- <u>SECTION 192:</u> (1) The freedom to transfer capital and income shall be guaranteed for foreign natural and legal persons involved in mining investments financed with hard currency.
- (2) Foreign nationals who have carried out mining investments or are working in a Cameroonian mining company shall have the right, subject to foreign exchange regulations, to transfer in the currency assigned at the time the investment was carried out, dividends, all types of proceeds, invested capital, proceeds of the liquidation or realization of their assets, wages, as well as social security contributions and pension funds.

II - GENERAL GUARANTEES

<u>SECTION 193</u>: Natural or legal persons regularly established in Cameroon who are involved in or wish to carry out mining exploration and mining activities shall enjoy the general guarantees and benefits provided for by this law.

<u>SECTION 194</u>: As part of their professional activities, foreign employers and workers shall, without discrimination, be subject to the laws and regulations in force.

SECTION 195: Subject to the laws and regulations in force and international agreements, natural or legal persons duly established shall enjoy:

- the right to freely dispose of their property and to organize their company at their discretion;
- the freedom to recruit and dismiss workers;
- the freedom to choose suppliers and service providers;
- free access to raw material and inputs;

- free movement of their semi-finished and finished products within the national territory.

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PART IX SUPERVISION, CONTROL AND INSPECTION OF MINING ACTIVITIES

<u>Section 196</u>: Sworn civil servants, Inspectors and Assistant Inspectors of the ministry in charge of mines and other relevant authorities or from any duly authorized body shall supervise and control mining activities within the limit of their prerogatives.

- <u>Section 197</u>: Conditions for administrative supervision and control of mining, quarry and spring water, mineral and thermo-mineral tapping water activities, as well as the mining of geothermal deposits shall be laid down by regulation.
- <u>Section 198</u>: (1) The civil servants, Inspectors and Assistant Inspectors referred to in Section 196 above shall take the oath before the Court of First Instance of their first duty station before assuming duty.
- (2) The wording of the oath referred to in Section 198(1) above shall be as follows: "I (full name), swear to perform my duties as mining, quarrying and mining company supervision and control officer in accordance with the laws and regulations of the Republic of Cameroon, to maintain at all times the confidentiality of information which comes to my knowledge on the occasion or in the course of exercising my duties."
- (3) Oath-taking shall be followed by the establishment of a professional card containing information on the fulfilment of the oath-taking formality. The professional card must be presented to the alleged perpetrator of the violation or offence to be established.
- <u>Section 199</u>: The conditions for supervising and controlling mining, quarry, and spring water, mineral and thermo-mineral water tapping activities, as well as the mining of geothermal deposits, and appointing Inspectors and Assistant Inspectors of the ministry in charge of mines shall be laid down by regulation.
- <u>Section 200:</u> (1) Information and documents concerning the subsoil and the mineral or fossil substances submitted to the ministry in charge of mines by holders of mining titles may be declared confidential.
- (2) The information and documents referred to in Section 200(1) above shall not be made public or disclosed to third parties by the authority in charge of mines prior to the expiry of the mining title.
- (3) The provisions of Section 200(1) and (2) above notwithstanding, some documents and information may be disclosed to third parties or administrative entities in charge of general statistics upon the express authorization of the holder of the mining title.
- (4) Any officer of the authority in charge of mines and other relevant government services who has knowledge of such documents and information in the course of their duties shall be bound by the same rues of confidentiality.

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<u>SECTION 201</u>: Any drilling, underground or excavation works being carried out, regardless of their purpose, at a depth exceeding 20 (twenty) metres, shall be declared beforehand to the authority in charge of mines.

PART X ADMINISTRATIVE PENALTIES AND PUNISHMENT OF OFFENCES

CHAPTER I ESTABLISHMENT OF VIOLATIONS AND OFFENCES

- <u>SECTION 202</u>: (1) Without prejudice to the prerogatives of judicial police officers with general jurisdiction, violations and offences in the mining sector shall be established by judicial police officers with special jurisdiction provided for under Section 196 above.
- (2) The violations and offences referred to in Section 202(1) above shall be recorded in reports.
- (3) The reports referred to in Section 202(2) above shall be forwarded to the minister in charge of mines within the eight days following their establishment.
- (4) Upon receipt of the said reports, the minister in charge of mines shall impose the corresponding administrative penalty.
- **SECTION 203:** (1) In the event of violation of an obligation provided for by this law, the mining agreement or the specifications, the minister in charge of mines shall impose an administrative penalty on the offender.
- (2) In the event of a criminal offence, the minister in charge of mines shall immediately forward the report to the competent State Counsel.
- (3) In the event of a major or a minor offence, the minister in charge of mines shall inform the offender of the corresponding fine.
- <u>SECTION 204:</u> (1) Where the minister in charge of mines accepts a settlement proposal, the offender shall be notified within 15 (fifteen) days following the submission of the report by any means in writing.
- (2) The person who committed the alleged offence contained in the report may either pay the fine or request a settlement with the minister in charge of mines.

