

EGYPT
LAW NO.86 OF 1956
RELATING TO MINES AND QUARRIES

In the name of the Nation:

The Council of Ministers

- After perusal of the constitutional proclamation issued 10 February 1953;
- And the resolution issued on 17 November 1954 vesting the Council of Ministers with the powers of the President of the Republic;
- And the Law No.66 of 1953, Concerning Mines and quarries and the laws issued in amendment thereof;
- And the Law No.388 of 1953, Concerning Commercial books and the laws issued in amendment thereof;
- And Law no.26 of 1954, Governing the Expropriation of Immovable Property for the Public Utility or Amelioration;
- And the opinion of the State Council;
- And in accordance with the proposal of the Minister of Commerce and Industry;

Have issued the following law:

Chapter 1- Preliminary Provisions

Article 1. – (1) For the purpose of application of the provisions of this Law, the expression “mineral materials” shall apply to minerals and their ores, chemical elements, precious stones, and the like, the rocks, the layers, and the mineral deposits which are found on or under the surface of the earth as well as mineral waters coming out of the underground if they are exploited for the purpose of extracting mineral materials therefrom, with the exception of evaporative salts extracted by evaporation, and the licence for its exploitation shall be given in accordance with a resolution by the Minister of commerce and Industry.

(2) The word “mines” shall apply to places containing such materials.

(3) The expression “quarry materials” shall apply to building and paving materials, ornamental stones, mortar and plastering aggregates, industrial stones, dolomite, glass-sands and the like.

(4) The word “quarries” shall apply to the places containing one or more of the quarry materials.

Article 2. – (1) Prospecting for mineral materials is intended, by all means, to test the surface or the subsurface of the earth, particularly by geological and geophysical methods which will lead to the identification of minerals by their physical, magnetic or electronic, or other characteristics, or by making drill tests or holes to ascertain the existence or the possibility of the existence of mineral materials.

(2) Prospecting for such materials means a more detailed testing of the surface and the subsurface of the earth by all geological, geophysical or mining methods which will lead to determine how far ores and the quantities of ores extend, and of the most appropriate means of its extraction and dressing and the degree of its suitability on the local and foreign markets.

(3) It is intended by a protection licence- the licence which is issued to a holder of an exploitation lease for an area lying within the area covered by an exploration licence, and annexed to the area exploited by him or for which he applies for exploitation, for the purpose of retaining it to complete exploration operations and obtain an exploitation lease, therein.

Article 3. – All mineral materials existing in mines in the Egyptian territories and the territorial waters are considered as state property. Similarly, quarry materials, except building materials - limestones, sandstone, and sands - existing in the quarries, proved to belong to others, will also be considered as state property.

Article 4. – In accordance with the provisions of this Law, the Ministry of Commerce and Industry will undertake the regulation and control of the exploitation of mines and quarries, and all matters relating thereto for the processing, transport or storage. It may undertake prospecting and exploration operations for mineral materials, and exploitation of mines and quarries and all matters relating thereto, either by itself direct, (and in this case, it may retain the area in which it carries out mining, or geological researching operations during the whole period of exploration) or entrust some other party to do that, under the conditions prescribed in this Law.

Article 5. – Without prejudice to the provisions of Article 1145 of the Civil Law, no seizure can be brought on machinery, means of transport, and traction, etc., as allotted for the exploitation of mines and quarries, as long as such allotment exists.

Article 6. – Every individual or corporate body may freely explore for mineral materials, under the conditions and provisions prescribed in this Law. Exploration and exploitation for such materials in the Republic of Egypt, including the territorial waters, whoever the landowner may be, shall be by virtue of a licence issued in accordance with the conditions and provisions, prescribed in this Law.

However, a decision by the Council of Ministers may be issued to prohibit exploration and exploitation of a particular mineral of a special importance to the national economy, and in this case, all licences for exploration and exploitation previously granted shall be cancelled and the person concerned shall have the right to claim an equitable compensation of it is necessary to do so. In this case, the Ministry of Commerce and Industry shall undertake exploration and exploitation operations direct, through a concession in accordance with the terms and provisions prescribed in Article 50 of this Law.

Article 7. – (1) The Mines and Quarries Administration shall prepare registers to record the names of applicants for licences for exploration, and other registers to record the applications received by the Administration for licences to prospect for mineral materials.

