

COUNCIL OF MINISTERS REGULATIONS No. 182/1994
COUNCIL OF MINISTERS REGULATIONS ON MINING OPERATIONS

These Regulations are issued by the Council of Ministers pursuant to Article 4(2) of the Definition of Powers and duties of the Prim Minister and the Council of Ministers Proclamation No.2/1991

PART I
GENERAL

1. Short Title

These Regulations may be cited as the "Mining Operations Council of Ministers Regulations No. 182/1994".

2. Definitions

In these Regulations, unless the context requires otherwise:

1. definitions provided in the mining Proclamation No. 52/1993 shall supply.
2. "small scale mining operations" means any mining operation of which the annual run-of-mine are does not exceed;
 - a. regarding gold, platinum and silver and other precious and semi-precious minerals;
 1. 100,000m³ for placer operation;
 2. 75,000 tones for primary deposit mining;
 - b. regarding metallic minerals such as iron, lead, copper, nickel:
 1. 150,000 tons for open pit mining;
 2. 75,000 tons for under ground mining operation;
 - c. 120,000 tones per year for industrial; minerals such as kaolin bentonite, diatomite, dolomite, quartz, and coal;
 - d. regarding construction minerals:
 1. 80,000m³ for sand, gravel, pumice, stone clay and the like;
 2. 10,000m³ for dimension stones such as marble and granite;
 - e. 20,000m³ for mineral water;
 - f. regarding thermal water
 1. 2,000,000m³ for bathing, recreational and medicinal purposes;
 2. 25 mega watt or geothermal steam capable of generating equivalent power for industrial and other purposes;
 - g. 14,000 tons for salts extracted from brines;
3. "Large Scale Mining Operation" means any mining operation of which the annual run-of-mine ore exceeds the limit stated in sub-article (2) of this Article with the exception of precious and semi-precious stones.
4. "Proclamation" means the Mining Proclamation No.52/1993.

PART II
MINING LICENSES
CHAPTER 1
APPLICATIONS FOR LICENSES

3. Application for Prospecting License

An application for prospecting license shall include the following particulars:

1. Where the applicant is a natural person:
 - a. his full name, place and date of birth,
 - b. profession; and
 - c. place of residence and address.
2. Where the applicant is a legal person:
 - a. Its nature, nationality, legal form, and capital;
 - b. Address of its head office, name and address of its representative in Ethiopia;
 - c. The following documents duly certified by the appropriate officer of such entity;
 1. copies of its memorandum and articles of association;
 2. copy of the latest annual report of the board of directors, if any;
 3. copies of the balance sheets, profit and loss statements and auditor's reports for the previous three years, if any;
 4. a list of the names of the board of directors, showing the address and nationality of each, if any; and any other person authorized to sign on behalf of the applicant;
 5. the type of mineral and the plan of the proposed area of prospecting as specified by directives;
 6. any license, or other mining right the applicant has previously held in Ethiopia;
 7. description showing the applicant's financial situation, technical competence and experience;
 8. the work program and expenditure the applicant proposes to carry out and incur during the term of the license; and
 9. such other information the Licensing Authority may reasonably request.

4. Application for an Exploration License

An application for an exploration license shall include the following:

1. all information specified under Article 3 of these Regulation;
2. the identify of the applicant's prospecting license, if any on which the application is based; and
3. a report summarizing the geological information known to the applicant regarding the minerals and the area for which the license is requested.

5. Application for Mining License

1. An application for a small scale or large scale mining license shall include the following
 - a. all information specified under Article 3 of these Regulations;
 - b. the identity of the applicant's exploration license, on which the application is based;
 - c. the period for which the license is sought;
 - d. details of the deposit, including proved, estimated and inferred reserves, and the physical and chemical, mineralogical and technical characteristics of the minerals;
 - e. a plan of the proposed license area, at an appropriate scale, indicating the geographical coordinates of the turning points along its boundaries and the distance between them as defined by an official boundary survey, and showing all important landmarks, buildings and topographic and other physical features, and
 - f. proposed development and production program and other information as reasonably required by the Licensing Authority.
2. An application for a large scale mining license shall include all information required to be include under sub-article 1 of this Article and:
 - a. Comprehensive feasibility study indicating sales revenues, capital and operating costs, depreciation and other deductions and estimated profits and cash flow;
 - b. Summary program of employment and training;
 - c. Details of infrastructure requirements; and
 - d. Environmental impact assessment report.
3. An application for an artisanal mining license shall include the following:
 - a. The applicant's full name, address, date and place of birth;
 - b. The minerals and the area for which the license is requested; and
 - c. such other information as the Licensing Authority may reasonably request.

