

Law No. 145 of 2019

On Amending Some Provisions of the Mineral Resources Law,

Promulgated by Law No. 198 of 2014

In the Name of the People

The President of the Republic

The House of Representatives passed the following Law and it is hereby promulgated:

Article 1

Articles 2 and 3/ Third Clause of Law No. 198 of 2014, promulgating the Mineral Resources Law shall be repealed by the following provisions:

Article 2: The provisions of the attached Law shall apply to the mineral exploration licenses and exploitation agreements issued by means of a law, regardless of the validity date thereof, where these provisions do not contradict the texts of such agreements.

Article 3/ Third Clause: The Egyptian Mineral Resources Authority (EMRA) and the competent body, as the case may be, may call the licensees to negotiate and agree on the application of the rental amount, the royalty and the fees charged for the exploration and exploitation licenses as set forth in the attached law on the licenses issued therefor.

Article 2

Articles (1, 3/ second clause, 4, 6, 7, 8, 9, 10, 11, 15, 16, 18, 21/ third clause, 24/ first clause, 25, 26, 27, 28/ first clause, 29, 30, 31, 34, 35, 36, 37, 39, 40, 42 and 43) of the Mineral Resources Law promulgated by Law No. 198 of the year 2014 shall be substituted by the following texts:

Article (1):

In application of the provisions of this Law, the following words and expressions shall have the meanings set forth next to each of them:

Competent Minister: The minister concerned with the mineral resources affairs.

EMRA: The Egyptian Mineral Resources Authority.

The Competent Body: The administrative entity concerned with the operation and management of quarries and salt pans under EMRA 'stechnical supervision. It shall be the governorate where the quarries and salt pans are located within its jurisdiction, and the New Urban Communities Authority with regard to the quarries and salt pans that are located within the jurisdiction of the new urban communities.

The Competent Authority: The minister concerned with the issuance of licenses of the exploration and exploitation of the mines ores, and the governor or head of the New Urban Communities Authority, as the case may be, concerned with issuing the licenses of the quarries and salt pans.

The Exclusive Economic Zone: It is the marine area where the Egyptian State exercises special rights related to the use and exploitation, in accordance with the international agreements and the bilateral treaties in force.

Mines Ores: Minerals and ores thereof, precious stones and the like, rocks and mineral and chemical layers and sediments, mineral water coming out of the ground if the exploitation thereof is for extracting mineral substances therefrom, and the evaporative salts, whenever any of them exists on the surface of the earth or in the subsoil or in the territorial waters or in the waters of the Exclusive Economic Zone and the other ores specified by a decree of the Competent Minister.

Each homogenous solid substance, formed as a result of inorganic natural factors, and having a specific chemical structure and a distinctive crystalline system.

Quarry Ores: Construction sand, pebbles, dolomite, basalt, clay, limestone, granite and marble of different kinds.

Precious Metals: Chemical mineral elements with economic value, which are naturally formed such as gold, silver, platinum and others.

Precious Stones: Minerals and natural substances used in ornamental purposes and jewellery industry.

Mines: Sites of extracting the Mines Ores from the subsoil or the surface of the ground.

Quarries: Sites of extracting the Quarry ores.

Quarries and Mines: The quarry or mine whose total surface area does not exceed sixteen square kilometres.

Salt Pans: The natural or artificial sites from which salts are extracted. **Exploration:** The process of examining the surface of the ground or the subsoil to assess its suitability for economic exploitation.

Exploitation: The process of extracting the mineral ores whether from the surface of the ground or the subsoil or solutions thereof.

Mining: Extracting and processing the mineral ores to be fit for use.

Article (3/ Second Clause):

EMRA, in coordination with the Competent Body, shall assume the same competencies with regard to the materials of the quarries and salt pans located within its jurisdiction in accordance with the controls and conditions set forth in the Executive Regulations of this Law.

