



Republic of Yemen
Ministry of Oil and Minerals
GEOLOGICAL SURVEY
MINERAL RESOURCES BOARD

Law No.(22) of 2010

Concerning Mines and Quarries



Law No. (22) of 2010 Concerning Mines & Quarries

Geological Survey and Mineral Resources Board

Sana'a, March 2011

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Law No. (22) of 2010

Concerning Mines and Quarries

In the name of the people,
President of the Republic,
After perusal of the constitution of the Republic of Yemen,
And after the approval of the Council of Representatives,

(We issued the following Law)

PART ONE

PRELIMINARY PROVISIONS

CHAPTER ONE

NOMINATION AND DEFINITIONS

Article (1): This Law shall be known as (the Mines and Quarries Law).

Article (2): The words and expressions set out below shall have the meanings assigned to each of them unless the context indicates to the contrary thereof:-

Republic	: Republic of Yemen.
Government	: Government of the Republic of Yemen.
Ministry	: Ministry of Oil and Minerals.
Minister	: Minister of Oil and Minerals.
Board	: Geological Survey and Minerals Resources Board.
Board of Directors	: Board of Directors of the Board.

- Chairman of the Board** : Chairman of the Board of Directors of the Board.
- Regulation** : Executive regulation of this Law.
- Mineral Resources** : Substances whether in solid, liquid, or gaseous form occurring in or on the earth, and which can have economic value, including rocks and layers containing metallic minerals gemstone, semi gemstone and quarry raw materials, excluding oil, gas and water which does not include metals that can be exploited in commercial quantities.
- Metallic Minerals** : Including ferrous metals such as iron, manganese, chrome, nickel, molybdenum, tungsten, aluminum, cobalt, base metals such as copper, lead, zinc, tin, precious minerals such as gold, silver, and platinum group and radioactive elements such as uranium, thorium, and radium, in addition to rare earth elements and gemstone.
- Gemstone** : Minerals and rocks which can be used after cutting and polishing in jewelry and ornaments. It includes gemstone such as diamonds, ruby, emerald, blue ruby, peridot, topaz and semi-gemstones such as opal and turquoise.
- Mineral Deposits** : Any natural occurrence containing high concentrations of mineral resources or quarry raw materials which can be of an economic value.

- License** : Reconnaissance license, exploration license, mining license, artisanal mining license, and quarry license granted according to this Law.
- Licensee** : A person holding a license in accordance with this Law.
- Mining** : Mechanical operations aimed at extraction of mineral resources and related necessary works in connection thereto.
- Artisanal Mining** : Means manual non mechanical operations carried out by any natural person
- Exploitation** : Works or operations aimed at commercial utilization of mineral resources.
- Reconnaissance** : Operations aimed at determining the locations of mineral resources or quarry raw materials by geophysical surveys, geochemical surveys, investigative studies, and photo-geological surveys or other remote sensing techniques and surface geology.
- Exploration** : Operations aimed at the discovery, the determination of characteristics and the evaluation of the economic value of the mineral resources and quarry raw materials.
- Mine** : Any place where operations connected with mining or extraction is carried out, including buildings and erections belonging to or appertaining thereto above or

- below the ground.
- Quarry** : Natural place from which Industrial and construction materials are extracted from the earth's surface or underground.
- Quarry materials raw** : Mineral substances and rocks of common occurrence which are classified in accordance with their application as:
- Quarry raw materials that are used in construction such as aggregate of all types, brick clay and building stones which are used without polishing.
 - Quarry raw materials used in Industry such as dolomite, magnesite, limestone, sand stone, gypsum, anhydrite, kaolin, palygorskite, sepiolite, bentonite, pyrophyllite, mica, quartz, feldspar, pumice, perlite, zeolite, diatomite, sulfur, graphite, coal, bituminous shale, tar-sands, salt and accompanying salts, and decorative stone which are used after polishing.
- Market price** : The highest price expressed in terms of money or money's worth obtainable in an open and unrestricted market between unconnected parties dealing without Having any connection.

- Land user** : A person who utilizes and occupies the land subject to the license, in accordance with the legislations in force.
- Force Majeure** : The meaning of Force majeure within the license shall include acts of God or any insurrections, riot, war, strikes and other labor disturbance, fires, floods or any other cause not due to the fault or negligence of the Board, the licensee, or either of them whether or not similar to the foregoing, provided that any such cause is beyond the control of the Board and the licensee or either of them.
- Community Development Agreement** : A community development agreement approved in the mining license, in the case of a large scale project, in accordance with the provisions of the regulation.
- Rehabilitation Plan** : Means the procedures which the licensee should take in order to reinstating the site to its natural conditions, or as close as possible, after completion of all activities therein, and after disposing of the waste and debris arising out of the activities of the licensee.
- Metallic products** : Means the end materials resulting from the processing of the mineral resources and increase in their purity.

CHAPTER TWO OBJECTIVES

Article (3): The objectives of the Law are as follows:

1. Regulate the operations of reconnaissance, exploration, mining, and extraction of quarry raw materials, and artisanal mining.
2. Regulate the rights and obligations related to reconnaissance, exploration, mining, and extraction of quarry raw materials and artisanal mining.
3. Encourage national and foreign capital in the field of reconnaissance, exploration, mining, and extraction of quarry raw materials and artisanal mining to satisfy the requirements of social and economic development of the State in these fields, within the framework of the general policy of the State.
4. Insure ideal exploitation of mineral resources and quarry raw materials in accordance with sound environmental management.

PART TWO LICENCES, COMMON AND GENERAL PROVISIONS

CHAPTER ONE RECONNAISSANCE LICENSE

Article (4): No person may carry out reconnaissance unless after obtaining a license from the Board in accordance with the provisions of this Law.

- Article (5):** a) 1. A reconnaissance license shall be obtained upon a written application to be submitted in the format prepared for this purpose, to the Board, with the attached required documents.
2. After payment of the prescribed fees set out in the regulation, the application shall be submitted to the Board of Directors for its decision, and the applicant shall be notified in writing of the decision of the Board related to approval, or rejection with outlining the reasons for the rejection.
3. The Board, after approval of the Board of Directors, shall grant the reconnaissance license within sixty (60) days from the date of completion of the required documents set out in the regulation; the Board may grant another license in the reconnaissance area or any part thereof, whether to the licensee or to any other party. The granting of the license shall later have the effect of excluding the permitted area from the reconnaissance area.
- b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

Article (6): Natural and corporate persons are entitled to obtain a reconnaissance license in accordance with the conditions prescribed by the Regulations, and in accordance with the Laws in force.

Article (7): The licensed reconnaissance area should satisfy the following requirements and conditions:-

1. The area should not exceed 10,000 square kilometers and must be of a continuous geometrical shape, as prescribed in the Regulation.
2. The license area shall be depicted by geographical coordinates, as prescribed in the regulation.

Article (8): The Board shall not be permitted to grant to the applicant a reconnaissance license in any of the following cases:-

1. If the area required to be licensed for reconnaissance is subject to an exploration license under the provisions of this Law or the previous Mines and Quarries Law.
2. If the area required to be licensed for Reconnaissance is subject to a mining license or a quarry license under the provisions of this Law or an exploitation license in effect under the previous Mines and Quarries Law.

Article (9): The reconnaissance license grants the licensee the following non exclusive rights:-

1. To carry out reconnaissance activities in the area approved by the license.

2. To enter into the reconnaissance area, approved by the license, and to move within its borders, and to fly overhead in accordance with the legislations in force.
3. Sending and exporting experimental samples and specimens for the purpose of studying and checking, however not exceeding such limit as prescribed for in the Regulations.
4. Utilization of the land approved by the license within the limits of the license, through the erection of temporary camps, installations, and structures necessary and required for the reconnaissance operations.
5. To make use of wood and water available in the reconnaissance area in accordance with the legislations in force.

Article (10): Without prejudice to any other obligations provided for in this Law, the reconnaissance licensee shall comply with the following:-

1. To carry out reconnaissance within the boundaries of the area in his license.
2. Not to carry out exploration drilling, excavations, digging of trenches, or using underground exploration techniques.
3. Submit periodical reports as prescribed for in the Regulations.

4. Maintain and restore the land approved by the license from any damage resulting from Reconnaissance activities and in observing the provisions of Laws in force related to health, safety and environment protection.
5. To keep at their head office in the Republic of Yemen maps, records, data, and entries related to reconnaissance operations executed in the licensed area, and mineral materials which have been discovered; and submit such maps, records and data to the intended authorities, provided that such records include original reports and documents relating to the operations as prescribed in the Regulations.
6. To compensate the owner of the land, on which the license was awarded for damage resulting from reconnaissance operations in accordance with the provisions of the laws in force.