CHAPTER II ISSUING OF LICENSE

6. Registration Notice and Verification of Applications

1. Each application for a license, if complete and in the proper form, shall, in the order received, immediately be noted in the register maintained in the office of the Licensing Authority for such purpose and each applicant shall upon such registration be given a receipt indicating the date and number thereof.
2. Immediately following the registration of each application for prospecting, exploration, small and large scale mining licenses, a notice thereof shall be published on newspapers which have wider circulation.
3. The applicant shall bear all cost necessary for such publications.

4. within thirty days after publication of the notice as specified in sub-article 2 of this Article, the Licensing Authority shall verify all information submitted by the applicant.

7. Lodging of Objections

1. During the thirty days period specified in Article 6(4) of these Regulations, any person may file at the office of the Licensing Authority a written objection to the grant of such license.
2. The Licensing Authority upon the expiry of the thirty days shall promptly hear and decide upon all objections forwarded to him under sub-article (1) of this Article.

8. Grant and Registration of License

1. If, upon the expiry of the thirty days period specified in Article 6(4) of these Regulations, no objection to the application has been filed at its office, the Licensing Authority shall, following verification of all information submitted in connection with the application and upon payment by the applicant of the prescribed fees and rentals, grant to the applicant the license for the minerals and the area sought, or for that part of the area and the minerals which are not reserved or excluded in accordance with Article 6 of the Proclamation and Article 11 of these Regulation, provide, however, that no license shall be granted unless the applicant:
 - a. has demonstrated to the licensing Authority in the application that the has the necessary financial resources, technical capability and experience to meet the obligations relating to the license requested;
 - b. has proposed or agreed to a work program and expenditure or development and production program as the case may be, acceptable to the LICENSING Authority.
2. Where an objection to the application has been filed pursuant to Article 7 of these Regulations, the granting of the license shall be deferred pending a decision by the Licensing Authority within one hundred twenty days from the registration. If the decision of the Licensing Authority is against the submitted objection then a license shall be issued to the applicant subject to sub-article 1 of the Article.
3. If the Licensing Authority decides to approve the application for a license he shall enter such decision in 4 register kept for the purpose and the register shall be signed by the applicant.
4. As specified under Article 46(1) of the proclamation the power to issue artisanal mining license and construction mining license undertaken by domestic investors shall be vested in the Mines and Energy Bordeaux of National/Regional self-Governments while other mining operation licenses shall be given by the Ministry of Mines and Energy.

9. Refusal of License

1. If the Licensing Authority determines that the application or the information supplied in connection herewith is materially inadequate, he shall so notify the applicant, setting the reasons for his decision the reasons for his decision.
2. The applicant shall be permitted to consult with the Licensing Authority in order to provide all evidence in support of his position, shall be afforded a time not lesser than thirty days to overcome the objections of the Licensing Authority and shall be entitled to amend or complete his application.
3. If, following such consultation and the expiry of such time, the Licensing Authority still believes that the application or the information supplied or the qualifications of the applicant are materially insufficient to justify the grant of a license, he shall so notify the applicant.
4. In the event of an adverse decision the applicant shall be entitled to the recourse specified in Article 44(2) of these Regulations.

10. Size of License Area

1. The maximum area to be covered by a single license shall be:
 - a. 50 km² for prospecting license;
 - b. 20 km² for exploration license;
 - c. 5,000 m² for artisanal mining operations;
 - d. 20,000 m² for small scale industrial and construction minerals operation;
 - e. 200,000m² for large scale Industrial and construction minerals operation;
 - f. 10 km² for all other mining license.
2. An artisanal mining license shall not be the holder of more than two licenses with an area exceeding 10,000 square meters at a time.
3. The Licensing Authority may be directive revise and fix the maximum and minimum size of the area to be covered by a license specified in this Article.

11. Excluded Areas

1. Unless the Licensing Authority decides otherwise, no license shall be issued for any area which is s within 100 meters of a site of archeological, cultural or religious importance or a public building, railway, highway, airport, dam reservoir, pipeline, factory or other Government installation.
2. Unless the Licensing Authority decides otherwise, no person shall prospect on land which is within 100 meters of a municipal area, village community or burial ground or which is on land actually under cultivation.
3. It is prohibited to undertake mining operations in areas excluded under any other Law.

