even on his own land, on public State land, national land, private State property or on land owned by individuals shall be punished with imprisonment for from 6 (six) months to 2 (two) years or a fine of from CFAF 50 000 (fifty thousand) to CFAF 1 000 000 (one million), or both such imprisonment and fine.

(2) The penalties provided for in Section 179(1) above shall be applicable to whoever, in full knowledge of the origin of the water and knowing that it is neither spring, or mineral nor thermo-mineral water, markets it.

(3) The penalties provided for in Section 179(1) above shall be applicable to whoever packages, transports and markets spring water, mineral or thermo-mineral water from an unauthorized operating site.

SECTION 180: Whoever communicates false information or fake documents to the authority in charge of mines shall be punished with imprisonment for from 3 (three) months to 1 (one) year or a fine of from CFAF 500 000 (five hundred thousand) to CFAF 10 000 000 (ten million), or both such imprisonment and fine.

SECTION 181: Any holder of a mining title or licence who engages in activities governed by this law without complying with safety, hygiene and environmental protection rules shall be punished with imprisonment for from 6 (six) months to 3 (three) years or a fine of from CFAF 500 000 (five hundred thousand) to CFAF 10 000 000 (ten million), or both such imprisonment and fine.

SECTION 182: (1) Whoever reduces the taxable value of the extracted products shall be punished with imprisonment for from 3 (three) months to 1 (one) year or a

fine of from CFAF 500 000 (five hundred thousand) to CFAF10 000 000 (ten million), or both such imprisonment and fine.

(2) The penalties provided for in Section 182(1) above shall be applicable to whoever refuses to provide the person responsible for controlling the taxable value of extracted products with the documents required to perform his duty.

SECTION 183: (1) Anyone who, having full knowledge of a procedure to set up a public interest quarry, directly or indirectly gets the authorities, by any means whatsoever, to issue him a licence to mine the same quarry, shall be punished with imprisonment for from 10 (ten) to 20 (twenty) years or a fine of from CFAF 25 000 000 (twenty-five million) to CFAF100 000 000 (one hundred million).

(2) The penalties provided for in Section 183(1) above shall be doubled where the licence was obtained by fraudulent means or as a result of false declarations.

(3) The penalties provided for in Section 183(2) above shall be applicable to all acts of complicity that aided the commission of such offences.

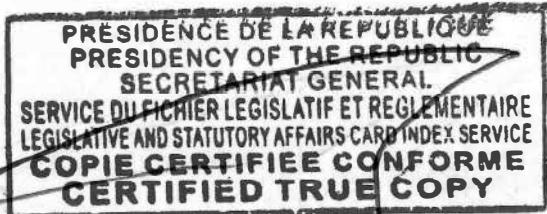
SECTION 184: (1) Whoever falsifies or alters a title, licence, certificate or an entry on the mining titles register, the mining registry and maps and documents issued by the authority in charge of mines shall be punished with imprisonment for from 5 (five) to 10 (ten) years or a fine of from CFAF 10 000 000 (ten million) to CFAF 50 000 000 (fifty million), or both such imprisonment and fine.

(2) The penalties provided for in Section 184(1) above shall be applicable to whoever alters a regularly assigned perimeter, destroys, moves or alters signs or boundary marks.

SECTION 185: Offences relating to land made available to holders of mining titles, permits or licences shall be punished in accordance with the law on land tenure and State property.

SECTION 186: Whoever discloses information and confidential documents submitted to the authority in charge of mines shall be punished with imprisonment for from 6 (six) months to 3 (three) years or a fine of from CFAF 100 000 (one hundred thousand) to CFAF1 000 000 (one million), or both such imprisonment and fine.

SECTION 187: (1) Any holder of a title, permit or licence who exports or causes the exportation of mineral substances without a licence or certificate shall be punished with imprisonment for from 2 (two) to 5 (five) years or a fine of from CFAF 1 000 000 (one million) to CFAF 2 000 000 (two million), or both such imprisonment and fine.



(2) The penalties provided for in Section 187(1) above shall be applicable to anyone who uses a fraudulent licence or certificate.

(3) The penalties provided for in Section 187(1) above shall be applicable to all acts of complicity that aided the commission of such offenses.

PART XI SETTLEMENT OF DISPUTES

SECTION 188: Without prejudice to the right of the parties to resort to arbitration, the law applicable in the relations between the State of Cameroon and mining operators or between mining operators in Cameroon shall be Cameroonian law.

SECTION 189: Disputes arising from the enforcement or interpretation of a mining agreement signed between a mining title holder and the State pursuant to the provisions of this Code, and which have not been settled out of court, may be submitted to conciliation, mediation or arbitration.

