

Decree no. 31/2015, of 31 December

Pursuant to the need to regulate the Law no. 20/2014, of 18 August, which defines the legal framework which governs the mining activity and use and enjoyment of mineral resources, in conformity with the foreseen in Article 87 conjugated with subparagraph b) of Article 13, all of the Mining Law, the Council of Ministers Decrees:

Article 1. The Mining Regulations and its annexes which are integral part of this Decree are approved.

Article 2. The Minister which oversees the mineral resources sector will issue enforceable and specific norms which reveal themselves to be necessary for the good execution of the Mining Law Regulations.

Article 3. Decree no. 62/2006, of 26 December and all other regulatory provisions which are contrary to these regulations are revoked.

Article 4. These regulations come into force in the date of its publication.

Approved by the Council of Ministers, 13 October 2015.

It is hereby published.

The Prime Minister, *Carlos Agostinho do Rosário*.

Mining Law Regulations

CHAPTER I

GENERAL PROVISIONS

SECTION I

Preliminary Provisions

**Article I
(Definitions)**

The expressions and terms used herein have the meaning set out in the glossary, Annex I, and integral part of these regulations.

Article 2
(Scope of Application)

1. These Regulations establish the rules for the exercise of exploration, development exploitation, mineral processing and treatment operations, as well as the execution of geological mapping, mineral geological, metallurgic and scientific studies.
2. These regulations govern all natural or legal applicants' legal persons or title holders of rights for the exercise of operations referred to in the preceding paragraph.
3. The commercialization of mineral products performed under the Mineral products Commercialization License is excluded from the scope of these regulations.

Article 3
(Powers)

1. The Minister has powers to decide on:
 - a) The granting, amendment, transfer and revocation of the Prospecting and Research License, mining concession, mining certificate, mining processing license, mining treatment license and authorizations.
 - b) Direct and indirect transfers of participation interests, titles and/or mining rights, including the transfer of shares or other forms of participations.
 - c) The declaration of modification and extinguishment of designated areas of the Mining Pass; and
 - d) Any conflicts which result from the total or partial overlapping of applications upon the same area.
2. It is the Ministers responsibility to practice other acts which are deemed necessary for the implementation of these regulations.
3. The Minister may totally or partially delegate the competencies established in number 1.
4. It is of the responsibility of the Provincial Governor to decide about the granting, modification, transfer, revocation of the Mining Certificate for mineral resources for building and Mining Pass in designated areas for Mining Passes under his jurisdiction.

SECTION II

Mining Cadastre

ARTICLE 4
(Content of the Mining Cadastre)

1. The Mining Cadastre shall contain the registration of the licensing process, management of the mining activity and/or mining exploration, as well as the mining cadastre atlas.
2. The mining cadastre atlas shall contain, namely the following information:
 - a) Requested areas;
 - b) Areas of mining titles in force;
 - c) Areas designated as mining pass;
 - d) Areas declared mining reserves;
 - e) Areas sealed to mining activities;
 - f) Total and partial protection zones defined by the applicable legislation;
 - g) Areas of Geological-Mining interest; and
 - h) Any other areas that require special authorization.
3. The Mining Cadastre is of public character and the respective norms of access are defined by the Ministerial Diploma.
4. The Mining Cadastre will provide regular information related to the mining areas granted/allocated to the National Cadastre of Land and other Cadastres, these shall reciprocally provide the Mining Cadastre, data regarding areas subject to the use and enjoyment of land and others.
5. The access to the Mining Cadastre by the Ministry's institutions, consists of specific norms approved by the Ministry of Mineral Resources and Energy.

ARTICLE 5
(Procedures of the Cadastre)

1. Following the receipt of a mining title application, the cadastre official shall, immediately, in the presence of the applicant:
 - a) Verify whether the application form submitted by the applicant is correctly filled in, and in case not, request its correction;
 - b) Verify the availability of the requested tenement, or in other words, if it is not regarding the area under a mining title in force or under request, if the case, the applicant shall amend;
 - c) Ordain the payment of the application processing fee, if the requirements established in the previous paragraphs are fulfilled;
 - d) Accept the application against proof of payment of the processing fee, immediately register the data in the registration book and indicate the exact time in which the request was registered, signing the same book along with the applicant;
 - e) Indicate in the application form, the time of the registration referred to in the preceding paragraph and print two copies of the referred form which are subsequently stamped and signed by the applicant and by the cadastre official, being one copy for the applicant and the other attached for the respective application file;

- f) Produce a receipt of the application containing a code assigned, the geographic coordinates, a sketch of the geographic area requested, if the case, it shall be signed by the applicant and the official of the cadastre; and
 - g) Issue within 48 (forty eight) hours an edictal notices, for the publication in the most widely readership published newspapers, if this is the case, it shall be duly signed.
2. The applicant shall in 15 (fifteen) days, after receiving the edictal notices, present the proof of publication of the edictal notice in the most widely published newspapers, with prejudice of the application being considered null and void.
 3. Elapsed 30 (thirty) days following publications of edictals, without any complaint, the National Institute of Mines will proceed with the allocation process of the respective mining title.

ARTICLE 6

(Cadastre Archive)

1. The mining titles referred in the Mining Law, are issued in quadruple, being the original for the mining title holder, and the three copies, one for the National Institute of Mines archive, other for the same effect at the respective Provincial Government, the third copy shall be handed to the District administration with jurisdiction upon the area where the mining activity is developed.
2. The Mining Cadastre shall, namely:
 - a) Maintain complete updated archives of the applications, numbered in sequence;
 - b) Maintain the archives separated from the different mining titles;
 - c) Compose a file for each title issued, which shall include amongst others:
 - (i) Duplicate copy of the mining contract title, if existent;
 - (ii) Address of the mining title holder;
 - (iii) Description of the area;
 - (iv) Act of cancellation or other form of extinguishment;
 - (v) Any transfer, including legal succession; and
 - (vi) Any modifications, including the extension, abandonment, extension of the area and any encumbrance or charge.
 - d) Maintain an updated archive of the designated areas of mining pass which shall contain the following information:
 - (i) The diploma that creates the mining pass designated area;
 - (ii) The code of the mining pass designated area;
 - (iii) The description and potential of the mining pass designated area;
 - (iv) The location, and the cadastral units correspondent to the mining pass designated area; and
 - (v) Any changes, including the extension, reduction or extinguishment of mining pass designated area.

- e) Maintain an updated archive of the areas declared reserved for mining, in terms of Article 18 of the Mining Law, that shall contain the following information:
 - (i) The legal instrument which creates the area declared mining reserve;
 - (ii) The code of the area declared mining reserve;
 - (iii) The location, description and potential mineral of the area;
 - (iv) The cadastral units correspondent to the area declared mining reserve;
 - (v) Any modifications, including the extension, reduction, or extinguishment the area declared mining reserve.
 - f) Maintain a separate and updated archive of the authorizations for the extraction of mineral resources for building, extracted in terms of Articles 53 and 54 of the Mining Law.
3. The mining title holder or representative may by means of a request of payment of the fee foreseen in Annex 9 of the these regulations obtain a notarized copy of the mining title and any report submitted in compliance with the obligations resulting from the respective title.
 4. Upon authorization and payment of the fee in conformity with Annex 9 of these Regulations, anyone interested may obtain a notarized copy of any document or registration contained in the referred archives not considered of confidential character.
 5. All the data regarding the cadastral information is of public nature and property of the State, may be acquired in the digital form, against payment of a fee, defined by Conjoint Ministerial Diploma of the Ministers of Economy and Finance, and Mineral Resources and Energy.

ARTICLE 7

(Mining Contract)

1. For the conclusion of a mining contract between the Government and the Exploration License and/or Mining Concession Title Holder, amongst others the following aspects must be taken into consideration:
 - a) the dimension of the project;
 - b) the investment amount; and
 - c) the strategic minerals.
2. The mining contract obeys in the form and content of the model approved by the Government.

ARTICLE 8

(Priority over the requested area)

The right to preference of the mining title requested is given by the priority of the submitting of the application at the National Institute of Mines according to the requirements established for each type of mining title.

ARTICLE 9
(Public Tender)

1. The Government may organize a public tender procedure for the mining activities and operations, attending the public interest, in areas:
 - a) geologically studied;
 - b) with mineral resources' potential;
 - c) that have been subject to previous mining activity;
 - d) declared reserved for mining activity;
 - e) partial or total protection.
2. Whenever necessary and attending the public interest the public tender shall take place for the allocation of Exploration Licenses and mineral treatment.
3. The terms and conditions of the public tender will be defined by Ministerial Order, which shall include, at least the following:
 - a) Definition of the selection criteria of eligible competitors;
 - b) Obligation to pay for the acquisition amount of the specification sheet (*caderno de encargos*);
 - c) The obligation of any competitor to propose the amount of signature bonus;
 - d) Obligation of the successful bidder being chosen based on the best technical-economic proposal for the development of mining activity and/or in the best financial offer proposal;
 - e) The requirement of the successful bidder agreeing that the technical-economic and financial proposal is part of the mining contract without changes of any material provision, unless such change is in the States benefit; and
 - f) Any pretension of changes that oppose the preceding paragraph, disqualifies the successful bidder and considers the second best proposal.
4. The National Institute of Mines shall conduct the public tender proceedings.

ARTICLE 10
(Use and enjoyment of land)

1. The use and enjoyment of land for carrying out mining activities is regulated by applicable law, without prejudice to the provisions of the Mining Law.
2. Pre-existing rights of use and enjoyment of land are considered extinct after the payment of a fair compensation to land users and revocation of the same, in terms of the applicable legislation.
3. The titles of use and enjoyment of land obtained in terms of the Land Law, by the mining title holder, has a validity period and coincident dimensions defined in the mining title and automatically, renewed or expired, according to the validity period of the mining title.
4. In case of change of the dimension of the mining title area, the mining little holder shall apply for a correspondent amendment of the use and enjoyment of land title to the competent authority.

ARTICLE 11

(Inspection)

1. The mining activity is subject to inspection in order to assure a rational and sustainable use and enjoyment of mineral resources.
2. The Mineral Resources General Inspection is responsible for controlling the compliance of the Mining Law and other legal provisions, which regulate the mining, technical security, hygiene and protection of the environment in geologic-mining activities.
3. The activity of mining inspection comprises:
 - a) Inspection of the areas subject to mining titles or authorizations, including the infrastructures as well as the work and operations carried out under those titles and authorizations;
 - b) Inspection and machinery and equipment testing;
 - c) Gathering of samples, specimens of rocks, minerals, their concentrates, wastes and residues, for the purpose of testing, analysis and verification of eventual breach of the Mining Law or respective Regulations;
 - d) Obtaining of copies of reports, technical data, drawing and geological and topographic maps, books and registers of economic and financial activities, including the production and sale;
 - e) Investigation and verification of the compliance of the legal and contractual obligations of the mining title holders and authorization holders;
 - f) Compliance of the regulations and technical norms;
 - g) The request of data and information, in writing, which may be deemed necessary for the exercise of inspection powers.
4. The mining title holders are obliged to render, to inspectors and inspection technicians, when in service of inspective activities, all the assistance and provide necessary means for the access to the location of mining operations, including transport.
5. The mineral resources and energy inspectors shall comply with the applicable procedures in hygiene, health and safety matters established by the titleholders and of the authorization holders, and shall not interfere in the mining operations.

