

**Presidential Decree-law No. 198 of 2014**

Promulgating Mineral Resources Law

**The President**

**Having perused:-**

- The Constitution;
- The Penal Code;
- Law No. 129 of 1947, on Public Utilities Concession;
- The Civil Code;
- Law No. 66 of 1953, on Mines and Quarries;
- Law No. 388 of 1953, on Commercial Ledgers;
- Law No. 86 of 1956, on Mines and Quarries;
- Law No. 151 of 1956, on Imposing Production fees on Evaporative Salts and the Organization of the Exploitation thereof;
- Law No. 61 of 1958, on Granting Concessions related to investing Natural Resources and Public Utilities, and amending Concession conditions;
- Law No. 58 of 1962, on cancelling Production Fees on Evaporative Salts;
- Public Authorities Law No.61 of 1963;
- Local Administration System Law No. 43 of 1979;
- Law No. 59 of 1979, on Establishing the New Urban Communities;
- Stamp Duty Law No. 111 of 1980;
- Law on the Employment of Workers in Mines and Quarries No. 27 of 1981;
- Law No. 143 of 1981, on Desert Land;
- Law No. 159 of 1981, on Joint Stock Companies, Companies Limited by Shares,

and Limited Liability Companies;

- Antiquities Protection Law No. 117 of 1983;
- Expropriation of Real Estate Property for Public Benefit Law No. 10 of year 1990;
- Law No. 7 of 1991, on some Provisions related to Private State Property;
- Environment Law No. 4 of 1994;
- Investment Guarantees and Incentives Law No. 8 of 1997;
- Law No. 114 of 2008, on the General Budget of the State and the Amendment of the Provisions of Some Laws;
- Law on Regulating Nuclear and Radiological Activities No. 7 of 2010.

And after approval of the Cabinet of Ministers,

Based on the proposition of the State Council; Has decreed,

#### **Article 1**

The provisions of the attached Law shall be enforced with regard to the mineral resources and the ores and materials of the mines, quarries and salt pans.

Nuclear substances and radioactive isotopes shall exclusively be subject to the legislations organizing the use thereof.

#### **Article 2**

The provisions of the attached Law shall apply to the agreements on the exploration and exploitation of minerals 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**

The licenses of mines, quarries, and salt pans, issued prior to the enforcement of the attached law shall remain valid and the provisions set forth therein shall remain in force.

The provisions related to the annual rental amount, the royalty and the fees charged for the exploration and exploitation licenses as set forth in the attached law shall apply to such licenses upon the renewal of the term thereof.

The Egyptian Mineral Resources Authority (EMRA) and concerned governorates, 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 4**

Clause A of Article 24 of Law No. 66 of 1953, Organizing Fuel Ores, shall be cancelled. Law No. 86 of 1956 on Mines and Quarries, Law No. 151 of 1956 on Imposing a Production Fee on Evaporative Salts and Organizing the Exploitation thereof shall also be cancelled. All provisions contradicting the provisions of the attached law shall be cancelled as well.

#### **Article 5**

The Prime Minister shall issue the executive regulations and the other regulations required for the enforcement of the provisions of the attached law, within six months from the date of enforcing its provisions. The existing regulations and decrees shall remain in force pending the issuance of such regulations where they do not contradict the provisions of the attached law.

The Minister concerned with the mineral resources affairs and the competent governor, each within his scope of competences, shall issue the license forms stipulated in this law.

#### **Article 6**

This Decree-law shall be published in the Official Gazette and shall come into force as of the day following the date of its publication.

Issued at the Presidency of the Republic, on Safar 17th, 1436 AH (corresponding to December 9<sup>th</sup>, 2014 AD).

Abdel-Fatah El-Sisi

**Mineral  
Resources Law  
Part I  
Definitions and General  
Provisions Chapter I  
Definitions**

**Article 1**

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

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

**EMRA:** The Egyptian Mineral Resources Authority (EMRA), which is the entity concerned with the operation and management of the mineral resources activity.

**The Governorate:** The administrative entity concerned with the operation and management of the quarries and salt pans, located within its jurisdiction under the technical supervision of the Authority.

**The Competent Authority:** The minister concerned with the issuance of the licenses of the exploration and exploitation of the mining ores or the governor concerned with the issuance of the licenses quarry and salt pan salt pans materials, as the case may be.

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

**Mining Ores:** Minerals and their ores, precious stones and the like, rocks 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, wherever any of them exists, on the surface of the ground or in the subsoil or in the territorial waters, or in the waters of the Exclusive Economic Zone

**The Mineral:** All homogenous solid substances formed as a result of inorganic natural factors and having a specific chemical structure and a distinctive crystalline system..