PART XII MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

CHAPTER I MISCELLANEOUS PROVISIONS

I - NATIONAL MINING POLICY IMPLEMENTATION FUND

SECTION 190: The following structures are hereby set up in a view of implementing the national mining policy:

- a Mining Sector Development Fund;
- a Mining Site and Quarry Restoration, Rehabilitation and Closure Fund;
- a Special Local Capacity Building Account.

SECTION 191: (1) The Mining Sector Development Fund shall be aimed at financing mining inventory activities in order to detect anomalies and traces of minerals as well as other geological and mining infrastructure development activities.

(2) The resources of the Fund referred to in Section 191(1) shall be derived from the annual contribution of holders of small-scale and industrial mining permits, holders of semi-mechanized artisanal mining licences and holders of industrial or semi-mechanized artisanal quarry substance mining licences, depending on the gross production of the permit or licence holder.

(3) The organization and functioning of the Fund referred to in Section 191(1) above shall be laid down by regulation.

SECTION 192: (1) The Mining Site and Quarry Restoration, Rehabilitation and Closure Fund shall be aimed at financing the implementation of the programme to conserve and rehabilitate the environment damaged by the execution of mining projects, in particular abandoned mining sites.

(2) The resources of the Fund referred to in Section 192(1) above shall be derived from the annual contribution of holders of small-scale and industrial mining permits, holders of semi-mechanized artisanal mining licences and holders of industrial or semi-mechanized artisanal quarry substance mining licences, depending on the estimated costs of implementing the environmental conservation and rehabilitation programme as established in the environmental and social impact assessment, the share of the State in the combined flat rate mining tax.

(3) The amounts transferred into the Mining Site and Quarry Restoration, Rehabilitation and Closure Fund shall be free of income taxes, subject to their effective use for the intended purpose.

(4) The Fund referred to in Section 192(1) above shall be held in an escrow account in the Central Bank.

(5) The organization and functioning of the Fund referred to in Section 192(1) above shall be laid down by regulation.

SECTION 193: (1) The Special Local Capacity Building Account shall be aimed at financing Cameroon's economic, social, cultural, industrial and technological development through the development of human resources and the development of local enterprises and industries.

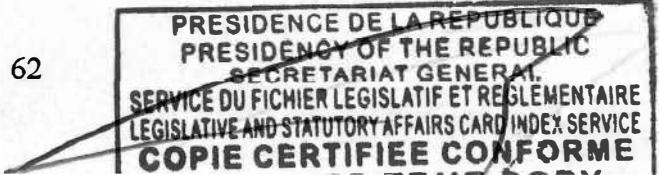
(2) The amount of the contributions referred to in Section 193(1) above shall be between 0.5% (zero point five percent) and 1% (one) percent of the total turnover of the mining company, exclusive of tax. The agreed rate shall be fixed during negotiations for the mining agreement or the specifications, as the case may be, between the parties.

(2) The conditions for collecting and managing these contributions shall be laid down by mutual agreement between the State, anybody duly authorized for this purpose, representatives of the population and the contributing mining companies.

II - CONFLICT OF INTERESTS

SECTION 194: The conduct of mining activities shall be incompatible with the status of civil servant in the public administration and staff of State-owned bodies attached to or under the supervisory authority of the Ministry in charge of mines.

SECTION 195: (1) The persons referred to in Section 194 above may not have any direct or indirect financial interests in mining companies and their direct or indirect subcontractors.



(2) In addition, under pain of penalty, they shall be required to state their interests and/or recuse themselves from participating in making any decision that may have a direct or indirect impact on their interests.

(3) The provisions of Section 195(1) and (2) shall not apply to employees of public bodies incorporated as mutual societies.

SECTION 196: Under pain of penalties, the executives and staff of mining companies may not have any direct or indirect financial interests in companies with direct or indirect subcontracting agreements and/or other companies with any financial interest in the companies in which they work as employee.

CHAPTER II TRANSITIONAL AND FINAL PROVISIONS

SECTION 197: Any mining title, permit or licence granted prior to the entry into force of this law shall remain valid until expiry of the validity period.

SECTION 198.- (1) Upon expiry of the validity period referred to in Section 197 above, holders of mining titles, permits and licences granted before the entry into force of the this law shall be required to comply therewith.

(2) Mining companies benefiting from exemptions granted in accordance with the provisions of previous instruments may also benefit from the more favourable provisions under this law if they so request, and provided they comply with other laws and regulations in force.

SECTION 199.- Companies engaged in semi-mechanized artisanal mining of precious and semi-precious substances shall have no more than 3 (three) months from the date of enactment of this law to comply therewith.

SECTION 200: This law, which repeals all previous provisions repugnant hereto, in particular Law No. 2016/17 of 14 December 2016 shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French./-

