

**Farm-out:** deed by which the holder of mining title transfers the mining of a deposit to a third party against payment of royalty or any other method of consideration agreed between the farmor and the farmee.

**Non-industrial miner:** a natural adult person of Cameroonian nationality involved in a non-industrial mining activity on his own behalf and who is holder of a non-industrial miner's card.

**Non-industrial mining:** an operation consisting in using traditional methods and processes to extract and concentrate top- or sub-soil mineral substances at a maximum depth of ten (10) metres, and obtaining marketable products.

**Competent authority:** a public authority empowered to issue instruments granting, renewing and approving mining titles and other mining sector-related licences.

**Non-industrial mining licence:** a legal document that confers on its holder the exclusive right to carry out non-industrial mining within the assigned perimeter.

**Semi-mechanized non-industrial mining licence:** a legal document that confers on its holder the exclusive right to carry out semi-mechanized non-industrial mining within the assigned perimeter.

**Purchasing office:** a company under Cameroonian law approved and specialized in the purchase, import and export of precious or semi-precious stones and metals.

**Mining Registry or Mining Office:** an agency of the ministry in charge of mines responsible for reviewing and managing applications for documents conferring mining rights, preserving, publishing and updating the map of mining sites, mining titles, permits and other authorizations for the mining of quarries, spring water, mineral water, thermo-mineral water and geothermal deposits.

**Quarry:** perimeter for the mining of building material or industrial phosphates and nitrates, as well as related facilities.

**Non-industrial quarry:** perimeter for the extraction of quarry material using manual and traditional methods and processes not involving the use of explosives.

**Public interest quarry:** perimeter for the industrial extraction of quarry substances intended for public interest works.



**Domestic quarry:** perimeter for the non-industrial extraction of quarry substances by the landowner solely for personal and non-commercial use.

**Industrial quarry:** perimeter for the extraction of quarry substances using industrial methods and processes which may involve the use of explosives.

**Semi-mechanized non-industrial quarry:** perimeter for the extraction of quarry substances using semi-industrial methods and processes.

**Mining site map:** up-to-date official topographic map on which the boundaries of all current mining titles, pending applications, available areas, land, forest and wildlife reserves, as well as national parks and protected areas are recorded.

**Cession:** complete or partial transfer of a mining right by its holder to a third party.

**Mining Code:** this law.

**Collector:** a natural person of Cameroonian nationality, holder of a collector's card which confers on him/her the right to buy from persons with a valid non-industrial mining card any non-industrial mining mineral substance and sell same to the Ministry in charge of mines or to owners of purchasing offices that market such substances.

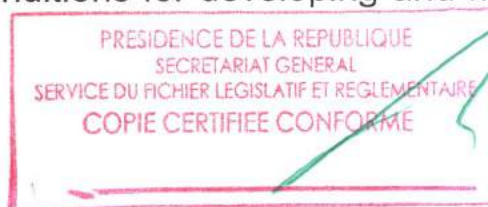
**Packaging:** operation which consists in preserving a mining product in a container designed in accordance with the requirements of use, presentation, protection, handling and marketing.

**Mining Registrar:** mining registry official responsible for drawing up and keeping the Mining Titles Register.

**Consolidation:** grouping of all existing mining licences or titles of the same type into one or more licences or titles of such type.

**Local content:** all activities geared towards local capacity building, use of local human and material resources, technology transfer, sub-contracting local business, services and products and creation of measurable value added for the local economy.

**Mining agreement:** a partnership contract between the State and an exploration permit holder laying down conditions for developing and mining a



newly discovered mineral deposit, including site closure and restoration operations.

**Mining right:** prerogative conferred on the holder of a mining licence or title.

**Spring water:** water with little or no mineral content, carbonated or not at the discharge point.

**Mineral water:** natural water containing a solution of mineral salts, gases or both, and having therapeutic properties.

**Thermo-mineral water:** mineral water with a high temperature at the discharge point.

**Mining project feasibility study:** a report indicating the possibility of mining a deposit with proven reserves, within the perimeter of the mining permit and showing the related implementation programme.

**Mining project pre-feasibility study:** a report indicating the possibility of mining a deposit based on mineral resource estimates.

**Environmental and Social Impact Assessment:** a systematic review to determine the possible positive and negative effects of a project on the natural and human environment. It helps to mitigate, pre-empt, eliminate or offset the adverse effects of a project on the environment and the people affected by the project.

**Mining:** all preparatory works, extraction, transportation, treatment and analysis on a given deposit to obtain marketable or useful products.

**Non-industrial mining:** mining operations which consist in extracting and concentrating mineral substances, and obtaining marketable products through traditional methods and processes.

**Semi-mechanized non-industrial mining:** operations carried out under a semi-mechanized non-industrial licence to mine precious and semi-precious substances with no more than three (03) excavators, a backhoe loader and any other instrument such as mineralized gravel or mineral concentrate washing machine, the use of chemicals whose processing is strictly prohibited.

**Industrial mining:** mining based on prior proof of the existence of a deposit that can be commercially mined, using the fixed facilities required for



collecting minerals through industrial processes in accordance with standard rules.

**Extraction:** all works intended to remove mineral substances or quarry material from the soil and sub-soil.

**Deposit:** any natural deposit of mineral substances workable under the current economic conditions.

**Previously proven deposit:** a deposit on which studies have been conducted up to the stage of mechanical and geotechnical surveys using concentrated grid, geophysical surveys and geochemical and alluvial prospecting campaigns.

**Mineral deposit:** a concentration of mineral substances within a specific area of the earth's crust.

**Geothermal deposit:** deposit embedded in the soil from which thermal energy can be tapped, particularly through the hot water and underground vapour contained therein.

**Dumps and quarrying waste:** waste, rubble, mining and quarry residues.

**Trace:** directly crosschecked and reliable information about mineralization in a particular place.

**Extractive Industries Transparency Initiative (EITI):** international standard which aims to ensure transparency in the extraction and management of the oil, gas and mining resources of various countries.

**Buffer zone:** space between two (02) mines which helps to prevent any contact between their works.

**Mining list:** a document that specifies imported goods for which import duty and tax exemptions are granted to the holder of a mining title in the exploration, installation or construction and operation phases.

**Mine:** mineral substance deposits not classified under quarries, excluding liquid or gaseous hydrocarbons, or an open cast or underground mineral substance site, including facilities and movable or immovable equipment used for the mining.



**Mineral ore:** any potentially workable mineral substance in solid, liquid or gaseous form occurring naturally above or under the ground, excluding water and oil.

**Miner or mine worker:** an adult natural person working under the supervision and authority of a mining operator.

**Mining operation:** non-industrial and semi-mechanized non-industrial mining activity relating to the reconnaissance, exploration, mining, treatment, or transportation of mineral substances, excluding liquid or gaseous hydrocarbons and surface water.

**Perimeter:** the area limiting the land for which a mining title or a reconnaissance permit has been granted.

**Reconnaissance permit:** a legal instrument which confers on its holder:

- the non-exclusive and non-transferable right to carry out reconnaissance operations within the reconnaissance perimeter;
- the right to enter into the reconnaissance perimeter and to build facilities intended exclusively for reconnaissance works, subject to compliance with the land, forestry and property laws in force.

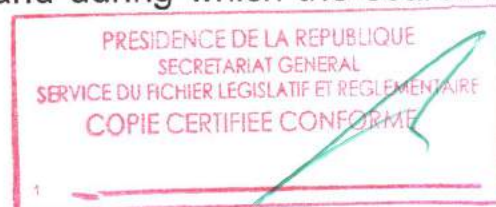
**Exploration permit:** a legal instrument that gives the holder the exclusive right to conduct exploration works within the perimeter of the permit.

**Mining permit:** a legal document that confers on the holder the exclusive right to conduct mining operations within the perimeter of the permit.

**Small-scale mine:** any permanent small-scale mining project based on proven existence of a deposit, using standard rules, semi-industrial or industrial processes, and whose annual production does not exceed a certain tonnage of the marketable product in the form of mineral ore, concentrate or metal, as laid down by regulation for each substance.

**Exploration phase:** the phase during which the holder of an exploration permit or a mining permit carries out exploration activities, until the completion of a feasibility study.

**Installation or construction phase:** period materialized by the issuance of a joint instrument by the ministers in charge of mines and of works, which begins at the end of the exploration phase, and during which the search for



funding and works are undertaken to finance and build a mine, and ends at the beginning of the run-in phase.

**Production phase:** the period during which the run-in phase is deemed to have started and materialized by a joint instrument of the ministers in charge of mines and of finance.

**Neighbouring population:** the people living or residing around sites hosting a mining or quarry activity and having right of use or customary rights within such sites and / or who are affected by mining or quarrying activities.

**First commercial production:** the first marketing of a mining product as provided for by the development project presented in the feasibility study.

**Kimberley Process:** an international system for certifying rough diamond which brings together governments, civil society and diamond industrialists, with the aim to avoid negotiating the purchase of diamond introduced on the world market by rebel movements to finance their military activities.

**Exploration:** any investigation process or method to locate and evaluate mineral deposits comprising prospecting bulk sampling and laboratory tests.

**Reconnaissance:** overall systematic and mobile survey of surfaces, notably, through geological or geophysical methods aimed at detecting traces or concentrations of useful mineral substances.

**Mining royalty:** an amount deducted during first sale and paid to the State or to national sector institutions, in respect of the value of production from the mine.

**Value-based royalty:** ad valorem tax levied on mining substances and the extraction tax on quarry material.

**Area-based royalty:** annual amount paid by holders of mining titles, quarry licences and permits as well as permits to tap mineral water for the area occupied by their activity.

**Mining Titles Register:** register drawn up and kept by the Mining Titles Registrar, in which every document relating to a mining title must be recorded. It specifies all applications for mining titles received, all subsequent decisions relating to the granting, renewal, renunciation, withdrawal and expiry of mining titles as well as any other information deemed necessary by the Registrar.



**Standard mining rules:** technical requirements and methods of exploring and mining designed to better develop the potential of the deposit, as well as maximize productivity and conditions of industrial safety, public safety and environmental protection.

**Rehabilitation:** sustainable restoration of former mining sites to conditions of security, rural productivity, and physical appearance close to their original state, and in a manner considered appropriate and acceptable by the authorities in charge of mines and the environment.

**Reserve:** part of measured and indicated resources that can be economically mined under the market conditions prevailing at the time of valuation.

**Probable reserve:** economically usable part of indicated and, in some cases, measured resources proven by a prefeasibility study.

**Proven reserve:** economically usable part of indicated and, in some cases, measured resources proven by a feasibility study.

**Mineral resource:** mineral concentration of natural solid, inorganic or fossil material embedded in the earth's crust, irrespective of form, quantity, composition or quality.

**Sub-contractor:** any natural or legal person who, on behalf of the holder of a mining title, does work related to the main activities provided for or authorized under the said title, in keeping with signed contracts, standards, specifications or plans required by the title.

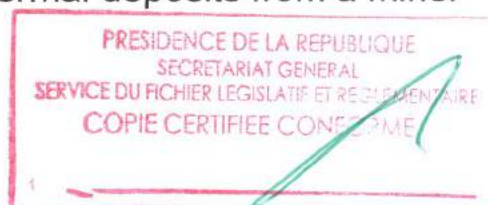
**Quarry substances:** building materials or industrial minerals extracted through excavation or other methods, with a view to supplying materials for building, commerce or industry.

**Mineral substances:** amorphous or crystalline solid, liquid or gaseous natural substances, as well as organic fossilized substances and geothermal deposits.

**Precious substance:** precious metals, precious and semi-precious stones.

**Radioactive substances:** uranium, thorium and their derivatives.

**Ad valorem tax:** amount due the State or national sector institutions in respect of the value of production of mining products and spring water, mineral and thermo-mineral water and geothermal deposits from a mine.



**Extraction tax:** amount due the State or national sector institutions, in respect of the value of the production of commercial non-industrial quarry substances, semi-mechanized non-industrial quarries and industrial quarries.

**Land:** piece of land with a specific shape and dimensions, which may be private State land, public land or national land. This definition applies in particular to:

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME

- the surface and the ground under the surface of the soil;
- water;
- the beach, the area between the average level of high-water mark and the average level of low-water mark;
- the offshore zone, the seabed under the territorial waters running from the average level of low-water mark right to the depths authorized for mineral ore exploration or mining;
- the bed of any river, stream, estuary, lake or marshland.

**Mining title:** any legal instrument issued by the competent authority to a natural or legal person for purposes of carrying out mining activities on a demarcated piece of the national territory.

**Holder:** any natural or legal person whose name is recorded in the Mining Title Register and to whom a mining right has been granted and a title issued.

**Treatment:** any mineralogical and/or metallurgical process or any concentrating and enriching activity that leads to obtaining a marketable mineral substance or to enhancing the quality of the mineral ores extracted.

**Transfer:** change of ownership of a mining title by cession, merger or conveyance.

**Processing:** any industrial process that involves changing the shape and nature of a treated mineral substance and deriving finished or semi-finished marketable products therefrom.

**Cadastral units:** standard quadrangular polygons of constant dimensions with a fixed position within a suitable coordinate system.

**Mining plant:** buildings, facilities, machinery, equipment, tools or any other property mounted on the ground or not.

**Present value of previous studies:** all costs relating to exploration works



carried out on behalf of the State or a semi-public entity prior to the granting of a new mining title on a given perimeter, which contributed to proving the existence of mineral deposits and traces, and the refund of which may be requested as part of a competitive procedure to promote investment in the mining sector.

**Market value:** price of products sold on the market or calculated with reference to the current market price at the time of the transaction without any deduction of charges.

**Development:** all processing operations carried out on run-off mine ore to obtain a product referred to as "concentrate" that meets the requirements relating to the composition and size of impurities contained therein as well as humidity rate and other criteria.

### CHAPTER III PRINCIPLES AND INSTRUMENTS GOVERNING THE DEVELOPMENT OF THE MINING SECTOR

**SECTION 5:** (1) Mineral substances contained in the soil and sub-soil of the territory of the Republic of Cameroon, its territorial waters and its continental shelf shall be the property of the State that shall exercise sovereign rights thereon.