Article (11): The reconnaissance licensee shall not be permitted to transfer their license to any other party.

Article (12): The validity period of the reconnaissance license shall be one (1) year; and such period may be extended once, for a further one year after reducing the license area by 50% from the original area granted, and provided that the licensee has abided by the provisions of this Law and the regulations during the previous period.

- Article (13):** a) 1. The application for extension of the reconnaissance license shall be submitted in writing to the Board before the date of expiry thereof, during a period of not less than three months prior to the expiry of the license, outlining justifications for the extension.
2. The extension application shall be submitted to the Board of Directors for their decision, after payment of the prescribed fees as well as payment of the prescribed delay penalties, if the applicant fails to apply within the period referred to in the preceding clause. The applicant shall be notified in writing of the decision of the Board of Directors to approve the application, or the decision to reject the application along with giving the reasons thereof for the rejection, within sixty days from the date of submission of the application.
3. The extension of the reconnaissance license period shall be issued in accordance to a decision by the Chairman of the Board of Directors, after approval of the Board of Directors. The extension shall be valid from the date of the expiry of the license.
- b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

CHAPTER TWO EXPLORATION LICENSE

Article (14): No person may carry out exploration activities except after obtaining a license from the Board in accordance with the provisions of this Law.

Article (15): a) 1. An exploration license shall be issued upon a written application submitted in the format prepared for this purpose, to the Board, with the attached required documents.

2. The application shall be submitted to the Board of Directors to consider after payment of the prescribed fees.

3. The Board, after approval of the Board of Directors, shall grant the exploration license within sixty (60) days from the date of completion of the required documents set out in the regulation.

b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

Article (16): Natural and corporate persons are entitled to obtain an exploration license, not inconsistent with Laws in force, and in accordance with the conditions prescribed by the regulations.

Article (17): The area required for an exploration License should satisfy the following requirements and conditions:-

1. The area should not exceed 1,000 square kilometers in case of metallic minerals and 5 square kilometers in case of quarry raw materials.
2. The license area shall be depicted by geographical coordinates as prescribed in the regulations.

Article (18): The Board of Directors may not grant an exploration license to the applicant in any of the following cases:-

1. If the area required to explore within is subject to an exploration license under the provisions of this Law or the previous Mines and Quarries Law.
2. If the area required to explore within is subject to a mining license or a quarry license under the provisions of this Law or an exploitation contract in effect in accordance with the previous Mines and Quarries Law.

Article (19): The exploration license shall grant the licensee exclusive rights as set out hereunder:-

1. To carry out exploration in the area, approved by the license.

2. To enter into the exploration area approved by the license at any time.
3. Sending and exporting experimental samples and specimens for the purpose of studying and checking, however not exceeding such limit as prescribed for in the Regulations.
4. To sell mineral samples which obtained through the exploration operations after the prior written approval of the Board.
5. Utilization of the land approved by the license within the limits of the license, through the erection of temporary camps, installations, and structures necessary and required for the exploration operations.
6. To make use of wood and water available in the exploration area in accordance with the legislations in force.
7. To dig exploration wells and trenches in coordination with the Board, in accordance with the legislations in force.

Article (20): Without prejudice to any obligations provided for in this Law, the licensee for exploration shall comply with the following:

1. To commence exploration operations within the boundaries of the area, subject of their license, within six months from the date of registration of the license.

2. To comply with the requirements of the annual work program and budget in accordance with the provisions of the regulations.
3. To submit periodical reports as prescribed for in the regulations.
4. To Pay the prescribed taxes and fees on the sale activities of any specimen of raw materials in accordance with the provisions of Clause (4) of Article – 20 of this Law.
5. To take care of the licensed land, and repair the same from damage sustained as a result of the exploration activities as well as to comply with the provision of the laws in force related to health, safety and environmental protection.
6. To handover any area of the licensed land, requested by the government for public good not related to mining activity of mining, and the licensee shall be entitled to bring a claim before the Courts for compensation, if necessary.
7. To keep at his head office in the Republic of Yemen records, statements, and entries related to the executed exploration operations in the license area, as well as mineral materials which have been discovered; and submit such maps, records and statements to the competent authorities, as set out in the regulation.

8. To compensate the owner of the land, on which the license was awarded for damage resulting from exploration operations in accordance with the provisions of this law.

Article (21): The exploration licensee shall be entitled to the following:

1. To obtain more than one license, whether for the purpose of exploration in an area other than the area of the License, or for the purpose of mining or extraction of quarry raw materials in the licensed exploration area in accordance with the provisions of this Law.
2. To relinquish the licensed area wholly or partially in accordance with the provisions of Article (64) of this Law.
3. To transfer their license to others in accordance with the provision of Article (65) of this Law.

Article (22): a) The validity period of the exploration license shall be that which is shown on the license, which shall not exceed four (4) years in the case of metallic minerals and two (2) years in the case of quarry raw materials.

- b) The period of exploration license set out in the license may be extended for similar periods two times only in the case of metallic minerals, and once in the case of quarry raw materials, after

reducing the license area by 50% from the original area granted, provided that the licensee has abided by the provisions of this Law and the regulations during the previous period.

- Article (23):** a) 1. The application for extension of the exploration license shall be submitted in writing to the Board before the date of expiry thereof, during a period of not less than three months prior to the expiry of the license, outlining justifications for the extension.
2. The application for the extension shall be submitted to the Board of Directors for their decision, after payment of the prescribed fee as well as payment of the prescribed delay penalties if the applicant fails to abide by the period referred to in the preceding clause. The applicant shall be notified in writing of the decision of the Board of Directors of their approval, or their rejection accompanied by the reasons for their rejection, within sixty days from the date of submission of the renewal application.
3. The extension of the exploration license period shall be issued in accordance to a decision by the Chairman of the Board of Directors, after approval of the Board of Directors. The extension shall be valid from the date of the expiry of the license.

- b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

CHAPTER THREE MINING LICENSE

Article (24): No person shall carry out mining activities except after obtaining a license from the Board in accordance with the provisions of this Law.

Article (25): a) 1. A mining license shall be obtained in accordance with a written application submitted, in accordance with the format prepared for this purpose, to the Board attached to it the feasibility study as well as documentary confirmation that the licensee has an account at any bank in Yemen, along with the required documents as required by the regulations.

2. The application will be submitted to the Board of Directors for their consideration after payment of the prescribed fees.

3. The Ministry, after approval of the Board of Directors, will grant the mining license within sixty (60) days from the date of completion of the required documents set out in the regulations.

4. The Cabinet of Ministers will ratify the mining license according to the presentation of the Minister before the Cabinet, within a period not exceeding 30 days from the date of the presentation.

b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

Article (26): Any Corporate entity shall be entitled to obtain a mining license in accordance with the conditions outlined in this Law and the regulations.

Article (27): The licensed area for mining should not exceed 20 Square Kilometers, and should not be less than 25% of a square Kilometer. The area licensed for mining may include two un-connected parts.

Article (28): A mining license shall not be granted to an applicant in any of the following cases:-

1. If the area required to be licensed for mining is subject to an exploration license under the provisions of this Law, unless the applicant for mining in this area is the same entity licensed for exploration.
2. If the area required to be licensed for mining is subject to a mining license or a quarry license under the provisions of this Law or an exploitation contract in effect under the previous Mines and Quarries Law.

Article (29): The mining license grants the licensee the following rights:-

1. The using and exploiting of metallic minerals and gemstone set out in the license, as well as the conduct of operations and activities required for mining operations, in accordance with the provisions of this Law, and the Laws in force.
2. Utilization of the land approved by the license within the limits of the license, through the erection of temporary camps, installations, and structures necessary and required for the mining operations.
3. To make use of wood and water available in the exploration area in accordance with the legislations in force.
4. To use parts of the licensed land for the purpose of planting vegetables or for cattle breeding, to the extent which satisfies the food requirements for the employees and laborers in the mine.
5. To store, transport and process metallic minerals and gemstones, and to dispose of waste in accordance with the Laws in force.
6. To sell metallic minerals and gemstone obtained from mining operations at market prices after the prior written approval of the Chairman of the Board of Directors.