(2) These applications shall be recorded in the order of the hour and day they are received. A resolution by the Minister of Commerce and Industry shall be issued to organise the recording in these registers and the data to be included in each register.

Article 8. – Without prejudice to the provisions of Articles 13, 15, 17, 32, priority in granting exploration licences and exploitation leases shall be given to applicants in order of precedence of the hour and day applications are received.

Chapter 2- Provisions Relative to Mines

Article 9. – (1) Whoever discovers any mineral ore must notify the Department of Mines and Quarries of his discovery by a registered letter with acknowledgment of receipt.

(2) The said department shall register for him the right of discovery, and the discoverer shall have a priority right to obtain a prospecting licence for this mineral, provided he applies for the licence within three months from the date of his notification to the department of the discovery.

(3) If this period expires and the discoverer fails to apply for a prospecting licence, priority shall be determined in accordance with the provisions of precedence prescribed in Article 8 of this law.

Article 10. – (1) For the granting of a prospecting licence, the applicant must have the technical ability necessary for this purpose, and shall undertake to make the necessary expenditure for prospecting operations in the manner approved by the Department of Mines and Quarries. The prospecting licence shall be issued by virtue of a resolution by the Minister of Commerce and Industry for the period requested by the applicant, and it may be renewed provided the original and renewal period shall not exceed four years. This shall be in accordance with the terms and provisions prescribed in this Law. The Department of Mines and Quarries shall be the competent authority to renew the prospecting licence as long as the licensee carries out his obligations. However, the department shall not be bound to renew the licence if it considers that the licensee has become entitled to obtain an exploitation lease under the conditions of the prospecting licence, and that the department has notified him by a registered letter with acknowledgment of receipt of the necessity to apply for an exploitation lease.

(2) The department shall not renew the licence if it finds that the licensee has violated his obligations.

(3) The licensee for prospecting is not authorised to prospect for the ore or ores or any other mineral materials other than the ore of the mineral for which he is authorised to prospect, unless the ore of this mineral or minerals is mixed with the ore of the mineral for which he is authorized to prospect, and the extraction of any of them from the ground without the other cannot be carried out. In this case, he may obtain the approval of the Department of Mines and Quarries to add the names of this other mixed mineral or minerals to the prospecting licence issued to him to prospect for the same.

Article 11. – An annual rent at the rate of L.E.25.- for every two square kilometres of the prospecting area shall be collected for every prospecting licence. Each part of these units shall be considered as a complete unit.

Article 12. – (1) The area for which a prospecting licence is required shall be fixed at the request of the person concerned, provided the area shall be in the form of a rectangle or

square, the length of one of its sides shall not be less than 2 kilometres, and its area not more than 16 kilometres and not less than one square kilometre.

(2) The licensee will forfeit his right to half of the area after the expiry of two years from the date of the licence, unless he applies for an exploitation lease in that half or part thereof. The Minister of Commerce and Industry may- for technical considerations resulting from the research carried out by the licensee- modify the shape of the licence or the area thereof at the request of the licensee. He may also issue prospecting licences to other than the licensee for prospecting in the prospecting area if these prospecting licences are to prospect for a mineral or minerals other than those authorised for prospecting. The said area may also be the subject of licensing to carry out the operations stipulated in Article 36 of this Law, provided that all this will not be prejudice the prospecting operations being carried out in the area.

Article 13. – (1) The areas in respect of which the licensee forfeits his right to prospect shall be recorded in a special register at the Department of Mines and Quarries- if he has carried out therein operations which increase its value- and this shall be advertised in the Official Gazette as areas free for prospecting. If more than one application is submitted for the prospecting area within 30 days from the date of advertisement, it shall be offered for public auction, and if one application is submitted in respect thereof, the applicant shall have the right to obtain a prospecting licence therein.

(2) If no application is submitted within the above mentioned period, the licence shall be granted to the first applicant after the expiry of the period in accordance with the rules of procedures provided for in Article 8.

(3) The areas in which it was not possible to determine priority in accordance with Article 8, shall be offered for auction, and in this case, the auction shall be carried out between the applicants.

(4) In all cases, however, the auction shall be carried out on the basis of the rules stipulated in Article 17.