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- (3) The settlement procedure shall be prior to any legal proceedings, under pain of nullity.
- (4)The amount of the settlement may not be lower than the corresponding minimum criminal fine.
- (5) Where the alleged offender does not admit the offence or where, at the expiry of the deadline, he does not pay the fine imposed, the file shall be forwarded to the competent State Counsel.
- **SECTION 205:** (1) In the absence of settlement or in case of non-compliance with the settlement agreement, legal proceedings shall be initiated within seventy-two (72) hours following formal notice to the offender, on the initiative of the authority in charge of mines which is party to the proceedings.
- (2) Pursuant to the provisions of the Criminal Procedure Code, the ministry in charge of mines may:
- summon the offender before the competent court;
- file submissions or pleas and make any oral observations it considers useful to safeguard its interests;
- use the available legal remedies.

<u>SECTION 206</u>: In case of commission of an offence, the civil liability of a mining title holder, or any representative appointed by the latter, shall be absolute and complete.

- **SECTION 207**: (1) The authority in charge of mines shall be civilly liable for acts committed by its agents in the course of their duties. In this case, it may, as necessary, take recourse action against them.
- (2) In the discharge of their duties, judicial police officers with special jurisdiction assigned by the authority in charge of mines may resort to security forces in case of *flagrante delicto* or assault perpetrated by the offenders.
- (3) In the cases referred to in Section 207(2) above, the military and civilian authorities shall be bound to assist officials of the authority in charge of mines at first request.
- (4) In all disputes relating to mining and quarrying operations, the reports and recommendations of the authority in charge of mines shall serve



as experts' reports and the record of offences and products seized shall be forwarded to the State Counsel.

(5) Where appropriate, the offenders shall be referred to the legal department.

CHAPTER II ADMINISTRATIVE PENALTIES

<u>SECTION 208</u>: Without prejudice to legal proceedings, any violations of the provisions of this Law and its implementing instruments, or any breach of the obligations relating to mining operations or compliance with the clauses of the agreed specifications, shall, as appropriate, lead to:

- suspension of activities;
- withdrawal of the mining title.

SECTION 209: (1) Mining titles, quarrying licences and permits, and the other licences governed by this law shall be null and void where:

- they are obtained through fraud or use of false statements;
- they are fraudulently renewed, especially without an environmental impact certificate or notice;
- the subject of settlement is not approved by the minister in charge of mines.
- (2) The cases of nullity provided for under Section 209(1) above may be raised ex officio and, in any case, by the judge.

<u>SECTION 210</u>: Holders of a mining title or licence to carry out mining or quarrying operations shall be bound to comply with the provisions of their mining agreement, their specifications or the requirements of their titles or licence, as well as the administrative requirements of this law.

SECTION 211: (1) Where the persons referred to in Section 210 above do not comply with the requirements and provisions of their mining agreement and their specifications, or with the requirements of their titles or licence, as well as the administrative requirements of this law relating to the conduct of activities, the minister in charge of mines shall serve them with a formal notice reminding them of their obligations, and shall give them a deadline to comply with them.

(2) Where, at the end of the deadline, the formal notice is not heeded, the minister in charge of mines shall establish the failure of the persons concerned to comply with their obligations, and shall proceed to withdraw the



title or licence. The document establishing the withdrawal shall render free the perimeter covered by the title, licence or permit.

- (3) Where the obligation referred to in Section 211(1) above is pecuniary, the minister in charge of mines shall impose on the owner of the right a penalty corresponding to at least fifty percent (50%) of the amount of the unfulfilled obligation. The decision imposing the penalty shall be executed concurrently with the fulfilment of the said obligation within the deadline prescribed in the decision.
- (4) Where, the owner of the right fails to pay the penalty within the period provided for in Section 211(3) above, the minister in charge of mines shall establish the expiry of the title.
- <u>SECTION 212</u>: (1) Where the obligation referred to in Section 211 above relates to the validity of the mining title or mining licence, the minister in charge of mines may establish its expiry if the application for renewal of the permit or licence was not submitted within the prescribed deadline or where the requirements for obtaining or renewing it were not fulfilled.
- (2) An application for renewal shall be inadmissible where is submitted after the deadline.