Article (30): The licensee for mining may not commence mining operation unless after carrying out the following requirements within one year from the date of registration of the license:-

1. To insure that the previous user of the land at the exploration stage has compensated the owner of the land in the licensed area.
2. To sign a community development agreement in accordance with the guidelines of the regulation.
3. To prepare a rehabilitation and closure plan, and to obtain the approval of the rehabilitation and closure committee in accordance with the regulation.
4. To prepare an environmental impact assessment plan as prescribed in the regulation, and to obtain the approval for the plan from the related Environment Protection Authority.

Article (31): Without prejudice to any obligations provided for in this Law, the mining licensee undertakes as follows:-

1. To commence mine development and mineral resources production within the area subjected of the license within two years from the date the last condition required under Article – 30 of this Law has been fulfilled.

2. To prepare and submit a plan for mining operations to the Board prior to the commencement of implementation of such operations, and to provide updates to such plan annually which should include new operations as prescribed for in the regulations.
3. To carry out mining operation for mineral resources set out in the license within the boundaries of the area of the license.
4. To execute the terms of the community development agreement signed under the provisions of clause (2) of Article (30) of this Law.
5. To maintain a commercial level of production after the commencement of the mining operations.
6. To keep at their head office in the Republic of Yemen records, statements and entries related to the executed mining operations in the licensed area , as well as records of the sale of the mineral resources extracted; and of the disposed tailings, and to submit such records and statements to the competent authorities, as set out in the regulation.
7. To submit periodical reports, as set out in the regulation.
8. To allow government entities and Educational Institutions to carry out authorized research and scientific studies

in the licensed Area in accordance with the provisions of Article (104) of this Law.

9. To maintain the licensed area in a safe state and in compliance with the provisions of the laws and legislations in force related to health and safety.
10. To maintain the environment of the licensed area and protect it from pollution and environmental damage arising from mining operations in accordance with the provision of this Law and legislations in force.
11. To allow any natural or corporate person authorized through a law in force or a contract of a license to execute infrastructure and public utility works.
12. To compensate the owner of the land on which the license was granted for any damage sustained as a result of mining operations.
13. To dispose off waste arising out of mining activities in accordance with the applicable methods in international mining operations.
14. To outline the border of the licensed area, and to upkeep such borders as prescribed in the regulation.
15. To rehabilitate the licensed area, as prescribed in the Rehabilitation and closure plan approved by the

rehabilitation and closure Committee, as set out in the regulation.

Article (32): The licensee for mining may carry out the following:

1. To apply to add additional mineral resources to those set out in the license, in accordance with the requirements and procedures prescribed in the regulation.
2. To relinquish the licensed area wholly or partially in accordance with the provisions of Article (64) of this Law.
3. To transfer the license to others in accordance with the provisions of Article (65) of this Law.
4. To expand the license area in accordance with the provision of Article (66) of this Law, however not in contravention with the provisions in Article (27) of this Law.

Article (33): a) The validity period of the mining license shall be in accordance with the term set out therein, which should not exceed 25 years.

- b) In setting out the term of the mining license the nature of the mineral resources and the economic life of the mine shall be taken into consideration in accordance with the economic feasibility study.

- c) The period of the mining license may be extended for one time or more. The extension period shall not exceed 10 years, provided that the licensee has abided by the provisions of this Law and the regulation during the previous period.

- Article (34):**
- a) 1. The application for the extension of the mining license shall be submitted in writing to the Board not less than three months prior to the expiry date of the license, showing justifications for the extension.
 - 2. The extension application shall be presented to the Board of Directors for their decision after payment of the prescribed fee and payment of the prescribed delay penalty if the applicant fails to abide by the period referred in the preceding clause. The applicant shall be notified in writing of the decision of the Board of Directors of their approval, or their rejection accompanied by the reasons for their rejection, within sixty (60) days from the date of submission of the renewal application.
 - 3. The extension of the period of mining license shall be issued in accordance with a decision by the Minister according to the approval of the Board of Directors within ninety (90)

days from the date of submission of the application.

4. The Cabinet of Ministers shall approve the extension of the term of the mining license, according to the presentation by the Minister, within a period not exceeding thirty days from the date of presentation.

b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

CHAPTER FOUR QUARRY LICENSE

Article (35): Subject to the provisions of Article (71) of this Law, no person may carry out extraction of quarry raw materials except after obtaining a license from the Board in accordance with the provisions of this Law.

Article (36): a) 1. Obtaining the quarry license shall be in accordance with a written application submitted, in the format prepared for this purpose, to the Board accompanied with a study showing the intended invested capital cost as well as technical data related to the raw material reserves of quarry and the quality of such material along with other required documents, as prescribed in the regulation.

2. The application shall be submitted to the Board of Directors for their decision after payment of the prescribed fees.

3. The Board, after approval of the Board of Directors, shall grant the quarry license within sixty (60) days from the date of completion of the required documents set out in the regulation.

b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

Article (37): Any Natural or Corporate person shall be entitled to obtain a quarry license in accordance with the conditions prescribed in the regulations, and in accordance with the Laws in force.

Article (38): The area requested for licensing should not be less than 50,000 square meters and not exceed 100,000 square meters in case of quarry raw materials used in construction, and should not be less than 100,000 square meters and not exceed 2 square kilometers in case of quarry raw materials used in industry.

Article (39): a) The Board of Directors may not grant a quarry license to an applicant in any of the following cases:-

1. If the area required for license of a quarry is subject to a mining license

or a quarry license under the provisions of this Law.

2. If the area required to License a quarry is subject to an exploration license unless the applicant for a quarry license in the area is the same as that licensed for exploration.
 3. If the area required to License a quarry is subject to a mining license or a quarry license under the provisions of this Law or an exploitation contract in force under the previous Mines and Quarries Law.
- b) The Chairman of the Board of Directors may subject the license to specific conditions to limit or minimize the adverse impact on the environment or the population that results from extraction operations of quarry raw materials. Such conditions shall be set out and through a decision by the Chairman of the Board of Directors as prescribed in the regulation.

Article (40): The Quarry license grants the licensee the following rights:-

1. Exploiting of quarry raw materials as set out in the license.
2. Utilization of the land approved by the license within the limits of the license, through the erection of temporary

camps, installations, and structures necessary and required for the extraction of quarry raw materials.

3. To make use of wood and water available in the exploration area in accordance with the legislations in force.
4. To use parts of the licensed land for the purpose of planting vegetables or for cattle breeding, to the extent which satisfies the food requirements for the employees and laborers in the mine.
5. Store, transport and process quarry raw materials and dispose of waste in accordance with the Laws in force.
6. To sell quarry raw materials obtained from the extraction operations after the prior written approval of the Chairman of Board of Directors.

Article (41): The Quarry licensee may not commence extraction of quarry raw materials except after carrying out the following matters within one year from the date of registration of the license:-

1. To insure that the previous user of the land had compensated the owner of the Land on which the license was granted for any damage that resulted from the last operation of reconnaissance, or exploration, or mining or artisanal mining or extraction of quarry raw

materials carried out by the previous licensee.

2. To sign a community development agreement as prescribed in the regulation.
3. To prepare a rehabilitation and closure plan and obtain the approval of the rehabilitation and closure committee as prescribed in the regulation.
4. To prepare an environmental impact assessment plan as prescribed in the regulation, and to obtain the approval of the plan by the related Environmental Protection Authority.

Article (42): Without prejudice to any other obligations provided for in this Law, the quarry licensee shall comply with the following:

1. To commence quarry development within the licensed within six (6) months starting from the date the last condition required under Article (41) of this Law has been fulfilled.
2. To carry out extraction operations of quarry raw materials set out in the license within the boundaries of the area of the license.
3. To commence production of the resources set out in the license within a period not exceeding one year starting

from the date the last condition under Article (41) of this Law has been fulfilled.

4. To execute terms of the community development agreement signed in accordance with the provisions of clause (2) of Article (41) of this Law.
5. To maintain a level of commercial production after the extraction operations of quarry raw materials has commenced.
6. To keep at their head office in the Republic of Yemen maps, records, statements and entries related to the operations for the extraction of quarry raw materials in the license area as well as records of the sale of the quarry raw materials extracted; and records of the disposed tailings and submit such maps, records and statements to the Board as set out in the regulation.
7. To submit periodical reports as set out in the regulation.
8. To allow government entities and educational institutions to carry out authorized research and scientific studies in the license area in accordance with the provisions of Article (104) of this Law.
9. To maintain the license area in a safe state and in accordance with provisions

of the Laws and legislations in force related to health and safety.