**Quarry Ores:** The Substances used in construction and paving.

**Precious Metals:** Economically valuable chemical mineral elements, which are naturally formed, such as gold, silver, platinum, and others.

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

**Mines:** Sites of extracting the mining ores from the subsoil of the surface of the ground.

**Quarries:** Sites of extracting quarry ores.

**Salt Pans:** Natural or artificial locations where salts are extracted.

**Exploration:** The process of examining the surface of the ground or the subsoil to assess its feasibility for economic exploitation.

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

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

**Chapter II  
General Provisions**

**Article 2**

The ores of the mines, quarries, and salt pans located in Egyptian territories, the territorial waters, and the water of the Exclusive Economic Zone shall belong to the people; the State shall be committed to preserve and exploit them properly.

**Article 3**

EMRA shall, as set forth in this Law, be exclusively responsible for organizing and controlling the operations of exploring and exploiting the ores of the mines together with the technical supervision of the extraction operations related thereto in order to ensure the proper exploitation and maintenance thereof salt pans.

EMRA, in coordination with the Governorate, 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 Governorate, as the case may be, shall adopt the procedures of issuing the exploration and exploitation 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 Minister with regard to the mines, and by the Competent Governor with regard to the quarries and salt pans after fulfilling the technical terms and conditions set forth by the Authority in accordance with the controls and conditions set forth in the executive regulations of this Law.

Governorate 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.

EMRA may -by itself- carry out the operations of exploration and exploitation of the mining ores. In this case, it may request reserving the area in which it shall carry out such operations. Such reservation shall take place by virtue of a decree of the Competent Minister specifying the duration thereof.

**Article 5**

EMRA may establish companies to carry out the operations of exploration, exploitation and mining or may contribute to or participate in another company which carries out such operations. The Executive Regulations of this Law shall organize the controls and procedures of the foregoing.

**Article 6**

Certain areas may be put up for mineral exploration and exploitations, based upon a resolution to be issued by EMRA's board of directors after obtaining the approval of the Competent Minister or the Competent governor, as the case may be.

Putting up these areas for Exploration and 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 legislations organizing tenders and bids. EMRA or Governorate, as the case may be, shall seek the viewpoint of the Ministry of Defence and take into consideration the Ministry's decision regarding the conditions and rules required by the affairs of the state defense

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

#### **Article 7**

The Competent Minister may be authorized, by means of a law, to assign the exploration of minerals and the exploitation of mines to a company, association 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 Competent Governor shall have the same competencies with regard to the materials of the quarries and salt pans. The provision of this Article shall apply to the fuel materials set forth in Law No. 66 of 1953, Regulating Fuel Materials..

#### **Article 8**

Without prejudice to the provisions of Article 7, the exploration and exploitation licenses shall be issued by a decree of the Competent Minister after getting EMRA's approval with regard to the Mining Ores. The exploration and exploitation licenses for mines that the area of which does not exceed one square kilometer shall be issued by a resolution of EMRA's Board of Directors at a maximum of one mine per licensee from among the persons of the private law.

#### **Article 9**

No exploration and exploitation licenses for areas exceeding 16 square kilometers or exploration and exploitation licenses for precious metals and precious stones shall be issued without a law.

#### **Article 10**

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

The rental amount due annually, which the licensee pays in return for each license for the Mining Ores, shall be specified as set forth in the Executive Regulations. It shall be paid annually and in advance. Every four years, EMRA's Board of Directors may suggest an amendment to the rental amount of the Mining Ores after getting the approval of the Prime Minister based on a proposition of the Competent Minister.

The value of the royalty shall not be less than 5% of the value of the annual production value of the exploited ore, and as stipulated by the Executive Regulations with regard to each ore.

The licensee shall pay to EMRA 1% of the annual production value of the Mining Ores, which shall be allocated to 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.

### **Article 11**

The Governorate may carry out the operations of the exploitation of the materials of the quarries and salt pans within its jurisdiction –whether by itself or jointly with others , after obtaining approval of the Cabinet of Ministers, and fulfilling the technical terms and conditions laid down by EMRA, and under EMRA;s technical supervision.

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

The rental amount due annually that the licensee pays for each license for the materials of the quarries and salt pans shall be specified in the executive regulations. It shall be paid annually and in advance.

The governor may- every four years- suggest an amendment to the rental amount of the materials of the quarries and salt pans after getting the approval of the Prime Minister based on a proposition of the Competent Minister.

The value of the royalty shall not be less than 5% of the value of the annual production value of the exploited material in accordance with the stipulations of the executive regulations with regard to each ore.

The licensee shall pay to the Governorate, where the exploitation area is located, 1% of the annual production value of the materials of the quarries and salt pans to be allocated to the contribution to the community development in such Governorate in accordance with the controls set forth in the Executive Regulations.