(2) Holders of a mining title or other licences shall acquire ownership of the mineral substances extracted in accordance with the provisions of this law.

(3) The perimeter of quarry rocks shall fall under the natural public domain and the State shall grant occupancy licences to operators in accordance with land laws.

**SECTION 6:** Depending on their legal regime, natural deposits of mineral substances shall be classified into mines and quarries.

**SECTION 7:** (1) Any mineral substance classified among quarries may be reclassified under mines by the minister in charge of mines.

(2) Any mineral substance classified under mines may be reclassified under quarries by the minister in charge of mines.

**SECTION 8:** In the interests of the State, the minister in charge of mines may exclude any land or mineral substance from exploration or mining under the terms and conditions laid down by regulation.



**PART II**  
**LEGAL REGIME APPLICABLE TO MINING**

**SECTION 9:** (1) All mineral deposits containing, in particular, iron, manganese, titanium rocks, chromium, vanadium, copper, lead, zinc, cadmium, germanium, iridium, selenium, tellurium, molybdenum, tin, tungsten, nickel, cobalt, metals of the platinum group, gold, silver, magnesium-antimony, barium, boron, fluorine, sulphur, arsenic, bismuth, strontium, mercury, titanium and zirconium mineral sands, rare earth elements, coal and other fossil fuels, uranium and other radioactive elements, phosphate, bauxite, sodium and potassium salts, alum, sulphates other than alkaline earth metals, metallic minerals for industrial use, marble, limestone or other industrial or ornamental rocks, calcedony and opal, ruby, sapphire, emerald, garnet, beryl, topaz, as well as all other semi-precious stones and diamond shall fall under the legal regime applicable to mining.

(2) All mineral substance deposits not classified among quarries, including geothermal deposits, spring water, mineral and thermo-mineral water shall also fall under the legal regime applicable to mining.

**SECTION 10:** Mineral deposits located on the continental shelf and within the exclusive economic zone, irrespective of the substances they contain, shall, according to their legal regime, be considered under the category of mineral deposits subject to the mining regime.

**SECTION 11:** The following 5 (five) types of mining titles are hereby instituted:

- non-industrial mining licence;
- semi-mechanized non-industrial mining licence;
- exploration permit ;
- small-scale mining permit;
- industrial mining permit.



**SECTION 12:** (1) Contiguous mining titles of the same type covering the same mineral substance may be consolidated into one or several mining titles.

(2) The terms and conditions for consolidating mining titles shall be laid down by regulation.

**SECTION 13:** (1) To improve geological or scientific knowledge under conditions that do not require obtaining a mining title, the State shall carry out or authorize reconnaissance activities under conditions laid down by regulation.

(2) Geological studies with a view to issuing geological opinions or notices required to construct facilities and develop mining sites shall be dealt with in a separate instrument.

**SECTION 14:** Topographical survey and mining title demarcation shall be attached to the national geodesic network under conditions laid down by regulation.

**CHAPTER I**  
**COMMON PROVISIONS GOVERNING**  
**RECONNAISSANCE PERMITS AND MINING TITLES**

**SECTION 15:** (1) Any natural or legal person may undertake or carry out an activity governed by this law on State public land or State private land, national land or private individual land.

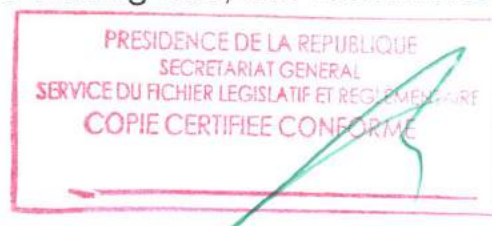
(2) All mining activities, except reconnaissance, shall be subject to prior issuance of a mining title.

(3) Reconnaissance activities shall be subject to issuance of a reconnaissance permit.

(4) The granting of a reconnaissance permit or a mining title shall be subject, under conditions laid down by regulation, to proof of the technical and financial capacity required for all operations relating to such permit or title.

(5) Only legal persons under Cameroonian law operating in the mining sector shall be granted a mining title.

**SECTION 16:** (1) The Mining Titles Registry shall receive and examine all mining title or reconnaissance permit applications and forward to the minister in charge of mines, within 15 (fifteen) working days, its reasoned technical opinion and a draft instrument granting the mining title, the reconnaissance permit or the transaction agreement.



(2) The draft instrument referred to in Section 16(1) above shall undergo prior coordinated review by all the stakeholders, in accordance with the conditions laid down by regulation.

(3) In case of competing applications with equal proposals regarding works to be carried out, and technical and financial capacity, priority shall be given to the first applicant, the date and time of submission serving as evidence.

(4) Once signed, mining titles, reconnaissance permits and other documents authorizing transactions shall be collected from the Mining Titles Registry on presentation of a receipt confirming payment into the Treasury of fixed charges and annual royalties per basic cadastral unit for the first year.

(5) Mining titles shall be recorded in registers designed for that purpose and kept at the Mining Titles Registry.

(6) The conditions for keeping registers and managing mining title files shall be laid down by regulation.

**SECTION 17:** The conditions for granting or renewing mining titles shall be laid down by regulation.

**SECTION 18:** The granting of exploration or mining permits for small-scale and industrial mining shall be subject to payment of a deposit, according to the size of the mining project, to ensure that the permit holder fulfils his obligations. The amount of such deposit and the payment conditions shall be laid down by regulation.

**SECTION 19:** The national territory shall be divided into basic cadastral units forming a grid system whose features and connection to the existing coordinate system shall be determined by regulation.

**SECTION 20:** The validity period of a mining title shall run from the date of signature of the instrument granting the title.

**SECTION 21:** (1) The validity period of a mining title shall end upon renunciation, withdrawal or expiry of the validity period.

(2) The conditions for renunciation and withdrawal of a mining title shall be laid down by regulation.



**CHAPTER II**  
**PROVISIONS SPECIFIC TO EACH MINING TITLE**  
**AND TO MINING OPERATIONS**

**I – NON-INDUSTRIAL AND SEMI-MECHANIZED NON-INDUSTRIAL**  
**MINING**

**SECTION 22:** (1) Subject to the laws governing handicrafts in Cameroon, non-industrial mining shall be carried out only by natural persons of Cameroonian nationality. It shall be subject to the issuance of an individual non-industrial miner's card and a non-industrial mining licence under the terms and conditions laid down by regulation.

(2) The non-industrial mining licence referred to in Section 22(1) above shall be granted by the authority in charge of mines for a renewable period of 2 (two) years.

**SECTION 23:** (1) The collection of mineral substances shall be subject to the prior issuance of an individual mineral substance collector's card.

(2) The conditions for issuing and renewing the individual mineral substance collector's card shall be laid down by regulation.

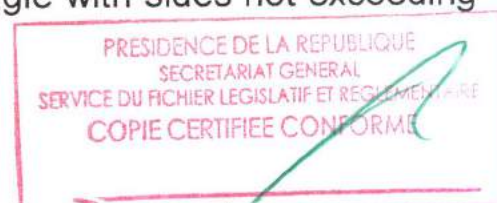
**SECTION 24:** (1) The individual non-industrial miner's card shall be issued by the authority in charge of mines for a renewable period of 2 (two) years.

(2) The conditions for issuing and renewing the individual non-industrial miner's card shall be laid down by regulation.

**SECTION 25:** (1) The holder of an individual non-industrial miner's card may, at any time, mark out one or several non-industrial mining perimeters, in accordance with the provisions of this law and the conditions laid down by regulation.

(2) Where the holder of an individual non-industrial miner's card marks out a non-industrial mining perimeter, he/she shall have such marking out established in accordance with the regulations in force and, within 30 (thirty) days from the date of such establishment, apply for a non-industrial mining licence from the authority in charge of mines.

**SECTION 26:** (1) The marking out of each land for which a non-industrial mining licence is granted shall be a quadrangle with sides not exceeding 100



(one hundred) metres in length. The quadrangle must be contained in a cadastral unit that shall be determined by regulation.

(2) A non-industrial mining licence may be granted within an exploration permit, under the terms and conditions laid down by regulation.

**SECTION 27:** (1) The licence for semi-mechanized non-industrial mining of precious and semi-precious substances shall be granted by the minister in charge of mines for a renewable period of 2 (two) years to any legal person governed by Cameroonian law, under the terms and conditions laid down by regulation.

(2) The licence for semi-mechanized non-industrial mining of precious and semi-precious substances shall be granted within an exploration permit by the minister in charge of mines only upon the prior approval of the President of the Republic, under the terms and conditions laid down by regulation.

(3) The shares of Cameroonians shall make up at least 51% (fifty-one percent) of the shareholding of the legal person under Cameroonian law referred to in Section 27(1) above.

(4) The total surface area of the land for which the licence for semi-mechanized non-industrial mining of precious and semi-precious substances is granted shall not exceed 21 (twenty-one) hectares and shall be a single polygonal-shaped block within one or several cadastral units as defined by regulation.

**SECTION 28:** (1) The State shall deduct a combined flat-rate mining tax of 25% (twenty-five percent) of the gross production of every semi-mechanized non-industrial mining site.

(2) The tax referred to in Section 28(1) above shall represent the share of the State in mining production, ad valorem tax on precious and semi-precious substances and company tax monthly instalment.

(3) The conditions for deducting and sharing the share of the State referred to in Section 28(1) above between the Treasury, the Mining Sector Development Fund, the entity responsible for supervising and promoting non-industrial mining, the council having territorial jurisdiction and the neighbouring population shall be laid down by regulation.

(4) Without prejudice to payment of other taxes, fees and duties to which they are liable, the semi-mechanized non-industrial mining operator shall freely dispose of the remaining 75% (seventy-five percent) representing

their share. However, export of all or part of such share shall be subject to the issuance of prior authorization by the minister in charge of mines.

**SECTION 29:** The State shall ensure that raw materials, representing at most 50% (fifty percent) of its share, are available for entities involved in local processing of mineral substances derived from non-industrial and semi-mechanized non-industrial mining.

## **II - NON-INDUSTRIAL MINING SUPERVISION AND PROMOTION BODY**

**SECTION 30:** (1) A body responsible for monitoring and supervising the production, marketing, promotion and processing of substances derived from non-industrial and semi-mechanized non-industrial mining activities is hereby established within the State.

(2) The organization and functioning of the body referred to in Section 30(1) above shall be laid down by decree of the President of the Republic.

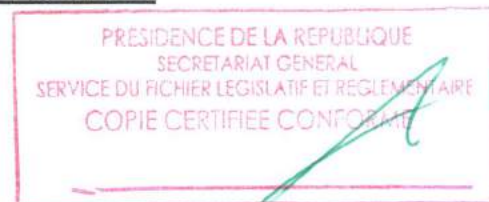
(3) The body referred to in Section 30(1) above, as well as the competent authorities, shall be responsible for implementing the measures relating to the rehabilitation of non-industrial and semi-mechanized non-industrial mining sites.

(4) The terms and conditions for implementing the measures relating to the said rehabilitation shall be laid down by regulation.

## **III - INDUSTRIAL MINING**

### **III (i) - PROVISIONS COMMON TO SMALL-SCALE AND INDUSTRIAL MINING**

#### **PARAGRAPH I RECONNAISSANCE PERMIT**



**SECTION 31:** (1) The reconnaissance permit shall be issued to legal persons governed by Cameroonian law to conduct systematic and mobile surface surveys using geological, geophysical or other methods covering vast areas, for the purpose of detecting traces or concentrations of useful mineral substances.

(2) The reconnaissance permit shall be issued or renewed by the minister in charge of mines under the terms and conditions laid down by regulation.

**SECTION 32:** The reconnaissance permit shall be valid for a renewable period of 1 (one) year.

**SECTION 33:** The total surface area of the land for which a reconnaissance permit may be granted shall not exceed 1 000 km<sup>2</sup> (one thousand square kilometres) or its equivalent in cadastral units and shall be a single polyglonal-shaped block.

**SECTION 34:** The reconnaissance permit shall confer on its holder:

- the non-exclusive and non-transferable right to carry out reconnaissance operations within the reconnaissance perimeter;
- the right to enter and set up appropriate facilities within the reconnaissance perimeter, subject to the land, property, environmental and forestry laws in force.

**SECTION 35:** The holder of a reconnaissance permit shall be bound to carry out operations in line with his/her works schedule and submit related periodic reports, the content and periodicity of which shall be specified by regulation.

## **PARAGRAPH II** **EXPLORATION PERMIT**

**SECTION 36:** The exploration permit shall be issued to a legal person under Cameroonian law by the minister in charge of mines, for the purpose of conducting exploration works to locate and evaluate mineral deposits and to determine conditions for the commercial mining thereof.

**SECTION 37:** (1) The exploration permit shall be issued for an initial maximum period of 3 (three) years. It may be renewed no more than 3 (three) times, each renewal not exceeding 2 (two) years.

(2) No person shall be issued more than 5 (five) exploration permits.

(3) The terms and conditions for issuing and renewing an exploration permit shall be laid down by regulation.





**SECTION 38:** The area of land over which an exploration permit may be issued shall not exceed 500 km<sup>2</sup> (five hundred square kilometres) or its equivalent in number of cadastral units. The exploration perimeter shall comprise a single block, marked out under the terms and conditions laid down by regulation.

**SECTION 39:** (1) Applicants for an exploration permit shall propose a works schedule and a corresponding budget which shall be approved by the minister in charge of mines under the terms and conditions laid down by regulation.

(2) The holder of an exploration permit may, if need be, request a change of the current works schedule, in accordance with the conditions laid down by regulation.

(3) The holder of an exploration permit shall start exploration works in the area covered by the permit within a maximum period of 9 (nine) months with effect from the date of notification of the permit. After this deadline, the minister in charge of mines shall issue him a formal notice through any means in writing.

(4) The holder of an exploration permit who fails to heed to the formal notice after the prescribed deadline shall be liable to the penalties provided for in this law.