ARTICLE 12

(Exercise of the Inspection function)

1. The inspectors and technicians in the inspective mission enjoy the privilege of free transit and admission in all yards, stations, boarding ports, docks, aerodromes, airports, and any other public place, and buildings of the entity to be inspected.
2. When in inspective mission, the inspectors and technicians shall be dully identified.

ARTICLE 13 (Types of Inspection)

1. The inspection referred to in Article 11 is classified and total or partial and regular or extraordinary.
2. The total inspection has as its objective to proceed the verification and control of all concerning aspects to the compliance of the mining legislation.
3. The partial inspection aims to verify the compliance of requirements and recommendations arising from the inspection brigades.
4. The total and partial inspections are regular when held in the annual schedule of activities.
5. The total and partial inspections are extraordinary when held:
 - a) In exceptional circumstances unforeseen or of force majeure;
 - b) To address an occasional request;
 - c) In virtue of a claim or complaint;
 - d) By superior decision.

ARTICLE 14 (Monitoring and Evaluation)

Mining a activity is subject to monitoring and evaluations which aims to proceed with the verification of the progress of activities, guarantee the quality and accuracy of the information and data generated in the mining operations.

ARTICLE 15 (Data ownership)

1. The reports, data or other information generated under the exploration activity, extraction or other activity related, constitutes state property.
2. The National Directorate of Geology of Mines shall be responsible for the safekeeping of the report copies, as well as all the raw geological data collected including geochemical, geophysics, geochronology, aerial photographs, Digital Elevation Model (*Modelo de Elevação Digital – MED*) or other information produced in scope of the exploration activities, mineral extraction and other related activities.
3. The data under the custody of The National Directorate of Geology and Mines resulting from exploration activities and mineral extraction or other related activities under the mining title may only be disclosed 90 (ninety) days after the termination date of the mining title.
4. The reports, geological maps, geophysical data, geochemical, and others collected by means of geological investigation conducted by a State entity will be furnished to the interested parties against the payment of administrative taxes.
5. The geological samples, including survey evidence, extracted under the exploration activities shall be deposited in the National Geological Sample

Storage and may be disclosed by previous consent of the owner or 90 (ninety) days after the termination date of the mining title.

6. The National Geological Sample Storage may by request of the mining titleholder and against payment of a fee set by the National Directorate of Geology and Mines, store during the validity of the titleholder Exploration License, samples collected under the respective license.

ARTICLE 16

(Fees)

1. The processing of mining title applications and authorizations are subject to the payment of fees, established in Annex 9 of these Regulations.
2. The issuance, expansion or reduction of the area, extension and transfer of mining titles and inclusion of minerals are subject to the payment of fees established in Annex 9 of these Regulations.
3. It is of the Ministry of Finance and Mineral Resources competence to perform the updates of the amounts of the fees referred in the preceding paragraph.
4. The fees referred to in this Article shall be paid at the National Treasury (*Recebedoria de Fazenda*) of the respective fiscal area.
5. The fees referred in the preceding number will be distributed in the following manner:
 - a) 60% for the State; and
 - b) 40% for the National institute of Mines.

ARTICLE 17

(Posting of a Performance Guarantee)

1. To ensure the compliance of the terms and conditions established in the mining titles and/or mining contracts, the titleholders and/or their operators are subject to the provision of a financial guarantee.
2. The financial guarantee referred to in the preceding paragraph may be fulfilled by means of a bank guarantee established in Mozambique or a money deposit, unconditional and irrevocable, in favor of the Ministry which oversees the area of mineral resources, in a bank account open exclusively for that purpose.
3. The definition of the financial guarantee amount has as its base:
 - a) For the Exploration, 2% of the budget foreseen in the work program, amount to be revised two (2) in two (2) years;
 - b) For the mining certificate, 1% of the investment amount foreseen in the technical-economic evaluation;
 - c) For the exploration license and mining treatment license, 1% of the investment amount foreseen in the economic feasibility study; and
 - d) For the mining concession, 2% of the investment amount foreseen in the economic feasibility study.
4. The proof of payment of financial guarantee shall be presented at the National Institute of Mines at the collection of the mining title or the date of signature of the mining contract.
5. The financial guarantee may be collected:

- a) For the exploration, after the presentation of the geological report of the second year, verified the compliance of the work program presented;
 - b) For the mining certificate, after the start of mining production;
 - c) For the mining concession, processing license and treatment license, after the start of mining production.
6. The financial guarantee may be triggered by the State in case of non-compliance of the terms and conditions set out in the mining titles and/or mining contracts which implies the revocation of the respective mining title.
 7. On request of the mining certificate holder, the Minister or Provincial Governor may, exceptionally, waive the provision of financial guarantee, depending on the type of mineral resource and the dimension of the mining operations.

ARTICLE 18 **(Development of the Industrial Activity)**

1. The Government may request the mining titleholder to buy the mining product at a market price up to 10% of the declared production, for its use in the local industry, whenever the national interest of the country demands so.
2. The Ministry which oversees the mineral resources sector, may by means of notice between 1 and 31 of July of each year, request that the mining title holder sells to the State, to a legal person held by the State, or any Mozambican entity, the necessary mining production for the subsequent civil year.

ARTICLE 19 **(Acquisition of goods and services)**

1. The acquisition by the mining title holders of goods or services above a 15.000.000, 00MT (fifteen million meticais), shall be made by public tender and this shall be published on media outlets, with greater incidence on the the most widely published newspapers.
2. In the assessment of the public tender proceedings must be considered the quality of the goods, services, price, delivery time and guarantees offered.
3. The mining title holder shall give preference to local products, when comparable in terms of quality to international goods and services which are available on time and in the required quantities and when their price, including taxes, do not exceed by more than 10% (ten per cent) of the prices of available imported goods.
4. Natural or legal foreign persons providing services to mining operations shall be associated to Mozambican natural or legal persons in accordance with negotiation of the parties.
5. The mining titleholders will define the terms and conditions of the tender, including the qualification and eligibility rules of the competitors in accordance with the respective rules and internal procedures.

CHAPTER II

Legal Regime of Mining Titles

SECTION I

General Provisions

ARTICLE 20

(Non-overlapping rights)

1. The granting of the mining exploration rights does not necessarily presuppose the granting of the right of use and enjoyment of land or other pre-existing rights that remain held by the State until the closure of the mining activities.
2. The Minister which oversees the mineral resources sector under the proposal of the National Institute of Mines, when in compliance with the closure and rehabilitation of the Mine program, declares the end of the mining operations right by a ministerial order (*despacho*).
3. At the expiry of the mining operations right, the State may, upon compliance with the report of the closure and rehabilitation of the mine, grant the right of use and enjoyment of the land to other interested applicants, where the users will enjoy the pre-existing rights of the option of preference in the re-acquisition of forfeited rights in favor of the State for the purpose of mining operations.

ARTICLE 21

(Allocation of Mining Titles and Authorizations)

1. The Mining Pass, Mineral Treatment License, Exploration License and authorizations are granted by means of request of the interested party.
2. The Exploration License, the Mining Concession, the Mining Certificate are allocated on request of the interested party or by public tender.
3. Mining title applications where the licenses have been canceled or revoked without having elapsed 24 (twenty four) months of the referred date of cancelation or revocation will not be accepted.
4. Another mining title will not be allocated to titleholders of one or more mining titles after 12 (twelve) months counting from the issue date of the mining title or authorization, which did not pursue the mining activity to which they were licensed.

ARTICLE 22

(Registration of Operators and Technicians)

1. The mining operators, authorized or contracted by the mining titleholder for the carrying out of mining activities are subject to registration at the National

Directorate of Geology and Mines, in conformity with the norms established by the Ministerial Diploma.

2. The natural or legal persons which render technical services to the mining activity shall be registered at the National Directorate of Geology and Mines, in conformity with the norms established by the Ministerial Diploma.
3. The services referred in the preceding paragraph include aerial surveys for the acquisition of aerial photographs, geophysical data, geological mapping, and geochemical, geophysical, geo-environmental, hydrogeological studies, carrying out of mechanical and geophysical surveys.

ARTICLE 23 **(Aero-geophysical Surveys)**

1. The carrying out of aero-geophysical Surveys is subject to the authorization of the National Directorate of Mines and the competent authorities in the national navigation area.
2. The authorization application to be submitted for the aero-geophysical Surveys, shall contain the following:
 - a) Notarized copies of the applicants identification documents, including addresses and contacts;
 - b) The list of the aircraft crew (name, nationality of the pilot and the operator if the data collection instrument, number and validity of their tickets and identity or passports);
 - c) Copies of the crew's licenses and updated qualifications;
 - d) Characteristics of the aircraft (type, model, registration number plate, call ID, color, weight at takeoff, number of seats);
 - e) Flight altitude (minimum and maximum) during the work;
 - f) Copy of the updated maintenance certificate of the aircraft;
 - g) The operators declaration taking responsibility for all damages resulting from any accident or incident involving the aircraft, accompanied of the aircraft insurance copy;
 - h) Aircraft route and, if coming from abroad, including the entry point, exit point and respective dates;
 - i) Sketch of the aero-geophysics survey location (geographic maps and coordinates);
 - j) Copy of the mining title;
 - k) Timing or spacing between flight lines;
 - l) Type of instruments on board (brand, model) and its characteristics (magnetometer, spectrometer, gravimetric, sensor systems and others);
 - m) Scale, support and type of photography and image to capture (analogical film, digital product, panchromatic, of natural color, or infrared);
 - n) Execution period of the work (date of start and end) and respective schedule;
 - o) Work calendar if the aero-geophysics survey has to be executed in more than one area.

ARTICLE 24
(Demarcation of mining title areas)

1. Mining title areas are allocated in contiguous cadastral units or that have at least one common side.
2. For a sole application, correspondent areas to the cadastral disperse units or areas that are united by a sole vertex are not allocated.

ARTICLE 25
(Demarcation of mining areas)

1. The limits of a Mining Concession area or Mining Certificate consist of vertex plans extending its depth to the demarcation points.
2. The demarcation of the Mining Concession area or Mining Certificate shall be done by concrete marks placed in the vertices of the area defined by the geographic coordinates.
3. The Mining Concession titleholder or Mining Certificate shall submit a demarcation report of the area to the National Institute of Mines, before the commencement of mining production.
4. If the demarcation is incorrect, the titleholder is granted ninety (90) days for its correction.

ARTICLE 26
(Publication)

1. It is the responsibility of the National Institute of Mines, to publish in the Official Gazette, the allocation, modification, transfer and extinguishment of mining titles, in a period of 30 (thirty) days counting from the date of the occurrence of the facts subject to its publication.
2. It is the responsibility of the National Institute of Mines to publish in the Official Gazette, the declaration, modification and extinguishment of the authorizations and areas designated mining pass.