12. Combined Licenses.

1. An applicant for a combined license pursuant to article 34 of the proclamation shall fulfill the application requirements applicable for each license and shall justify the basis on which the combined application is submitted.
2. If the Licensing Authority is satisfied that the applicant has met the requirements applicable for each license and that the applicant's justification for applying for the combined license is well-founded and will not be detrimental to the development and production of the deposit, he shall issue the combined license.

13. Replacement and issuance of copies If Licenses

1. The licensee may request from the Licensing Authority one or more copies of the license. Upon receiving such request, the Licensing Authority shall issue and deliver such certified copies to the licensee.
2. The licensee may apply to the Licensing Authority for the replacement of a license which has been lost or destroyed. Upon receiving such request, the Licensing Authority shall issue and deliver replacement of such license to the licensee.

CHAPTER III RENEWAL, TRANSFER AND REVOCATION OF LICENSE

14. Renewal of an Exploration License

1. An application for the renewal of an exploration license shall be made ninety days before the end of its then present term, and shall include the following:
 - a. any change in the information submitted in applying for the original license or a prior renewal thereof;
 - b. annual reports containing the information as specified by directive;
 - c. details of the work program and expenditure that the applicant proposes to carry out and incur during each year of the renewal period;
 - d. part of the License area to be relinquished in accordance with Article 11 of the Proclamation;
 - e. such other information as the Licensing Authority may reasonably request.
2. Unless the licensing Authority agrees otherwise, an area to be relinquished as stated in sub-article 1(d) of this Article shall be in a simple geometric form comprised of one square kilometer units as specified by directive.
3. After verifying the documents attached with the application and upon payment of the prescribed renewal fees and rental by the applicant, the

Licensing Authority shall renew the exploration License in accordance with Article 10 (1) and (2) of the proclamation.

15. Renewal of an Artisanal Mining License

1. An application for the renewal of an artisanal mining license shall be made thirty days prior to the expiration of the then present term of the license and shall include the following:
 - a. any change in the information submitted in applying for the original license or a prior renewal thereof; and
 - b. such other information as the Licensing Authority may reasonably request.
2. After verifying the documents attached with application and upon payment of the prescribed fees and rentals by the applicant, the Licensing Authority shall renew the license in accordance with Article 15(1) of the proclamation.

16. Renewal of a Small and Large Scale Mining License

1. An application for the renewal of a small or large scale mining license shall be made one hundred eighty days prior to the expiry of the then – present term of the license; and shall include the following:
 - a. any change in the information submitted in applying for the original license or a prior renewal thereof;
 - b. details, including a plan, indicating the remaining proved, estimated and inferred reserves of the deposit;
 - c. such other information as the Licensing Authority may reasonably request.
2. After verifying the documents attached with the application and upon payment of the prescribed renewal fees and rentals by the applicant, the Licensing Authority shall as appropriate renew the license e in accordance with Article 17 or Article 19 of the proclamation.

17. Transfer, Assignment, Encumbrance and Inheritance

1. An application for the transfer or assignment of an exploration license, the right to obtain a small scale or a large scale mining license in accordance with Article 9(3) of the Proclamation as well as are application to transfer or assign a small scale or a large scale mining license in accordance with Article 16(2) or Article 18(2) of the Proclamation shall include the following
 - a. With regard to the proposed transferee or assignee, all information required under Article 3 of these Regulations;
 - b. An undertaking by the proposed transferee or assignee to comply with all the terms and conditions of the license, including the