**SECTION 40:** (1) The exploration permit shall authorize its holder to:

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME

- access and occupy the surface area covered by the exploration permit;
- extract, remove and dispose of rocks, earth, soil or mineral substances, excluding precious and semi-precious substances, in quantities allowed by the approved works schedule;
- collect and use water situated on or flowing through the said surface area for any purpose pertaining to the exploration activity, in accordance with the laws and regulations in force;
- carry out any other works deemed necessary for exploration of the surface area.

(2) The holder of an exploration permit may be allowed to dispose of the precious substances and stones found during exploration works only where the said substances and stones have to undergo physical and chemical

analyses or other laboratory analyses, on the authorization of the minister in charge of mines.

(3) The holder of an exploration permit shall have the exclusive right to carry out exploration works within the area covered by the permit, subject to the provisions of Sections 26 and 27 of this law, and respect for third party rights as protected notably by the land, property, forestry and agro-pastoral laws and regulations in force.

(4) The provisions of Section 27 of this law notwithstanding, no exploration permit in which mineral resources and precious and semi-precious substances have already been declared in accordance with the relevant established standards shall give rise to the granting of a licence for the semi-mechanized non-industrial mining of the precious and semi-precious substances.

**SECTION 41:** (1) The holder of an exploration permit shall submit periodic reports to the minister in charge of mines, under the terms and conditions laid down for by regulation.

(2) The holder of an exploration permit shall forward annual financial reports to the minister in charge of finance.

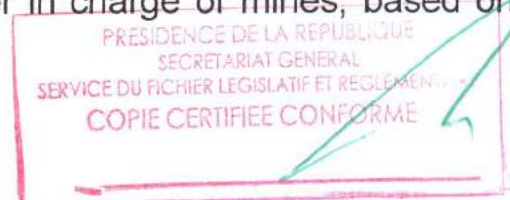
(3) During the validity period of an exploration permit or, as applicable, the resulting mining permit, no report submitted to the minister in charge of mines shall be disclosed to non-staff of the ministry in charge of mines, unless for statistical purposes.

(4) A report concerning a piece of land that has been relinquished under an exploration permit may be made available to the public for perusal and copying.

**SECTION 42:** (1) The holder of an exploration permit shall have the right to freely use the substances extracted during exploration for testing, on condition that exploration operations do not assume the character of mining works. The quantity authorized to be exported for analyses, sampling or industrial testing shall be laid down by regulation.

(2) The holder of an exploration permit who discovers a deposit and proves such discovery shall be issued a mining permit for the said deposit, provided he fulfils the conditions provided for by this law.

**SECTION 43:** (1) Where the holder of an exploration permit has identified a deposit and has demonstrated to the minister in charge of mines, based on a



pre-feasibility study, that he cannot mine the said deposit within the set time limit, he may apply for a change on the schedule to enable him pursue exploration activities in the area covered by the permit for a further non-renewable period of 2 (two) years.

(2) Where the application for a change is approved, the new schedule shall include:

- sustained relations with the owners of the land covered by the exploration permit;
- maintenance of the buildings and services established during exploration activities on the land that is subject of the application;
- annual assessment of the feasibility of mining works;
- other exploration works agreed upon by the minister in charge of mines and the holder of the permit.

(3) Upon expiry of an exploration permit whose holder does not apply for renewal, or at the end of the last validity period of the permit not followed by an application for a mining permit, the mining title surface area shall be deemed unoccupied. Such surface area may be allocated to another applicant without payment of compensation to the previous permit holder.

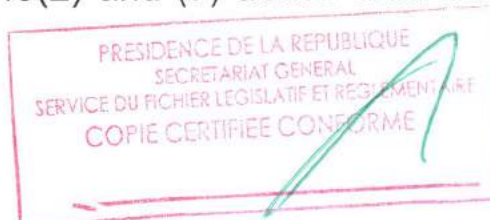
(4) The studies and works executed by the holder of an exploration permit that has expired or has been relinquished shall fall within the public domain.

(5) The authority in charge of mines may disclose to any new third-party holder of the former exploration permit any information at its disposal concerning works executed by the previous holder without the latter laying claim to any compensation or raising any confidentiality clause whatsoever.

(6) The former holder or the authority in charge of mines shall not be liable to any damages arising from the use of such information.

(7) Permits for sites containing previously proven deposits abandoned by their discoverers, shall be granted through competitive bidding, together with specifications taking into account the projected duration of works, reimbursement of the updated value of previous works and the level of State shareholding in the capital of the mining company.

(8) The conditions for approving a new schedule and the competitive bidding referred to respectively in Section 43(2) and (7) above shall be laid down by regulation.



(9) In the event of withdrawal or voluntary renunciation of an exploration permit, the former holder may not, by himself or through a middle person, apply for a new grant or participate in the competitive bidding for the granting of a new exploration permit for the same site.

### **PARAGRAPH III** **MINING AGREEMENT**

**SECTION 44:** (1) A mining agreement shall be signed between an exploration permit holder and the State with a view to developing and mining or financing a new mineral deposit.

(2) The mining agreement shall be signed, on behalf of the State, by the minister in charge of mines and, on behalf of other parties to the agreement, by their legal representatives.

(3) The mining agreement referred to in Section 44(1) above shall be drafted according to a standard format approved by regulation. It shall comprise:

- the purpose, justification and scope of the projects involved;
- the site where the infrastructure required for mining activities will be established;
- a detailed description of the activities to be carried out under the mining agreement and the technical and financial requirements for their implementation;
- the duration of the mining agreement and the relevant renewal, non-renewal, extension, termination, expiry, renunciation and force majeure conditions;
- procedures for implementing transfer conditions;
- the rights and obligations of parties to the agreement, establishing, where necessary, the difference between the rights and obligations of bodies designated by the State to manage its commercial interests and the sovereign rights of the State ;
- the terms and conditions for granting, renewing and withdrawing licences and permits required to carry out the activities provided for in the mining agreement;
- the rules of ownership of products derived from mining and their distribution, as applicable, among parties to the mining agreement,

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME

as well as conditions for their marketing on the national territory or for export;

- the conditions for defining, implementing, controlling and monitoring the social welfare projects and programmes designed for the indigenous or neighbouring populations;
- the rules governing movable and immovable property required to carry out the activities provided for in the mining agreement;
- provisions relating to the participation of the State, or a body duly designated to that effect, in the mining operations contained in the mining agreement, as well as the rules governing the association between the State or the public body and the commercial companies parties to the mining agreement;
- provisions relating to the local content of the projects to be implemented under the mining agreement, notably training, employment and protection of Cameroonian labour, outsourcing to local small- and medium-sized enterprises (SMEs), development and upgrading of local enterprises to enable them take part in the construction or operation of the plants or infrastructure provided for in the mining agreement, as well as in the social projects aimed at developing the neighbouring or indigenous populations;
- conditions for and amounts of contributions to the Funds provided for by this law;

indexation clauses relative to the economic environment of mineral substances;

provisions relating to the obligations of sub-contractors;

obligations pertaining to public health, security, hygiene, safety of facilities and environmental and cultural heritage protection;

obligations pertaining to prevention of and compensation for occupational hazards, especially industrial accidents and occupational illness;

obligations pertaining to abandonment of facilities and restoration of mining project sites, as well conditions for takeover of infrastructure and facilities by the State upon cessation of mining activities, as applicable;

- the rights and obligations of the mining title holder, as well as the general conditions for constructing, operating and maintaining mining project facilities and infrastructure, as well as related facilities;
- conditions for applying the relevant legal, fiscal, customs, exchange and general guarantee regimes, including guarantee of the stability



of these regimes that shall not exceed the indicated period for return on investments;

- conditions for applying penalties in the event of breach of the mining agreement;
- disputes settlement procedures ;
- the applicable land and property regime, in accordance with the laws and regulations in force;
- the procedure for opening, keeping and closing foreign currency bank accounts on the national territory;
- conditions for employing Cameroonian and foreign workers;
- requirements for subscribing to, holding and transferring shares of companies to be established under the mining agreement;
- conditions for transferring technologies and skills to nationals within the framework of projects implemented under the mining agreement;
- compensation procedures in the event of expropriation or eviction;
- compensation procedures in the event of allocation of property;
- conditions under which the State shall provide guarantees for mining projects, notably guarantee for the fulfilment of the obligations of the State by any public body duly designated for that purpose and the guarantees required by lenders;
- any exclusive rights which the mining companies signatories to the agreement may be entitled to, as applicable, and conditions relating thereto, notably in terms of duration, renunciation and cancellations, where necessary;
- conditions under which third parties could have access to infrastructure constructed as part of the projects provided for under the mining agreement;
- terms and conditions for locally processing at least 15% (fifteen percent) of overall production of mineral substances;
- terms and conditions under which lenders could substitute each-other or substitute an entity they control for the mining company signatory to the mining agreement, with respect to the rights and obligations resulting therefrom, as well as the concessions, licences and permits governed by the mining agreement.



(4) Apart from the provisions contained in the standard agreement referred to in Section 44(3) above, other provisions may be negotiated by mutual agreement between the parties, in accordance with the laws and regulations in force.

(5) The duration of the mining agreement shall correspond to that of the mining title.

**SECTION 45:** (1) The mining agreement shall be established on the basis of an exploration permit application deemed admissible. The mining agreement shall be signed before the granting of a small-scale or industrial mining permit and shall take effect from the date of notification of the permit.

(2) The signing of the mining agreement referred to in Section 45(1) above shall be subject to classification and certification of the reserves of the mineral substances to be extracted.

(3) The mining agreement shall not go contrary to the provisions of this law.

#### **PARAGRAPH IV** **MINING PERMIT**

**SECTION 46:** (1) A non-industrial or industrial mining permit shall be granted by right to any holder of an exploration permit who has provided evidence of the existence of a deposit within his perimeter.

(2) The grant of a non-industrial or industrial mining permit shall entail cancellation of the exploration permit within the perimeter covered by the mining permit. However, mining-related exploration shall be allowed to continue therein.

(3) As part of the exploration referred to in Section 46(1) above, where a mineral substance other than that for which the mining permit was granted is discovered, the permit holder shall enjoy the preferential right to mine it. The preferential right period shall not exceed 18 (eighteen) months with effect from the date of notification of the discovery to the State.

**SECTION 47:** Where necessary, a small-scale or industrial mining permit holder may request from the minister in charge of mines for a change in the originally approved work programme, under the terms and conditions laid down by regulation.

**SECTION 48:** A small-scale or industrial mining permit holder who undertakes to build a processing plant for all or part of the mining production may benefit from special incentives.



**SECTION 49:** Small-scale or industrial mining permit holders shall submit progress reports in hard and soft copies to the minister in charge of mines, under the terms and conditions laid down by regulation.

**III (ii) – PROVISIONS SPECIFIC TO SMALL-SCALE MINING**

**SECTION 50:** (1) Small-scale mining permits shall be issued by the minister in charge of mines.

(2) A small-scale mining permit shall confer on its holder the right to extract mineral substances from the soil or sub-soil, by any standard process or method, to obtain the useful substances therefrom.

**SECTION 51:** (1) The small-scale mining permit shall be granted for an initial period of 5 (five) years, renewable for periods of 3 (three) years.

(2) The terms and conditions for granting and renewing small-scale mining permits shall be laid down by regulation.

**SECTION 52:** (1) The area for which a small-scale mining permit is granted shall be determined on the basis of the mineral deposit that a feasibility study had earmarked for mining.

(2) The surface area for which the permit referred to in Section 52(1) above is granted shall consist of a single polygonal block, wholly contained within the exploration permit on the basis of which the small-scale mining permit is issued.

(3) A small-scale mining permit holder shall be required to start developing the site within a period not exceeding 1 (one) year, with effect from the date of notification of the permit, failing which the permit may be withdrawn after a formal notice served remains unheeded.

(4) Small-scale mining permit holders shall be required to start mining and developing the deposit within a period not exceeding 2 (two) years, with effect from the date of notification of the permit, failing which the permit may be withdrawn after the formal notice served remains unheeded, without prejudice to other penalties provided for in this law.

**SECTION 53:** (1) A small-scale mining permit shall authorize the holder to:

- enter and occupy the land covered by the small-scale mining permit, in accordance with the provisions of Sections 106, 107 and 113 of





this law, in order to undertake the operations related to the mining title concerned;

- construct a treatment plant on the said land;
- treat the minerals specified in the mining permit on the said land or elsewhere, and declare other related substances;
- construct any other facilities required for the treatment of waste dumps and residue;
- remove and take the rocks, earth and minerals from the land before or after treatment;
- collect and use water found on the said land or flowing through it, for all purposes relating to mining and treatment operations, in accordance with the laws in force;
- carry out any other appropriate activities necessary for the mining and treatment operations on the said land.

(2) Small-scale mining permit holders shall be entitled to exclusive occupancy for mining purposes and any other related operations, and to dispose of only mineral ores specified in the mining permit.

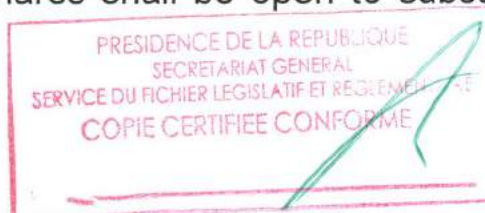
(3) Without prejudice to the provisions of Section 53(2) above, small-scale mining permit holders shall be required to submit to the minister in charge of mines, an application for any amendment to the mining agreement with regard to any related minerals not specified in the mining permit.

**SECTION 54:** (1) The State shall hold 10% (ten per cent) of the total share capital of the small-scale mining company. As resource owner, the State shall be entitled to the said shares free-of-charge and without any encumbrances.

Shares held by the State shall not be subject to dilution in the event of share capital increase.

(2) Notwithstanding the provisions of Section 54(1) above, the State may increase its shares in the capital for profit purposes, by mutual consent of the parties, in proportions not exceeding another 10% (ten per cent).

(3) The remaining shares shall be open to subscription by national or foreign investors.