Article (4):

EMRA or the Competent Body, as the case may be, shall adopt the procedures of issuing the licenses related to the ores of mines, quarries and salt pans and to the operations of the exploration and exploitation thereof, provided that the license shall be approved by the Competent Authority after fulfilling the technical terms and conditions set forth by EMRA in accordance with the controls and conditions set forth in the Executive Regulations of this Law.

The Competent Body shall specify the areas of the quarries and salt pans located within its jurisdiction and which shall be exploited thereby after getting the approval of the Cabinet of Ministers in accordance with the controls set forth in the Executive Regulations of this Law.

EMRA may reserve the areas in which it shall carry out the operations of the exploration and exploitation of the mining ores by itself. Such reservation and duration thereof shall take place by virtue of a decree of the Competent Minister. The Executive Regulations of this Law shall specify the conditions of reserving and making use of the areas after the end of the exploration period.

Article (6):

Certain areas may be put up for mineral exploration and exploitation based upon a resolution to be issued by EMRA's board of directors after obtaining the approval of the Competent Authority.

Putting up these areas for exploration or exploitation shall take place in accordance with a special regulation, which includes the organization of the contracting, putting up and awarding methods and procedures in the different cases with regard to the Mining and Quarry Ores and Materials as well as the controls of comparing among the applicants, without being restricted to the provisions of the Law on the Organization of the Contracts concluded by the public bodies promulgated by Law No. 182 of the year 2018. The view of Ministry of Defence shall be sought with regard to the conditions, rules and requirements of the state defense affairs decided thereby.

The competent bodies at the Ministry of Defence shall carry out the operations of the exploration and exploitation of the ores and materials subject to this Law in the land located within the Ministry's jurisdiction.

Article (7):

The Competent Authority may be authorized, by means of a law, to assign the exploration of minerals and the exploitation of mines, quarries and salt pans to a company or institution, according to special conditions without being restricted to the provisions of this Law. The law issuing the authorization shall set forth such conditions.

The provisions of this Article shall apply to the fuel ores stipulated in Law No. 66 of the year 1953 concerning mines and quarries, and regulating the exploration and exploitation of the fuel ores.

Article (8):

Without prejudice to the provision of Article 7 of this Law, the licenses of the exploration and exploitation of mining ores shall be issued by a decree of the Competent Minister after getting the approval of EMRA's board of directors .

The exploration and exploitation licenses for the mines that the area of which does not exceed one square kilometre shall be issued by a resolution of EMRA's board of directors at a maximum of one mine per licensee from the persons of the private law.

Article (9):

The license for the exploitation of small mines, quarries and the salt pans, whose area does not exceed sixteen square kilometres shall be granted by a decision of the Competent Body for a period not exceeding fifteen years.

The exploitation license for the areas exceeding the area stipulated in the previous clause, or for the precious metals or precious stones mines may only be granted by means of a law.

Article (10):

In return for the area subject of the license, the mining ore exploitation licensee shall pay a rental value and a royalty, on an annual basis to EMRA, the proceeds of which shall devolve to the State treasury.

The Executive Regulations of this law shall specify the due rental value that the licensee pays in return for each license for the Mining Ores. It shall be paid annually and in advance.

Every three years, EMRA's board of directors may suggest an amendment to the rental value of the mining areas; a decree of the Prime Minister -based on the proposition of the Competent Minister- shall be issued to determine that amendment.

The value of the royalty may not be less than (5%) and not more than (20%) of the value of the annual production of the ore exploited by the licensee, and as stipulated by the Executive Regulations of this Law, with regard to each ore. (1%) of this value shall be allocated for the contribution to the community development in the Governorate where the exploitation area is located, all in accordance with the controls set forth in the Executive Regulations of this Law.

Article (11):

The Competent Body may carry out the operations of the exploitation of the materials of the quarries and salt pans within its jurisdiction, whether by itself or in participation with others, after obtaining the approval of the Cabinet of Ministers and fulfilling the technical terms and conditions set forth by EMRA and under the technical supervision thereof.

In return for the area subject of the license, the licensee shall pay a rental amount and royalty annually to the Competent Body and the proceeds thereof shall devolve to the State treasury.