- applicable work program and expenditure or the development and production program and any other undertakings of licensee;
- c. All details of the contractual, economic and financial terms and conditions of the proposed transfer or assignment.
2. An application for the encumbrance of a small scale or a large scale mining license in accordance with Articles 16(2) or 18(2) of the Proclamation shall include the following:
 - a. with regard to the proposed beneficiary of such encumbrance, all information required under Article 3 of these Regulations;
 - b. the nature, terms and conditions of the security interest proposed to be granted; and
 - c. the conditions under which the proposed security interest would be realized, including such safeguards as the Licensing Authority may require to assure the financial and technical qualifications of the eventual acquirer of the license and his undertaking to respect the terms and conditions of the license, the development and production program and any other undertaking of the licensee.
 3. An application for the proposed transfer of a small scale or a large scale mining license by inheritance in accordance with Article 16(2) or 18(2) shall contain the following:
 - a. the legal proceeding relating to the determination of the heirs of the licensee and, with regard to such heirs, all information required under Article 3 of these Regulations;
 - b. details of the applicant's financial situation, technical competence and experience; and
 - c. An undertaking by the heirs to comply with all the terms and conditions of the license, including the development and production program and any other undertaking of the licensee.
 4. In accordance with Article 14(2) of the Proclamation:
 - a. An application for transfer, assignment or encumbrance of an artisanal mining license shall include all information with regards to the proposed transferee, assignee or beneficiary of such encumbrance as specified under Article 5(3) of this Regulation.
 - b. b) An application for proposed transfer of an artisanal mining license by inheritance shall contain the legal proceedings relating to the determination of the heirs and, with regard to such heirs, all information required under Article 5(3) of these Regulations.

18. Revocation and Suspension

1. The Licensing Authority may, in accordance with Article 40 of these Regulations, revoke or suspend any license as a result or wrong doing the licensee.
2. In addition to the provision of sub-article 1 of this Article an artisanal mining license may be revoked pursuant to Article 15(2) of the Proclamation.

PART III DISCOVERY

19. Notice of Discovery

1. Any person who makes a discovery of minerals or a deposit shall immediately place a marker at the location of the minerals discovered or shall delimit by marker the presumed area or the deposit, as the case may be. Each marker shall be of the form and nature specified by the Licensing Authority and shall bear the name of the discoverer.
2. Any person who makes a discovery of minerals or a deposit shall submit a notice of discovery to the controller indicating the location and nature of such discovery, and submit samples or the minerals discovered.
3. The Licensing Authority may, where appropriate, cause the award of prizes to a person who filed a notice of discovery.

20. Verification and Certification

1. Upon being notified of the discovery, the Licensing Authority shall verify the nature of the minerals submitted and the location of the markers placed by the discoverer, and shall confirm that the area and the minerals in question are not subject to a license for such minerals or an application therefore, and the area has not been reserved or excluded.
2. In the case where the discovery is verified and in accordance with sub-article (1) of this Article the area is open for license application, the Licensing Authority shall issue a Discovery Certificate to the discoverer valid for twelve months from its date of issue.

21. Rights and Obligations of a holder of a Discovery Certificate

1. A person who holds a Discovery Certificate shall have the right to be granted an exploration license or a mining or combined license if, during the term of validity of such certificate, he files an application for such license which meets the requirements of the application, notably as regards the financial and technical capability to explore and /or mine for the minerals discovered.
2. During the term of validity of the discovery certificate, the discoverer may prospect for the minerals or the deposit he has discovered, but he may not explore nor remove or dispose of such minerals.

PART IV
RIGHTS AND OBLIGATIONS OF LICENSES
CHAPTER I RIGHTS

22. Infrastructure and other Construction

1. All infrastructure and other facilities of the licensee shall conform to appropriate designs and technical norms and be constructed maintained and operated in a manner to assure their safe and efficient use, in accordance with applicable directives.
2. If the licensee constructs infrastructure which is to be used by other licensees for commercial purposes, the licensee may request the Licensing Authority to allocate the cost of the construction and operation of such infrastructure among such users.
3. The Licensing Authority shall allocate these costs on an equitable basis, taking into account the extent of the use thereof by each person and shall apportion among them the total annual depreciation and the costs of operation and maintenance of such facilities. The annual depreciation shall be computed by dividing the amount of his un-depreciated capital cost of such infrastructure by the numbers of years remaining of the term of the licensee's license.

23. Disposal of Minerals Obtained During Prospecting an Exploration

1. If the holder of a prospecting or an exploration license desires to retain or disposes of any minerals obtained in the course of operations, he shall so apply to the Licensing Authority.
2. The Licensing Authority may authorize the removal of minerals from the license area, subject to such conditions as he may impose, and he authorize the applicant to retain and dispose of the minerals in respect of which application is made on payment of the prescribed fees or royalties, if any.

24. Aerial Photographs and Data

1. If the licensee desires to take aerial photographs, he shall first obtain the permission of the Licensing Authority and other appropriate Government Office as indicated to him by the Licensing Authority.
2. The licensee shall promptly file with the licensing Authority prints of all such photographs taken pursuant to sub-article (1) of this Article.
3. The licensee shall have access, to all available non confidential maps and data within the office of the licensing Authority.