### **III (iii) - PROVISIONS SPECIFIC TO INDUSTRIAL MINING**

**SECTION 55:** (1) An industrial mining permit shall be granted by decree of the President of the Republic.

(2) An industrial mining permit shall confer on its holder the right to extract minerals from the soil or sub-soil using a standard process or method, in order to obtain useful substances therefrom.

**SECTION 56:** (1) The industrial mining permit shall be granted for an initial period not exceeding 20 (twenty) years. It shall be renewable for one or more periods not exceeding 10 (ten) years each.

(2) The terms and conditions for granting and renewing industrial mining permits shall be laid down by regulation.

**SECTION 57:** (1) The surface area for which an industrial mining permit is granted shall be determined on the basis of the mineral deposit which a feasibility study has earmarked for mining.

(2) The surface area for which the permit referred to in Section 57(1) above is granted shall consist of a single polygonal block, wholly contained within the exploration permit on the basis of which the mining permit is issued.

(3) Industrial mining permit holders shall be required to start developing the site within a period not exceeding 2 (two) years, with effect from the date of notification of the permit, failing which the permit may be withdrawn after a formal notice served remains unheeded.

(4) Industrial mining permit holders shall be required to start mining and developing the deposit within a period not exceeding 5 (five) years with effect from the date of notification of the permit, failing which the permit may be withdrawn after a formal notice served remains unheeded, without prejudice to other penalties provided for in this law.

**SECTION 58:** (1) An industrial mining permit shall authorize the holder to:

- enter and occupy the land under the industrial mining permit in accordance with the provisions of Sections 106, 107 and 113 of this law, with a view to undertaking operations relating to the relevant mining title;
- construct a treatment plant on the said land;



- treat the minerals specified in the industrial mining permit on the said land or elsewhere, and declare related substances;
- construct any other facilities required for the treatment of waste dumps and residue;
- remove and take rocks, earth and minerals from the land before or after treatment;
- collect and use water found on the said land or flowing through it, for all purposes relating to mining and treatment operations, in accordance with the laws in force;
- carry out any other appropriate activities necessary for the mining and treatment operations on the said land.

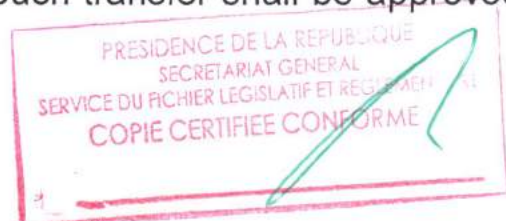
(2) Industrial mining permit holders shall be entitled to exclusive occupancy for mining purposes and any other related operations, and to dispose of only mineral ores specified in the said permit.

(3) Without prejudice to the provisions of Section 58(2) above, industrial mining permit holders shall be required to submit to the minister in charge of mines, an application for any amendment to the mining agreement with regard to any other related minerals not specified in the said mining permit.

**SECTION 59:** (1) The granting of a mining permit shall automatically entail attributing to the State, free of charge and without any encumbrances, 10% (ten per cent) of the total share capital of the mining company. State shares shall not be subject to dilution in the event of share capital increase.

(2) The State may, at its request and in addition to the 10% (ten per cent) mentioned above, directly or through a public sector company, increase its shares in mining companies under the terms and conditions agreed by mutual consent of the parties. The aforementioned increase may not exceed 25% (twenty-five percent). In such a case, the State shall be subject to the same rights and obligations as the other shareholders.

(3) Where, during the activities of the company referred to in Section 59(1) above, shares are transferred from one shareholder to another, the State or public body designated for this purpose shall have a preferential right on such shares. In this case, the State or the designated public body may transfer those shares to private businesses or to a new strategic partner within a period not exceeding 5 (five) years. Such transfer shall be approved by decree of the President of the Republic.



**CHAPTER III**  
**PROVISIONS SPECIFIC TO RADIOACTIVE SUBSTANCES**

**SECTION 60:** (1) The mining of radioactive substances and their derivatives shall be carried out in accordance with international agreements signed by Cameroon.

(2) Mining titles for radioactive substances and their derivatives, as well as related mining agreements, shall be issued under special terms and conditions laid down by decree of the President of the Republic.

**SECTION 61:** Conditions for possessing, transporting and storing radioactive substances shall be laid down by a separate instrument co-signed by the ministers in charge of mines, scientific research, the environment, and public health.

**SECTION 62:** (1) Any natural or legal person that identifies deposits or traces of radioactive substances and their derivatives must immediately inform the authorities in charge of mines.

(2) Any natural or legal person in custody of radioactive substances and their derivatives must immediately declare them to the authority in charge of mines.

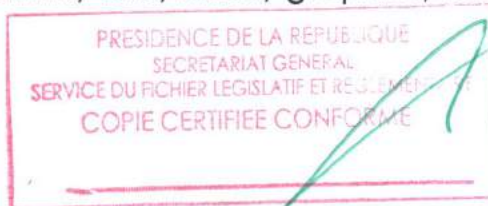
**SECTION 63:** Any transaction on radioactive substances and their derivatives shall be subject to prior approval by the competent authorities and bodies.

**PART III**  
**LEGAL PROVISIONS RELATING TO QUARRIES**

**CHAPTER I**  
**COMMON PROVISIONS RELATING TO THE MINING OF QUARRY**  
**SUBSTANCES**

**SECTION 64:** (1) The following shall be subject to the legal provisions relating to quarries:

- deposits of building materials and amendment to land cultivation and other similar substances such as sand, silica sand, gravel, peat, pozzolan, clay, laterite, calcite, dolomite, talc, mica, graphite, kaolin, pyrophyllite, onyx;



- common clay and clayey rocks used for the manufacture of clay products; all rock types used as dimension stone, crushed stone, silica ore or for manufacturing cement or direct use in building;
- any other mineral substance found in its natural state in the form of overburden.

(2) The following substances shall not be subject to the legal provisions relating to quarries: phosphates, nitrates, alkaline salts and other salts associated in the same deposits, topsoil and inert residues, where the substances and residues are used for construction purposes, for the manufacture of building materials or soil enrichment.

**SECTION 65:** The provisions relating to mining titles shall apply *mutatis mutandis* to the mining of quarry substances, subject to those provided for in this "Part".

**SECTION 66.** (1) The following 4 (four) types of quarries are hereby instituted:

- non-industrial quarries;
- semi-mechanized non-industrial quarries;
- public interest quarries;
- industrial quarries.



(2) The safety distance between the quarries referred to in Section 66(1) above shall be 500 (five hundred) metres.

(3) The safety distance referred to in Section 66(2) above shall comprise the security perimeter which shall include a closed area.

**SECTION 67:** The above provisions notwithstanding, quarries may be declared to be of public utility and transformed into public interest quarries, in accordance with the laws and regulations in force.

**SECTION 68:** (1) Any exploration for deposits of quarry substances shall be subject to a licence granted by the authority in charge of mines, in accordance with the regulations in force.

(2) Mining of quarry substances shall be subject to the holding of either a non-industrial and public-interest mining licence, or an industrial quarry mining permit.

**SECTION 69:** (1) Quarry mining licences and permits shall be issued by the authority in charge of mines to Cameroonian nationals and companies

governed by Cameroonian law, who have a lease contract or an ownership title, after consultation with the competent administrative authorities and neighbouring populations, in accordance with the laws and regulations in force.

(2) Landowners shall be required to obtain such licence or permit if they wish to work a quarry on their own land.

However, the mining of quarries by the landowner for purely domestic use shall require a simple prior declaration filed with the mining authority having territorial jurisdiction.

(3) Quarrying for domestic use shall be subject to regulations governing health, safety, labour and the environment.

**SECTION 70:** (1) Quarry licences shall be valid for the period mentioned therein, which may not exceed 2 (two) years.

(2) Quarry licences shall be renewable under the terms and conditions laid down by regulation.

(3) Any quarry licence unused within 12 (twelve) months with effect from the date of grant shall be considered null and void. Any subsequent activity shall be subject to another application for a quarry licence.

(4) A quarry permit shall be valid for a period of 5 (five) years with effect from the date of signature of the instrument granting such permit. Any quarry permit unused within 12 (twelve) months with effect from the date of grant shall be considered null and void and any subsequent activity shall be subject to another application for a quarry permit. The quarry permit shall be renewable for periods of 3 (three) years under conditions provided for by regulation.

(5) A holder of a quarry licence or quarry permit may authorize, in writing, a third party to mine quarry substances within the licence or permit area, subject to declaration to the competent authority. However, the holder of a quarry licence or permit shall be bound to comply with the obligations provided for in this law.

**SECTION 71:** (1) Mining of quarry substances shall be subject to the prior issuance of a reconnaissance permit for new sites or an access licence for old quarries.



(2) Non-industrial quarry operators shall not be required to obtain a reconnaissance permit.

(3) The terms and conditions for obtaining a reconnaissance permit or access licence shall be laid down by regulation.

(4) Quarry mining shall be carried out in accordance with standard practice, and under the terms and conditions laid down by regulation.

**SECTION 72:** The quarry licence or quarry permit application file shall include a lease contract covering the duration of the licence or permit, or the ownership title issued in accordance with the laws in force.

**SECTION 73:** The holder of a quarry permit or licence shall mark out the boundaries and carry out a topographical survey of the perimeter described in the permit or licence, by laying boundary markers, in accordance with the laws and regulations in force.

**SECTION 74:** (1) Public-interest quarry licences and industrial quarry permits shall be issued by the minister in charge of mines.

(2) The terms and conditions for renewing quarry permits and licences shall be laid down by regulation.

**SECTION 75:** (1) A quarry licence or permit shall confer on the holder, within the confines of the perimeter and the conditions set out therein, the exclusive right to mine the quarry substances found therein.

(2) A quarry licence or permit shall confer on the holder the right to transport extracted quarry substances and the resulting primary derivatives, or have them transported up to the storage, treatment or loading site, to dispose of them on the domestic market or to export them.

(3) A quarry licence or permit shall be non-transferable, but assignable, under the terms and conditions laid down by regulation.

**SECTION 76:** The holder of a licence to mine a semi-mechanized non-industrial quarry, a public-interest or industrial quarry must, on a permanent basis, continue the excavations under safety conditions in order not to cause damage to persons or property, animals and the environment. In addition, he must also submit, on a regular basis, all related reports, minutes and waybills to the authority in charge of mines, under conditions laid down by regulation.



**SECTION 77:** (1) The validity of a quarry licence or permit shall end through renunciation, withdrawal or expiry of the validity period.

(2) A quarry licence or permit may be withdrawn by the competent authority, without any compensation or reparation, under the terms and conditions laid down by regulation.

(3) In the event of expiry, renunciation or withdrawal of a quarry licence or permit, the area covered shall be dispensed from all rights with effect from midnight on the day of expiry of the validity period or the date of service of the decision taken by the authority in charge of mines.

## **CHAPTER II** **PROVISIONS SPECIFIC TO EACH TYPE OF QUARRY**

### **I – NON-INDUSTRIAL QUARRIES**

**SECTION 78:** (1) Non-industrial quarries may be mined for commercial or domestic purposes.

(2) Non-industrial quarry products shall belong to the quarry operators, under the terms and conditions laid down by regulation.

(3) The mining of non-industrial quarries shall be subject to prior licence issued by the authority in charge of mines, under the terms and conditions laid down by regulation.

**SECTION 79:** A non-industrial quarry substance licence shall enable the holder to extract substances to a depth not exceeding 10 (ten) metres.

**SECTION 80:** (1) A non-industrial quarry substance licence shall be issued, for a predetermined area, to natural persons of Cameroonian nationality and shall confer on the holder the right to settle therein, extract and remove quarry products therefrom and dispose of them.

(2) A non-industrial mining licence holder must:

- provide the authority in charge of mines with details on the mining operations carried out under such licence, under the terms and conditions laid down by regulation;
- immediately implement all instructions on the mining operation issued by the government service in charge of mines, in order to ensure occupational safety and health on the site or compliance with





laid down standards and environmental protection and sustainable development.

**SECTION 81:** The holder of a non-industrial mining licence shall be subject to the obligations provided for in this law, within the non-industrial mining perimeter, particularly the preservation of the health of the people and safety on the worksites included therein.

## **II – SEMI-MECHANIZED NON-INDUSTRIAL QUARRIES**

**SECTION 82:** (1) The surface area of a semi-mechanized non-industrial quarry shall not exceed 1 (one) hectare. Such area shall be specified in the instrument granting the licence.

(2) Semi-mechanized quarry products shall belong to the operators, under terms and conditions laid down by regulation.

(3) A licence to operate a semi-mechanized non-industrial quarry shall be valid for 2 (two) years, with effect from the date of its notification. It shall be renewable for the same period.

(4) The holder of the licence shall have a time-limit of 12 (twelve) months with effect from the date of notification, to mine the quarry, failing which the licence shall be considered null and void and the area under licence shall be returned to the mines registry administration.

## **III - PUBLIC INTEREST QUARRIES**

**SECTION 83:** (1) Public interest quarry substances shall be and shall remain State property. They shall not be non-commercial and exempted from fixed duties, duties relating to State land concession or land tax and quarry products extraction tax, except communal taxes and duties provided for by the laws and regulations in force.

(2) The public interest quarry licence holder may, in accordance with the regulations in force, set up, within the limits of his site, machinery for digging, crushing, cutting and piling quarry substances, and construct buildings to be used as offices and warehouses.

**SECTION 84:** The public interest quarry licence shall be issued by the minister in charge of mines under terms and conditions laid down by regulation.



**SECTION 85:** The validity period of a public interest quarry licence shall correspond to the period of construction of the public structure concerned.

**SECTION 86:** At the end of the construction work for which the public interest quarry licence was granted, the said quarry shall be retroceded to the State.

However, where the licence holder intends to continue the mining activity for commercial purposes, he shall have 3 (three) months prior to the expiry of the public interest quarry licence to request from the minister in charge of mines, a change of such licence into a commercial mining permit for industrial quarry substances, subject to fulfilment of permit granting conditions.