The Executive Regulations of this Law shall specify the due rental amount that the licensee pays in return for each license for the materials of the quarries and salt pans. It shall be paid annually and in advance.

The Competent Body, may, every three years, suggest an amendment to the rental value of the quarries and salt pans areas that shall be issued by means of a decree of the Prime Minister, based on a proposition of the Competent Minister.

The value of the royalty shall not be less than (5%) and not more than (20%) of the annual production value of the ore exploited by the licensee, in accordance with the stipulations of the Executive Regulations of this Law with regard to each ore. (6%) of this value shall be allocated to the contribution to the community development of the Competent Body where the exploitation area is located, in accordance with the controls set forth in the Executive Regulations of this Law.

Article (15):

The exploration and exploitation licenses, issued in accordance with the provisions of this Law may not be assigned to a third party unless it meets the conditions stipulated in this Law and its Executive Regulations and the assignor pays the double annual rental value to EMRA or to the Competent Body, as the case may be, in return for the assignment. Such assignment shall not be valid unless it is approved by the Competent Authority.

Article (16):

The areas in which operations are carried out leading to an increase in the value thereof, as well as the areas that the licenses issued therefor have expire, shall be recorded in a special register at EMRA or the Competent Body, as the case maybe. They shall be advertised as distinctive empty zones for exploitation and shall be put up in a public bid as stated in the regulations referred to in Article (6) of this Law.

Article (18):

The exploration license for the mines shall be issued by a decree of the Competent Minister after getting the approval of EMRA's board of directors for two years and it may be renewed for two terms. It may also be renewed for a third term by technical justifications that EMRA accepts.

The Executive Regulations of this Law shall regulate the financial requirements of the exploration terms.

Article (21/ Third Clause):

In case of the existence of the ore in economic quantities and the exploration licensee refuses to exploit it, EMRA may exploit it by itself or by one of its companies or offer it for investment. The Executive Regulations of this Law shall regulate the procedures required for this.

Article (24/ First Clause):

The licenses of the exploitation of the Quarry ores shall be issued by the Competent Body after fulfilling the technical terms and conditions set forth by EMRA and subject to EMRA's technical supervision on the ore extraction operations, in accordance with the conditions, rules and procedures set forth in the Executive Regulations of this Law.

Article (25):

The licensee who is licensed to exploit the Mining Ores may extract the construction materials required for the mining works only which exist in the area subject of the license without paying royalty therefor.

In case of moving them outside the license area, he shall pay the prescribed royalty.

Article (26):

The Competent Body shall replace the quarry, subject of the license with another one having the same area and in the nearest region for the remaining period of the license in any of the following cases:

1. If the State needs the quarry land or part thereof for a public benefit purpose or for military purposes or after it is established that there are monuments in such land.

2. If it is established that there are technical obstacles preventing the continuation of work in the quarry for reasons the licensee is not responsible for. If the quarry cannot be replaced, the licensee shall be refunded the rental value for the remainder of the license period.

3. If there are Mining Ores mixed with, or accompanying, the quarry ores.

Article (27):

It shall be prohibited to issue a license for quarry exploitation in the agricultural and reclaimed land without obtaining the approval of Ministry of Agriculture.

Article (28/ First Clause):

The licenses of the exploitation of the natural or artificial salt pans shall be issued by the Competent Body, after obtaining EMRA's approval and under the technical supervision of EMRA on the ore extraction operation in accordance with the conditions and controls set forth in the Executive regulations of this Law.

Article (29):

Based on a resolution of EMRA's board of directors, the Competent Authority may temporarily suspend the validity of the exploration or exploitation license if the exploration or exploitation constitutes a serious risk to the safety and security of the work and workers or third parties or the licensed area, or if the EMRA submits two technical reports establishing the presence of technical

violations committed by the licensee. The Executive Regulations of this Law shall set forth the conditions, rules and procedures of the license suspension and the re-entry thereof into force.

