**PART I – GENERAL PROVISIONS**

**SECTION 1 – INTERPRETATION**

**REGULATION 1 : DEFINITIONS**

1.    In these regulations, the code means, the [Somaliland Mining Code](http://www.somalilandlaw.com/somaliland_mining_code.htm#Heading) (March-April 2000), and, unless the text otherwise specifies, the term:

a)   **Art stone,** means any stone such as marble, extracted for its natural pretty for ornaments and polishing, etc.,

b)   **Building Mineral**, includes all minerals used for the construction of buildings, roads, dams and similar works such as stones, gravel, sand clay literate, volcanic ash for the production of burned breaks and tails, and limestone for the production of lime, but does not include industrial Minerals

c)   **Crude oil, natural gas** means hydrocarbons, which are produced which are produced at the well head in liquid state, while the natural gas is produced in gaseous face at atmospheric pressure.

d)  **Explosives**, means all forms of blasting preparations used in connection with prospecting or mining operation including the micro explosives.

e)   **Gemstones**, means any form of mineral, which is commonly cut and polished for jewellery use.

SECTION 2 – FEES, RENTS AND ROYALTY

REGULATIONS 2: FEES, RENTS AND ROYALTY

1.   The fees and rents set forth in the first schedule shall be payable in respect of the matters specified therein, and shall be payable to the Ministry in advance, as prescribed by this regulations.

2.   Application fees payable under the first schedule shall not be refundable.

3.   Subject to any special terms and conditions in any lease, the royalty at rates not less than those prescribed the second schedule, shall be payable in respect the Mineral specified therein.

4.   In respect of Royalty on Hydrocarbons, The Minister may at his option and subject to terms and conditions of any lease, ask for payment of all or part of Royalty to be made in liquid or gasous Hydrocarbons, to be delivered free of cost to the Government.

SECTION 3 – DEMARCATION

REGULATION 3: Demarcation by temporary beacons etc.,

1.   Every applicant for an exclusive prospecting license, Mining Permit or Mining lease, before lodging the application in the prescribed, manner, shall demarcate the area required by temporary beacons; with which the boundary of the area to be demarcated shall be: location beacon, corner beacons and boundary beacons shall be erected at one corner, at the other corners and where highways or water courses cross the boundary. All these beacons are designed to make for the limitation, designation and duration wise.

2.   After an area has been demarcated with temporary beacons, the holder of the prospecting permit, exclusive prospecting license, mining permit or mining lease shall submit the relevant application to the Minister in the prescribed manner within (30) day of such demarcation.

REGULATION 4: REMOVAL OF TEMPORARY BEACONS

The removal of Temporary beacon for an exclusive prospecting license, mining permit/or lease comes through replacement into permanent, when the internal beacons found necessary for mining operations, and or if revocation or refusal an application of renewal may arise as prescribed manner.

**PART II PROSPECTING PERMIT**

REGULATION 5: Form of Application

1.   An application for a prospecting permit shall be in form one (1) of the third schedule and shall be submitted to the Minister in duplicate together with, the annual fee for issue as prescribed in the first schedule; if an application for a prospecting permit is applied as an agent for another person, an undertaken prescribed in form (2) two shall be completed by the agent.

2.   A prospecting permit shall be in form (3) of the third schedule.

REGULATION 6: Renewal of Permit

Application for renewal of prospecting permit shall be made (30) days before the date of its expiry, together with the annual fee for renewal of a prospecting permit prescribed in the first schedule, and other required documents.

**PART III- EXCLUSIVE PROPECTING LICENSE**

REGULATION 7: Shape of License Area

The area demarcated and applied for and exclusive prospecting license shall be rectangular shape.

REGULATIONS 8: Form of Application etc.,

1.   An application for an exclusive prospecting license shall be in form (4) of the third schedule, and shall be submitted to the Minister in triplicate, together  with:-

a)   Application fee, annual rent a sketch plan and a deposit for work obligations for the first year.

REGULATION 9: Notice of Intention to Grant License.

Notice of intention to grant an exclusive prospective license shall be published by the Minister in an official newspaper and in any other manner as seems appropriate to him.

REGULATIONS 10: Form of License, etc.

1.   An exclusive prospecting license shall be in form (5) of the third schedule and any terms or conditions associated with it shall be endorsed on the license; a copy of the sketch plan shall be annexed to the licensee.

REGULATION 11: Application for Renewal

An Application for renewal of an exclusive prospecting license shall be made to the Minister in writing, together with the original license, annual rent, detailed report, account of the incurred expenditure, work proposals and provision for deposit.