#### **IV - INDUSTRIAL QUARRIES**



**SECTION 87:** (1) Industrial quarries shall be operated for commercial purposes.

(2) The mining of an industrial quarry shall be subject to prior issuance of a permit by the minister in charge of mines, under terms and conditions laid down by regulation.

**SECTION 88:** Industrial quarry substances shall belong to the quarry operators for the permit validity period.

**SECTION 89:** (1) The validity period of the industrial quarry permit shall be 5 (five) years, with effect from the date of notification of the permit granting instrument. It shall be renewable for periods of 3 (three) years.

(2) Where the permit is not used within 12 (twelve) months with effect from the date of notification, it shall be considered null and void and any future activity shall be subject to a new application.

**SECTION 90:** (1) The surface area of an industrial quarry shall be specified in the permit granting instrument.

(2) The holder of an industrial quarry permit may, in accordance with the regulations in force, set up, within the limits of his site, machinery for digging, crushing, cutting and piling quarry substances and construct buildings to be used as offices and warehouses.

**SECTION 91:** (1) The holder of an industrial quarry permit shall operate same in accordance with the laws and regulations in force. In addition, the holder shall be required to submit, for approval by the minister in charge of mines,

the quarry development plan, emergency plan, mining plan and the site rehabilitation plan.

(2) Without prejudice to the provisions of Section 91(1) above, the holder of an industrial quarry permit shall be required to present an environmental compliance certificate issued by the authority in charge of the environment.

(3) Any change in the industrial quarry development or mining plan as well as any new acquisition of equipment for such purpose shall be subject to prior authorization by the minister in charge of mines.

**PART IV**  
**LEGAL PROVISIONS RELATING TO SPRING WATER, MINERAL**  
**AND THERMO-MINERAL WATER AND GEOTHERMAL DEPOSITS**

**CHAPTER I**  
**TAPPING OF SPRING WATER, MINERAL AND THERMO-MINERAL WATER**  
**AND GEOTHERMAL DEPOSITS**

**ARTICLE 92:** (1) The tapping of spring water, mineral and thermo-mineral water as well as geothermal deposits shall be subject to prior issuance of a permit by the minister in charge of mines.

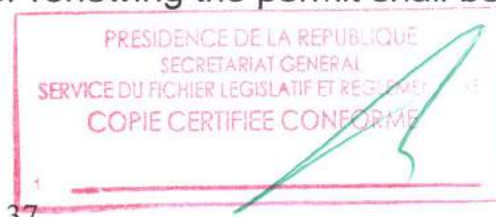
(2) The issuance of the permit referred to in Section 92(1) above shall be subject to preliminary hydro-geological, geophysical, bacteriological and physico-chemical studies to determine the operating conditions and water table vulnerability studies to determine the protection and security perimeters.

(3) The protection and security perimeters, surrounded by a buffer zone prohibited from any polluting activity, shall be specified in the instrument granting the permit.

(4) The terms and conditions for conducting the studies referred to in Section 92(2) above shall be laid down by regulation.

**SECTION 93:** (1) The spring water, mineral or thermo-mineral water or geothermal deposit permit shall be issued for a period of 5 (five) years, renewable in periods of 3 (three) years.

(2) The conditions for granting or renewing the permit shall be laid down by regulation.



**CHAPTER II**  
**PACKAGING OF SPRING WATER,**  
**MINERAL AND THERMO-MINERAL WATER**

**SECTION 94:** (1) The packaging of spring water, mineral or thermo-mineral water intended for public consumption shall be subject to a prior licence issued by the minister in charge of mines, under terms and conditions laid down by regulation.

(2) The packaging licence shall be issued for a period of 5 (five) years renewable in periods of 3 (three) years.

(3) The packaging of spring water, mineral or thermo-mineral water shall be effective only where such water had been found to be fit for public consumption by the laboratory of the ministry in charge of mines or by any other approved laboratory.

(4) Where the results of the bacteriological and physico-chemical analyses are challenged, a second expert opinion may be sought.

(5) The conditions for the granting or renewal of packaging licences, as well as the terms of the analysis and second expert opinion shall be laid down by regulation.

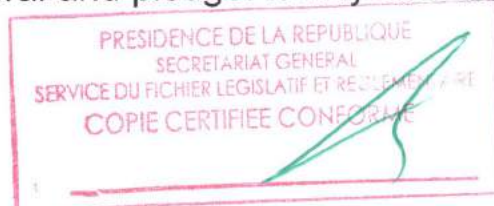
**SECTION 95:** The packaging of spring water, mineral or thermo-mineral water intended for public consumption shall be done under terms and conditions laid down by regulation.

**SECTION 96:** The conditions for preventing, managing and resolving cases of pollution shall be laid down by regulation.

**PART V**  
**RIGHTS AND OBLIGATIONS**  
**RELATING TO MINING ACTIVITIES**

**CHAPTER I**  
**TRANSACTIONS ON MINING TITLES**

**SECTION 97:** (1) With the exception of non-industrial or semi-mechanized non-industrial mining licence, any right on a mining title may result in any form of transaction, notably farm-out, cession, collateral and pledge. It may also be attached in accordance with the laws in force.



(2) The cession and conveyance of mining titles to any eligible person shall be free, in accordance with the provisions of this law.

(3) Any direct or indirect transaction on a mining title shall be subject to the prior approval of the minister in charge of mines who shall have 45 (forty-five) days to decide.

(4) The cession, farm-out, conveyance, pledge or mortgage instrument must be entered into the register of the mining registry. At the time of registration, a new permit shall be issued and the rights and obligations attached to the initial permit shall be transferred to the new holder.

(5) The terms for carrying out the forms of transactions referred to in Section 97(1) above shall be laid down by regulation.

**SECTION 98:** The non-industrial mineral substance mining licence shall be personal, and may not be open to cession, farm-out or conveyance.

**SECTION 99:** The reconnaissance permit shall not be open to cession, farm-out, conveyance or pledge.

**SECTION 100:** The exploration permit shall be a right open to cession, conveyance, farm-out and pledge.

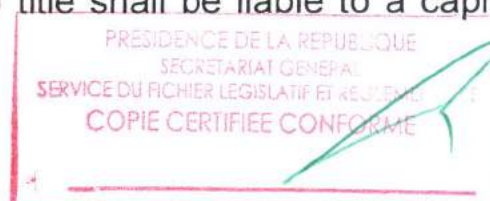
**SECTION 101:** The small-scale mining permit shall confer on the holder a movable real right on the substance and an immovable real right within the perimeter during the period of the permit. Such rights shall be open to farm-out and may be pledged and mortgaged respectively.

**ARTICLE 102:** The industrial mining permit shall establish, for its holder, a real movable right on the substance and a real immovable right within the perimeter for the period of the permit. Such rights shall be open to farm-out and may be pledged and mortgaged respectively.

**SECTION 103:** The small-scale mining permit and the industrial mining permit may be subject to capital contributions.

**SECTION 104:** In the event of cession, the transferee and transferor of a mining right shall seek the opinion of the competent authorities.

**ARTICLE 105:** (1) With the exception of ordinary stock exchange operations, any direct or indirect transaction on a mining title shall be liable to a capital gains tax.



(2) The rate of the capital gains tax shall be 10% (ten per cent). The amount of the tax shall be calculated as follows:

- exploration permit:
  - capital gains tax = (gross cession amount — direct expenses relating to the exploration carried out by the holder) x rate (10%);
- mining permit:
  - under common law conditions provided for in the General Tax Code.

(3) Expenses and transactions on mining titles must be audited and validated in accordance with the principle of fully effective competition, at reference prices and market prices, where they exist.

(4) The beneficiary of the transaction and mining title holder shall be jointly and severally liable to the capital gains tax.

(5) The conditions for the auditing and validation of expenses, recovery and distribution of the capital gains tax shall be laid down by regulation.

**CHAPTER II**  
**LAND TENURE AND STATE PROPERTY SYSTEM APPLICABLE**  
**TO MINING AND QUARRY ACTIVITIES**

**I - ACCESS TO LAND**

**SECTION 106:** Upon the signing of the mining agreement, the State shall, after consultation with the affected populations, grant to the mining operator the lands necessary for the mining of the discovered mineral substances, in accordance with the laws and regulations in force.

**SECTION 107:** To be entitled to the land, the operator shall forward to the minister in charge of mines a file stating the boundaries and purpose of lands which he is applying to occupy in order to mine discovered deposits.

**SECTION 108:** (1) Upon receipt of the application for the provision of land, the minister in charge of mines shall forward to the minister in charge of lands a file requesting approval as public utility and appropriation by the State, of lands needed for mining of the relevant resources, under the terms and conditions laid down by the laws in force.



(2) Where the conditions are fulfilled, the minister in charge of lands shall issue an order to approve the envisaged works as being for public purpose and to determine the powers of the committee of inquiry into land issues.

**SECTION 109:** The committee referred to in Section 108 above shall order the required inquiry. The committee shall be allowed 3 (three) months with effect from the time the matter was referred to it, to produce the documents required to prepare, as the case may be, the compensation, incorporation, expropriation or reclassification decrees on lands requested by the operator in accordance with the laws and regulations in force.

**SECTION 110:** (1) Upon publication of the decrees referred to in Section 109 above, the minister in charge of lands shall cause:

- the lands concerned to be registered in the name of the State;
- issue instruments authorizing the conclusion of the required leases in accordance with the laws in force.

(2) Such leases shall be signed between the State and the operator to authorize the use of the land concerned.

**SECTION 111:** The procedure for accessing the property tax-base to operate a public interest quarry shall follow the same rules as those provided for in Sections 107 to 110 above, for small-scale and industrial mines.

**SECTION 112:** (1) Where the implementation of the envisaged project is imminent, the minister in charge of lands may issue to the operator, at the behest of the minister in charge of mines, upon presentation of the report of the affidavit and assessment committee, a licence for temporary occupancy of the requested land, for public utility purposes.

(2) The licence period shall not exceed 2 (two) years.

(3) The terms and conditions for granting the licence referred to in Section 112(1) above shall be laid down by regulation.

**SECTION 113:** The expenses, compensations and, generally, any expenditure resulting from the implementation of the measures to release the land and make it available shall be borne by the operator.

**SECTION 114:** (1) Regarding mining and quarry activities such as semi-mechanized non-industrial mining, semi-mechanized ~~non-industrial~~ and



industrial quarry mining as well as the tapping of spring water, mineral and thermo-mineral water and geothermal deposits, the operator shall be issued, depending on the legal status of the land concerned, either a lease, concession, or temporary occupancy licence in accordance with the regulations in force.

(2) Regarding reconnaissance, exploration, non-industrial mining, non-industrial quarry mining and domestic quarry activities, the operator shall be issued a temporary occupancy licence in accordance with the regulations in force.

(3) In order to access land needed for the activities referred to in Section 114(1) and (2) above, the minister in charge of mines shall forward to the minister in charge of lands an application for the provision of land in which he shall specify the approximate surface area of the land, the date of commencement of activities and purpose of the land concerned.

**SECTION 115:** In return for occupying the land made available by the State through property concession or any other procedure provided for by the land law, holders of mining and quarry permits must pay related charges at the land revenue office having territorial jurisdiction, in accordance with the provisions of Section 173 below.

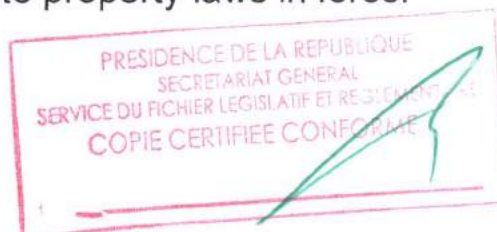
## **II - COMPENSATION FOR VICTIMS OF EXPROPRIATION FOR PUBLIC PURPOSE AND ALLOWANCES**

**SECTION 116:** Land owners, land occupants, beneficiaries and usufructuaries who are victims of expropriation for public purpose small-scale mining, industrial mining and public interest quarry shall be paid compensation for the losses incurred and infringed rights in accordance with the laws and regulations in force.

**SECTION 117:** (1) The compensation shall concern material, direct and actual damages caused by the expropriation.

(2) The compensation shall cover, as the case may be, land, crops, constructions and any other developments, irrespective of their nature, duly ascertained and assessed by the committee of inquiry into land issues.

(3) The terms and conditions for affidavit and assessment of property shall be laid down by the land tenure and State property laws in force.





**SECTION 118:** (1) The population living around a small-scale or industrial mine shall be entitled to a compensation whose amount shall be deducted from the ad valorem tax.

(2) The population living around a semi-mechanized non-industrial quarry or an industrial quarry shall be entitled to compensation on the quarry product extraction tax.

(3) The terms and conditions for payment of the compensation referred to in Section 118(1) and (2) above shall be laid down by regulation.

### **III - REPARATION FOR DAMAGES RESULTING FROM NON-PUBLIC UTILITY WORKS**

**SECTION 119:** (1) The existence of a mining title or a quarry licence shall not stop the land owner from using the various materials on his land, or inhibit the use of the various materials within the perimeter of the title or licence.

(2) The operator shall be entitled only to the reimbursement of expenses made by him or rendered useless by the mining of various materials, and shall be compensated, if need be, with benefits which he can get therefrom.

**SECTION 120:** (1) The land owner or member of a traditional council or the traditional council shall be entitled to an allowance for the occupation of their land by the holder of a mining title.

(2) However, a mere passage on the land referred to above shall not give right to an allowance where no damage resulted from such passage. Such passage shall be created under the best conditions of environmental preservation.

**SECTION 121:** (1) The occupation, where appropriate, shall imply the right to cut the wood needed for the mining activity and to use free waterfalls and groundwater, within the perimeter specified in the title, subject to payment of compensation or the taxes or levies provided for by the laws and regulations in force.

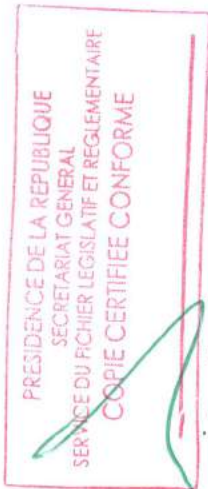
(2) Surface water shall be used by mining operators in compliance with accepted standards. In addition, the operator must comply with the laws on water resources and forestry concerning the cutting of wood required for mining works, the use of unused and unreserved waterfalls and the harnessing of same to carry out his activities within the perimeter of the mining title.