10. To maintain the environment of the licensed area and protect it from pollution and environmental damage arising from the operation of extraction of quarry raw materials in accordance with the provisions of this Law and legislations in force.
11. To allow any natural or corporate person authorized through a law in force or a contract of a license to execute infrastructure and public utility works.
12. To compensate the owner of the land on which the license was granted for any damage sustained as a result of quarry raw materials operations
13. To dispose off waste resulting from mining activities in accordance with the legislations in force.
14. To outline the border of the licensed area, and to upkeep such borders as prescribed in the regulation.
15. To execute the specific conditions set forth through the decision of Chairman of the Board of Directors in accordance with the provisions of clause (b) of Article (39) of this Law.

16. To rehabilitate the licensed area, as prescribed in the Rehabilitation and closure plan approved by the rehabilitation and closure Committee, as set out in the regulation.

Article (43): The licensee of a quarry may carry out the following:

1. To apply to add additional quarry raw materials to those set out in the license in accordance with the requirements and procedures prescribed in the regulation.
2. To relinquish the licensed area wholly or partially in accordance with the provisions of Article (64) of this Law.
3. To transfer the license to others in accordance with the provisions of Article (65) of this Law.
4. To expand the license area in accordance with the provision of Article (66) of this Law, however not in contravention with the provisions in Article (38) of this Law.

Article (44): a) The validity period of the quarry license shall be in accordance with the term set out therein, and should not exceed (10) years for a small project, 15 years for a medium project and 30 years for a large project. The regulations shall set out the criteria for the size of such projects.

b) The period of the quarry license may be extended for one time or more. The extension period should not exceed the

period set out in clause (a) of this Article provided that the quarry licensee has abided by the provisions of this Law and the regulation during the previous period.

- Article (45):** a) 1. The application for an extension of a quarry license shall be submitted in writing to the Board at least three months prior to the expiry date of the license along with justifications for the extension.
2. The extension application shall be presented to the Board of Directors for their decision after payment of the prescribed fee and payment of the prescribed delay penalty if the applicant fails to abide by the period referred in the preceding clause. The applicant shall be notified in writing of the decision of the Board of Directors of their approval, or their rejection accompanied by the reasons for their rejection, within sixty (60) days from the date of submission of the renewal application.
3. The extension of the term of the quarry license shall be issued in accordance with a decision by the Chairman of the Board of Directors according to the approval of the Board of Directors. The extension shall be from the date of the expiry of the license.

- b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

CHAPTER FIVE ARTISANAL MINING LICENSE

Article (46): No person may carry out artisanal mining except after obtaining a license from the Board in accordance with the provisions of this Law.

Article (47): a) 1. Obtaining the artisanal mining license shall be through a written application submitted according to the format prepared for this purpose to the Board attached to it the required documents as prescribed for in the regulations.

2. After payment of the fee prescribed in the regulation, the application shall be submitted to the Board of Directors for their decision, and the applicant shall be notified in writing the decision of the Board related to approval or rejection together with assigning the reasons thereof.

3. The Board, after approval of the Board of Directors, shall grant the artisanal mining license within sixty (60) days from the date of completion of the required documents set out in the regulation.

- b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

Article (48): The following persons shall be entitled to obtain an artisanal mining license:-

- a) An exploration licensee, in accordance with the provisions of this Law, who wish to carry out of artisanal mining in the license area, provided that they are a natural person and are a Yemeni citizen.
- b) An artisanal mining cooperative provided they comply with the following conditions:-
 1. That it has been formulated and incorporated in accordance with the regulation, provided that the number of their members does not exceed five (5) persons.
 2. That all of their members are Yemeni citizens.

Article (49): 1. The area required to be licensed for artisanal mining must be continuous divided and should not exceed one (1) square kilometers.

2. The artisanal mining license area shall be delineated by geographical coordinates as prescribed in the regulation.

Article (50): The Board of Directors may not grant a artisanal mining license to an applicant in any of the following cases:-

1. If the area required for licensing of artisanal mining is subject to a mining or a quarry license under the provisions of this Law.
2. If the area required for Licensing of artisanal mining is subject to an exploration license, unless the applicant for an artisanal mining license in this area is the same person licensed for exploration.
3. If the area required for Licensing of artisanal mining is subject to a mining or a quarry license under the provisions of this Law or an exploitation contract in force under the previous Mines and Quarries Law.

Article (51): The artisanal mining license shall be subject to specific conditions, as prescribed in the regulation.

Article (52): An artisanal mining license grants the licensee the following rights:-

1. Exploiting of metallic minerals and gemstone as set out in the license.
2. Utilization of wood and water, if necessary, for the purpose of Artisanal Mining operation in accordance with the related legislations in force.

3. To store, transport and process artisanal mining materials.
4. To sell or dispose of metallic minerals and gemstone obtained through artisanal mining operations after obtaining the prior written approval of the Chairman of the Board of Directors.

Article (53): Without prejudice to any obligations provided for in this Law, the artisanal mining licensee undertakes to comply with the following:-

1. To keep maps, records, statements and entries related to executed operation of artisanal mining in the license area , as well as of records of the sale of the metallic minerals and gemstone extracted, and to submit such maps, records and statements to the Board, as set forth in the regulation.
2. To submit the required periodical reports to the competent authorities, as set forth in the regulation.
3. To allow government entities and educational institutions to carry out authorized research and scientific studies in the license area in accordance with the provisions of Article (104) of this Law.
4. To maintain the license area in a safe state and in compliance with provisions of Laws and legislations in force related to health and safety.

5. To maintain the environment of the license area, and protect it from pollution and environmental damage arising from the operation of artisanal mining in accordance with the provision of this Law and legislations in force.
5. To allow any natural or corporate person authorized through a law in force or a contract of a license to execute infrastructure and public utility works.
7. To compensate the owner of the land on which the license was granted for any damage sustained as a result of artisanal mining operations.
8. To dispose off waste arising out of artisanal mining activities in accordance with the legislations in force.
9. To outline the border of the licensed area, and to upkeep such borders as prescribed in the regulation.
10. To abide by the conditions and restrictions for artisanal mining operations as prescribed in the regulation.

Article (54): The artisanal mining licensee is forbidden from carry out the following:-

1. To commence artisanal mining operations within the licensed area except after

having compensated the owner of the land on which the license has been issued for any damage that resulted from the last reconnaissance, or exploration, or mining or artisanal mining or extraction of quarry raw materials operations carried out by the previous licensee.

2. To transfer the license to others except in accordance with the provisions of Article (65) of this Law.

Article (55): The Licensee of artisanal mining shall be permitted to carry out the following:

1. To apply to add additional metallic minerals and gemstone to the ones set out in the license as prescribed in the regulations.
2. To obtaining a quarry license to extract quarry raw materials within the licensed area of artisanal mining, as prescribed in the regulations.

Article (56): The validity period of an artisanal mining license shall be for two years. Such period may be extended one or more times. An extension period should not exceed one year, provided that the artisanal mining licensee has abided by the provisions of this Law and the regulations during the previous period.

- Article (57):** a) 1. The application for the extension of an artisanal mining license shall be submitted in writing to the Board at least three months prior to the expiry of the term of the license along with justifications for the extension.
2. The application for an extension shall be presented before the Board of Directors for their consideration after payment of the prescribed fee and payment of the prescribed delay penalty if the applicant fails to abide by the period referred in the above clause (1). The applicant shall be notified in writing of the decision of the Board of Directors of their approval, or their rejection accompanied by the reasons for their rejection, within sixty days from the date of submission of the renewal application.
3. The extension of the period of an artisanal mining license shall be issued through a decision by the Chairman of the Board of Directors. The extension shall be from the date of expiry of the license.
- b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

CHAPTER SIX GENERAL AND COMMON PROVISIONS

Article (58): 1. All mineral resources are the property of the State until the time they are extracted from their place of natural occurrence, in accordance with the provisions of this Law.

2. Legal ownership of the mineral resources extracted from their place of natural occurrence, is transferred from the State to the licensee in accordance with the provisions of this Law.

3. Without prejudice to the penalties provided for in this Law, the property of any mineral resources illegally extracted from the place of their natural occurrence in violation with the provisions of this Law shall remain the property of the State, and will not be owned by the party who explored it, and such a party will not be entitled to any recourse against the State for any expenses incurred in such activities.

Article (59): The Board shall provide the General Authority for lands, Survey and Urban Planning with data related to lands where it is proven that metallic minerals exist, and the General Authority for Lands may not take any action to dispose of such lands for which such data has been submitted.