REGULATION 12: Minimum Work Obligations

1.   The Minimum Work Obligation for every exclusive prospecting License shall be (US$10,000) PER SQURE KILO METER PER ANNUM; any over-expenditure in any one-year may be carried over to the following year.

2.   Failure to perform the minimum obligation required in any one year shall render any deposit made under article 18 of the Code.

3. Direct expenditure on the following Technical Activities shall be acceptable in performance of work obligations (i.e. geological, Geophysical, Geo chemical cost of logistical/administrative factor (not more than 10% of the total).

**PART 1V- MINING PERMIT**

REGULATION 13

The classes of Mining Permits, which may be granted, and the maximum dimension of the permit area for each class shall be:

a)   Building/alluvial Mineral – one hundred (100m) in length and (100m) in width for building, while for alluvial (100m) in length and (300m) in width.

b)   For all Mineral (other than Hydrocarbon) previous or non precious/industrial (500m) length and (200m) in width

REGULATION 14: Shape of Mining Permit Area

The Mining Permit shall be rectangular

REGULATION 15: Form of Application, etc.,

1.   The Application for a prospecting Permit shall be made in form (6) of the third schedule in triplicate and shall be accompanied by application fee and rent, sketch plan (i.e. Dimension, Area, Demarcation, etc.)

2.   Mining Permit shall be in form (7) of the third schedule.

REGULATION 16

Adjustment of mining permit area:-

If subsequent to the grant of a Mining Permit, it is found that the Permit area exceeds the prescribed dimension, or come with inconsistencies, the Director or Authorised Public Officer will adjust the area.

REGULATION 17: Renewal of Mining Permit

A Mining Permit may be renewed by submission of the original Permit to the Minister before its expiry date; together with the annual rent for the ensuing year.

**PART V- MINING LEASE**

REGULATION 18: Form of A an Application etc.,

The holder of a valid Prospecting Permit or an exclusive Prospecting License shall apply for the grant of a mining lease in form (8) of the third schedule to the Minister in quadruplicate with application fee, annual rent , sketch plan (for demarcation, dimension, topographic and other data’s), statement of finance, etc.,

REGTULATION 19: Notice of intention to grant lease

Notice of intention to grant Mining lease shall be published by the minister in an official newspaper and in any other manner as seems appropriate to him. Any person wishing to object the grant shall lodge written objection within (30) days of such notice.

REGULATION 20: Survey of Boundaries, etc

Upon notification of the grant of a Mining lease, the applicant shall forth with, at his own expenses make a precise survey of the boundaries of the lease area and shall compute the exact area thereof and submit or supply to the Minister in quadruplicate.

REGULATION 21: Form of Mining Lease

A Mining lease shall be in form (9) of the third schedule and one copy of the survey plan shall be annexed thereto; if there is any special terms and conditions related to it, shall be endorsed on the lease.

REGULATION 22: Renewal of Mining Lease

An application for renewal of a mining lease shall be in letterform together with the original lease, application fee and report showing calculated ore reserves, or other related information to indicate the expected working life of the mine beyond the current term of the lease.

**PART VI MISCELLANOUS APPLICATION**

REGULATION 23: Application for Amalgamation of Contiguous

1.   An application for amalgamation of contiguous permits, licenses or leases, shall be in form (10) of the third schedule, and be submitted to the director, together with the fee.

2.   The amalgamation certificate shall be in form (11) of third schedule.

REGULATION 24: Application for the suspension of obligations, etc.,

An application for the suspension of an obligation shall be in form (12) of the first schedule and shall be submitted to the Minister in triplicate together with the fee prescribed in the first schedule. Upon approval suspension certificate shall be issued by the Minister in form (13) of third schedule.

REGULATION 25: Application for the transfer of rights, shares, etc

1.   An Application for the transfer of rights, shares of an exclusives prospecting license, mining permit or mining lease shall be in form (14) of the third schedule and shall be submitted to the Minister in triplicate, together with prescribed fee in the first schedule.

2.   An Application for the transfer of shares in an exclusives prospecting license, mining permit or mining lease shall be in form (15) of the third schedule and be submitted to the Minister in triplicate with the fee prescribed in the first schedule; upon approval, the transferee shall, within (30) days amend the name of the holder on all beacons marketing the area concerned.

REGULATION 26: Surrender of License or Lease

1.   When the holder of an exclusive prospecting License or Mining Lease desires to surrender his rights, shall give notice of his intention in form (16) of the third schedule, which shall be submitted to the Minister in triplicate, together with the surrender fee.

2.   When a portion of the license or lease area is to be surrendered, the holder shall submit a plan showing the area to be surrendered and that to be returned; together with demarcation and work with the obligations required.