<u>SECTION 213</u>: (1) Mining titles and mining licences and permits may be withdrawn in the following cases:

- non-payment of area-based tax;
- mining works carried out by the holder of an exploration permit;
- delay or suspension of exploration for a period exceeding one (1) year;
- delay or suspension of operations for a period exceeding three (3) years;
- violation of public health and safety at work regulations;
- failure to implement the programme of works;
 - failure to transmit to the competent authority documents and information

required by the regulations in force;

- failure to comply with the provisions of the agreement or the specifications;
- violation of the rules on public health, safety, hygiene and environmental protection;
- irregular keeping of documents required by this law.
 - (2) Apart from the cases of withdrawal referred to in Section 213(1)

above, other violations of administrative obligations could result in suspension of the mining title and the mining licence for up to six (6) months.

- (3) Where, at the end of the suspension period referred to in Section 213(2) above, the holder of a mining or quarrying title or a mining licence does not remedy the violations that caused the suspension, the minister in charge of mines shall pronounce the withdrawal of the title or licence without prior formal notice. The decision to withdraw shall be notified by any means in writing to the title or licence holder.
- (4) The withdrawal instrument shall be notified by any means in writing to the title or licence holder.
- <u>SECTION 214</u>: Where, in the course of a dispute over the use of a title or mining licence or on products obtained by use of the said title or licence, the court seized shall annul or establish the nullity, invalidity or expiry of such title or licence. The holder stripped of the title or licence shall be required to quit.
- **SECTION 215**: (1) In the event of repeat of a violation during the period of validity of a mining title or mining licence, the minister in charge of mines may withdraw the title or the licence.
- (2) The withdrawal referred to in Section 215(1) above shall be done after notification by any means in writing to the holder of the title or mining licence, without need for a formal notice, of the violation leading to repeated offence.

CHAPTER III PUNISHMENT OF MINING RELATED OFFENCES

- SECTION 216. (1) Notwithstanding the offences provided for by the Penal Code, any violation of the provisions of this law shall be considered an offence within the scope of mining activities.
- (2) Repeated breaches of administrative obligations sanctioned by the withdrawal of mining titles or licences or by invalidation of titles and licences shall be considered mining offences.
- <u>SECTION 217</u>: (1) Legal persons shall be criminally liable for offences committed by their organs, their agents or their representatives.
- (2) The provisions of Section 217(1) above shall not apply to the State and its attached services.

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- (3) The criminal liability of natural persons who commit an offence can be joined to that of legal persons.
- SECTION 218: (1) Any holder of a mining title or licence who refuses Inspectors and Assistant Inspectors of the ministry in charge of mines and other competent authorities from entering his site, shall be punished with imprisonment for from 15 (fifteen) days to 3 (three) months or with fine of from 50 000 (fifty thousand) to 500 000 (five hundred thousand) CFA francs, or with both such imprisonment and fine.
- (2) The penalties provided for in Section 218(1) above shall be doubled where opposition is accompanied by assault or threats.
- (3) The penalties provided for in Section 218(1) above shall be imposed on whoever fails to declare to the authority in charge of mines, 30 (thirty) days before the commencement of works, the realization of any drilling, underground structure or excavation work for whatever purpose, of a depth exceeding 20 (twenty) metres.
- SECTION 219: (1) Whoever operates a mine or quarry without a title or mining licence shall be punished with imprisonment for from 2 (two) to 5 (five) years or with fine of from 500 000 (five hundred thousand) to 5 000 000 (five million) CFA francs, or with both such imprisonment and fine.
- (2) The penalties provided for in Section 219(1) above shall be doubled where the offender uses fraud or a mining title or licence obtained by fraudulent means or on the basis of false declarations.
- (3) The penalties provided for in Section 219(1) and 2 above shall apply to all acts of complicity that aided the commission of such offences.
- SECTION 220: Whoever sells, resells or transports products derived from a mine or quarry under Section 213 above shall be punished with imprisonment for from 2 (two) to 5 (five) years and fine of from 500 000 (five hundred thousand) to 10 000 000 (ten million) CFA francs.
- SECTION 221: (1) Any holder of an exploration permit who possesses products extracted during exploration without declaring same to the authorities in charge of mines, shall be punished with imprisonment for from 5 (five) to 10 (ten) years and fine of from 2 000 000 (two million) to 20 000 000 (twenty million) CFA francs.

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 - (2) The penalties set out in Section 221(1) above shall be inflicted

upon whoever refrains from bringing to the knowledge of the authority in charge of mines cases of accident occurring or hazards identified on a work site, a mining site or outbuildings.