(3) Occupation shall be subject to the payment of compensation, except where the owner expressly decides otherwise.

**SECTION 122:** The operator shall be bound to repair damages which mining works may cause to the owner. Similarly, he shall be bound to repair damages caused to neighbouring structures. In such cases, he shall only be liable to pay compensation corresponding to the value of the prejudice caused.

**SECTION 123:** (1) The compensation which the land owner may lay claim shall include the following:



- loss or restriction of the right of use, easement or any other right;
- damage caused to the natural surface of the land;
- severance of the land, or any part thereof, from lands held by the land owner;
- loss or restriction of enjoyment, passage or any other right;
- loss of or damage caused to improvements;
- interruption of farming activities on the land.

(2) No compensation may be claimed for mere access to the land or based on the mineral substance found therein.

**SECTION 124:** (1) The amount of the reparation shall be determined by a written agreement between the mining title holder and the land owner.

(2) In the event of disagreement, the parties may resort to an expert to determine the amount to be paid.

(3) Where the disagreement persists, the parties may resort to arbitration, failing which one of them may file a petition before the authority in charge of lands to determine the amount of the reparation to be paid.

(4) The authority in charge of lands, after consulting the minister in charge of mines, shall automatically determine the amount of the reparation after an expert assessment he shall order at the expense of the mining title holder.

(5) The amount provided for in Section 124(4) above shall be paid into an escrow account opened by the authority in charge of lands, until the final settlement of the dispute.

**SECTION 125:** (1) The holder of a small-scale or industrial mining permit, a semi-mechanized non-industrial mining licence or a non-industrial mining licence may have, for his mining purposes and related industries, substances other than mineral substances whose works necessarily lead to the mining thereof. However, he shall be bound to comply with the laws and regulations in force governing such materials.

(2) The owner of the ground may obtain, from the operator, substances other than mineral substances which he does not use, against payment, except where they result from the treatment of the mineral substances extracted.

#### **IV - CLOSED OR PROTECTED ZONES**

**SECTION 126:** (1) Protected zones may be established by the minister in charge of mines in conjunction with the relevant government services, within which prospecting, exploration and mining of mineral or quarry substances are prohibited.

(2) Closed zones shall aim to protect buildings, agglomerations, cultural sites, burial grounds, places of endemism, tourist sites, water points, communication routes, civil engineering works, public utility works, archaeological sites, agricultural concerns, protected areas within the meaning of forestry and environmental laws, and all areas deemed necessary for the preservation of the environment and general interests.

(3) The exclusion instrument shall be published in the Official Gazette or in a national journal of legal notices. It shall specify the relevant land areas or the mineral substance.

(4) A fair and prior compensation shall be paid to the operator or beneficiary of a licence who suffers a prejudice as a result of the establishment of a protected zone.

(5) The exclusion of any zone or mineral substance from exploration and non-industrial or industrial mining may be lifted under the same formalities and procedures.

(6) Mining title applications on an excluded land registered before the publication of the exclusion decision shall be left pending. They shall be given priority during treatment if the exclusion decision ends.



**SECTION 127:** Prospecting, exploration or mining may not be undertaken without authorization from the competent authorities:

- (a) on the surface, in an area of less than 500 (five hundred) metres, for mining operations and extraction of quarry substances:
- around built property, villages, groups of houses, protected areas, wells, religious buildings, burial grounds and places considered as sacred, without the consent of the owner;
  - on both sides of communication routes, water pipes, energy and sundry substance carrier systems and, generally, around all public utility sites and civil engineering works;
- (b) in any protected area within the meaning of the forestry and environmental laws and under international agreement.

**SECTION 128:** In the event of an archaeological discovery or other discoveries not falling within the scope of the mining title, the holder of the mining title, reconnaissance permit, quarry mining licence or permit shall be bound to delimit the perimeter concerned and immediately declare such discovery to the minister in charge of mines who, in turn, shall inform the competent authority, under pain of penalties.

### CHAPTER III RELATIONS BETWEEN OPERATORS



**SECTION 129:** Where any works useful to several neighbouring operators are carried out, the said operators shall contribute an amount proportional to the profit they derive therefrom.

**ARTICLE 130:** Where the mining works cause damage to a neighbouring operator, the author of the damages shall provide compensation.

**SECTION 131:** (1) Communication routes and electric lines established by the operator may, where they do not entail any prejudice, against payment of a compensation agreed by mutual consent of the parties, where appropriate, be made available to neighbouring establishments at their request. They may be open to the public.

(2) Where an operator refuses to allow another operator to use his communication routes or electric lines under the conditions provided for in Section 131(1) above, the aggrieved operator may refer the matter to the

authority in charge of mines or, where appropriate, to other relevant sector government services under terms laid down by regulation.

(3) The operator shall be responsible for the maintenance and upkeep of the facilities. Such facilities may, where necessary, be declared to be in the public interests in accordance with the laws and regulations in force.

**SECTION 132:** A buffer zone may be determined to prevent contact between works in a mine with those of other mines already established or to be established. The establishment of the buffer zone shall not entail any compensation on the part of the operator.

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME

#### CHAPTER IV HEALTH, SAFETY AND HYGIENE

**ARTICLE 133:** (1) Any natural or legal person carrying out exploration and mining works pursuant to this law shall be bound to do so according to standard practice and in accordance with the laws and regulations in force, in such manner as to safeguard the health and safety of persons, workers of the mine and property.

(2) The health, safety and hygiene rules applicable to prospecting, exploration and mining as well as to transportation, storage and use of mineral or dangerous substances shall comply with the laws and regulations in force.

(3) Where the standards provided for by the laws and regulations in force are lower than to those observed by the permit holder in other countries where he carries out the same activity, the latter shall prevail. In such case, the permit holder shall adopt and apply rules that comply with such standards, to ensure optimal conditions of hygiene, health and safety for workers.

(4) Before undertaking exploration or mining activities, the holder of a mine or quarry title shall draw up rules relating to safety, health, hygiene and prevention of occupational hazards for the proposed works, which shall be submitted to the joint approval of the ministers in charge of mines and labour. Once such approval is granted, the mining or quarry title holder shall comply therewith.

(5) Any accident occurring or any danger detected at a work site, mine, quarry or in their outbuildings must be reported to the authorities in charge of

mines, health and occupational safety within the time limit prescribed by the regulations in force.

(6) In the event of impending danger or accident at a work site or a mine, the authority in charge of mines, judicial police officers and other competent authorities may take all necessary measures to end the danger and prevent its consequences. In the event of emergency or refusal of mining title holders to comply, these measures shall be enforced as of right at the expense of the parties concerned, as the case may be.

(7) In addition to the health, safety and hygiene rules provided for in the paragraphs and provisions above, all holders of mining titles, quarry mining licences and permits with the exception of non-industrial mining operators and operators of non-industrial quarries for domestic purposes shall be bound to take out an insurance policy to cover any civil liability and any damage that may result from their activities, under terms and conditions laid down by regulation.

**SECTION 134:** (1) In the event of an accident occurring at a mine or quarry or their outbuildings, or in the event of danger detected, the holder of the licence, mining or quarry title shall be bound to take all necessary measures to contain or prevent the disaster and/or request competent bodies to repair same in accordance with the regulations in force.

The relevant authorities shall jointly conduct an investigation to determine the causes of the accident and draft a report containing proposals to prevent the recurrence of further accidents.

(2) Where the holder of the mining or quarry title or the beneficiary of a licence is unable to prevent or contain the disaster using his own means, the authority in charge of mines, judicial police officers and other competent authorities shall, at the expense of the operators concerned, take all necessary measures to end the danger and prevent its recurrence.

## CHAPTER V PROTECTION OF THE ENVIRONMENT

PRÉSIDENCE DE LA RÉPUBLIQUE  
SECRETARIAT GÉNÉRAL  
SERVICE DU FICHER LEGISLATIF ET RÉGLEMENTAIRE  
COPIE CERTIFIÉE CONFORME

**SECTION 135:** (1) Further to the provisions of this law, any mining and quarry operation undertaken must comply with the laws and regulations in force relating to sustainable environmental protection and management.

(2) Apart from the non-industrial mining licence, the exploration permit and the licence for non-industrial quarry mining for domestic purposes, the granting of mining titles, quarry licences and permits shall be subject to the

prior conduct of an environmental and social impact assessment, a hazard and risk assessment and provision of an environmental management plan as provided for by the laws and regulations in force in matters relating to the protection and sustainable management of the environment.

**SECTION 136:** (1) Each operator shall be responsible for the restoration, rehabilitation and closure of mining and quarry sites.

(2) The operations referred to in Section 136(1) above shall include removal, by the operator, of all facilities, including any mining or quarry plant found on the land.

(3) The former mining and quarry sites must be restored to stable conditions of security, agro-sylvo-pastoral productivity and appearance close to their original state or conducive to any new and sustainable development deemed suitable and acceptable by the authorities in charge of mines, the environment and any other relevant authority.

(4) Without prejudice to the provisions of Section 236(1), (2) and (3) above, the State or mining and quarry operators may use the old sites for various activities.

(5) The post-inspection establishment of the proper rehabilitation and restoration of the mining sites by the authorities in charge of mines and the environment or any other relevant authority shall result in the grant of a discharge which shall release the former operator of any obligation concerning his former mining title, his quarry licence or permit. However, the former operator shall remain responsible for any damage discovered subsequently in connection with his previous activities on the site.

(6) The terms and conditions for implementation of the provisions of Section 136(1) above shall be laid down by regulation.

**SECTION 137:** In order to ensure the rational use of mineral and quarry resources in line with environmental protection, holders of mining and quarry titles shall be responsible for:

- preventing geo-hazards and geo-disasters;
- preventing or minimizing the discharge of waste in the open;
- protecting fauna and flora;
- promoting or maintaining the general health of the population;
- reducing waste;



- disposing of non-recycled waste in such manner as to ensure safety of the environment, after informing and receiving the approval of the authorities in charge of mining and the environment;
- managing waste in accordance with the laws and regulations in force.

**SECTION 138:** (1) Where a mining title, a quarry licence or quarry permit expires, is abandoned, withdrawn or renounced, the holder shall, within the period prescribed by the minister in charge of mines, dismantle, in accordance with standard rules, any mining plant found on the land covered by the title.

(2) Further, the holder of the mining title, a quarry licence or permit shall be liable to payment of the required duties and taxes and shall be bound to honour his obligations relating to the environment and the rehabilitation of mining sites, in accordance with the laws and regulations in force.

(3) Where the mining plant is not dismantled, the minister in charge of mines may take measures for the mining plant to be sold by public auction or tender. The proceeds of such sale shall be paid into the Treasury.

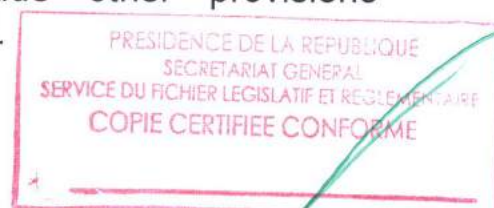
(4) If upon the expiry of a mining or quarry title, the holder is unable, within the prescribed time limit to remove or complete the treatment of waste, and after a formal notice remained unheeded, the holder shall be liable to the penalties provided for by the laws and regulations in force.

(5) If upon the expiry of a mining or quarry title, the holder is unable, within the prescribed period, to remove other minerals extracted, such minerals shall become State property.

(6) The provisions of this Section shall not apply to agreements between the former holder of the mining or quarry title and the possible owner of the land covered by the mining or quarry title, as concerns the facilities abandoned on the land after the prescribed period.

**SECTION 139:** The provisions of Section 125 of this law notwithstanding, no material used to construct or support any shaft, tree, gallery, terrace, dam or other extraction work shall be removed without the authorization of the authorities in charge of mines.

However, the mining agreement may include other provisions applicable to the holder at the expiry of a mining permit.





**SECTION 140:** At the end of mining or quarry activities, buildings, outbuildings, wells, galleries and all structures in general built and used for the mining or quarry activities shall be secured, in accordance with conditions set out in the Environmental and Social Management Plan and the mining sites rehabilitation programme.

**CHAPTER VI**  
**GOVERNANCE AND TRANSPARENCY**  
**IN THE MINING SECTOR**

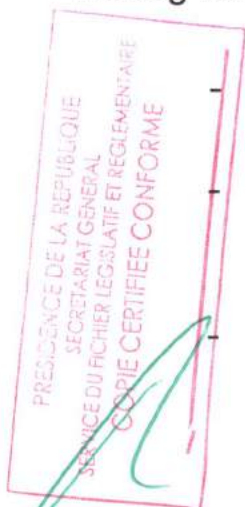
**SECTION 141:** Holders of mining titles shall be required to comply with the principles of transparency by declaring all payments made to the State, in accordance with the laws and regulations in force.

**SECTION 142:** Holders of mining titles operating in Cameroon shall be obliged to comply with the international commitments made by the State and applicable to their activities, to improve governance in the mining sector, particularly those relating to the Kimberley Process (KP) and the Extractive Industries Transparency Initiative (EITI).

**SECTION 143:** Holders of diamond and gold exploration or mining permits and all players involved in the processing and marketing chain of these substances shall be subject to traceability requirements and to internationally recognized rules and principles.

**SECTION 144:** The instruments on the granting, extension, renewal, transfer, farm-out, withdrawal or waiver of a mining permit shall be published in the Official Gazette and in journals of legal notices.

**SECTION 145:** (1) Every applicant or holder of a mining title, quarry licence or permit as well as their direct subcontractors shall be bound to provide to the competent authority, the identity of all the parties having interests in the mining title, notably:



legally identified shareholders of each company holding at least 5% (five percent) of the share capital;

subsidiaries of each company their subcontractor(s), their relationship with the company and the court having jurisdiction where they operate;

the identity of the senior managers and executives of each company which make up the applicant, the title holder or his subcontractor, each shareholder of these companies, anyone considered as manager of the company, and anyone holding 5%

(five percent) or more of the voting rights entitling control of the company or rights to the profit of the company and the command chain of these rights.