Article (30):

The licensee may request the suspension of the exploitation license temporarily for technical reasons to be accepted by EMRA or the Competent Body, as the case may be. A substantiated decision shall be issued by the Competent Authority for the suspension, the duration and consequences thereof .

Article (31):

The Competent Authority, after obtaining the approval of EMRA's board of directors of the Authority with regard to mines, may issue a decree to cancel the license of the exploration or exploitation in the mines, quarries or salt pans, as the case may be, in any of the following cases:

1. Failure to pay the rental value or the royalty within sixty days from its due date.
2. Violation of any of the provisions of this Law or its Executive Regulations.
3. Violation of any of the license terms or conditions.
4. The issuance of an enforceable judgement declaring the licensee bankrupt.
5. Liquidation, dissolution or expiry of the duration of the licensee's company.
6. Non-commencement of the works subject of the license for a period not exceeding one month from the date of taking hold of the area for causes attributable to the licensee, or the stoppage of work without a written permission from EMRA or the Competent Body, as the case may be, for six consecutive months.
7. Waiver of the license to third parties or subletting the licensed area without a written approval from EMRA or the Competent Body, as the case maybe.
8. If the licensee stores the extracts in a land outside the borders of the licensed area without concluding a lease contract therefor.
9. If it is established that the licensee extracts ores from an area outside the licensed one.
10. If the licensee dies and the license is valid but none of his heirs requests to replace him within a period not exceeding ninety days from the date of decease or requests the replacement thereof but does not meet the efficiency required for the implementation of the license.
11. If the licensee violates the operation conditions and does not remove the violation within sixty days from the date of warning him by EMRA or the Competent Body, as the case may be.

12. If it is established that the licensed area is polluted due to a cause attributable to the licensee and the licensee does not remedy it, in spite of warning him by EMRA or the Competent Body, as the case may be.

13. If the licensee submits false data or documents established to be falsified to EMRA or the Competent Body, as the case may be.

EMRA shall be notified in case of cancelling the exploration or exploitation license with regard to quarries and salt pans.

Article (34):

The license applicant shall pay to EMRA or the Competent Body, as the case may be, in advance a security deposit equivalent to the annual rental amount to ensure the implementation of the license conditions in the case of exploitation.

The Executive Regulations of this Law shall regulate the conditions and controls of the deposit payment and refund cases.

Article (35):

The licensee shall submit to EMRA or the Competent Body, as the case may be, quarterly reports including the data related to the employees thereof, the extracted ore, the analysis thereof, the transported, stored and sold portions thereof, the average sale prices, the explosives used and the quantities and remainder thereof, and the other data set forth in the Executive Regulations of this Law to ensure the seriousness of works.

Such data shall be confidential and shall not be disclosed to any entity except in the cases regulated by the Law.

Article (36):

All the maps and data related to the license shall devolve to EMRA or the Competent Body, as the case may be, in the cases of cancellation, assignment or expiry of the duration thereof, with the exception of the maps and data related to the licenses issued to the Armed Forces.

Article (37):

The license, issued to the licensee, shall include a provision dictating his abidance by the provisions of the Environment Law, its Executive Regulations, Natural Reserves Law and the decrees issued in implementation of the provisions thereof.

The license shall also provide that in case the licensee finds antiquities, fossils or rare geological phenomena, he shall stop the works and notify EMRA or the Competent Body, as the case may be, forthwith to take the necessary action. The executive regulations of this Law shall organize the procedures to be followed in these cases and the consequences thereof.

Article (39):

The inspectors of the competent department at EMRA or the Competent Body, as the case may be, who are determined by a decree of the Minister of Justice in agreement with the Competent Minister, shall have the capacity of the judicial officers in detecting the crimes and breaches committed in violation of the provisions of this Law and its Executive Regulations.