- (3) The penalties provided for in Section 221(1) above shall be inflicted upon whoever operates a mine or a quarry, or taps a spring, mineral and thermo-mineral water and mines geothermal deposits in a prohibited or protected area.
- (4) The penalties provided for in Section 221(1) and (2) above shall be applicable to all acts of complicity that aided the commission of such offences.
- SECTION 222: (1) Whoever taps spring water, mineral or thermo-mineral water without a licence or permit, even on his own land, on public State land, national land, private State property or on land owned by individuals shall be punished with imprisonment for from 6 (six) months to 2 (two) years or with fine of from 50 000 (fifty thousand) to 1 000 000 (one million) CFA francs, or with both such imprisonment and fine.
- (2) The penalties provided for in Section 222(1) above shall be applicable to whoever, in full knowledge of the origin of the water and knowing that it is neither spring, nor mineral nor thermo-mineral water, markets it.
- (3) The penalties provided for in Section 222(1) above shall be applicable to whoever packages, transports and markets spring water, mineral or thermo-mineral water from an unauthorized operating site.
- SECTION 223: Whoever communicates false information or fake documents to the authority in charge of mines shall be punished with imprisonment for from 3 (three) months to 1 (one) year or with fine of from 500 000 (five hundred thousand) to 10 000 000 (ten million) CFA francs, or with both such imprisonment and fine.
- <u>SECTION 224:</u> Any holder of a mining title or licence who engages in activities governed by this law without complying with safety, hygiene and environmental protection rules shall be punished with imprisonment for from 6 (six) months to 3 (three) years or with fine of from 500 000 (five hundred thousand) to 10 000 000 (ten million) CFA francs, or with both such imprisonment and fine.

SECTION 225: (1) Whoever reduces the taxable value of the extracted products

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shall be punished with imprisonment for from 3 (three) months to 1 (one) year or with fine of from 500 000 (five hundred thousand) to 10 000 000 (ten million) CFA francs, or with both such imprisonment and fine.

- (2) The penalties provided for in Section 225(1) above shall be applicable to whoever refuses to provide the person responsible for controlling the taxable value of extracted products with the documents required to perform his duty.
- <u>SECTION 226</u>: (1) Anyone who, having full knowledge of a procedure to set up a public interest quarry, directly or indirectly gets the authorities, by any means whatsoever, to issue him a licence to mine the same quarry, shall be punished with imprisonment for from 10 (ten) to 20 (twenty) years and with fine of from 25 000 000 (twenty-five million) to 100 000 000 (one hundred million) CFA francs.
- (2) The penalties provided for in Section 226(1) above shall be doubled where the licence was obtained by fraudulent means or as a result of false declarations.
- (3) The penalties provided for in Section 226(2) above shall be applicable to all acts of complicity that aided the commission of such offences.
- <u>SECTION 227</u>: (1) Whoever falsifies or alters a title, licence, certificate or an entry on the mining titles register, the mining registry and maps and documents issued by the authority in charge of mines shall be punished with imprisonment for from 5 (five) to 10 (ten) years or with fine of from 10 000 000 (ten million) to 50 000 000 (fifty million) CFA francs, or with both such imprisonment and fine.
- (2) The penalties provided for in Section 227(1) above shall be applicable to whoever alters a regularly assigned area of land, destroys, moves or alters signs or boundary marks.
- <u>SECTION 228</u>: Offences relating to land made available to holders of mining titles, permits or licences shall be punished in accordance with the law on land tenure and State property.
- SECTION 229: Whoever discloses information and confidential documents submitted to the authority in charge of mines shall be punished with imprisonment for from 6 (six) months to 3 (three) years or with fine of from 100 000 (one hundred thousand) to 1 000 000 (one million) CFA francs, or with both such imprisonment and fine.

- <u>SECTION 230</u>: (1) Any holder of a title, permit or licence who exports or causes the exportation of mineral substances without a licence or certificate shall be punished with imprisonment for from 2 (two) to 5 (five) years or with fine of from 1 000 000 (one million) to 2 000 000 (two million) CFA francs, or with both such imprisonment and fine.
- (2) The penalties provided for in Section 230(1) above shall be applicable to anyone who uses a fraudulent licence or certificate.
- (3) The penalties provided for in Section 230(1) above shall be applicable to all acts of complicity that aided the commission of such offenses.

PART XI SETTLEMENT OF DISPUTES

<u>SECTION 231</u>: Without prejudice to the right of the parties to resort to arbitration, the law applicable in the relations between the State of Cameroon and mining operators or between mining operators in Cameroon shall be Cameroonian law.

<u>SECTION 232</u>: Disputes arising from the enforcement or interpretation of a mining agreement signed between a mining title holder and the State pursuant to the provisions of this Code, and which have not been settled out of court, may be submitted for conciliation, mediation or arbitration.