(2) Any subsidiary of the holder or applicant of a mining title, quarry licence or one of the shareholders thereof, shall make a prior declaration of identity stating the nature of relationship in all submission with economic and financial stakes for mining companies in Cameroon.

## CHAPTER VII ACCESS TO GEOLOGICAL AND MINING INFORMATION

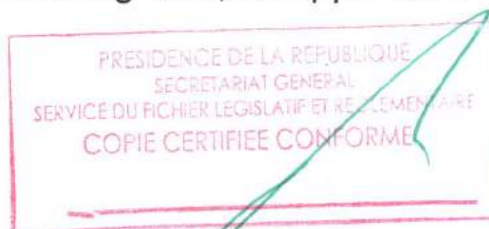
**SECTION 146:** (1) The geological and mining documentation consisting of any data relating to the national subsoil, its potential, its mineral resources as well as geo-hazards shall be kept in the ministry in charge of mines, in physical or digital form, in geo-referenced or non geo-referenced databases accessible to applicants, under the terms and conditions laid down by regulation.

(2) The geological and mining documentation shall include especially:

- prospecting reports;
- reconnaissance reports;
- exploration reports;
- administrative supervision and technical control reports;
- exploration reports by holders of exploration permits;
- geological and mining surveys;
- findings of analyses of mineral substance samples;
- geological and mining maps;
- geo-scientific data.

**SECTION 147:** (1) The following may access geological and mining documentation, upon payment of consulting fees, as applicable:

- mining operators;
- researchers;
- any interested person.



(2) The amounts and conditions of payment and collection of the fees referred to in Section 147(1) above shall be determined by regulation.

(3) Exploration reports by holders of valid exploration permits may not be conveyed to third parties.

(4) Reports and information relating to improvement of the living conditions of local communities living around mining and quarry sites may be conveyed to third parties as part of implementation of the good governance mechanisms outlined in this law.

**PART VI**  
**POSSESSION, TRANSPORTATION, PROCESSING**  
**AND MARKETING OF MINERAL SUBSTANCES**

**SECTION 148:** No one shall possess, transport or market mineral substances derived from non-industrial and semi-mechanized non-industrial mining, unless he is holder of a valid individual non-industrial mining operator's card, the individual collector card, a non-industrial mining licence, a semi-mechanized non-industrial mining licence or a licence to open a marketing office.

**SECTION 149:** (1) Non-industrial and semi-mechanized non-industrial mining operators may sell their mining products only to collectors, marketing offices, or to any structure established or authorized by the State.

(2) Collectors may sell non-industrial and semi-mechanized non-industrial mining products only to marketing offices or to structures created or authorized by the State.

**SECTION 150:** (1) The collection of non-industrial mining substances shall be subject to issuance of a collector's card by the authority in charge of mines.

(2) The holder of a collector's card shall be required to keep records and documents relating to the marketing of mining products as prescribed by regulation.

**SECTION 151:** (1) The marketing of mineral substances derived from non-industrial or semi-mechanized non-industrial mining shall be open to any natural or legal person governed by Cameroonian law. It shall be subject to issuance of a licence by the minister in charge of mines, under the terms and conditions laid down by regulation.



(2) The holder of the licence referred to in Section 151(1) above shall be authorized to open an office for the purchase and marketing of mineral substances obtained from non-industrial or semi-mechanized non-industrial mining under terms and conditions laid down by regulation.

(3) The licence referred to in Section 151(1) above shall be valid for 4 (four) years, renewable.

(4) In order to supply the domestic market, the State may authorize one of its entities to carry out the marketing of the mineral substances referred to in Section 151(1) above.

**SECTION 152:** The provisions of Section 151 above notwithstanding, holders of non-industrial and semi-mechanized non-industrial mining permits shall be strictly forbidden to have, directly or through intermediaries, any interests in purchase offices.

**SECTION 153:** The control and monitoring of the production, processing and marketing of mineral substances derived from non-industrial and semi-mechanized non-industrial mining shall be carried out by competent State bodies.

**SECTION 154:** The terms and conditions for importing and exporting mineral substances shall be laid down by regulation.

**SECTION 155:** (1) Conditions for possessing precious stones and mineral substances as personal collection shall be laid down by regulation.

(2) Any personal collections leaving the country shall be subject to prior authorization by the minister in charge of mines.

**SECTION 156:** (1) Any mineral substance extracted from Cameroon's subsoil and destined for export shall be submitted to the expertise of the laboratory of the ministry in charge of mines or any other laboratory approved by the minister in charge of mines.

(2) Regarding gold, all export transactions, excluding those carried out on the non-industrial mining site, shall be done on alloyed gold. Alloying shall be carried out in the laboratories referred to in Section 156(1) above.

(3) The terms and conditions for carrying out the analyses provided for in Section 156(1) above shall be laid down by regulation.



**SECTION 157:** Any trader of mineral substances shall be required to comply with trade laws and with this Code.

**SECTION 158:** The marketing of products derived from mining reconnaissance or exploration shall be strictly prohibited.

**SECTION 159:** The export of mineral substances and sending of mining reconnaissance or exploration samples for analysis and industrial tests shall be carried out under the terms and conditions laid down by regulation.

**SECTION 160:** (1) The export of mineral and quarry substances shall be subject to a compliance check by the authority in charge of mines.

(2) The processing of some mineral substances into ingots or other form may be required for export.

**SECTION 161:** (1) For the quantity of mineral substances destined for export and for processing by local industries, the compliance check shall be carried out by sampling, in accordance with the laws and regulations in force.

(2) A certificate of authenticity issued by the authority in charge of mines shall be required for all precious stones or metals as well as semi-precious stones leaving the national territory.

(3) The terms and conditions for issuance of the certificate provided for in Section 161(2) above shall be laid down by regulation.

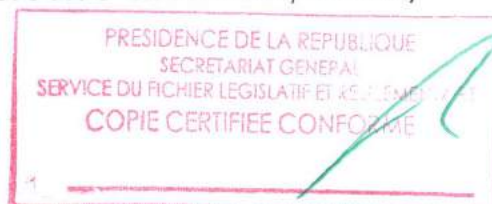
**SECTION 162:** (1) All jewels made from precious and semi-precious stones sold on the domestic market or exported must be stamped.

(2) The terms and conditions for the stamping referred to in Section 162(1) above shall be laid down by regulation.

**SECTION 163:** The provisions of this Chapter shall apply *mutatis mutandis* to industrial and non-industrial establishments working on mineral substances.

## **PART VII** **LOCAL CONTENT**

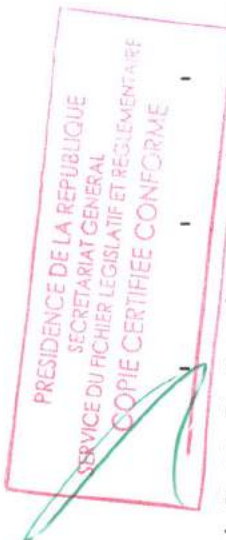
**SECTION 164:** The development of mining resources and industrial quarries must include a "Local Content" component which shall specify the spin-offs of the selected mining and quarry projects on Cameroon's economic, social, cultural, industrial and technological development.



**SECTION 165:** (1) The Local Content referred to in Section 164 above shall include a human resources development component and a domestic industries and business development component. Both components must be detailed out in the standard mining agreement that will be drafted.

(2) The Local Content shall include, in particular:

- the types of jobs or trades required as part of the developed projects;
- the detailed mechanisms for transfer of technology and skills to nationals in order to increase their vocational skills in the required trades;
- a recruitment plan highlighting the proportions reserved for nationals by professional category;
- a technical and vocational training programme for Cameroon nationals in order to improve their skills in the mining trade;
- a programme on the working conditions, the protection of workers against emerging risks and social security;
- a programme and terms for subcontracting primarily to local small- and medium-sized enterprises (SMEs) having the requisite capacity to provide goods, products, tools, materials, equipment and services;
- a programme for the social development of the neighbouring population and, where necessary, the indigenous populations in the vicinity of mining and quarry activities;
- conditions for a periodic assessment of the capacity of local enterprises likely to contribute to the construction, operation and maintenance of the facilities required for the earmarked mining activities and, where necessary, a development and upgrading plan for those in need thereof.



**SECTION 166:** (1) For the implementation of the activities referred to in Section 165 above, the mining companies that had signed a mining agreement, or other specifications documents, shall be required to pay a contribution into a special local capacity building fund, with effect from a date and up to an amount fixed in the mining agreement.

(2) The contributions referred to in Section 166(1) above shall be for:

- the development of local human resources, particularly by upgrading, adapting or creating local training institutions for mining professionals;
- the development and upgrading of home-based companies likely to be

- involved in the mining sector, as service providers, subcontractors or mining companies;
- social programmes and projects for the promotion of indigenous and local populations in the vicinity of mining sites;
  - programmes and projects to fight against the worst forms of child labour in the mines;
  - the programme for maternity protection in mines;
  - monitoring the mining companies' compliance with their commitments towards the Local Content.

(3) The amount of the contribution referred to in Section 166(1) above in CFA francs, shall be between 0.5% (zero point five percent) and 1% (one percent) of the mining company's total turnover exclusive of taxes. The adopted rate shall be fixed during negotiations of the mining agreement between the parties.

(4) The conditions for the collection and management of these contributions shall be laid down by regulation.

**SECTION 167:** (1) Mining companies shall give priority to the recruitment of Cameroonians in majority, with the required skills, in accordance with the existing regulations in matters relating to employment and labour.

(2) Ninety percent of the positions that do not require special skills shall be reserved for Cameroonians.

**SECTION 168.-** (1) Mining companies and their subcontractors shall be required to give preference to companies governed by Cameroonian law that meet international standards in the area, for construction contracts as well as contracts to provide services, materials, equipment, and products relating to mining operations, in accordance with existing regulations which specify quotas for subcontracting to local companies.

(2) The minister in charge of mines or any other duly authorized body shall be responsible for the monitoring and implementation of the provisions of Section 168(1) above.

(3) The terms and conditions for the monitoring and implementation provided for in Section 168(2) above shall be laid down by regulation.

**SECTION 169:** Mining companies shall be required to submit to the State and to carry out, depending on their priorities, technology and know-how transfer

programmes relating to their activities, with a view to encouraging, facilitating and enabling the gradual replacement of the expatriate staff of the companies with local staff.

**PART VIII**  
**TAX, CUSTOMS AND ECONOMIC PROVISIONS**

**CHAPTER I**  
**TAX PROVISIONS**

**I - SPECIAL TAXES**

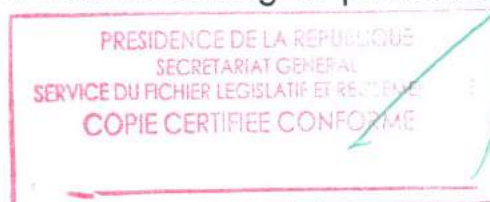
**PARAGRAPH I**  
**SURVEY AND EXPLORATION FEES, FIXED COSTS**  
**AND AREA ROYALTY**

**ARTICLE 170:** (1) Applications for granting and renewing mining titles and other licences and transactions shall be subject to payment of non-refundable survey and exploration fees at the time of filing the application at the mining registry, under pain of inadmissibility.

(2) The amounts of and conditions for the distribution of the survey and exploration fees referred to in Section 170(1) above shall be laid down by regulation.

**ARTICLE 171:** (1) Mining titles and other licences and transactions shall be withdrawn at the mining registry upon presentation of a receipt showing payment of fixed duties to the Treasury. The said fixed duties shall apply to the following deeds:

- grant of reconnaissance permit, quarry substance mining licences and permits;
- grant of non-industrial and semi-mechanized non-industrial mining licences, reconnaissance permit, exploration permits and small-scale and industrial mining permits;
- issuance of the mining operator or collector's card;
- licence for marketing, alloying of mineral substances derived from non-industrial mining, semi-mechanized non-industrial mining, and industrial mining;
- licence to open workshops for the manufacturing of precious stone structures;





- issuance of certificates to export mineral substances derived from non-industrial mining, semi-mechanized non-industrial mining, and industrial mining;
- spring water, mineral and thermo-mineral water operating permits;
- licence for the packaging of spring water, mineral and thermo-mineral water;
- renewal of all the above-mentioned mining titles and licences.

(2) The amounts of the fixed duties referred to in Section 171(1) above shall be as follows:

**(1) QUARRIES**

**(a) Quarry licence**

- Grant: CFAF 1 500 000;
- Renewal: CFAF 2 000 000.

**(b) Quarry permit**

- Grant: CFAF 2 000 000;
- Renewal: CFAF 2 500 000;
- Transfer: CFAF 3 000 000.

**(2) NON-INDUSTRIAL MINING**

**(a) Non-industrial mining operator's card**

- Grant: CFAF 10 000;
- Renewal: CFAF 20 000.

**(b) Individual mineral substance collector's card**

- Grant: CFAF 25 000;
- Renewal: CFAF 50 000.

**(c) Non-industrial mining licence**

- Grant: CFAF 30 000;
- Renewal: CFAF 50 000.

**(d) Semi-mechanized non-industrial mining licence**



- Grant: CFAF 1 500 000;
- Renewal: CFAF 3 000 000.

**(e) Licence to open a marketing office for mining substances derived from non-industrial mining**

- Grant: CFAF 750 000;
- Renewal: CFAF 1 250 000.

**(f) Alloying plant**

- Grant: CFAF 750 000;
- Renewal: CFAF 1 250 000.

**(3) PERMITS**



**(a) Reconnaissance permit**

- Grant: CFAF 1 000 000;
- Renewal: CFAF 2 500 000.

**(b) Exploration permit**

- Grant: CFAF 3 000/Km<sup>2</sup>;
- Renewal: CFAF 4 000/Km<sup>2</sup>;
- Transfer: CFAF 7 500 000.