### **Article 12**

Without prejudice to the laws organizing the import and export, the executive regulations of this Law shall specify the ores and materials which shall not be exported as well as the conditions and procedures that the Authority shall follow upon the approval of exportation.

### **Article 13**

Without prejudice to the provisions of Article 1145 of Civil Code, the machinery, equipment, tools, apparatuses, means of transportation, and towing machines and the other devices allocated to the exploitation of mines, quarries, and salt pans shall not be seized as long as the allocation is valid..

### **Article 14**

The owner of the land by means of a registered contract may obtain a license for the exploration and exploitation of the ores and materials subject to the provisions of this Law in its land whenever it requests so, provided that it shall meet the technical efficiency and financial solvency requirements. The owner shall be exempted from the prescribed rental if it carries out the exploration and exploitation operations by itself, provided that it shall pay the full royalty amount in accordance with the controls set forth by the Regulations.

**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 fulfills the conditions stipulated in the law on the organization of licensing or in the Executive Regulations of this Law and the assignor pays the double annual rental amount to EMRA or the Governorate, as the case may be, in return for the assignment. Such assignment shall not be valid unless it is approved by the Competent Minister or the Governor, as the case may be.

**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 expired, shall be recorded in a special register at EMRA or the Governorate, as the case may be. They shall be advertised as distinctive empty areas for exploitation and shall be put up in a public bid as stated in the regulations referred to in Article 6 of this Law.



**Part II**  
**Provisions related to Mines**

**Part I**  
**Exploration Licence**

**Article 17**

The application for obtaining exploration licence shall be submitted to EMRA on the form created for that purpose and it shall be attached to the documents establishing the technical efficiency and financial solvency of the applicant, along with paying the fee prescribed in this Law.

The Executive Regulations shall stipulate the form referred to, the application data, the documents attached thereto, the conditions of obtaining the license and the fees shall not exceed fifty thousand Egyptian pounds.

**Article 18**

The licence for mines exploration shall be issued by a decree of the Competent Minister, with the approval of the EMRA's Board of Directors for two years and it may be renewed for one similar period.

**Article 19**

If it transpires that the licensed area is subject to any of the public benefit works and which results in harm to the exploration or exploitation operations carried out by the licensee, EMRA may, with the licensee's consent, decide that the compensation shall be via changing the license location.

**Article 20**

The exploration licensee shall not take samples of ores except for the purpose of examination and after obtaining the written approval of EMRA's Board of Directors, on the size of the sample.

**Chapter II**  
**Exploitation License**

**Article 21**

To issue a license for the exploitation of a mineral ore, it shall be preceded by a valid license for exploring such ore in the same area. It may be for the whole or part of the exploration area.

The exploration licensee shall submit a technical report establishing the existence of the ore, the economic feasibility of the exploitation thereof, the exploitation plan and program and the guarantees required for the implementation thereof. EMRA shall accept or reject the report by means of a substantiated decision.

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. The Executive Regulations shall organize the procedures required for this.

With the exception of the above, an exploitation license may be issued without being preceded by an exploration license in the areas where it is established to the Authority that the ore exists therein in quantities which allow the exploitation thereof by means of a public bid.

#### **Article 22**

With the exception of exploitation licenses issued by a law, the issuance and renewal of the exploitation license shall take place by means of a decree of the Competent Minister after obtaining the approval of EMRA's board of directors for a period(s) the total of which shall not exceed fifteen years. The license may be renewed for another period in excess of the foregoing, provided that this shall take place by means of a law. The executive regulations shall organize the procedures of issuing the exploitation licenses.

#### **Article 23**

If the licensee fails to extract the ore subject of the license due to its mixture with another ore, it may extract the mixed ore after notifying the Authority within thirty days from the discovery thereof.

The licensee shall not exploit the mixed ore unless it is added to the exploitation license issued thereto, and the royalty prescribed for the mixed ore is paid in accordance with the stipulations of the Executive Regulations of this Law.

### **Part III**

#### **Provisions related to Quarries**

#### **Article 24**

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

The total license period and the renewal period thereof shall not exceed fifteen years. The license may be renewed for a period in excess of fifteen years provided this shall take place by means of a law.

#### **Article 25**

The licensee who is licensed to exploit mines ores may extract the construction substances required for the mining works only which exist in the area subject of the licence, without paying royalty therefor..

#### **Article 26**

**The Governorate shall replace the quarry, subject of the license, with another one having the same area and in the nearest region (or the remaining period of the license in any of the following cases:**

1. If the State needs the quarry land or part of it for a public benefit purpose or for military purposes or after it is established that there are antiquities 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 amount for the remainder of the license period.
3. If there are Mining Ores mixed with -or accompanying- the Quarry Materials.