Article 14. – (1) The licensee for prospecting shall have the right, during the validity of the licence, to obtain an exploitation lease for the whole area, or part thereof, in respect of which he is authorised to prospect, under the terms and provisions prescribed in this Law.

(2) The exploitation area shall be in the form of a square or a rectangle.

(3) The exploitation lease shall be issued by virtue of a resolution by the Minister of Commerce and Industry.

(4) In case the applicant obtains an exploitation lease for part of this area, the prospecting licence shall remain valid with regard to the remaining area if he makes a reservation to this effect at the time he applies for an exploitation lease, provided that the period of the licence shall not exceed four years.

(5) He may, with the permission of the Director of Mines and Quarries Department, dispose of the ore produced from the prospecting operations, provided he shall have applied for an exploitation lease and paid the amount of rent and deposit in respect of that lease in accordance with Article 21.

Article 15. – (1) The surface owner who reports the existence of mineral ores in his land shall be exempt from having his name recorded in the register of explorers, referred to in Article 7.

(2) He shall have the right of priority over others for prospecting or exploitation, whenever he so requests, and shall be granted a prospecting licence or an exploitation lease without auction.

(3) He shall also, in the case of prospecting or exploitation, be exempt from payment of the rent provided for in Article 11 and 21, if he personally carries out the prospecting or exploitation.

(4) The surface owner shall forfeit his right for prospecting or exploitation if the Department of Mines and Quarries has notified him, by registered letter with acknowledgment or receipt, of the necessity to apply for a prospecting licence or exploitation lease within three months, and the said period has expired without submitting his application.

(5) In the case of an exploitation licence being granted to others, the surface owner shall have the right to obtain half of the rent from the Department of Mines and Quarries.

Article 16. – The issuing of an exploitation lease for a certain mineral in a given area shall be conditional on a previous prospecting licence for that mineral in that area, and that the licensee for prospecting shall have to prove the existence of workable ore. The exploitation lease shall be issued under the conditions prescribed in this Law, except in those cases where licences for prospecting are issued under special conditions in accordance with Article 50, and in this case, the exploitation lease shall be issued in accordance with the conditions accompanying the prospecting licence.

Article 17. – (1) As an exception to the provisions of the preceding Article, an exploitation lease may be issued for the areas where the Department of Mines and Quarries finds that the mineral exists therein in quantities which justify its exploitation.

(2) The Department of Mines and Quarries shall record in a special register all such areas as known to it, and the said register shall be made available for perusal at all times. The department shall offer any of these areas to public auction, and any areas for which applications for exploitation are submitted. In this case, the auction shall take place within six months from date of application, and if no one participates in the auction, the provisions of Article 8 shall apply.

(3) The Minister of Commerce and Industry shall issue a resolution to form a committee to lay down the rules for the auction in respect of the exploitation lease on the basis of production capacity from the aspect of the value of production, and the amelioration of the kind of ore and the installations necessary for this purpose. This is in addition to the rent prescribed in Article 21.

(4) This committee may, with the approval of the Minister of Commerce and Industry, have the amount of rent in full or reduced, as a basis of the auction, in case any economic or technical justifications are found which necessitate the reduction to the action minimum bidding.

(5) The abovementioned committee shall examine the tenders submitted in the auction and shall give its recommendations thereon.

(6) In all of the aforementioned cases, the exploitation lease shall be issued by virtue of a resolution by the Minister of Commerce and Industry, except in those cases where exploitation shall be governed by special conditions in accordance with Article 50.

Article 18. – (1) The exploitation lease shall be issued for the period indicated by the applicant provided it shall not exceed 30 years. The lease shall be renewed for the period indicated by the lessee provided it shall not exceed a period of another 30 years, as long as the lessee has carried out his obligations, and provided he shall apply for renewal at least six months before the expiry of the lease period. The renewal of the lease shall be effected by virtue of a resolution by the Minister of Commerce and Industry.

(2) The lease shall be renewed under the conditions prescribed therein, particularly those pertaining to rent. As regards the regulating provisions, these shall be subject to the laws and regulations in force at the time of renewal.

(3) The renewal of the lease thereafter may be effected by the agreement between the Ministry and the lessee under the conditions to be agreed upon, and in this case, the renewal shall be effected by virtue of a Law.