ARTICLE 27
(Opposition)

The titleholder of the pre-existent rights or person affected may, during the period that the edicts published in the newspapers run, in terms of paragraph 2 of Article 5 of these

Regulations, complain about any situation referring to the process of granting of the mining title.

ARTICLE 28
(Mining Title and Authorizations Models)

The mining titles and authorizations have the format and contend of the models contained in Annex 2 and 8 of these Regulations, which may be amended by Ministerial Diploma.

ARTICLE 29
(Associated Minerals)

1. When during the Mining operations the occurrence of associated minerals is detected, the mining titleholder shall immediately notify the Minister which oversees the area of mineral resources through the National Institute of Mines of this fact and the pertinent geological and technical details.
2. If the exploration of the associated minerals is economically viable and the titleholder is interested in its extraction, the approved Mining Plan of the Mining Operations, shall be revised in order to foresee the exploration of associated minerals.
3. If the titleholder is not interested in the extraction of associated minerals, the State reserves the right to negotiate with third parties, having the mining titleholder to create conditions for the storage or any other form of preservation of the same for a possible exploration by third parties.
4. For the effect of the established in the preceding paragraph, the mining titleholder and the Ministry of Mineral Resources and Energy shall agree on the necessary and appropriate provisions bearing in mind the technical and economic viability of the mining operations.

SECTION II

Exploration License

ARTICLE 30
(Exploration License application)

1. The Exploration License application shall be addressed to the Minister and is submitted by the applicant at the National Institute of Mines upon the area applied for the registration and processing.
2. The Exploration License shall be allocated to a collective person incorporated and registered according to the legislation in force in the Republic of Mozambique.

3. The application for an Exploration License shall contain the following information:
 - a) Complete identification of the applicant, the headquarters, statutory capital, identification, nationality, domicile of the legal representatives and representative;
 - b) Mineral Resources intended to be included in the license;
 - c) Intended area, identifying the cadastral units in terms of article 24 of these Regulations;
 - d) The intended timeframe, which shall not exceed 2 years for the mineral resources for construction and 5 years for other mineral resources; and
 - e) The licensing sheet acquired in the location of presentation of the form, duly filled in.
4. The Exploration License application shall still contain the following documents:
 - a) Licensing sheet acquired in the location of presentation of the form, duly filled in;
 - b) Proof of technical and financial capacity that the applicant disposes of in conformity with Annex 10;
 - c) Copy of the Official Gazette publication of the Articles of Association or in its inexistence a notarized copy of the company incorporation certificate, including the identification of participation titleholders and the respective amount of the subscribed capital equity and eventual modifications;
 - d) Work programs including the Environmental Management Plan and the respective budget;
 - e) Proof of payment of the processing fee in conformity with Annex 9;
 - f) Applicant Tax Identification Number (*Número Único de Identificação Tributária – NUIT*);
 - g) Tax Quit Claim; and
 - h) Any other relevant information that the applicant may want to include.
5. The application is considered to be submitted, at the date of its receipt, through the placement of the evidentiary stamp on the receipt of the application, containing the code allocated by the National Institute of Mines.

ARTICLE 3 I
(Processing of the Exploration License application)

1. Having received the application, the terms of Article 5 proceed.
2. In the assessment of the application, the National Institute of Mines may:
 - a) Notify the applicant for the correction of any errors or omissions or the providing of any additional information, establishing, for the purpose, a maximum period of 15 (fifteen) days;
 - b) Verify the data provided in the application, as well as the precedents and references of the applicant;
 - c) Make inquiries and request opinions from other institutions and/or organizations, as the need arises;

- d) Make recommendations and/or propose amendments to the request.
3. If in the deadline established in the preceding paragraph, the applicant does not render requested information or does not amend the mistakes and omissions identified, the application will be considered null and void, and the area will become free and available.

ARTICLE 32
(Decision on the Exploration License application)

1. The Minister may decide on the Exploration License application in 90 (ninety) days, counting from the date of its submittal at the National Institute of Mines.
2. The Ministers decision regarding the Exploration License application, is notified to the interested party in a maximum of 10 (ten) days.
3. The Exploration License is handed to the interested party after payment of the respective fees, taxes due, provision of financial bond and proof of publication of the allocation order.
4. If after the communication of the decision of allocation of the Exploration License the interested party does not proceed with its collection, in 60 (sixty) days, the same will be cancelled and the area free and available.
5. The rejection decision of the application shall be duly justified.

ARTICLE 33
(Content of the Exploration License application)

The Exploration License shall contain the following information:

- a) The license number;
- b) The name of the titleholder and representative;
- c) The covered minerals;
- d) The validity period;
- e) The license area and its location;
- f) The topographic map and area of prospection and exploration covered by the license, with the indication of the cadastral units; and
- g) The terms and conditions that the titleholder is subject to.

ARTICLE 34
(Validity of the Exploration License)

1. The Exploration License is valid for the period established in the same, counting from the issuance date and is fixed in the following manner:

- a) For mineral resources for construction, the validity of the Exploration License is of 2 (two) years, being renewable once ,in the maximum for an equal period; and
 - b) For the other mineral resources, the validity of the Exploration License is of 5 (five) years, being renewable once, for a maximum period of 3 years.
2. If the validity of the Exploration License expires while the processing of the extension or allocation of the Mining Concession is in course, covering all or part of the prospection and exploration area, the Exploration License will be considered valid until a decision regarding the extension or the Mining Concession application has been taken.

ARTICLE 35 **(Exploration License Area)**

The Exploration License area shall not exceed:

- a) 198 hectares for the Exploration License of mineral resources for building;
- b) 19 998 hectares, for the Exploration License of other mineral resources.

ARTICLE 36 **(Export of Samples)**

1. The mining titleholder has the right to export samples for laboratory analysis and technological tests, the assessment of the application shall obey among others, the following standards and criteria:
 - a) Commercial value;
 - b) Type of analysis and tests;
 - c) Type of mineral and its concentration; and
 - d) Quantity of mineral to export.
2. The mining titleholder shall submit the application and proof of the respective mining title to the National Directorate of Geology and Mines, requesting the authorization for the export of samples, to which the declaration of the commercial value of the samples to be exported shall be attached and issued by the National Institute of Mines.
3. The mining title holder shall indicate all detailed information on the samples intended to be exported on the application, and include amongst others the following:
 - a) Sample collection site;
 - b) Type of collected mineral resource;
 - c) Quantity of the samples;
 - d) Laboratory that will conduct analysis;
 - e) Type of analysis and tests to be held;
 - f) Means of transport to be utilized; and
 - g) Border of the exit of samples.

4. In case the samples have commercial value the established in paragraph 3 of Article 16 of the Mining Law will be applied.
5. The National Institute of Mines shall proceed with the verification and analysis of the economic value of the samples and mineral products, in order to issue the respective declaration.
6. The National Directorate of Geology and Mines shall proceed with the verification of data provided by the titleholder, which in case of conformity shall issue a sample exports notice.
7. In case the verification implies the costs of displacement, these shall be supported by the applicant.
8. The limits and volumes of the samples to be exported will be determined by Ministerial Diploma.

ARTICLE 37
(Obligations of the Exploration License holder)

1. Without prejudice of the obligations established in the Mining Law, and the terms and conditions established in the mining contract or in the respective license, the mining titleholder shall:
 - a) Carry out at minimum 60% (sixty per cent) of the annual work program approved for the prospecting and exploration activities;
 - b) Present up to 28 of February of each year, the annual report of the activities of the exploration held in the preceding civil year, drafted in Portuguese, bound and electronic copy;
 - c) Pay the due taxes;
 - d) Communicate through the National Institute of Mines the discovery of any minerals to the Minister that oversees the area of mineral resources before the public disclosure, within 24 hours after the discovery;
 - e) Progressively free part of the initial area covered by the Exploration License.
2. The mining titleholder shall submit, up to 30 of March of each year of the Exploration License, a work program to be conducted in the following year and respective budget.
3. The mining titleholder may by means of previous information to the National Institute of Mines, with justified motives, review the details of any work program submitted.

ARTICLE 38
(Extension conditions)

1. The exploration license titleholder may apply for an extension of the same 60 (sixty) days prior to its term.

2. The Minister may under the opinion of the National Institute of Mines, authorize the extension of the Exploration License for a maximum period of:
 - a) 2 years for the mineral resources for building;
 - b) 3 years for the other mineral resources, including mineral water.
3. The extension application shall contain:
 - a) The indication of the extension period intended;
 - b) The area that is intended to maintain outlined in the updated topographic map;
 - c) The report of exploration activities conducted in the initial period including the conducted investments;
 - d) The exploration activities program to be conducted in the period of extension and budget of the foreseen expenses;
 - e) Proof of payment of the taxes due to mining activities, defined in terms of the law;
 - f) Update of the respective environmental management instrument if it is the case.
4. In case the application for extension is received without complying with the period set in paragraph 1, the titleholder is subject to the payment of the fee established in Annex 9.

ARTICLE 39
(Decision of the Extension application)

1. The Minister may grant the extension as long as the license holder has complied with the conditions established in the Mining Law, in these Regulations, in the License, in the mining contract, if the case, and the payment of the extension fee.
2. The Minister decides about the License extension application in a maximum of 60 (sixty) days counting from the date of submitting of the application.
3. Of the order of the Exploration License extension the interested party will be informed in writing, in 10 (ten) days, after the decision making.
4. In the case of deferral of the Exploration License extension application, the information referred in paragraph 3 shall indicate the amount of the fees and taxes to be paid.
5. In the case of rejection of the Exploration License extension application, the information referred in paragraph 3 shall indicate the reasons.
6. If after the communication of the rejection of the Exploration License extension application, the interested party does not proceed with the collecting of the decision within a period of 30 days, the same will be considered canceled and the area free and available.

ARTICLE 40
(Exploration report)

1. The exploration report follows the format and content, established in Annex I I of these Regulations having equally to be submitted in electronic format.
2. The report referred to in the preceding paragraph shall be drafted and signed by a person registered for that effect.
3. The norms and procedures that regulate the registration of eligible technicians for the drafting of the work programs and mining plan, mining reports and projects, are contained in the Ministerial Diploma.

ARTICLE 41

(Expansion of the area)

1. The exploration license titleholder may request for the expansion of the area of the respective license, indicating the motives.
2. The total area shall not exceed the limits foreseen for the exploration area, in terms of Article 35.
3. The Minister authorizes the expansion fixing the terms and conditions that are deemed as appropriate.
4. The request for expansion of the area is rejected when:
 - a) The requested area is not available;
 - b) The applicant is found in relation to the State, in situation of non-compliance of its obligations, established in the Mining Law and its Regulations.
5. The decision regarding the expansion of the area is notified to the interested party in a maximum period of 10 (ten) days counting from the date of the order, specifying the motives for its rejection.
6. In case of rejection of the request, the titleholder is notified in 10 days to pay the respective fees, taxes due and presentation of proof of payment of the publication of the order for the expansion of the area.
7. If after the communication of the decision of expansion of the area, the titleholder does not comply in a period of 30 (thirty) days, with the established in the preceding number, the referred decision is considered to be canceled.