**(c) Small-scale mining permit**

- Grant: CFAF 2 500 000;
- Renewal: CFAF 6 000 000;
- Transfer: CFAF 10 000 000.

**(d) Industrial mining permit**

- Grant: CFAF 6 000 000;
- Renewal: CFAF 15 000 000;
- Transfer: CFAF 30 000 000.

**(4) EXPORT AND TRANSIT LICENCE: CFAF 250 000**

**(5) GEOHERMAL DEPOSITS, SPRING WATER, MINERAL AND THERMO-MINERAL WATER**

**(a) Reconnaissance**

- Institution: CFAF 300 000;
- Renewal: CFAF 500 000.

**(b) Exploration**

- Institution: CFAF 1 000 000;
- Renewal: CFAF 1 500 000;
- Transfer: CFAF 2 000 000.

**(c) Tapping**

- Institution: CFAF 2 000 000;
- Renewal: CFAF 4 000 000;
- Transfer: CFAF 7 500 000.

(3) Public interest quarries shall be exempt from payment of the aforementioned fixed duties.

**ARTICLE 172:** (1) Holders of exploration permits, mining permits or titles, non-industrial commercial quarry licences and permits, semi-mechanized non-industrial and industrial quarry licences and permits, licences for tapping spring water, mineral and thermo-mineral water and geothermal deposits shall be liable to payment, at the beginning of each financial year, as applicable, of an area royalty or State land concession rights.

(2) The area royalty or State land concession rights referred to in Section 172(1) above shall be assessed on the basis of the surface area covered by the mining or quarry title, the permit or licence on the date of payment.

**SECTION 173:** (1) The amounts of the area royalty referred to in Section 172 above shall be determined by basic cadastral units as follows:

(a) Non-industrial mining licence: CFAF 10 /m<sup>2</sup>/year

(b) Semi-mechanized non-industrial mining licence: CFAF 50 /m<sup>2</sup>/year

**(c) Exploration Permit:**

- 1<sup>st</sup> year: CFAF 5 000 /km<sup>2</sup>/year;
- 2<sup>nd</sup> year: CFAF 6.000 /km<sup>2</sup>/year ;



- 3<sup>rd</sup> year: CFAF 7 000 /km<sup>2</sup>/year;
- 4<sup>th</sup> year: CFAF 14 000 /km<sup>2</sup>/year;
- 5<sup>th</sup> year: CFAF 15 000 /km<sup>2</sup>/year;
- 6<sup>th</sup> year: CFAF 30 000 /km<sup>2</sup>/year;
- 7<sup>th</sup> year: CFAF 31 000 /km<sup>2</sup>/year;
- 8<sup>th</sup> year: CFAF 62 000 /km<sup>2</sup>/year;
- 9<sup>th</sup> year: CFAF 63 000 /km<sup>2</sup>/year.

(2) The amounts of the area royalty concerning geothermal deposits, spring waters, mineral and thermo-mineral waters, shall be as follows:

- Exploration permit: CFAF 500 /m<sup>2</sup>/year;
- Mining title for geothermal deposits, spring water, mineral and thermo-mineral water: CFAF 50 /m<sup>2</sup>/year.

(3) The amounts of the State land concession rights referred to in Section 172 above shall be determined by basic cadastral units as follows:

- Quarry mining licences and permits: CFAF 25 /m<sup>2</sup>/year;
- Small-scale mining permit: CFAF 75 000 /km<sup>2</sup>/year;
- Industrial mining permit: CFAF 100 000 /km<sup>2</sup>/year.

(4) The minimum charge for the annual mining concession permit shall be CFAF 2 000 000 (two million) for small-scale mining and CFAF 4 000 000 (four million) for industrial mining.

## **PARAGRAPH II** **VALUE-BASED ROYALTY**

PRÉSIDENTE DE LA RÉPUBLIQUE  
SECRETARIAT GÉNÉRAL  
SERVICE DU FICHER LEGISLATIF ET RÉGLEMENTAIRE  
COPIE CERTIFIÉE CONFORME

SECTION 174: (1) Value-based royalty shall include the ad valorem tax on mining substances and the extraction tax on quarry materials.

(2) It shall be paid monthly by mining licence or permit holders, or during the shipment of consignments by mining title holders upon filling out a tax returns at the taxation authority. Such returns shall be compared with the royalty payment statements prepared by the competent services of the ministry in charge of mines.

(3) Substances subject to the ad valorem tax shall be extracted products at their merchantable state, which have been treated or not, entailing no considerable modification in their chemical composition.

(4) The ad valorem tax shall be calculated on the basis of the taxable value of ready-to-ship products extracted from the mine, using information, contracts and supporting documents that each royalty payer must submit to the competent authorities to enable them determine such tax. The base price of the taxable value of products extracted from the mine shall be based on the international market price of the substance.

**SECTION 175:** The amounts of the ad valorem tax on mining products and on spring water, mineral and thermo-mineral water as well as geothermal deposits, and of the extraction tax on commercial non-industrial, semi-mechanized non-industrial and industrial quarry substances, as well as the council tax, shall be as follows:

**(a) For mining products :**

- precious stones: ( diamond, emerald, rubis, sapphire): 8%;
- precious metals: ( gold, platinum, etc.): 5%
- base metals and other mineral substances: 5%;
- radioactive substances and their derivatives: 10%.

**(b) For water**

- geothermal deposits, spring water, mineral and thermo-mineral water: CFAF 800/m<sup>3</sup>

**(c) For quarries**

- unconsolidated materials (clay, stones, laterite, pozzuolana, sand, etc.): CFAF 200/m<sup>3</sup>
- hard materials: stones: CFAF 350/m<sup>3</sup>

**SECTION 176:** (1) The amounts, rates and tariffs of fixed duties, area-based royalties, the ad valorem tax and the extraction tax laid down in sections 171,173,174 and 175 of this Code shall be incorporated into the Finance Law and attached as annex to the General Tax Code.

(2) The proceeds from area-based royalties and State land concession fees, the ad valorem tax and the extraction tax shall be shared between the Treasury, the authority in charge of mines, the authority in charge of State property, the taxation authority, the Funds provided for in this Code, councils and the neighbouring community, as the case may be.

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME

(3) The conditions for such sharing shall be laid down by regulation.

## **II - TAX AND CUSTOMS REGIME**

**SECTION 177:** Subject to the implementation of the relevant provisions of common law, the following tax and customs benefits shall be granted to any exploration or mining enterprise or company carrying out its operations in conformity with this law.

**SECTION 178:** (1) The tax and customs benefits shall be granted to mining title holders depending on the phases of the mining project.

(2) The phases referred to in Section 178(1) above shall concern:

- the exploration phase which covers the research period ;
- the operation phase which covers the installation or construction period and the production period.

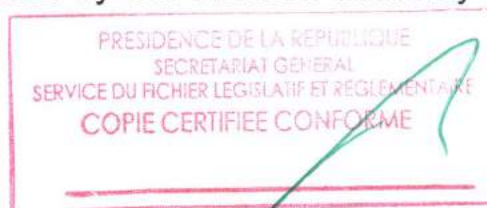
### **II(i) INCENTIVES DURING EXPLORATION PHASE**

#### **PARAGRAPH I** **TAX INCENTIVES**

**SECTION 179:** (1) Exploration permit holders shall benefit from:

- business licensing tax exemption;
- free registration of incorporation, company duration extension or capital increase and unbuilt landed property ownership transfer deeds;
- exemption from VAT on local purchases and on importation of materials and equipment directly related to mining operations featuring on a list jointly established by the minister in charge of mines and the minister in charge of finance.

(2) Effective exemption from VAT shall be subject to the presentation of an exemption certificate issued by the taxation authority upon written request by the holder.



**PARAGRAPH II**  
**CUSTOMS INCENTIVES**

**SECTION 180:** (1) Exploration permit holders shall be granted temporary entry status for their equipment used for exploration, as well as for professional equipment, machines, appliances, mining site vehicles and spare parts.

(2) Mining site vehicles shall include all types of vehicles with the exception of private vehicles.

However, on the proposal of the minister in charge of mines, the customs authority shall assess the eligibility of mining company private vehicles for the system referred to in Section 180(1) above, under terms and conditions laid down by regulation.

(3) In the event of "as is" sale or transfer of such materials or equipment, customs duties and taxes shall be collected in accordance with the regulations in force.

(4) The materials and spare parts required for the operation of the plant and professional equipment shall be imported duty-free.

(5) Special lubricants required for the operation of exploration plant and equipment shall be imported duty-free.

**II (ii) INCENTIVES DURING EXPLOITATION PHASE**

**PARAGRAPH I**  
**TAX INCENTIVES**

**SECTION 181:** (1) Subject to the special benefits granted by this law, ordinary law provisions shall be applicable to mining permit holders.

(2) Mining companies and enterprises holding mining permits shall be entitled to the following benefits:

(a) payment of registration fees on incorporation, company duration extension and capital increase deeds spread out over a period of 1 (one) year. Such fees may be split and paid as follows:

- the first third upon submission of the incorporation deed;
- the second third and final third semi-annually.



(b) application of an accelerated depreciation at the rate of 1.25% (one point two five percent) of the normal rate for specific fixed assets whose list shall be jointly drawn up by the minister in charge of mines and the minister in charge of finance;

(c) extension of the loss carry forward period from 4 (four) to 5 (five) years.

(3) Products intended for export shall be liable to a zero VAT rate, where such products are liable to this tax. However, products meant for consumption on the domestic market shall be liable to duties and taxes levied on similar imported products.

(4) Mining company deeds shall be exempt from payment of registration fees and stamp duty up to the date of the first commercial production, with the exception of deeds on the leasing and renting of accommodation premises.

## **PARAGRAPH II** **CUSTOMS INCENTIVES**

**SECTION 182:** (1) Holders of mining permits shall, during the mine installation or construction phase as specified in the mining agreement, be exempt from taxes and customs duties on equipment, inputs and capital goods needed for production, as well as on the first consignment of spare parts accompanying start-off equipment, with the exception of private vehicles, office supplies and equipment. They shall also benefit from:

- exemption from taxes and customs duties on replacement of equipment in the event of a technical incident on equipment to be used for expanding the mining operation;
- exemption from taxes and customs duties on imported inputs up to the date of the first commercial production established by a joint order of the minister in charge of mines and the minister in charge of finance;
- exemption from taxes and customs duties on the importation of materials and equipment needed for the construction of buildings, up to the date of the first commercial production established by a joint order of the minister in charge of mines and the minister in charge of finance;
- exemption from taxes and customs duties on special lubricants.

(2) However, up to the date of the first commercial product established by a joint order of the minister in charge of mines and the minister in charge

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME



of finance, the permit holder shall be exempt from VAT on imported materials and equipment under the conditions provided for in Section 182(1) above.

(3) All the customs exemptions provided for in this law shall not include taxes on services provided.

**SECTION 183:** (1) The benefits referred to above shall also be granted to the sub-contractors of exploration permit holders.

(2) Sub-contractors of exploration mining companies shall be approved by instrument of the minister in charge of mines prior to commencement of their activities.

(3) Under the same quality, price, delivery deadline and payment conditions, holders of agreements attached to a mining title as well as enterprises working for them must give priority to Cameroonian enterprises, especially with respect to construction, supply or service provision contracts.

### III - MINING LIST

**SECTION 184:** The tax and customs benefits provided for in this law shall apply to the following equipment, consumables and materials:

- **First category:** equipment, materials, heavy-duty tools, machines and site vehicles featuring on the fixed assets register of the company concerned;
- **Second category:** consumables intended for extraction and concentration of raw mining substances, including heavy fuels exclusive of ordinary fuels, common lubricants and other petroleum products ;
- **Third category:** consumables intended for on-the-spot processing of mining substances into semi-finished or finished products, including heavy fuels and special lubricants, except for ordinary fuels, common lubricants and other petroleum products.

**SECTION 185:** (1) Before starting their operations, holders of mining titles must establish a mining list for each of the activity phases specified in Section 186 below and have it approved by the minister in charge of finance.

(2) The content of the mining list shall be strictly limited to the categories defined in Section 184 above. The list shall comprise all the equipment, materials, machines, raw materials and consumables for which the holder of the mining title is requesting exemption of levies and taxes on

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME

(2) For each calendar year, the companies referred to in Sections 181 and 182 of this law shall keep a separate account for mining operations to enable the establishment of an income statement and a balance sheet showing the results of these operations as well as the allocated or directly related assets and liabilities.

(3) The total amount invested in research by the company as at the day of its start of mining shall be audited by a firm approved by the Government, adopted on that date and stated in the mining agreement. This amount shall be tied up in a suspense account and amortized from the first profitable years under the conditions laid down in the mining agreement. The depreciation shall be deducted from taxable profit and the surplus carried forward from one financial year to another without time limitation.

(4) The list of fixed assets eligible for accelerated depreciation, together with the corresponding rates, shall be established by a joint order of the minister in charge of mines and the minister in charge of finance. The company's specific fixed assets eligible for this depreciation scheme shall be included in the mining agreement and its amendments.

(5) The income statement shall specifically present in its credit column the value of products sold. Such value shall be determined based on the prices obtained by the company, which must comply with current international market prices at the time they were established for the said products, and calculated in accordance with the mining agreement stipulations applicable to the company.

(6) Holders of an operation title may benefit from reimbursement of VAT on the items required for their activity under conditions laid down in the General Tax Code.

(7) Interest paid to partners for the amounts of money they provide to or place at the disposal of companies, in addition to their capital shares, irrespective of the form of the company, shall be equal to those of the Central Bank, plus two percentage points.

However, this deduction may only be possible for partners who directly or indirectly own at least twenty-five percent (25%) of the company's shares or voting rights where:

- the amounts of money provided by all the said partners do not exceed one-and-a-half times the amount of equity capital. Otherwise, interest on the surplus shall not be deductible.

PRESIDENCE DE LA REPUBLIQUE  
SECRETARIAT GENERAL  
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE  
COPIE CERTIFIEE CONFORME