(4) The lease may be cancelled if exploitation has ceased for a period of at least three consecutive years, during which the lessee, on his part, has not overcome the causes under which he may obtain exemption from working obligations in the manner stipulated in the executive regulations, or if exploitation has ceased without obtaining this exemption in writing, as may be recommended by the Department of Mines and Quarries, and approved by the Minister of Commerce and Industry.

Article 19. – The lessee shall not be allowed to extract the ore or ores of any other mineral materials other than that of the mineral or minerals which he is authorised to exploit, unless the ore of this mineral or minerals is mixed with the ore of the mineral or minerals which he is authorised to exploit, and the extraction of the ore of one of them from the ground without the other ore cannot be effected. In this case, the lessee must notify the Department of Mines and Quarries within 60 days from the date of his finding the other ore, and he is not allowed to dispose of the said ore or ores unless he obtains beforehand a permission from the Department of Mines and Quarries to this effect, after having provided for this in the exploitation lease, and approved by the Minister of Commerce and Industry.

Article 20. – (1) The lessee or the party entitled to the exploitation right in accordance with the provisions of this Law, may apply for one or more licences as a protection measure for an area adjacent to the area exploited by him, or for which he applies for exploitation, provided the total protection area will not exceed the exploitation area, and that the protection area required shall be free from any right to be exercised by other parties thereon. The area in respect of which a protection licence is granted, shall be in the form of a square or a rectangle.

(2) The protection licence shall be for the period indicated by the applicant provided it shall not exceed the period of exploitation.

(3) the protection licence shall be issued by virtue of a resolution by the Minister of Commerce and Industry, and the licensee shall pay to the department in advance an annual rent for the protection area at the rate of one tenth of the rent as levied for the exploitation area.

(4) The protection licence shall entitle the licensee to the right of carrying out prospecting operations, and he has the right, during the validity of the licence, to obtain an exploitation lease in the whole or part of the protection area, under the terms and provisions prescribed in this Law.

(5) He shall also, with the permission of the Director of Mines and Quarries Department, dispose of the ore extracted or produced from the prospecting operations, provided he shall have submitted an application for an exploitation lease and paid the rent, deposit and the amounts due on the exploitation lease as required under Article 21.

Article 21. – The lessee shall pay to the Department of Mines and Quarries, in advance every year, the sum of L.E.5.-, as a rent for every hectare or part of a hectare of the exploitation area, provided the rent shall not be less than L.E.40.- per year.

Article 22. – (1) If prospecting licences and exploitation leases are issued to an individual or a corporate body, the provisions relative to the percentage of the number of Egyptian employees and workmen and their total wages and salaries as stipulated in Law No.26 of 1954 referred to, shall apply in both cases.

(2) The Egyptian shall have priority over the foreigner in obtaining prospecting licences if priority cannot be determined in the manner indicated in Article 8. He shall also have priority in obtaining exploitation leases through auction if the offers are equal.

(3) The foreigner who has been granted a prospecting licence, or with whom an exploitation lease has been concluded, must establish a domicile for himself in the Republic of Egypt, and must keep the books and documents relating to prospecting and exploitation operations in that domicile.

Article 23. – (1) Whoever carries out exploitation work, and whoever is authorised to prospect in the land of another party, must refrain from any action that would cause damage to the surface of the land, or deprive the owner from benefitting from his property. If his work results in any damage to the surface of the land, or deprives the owner from benefitting from his property, he shall be liable for compensation.

(2) At the request of the person concerned, the assessment of compensation shall be undertaken by a committee to be formed by virtue of a resolution by the Minister of Commerce and Industry. The Department of Mines and Quarries, the Chamber of Mining, Quarries, and Petroleum Industries, and the government authorities concerned shall be

represented on the committee. The decision of the committee may be contested in accordance with the provisions prescribed in Law No.577 of 1954 referred to.

Article 24. – The provisions outlined in this chapter shall apply to quarry materials and similar materials for which a resolution shall be issued by the Minister of Commerce and Industry.

Article 25. – The Egyptian shall have priority over the foreigner in obtaining leases for the exploitation of quarries if priority cannot be determined in accordance with Article 8. He shall also have priority in obtaining these licences through auction, if the offers are equal.