REGULATION 27: Right of Passageway

1.   When the holder of a permit, license or lease requires a right of passageway outside his boundary, shall apply in form (17) of the third schedule, this application shall be submitted to the Minister in triplicate, together with the fee prescribed in the first schedule.

2. If there are persons having rights (prospecting/Mining) or alleging lawful interest in such land, their names shall be declared in the application.

3. The grant of a right of passageway shall be in form (18) of the third schedule.

REGULATION 28: Notice to Show Cause

When the Minister gives notice to the holder of a prospecting or mining rights, such notice shall be in form (19) of the third schedule and shall be sent to the holder through all means, together with specification on the complaint, time and the place.

**PART VII – PRMITS AND LEASES FOR HYDROCARBONS**

REGULATION 29: Scope and Applications

The regulations contained in this part shall apply solely to the exploration and exportations of Hydrocarbons; while regulations contained in part I up to part VI (excluding regulations 21, 22, 25 and 26), shall not apply to hydrocarbon exploration and Mining operations.

REGULATION 30: Graticulation and Constitution of Blocks

For the purpose of establishing the blocks, the surface area of the Republic shall be deemed to be divided into graticules by reference to meridians of longitude, which are 5 minutes apart, measured from Greenwich and by reference to parallels of latitude, which are 5 minutes apart measured from the equator.

REGULATION 31: Reservation of Blocks, etc.,

The Minister may, declare that a block or blocks shall not be subject to any permit or lease such block or blocks shall be shown on the Republic block map.

REGUALTION 32: Application for Oil Exploration Permit

An application for an oil exploration permit shall be in form (20) of the third schedule, such application shall give the name and the nationality of the applicant, and in case of a corporate, the place of its incorporation and principle place of business it may also be necessary that the applicant furnish evidence of previous experience and technical and economical capabilities and shall be in respect of not more than one block at a time.

REGULATION 33: Application for an Oil Mining Lease

1.   The holder of an oil exploration permit make an application for an oil mining lease with respect to any area contained within his permit area provided that the holder satisfied that such area contains a commercial discovery of Hydrocarbons.

2.   An application for oil Mining Lease shall be in form (20) of the third schedule. Such application shall give the name and nationality of applicant, shall be submitted in triplicate and must be accompanied by a detailed report for the development, extraction, production, storage, transportation, sale or other disposition of Hydrocarbons.

3.   No oil mining lease shall be granted if, the applicant is not able to comply obligations, commitments, terms and conditions of the oil mining lease.

REGUALTION 34: Grant of Permits or Leases Relating to Hydrocarbons

An oil exploration permit or lease shall be granted, together with, at least statement of the date of the grant, description of the permit or lease area and under agreement contained the terms and conditions, additional to those of the code and regulations.

REGULATION 35: Application for Renewal of Oil Exploration Permit

1.   An application for Renewal of an Oil Exploration Permit shall be made in any area within the permit area, not later than (90) days before the permit expiration.

2.   The application for renewal of the oil exploration permit shall be accompanied with the original permits, the application fee, annual service rentals, detailed work report and work plan. There upon the Minister shall grant the renewal of the oil exploration permit to the applicant as prescribed by the regulation.

REGULATION 36: Application for Renewal of An Oil Mining Lease

1.   The holder of an oil mining lease may apply for renewal of his oil mining lease, in respect of all or any of the area comprising the lease area, such application for renewal shall be made not later than (6) six months prior to the expiration of the lease.

2.   The application for renewal of an oil-mining lease shall be accompanied by the original lease, prescribed application fee, annual fee, and detailed report and annual service rentals.

REGULATION 37: Surrender and transfer of Permit or Lease

1.   An application for the approval of the transfer of an oil exploration permit or oil mining lease shall be made in letter form to the Minister together with the prescribed application and transfer fees, the permit or lease, name and nationality of the proposed transfer.

2.   If the holder of an oil prospecting permit or oil mining lease wishes to surrender all or part of the permit or lease area, he/she must shall give notice to the Minister in letter form not less than (90) days before the date he wish to surrender.

REGULATION 38: General Work Practices and Directions

The holder of an oil exploration permit or oil mining lease shall, in carrying out direction of exploration and mining operations, always act in accordance with generally accepted practices in the international petroleum industry (well design drilling operations, holders casing, cementing well spacing and plugging operations).

REGULATION 39: Authorisation of Pipelines, etc

The holder of an oil mining lease shall prior to commence the construction alteration or operation of a pipeline, pumping station apply to the Minister for authorisation; together with proposed design, proposed size and capacity, proposed work programme. There upon after the result the Minister may authorise the pipeline as prescribed in the code and the regulations.