ARTICLE 42

(Gradual release of the area)

1. The gradual release of the Exploration License area starts at the end of the second year of activity, becoming annual in the subsequent years up to term of the initial validity period of the license.
2. The gradual release of the Exploration License area is done by means of communication to the National Institute of Mines in a period not inferior to 90 days, in relation to the date foreseen for the release.
3. The titleholder shall make indication in the communication referred in the preceding paragraph of the geographic coordinates of the area to be released complying with the cadastral units.

4. Any release of the area, conducted in terms of the present Article, is updated in the respective title, by the National Institute of Mines.
5. The release of any area in terms of this Article does not exonerate the respective titleholder from the compliance of any obligations in respect to the released area undertaken up to the release date.

ARTICLE 43
(Abandonment of the area)

1. The Exploration License titleholder may, during the validity period of the license and by means of pre-notice, not inferior to 90 (ninety) days, addressed to the Minister, abandon part or all of the exploration area.
2. Any partial abandonment conducted in terms of this Article is updated on the respective title, by the National Institute of Mines.
3. In case all of the exploration area is abandoned, the Exploration License is considered extinct, turning the area free and available.
4. The abandonment of any area in terms of this Article does not exonerate the respective titleholder in compliance with any obligations in respect of the abandonment area undertaken up to the abandonment date.

ARTICLE 44
(Causes of extinguishment of the Exploration License)

The causes which constitute the extinguishment of the Exploration License are:

- a) Expiry;
- b) Abandonment of the total area, in terms of the preceding paragraph;
- c) Revocation in terms of Article 64 of the Mining Law and Article 130; and
- d) Cancellation of the license in terms of paragraph 4 of Article 32.

SECTION III

Mining Concession

Article 45
(Mining Concession application)

1. The Mining Concession application may or may not result from the Exploration License:
2. The Mining Concession application is addressed to the Ministry and is submitted by the applicant to the National Institute of Mines upon the area required for the registration and processing.
3. The Mining Concession may only be allocated to the collective person incorporated and registered according to the legislation in force in the Republic of Mozambique.

4. The Mining Concession application shall contain the following information:
 - a) Complete identification of the applicant, their headquarters, statutory capital, identification, nationality, legal representatives and representative domicile;
 - b) Exploration License data if existent;
 - c) Mineral resources intended to be included in the Mining Concession;
 - d) Intended area, identifying the cadastral units in terms of Article 24 of these Regulations;
 - e) Intended validity period which shall not exceed 25 (twenty five) years;
 - f) Other relevant information that the applicant intends to include;
5. The Mining Concession application shall still contain the following documents:
 - a) The licensing sheet acquired in the location to present the form, duly filled in;
 - b) Documentation proving the technical and financial capacity that the applicant disposes of in conformity with Annex 10, as well as the experience in the management and conducting of intended operations;
 - c) Official Gazette publication of the Articles of Association or in its inexistence a notarized copy of the company incorporation certificate, including the identification of participation titleholders and the respective amount of the subscribed capital equity and eventual modifications;
 - d) Final geological report;
 - e) Technical-economic Feasibility study;
 - f) Proof of payment of the processing fee in conformity with Annex 9;
 - g) Applicant Tax Identification Number (*Número Único de Identificação Tributária – NUIT*);; and
 - h) Tax Quit Claim.
6. The application is considered to be submitted, at the date of its receipt, through the placement of the evidentiary stamp on the receipt of the application, containing the code allocated by the National Institute of Mines.

Article 46
(Technical-economic feasibility study)

The technical-economic feasibility study shall contain:

- a) Mining plan;
- b) Needs of workforce in the initial and posterior phases;
- c) Study of prices, markets and scale of production;
- d) Assessment of the tendency of the evolution of income during the lifespan of the mine;
- e) Details on expenses of initial capital, replacement and expansion during the lifespan of the mine;
- f) Financing sources and the capital cost;
- g) Details on the operational expenses during the lifetime of the mine;
- h) Financial costs;
- i) Tax and assessment of the income for the State;
- j) Calculation and assessment of economic and financial indicators;

- k) Analysis of the sensibility to eventual changes in the main economic presumptions;
- l) Financial and Business risk analysis;
- m) Assessment of the social-environmental impact of the project, including social and entrepreneurial responsibility projects; and
- n) Other data that the applicant deems relevant.

Article 47 **(Mining Plan)**

- 1. The mining plan shall contain:
 - a) Description of the mining scheme including details regarding the scale of operations, the probable location of the main mining operations, holes, wells, dumps and reservoirs;
 - b) Detailed description of the mining methods;
 - c) The scheduled date for the commencement of commercial production;
 - d) Production and capacity profile;
 - e) Characteristics and nature of final products;
 - f) The scheduled date for the commencement of mining development;
 - g) In case of underground mining, description of the covering rocks of the deposit, fixed and temporary slopes of the walls of the mines and superficial land;
 - h) In case of the open sky mining, indication of the location of the reservoirs for decantation of wastes;
 - i) Description of the transport, ventilation, illumination, draining and security systems;
 - j) Description of the water electricity and material supply systems;
 - k) Description of the upgrading procedures and, where adequate, the technology of mineral processing;
 - l) Description of necessary infrastructures for the mineral exploration and the applicants proposals in this respect;
 - m) Program and closure of the mine, environmental management, rehabilitation and restoration plans, of the degraded areas in conformity with the applicable legislation;
 - n) Identification of any health and security risks for the people involved in the mineral exploration and the public in general and proposals for the control, mitigation, monitoring and elimination of any of those risks;
 - o) Necessary workforce;
 - p) Other data that the applicant deems relevant, or requested by the competent entity.
- 2. The Minister may waive or modify any data or demands in terms of the preceding paragraph, attending the type of mineral resources and the scale of operations.

Article 48

(Processing of the Mining Concession application)

1. Once the application has been received, then follows what is established in Article 5.
2. For the assessment of the application, the National Institute of Mines may:
 - a) Notify the applicant to correct any mistakes, imprecisions or omissions or supply of additional information establishing for the effect a deadline that does not exceed 30 days;
 - b) Verify the data furnished in the application, as well as the background and references of the applicant;
 - c) Undertake consultation with other institutions and organizations, according to the cases;
 - d) Make recommendations and propose amendments to the application.
3. Issuance of the Mining Concession shall be preceded of the opinion of the Provincial Government with jurisdiction upon the area.
4. If within the deadline established in paragraph 2, the applicant does not render the requested information or does not correct the errors and omissions identified, the application is considered null and void, turning the area free and available.

Article 49

(Decision of the Mining Concession application)

1. The Mining Concession shall be granted to the applicant that proves to have technical and financial capacity to undertake the mining operations.
2. The decision regarding the application of the Mining Concession, shall be taken by the Minister, in 180 (hundred and eighty) days after the submitting of the application and notified to the interested party in a maximum period of 10 (ten) days counting from the decision date.
3. The Mining Concession issued is handed to the interested party after the payment of respective taxes, taxes due, performance guarantee provision, and proof of the publication of the allocation notice.
4. If after the communication of the allocation decision of the Mining Concession, the interested party does not proceed to collect the decision in 60 (sixty), the same is considered to be canceled and the free area available.

Article 50

(Content of the Mining Concession)

The Mining Concession shall contain the following information:

- (i) The number of the Mining Concession;
- (ii) The name of the titleholder and the representative;
- (iii) The covered minerals;
- (iv) The validity period;

- (v) The Mining Concession area and its location;
- (vi) The topographic map of the area covered by the Mining Concession, with the indication of the area and the cadastral units; and
- (vii) The terms and conditions to which the titleholder is subject to.

Article 51

(Validity of the Mining Concession)

1. The Mining Concession is valid for a period of 25 (twenty five) years counting from the issuance date, extendable once in maximum for equal period, not exceeding 50 (fifty) years.
2. In case the validity period of the Mining Concession expires during the extension application period, the Mining Concession continues valid until there is a decision regarding the referred application.

Article 52

(Obligations of the Mining Concession Titleholder)

1. Without prejudice of the obligations established in the Mining Law, of the terms and conditions of the mining contract or of the respective Mining Concession, the mining titleholder shall:
 - a) Commence the activities and mineral operations in a maximum period of 24 (twenty-four) months;
 - b) Commence mining production in a maximum period up to 48 months, counting from the issuance date of the Mining Concession;
 - c) Demarcate the area by means of concrete marks easily identifiable, in a maximum period of 365 (three hundred and sixty-five) days in conformity with the applicable law, from the issuance date of the rights of use and enjoyment of land or the change of the area;
 - d) Conduct the mining exploration activities in conformity with the submitted mining plan;
 - e) Present the report of the mining exploration works; and
 - f) Undertake the payment of due taxes.
2. The mining titleholder shall submit up to 30 of March of each year, a Work Program and the respective budget to implement in the following year, as well as the sale plan of mineral products.
3. The Mining Concession titleholder may, with justifiable motives, review any details in the approved work program.
4. The reviews referred in the preceding number, are subject to approval of the National Institute of Mines;
5. The mining titleholder shall constitute adequate insurance, in terms of the applicable legislation which shall cover namely the following risks:
 - a) Damage to the mine;
 - b) Liabilities towards third parties; and

- c) Work accidents of the personnel involved in the mining activity.

Article 53
(Conditions of Extension)

1. The mining titleholder may request for extension of the Mining Concession, the respective application shall be submitted with minimum notice of 365 (three hundred and sixty five) days of its term.
2. The request for extension shall contain:
 - a) Indication of the intended extension period and justification of the need of such period;
 - b) Area intended to maintain, outlined in the updated topographic map;
 - c) Detailed report, drafted in Portuguese language and bound in a format approved in conformity with Annex 13 containing namely:
 - i) Balance of the reserves;
 - ii) Mine economic life;
 - iii) Other aspects that the applicant deems relevant.
 - d) Update of the mining plan;
 - e) Update of the Environmental Impact Assessment; and
 - f) Proof of payment of the taxes of the mining activity defined in terms of the law.
3. In case the request of extension is submitted in a period in advance inferior to the period established in paragraph 1, the titleholder is subject to the payment of an aggravated fee in terms established in Annex 9 of these regulations.

Article 54
(Decision regarding the Extension application)

1. It is of the competence of the Minister to decide on the extension submitted in terms of the preceding Article, in a maximum period of 180 (hundred and eighty) days, counting from the date the application was submitted.
2. The Minister grants the extension as long as the titleholder of the Mining Concession has complied with the terms and conditions established in the Mining Law, these Regulations, in the Mining Concession, the mining contract, and if is the case, not be in a situation of non-compliance in terms of the Mining Law and respective Regulations and paid the extension fees.
3. From the notice of the request for extension of the Mining Concession, the interested party will be informed in writing, in a period of 10 (ten) days, after the decision has been taken.
4. In case the approval of the extension request of the Mining Concession, the information referred in paragraph 3, shall indicate the amount of the fees and the taxes to be paid.
5. If, after the communication of the approval of the extension request of the Mining Concession, the interested party does not proceed with its collection within a

period of 30 (thirty) days, the same is considered cancelled and the area free and available.