Article 26. – (1) The exploitation lease shall be issued for a period to be indicated by the applicant, by virtue of a resolution by the Minister of Commerce and Industry, or his deputy for this purpose, provided it shall not be less than one year and not more than 30 years.

(2) The lease may be renewed twice provided the period shall not exceed in each time 15 years, if it is proved to the Department of Mines and Quarries at the expiration of the lease period, that the lessee has carried out all his obligations, and has notified the Department of Mines and Quarries, in writing, of his desire to renew the lease, at least six months before the expiry of the period in respect of the leases that exceed one year duration, or two months' if the period is one year.

(3) The renewal shall be effected in accordance with the conditions provided for in the lease, particularly those pertaining to the rent and royalty. As regards the regulating provisions contained in the lease, these shall be subject to the laws and regulations in force at the time of renewal.

(4) The renewal of the lease thereafter, for another period, may be effected by agreement between the Ministry and the lessee, under the conditions agreed upon, and in this case, the renewal shall be effected by virtue of a law.

(5) The lease may be cancelled if work ceases at the quarry for a period exceeding 90 days, without a written permission from the Department of Mines and Quarries.

Article 27. – The royalty shall be paid on the quarry materials, direct at the end of every six months, at the following rates:

Ton	Cubic Meter	
m/ms.	m/ms.	
15	20	Ashlar limestone, sandstone, or the like.
-	100	Dressed limestone, sandstone, or the like.
50	75	Clays of all kinds.
50	75	Gypsum and anhydrite.
-	20	Sands, mud, and dusts (except those derived from epuration of the Nile and canals).
-	20	Gravel.
200	-	Pumice stone.
100	150	Glass-sand.
-	200	Ornamental ashlar of granite, or imperial porphyrey, or marble, or rocks used in the manufacture of mosaic, or the like.
-	600	Ornamental stones of granite, or imperial porphyrey, or marble, or the like.
-	100	Ashlar of basalt.
-	200	Dressed stones of basalt.
-	75	Dolomite and the like.

Article 28. – (1) The licensee shall pay in advance an annual rent to be fixed by a Committee to be formed by virtue of a resolution by the Minister of Commerce and Industry.

(2) In case the licensee does not accept the rent fixed by the said Committee, the use of the quarry shall be offered for public auction on the basis of the rent fixed by the Committee.

(3) The Committee may decide that the rent is sufficient, without the royalty, for every quarry that the Committee considers that its condition necessitates this. It may also reduce the rent if it finds such reduction is justified.

(4) As regards the quarries on which a royalty and rent have been imposed, the large amount shall be collected. The Committee may, however, reconsider the assessment of the rent during the period of validity of the lease, with regard to the leases of at least a 10 year duration, if the department so decides, or at the request of the licensee, provided serious reasons are given and at least five years have elapsed from the assessment of the previous Committee.

Article 29. – (1) The Licensee who is authorised to use a mineral may extract from the quarries existing in the area under which an exploitation lease has been issued to him, whatever may be necessary for the mining operations, free of charge.

(2) The Department of Mines and Quarries may also authorise the extraction of limited quantities from quarries, during a limited period and for a specific purpose, in consideration of payment in advance of the royalty imposed on these quantities, from areas of at least not less than 10 kilometres distant from the regions under which the quarry leases are granted, and the final royalty assessment for this material in its full quantity, shall be computed as stated in the final account of the operation or establishment.

Article 30. (1) in the one year exploitation leases of quarries ,the lessee may, before the expiry of this period, and after the lapse of not less than six months from the date of commencement of renewal of the lease. Exchange the quarry with another of its kind of the same region under the condition provided in the lease, and the remaining period thereof, if the department finds that such exchange is justifiable, and provided applicant shall apply all royalties due on the material extracted from the quarry. the exchange shall only occur once.

(2) the rest of the new quarry shall be fixed in the manner stipulated in the article28 . if such rest is more than the old rent, the lessee shall pay the difference between the two amount within the delay fixed by the department otherwise he shall forfeit his right for exchange ; but if the new rent is less than the old rent, he shall not be entitled to claim the difference.

Article 31. – if the licensee does not transport the quantities extracted by y him from the quarry until the end of the lease period, the remaining materials shall become the property of the government, unless the licensee submits, within 15days prior to the date of termination of the lease, an application reserving his right to transport these material within the period fixed by the department, and provided he pays a sum equal to double the royalty imposed on this materials.