CHAPTER I OBLIGATIONS

25. Delimitation of Boundaries

1. Prior to applying for a small scale or large scale mining license, the applicant shall delimit the area for which the application is sought. Delimitation shall be by markers placed at each turning point along the boundary of the area and along each straight segment.
2. Markers placed at each turning point along a boundary shall be of masonry or metal or such other similar materials not less than 25 centimeters in diameter. Markers along each segment of the boundary shall be of masonry or metal or such other similar materials and not less than 10 centimeters in diameter. All markers shall project at least one meter above the ground and be securely fixed into or on the ground.
3. To each marker shall be fixed a sign indicating the name of the applicant and eventually, the registration number of his license.
4. A licensee shall also adjust the delimited boundary of his license area to reflect any change therein pursuant to Articles 11 or 31 of the proclamation and shall reposition all markers to reflect accurately such change.
5. The Licensing Authority may, cause the delimitation of boundaries of an area subject to an application for a license or a License area to be examined and verified by an official designated for that purpose by the Licensing Authority and may also require that a Government surveyor confirm such boundary
6. The applicant or the licensee, as the case may be shall assist the Licensing Authority in such verification.
7. If the surveyor determines that the boundaries do not accurately reflect the area requested in an application or specified in the license, such boundaries shall be adjusted accordingly, and the applicant or licensee, as the case may be, shall pay for the cost of the survey.

26. Work Programs and Expenditure

1. The work program and expenditure proposed by the applicant for a prospecting or an exploration license shall correspond to an appropriate level of operations, taking into account the area for which the application is applied, the type of minerals and the potential nature of operations and eventual deposits which may be concerned and meet minimum work and expenditure requirements as specified by directive.
2. If the work program and expenditure proposed meet the specified requirements, as stated in sub-article 1 of this Article the Licensing Authority shall approve them. If the Licensing Authority believes that they are materially inadequate he shall so notify the applicant, stating the reasons for his opinion to improve the work program.

3. If the licensee fails in any year to fulfill the minimum work program or expenditure obligation, an amount equal to such unfulfilled obligation may be immediately paid to the Government in order to satisfy the deficiency as specified by directive. The Licensing Authority may take such amount from any guarantee provided by the licensee.
4. If the licensee performs work or incurs expenditure in any year in excess of that for which he is obligated such excess shall be credited towards these obligations for the next succeeding annual period, provided that at least a minimum agreed program of work and expenditure is done in the succeeding year, if applicable,

27. Development and Production Programs

1. The development and production program proposed by the applicants for a small scale or a large scale mining license shall specify the manner in which the applicant proposes to equip and mine the deposit
2. The programs shall be consistent with the objectives specified in Article 26 of the Proclamation, unless a departure there from is justified and receives the prior approval of the Licensing Authority, and shall provide for the development and production of minerals at the optimum rate consistent with the nature and characteristics of the deposit, projected market conditions and other economic and technical factors.
3. If the proposed development and production and program meets the requirements stated in Sub-Article 2 of this Article the licensing Authority shall approve them. If the Licensing Authority believes that the program is materially inadequate taking into account all relevant circumstances, he shall so notify the applicant, stating the reasons for his opinion to improve the proposed development and production program.

28. Employment and Training

1. The licensee shall promote the employment of Ethiopian nationals as specified in Article 27(1) of the proclamation. If an Ethiopian national cannot be found to fill a position the licensee may employ a qualified foreign national. The Licensing Authority shall assist the Licensee in obtaining all necessary Government permissions for the entry and sojourn of foreign nationals and their dependents in Ethiopia.
2. The level of employment and training shall be commensurate with the nature and extent of operations and shall not impair their efficient and economic conduct.
3. The holder of an exploration license shall submit annually to the Licensing Authority, within thirty days prior to the end of each calendar year, the program for employment and training to be followed during the next such year. Such program shall not, in principle, be extensive, unless provided otherwise by agreement.

4. The holder of a small scale or a large scale mining license shall submit annually to the Licensing Authority within sixty days prior to the end of each calendar year, the proposed program for employment and training to be followed during the next year.
5. The Licensing Authority shall notify the licensee, within thirty days after the receipt of the proposed program, if he believes the program submitted to him pursuant to sub-article 4 of this Article is materially inadequate stating the reasons for his opinion to improve the program.
6. All employment and training programs submitted pursuant to this article shall be detailed by category of employee; unskilled, skilled, clerical, technical and management.