6. In case of rejection of the extension request of the Mining Concession, the information referred in paragraph 3, shall indicate the reasons.

Article 55 **(Mining Production)**

1. Whenever there is a change in the capacity installed in the mine and/or treatment or processing plant, the titleholder shall present information in writing to the National Institute of Mines.
2. In case during 5 (five) consecutive years, the titleholder does not maintain the level of production equal or superior to 20% of the level of production according to the approved capacity in the mining plan, without due justification, the Mining Concession may be revoked in terms of paragraph 3 of Article 64 of the Mining Law.

Article 56 **(Mining Exploration Report)**

1. The mining exploration report obeys, in its form and content, the established in Annex 13 of these Regulations, it shall be submitted in physical and electronic format.
2. The Mining Concessionaire titleholder shall:
 - a) Submit up to day 5 (five) of each month, the monthly information, drafted in Portuguese language, bounded and in electronic format, regarding the production and commercialization of mineral products realized in the preceding month;
 - b) Submit in a period of 15 (fifteen) days after the term of each trimester, the report drafted in Portuguese language, bounded and in electronic format, of the activities carried out in the preceding trimester; and
 - c) Submit up to 28 of February of each year, the annual report in Portuguese language, bounded and in electronic format, of the activities developed during the preceding year, in conformity with the established in Annex 13 of these Regulations.
3. The information and reports referred in the preceding paragraph are submitted in quadruple, three copies must be handed to the National Institute of Mines and the respective Provincial Directorate the remainder copy.
4. The report referred in the current Article shall be drafted and signed by person registered for that effect.
5. The norms and procedures that regulate the registration of eligible technicians for the drafting of Work Programs, Mining Plans, Reports and Mining Projects, are contained in a Ministerial Diploma.

Article 57
(Expansion of the Mining Concession Area)

1. The Mining Concession titleholder may request the extension of the respective concession area, indicating in the request addressed to the Minister, the reasons for the request of expansion.
2. The request of expansion of the area shall obey the following conditions:
 - a) The expansion area shall be contiguous to the area of the Mining Concession;
 - b) The expansion area shall be licensed to the Mining Concession titleholder;
 - c) The titleholder shall prove technically and economically the need and feasibility of the expansion area;
 - d) The new area shall be superior to the strictly necessary area for the development of the mining activities in conformity with the updated feasibility study.
3. Attending the type of mineral resource, the mining operations scales and the new area, the Minister decides on the expansion request, fixing the terms and conditions that show as appropriate for each case.
4. The request of expansion of the area is rejected when:
 - a) The expansion of the area does not satisfy the conditions demanded in paragraph 2 of this Article;
 - b) The expansion of the area does not assure the effective exploitation of the mining resources and benefits for the national economy;
 - c) The applicant is found in situation of non-compliance of the obligations in relation to the State.
5. In case of approval of the request, the Minister ordains the endorsement of the expansion in the respective mining title that shall be done after payment of the respective fees, due taxes and presentation of proof of payment of the publication of the notice of expansion of the area.
6. The decision on the request of expansion is notified to the interested party in a maximum period of 15 (fifteen) days, after taking the decision, specifying the reasons in case it is rejected.
7. If after the communication of the decision of expansion of the area, the interested party does not comply, within 30 (thirty) days, with the established in paragraph 4 of this Article, the referred decision is considered canceled.
8. The titleholder in which the expansion has been authorized in terms of the present Article, does not initiate any development work or mining operations, in the area for which the expansion was authorized, up to the issuance or modification of the environmental license and use of enjoyment of land in terms of the applicable legislation.

Article 58

(Abandonment of the Mining Concession Area)

1. The Mining Concession titleholder may abandon part or total area, at any time during the validity of the Mining Concession, by means of an application addressed to the Minister in a period not inferior to 90 (ninety) days, in relation to the preview date for abandonment.
2. The abandonment of any area in terms of the preceding paragraph does not exonerate the titleholder from:
 - a) Paying any tax, fee, fine or any compensation due up to the abandonment date;
 - b) Comply with all the obligations related to environmental matters; and
 - c) Comply with any obligation demanded by law or mining contract, up to the date in which the abandonment commences to produce effect.
3. The abandonment produces effects from the date established in the notification to the titleholder, shall not be inferior to 30 (thirty) days.
4. In case of partial abandonment of the mining area, the titleholder is obliged to update the limits of the remaining area, proceed with the endorsement in the mining title and register of the updated area, by the National Institute of Mines.
5. In case of total abandonment of the mining area, the Mining Concession extinguishes, turning the area free and available.

Article 59

(Causes of Extinction of the Mining Concession Area)

The following constitute as extinction causes of the Mining Concession:

- a) Expiration;
- b) Total abandonment of the area, in terms of paragraph 5 of the preceding paragraph;
- c) Revocation in terms of Article 64 of the Mining Law and article 130; and
- d) Cancelation in terms of paragraph 4 of Article 49.

SECTION IV

Mineral water

Article 60

(Granting of the Exploration License)

The request for the Exploration License of mineral water obeys, with the necessary adaptations, the requirements established in Articles 30 and following.

Article 61
(Exploration License Area)

The area in which the Exploration License of mineral water may be conceded, shall not exceed 117 hectares.

Article 62
(Prevention of Exploration)

1. The exploration of mineral water may only be undertaken in area which has been proved not to have possibility of chemical or bacteriological contamination, by superficial waters or already existent infrastructures.
2. The exploration shall be planned and projected to avoid any type of immediate of future pollution, of the land or waters in the location where it is conducted.
3. In the conducting of exploration work and occupation of the interest areas for possible water withdrawal, special attention shall be given to sanitation conditions related with human presence.

Article 63
(Exploration report)

1. The exploration report obeys in its form and content the established in Annex 12 of these Regulations, and shall equally be supplied in electronic format.
2. The report referred in the preceding paragraph shall be drafted and signed by the person registered for that purpose.
3. The norms and procedures that regulate the registration of the eligible technicians for the drafting of Work Programs, Mining Plans, Mining Reports and Projects, are contained in the Ministerial Diploma.

Article 64
(Request for Mining Concession for Mineral Water)

1. The Mining Concession request for mineral water may be submitted by any collective person incorporated and registered in Mozambique, independently of the request being emergent or not of an Exploration License.
2. The Mining Concession request is considered emerging from the Exploration License if it is done by the Exploration License titleholder during the validity of the respective license.

3. The Mining Concession requests that do not satisfy the established in the preceding paragraph are considered as non-emerging from the Exploration License.
4. The request for the Mining Concession is addressed to the Minister and is submitted by the applicant to the National Institute of Mines, upon the intended area for the registration and processing.
5. The Mining Concession for mineral water shall contain the following information:
 - a) Complete identification of the applicant, headquarters, statutory capital, identification, nationality, the domicile of the legal representatives and proxies;
 - b) Applicants Exploration license details if existent;
 - c) Intended area, identification, cadastral units in terms of Article 24 of these Regulations;
 - d) Validity period intended which shall not exceed 25 (twenty five) years; and
 - e) Other information considered relevant.
6. The Mining Concession for mineral water request shall still contain the following documents:
 - a) Licensing form acquired at the location of presentation of the request, duly filled in;
 - b) Documentation proving the technical and financial resources that the applicant disposes, in terms of Annex 10, as well as its experience in the managing and conducting of intended operations;
 - c) Official Gazette of publication of Articles of Association or in its inexistence, notarized copy of the certificate of incorporation including the identification of the holders of participations and the respective amount of subscribed share capital and eventual alterations;
 - d) An exploration project containing:
 - (i) Geological report and plan of all superficial or underground work intended to be executed in a scale not inferior to 1:10 000;
 - (ii) Detailed description of the value and importance of water, done by a legally acknowledged entity, accompanied by its qualitative analysis, done by suitable laboratory, and indication of the volume and quality of water, including hygiene and cleaning conditions of the location;
 - (iii) Description of the water withdrawal and bottling of water infrastructures as well as accessory infrastructures;
 - (iv) Environmental management plan;
 - (v) Characteristics and nature of final products;
 - (vi) Other information considered relevant;
 - e) Proof of payment of the processing fee in conformity with Annex 9;
 - f) Applicant Tax Identification Number (*Número Único de Identificação Tributária – NUIT*);
 - g) Tax Quit Claim.
7. The request is considered to be submitted, at the date of its reception, through the placement of the proof stamp in the receipt of the request containing a code allocated, by the National Institute of Mines.

8. The request for the Mining Concession for mineral water obeys for its processing and decision, the established in Articles 48 and 49 respectively.
9. To the request of a Mining Concession for mineral water received at the National Institute Mines, a technical opinion will be requested to the entities which oversee the sectors of water and health.
10. The Mining Concession for mineral water is subject to the rules established in the regulations regarding the quality of bottled water destined for human consumption namely in relation to the hygienic-sanitary requirements of the exploration companies, its classification, and labelling rules.

Article 65
(Content of the Mining Concession for Mineral Water)

The Mining Concession for mineral water shall contain the referred information for the Mining Concession for other minerals in terms of Article 50.

Article 66
(Validity of the Mining Concession for Mineral Water)

1. The Mining Concession for mineral water is valid for a period of 25 (twenty five) years counting from the date of its issuance, extendable once in a maximum for equal period, not exceeding 50 (fifty) years.
2. In case the period of the Mining Concession for mineral water expires during the request for extension, the Mining Concession continues valid until a decision regarding the referred request has been taken.

Article 67
(Obligations of the Mining Concession for Mineral Water titleholder)

Without prejudice of the obligations established in the Mining Law, of the terms and conditions of the mining contract or respective Mining Concession, the mining titleholder is subject to the necessary adaptations of the duties foreseen in terms of Article 52.

Article 68
(Extension Conditions)

To the request of extension of the Mining Concession for mineral water, with the necessary adaptations, the provisions regarding the conditions of extension of the Mining Concession for other mining resources are applied, in conformity with these Regulations.

Article 69

(Mineral Water Exploration Report)

The Mining Concession for mineral water titleholder for presents in conformity with the foreseen in Article 56, the reports of its activities, applying, with the necessary adaptations, the provision regarding the mining exploration reports in terms of these regulations.