#### **Article 27**

It shall be prohibited to issue a license for quarry exploitation in agricultural land.

**Part IV**  
**Provisions related to Salt pans**  
**Article 28**

The licenses of the exploitation of the Natural or artificial salt pans shall be issued by the Governorate after obtaining EMRA's approval and subject to the technical supervision of the EMRA on the extraction operation ore, in accordance with the conditions and controls set forth in the Executive Regulations.

The total license period and the renewal period thereof shall not exceed fifteen years. The license may be renewed for a period exceeding fifteen years, provided this shall take place by means of a law.

**Part V**  
**Provisions related to Suspending and Cancelling Exploration**  
**and Exploitation Licenses**  
**Article 29**

Based on a resolution of EMRA's Board of Directors, the Competent Minister, and the Competent Governor, as the case may be, 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 EMRA submits two technical reports establishing the presence of technical violations. The Executive Regulations shall set forth the conditions, rules and procedures of suspending the license and the reentry thereof into force. .

**Article 30**

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

**Article 31**

**The Competent Minister , after obtaining the approval of EMRA's Board of Directors, may issue a decree to cancel the license of the exploration or exploitation in the mines in the following cases:**

1. Nonpayment of the rental amount 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 judgment declaring 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 the Authority for three consecutive months, or the lack of seriousness in performing the works for six months..

7. Waiver of the license to third parties or subletting the licensed area without a written approval from the Authority.
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 licensed works.
11. If the licensee violates the operation conditions and does not correct the violation within sixty days from the date of warning him by EMRA
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 the Competent Authority.
13. If the licensee submits to EMRA false data or documents established to be forged.

The Competent Governor shall have the same competencies set forth in this Article with regard to the licenses issued by him, provided that the EMRA shall be notified to that effect.

**Part VI**  
**Miscellaneous Provisions**  
**Article 32**

The licensee shall get the approval of the Competent Authority on the establishment of the utilities required for the operation of the mines, quarries or salt pans prior to the issue of the licenses of these utilities by the entities concerned. The Executive Regulations shall set forth the conditions of issuing such approval and the facilities that can be provided in this regard.

**Article 33**

The licensee shall pay in advance an annual rent for the area rented thereby outside the licensed area for the implementation of any of the required utility works. The rental amounts shall devolve to the State Treasury. The governorates shall be granted the equivalent of (25%) of such rental amounts within the jurisdiction of each governorate. Such percentage may- when necessary- be increased by means of a decree of the Prime Minister, based on a proposition from the Minister of Finance.

**Article 34**

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

**Article 35**

The licensee shall submit to EMRA or the Governorate, as the case may be, quarterly reports that shall include 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 to ensure the seriousness of works.

Such data shall be confidential and shall not be disclosed to any other party 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 Governorate, as the case may be, in the cases of the 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 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 biological phenomena, he shall stop the works and notify EMRA or the Governorate forthwith to take the necessary action. The Executive Regulations of this Law shall organize the procedures to be followed in such cases and the consequences thereof.

#### **Article 38**

At the end of the license period, the licensee shall prepare and level the land, subject of the license, as stated in the Executive Regulations. This regulations shall specify the guarantees to ensure the abidance by this provision.

#### **Article 39**

Inspectors of the competent department at EMRA or the Governorate ,as the case may be, who are specified by a decree of the Minister of Justice in agreement with the concerned minister, shall have the capacity of the judicial officers in detecting the crimes or 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 expiration of the license. The licensee shall pay a compensation equivalent to the double of the rental amount for that period.

EMRA or the Governorate, as the case may be, may thereafter 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 shall organize the procedures necessary in this regard..

A court of competent jurisdiction may rule 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 41**

In the case of practicing a mineral activity without a license, the EMRA's chairman of the board of directors may impose an administrative custody on the equipment and machinery used in that activity, whether they are movable or immovable or whoever the owner thereof is, pending the disposition thereof in accordance with the law.

The governor has the same powers with regard to practicing the activity of the exploitation of the salt pans or quarries without a license.

**Part VII  
Penalties  
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 two hundred and fifty thousand Egyptian pounds and not exceeding five million pounds.

If the criminal is a licensee and he extracts the ore or material from outside the licensed area, the penalty shall be a fine not less than two hundred and fifty thousand pounds and not exceeding five million pounds.

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 issue of a license for the establishment or exploitation of a quarry on an agricultural land 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 shall be liable to the same penalty.

The court shall order the removal of the violating works, and the confiscation of the equipment and tools used in the commission of the crime.

**Article 44**

Without prejudice to the disciplinary or civil responsibility, as the case may be, whoever violates the provisions of Article 35 of this Law shall be liable to a fine not less than one hundred thousand pounds and not exceeding three hundred thousand pounds.