Article (60): a) In case of parity between applicants in connection with the conditions prescribed in this Law and the regulation, priority in granting the license shall be determined by the date and hour of the registration of the application.

b) If it is found that there is partial crossing over between the area intended to be licensed in accordance with the application, and any other area, in such a case the cross over area located within this cross over shall be excluded from the application if the other area is:

1. An area subjected to an existing license under the provisions of this Law or a license or a contract in force under the previous Mines and Quarries Law.

2. An area assigned for mining operations in accordance with the provisions of this Law or the previous Mining and Quarries Law.

3. An area subjected to a registered application for a license.

Article (61): The regulations shall outline the form of licenses granted under provision of this Law.

Article (62): If the land for which a license is requested to be granted over is owned by other than the license applicant, the license applicant

should attach, along with the application, a rent contract (usufruct) approved by the competent authorities which shall include the amount of rent, the duration of the rent, as well as the purpose of the same.

Article (63): a) The licensee of a mining or extraction of quarries raw materials, subject to the approval of the Board, shall have the right to mortgage the license for the purpose of obtaining financing for the project, related to such license, in accordance with the following conditions:-

1. That the mortgage be for a fixed period of time, which does not exceed half of the license period..
 2. That the mortgage does not prejudice the rights of the State enshrined in this Law and legislations in force.
 3. That such a mortgage does not lead to the delay of mining and extraction of quarries raw materials operations.
- b) The licensee for mining or extraction of] quarry raw materials may not dispose off mineral resources set out in the license by sale or mortgage except after extraction of such resources from the place of their natural occurrence in accordance with the terms of the license, and only after the approval of the Board.

- c) The State shall not be liable for the repayment of any debts created through a mortgage.
- d) If the financiers of a project decides to enforce against the project, and decides to sell the project to a purchaser, the financier shall be bound by the following:
 - 1. To submit information showing that the purchaser meets the technical and financial requirements in accordance with the provisions of this Law and the regulations, as well as the requirements of the international mining industry.
 - 2. That the purchaser be bound by the provisions of this Law and regulations.

Article (64): The licensee for exploration, mining or extraction of quarry raw materials wishing to relinquish the licensed area wholly or partially, must obtain the approval of the Board in accordance with a written application request in accordance with the conditions and provisions laid out by the regulation.

Article (65): 1. The licensee for exploration, mining or extraction of quarry raw materials or artisanal mining wishing to transfer their license to others must submit a written application request in accordance with

the standard form prepared for such purpose, and submit such a request to the Board to seek approval.

2. The transfer documents should include provisions confirming clearly that the transferee is bound by all obligations set out in this Law, up to the date of the transfer. A draft of the proposed transfer agreement must be submitted to the Board along with all supporting documents, prior to the proposed transfer date for the purpose of seeking official approval.
3. The Board of Directors will consider the application for the transfer of the license, after collection of the prescribed fee on the application, within sixty (60) days from the date of completion of all supporting documents for the transfer application, and the applicant shall be informed in writing of the decision of the Board of Directors issued if approved, or the rejection decision issued rejecting the request accompanied with reasons for rejecting the request.
4. The Board will not grant its approval for the transfer except after the licensee fulfills all of their obligations in accordance with the provisions of this Law and the regulations.

- Article (66):** a) 1. The licensee for exploration, mining or extraction of quarry raw materials wishing to extend the area set out in their license should obtain an extension license in accordance with a written application submitted, in the form prepared for this purpose, to the Board along with the required documents.
2. The application may be submitted to the Board of Directors for its consideration after payment of prescribed fee. The Board of Directors shall inform the applicant in writing of the decision of the Board of Directors issued if approved, or the rejection decision issued rejecting the request accompanied with reasons for rejecting the request.
3. The decision for granting the extension license shall be issued by the Chairman of the Board, after the approval of the Board of Directors, within sixty days from the date of completion of the required documents set out in the regulation.
- b) The regulations shall set out the rules and detailed provisions which shall be an integral part of the provision of clause (a) of this Article.

- c) The licensee of an extension license shall abide by the rights and obligations set out in the provisions of this Law applicable to the extension area.
- d) The extended licensee of an extended license may not commence operation in the extended area set out in this license except after carrying out the following:-
 - 1. Update the rehabilitation and closure plan to include the extended area and obtain the approval of the Rehabilitation and Closure committee.
 - 2. Update of the environmental impact assessment plan to include the extended area, and obtain the approval of the competent authorities for environmental protection.

Article (67): If the licensee discovers during the license operation any radioactive minerals such as uranium, thorium, radium, etc., the licensee must notify the Board immediately, and must follow the required procedures and precautions in accordance with the nature of such materials, in accordance with practices adopted in the international mining Industry, and the Board should adopt the necessary measures and appropriate procedures in accordance with the nature and risks of the explored materials, in coordination with the competent authorities in a manner that will not be in violation of legislations in force.

- Article (68):** a) The Chairman of the Board of Directors after the approval of Board of Directors may issue a decision to suspend a license in cases set out in the regulations, and in particular if the license operations cause substantial damage to the environment, to property, safety and health of the people and the workers at the mine or quarry.
- b) A licensee whose license has been suspended through a decision of the Chairman of the Board, in accordance with clause (a) of this Article, may appeal the suspension decision this decision to the Minister, whose decision in this matter shall be final.
- c) A licensee shall remain liable for the performance of all obligations upon them during the suspension period in accordance with the provisions of this Law, except for any obligation to produce mineral resources.

Article (69): The licensee for mining, artisanal mining or exploration of quarry raw materials intending to permanently cease operations within the licensed area should notify the Board in writing at least three months to the intension to cease activities. Such notification shall be accompanied by a report giving details of the reasons for the ceasing of operations, along with reasons for such a decision, and attaching a report and a plan for the mine or quarry operations up to the date of the notice.

Article (70): A licensee abandoning a license area or the ceasing of licensed operations or in the case of the suspension of the license, must carry out the following:-

1. To seal and fence off the mine or quarry, and close all exits and access points.
2. The protection of water resources available in the licensed area, and to dispose of all tailings in accordance with the applicable practices in the international mining industry.
3. Fence off or lock buildings, structures, plant and equipment.

Article (71): a) The following persons may extract quarry raw materials without a license from the Board:

1. Landlords for the purpose of the construction of roads and buildings for their own benefit in accordance with the legislations in force.
2. Entities empowered to construct public projects on certain lands in accordance with the Laws in force, under a contract, a license or a facility, for the purpose of construction of such projects.
3. Those licensed to Mining for the purpose of construction of buildings and temporary roads required for mining operations on such lands.

4. Military units and entities for the purpose of construction of projects on Military locations.
- b) Each entity empowered to extract quarry raw materials pursuant to clause (a) of this Article must abide by the provisions of legislations in force related to health, safety and the protection of the environment.
- c) No person may sell quarry raw materials which he extracts pursuant to the provisions of clause (a) of this Article.

Article (72): Licensees covered within the provisions of this Law must abide by the following:-

1. To abide by the Labor Law in:
 - a) Giving priority to Yemeni manpower.
 - b) To employ whomsoever they wish to for technical and specified works that requires specific training or long experience, in the field of exploration or exploitation of mineral resources.
 - c) To provide the necessary training and qualification for Yemeni employees through periodical programs, according to the nature and level of their work, in coordination with the Board.
2. To give priority to Yemeni contractors, provided that the rates, quantities, quality and time schedule for delivery is

competitive to that quoted by non Yemeni contractors.

3. To give priority to locally available commodities, materials and local raw materials provided that they are competitive with those commodities and raw materials obtained from non local sources.

Article (73): An application to obtain any license or extension under this Law and regulations may not be rejected except upon clear written justifications, and an applicant who has been rejected may appeal to the Minister within thirty (30) days from the date of being notified of the rejection, and the decision of the Minister shall be final and binding in such a matter.

Article (74): All reports required from the licensee under this Law are considered confidential, and may not be published without prior approval, except after 180 days from the date of the expiry of the license or its termination; however, the Board shall in all cases have the right to benefit from such reports to carry out its activities.

Article (75): The State shall, explicitly pursuant to this Law, have the right to any archaeological discoveries discovered during reconnaissance, exploration, mining, extracting quarry raw materials and artisanal mining licensed activities.

The licensees undertake to immediately inform the Board of any such discoveries, and undertake to hand over any archaeological items to the Board, and to take all precautionary measures to prevent possession of any such materials or to cause damage to them.