SECTION V

Mining Treatment License

Article 70

(Request for Mining Treatment License)

1. The request for the Mining Treatment License is addressed to the Minister and is submitted by the applicant of the National Institute of Mines for the registration and processing.
2. The Mining Treatment License is issued to the collective legal person constituted and registered in accordance with legislation in force in Mozambique.
3. The request for a Mining Treatment License shall contain the following information:
 - a) Complete identification of the applicant, the headquarters, statutory capital, identification, nationality, domicile of the legal representatives and representative;
 - b) Geographic location of the intended area for implantation of the mining treatment plant;
 - c) Mining product that is intended to treat;
 - d) Validity period intended that does not exceed 25 (twenty five) years; and
 - e) Other relevant information that the applicant intends to include.
4. The request for the Mining Treatment License shall contain the following documents:
 - a) The licensing sheet acquired in the location of presentation of the form, duly filled in;
 - b) Documentation proving the technical and financial capacity that the applicant disposes of in conformity with Annex 10, as well as the experience in the management and conducting of intended operations;
 - c) Official Gazette publication of the Articles of Association or in its inexistence a notarized copy of the company incorporation certificate, including the identification of participation titleholders and the respective amount of the subscribed capital equity and eventual modifications;

- d) Technical-economic Feasibility study for large scale mining treatment in or Technical-economic assessment for mining treatment in small scale;
 - e) Environmental Impact Study;
 - f) Rights of use and enjoyment of land;

 - g) Proof of payment of the processing fee in conformity with Annex 9;
 - h) Applicant Tax Identification Number (*Número Único de Identificação Tributária – NUIT*);; and
 - i) Tax Quit Claim.
5. The application is considered to be submitted, at the date of receipt, through the placement of the evidentiary stamp on the receipt of the application, containing the code allocated by the National Institute of Mines.

Article 71
(Technical-economic Feasibility study)

1. The technical-economic feasibility study applies to the large scale mining treatment.
2. The technical-economic feasibility study shall contain:
 - a) Market studies;
 - b) Production, levels, prices and annual revenues;
 - c) Necessary investment volume in the implantation of the business phase and subsequent phases;
 - d) Financing sources and the capital expenses;
 - e) Detailed annual operational costs;
 - f) Tax and assessment of income for the State;
 - g) Calculation and assessment of economic and financial indicators;
 - h) Analysis of the sensibility to eventual changes in the main economic presumptions;
 - i) Financial and Business risk analysis;
 - j) Assessment of the social-environmental impact of the project, including social and entrepreneurial responsibility projects;
 - k) Description of Technology and methodology of mining treatment; and
 - l) Other data that the applicant deems relevant.

Article 72
(Technical-economic Feasibility)

1. The technical-economic assessment applies to small scale mining treatment.
2. The technical-economic assessment shall contain:
 - a) Production, levels, prices to practice and annual revenues;
 - b) Necessary investment volume in the implantation of the business phase and subsequent phases;
 - c) Financing sources and the capital expenses;

- d) Operational costs;
- e) Calculation of the main taxes;
- f) Calculation and assessment of economic and financial indicators;
- g) Assessment of the social-environmental impact of the project, including social and entrepreneurial responsibility projects;
- h) Other data that the applicant deems relevant.

Article 73
(Processing the Request for Mining Treatment request)

1. Having received the request, the terms of Article 5 with the necessary adaptations proceed.
2. In the assessment of the request, the National Institute of Mines may
 - a) Notify the applicant for the correction of any errors, imprecisions or omissions or the providing of any additional information, determining, for the purpose, a maximum period that does not exceed 30 (thirty) days;
 - b) Verify the data provided in the application, as well as the precedents and references of the applicant;
 - c) Make inquiries with other institutions and/or bodies, according to the cases;
 - d) Make recommendations and/or propose amendments to the request
3. If in the period fixed in paragraph 2, the applicant does not render requested information or does not amend the mistakes and omissions identified, the application will be considered null and void.

Article 74
(Decision of the Request)

1. The Mining Treatment License shall be issued out to applicant that proves technical-financial capacity that intends to undertake mining treatment operations.
2. The decision on the Mining Treatment License will be taken by the Minister in a period of 180 (hundred and eighty) days, after submitting the request and notified the interested party in a maximum period of 10 (ten) days, counting from the date of decision.
3. The Mining Treatment License is issued and handed to the interested party after payment of the respective fees, taxes due, provision of financial bond and proof of publication of the allocation notice.

4. If after the communication of the decision of allocation of the Mining Treatment License the interested party does not proceed with its collection, in a period of 60 (sixty) days, the same will be cancelled.

Article 75
(Content of the Mining Treatment License)

The Mining Treatment License contains the following information:

- a) The number of the Mining Treatment License;
- b) The name of the titleholder and representative;
- c) The covered mining product;
- d) The validity period;
- e) The location of the treatment plan; and
- f) The terms and conditions to which the titleholder is subject to.

Article 76
(Validity of the Mining Treatment License)

1. The Mining Treatment License is valid for a period of 25 (twenty five) years, counting from the issuance date, extendable once in maximum for an equal period, not exceeding 50 (fifty) years.
2. In case the validity of the Mining Treatment License expires during the request for the extension, the Mining Treatment License continues valid until a decision regarding the referred request has been taken.

Article 77
(Obligations of the Mining Treatment License titleholder)

1. Without prejudice of the obligations established in the Mining Law, and the terms and conditions established in the mining contract or in the respective mining treatment license, the mining titleholder shall:
 - a) Commence the operations/mining treatment activities, as well as the production, in a period of 24 months for the small scale treatment operations, after the issuance date of the respective license;
 - b) Conduct the activities in conformity with the submitted project;
 - c) Present the report of the activities; and
 - d) Pay due taxes.
2. The mining titleholder shall submit, up to 30 of March of each year, a Treatment Operations program to be conducted in the following year, as well as the Sales Plan of Mining Products.
3. The titleholder of the Mining Treatment License may with may with justified motives, review any details of the approved Treatment Operations program.

4. The reviews referred in the preceding paragraph, are subject to approval of the National Institute of Mines.
5. The mining titleholder shall constitute insurance of its infrastructures in term of the applicable legislation and shall cover, namely the following risks:
 - a) Damage to the infrastructures;
 - b) Liabilities towards third parties; and
 - c) Work accidents of the personnel that are involved in the activities conducted according to the Mining Treatment License.

Article 78 **(Extension conditions)**

1. The mining titleholder may request extension of the Mining Treatment License, and the respective application shall be submitted with a minimum of 180 (hundred and eighty) days in advance of its term.
2. The request for extension shall contain:
 - a) Indication of the intended extension period and justification of the need for such period;
 - b) Detailed report, drafted in Portuguese language, bounded and in a format approved in conformity with Annex 15;
 - c) Proposal of the Operation Program to be implemented during the extension period and respective budget containing, namely:
 - (i) Update of the technical-economic feasibility study or technical economic assessment;
 - (ii) Update of the Environmental Impact Assessment;
 - (iii) Update of the Environmental Management Plan;
 - (iv) Other aspects that the applicant deems relevant.
 - d) Proof of payment of the mining activity fees defined in terms of the Law.
3. In case the request for extension is submitted with a minimum advance of what is fixed in paragraph 1, the titleholder is subject to the payment of the aggravated fee, in terms established in Annex 9 of these Regulations.

Article 79 **(Decision on the Request for Extension)**

1. It is of the competence of the Minister to decide on the extension submitted in terms of the preceding Article, in a maximum period of 180 (hundred and eighty) counting from the submission date of the application.
2. The Minister may concede the extension as long as the Mining Treatment License titleholder has complied with all terms and conditions established in the Mining Law, in these Regulations, in the License, in the Mining Contract, and if the case,

- not being in a situation of non-compliance in terms of the Mining Law and respective Regulations and paid the extension fee.
3. From the notice of the request for the extension of the Mining Treatment License, the interested party will be informed in writing in a period of 10 (ten) days, after the decision making.
 4. In case of approval of the extension request of the Mining Treatment License, the information referred in paragraph 3 shall indicate the amount of the fees and taxes to be paid.
 5. If after the communication of the approval the extension of the Mining Treatment License, the interested party does not proceed with its collection in a period of 30 (thirty) days, the same is considered cancelled.
 6. In case of rejection the request of extension of the Mining Treatment License, the information referred in paragraph 3 shall indicate the reasons.

Article 80 **(Production)**

1. Whenever there is a change in the capacity installed in the mining treatment plant, the titleholder shall present information in writing to the National Institute of Mines.
2. In case during 5 (five) consecutive years, the titleholder does not maintain the level of production equal or superior to 20% of the production level according to the capacity approved in the technical-economic feasibility study or in the technical-economic assessment, the Mining Treatment License may be revoked in terms of the established in the Mining Law.

Article 81 **(Activity Reports)**

1. The activity reports of the mining treatment obeys in its form and content, the established in Annex 15 of these Regulations, it shall equally be provided in electronic format.
2. The Mining Treatment License titleholder shall:
 - a) Submit up to day 5 (five) of each month, monthly information, drafted in Portuguese, bounded and in electronic format, regarding the acquired crude ore, the production and sales incurred in the preceding month;
 - b) Submit in the period of 15 (fifteen) days, after the term of each trimester, the report drafted in Portuguese, bounded and in electronic format, of the activities of the preceding trimester;
 - c) Submit up to 30 March of each year, an annual report drafted in Portuguese, bounded and in electronic format, of the activities developed during the preceding year, in conformity with the established in Annex 15 to these Regulations.

3. The information and reports referred in the preceding paragraph are submitted in quadruple, three copies shall be handed to the National Institute of Mines and the remainder copy to the respective Provincial Directorate.

Article 82
(Renouncement)

1. The Mining Treatment License titleholder may renounce the activity, at any time during the lifetime of the Mining Treatment License, by means of pre-notice addressed to the Minister in a period not inferior to 90 (ninety) days, in relation to the date foreseen for the cessation of activities.
2. The renouncement of activities in terms of the preceding paragraph does not exempt the titleholder from:
 - a) Paying any tax, fee, fine or any compensation due up to the date of renouncement;
 - b) Comply with all obligations related to environmental matters;
 - c) Comply with any obligation demanded by Law or Mining Contract, until the date of renouncement shall take effect.
3. The renouncement takes effect from the date established in the notification to the titleholder, not being inferior to 30 (thirty) days, and implies the extinction of the license.

Article 83
(Causes of Extinguishment of the Mining Treatment License)

The following constitute as causes of extinguishment of the Mining Treatment License:

- a) Expiry;
- b) Renouncement, in terms of the preceding paragraph;
- c) Revocation in terms of Article 64 of the Mining Law; and
- d) Cancellation in terms of paragraph 4 of Article 74.

SECTION VI

Mining Processing License

Article 84
(Request for Mining Processing License)

1. The request for a Mining Processing License is addressed to the Minister and is submitted by the applicant to the National Institute of Mines for the registration and processing.