29. Health Safety and Environmental Protection

1. The licensee shall provide his agents and employees with appropriate clothing and protective equipment and shall ensure that they are properly trained or otherwise qualified for the work.
2. The licensee shall also provide appropriate health and medical facilities, commensurate with the level and nature of operations, and he shall follow all necessary procedures for the safe and prudent transport, storage, handling and use of explosive and chemicals.
3. The licensee shall immediately notify the Licensing Authority of any act or occurrence which has resulted in loss of life or serious injury to any person or which may jeopardize any property, the environment or operations and shall immediately take such steps as are necessary to mitigate the impact of such situation.
4. Prior to expiration or termination of the license, the licensee shall fill, close, block or otherwise render safe all tunnels, pits and other installations of a potentially dangerous nature.
5. The holder of a small scale or large scale mining license shall progressively restore or reclaim the land covered by the license and, if applicable, a lease so that, prior to termination of the license, the area has been completely restored or reclaimed for beneficial future use, unless the Licensing Authority approves otherwise.
6. The holder of an artisanal mining license shall take all environmental protection measures commensurate to his operations in particular he shall fill pits and plant trees and shall not be allowed to use mercury or similar materials in his operation.

30. Books and Records and Reports

1. The licensee shall maintain in Ethiopia during the term of the license:
 - a. records with regard to weekly changes pertaining to:
 - i. All operations;

- ii. All employees (by category), labour conditions and accidents;
 - iii. Inventories of all minerals produced, stored, treated, transported, exported and sold; and
 - iv. iv) Inventories of all equipment, machinery and other material physical assets.
- b. Duplicate samples of minerals taken from the license area and copies of all assays, other analyses and technical and other reports relating to the minerals in the license area.
- 2. The holder of a prospecting license shall submit to the Licensing Authority annually within thirty days after the end of the year a report which documents all information as specified by directives.
- 3. An exploration licensee shall submit annually, within 30 days after the end of the year, a report which documents all information as specified by directive.
- 4. the holder of a small scale or a large scale mining license shall submit to the Licensing Authority on a calendar- quarter basis, within thirty days after the end of the period to which it relates, a report which summarizes:
 - a. all operations, including the nature of geological work and the progress and results thereof, and the conditions relating to production of minerals and any change in the reserves of the deposit;
 - b. The total number of working days for each category of employee, as specified in article 28 sub-article 6 of these Regulations, and labour conditions and accidents;
 - c. An inventory of all minerals produced, stored, treated, transported, sold and exported (including f.o.b. or other prices obtained) and destination and nationality of buyers for all exports; price received for all sales;
 - d. Inventory of equipment machinery or other material physical assets and any change therein; and
 - e. Such other information as the Licensing Authority may reasonably request.
- 5. The licensee shall also prepare and submit to the Licensing Authority annually within thirty days after the end of the calendar year to which it relates, a report containing a summary of the same information as required under sub-article 4 of this Article.

31. Presentation of License

The licensee or his agent or employee shall produce the license or a copy thereof certified by the Licensing Authority whenever so required by an appropriate public officer, lawful occupant of the license area or the area covered by a lease or other interested person.

PART V
FEES, RENTALS, ROYALTIES AND OTHER PAYMENTS

32. License Fees

1. The license fees to be paid by and applicant for a license pursuant to Article 39 of the proclamation shall be as follows:
 - a. prospecting License.....Birr 100
 - b. Exploration License.....Birr 200
 - c. Artisanal Mining License.....Birr 10
 - d. Small Scale Mining License
 1. Precious Minerals..... Birr 300
 2. Other Minerals.....Birr 200

 - Large Scale Mining License..... Birr 500

2. The renewal fee to be paid by an applicant for renewal of a license pursuant to Article 39 of the proclamation shall be as follows:
 - a. for exploration License.....Birr 100
 - b. for artisanal Mining License.....Birr 10
 - c. for small Scale Mining License
 1. Precious Minerals.....Birr 200
 2. Other Minerals.....Birr 100
 - d. for large Scale Mining License.....Birr 3000

33. Rentals

The annual rentals to be paid by a licensee, pursuant to Article 40(1) of the Production, for each square kilo-meter of the license area or any part thereof shall be as follows:-