PART THREE

AREAS SUBJECT TO THE LICENSE AND CONSTRUCTION OF ROADS FOR TRANSPORT

CHAPTER ONE

AREAS SUBJECT TO THE LICENSE

Article (76): With due consideration to the provisions of Article (77) of this Law, the Board, in accordance with the provisions of this Law, may grant licenses in any areas within the lands of the Republic or within its territorial waters, continental shelf or in the exclusive economic zone.

Article (77): a) The following lands are not subject to a license:-

1. Lands identified for the use of the military.
2. Lands located within Cities or Villages occupied by Mosques or Cemeteries.
3. Lands which are located on an archeological site or a protected geological site or a protected natural site, or which is regarded as an Archeological site.

4. Land on which government buildings, facilities, public roads, airport, pipeline or any service project constructed are located.
 5. Lands located within fifty (50) meters of government buildings or facilities, public roads, airports, pipelines or any service project constructed, excluding railways or airport constructed for the purpose of licensed operations in accordance with the provisions of this Law and legislations in force.
- b) Any lands set out in clause (a) of this Article may be subject to a license in accordance with a decision of the Prime Minister, after approval of the Cabinet of Ministers and in accordance with a proposal submitted by the Board, and submission of the Minister, with the aim of serving public interest, under specific conditions set out in the decision and just compensation to private owners or religious trusts.

Article (78): With due consideration to the Law of Appropriation For Public Interest and the provisions of Article (77) of this Law, the government may appropriate any land of whatever nature in return for just compensation, if it is found that there are mineral resources or quarry raw materials on such lands, and that public interest dictates investing such minerals in accordance with this Law.

- Article (79):** a) A licensee undertakes to compensate the owner of the land on which a license was issued in the following cases:
1. In case of material damage caused to the land as a result of operations.
 2. In case of any damage or removal of crops, trees or buildings owned by the owner of the Land as a result of the operation.
- b) The licensee shall not be responsible for compensation for the damage sustained to any buildings, crops or activities carried out by the landlord, after having notified the owner of the Land that the licensee has obtained a license.

CHAPTER TWO CONSTRUCTION OF ROADS FOR TRANSPORT UPON THE LICENCED LAND

Article (80): A licensee for Mining or extracting of quarry raw materials may construct any roads for transport upon the licensed area that is required for the licensing operations, after obtaining approval from the Board for such activities.

Article (81): A licensee for reconnaissance or exploration may not construct any roads for transport on the licensed area except after obtaining approval from the Board.

Article (82): A licensee for mining or extracting of quarry raw materials may not construct any roads for transport on any licensed area in a land other than licensed land, and only in the following cases :-

1. Lands which are not subject to any license in accordance with the provisions of this Law, and after obtaining approval of the competent authorities in coordination with the Board.
2. Lands which are subject to mining artisanal mining or a quarry license of a third party, after approval of the license holder and approval of the Chairman of the Board of Directors.

Article (83): A license holder who has constructed a road for transport under the provisions of Articles (81 and 82) of this Law shall not prevent any person from having access to or using the said road.

Article (84): a) A license holder who has been granted approval to construct a road for transport upon the licensed land in accordance with the provision of clause (2) of Article (82) of this Law is entitled to request for the road to be diverted by the person who constructed such road to another part in within the land, if it is proven that there is actual damage to the license holder, which is determined and assessed by the Board.

- b) A person requesting to divert the road in accordance with clause (a) of this Law must respond to this request, and shall be responsible for the cost of execution of the said diversion.

Article (85): A license may close the road which has been constructed in accordance with the provisions of this chapter for the purposes of maintenance after notifying road users. The licensee in this case shall not be responsible for any obstruction arising out of the closure of the road.

Article (86): A licensee undertakes to take all necessary precautions to draw attention that there is a road under construction in accordance with the provisions of this chapter by putting up signs, direction posts and the like

CHAPTER THREE HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Article (87): The licensee undertakes to abide by the provisions of the laws and regulations in force related to health, occupational safety and the environment. The licensee further undertakes to comply with the conditions below for operations which require the use of explosives, as follows:-

1. To store the explosives which are used within the licensed operations in a safe location away from locations of other

works, installation and existing buildings within the same licensed area.

2. To employ qualified experienced personnel to use the explosives.
3. To prevent any employees that do not possess the required qualifications to use explosives within the licensed operations.
4. To provide the employees with protective clothing and the necessary equipment in compliance with vocational safety.
5. To abide by the Laws and regulations related to the licensing to import, export, transport and the use of explosives in accordance with the legislations in force.

Article (88): The licensee must take the necessary precautions and arrangements to maintain water and its sources that are available on the land, subject matter of the license, from any damage and any negative environmental impact arising from use of water in the licensed operations, or from the use of chemicals or other materials.

Article (89): The licensee must compensate the owner of the Land in the following cases:-

1. Pollution of any source of water on the land as a result of the licensed operations, or through the use of chemicals or other substances.

2. Environmental damage on the land or on crops or trees owned by the owner of the land as a result of the licensed operations, or the use of chemicals or other substances.

Article (90): a) The licensee may not carry out, or allow others, to change or divert the supply or direction of an existing water source.

b) The licensee shall be responsible for change or diversion that occurs to the supply or direction of an existing water source.

c) The Board shall notify the licensee who has violated such conditions in clause (a) of this Article in writing and order them to reinstate the water to the same state it was at prior to the violation, failure to do so will result in the suspension of the by the Chairman of the until the reinstatement of the violation within the period set out in the notice.

PART FOUR RECORDING, REGISTRATION AND CANCELLATION

CHAPTER ONE RECORDING AND REGISTRATION

Article (91): The Board and its offices shall keep a special records for the licenses (reconnaissance, exploration, mining artisanal mining and extraction of quarry

raw materials) to record all data and information related to license applications, extensions, transfer of licenses, expansion, relinquishment, termination, cancellation, as well as data related to decisions issued related thereto, data existing in awarded license forms, and records of changes that occur on such forms. The board shall also keep a specific record for priorities.

Article (92): The Board and its offices shall keep specific records for quantities of produced mineral resources of each type and from each area.

Article (93): The Board shall prepare two copies of specific standard forms for licenses in the form required by the regulations. The Board shall keep a copy of the license issued by the Board and give the other copy to the entity whom the license is granted to, in accordance with the provisions of this Law.

Article (94): The Board will not issue any license except after receiving the prescribed license fees, which shall be recorded in the register specified for such entry, in accordance with the information specified within the form in accordance with the provision of this law.

Article (95): The Board shall arrangement and keep the following records:-

- a) A record of the areas which shall include the following lands:-

1. Lands subject to any license in effect in accordance with this Law or any license in force in accordance with the previous Mines and Quarries Law.
 2. Lands subject to applications to obtain a license, which are under study.
 3. Lands allocated as closed areas for mining operations in accordance with this Law or the previous Mines and Quarries Law.
- b) An Atlas record in the form of a physical maps or maps contained in an electronic format or both.

Article (96): Persons interested in acquiring licenses shall be permitted to review the applications and licenses records.

CHAPTER TWO CANCELLATION OF LICENCES

Article (97): Without prejudice to the penalties set out in this Law, a license granted, or an application submitted in accordance with this Law will be cancelled through a decision of the Chairman of the Board of Directors, after the approval of the Board of Directors, in any of the following cases:-

- a) General cancellation Cases:

1. If the Board becomes aware that the license was granted based on false information submitted by the licensee.
2. If the licensee submits a letter to the Board requesting termination of the license.
3. If the validity period of the license expires, and that the licensee fails to apply for an extension.
4. If the applicant for an extension fails to submit all required documentation required, and set out in the regulations, within thirty (30) days from the date of submission and registration of the application.

b) Specific cancellation cases:

1. If a licensee of a reconnaissance licenses breaches any of the obligations provided for in clauses (1) and (3) of Article (10) of this Law.
2. If a licensee of an exploration license violates any of the obligations provided for in clauses (1), (2), (3) and (6) of Article (20) of this Law.
3. If a licensee of a mining license violates the conditions provided for in Article – 30 of this Law, or any of the obligations provided for in clauses (3), (4), (5), (6), (7), (8), (9) and (11) of Article (31) of this Law.

4. If a licensee for extracting of quarry raw materials license violates the conditions provided for in Article (41) of this Law, or any of the obligations provided for in Clauses (3), (4), (5), (6), (7), (8), (9) and (11) of Article (42) of this Law.
5. If a licensee of an artisanal mining license violates any of the obligations provided for in clauses (1) and (4) and (9) of Article (53) of this Law.