Article 32. – (1) the department of mines and quarries may authorise the owner of the land containing building materials to extract these materials for his personal use and not for exploitation, and exempt him from rent and royalty.

(2) the owner shall have priority over in obtaining the lease for use of the land owned by him, and in this case he shall be exempt from rent, and not from royalty; such right shall be forfeited if the department notified him by a registered letter with acknowledgement of receipt of the necessity to apply for the lease within two month and the said period expires without the application having been submitted.in this case, the department may authorise others to exploit these materials and the owner of the department of mines and quarries.

Chapter 4- General Provisions

Article 33 – Those concerned with the licences and leases, others excluded, shall have the right to apply for copies of the leases and the maps that form integral parts thereof. The department concerned shall collect fees in respect thereof at the following rates:

- B m/ms .
- 0 500(five hundred milliemes) For each page of the lease, provided the fee
Shall not be less than one Egyptian pond, and
More than five Egyptian pound.
- 1 000 (one Egyptian pound) For each map forming an integral part of the
Leases or licenses.

Article 34. – (1) no application submitted in execution to the provision of this law shall be considered, except after the applicant has paid consideration fees at the following rates:

- B m/ms
- 2 000 (two Egyptian pound) for each application in respect of mineral

Material and quarry material, and the leases
Pertaining thereto.

4 000(four Egyptian pound) for each application for cession to others, in
In respect of mineral material or quarry
Material.

4 000(four Egyptian pounds) for each applicant to exchange the qua.

(2) with regard to the minerals, one consideration fee shall be collected in respect of each application, even though the application relates to more than a licence or a lease, provided these licences or leases are harmony. delay in payment of the said fee shall not cause the forfeiture of any right in connection with any of the time limits prescribed in this law, and in this case, the fee shall be doubled.

(3) the application shall be considered cancelled if department of mines and quarries has notified the applicant to pay the fee, by a registered letter with acknowledgment of receipt, and he has not affected payment within a period pf not more than 30 days from the date notification.

(4) in all cases, the said fee shall not be refunded.

(5) pottery kilns shall be exempt from the application fee, and also application for refund of deposit, or surrender of the lease or license to the department of mines and quarries.

Article 35. the ministry of commerce and industry shall draw up the for a prospecting licence leases for exploitation of mines and quarries, and protection licences. This form shall be issued by virtue of resolution by council of ministers.

Article 36 (1) for the purpose of operating mines and quarries, the department of mines and quarries shall authorise the construction of public roads, or railways,roads,or aerial and electrical lines,telephones,air fields,pipelines,or piers and their ancillaries, such as stacking yard,etc.,by mutual agreement with the authorities concerned. The land necessary for this construction shall be expropriated in accordance with the provision of law No.577 of 1954 referred to, if such land is not owned by government.

Article 37. – (1) the department of mines and quarries shall collect an annual rent on the area lease to the licensee for prospecting or for use, outside the area for prospecting or use, for the purpose of constructing establishments or building thereon, as required by work carried out in the area at the following rates:

(a) In respect of the land on which establishment or building are constructed for industrial purpose or for storage:

B 5. 000 (five Egyptian pound) per hectar or part thereof, with the exception of

Pottery kilns and their ancillaries;

And two Egyptian pound shall be collected in respect of each kiln.

(b) In respect of Deauville tracks, water and compressed air pipelines aerial and electrical lines and public roads:

10m/ma. (ten milliemes) Per linear meter of the first Kilometre.

5m/ms. (five milliemes) \per ;linear metre thereafter

(c) In respect of piers:

E 5.000 (Five Egyptian pounds) per pier to be collected by the Department of
Mines and Quarries.

E 20.000 (Twenty Egyptian Pounds) Per pier to be collected for the Ports and
Lights administration.

(d) In respect of airfields:

25.000 (Twenty five Egyptian Pounds) per airfield to be collected by the Department
Of Mines and Quarries.

(2). The same rents shall be collected on piers and air fields, which fall wholly or partly, within the boundaries of the prospecting or use areas.

(3). A full one year rent shall be paid at the time the lease application or renewal application is submitted. In all cases the rent shall not be refunded to the applicant except in the case the application is refused.