2. The Mining Processing License may only be granted/allocated to a collective person incorporated and registered in accordance with the legislation in force in the Republic of Mozambique.
3. The request for the Mining Processing License shall contain the following information:
 - a) Complete identification of the applicant, the headquarters, statutory capital, identification, nationality, domicile of the legal representatives and representative;
 - b) Geographic location of the intended area for implantation of the mining treatment plant;
 - c) Mining resources intended to process;
 - d) Validity period intended that does not exceed 25 (twenty five) years; and
 - e) Other relevant information that the applicant intends to include.
4. The request for the Mining Processing License shall contain the following documents:
 - a) The licensing sheet acquired in the location of presentation of the request, duly filled in;
 - b) Documentation proving the technical and financial capacity that the applicant disposes of in conformity with Annex 10, as well as the experience in the management and conducting of intended operations;
 - c) Official Gazette publication of the Articles of Association or in its inexistence a notarized copy of the company incorporation certificate, including the identification of participation titleholders and the respective amount of the subscribed capital equity and eventual modifications;
 - d) Technical-economic Feasibility study for large scale mining processing in or Technical-economic assessment for mining processing in small scale;
 - e) Environmental Impact Study;
 - f) Rights of use and enjoyment of land;
 - g) Proof of payment of the processing fee in conformity with Annex 9;
 - h) Applicant Tax Identification Number (*Número Único de Identificação Tributária – NUIT*);; and
 - i) Tax Quit Claim.
5. The application is considered to be submitted, at the date of receipt, through the placement of the evidentiary stamp on the receipt of the application, containing the code allocated by the National Institute of Mines.

Article 85 **(Technical-Economic Feasibility Study)**

1. The technical-economic feasibility study applies to the mining processing in large scale.
2. The technical-economic feasibility study shall contain:
 - a) Market studies;
 - b) Production, levels, prices and annual revenues;

- c) Necessary investment volume in the implantation of the business phase and subsequent phases;
- d) Financing sources and the capital expenses;
- e) Detailed annual operational costs;
- f) Tax and assessment of income for the State;
- g) Calculation and assessment of economic and financial indicators;
- h) Analysis of the sensibility to eventual changes in the main economic presumptions;
- i) Financial and Business risk analysis;
- j) Assessment of the social-environmental impact of the project, including social and entrepreneurial responsibility projects; and
- k) Other data that the applicants deems relevant.

Article 86
(Technical-economic Assessment)

- 1. The technical-economic assessment applies to small scale mining processing.
- 2. The technical-economic assessment shall contain:
 - a) Production, levels, prices to practice and annual revenues;
 - b) Necessary investment volume in the implantation of the business phase and subsequent phases;
 - c) Financing sources and the capital expenses;
 - d) Operational costs;
 - e) Calculation of the main taxes;
 - f) Calculation and assessment of economic and financial indicators;
 - g) Assessment of the social-environmental impact of the project, including social and entrepreneurial responsibility projects;
 - h) Other data that the applicants deems relevant.

Article 87
(Processing of the Application)

- 1. Having received the request, the terms of Article 5 with the necessary adaptations proceed.
- 2. In the assessment of the request, the National Institute of Mines may:
 - a) Notify the applicant for the correction of any errors, imprecisions or omissions or the providing of any additional information, determining, for the purpose, a maximum period that does not exceed 30 (thirty) days;
 - b) Verify the data provided in the application, as well as the precedents and references of the applicant;
 - c) Make inquiries with other institutions and/or bodies, according to the cases;
 - d) Make recommendations and/or propose amendments to the request

3. If in the period fixed in paragraph 2, the applicant does not render requested information or does not amend the mistakes and omissions identified, the application will be considered null and void.

Article 88
(Decision of the Request)

1. The Mining Processing License shall be issued out to applicant that proves technical-financial capacity that intends to undertake the intended operations.
2. The decision on the Mining Processing License will be taken by the Minister in a period of 180 (hundred and eighty) days, after submitting the request and notified the interested party in a maximum period of 10 (ten) days, counting from the date of decision.
3. The Mining Processing License is issued and handed to the interested party after payment of the respective fees, taxes due, provision of financial bond and proof of publication of the allocation notice.
4. If after the communication of the decision of allocation of the Mining Processing License the interested party does not proceed with its collection, in a period of 60 (sixty) days, the same will be cancelled.

Article 89
(Content of the Mining Processing License)

The Mining Processing License shall contain the following information:

- a) The number of the Mining Processing License;
- b) The name of the titleholder and the representative;
- c) The covered minerals;
- d) The validity period;
- e) The location of the processing plant; and
- f) The terms and conditions to which the titleholder is subject to.

Article 90
(Validity of the Mining Processing License)

1. The Mining Processing License is valid for a period of 25 (twenty-five) years, counting from the issuance date, extendable once in maximum for an equal period, not exceeding 50 (fifty) years.
2. In case the validity of the Mining Processing License expires during the request for the extension, the Mining Processing License continues valid until a decision regarding the referred request has been taken.

Article 91
(Obligations of the Mining Processing License titleholder)

1. Without prejudice of the obligations established in the Mining Law, and the terms and conditions established in the mining contract or in the respective mining processing license, the mining titleholder shall:
 - a) Commence the mining processing operations, as well as the production, in a period of 24 months for the large scale processing operations, and in 12 months for the small scale processing operations, after the issuance date of the respective license;
 - b) Conduct the activities in conformity with the submitted project;
 - c) Present the report of the activities; and
 - d) Pay due taxes.
2. The mining titleholder shall submit, up to 30 of March of each year, a processing operations program to be conducted in the following year, as well as the Sales Plan of Mining Products.
3. The titleholder of the Mining Processing License may with may with justified motives, review any details of the approved Processing Operations program.
4. The reviews referred in the preceding paragraph, are subject to approval of the National Institute of Mines.
5. The mining titleholder shall constitute insurance of its infrastructures in term of the applicable legislation and shall cover, namely the following risks:
 - d) Damage to the plant;
 - e) Liabilities towards third parties; and
 - f) Work accidents of the personnel that are involved in the operations.

Article 92
(Extension conditions)

1. The mining titleholder may request extension of the Mining Processing License, and the respective application shall be submitted with a minimum of 180 (hundred and eighty) days in advance of its term.
2. The request for extension shall contain:
 - a) Indication of the intended extension period and justification of the need for such period;
 - b) Detailed report, drafted in Portuguese language, bounded and in a format approved in conformity with Annex 15;
 - c) Proposal of the Operation Program to be implemented during the extension period and respective budget containing, namely:
 - (i) Update of the technical-economic feasibility study or technical economic assessment;
 - (ii) Update of the Environmental Impact Assessment;
 - (iii) Other aspects that the applicant deems relevant.
 - d) Proof of payment of the mining activity fees defined in terms of the Law.

3. In case the request for extension is submitted with a minimum advance of what is fixed in paragraph 1, the titleholder is subject to the payment of the aggravated fee, in terms established in Annex 9 of these Regulations.

Article 93
(Decision on the Request for Extension)

1. It is of the competence of the Minister to decide on the extension submitted in terms of the preceding Article, in a maximum period of 180 (hundred and eighty) counting from the submission date of the application.
2. The Minister may concede the extension as long as the Mining Processing License titleholder has complied with all terms and conditions established in the Mining Law, in these Regulations, in the License, in the Mining Contract, and if the case, not being in a situation of non-compliance in terms of the Mining Law and respective Regulations and paid the extension fee.
3. From the notice of the request for the extension of the Mining Processing License, the interested party will be informed in writing in a period of 10 (ten) days, after the decision making.
4. In case of approval of the extension request of the Mining Processing License, the information referred in paragraph 3 shall indicate the amount of the fees and taxes to be paid.
5. If after the communication of the approval the extension of the Mining Processing License, the interested party does not proceed with its collection in a period of 30 (thirty) days, the same is considered cancelled.
6. In case of rejection the request of extension of the Mining Treatment License, the information referred in paragraph 3 shall indicate the reasons.

Article 94
(Mining Production)

1. Whenever there is a change in the capacity installed in the processing plant, the titleholder shall present information in writing to the National Institute of Mines.
2. In case of, during 5 (five) consecutive years, the titleholder not maintain the level of production equal or superior to 20% of the level of production according to the approved capacity of the technical-economic feasibility, the Mining Processing License may be revoked in terms of the provision of the Mining Law.

Article 95
(Activity Reports)

1. The activity reports of the mining processing obeys in its form and content, the established in Annex 15 of these Regulations, it shall equally be provided in electronic format.
2. The Mining Processing License titleholder shall:

- a) Submit up to day 5 (five) of each month, monthly information, drafted in Portuguese, bounded and in electronic format, regarding the acquired mineral resource, the production and sales incurred in the preceding month;
 - b) Submit in the period of 15 (fifteen) days, after the term of each trimester, the report drafted in Portuguese, bounded and in electronic format, of the activities of the preceding trimester;
 - c) Submit up to 28 February of each year, an annual report drafted in Portuguese, bounded and in electronic format, of the activities developed during the preceding year, in conformity with the established in Annex 15 to these Regulations.
3. The information and reports referred in the preceding paragraph are submitted in quadruple, three copies shall be handed to the National Institute of Mines and the remainder copy to the respective Provincial Directorate.

Article 96 **(Renouncement)**

1. The Mining Processing License titleholder may renounce the activity, at any time during the lifetime of the Mining Processing License, by means of an application letter addressed to the Minister, in a period not inferior to 90 (ninety) days, in relation to the date foreseen for the cessation of activities.
2. The renouncement of activities in terms of the preceding paragraph does not exempt the titleholder from:
 - a) Paying any tax, fee, fine or any compensation due up to the date of abandonment;
 - b) Comply with all obligations related to environmental matters;
 - c) Comply with any obligation demanded by Law or Mining Contract, until the date of renouncement shall take effect.
3. The renouncement takes effect from the date established in the notification to the titleholder, not being inferior to 30 (thirty) days, and implies the extinction of the license.

Article 97 **(Causes of Extinguishment of the Mining Processing License)**

The following constitute as causes of extinguishment of the Mining Processing License:

- e) Expiry
- f) Renouncement, in terms of paragraph 3 of the preceding Article;
- g) Revocation in terms of Article 64 of the Mining Law; and
- h) Cancellation in terms of paragraph 4 of Article 88.

CHAPTER III
Small scale and Artisanal Mining

SECTION I

Mining Certificate

Article 98
(Characteristics and Limitations)

1. The mining certificate is assigned to national natural or legal legal person with legal capacity that proves having technical and financial capacity to carry out small-scale mining operations.
2. For the purpose of the established in the preceding paragraph, national persons are considered:
 - a) Single persons of Mozambican nationality; and
 - b) Collective persons incorporated and registered in Mozambique, with headquarters and effective management in national territory, and whose capital is majorly Mozambican.
3. The Mining Certificate titleholder has the right to conduct small scale mining operation.
4. Small scale mining operations are considered to be those that:
 - a) In case of extraction of mineral resources for construction, does not exceed, a gross annual production of 100.00 tons;
 - b) In case of exploration of precious metals, does not exceed a gross annual production of 12kgs, and in gems, a gross annual production of 250kgs; and
 - c) Does not have underground work more than 20 meters of depth or galleries with more than 50 meters of length and, hire more than 15 employees in the production fronts.
5. The Mining Certificate area shall not exceed:
 - a) 198 hectares for quarries;
 - b) 297 hectares for sandpits and other mineral resources.