Article (98): Without prejudice to the provisions of Article (97) of this Law, an issued license to a corporate person will be canceled in accordance with this Law in any of the following cases:-

1. The term of the corporate entity comes to an end or by liquidation, or for any other legal reason.
2. The amalgamation of the licensed entity with another corporate entity, without a prior approval of the Board.

Article (99): A license registered in the names of more than one corporate entity may be cancelled if any of the cases provided for in Article (98) of this Law occur, unless the other partners put forward the necessary guarantees to assure the board that confirm that they are able to continue to fulfill all obligations provided for in the provisions of this Law and the regulations.

Article (100): The Board may not cancel any license granted in accordance with this Law in any of the cases provided for in clause (b) of Article (97) of this Law, except after following the procedures below and verifying the following situations:-

1. Sending a written notice to the licensee by the Board that it intends to cancel the license, and clarifying the reasons leading to the cancellation, and giving the licensee not less than 60 days during which the licensee can implement the obligation or obligations the licensee has breached.
2. If the term provided for in the notice in clause (1) of this Article expires without the licensee having succeeded in implementing the obligations breached, and in the case of the inability to notify the licensee, the notice shall be published in one of the official daily newspapers.

Article (101): Without prejudice to any other obligations provided for in this Law, a licensee whose license has been cancelled or terminated in accordance with the provisions of this chapter, shall comply with the following:-

1. To transfer all machinery, equipments and waste from the licensed area within sixty (60) days from the date of cancellation or termination.

If the licensee fails to carry out the transfer during such period, the Board may do so itself at the expense of the licensee, after having notified them.

2. To remove all fixed assets owned by the licensee within the licenses area within ninety (90) days from the date of cancellation or termination.

If the licensee fails to remove such assets during the said period, such failure shall deem the licensee to having transferred title of the equipments to the board at no cost.

3. To deliver all reports and records kept by the licensee, and plans and maps prepared to the Board in accordance with the provisions of this Law.
4. To deliver any documents which should be submitted to the Board in accordance with the request of the board.

Article (102): In case of cancellation or expiry of the license in accordance with the provisions of this law, the licensee shall remain liable for the performance of the obligations which are not executed up to the date of cancellation or termination in accordance with the provisions of this Law.

PART FIVE
GEOLOGICAL RESEARCH AND STUDIES
AND THE POWER OF SEASURE AND INSPECTION

Article (103): The Board shall carry out systemic geological, mining and metallurgical studies and mapping of the national territory including the territorial waters, the continental shelf and the exclusive economic zone of the Republic. The Board may also authorize any person to carry out such studies and mapping on their behalf.

Article (104): a) Government and non government entities and educational Institutions may, carry out scientific studies on any licensed land or such lands not identified as closed to mining in accordance with this Law, after obtaining the prior written approval of the Board and conditional upon providing the board with a copy of the results of such studies and research, and provided that such research and studies shall not be used for commercial purposes.

b) Geological research and scientific studies performed pursuant to this Article do not require a license.

Article (105): Employees of the Board whose job descriptions requires them to perform acts of judicial seizure, shall be given the status of an officer for judicial seizure.

A resolution issued by the Minister of Justice shall be issued based on recommendations from the minister identifying such persons

- Article (106):** a) Employee of the Board enjoying the status of Judicial seizure authorized in writing by the Board are entitled to access the sites of licensed operations in for the purpose of conducting inspections of such sites, and to supervise ongoing operations and check records and documents related to such operations to insure that the licensee is in compliance with the provision of this Law.
- b) A licensee shall provide all reasonable facility and assistance to the employees of the Board having the status of a judicial capacity during the conducting their tasks authorized in accordance with the provisions of Clause (a) of this Article. The licensee must further provide any clarifications or information requested from the licensee.

Article (107): An employee of the Board enjoying the capacity of Judicial seizure capacity who comes across any violation in contradiction with the provisions of this Law during the conduct of their tasks in accordance with clause (a) of Article (106) of this Law may confiscate the tools, equipments and vehicles used in committing such violation, and any other

mineral resources or quarry raw materials extracted in violation with the provisions of this Law, and to execute minutes of such violations to be deliver along with the confiscated materials to the designated office of the Board who shall take the necessary actions in coordination with the Board to refer the violation to the Courts.

Article (108): Employees of the Board enjoying the capacity of Judicial seizure shall maintain confidentiality of all documents and information made available to them during the performance of their tasks, and to refrain from using such information except in accordance with the provision of this Law.

Article (109): a) A Judicial Judgment should be issued to seize the captured tools, equipments and vehicles used in the committing of any violation of the provisions of this Law, as well as to confiscate all mineral resources extracted in violation to the provisions of this Law.

b) The Board is entitled to dispose of any confiscated tools, equipments and vehicles used in the extraction of quarry raw materials in violation of this Law, upon which a Judicial seizure order has been issued.

Article (110): An employee of the Board or any of its branches whatsoever the nature of their work is to obtain any of the licenses granted in accordance with the provisions of this Law during the period of their employment, and within three years after the end of their employment.

PART SIX FEES AND ROYALTY

Article (111): The regulation shall determine the amount of prescribed fee for license applications, extensions, transfers, and enlargement, and the amount of fine prescribed for the delay in the submission of applications.

Article (112): a) All licenses shall be subject to an annual fee calculated by multiplying the area of the licensed land by an amount to be fixed through the regulations on all licenses referred to in this Clause.

b) The first period for the purpose of receiving the annual fee shall begin from the date of registration of the license.

Article (113): Based on a decision of the Prime Minister after approval of the Cabinet of Ministers according to the submission of the Minister, the rates set out in the regulations according to which license fees are established, may be amended.

Article (114): The licensee shall pay an annual royalty on the following:-

1. Mineral resources sold or intended for sale.
2. Mineral resources and products utilized, or to be utilized, for any commercial or industrial purpose.

Article (115): Without prejudice to the penalty prescribed in the provisions of Article (121) of this Law, royalty shall be paid for any mineral resources or quarry raw materials sold which are extracted without a license at 25% of the market value of the sold quantity.

Article (116): Royalty rates shall be preset in accordance with the provisions of Articles (114 and 115) of this Law for each mineral resources and quarry raw materials according to any of the following ways:-

1. A percentage of the gross value of the ore or the mineral in accordance with their market value, and the rate for each type of metallic minerals and gemstone shall be set as follows:-
 - a) 3% for mineral resources.
 - b) 8% for precious and semi-precious gemstones.

2. An amount to be paid on the basis of the unit of weight of the quarry raw materials as follows:-

a) 0.3 US Dollar per ton for Quarry raw materials used in industry in case of export and 0.1 US Dollar per ton in case of local consumption.

b) 0.6 US Dollar per ton for Quarry raw materials used in construction in case of export and 0.3 US Dollar per ton in case of local consumption.

Article (117): The percentages or amounts of royalty set by this law may not be amended, unless after the approval of Parliament and in accordance with the constitutional procedures.

Article (118): The licensee for mining and extracting quarry raw materials shall pay income tax determined in accordance with the income tax Law in force in the Republic, and no exemptions may be granted from the payment of income tax.

Article (119): a) The Minister and the Minister of Finance may jointly enter into a fiscal stabilization agreement with the mining license-holder, and such agreement shall be approved by a decision of the Prime Minister in after the approval of the Cabinet of Ministers, after submission of the Minister and the Minister of Finance.

- b) The feasibility study shall include the capital cost for development of mines so that it is not less than U.S. \$ 150,000,000.00.
- c) The period of the fiscal stabilization agreement shall be ten (10) years from the date of the date of commencement of production.
- d) The fiscal stabilization should be on the basis of the price and the applicable methods for the account on the day in which the agreement became effective;
- e) The fiscal stabilization agreement may not include any taxes or fees or new fee or change in the price or approval of a different account for those provided for in the legislations in force.
- f) In case there is a conflict between any of the provisions of the fiscal stabilization agreement and the provisions of any other new or amended Legislations during the period of agreement, the provisions of the agreement shall prevail.
- g) A fiscal stabilization agreement shall not come into force until after the payment of the registration fee prescribed by the regulations.
- h) The fiscal stabilization agreement may not be extended or renewed.

- I) Any person may be entitled to obtain a copy of the fiscal stabilization agreement after the payment of the prescribed fees.

PART SEVEN PENALTIES

Article (120): Without prejudice to any severe penalties which are provided for in any other Law in force in the Republic, the penalties provided for in this chapter shall be imposed on anyone who violates the provisions of this part.