**PART VIII – RETURNS, RECORDS,ANNUAL PLANS, etc**

REGULATION 40: Monthly returns

On or before the 20th day of each month, the holder of exclusive prospecting license, oil exploration permit, mining permit, mining lease or oil mining lease shall submit to the Director a return of the average number of persons employed, amount dispersed and the total operating and the capital expenditure incurred.

REGULATION 41: Quarterly Progress Report

The holder of an exclusive prospecting license, oil exploration permit and oil mining lease shall submit to the Minister, on or before the 30th day of January, April, July and October, a report on progressive of work carried out during the preceding quarter.

REGULATION 42: Annual Program of Work and Report

The holder of an exclusive prospecting license, oil exploration permit or oil mining lease shall submit to the Minister for approval, a programme of work to be carried out during the issuing (12) twelve months, together with expenditure details.

REGULATION 43: Annual Plans, Records, etc

The holder of an exclusive prospecting license, oil exploration permit, mining permit or oil mining lease shall submit to the Minister a survey plan of the permit, licences or lease area at a scale not less than 1:2500 with detailed parameters.

REGULATION 44: Final Report on Termination of Permit, etc

After the date of termination or expiration of any prospecting permit, exclusive prospecting license, mining permit or mining lease, the holder shall submit a summarised final report of the work carried out and conclusions reached (60) sixty days before the date of termination.

REGULATION 45: Periodic Information Relating to Oil Exploration and Mining Operations

The holder of an oil exploration permit or oil mining lease shall within (6) six months submit to the Director all geological and geophysical data’s records and maps associated with the operations

REGULATION 46: Confidentiality

All returns, reports and other information’s submitted under the code and this regulations shall be treated as confidential by the Government and will not be disclosed to third parties

**PART IX – REGISTRATION, etc**

REGULATION 47: Director to Keep Register, etc.,

The Director shall keep a register of an exclusive prospecting licenses, Mining Permits, Mining Leases of passageways and all other documents.

REGULATION 48: Stamp Duty

All applications under the code and these regulations shall, before presentation to the competent authority by duly stamped in accordance with the law on stamp tax, and so does all other documents associated.

REGULATION 49: Inspection of Register, etc.,

The Director shall upon request, upon payment of the fee prescribed in the first schedule, allow a search of the register and filed copies of any permits, licenses/leases, or any other registered documents, and shall give certified true copies or extracts there from on payment of the fee prescribed in the first schedule.

REGULATION 50: Notice the General Public

The Minister shall publish notices from time to time for the information of the general public, giving details of the grant and termination of every permit, licenses or lease, other than a prospecting permit.

**PART X – Use of Explosives for Prospecting & Mining**

REGULATION 51: Use of Explosives

The holder of prospecting or mining rights who requires using explosives for his operations shall comply with the provisions of this part and to any other law on explosives in force. The application for and the grant of authority to use explosives shall be in form (21) of the third schedule and be submitted to the Director.

REGULATION 52: General Responsibilities of Reasons Concerned with Explosives, etc.,

Every person storing issuing for use, transporting or handling any explosive or carrying out blasting operations in connection with prospecting or mining shall take all reasonable precautions to prevent accidents.

REGULATION 53: Application for a blasting permits and issue thereof

1. Application for a blasting permit shall be in form (22) of the third schedule, which shall be submitted to the Director in duplicate together with the fee prescribed in the first schedule.

1.   A blasting permit shall be issued in form (23) of the third schedule, and shall be valid for (5) years. It shall not be renewable.

REGULATION 54: Storage of Explosives

1.   No person shall store explosives for prospecting or  mining proposes unless he has a storage place of approved design.

2.   Approval of explosive storage arrangements shall be in form (24) of the third schedule, together with relevant documents.

**PART XI – MISCELLANEOUS AND FINAL PROVISIONS**

REGULATION 55: Mineral Export and Dealer’s License

An export license for minerals shall be in form (25) of the third schedule and shall be issued on payment of the fee prescribed in the first schedule. A license to deal in minerals shall be in form (26) of the third schedule and shall be issued on payment of the fee prescribed.

REGULATION 56: Employment of Somaliland Citizens

In carrying our prospecting or mining operations under the code, and these regulations, the holder shall employ, train and undertake programme of schooling for Somaliland Citizens. On the other hand, the holder shall give preference to goods produced or available in the Republic and services rendered by Somaliland Citizens and the reasonable price and qualities better than goods and services imported.

REGULATION 57

Any Regulation inconsistent with these Regulations is hereby repealed.