(4) The said rates shall be doubled if the Government expropriates the land in accordance with the preceding Article.

Article 38 – The competent department shall collect from the parties concerned a cash deposit in order to guarantee the execution of the conditions of the licence or leases and ,in particular, for payment of sums due to the government in respect of royalty or rent ,in order to fulfil the working obligation and any other condition. The executive regulation indicates the cases in which deposit shall be paid ,as well as their amount and the method of their refund. the said regulation shall be issued in accordance with a resolution by the minister of commerce and industry.

Article 39 - The royalties and rent and any other sums due to the government shall be collected in accordance with the provision of this law, by means of administration seizure.

Article 40 (1) Licences and leases issued in accordance with the provision of this law shall not be ceded to other parties,except with the approval of the minister of commerce and industry. such regusal shall be by virtue of a motivated resolution.

(2) in case of the contravention, the minister may decide to cancel the licence or the lease

Article 41.- Those who use the Mines and Quarries must keep the books provided for in law number 388 of 1953 referred to.

Article 42 .-(1) Licensees for prospecting or using mines must forward to department of mines and Quarries monthly reports from their registers containing all data relating to the employees and workmen as well as ore extracted, transported, stored and sold, together with

its analysis and sell prices, also the explosives and any other particulars which the department of mines and quarries considers necessary to guarantee the seriousness of the work in progress from protecting or use, or in connection with the supervision of the activities of the mining industries, as shall determined by virtue of resolution by the minister of commerce and industry.

(2) He also to both the department of mines and quaires and the companies administration copies of his invoices relating to use

Article 43.-(1) Any person who extracts, or attempts to extract , mineral materials from their mines or any quarry material without permission, shall be liable to the penalty prescribed to theft or attempt to theft,

(2) Judgment shall be rendered to confiscate the instrument and operating machines .

Article 44 .-Without prejudice any more severe penalties provided for in the law, any person who contravenes the provision of this law and orders issued in execution thereof shall b epunished with the fine of not less than 10 pounds, and not more than 200 pounds. The department of mines and Quarries shall fix the delay sufficient to eliminate the contravention.

Article 45.- The inspectors and engineers of the department of mines and Quarries as well as the assistant and technical employees of this department, or the companies administration, as provided for in law number 26 of 1944, Each one in so far as concerned, shall be vested with the power of judicial, official to record any contravention to the provisions of this law and the orders issued in execution thereof. For this purpose, they shall have the right to enter uninhabited places and examine the books, registers and paper.

Article 46.-(1) The authority which issued the exploitation lease shall cancel it by issuing a resolution to this effect in the cases such authority shall have the right to do so in accordance with the provisions of the lease.

(2) with regard to the lease which have the duration of one year, this authority may cancel the lease in case of contravention to the provision of this law or to order issued in execution thereof.

Article 47.-In case of contravention which it is feared would cause a damage which In the opinion of department concerned, could be prevented instantly, the said department shall

have the right to eliminate the causes of a contravention administratively at the expense of contravening part.

Article 48 - On surrendering the licence or lease, or at the termination of the period, all maps and data shall become the property of the departments of mines and quarries, and the leasee or the holder of the protecting licence must forward to the department of mines and quarries annually a comprehensive report of all the data he obtained, the operation he carried out as well as copies of all reports and maps.

Chapter 5 -Final Contravention

Article 49.- The provision of this law may apply to the prospecting licence end exploitatiton lease valid at the time it comes into force, if the party concerned has submitted an application to this effect, within one year at most from the date of its coming into force, and the minister of commerce and industry has approved the application.

Article 50.- As an exception from the provision of this law the minister of commerce and industry may be authorized by a law to entrust a company, or a society, or an establishment, to prospect for mineral material and exploit the mines and quarries under special conditions.

This condition shall stipulated in the law granting the authority.

Article 51.- The provisions of law number 66 of 1952 shall be valid with respect to raw combustibles, and all the other provisions shall be cancelled. The provision of the presiding article shall apply to raw combustibles

Article 52 . -The minister, each one in so far as he is concerned, shall execute this law. The minister of commerce and industry shall issue the orders necessary for its execution. This law shall come into force as from the date of its publication in the official gazette.

PRESENT OF THE COUNCIL OF THE MINISTERS

GAMAL ABDEL NASSER