Article (121): An imprisonment for a term not exceeding six (6) months, or a penalty of not less than five hundred thousand (500,000) Yemeni Riyals and not more than one million (1,000,000) Yemeni Riyals, shall be imposed on anyone who violates the provisions of Articles (4, 14 and 46) of this Law.

Article (122): An imprisonment for a term not exceeding one (1) year or a penalty of not less than one million (1,000,000) Yemeni Riyals and not more than two million (2,000,000) Yemeni Riyals, shall be imposed on anyone who:-

- a) Violates provisions of Articles (24 and 35) of this Law.
- b) 1. Tries to smuggle mineral resources outside the Republic.

2. Places or deposits, or causes to be placed or deposited in a place any mineral, with the intention to mislead any other person as to the mineral possibilities of the place.
3. Anyone who impedes or obstructs the operations of reconnaissance, exploration and mining or obstructs with any machinery, plant, work or property on, in, under or over any land related to the mining. The complainant may submit his complaint to the Board, and if the decision of the board is not accepted may seek recourse before the Courts.

Article (123): a) A penalty of not less than one million (1,000,000) Yemeni Riyals and not more than two million (2,000,000) Yemeni Riyals, shall be imposed on anyone who violates the provisions of Articles (11, 20, 30, 31, 41, 42, 67, and 87) of this Law.

b) A penalty of not less than one hundred thousand (100,000) Yemeni Riyals and not more than two hundred thousand (200,000) Yemeni Riyals, shall be imposed on anyone who violates the provisions of Articles (53) and (54), and the clause (3) of Article (10) of this Law.

Article (124): An imprisonment for a term not exceeding six (6) months or a penalty of not less than five hundred thousand (500,000) Yemeni Riyals and not more than one million (1,000,000) Yemeni Riyals, shall be imposed on anyone who:-

1. Uses the license for purposes other than those covered by it.
2. Extracts mineral resources or attempting to do so without the reference of the mineral resources or raw materials in the license.
3. Submits false or forged information for the purposes of obtaining a mineral license.
4. Mingles any of the samples or any substances which may enhance the value or in any way change its nature, with the intention to cheat, deceive or defraud.
5. Keeps or uses any false or fraudulent scales or weights for weighing mineral resources, or uses any false or fraudulent measuring scales to test such materials.

Article (125): A penalty of not less than two hundred thousand (200,000) Yemeni Riyals and not more than five hundred thousand (500,000) Yemeni Riyals, shall be imposed on any person who breaks, or removes or distorts any boundary mark within the license area.

Article (126): A penalty of not less than one hundred thousand (100,000) Yemeni Riyals and not more than five hundred thousand (500,000) Yemeni Riyals, shall be imposed on anyone who obstructs or hinders or delays the work of the Inspectors during the performance of their tasks entrusted to them under this Law.

Article (127): Any employee having enjoying the capacity of Judicial seizure shall be dismissed from service in accordance with a Court Judgment under this Law if they are found to be grossly negligent, compromises the duties of their job, or assist or connive with others to obtain a license from the Board based on incorrect information, particulars or documents, or if he comes to know of the extraction of mineral resources or quarry raw materials in contravention to the provisions of this Law or its executive regulations, and did not take legal action.

Article (128): Cases referred to the courts of jurisdiction, within the jurisdiction of Yemeni Courts, related to violation of provisions of this Law shall be considered as cases of urgent matters.

Article (129): The penalties provided for in this chapter shall be doubled in case of repetition of the violation.

PART EIGHT FINAL PROVISIONS

Article (130): The Board shall implement and execute this Law and supervise the mines and quarries.

Article (131): The licensee must have a head office in the Republic of Yemen during the duration of the license, within ninety (90) days from the date of the validity of the license.

Article (132): The Board shall serve notices to the licensee either by handing over the notice by hand, or by email to be confirmed by a letter to be sent by post, and in case of the inability of the board to do so, the notice shall be published in one of the news papers in the Republic, and such publication shall be deemed as a valid notice served upon the licensee.

Article (133): The provisions and conditions provided for in this Law and regulation shall apply to the license. Any license including provisions in contradiction with the conditions and provisions set out in this Law and the regulation shall be deemed cancelled.

Article (134): In case of disputes between those subject to the provisions of this Law, such dispute shall be solved amicably; otherwise the dispute shall be resolved as follows:

1. If a dispute occurs between the licensee and the Board regarding determination

of the type and the class of the mineral resources, such a dispute shall be referred to an expert in the field of mining acceptable by both parties to give a technical opinion regarding the conflict, who's decision shall be used reach an amicable solution between the parties, within fifteen (15) days. In case the parties do not accept the results of the expert, the dispute shall be referred to the Minister to rule upon, who shall issue a reasoned decision. Any party claiming grievance may seek recourse before the courts of Yemen.

2. If a dispute occurs between the holders of licenses regarding the boundary lines separating their licenses areas, the Board shall determine the demarcation of the boundaries at the expense of the parties, and shall issue a reasoned resolution. Any party claiming grievance may seek recourse before the courts of Yemen within 15 days from the date of notification of the party of the decision. Such cases shall be considered as cases of an urgent nature.
3. If a dispute occurs between the board and a mining license-holder who had entered into an agreement with the government pursuant to Article (119) of this Law, the dispute may be submitted for arbitration committee agreed upon by both parties; otherwise the dispute shall be referred to the Courts of Yemen.

4. If a dispute occurs between the Board and any other government authorities related to the implementation of the provisions of this Law, the provisions of the State cases Law shall apply.

Article (135): 1. In case an act of force majeure prevents or hinders the licensee to execute any of his obligations on time, such a delay will not be considered as negligence or shortcoming in work or performance, and the Board may extend the period set for such work that had been stopped or delayed for a period equal to the period of force majeure after the confirmation of such a period.

2. The State shall not be responsible in any manner towards the licensee for any damage, restrictions or loss arising out of the case of force majeure.

Article (136): Transport and aviation operations provided for in this Law shall be subject to the provisions of the legislations in force.

Article (137): An annual audit of the licensee's financial records and accounts shall be carried out by an independent accounting office having the necessary licenses to carry out their activities in the Republic, and the Board is entitled to carry out its own special audit using the services of an independent firm of chartered accountants at its own expense.

Article (138): With the exception of that which is explicitly provided for in the Income Tax Law, those subject to this Law shall enjoy the incentives and benefits provided for in the other Laws in force in the Republic.

Article (139): The licensee shall, in accordance with the provisions of this law, enjoy the incentives and benefits provided for in the Investment Law, in particular:-

1. Arab and foreign capital and Arab and foreign investors shall be on a par with Yemeni capital and investors without discrimination with respect to the rights, obligations, rules and procedures set out in this Law.
2. The right to manage the project in accordance with their discretion, economic conditions and status of the businesses.
3. A foreign licensee shall be entitled to transfer abroad their net profits in any transferable currency.
4. A foreign licensee shall have the right to retransfer abroad their invested capital upon liquidation of the project or its disposal.

Article (140): The licensee shall enjoy exemption from the following fees:-

1. Custom duty and tax related to the import of equipment and spare parts required to execute the licensed operations in accordance with the provisions of this Law, provided that the licensee comply with the following:-
 - * Submit statements and lists of equipments and spare parts to be imported to the Board for approval. The value of the spare parts to be exempted should not exceed 10% of the total value of the imported equipment.
 - * Keeping regular records showing locations and usage of the imported equipments for the purpose of the licenses.
 - * Payment of all tax and customs duty upon the sale of any equipment exempted in the Republic.
2. Tax and customs duty when wishing to export any equipment imported into the Republic provided that the Board is notified and approves such export.
3. Property taxes.
4. Income tax payable on salaries and benefits related to income of foreign employees. Such exemptions will only apply at the stage of reconnaissance and exploration.

Article (141): Any previous permit, license or exploitation contract shall remain in force provided that it is valid and was issued under the previous Mines and Quarries Law, until it expires.

Article (142): The executive regulations of this Law shall be issued in accordance with a decision of the Prime Minister after the approval of the Cabinet of Ministers, according to the submission by the Minister, and within a period of not more than six (6) months.

Article (143): Law No. 24 for the year 2002 regarding Mines and Quarries and any other provisions in conflict with the provisions of this Law shall be cancelled.

Article (144): This Law shall be applicable from the date of its issuance and shall be published in the official gazette.

Issued at the Presidency of Republic in Sana'a

**Dated 15 Dhu Al Hijjah 1431 AH
21 November 2010**

Ali Abdullah Saleh

President of the Republic