Article (40):

The licensee shall move the stored quantities from the licensed area, as well as its equipment and machinery, within a period not exceeding three months from the date of the expiry of the license. The licensee shall pay a compensation equivalent to the double of the rental value for that period. In case the licensee does not move them during the period referred to, EMRA or the Competent Body, as the case may be, may move the equipment and machinery outside the licensed area at the expense of the licensee. It may also sell the stored quantities of the ore or material fearing of damage or theft or depreciation or if they hinder the use of the land area.

If no royalty is paid for the stored quantities, the royalty due thereon shall be taken from the sale value. The Executive Regulations of this Law shall organize the procedures necessary in this regard.

The competent court may decide the devolution of the ownership of the remaining stored quantities or the equipment or machinery, located in the licensed area, to the State.

In all cases, if no royalty has been paid for the stored quantities in the case set forth in this Article, it shall be observed that the due royalty shall be taken upon the transport thereof.

Article (42):

Without prejudice to any severer penalty stipulated by another law, whoever extracts any ores or materials of the mines or quarries, associated minerals or salts without license shall be liable to imprisonment for a period not less than one year and a fine not less than fifty thousand pounds and not exceeding five million pounds or either penalty.

The penalty shall be imprisonment for a period not less than two years and a fine not less than two hundred and fifty thousand pounds and not more than five million pounds or either penalty in case the crime is repeated.

If the licensee extracts the ore or material from outside the licensed area, the penalty shall be a fine not less than one hundred thousand pounds and not exceeding five million pounds. The minimum fine shall be doubled if the crime is repeated.

The driver of the vehicle carrying quarry ores from unlicensed quarries shall be liable to imprisonment for a period not less than three months and not more than six months and a fine equivalent to the double of the quarry ore value or either penalty.

In all cases, the seized ore or material together with the tools and machinery used in the crime shall be confiscated and double of the value of the extracted ores or materials shall be paid.

Article (43):

Whoever issues or participates in the issuance of a license for the establishment or exploitation of a quarry on an agricultural or reclaimed land without obtaining the approval of the Ministry of Agriculture shall be liable to imprisonment for a period not less than one year and a fine not less than two hundred thousand pounds and not exceeding one million pounds. Without prejudice to any severer penalty set forth in another law, whoever obtains the license and establishes, uses or operates the quarry, in spite of its knowledge of such violation, shall be liable to the penalty stipulated in the previous clause.

The court shall order the removal of the violating works as well as the confiscation of the equipment and tools used in committing the crime.

Article 3

A new Article No. (5-bis) shall be added to Law No. 198 of the year 2014 promulgating the Mineral Resources Law as follows:

Article (5-Bis):

The activities subject to the provisions of the attached Law may be exercised under the investment zone system, stipulated in the Investment Law promulgated by Law No. 72 of 2017. The projects operating in these activities shall enjoy the incentives stipulated in Articles (10, 11, 12 and 13) of the Investment Law, promulgated by Law No. 72 of 2017 without contradicting the provisions of the attached Law.

Article 4

A new Article No. (43-bis) shall be added to Mineral Resources Law promulgated by Law No. 198 of 2014 as follows:

Article (43 bis):

The vehicle driver who leaves the mine, quarry or salt pans with a load exceeding the load, prescribed in the driving license, shall be liable to a fine not less than two thousand pounds and not more than five thousand pounds.

The vehicle driver who leaves the mine, quarry or salt pans without a thick cover that covers the vehicle and prevents the falling of the ore while the vehicle is moving shall be liable to the same penalty stipulated in the previous clause.

Article 5

Prime Minister shall issue a decree amending the provisions of the executive regulations of the Mineral Resources Law promulgated by Law No. 198 of the year 2014 in implementation of the provisions of this Law & within a period not exceeding three months from the date of its enforcement.

Article 6

This Law shall be published in the Official Journal and shall come into force as of the day following the date of its publication. This Law shall be stamped with the seal of the State and shall be enforced as one of its Laws.

Issued at the Presidency of the Republic on 6 Dhul Hijjah, 1440 (Islamic Calendar), corresponding to August 7, 2019 (Gregorian Calendar).

Abdel Fattah el-Sisi