1. the holder of a prospecting license..... Birr 40
2. the holder of an exploration license.....Birr 60
3. the holder of an Artisanal Mining License
 1. Precious Minerals.....Birr 100
 2. Other Minerals.....Birr 50
4. the holder of a Small Scale Mining License
 0. for Precious MineralsBirr 200
 1. for Other Minerals.....Birr 50
5. the holder of a Large Scale Mining License.....Birr 400

34. Royalty

1. The royalty to be paid by a license pursuant to Article 37(1) of the proclamation shall be as follows:-
 - . for Precious Minerals.....Birr 5%

- a. for metallic and non-metallic minerals,
including construction minerals.....Birr 3%
 - b. for geothermal deposits and mineral water.....Birr 2%
2. Royalties payable under sub-article (1) of this Article shall be computed and levied ad valorem at the production cite and shall be paid on a calendar –quarter basis within thirty days after the end of the period to which it relates.
 3. Not withstanding sub-article (1) of this Article, a lesser rate of royalty may be provided by an agreement where it becomes necessary to encourage mining investments in areas given development priority.
 4. The Licensing Authority may, in circumstances he deems appropriate, cause the reduction, suspension or waivers of the imposition of royalty by requesting the appropriate government body.

35. Other Payments

1. Birr 10 shall be payable, per page, for registration of documents in accordance with Article 49 of the Proclamation.
2. Birr 5 shall be payable, per page, for copies of records of cases heard in accordance with Article 51 of the Proclamation.
3. Birr 10 shall be payable for services provided in accordance with Article 13 of these Regulations.

36. Late Payments

Any amount payable in accordance with Article 33 and 34 of these Regulations, which is not paid when due shall be subject to a fine of 2%for each month or part thereof that such amount remains unpaid without prejudice to any other recourse that the Licensing Authority may have for late or non payment under the provision or part VI of these Regulations.

**PART VI
INFRACTIONS AND SANCTIONS**

37. Primary Infractions

1. Any person who:
 - a. Undertakes mining operations without having obtained the appropriate license;
 - b. Makes a false statement or fraudulent misrepresentation in connection with the application relating to a license or fails to give notice of a discovery pursuant to Article 12 of the Proclamation and Article 19(2) of these Regulations; or
2. Any licensee who:

- a. conducts mining operations in a reckless, grossly negligent or willfully improper manner;
- b. commits repeated violations of obligations relating to environment, health, safety or other mining operations; or
- c. fails repeatedly and materially to meet administrative and fiscal obligations;

Shall be guilty of a primary infraction.

38. Secondary Infractions.

A licensee who:

1. fails to maintain books and records or other documents or materials required or maintains books and records which are materially incorrect or incomplete, fails to file reports or other documents or fails to give notices required;
2. conducts mining operations in a negligent manner or in a way which endangers the health or safety of any person, the environment or a deposit, fails to observe good mining practices generally, or fails to observe an obligation of a license;
3. Fails to make any payment when due to the Government; or
4. Fails to grant a duly authorized official of the Licensing Authority entry into the license area, the area covered by a lease or access to any other site or premises of the mining operations or to his books, records, other documents or materials, or fails to carry out a lawful order or instruction of such official;

Shall be guilty of a secondary infraction.

39. Administrative Infractions

Any licensee who:

1. fails to maintain his books and records in a complete, accurate and current manner, excluding such deficiencies which are materially incorrect or incomplete;
2. fails in a timely manner to file all reports and other documents or to give notices required; or
3. fails to carry out mining operations in a proper and prudent manner or to observe regulations or directives, but which failure does not endanger the health or safety of any person, the environment or a deposit;

Shall be guilty of an administrative infraction.

40. Sanctions

1. The sanction for an act or an omission which constitutes a primary infraction under article 37 of these Regulations may include the immediate revocation of the license to which the infraction is related and a fine not

exceeding 5,000 Birr, and if the person commits another act or omission which constitutes a further such infraction, the amount of the fine may be doubled.