PART XII MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

CHAPTER I MISCELLANEOUS PROVISIONS

I - NATIONAL MINING POLICY IMPLEMENTATION FUND

SECTION 233: The following structures are hereby set up for the implementation of the national mining policy:

- a Mining Sector Development Fund;
- a Mining Site and Quarry Restoration, Rehabilitation and Closure Fund;
- a Special Local Capacity Building Account.

<u>SECTION 234</u>: (1) The Mining Sector Development Fund is intended to finance mining inventory activities in order to detect anomalies and traces of

minerals as well as other geological and mining infrastructure development activities.

- (2) The resources of the Fund shall be derived from the annual contribution of holders of small-scale and industrial mining permits, holders of semi-mechanized non-industrial mining licences and holders of industrial or semi-mechanized non-industrial quarry substance mining licences, depending on the gross production of the permit or licence holder.
- (3) The organization and functioning of the Fund referred to in Section 234(1) above shall be laid down by regulation.
- SECTION 235: (1) The Mining Site and Quarry Restoration, Rehabilitation and Closure Fund is intended to finance the implementation of the programme to conserve and rehabilitate the environment damaged by the execution of mining projects.
- (2) The resources of the Fund shall be derived from the annual contribution of holders of small-scale and industrial mining permits, holders of semi-mechanized non-industrial mining licences and holders of industrial or semi-mechanized non-industrial quarry substance mining licences, depending on the estimated costs of implementing the environmental conservation and rehabilitation programme as established in the environmental and social impact assessment.
- (3) The amounts transferred into the Mining Site and Quarry Restoration, Rehabilitation and Closure Fund shall be free of income taxes, subject to their effective use for the intended purpose.
- (4) The Fund referred to in Section 235(1) above shall be held in an escrow account in the Central Bank.
- (5) The organization and functioning of the Fund referred to in Section 235(1) above shall be laid down by regulation.
- <u>SECTION 236</u>: (1) The Special Local Capacity Building Account is intended to finance Cameroon's economic, social, cultural, industrial and technological development through the development of human resources and local enterprises and industries.
- (2) The amount of the contributions referred to in Section 236(1) above in CFA francs shall be between 0.5% (zero point five percent) and 1% (one) percent of the total turnover of the mining company, exclusive of tax. The



agreed rate shall be fixed during negotiations for the mining agreement or the specifications, as the case may be, between the parties.

(3) The conditions for collecting and managing these contributions shall be laid down by mutual agreement between the State, anybody duly authorized for this purpose, representatives of the population and the contributing mining companies.

II - CONFLICT OF INTERESTS

<u>SECTION 237</u>: The conduct of mining activities shall be incompatible with the status of civil servant in the public administration and staff of State-owned bodies attached to or under the supervisory authority of the ministry in charge of mines.

- SECTION 238: (1) The persons referred to in Section 237 above may not have any direct or indirect financial interests in mining companies and their direct or indirect subcontractors.
- (2) In addition, under pain of penalty, they shall be required to state their interests and/or declare themselves incompetent to participate in making any decision that may have a direct or indirect impact on their interests.
- <u>SECTION 239</u>: Under pain of penalties, the executives and staff of mining companies may not have any direct or indirect financial interests in companies with direct or indirect subcontracting agreements and/or other companies with any financial interest in the companies in which they work as employee.

CHAPTER II TRANSITIONAL AND FINAL PROVISIONS

SECTION 240: (1) Any mining title, permit or licence granted prior to the entry into force of this law shall remain valid until expiry of the validity period.

- (2) Holders of mining titles, permits or licences granted prior to the entry into force of this law shall, within a period of 6 (six) months with effect from the date of its enactment, ensure compliance with the geometry of such titles, permits and licences, under pain of penalties.
- <u>SECTION 241</u>.- (1) Upon expiry of the validity period referred to in Section 240(1) above, holders of mining titles, permits and licences granted before the entry into force of the this law shall be required to comply therewith.



(2) Mining companies benefiting from exemptions granted in accordance with the provisions of previous instruments may also benefit from the more favourable provisions under this law if they so request, and provided they adopt the regime institutes by this law in its entirety.

<u>SECTION 242</u>:This law, which repeals all previous provisions repugnant hereto, in particular Law N_0 . 1 of 16 April 2001 to Establish the Mining Code; and amendment N_0 . 2010/11 of 29 July 2010 thereof, shall be registered, published according to the procedure of urgency, and inserted in the Official Gazette in English and French./-

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PAUL BIYA
PRESIDENT OF THE REPUBLIC

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