2. If the licensee immediately takes remedial action to correct an action or omission which constitutes secondary infraction under article 38 of these regulations after being given notice of the infraction, the applicable sanction shall be to a fine not exceeding 2,000 birr. If, however, the person concerned cannot or does not take remedial action, the amount or the fine may be doubled. In addition, if the licensee does not take remedial action or if the infraction results in an imminent or continuing danger to the health and safety of any person, the environment or a deposit, the Licensing Authority may immediately order the licensee to suspend his mining operations pending correction of the infraction, and the license shall be suspended until such act, omission or conditions is rectified.
3. If the licensee does not immediately take remedial action after being given notice of an act or omission which constitutes an administrative infraction under article 39 of these Regulations or if the infraction is not capable of remedy, he shall be subject to a fine not exceeding 500 Birr.
4. If any act or omission which constitutes a secondary or an administrative infraction is of a continuing or repeated nature, the Licensing Authority may deem it to constitute a primary or a secondary infraction, respectively, and the licensee concerned shall be subject to the sanctions thus applicable.
5. Any person who violates the provisions of these Regulations other than those stated in this Article shall be subject to the penalties provided for under article 53/5/ of the Proclamation.

PART VII MISCELLANEOUS

41. Dispute Settlement Procedures

1. The following procedures shall be applicable in hearing and deciding cases falling under the jurisdiction of the Licensing Authority pursuant to Article, 51/1/ of the Proclamation;
 - a. The person complaining shall file with the Licensing Authority a memorandum summarizing the dispute and supporting his allegations. The memorandum shall state the nature of the complaint and the relief sought.
 - b. Upon receipt of the memorandum, the Licensing Authority shall give notice thereof to the adverse party, forwarding a copy of the memorandum received, and he shall indicate to both parties the time and place at which the dispute shall be heard.
 - c. At the time and place designated by the Licensing Authority the parties shall attend and state their case before him and submit evidence in support thereof. The Licensing Authority shall take

note of all evidence given. The Licensing Authority may adjourn the hearing to any other time and place and may at the original hearing or any adjournment thereof proceed in the absence of either party.

- d. The licensing Authority may, at any time subsequent to the filling of a dispute and prior to his decision thereof, cause to be seized, retained and safeguarded any minerals or other property subject to the dispute or may require a party to provide a guarantee for its value.
 - e. The licensing Authority shall inform all parties of his decision regarding the dispute and shall provide each party with a copy of the record of such proceedings.
 - f. The Licensing Authority may transmit a copy of his decision and the record regarding the hearing related thereto to the court if competent jurisdiction over the subject matter of the decision, to the extent provided by law.
 - g. Fees and costs in connection with any such proceeding may be imposed upon the losing party.
 - h. The civil Procedure Code of Ethiopia regulating proceedings before a court of first instance in civil matters shall apply to proceedings before the licensing Authority without prejudice to the provisions of this sub-article.
2. The Licensing Authority shall keep a record of all disputes their proceedings and his decisions relating thereto.

42. Reduction or Extension of Time

Notwithstanding any provision of these Regulation of these Regulations which may specify a period of time within which an act is to be performed, the Licensing Authority may for good cause provide for a shorter or longer period, provided that such reduction or extension shall not jeopardize the rights of a licensee or endanger his ability to perform the duties and obligations pursuant to the license or under the proclamation.

43. Government Assistance to Licensees

The Licensing Authority may, where it deems it appropriate, provide support and assistance to holders of artisanal and small scale mining licensees in the following manner:

1. identify and delimit deposits and reserve the minerals and the areas concerned for operations to be undertaken by such licensees in the following manner;
2. Provide technical and administrative assistance, support and training;
3. assist in obtaining financial support for such operations;
4. assist in the voluntary formation and the functioning of mining cooperatives;

5. advise on the treatment, transportation, storage and marketing of minerals produced by such licensees.

44. Powers and Duties of the Controller

1. The Controller shall have the primary responsibility with regard to the technical and administrative supervision of mining operations in accordance with directives issued by Licensing Authority and such other duties as are specified under the proclamation.
2. Without prejudice to delegations specially given to other officials of the Licensing Authority and the provisions of sub-article 3 of this Article, the Controller is hereby vested with all powers necessary to implement the provisions of these Regulations in accordance with directives issued by the Licensing Authority. However, any complaint against the decision of the controller may be submitted to the head of the Licensing Authority.
3. Except where the Controller or any other officer of the Licensing Authority has been specifically delegated, all disputes submitted in accordance with Article 41 of these Regulations shall be heard and decided by the head of the Licensing Authority.

45. Effective Date

These Regulations shall enter into force on the date of their publication in the Negarit Gazeta.

Done at Addis Ababa, this 20th day of April 1994.

TAMERAT LAYNIE
PRIME MINISTER OF THE TRANSITIONAL
GOVERNMENT OF ETHIOPIA