Article 99
(Request for Mining Certificate)

1. The request for the Mining Certificate shall be addressed to the Minister and is submitted by any national natural or legal person with capacity to undertake authorized mining operation by this title, independently of the request resulting or not from the Exploration License.
2. The request for the Mining Certificate of mineral resources for the construction shall be addressed to the Provincial Governor with jurisdiction upon the area and is submitted by any national natural or legal person with domicile in the country.

3. The Mining Certificate request is considered emergent from the Exploration License in the following cases:
 - a) If the applicant is the titleholder of the Exploration License and the request to be submitted during the validity of the license;
 - b) If the requested area for the Mining Certificate coincides with an area smaller than the Exploration License.
4. The Mining Certificate requests that do not satisfy the requirements of paragraph 2 of this Article, will be considered as emerging from the Exploration Licenses.

Article 100
(Requirements for the obtaining of a Mining Certificate)

1. The Mining Certificate request shall be submitted by the applicant to the National Institute of Mines or Provincial Directorate of Mineral Resources and Energy, upon the intended area for the registration and processing.
2. The Mining Certificate request shall contain the following information:
 - a) Complete identification of the applicant, the headquarters, statutory capital, identification, nationality, domicile of the legal representatives and representative;
 - b) Data of the exploration license if existent;
 - c) Mining resources intended to be included in the Mining Certificate;
 - d) Intended area, identifying the cadastral units in terms of Article 24;
 - e) Validity period intended that does not exceed 10 (ten) years; and
 - f) Other relevant information that the applicant intends to include.
3. The request for the Mining Certificate shall contain the following documents:
 - a) The licensing sheet acquired in the location that the request shall be submitted, duly filled in;
 - b) Police Report;
 - c) Documentation proving the technical and financial capacity that the applicant disposes of in conformity with Annex 10, as well as the experience in the management and conducting of intended operations;
 - d) Applicant Tax Identification Number (*Número Único de Identificação Tributária – NUIT*);
 - e) Tax Quit Claim;
 - f) Official Gazette publication where the Articles of Association are published or a notarized copy of the company incorporation certificate, and a copy of the Articles of Association approved by the Commercial registration of legal entities, where the mining activity and social object are described, including the identification of participation titleholders and the respective amount of the subscribed capital equity and eventual modifications;
 - g) Technical-economic assessment that includes the Exploration Plan, containing the following:
 - (i) Production plan;
 - (ii) Simplified Environmental Impact Study;

- (iii) Preview date for the commencement of production.
 - h) Proof of payment of the processing fee in conformity with Annex 9.
4. The application is considered to be submitted, at the date of receipt, through the placement of the evidentiary stamp on the receipt of the application, containing the code allocated by the National Institute of Mines.

Article 101 **(Technical-Economic Assessment)**

The technical-economic assessment shall contain:

- a) Exploration plan;
- b) Assessment of prices, market and production scale;
- c) Financing sources;
- d) Details of operational expenditures during the lifetime of the mine;
- e) Tax and assessment of the income for the State;
- f) Calculation of financial indicators;
- g) Assessment of the social-environmental impact of the project, including social and entrepreneurial responsibility projects; and
- h) Other data that the applicant deems relevant.

Article 102 **(Exploration Plan)**

- I. The Exploration Plan shall contain:
- a) Description of the mining scheme, scale and probable location of mining operation, wholes, wells, dumps and reservoirs;
 - b) Description of mining methods;
 - c) Preview date for the commencement of production;
 - d) Production capacity;
 - e) Characteristics of final products;
 - f) Preview date for the commencement of mining development;
 - g) In case of underground mining, description of covering rocks of the deposit, fixed and temporary slopes of the walls of the mines and superficial land;
 - h) In case of the open sky mine, indication of the location of the reservoirs for decantation of wastes;
 - i) Description of the transport, ventilation, illumination, draining and security system;
 - j) Description of the water, electricity and material supply systems;
 - k) Description of the upgrading procedures and, where adequate, the technology of mineral processing;
 - l) Description of necessary infrastructures for the mineral exploration;
 - m) Measures of protection of the environment, restoration and rehabilitation of the land, as well as proposals for the minimizing of the mining exploration

- effects in the land and superficial waters located in the mineral area, as well as in the adjacent area in conformity with the specific environmental legislation;
- n) Identification of any health and security risks for the people involved in the mineral exploration and the public in general and proposals for the control, mitigation, monitoring and elimination of any of those risks;
 - o) Necessary workforce;
 - p) Other data that the applicant deems relevant, or requested by the competent entity.
2. The Minister may waive or modify any data or demands in terms of the preceding paragraph, attending the type of mineral resources and the scale of operations.

Article 103 **(Processing of the Request)**

1. Once the request has been received, what is established in Article 5 proceeds.
2. For the assessment of the request, the National Institute of Mines or Provincial Directorate of Mineral Resources and Energy may:
 - a) Notify the applicant to correct any mistakes, imprecisions or omissions or provision of additional information fixing for the effect a deadline that does not exceed 30 days;
 - b) Verify the data furnished in the application, as well as the background and references of the applicant;
 - c) Undertake consultation with other institutions and bodies, according to the cases;
 - d) Make recommendations and propose amendments to the request.
3. Issue of the Mining Certificate shall be preceded of the opinion of the Provincial Directorate of Mineral Resources and Energy with jurisdiction upon the area.
4. If within the deadline fixed in paragraph 2, the applicant does not render the requested information or does not correct the errors and omissions identified, the request is considered null and of no effect, turning it into a free and available area.

ARTICLE 104 **(Decision of the Request)**

1. The Mining Certificate may only be awarded to the applicant that proves technical-financial capacity that intends to undertake mining treatment operations.
2. The decision regarding the Mining Certificate request will be taken by the Minister or Governor of the Province with jurisdiction upon the area, in a maximum period of 60 (sixty) after the submitting of the application and notified to the interested party in a maximum period of 10 (ten) days counting from the decision date.

3. The issued Mining Certificate is handed to the interested party after the payment of the respective fees, taxes due, provision of financial bond and proof of publication of the allocation notice.
4. If after the communication of the decision of the allocation of the Mining Certificate, the interested party does not proceed with the collecting of the decision in 30 days, the same will be considered canceled and the area free and available.

ARTICLE 105 **(Content of the Mining Certificate)**

The Mining Certificate shall contain the following information:

- a) The number of the Mining Certificate;
- b) The name of the titleholder and representative;
- c) The covered minerals;
- d) The validity period;
- e) The Mining Certificate area and its location;
- f) The topographic map and area of prospection and exploration covered by the Mining Certificate, with the indication of the cadastral units; and
- g) The terms and conditions that the titleholder is subject to.

Article 106 **(Validity of the Mining Certificate)**

1. The Mining Concession for mineral water is valid for a period of 10 (ten) years counting from the date of its issuance, extendable for equal period, according to the economic life of the mine.
2. In case the validity period of the Mining Certificate expires during the request for extension or conversion to Mining Concession, the Mining Certificate continues valid until a decision regarding the referred request has been taken.

Article 107 **(Obligations of the Mining Certificate titleholder)**

1. Without prejudice of the obligations established in the Mining Law in terms and conditions of the mining contract and the respective Mining Certificate, the mining titleholder may:
 - a) Demarcate the area by means of concrete marks easily identifiable, in a maximum period of 365 (three hundred and sixty-five) days in conformity

- with the applicable law, from the issuance date of the rights of use and enjoyment of land or the change of the area;
- b) Conduct the mining exploration activities in conformity with the submitted mining plan;
 - c) Present the report of the mining exploration works; and
 - d) Undertake the payment of due taxes.
2. The mining titleholder shall submit up to 31 of March of each year, a Work Program and the respective budget to implement in the following year, as well as the sale plan of mineral products.
 3. The Mining Concession titleholder may, with justifiable motives, review any details in the approved work program.
 4. The reviews referred in the preceding number, are subject to approval of the National Institute of Mines;
 5. Attending to the type of mineral resource and scale of operation, the Minister or Provincial Governor with jurisdiction upon the area, may demand that the mining titleholder constitute adequate insurance, in terms of the applicable legislation which shall cover namely the following risks:
 - a) Damage to the mine;
 - b) Liabilities towards third parties; and
 - c) Work accidents of the personnel involved in the mining activity.

Article 108
(Extension conditions)

1. The Mining Certificate titleholder may request extension of the Mining Certificate, and the respective application shall be submitted with a minimum of 30 (thirty) days in advance of its term.
2. The request for extension shall contain:
 - a) Indication of the intended extension period and justification of the need for such period;
 - b) Area intended to maintain, highlighted in the updated topographic map;
 - c) Detailed report, drafted in Portuguese language, bounded and in a format approved in conformity with Annex 15, containing namely:
 - (i) The balance of the reserves;
 - (ii) Economic life of the mine;
 - d) Proposal of the Operation Program to be implemented during the extension period and respective budget containing, namely:
 - (i) Update of the Mining Plan;
 - (ii) Update of the Technical-Economic Assessment;
 - (iii) Update of the Simplified Environmental Impact Assessment;
 - (iv) Other aspects that the applicant deems relevant.
 - e) Proof of payment of the mining activity fees defined in terms of the Law.
3. In case the request for extension is submitted with a minimum advance of what is fixed in paragraph 1, the titleholder is subject to the payment of the aggravated fee, in terms established in Annex 9 of these Regulations.

Article 109
(Decision on the Extension Request)

1. It is of the competence of the Minister or Provincial Governor with jurisdiction upon the area to decide on the extension request in terms of the preceding paragraph, in a maximum period of 30 (thirty) days, counting from the date the request was submitted.
2. The Minister concedes the extension as long as the titleholder of the Mining Concession has complied with the terms and conditions established in the Mining Law, these Regulations, in the Mining Concession, the mining contract, and if the case, not be in a situation of non-compliance in terms of the Mining Law and respective Regulations and paid the extension fees.
3. From the notice of the request for extension of the Mining Concession, the interested party will be informed in writing, in a period of 10 (ten) days, after the decision has been taken.
4. In case the approval of the extension request of the Mining Concession, the information referred in paragraph 3, shall indicate the amount of the fees and the taxes to be paid.
5. If, after the communication of the approval of the extension request of the Mining Certificate, the interested party does not proceed with its collection within a period of 30 (thirty) days, the same is considered cancelled and the area free and available.
6. In the case of approval of the request of the Mining Certificate extension application, the information referred in paragraph 3 shall indicate the reasons.

Article 110
(Commencement of Mining Activity)

The Mining Certificate titleholder shall inform the National Institute of Mines on the commencement of mining activity, as well as the commencement of mining production.

Article 111
(Conversion of the Mining Title)

1. The Minister may, in the validity period of the Mining Certificate, order that the activity is conditioned to having a Mining Concession, when the exercise of that activity exceeds limits fixed in Article 98.
2. The titleholder is notified by announcement to proceed with the substitution of the title, the National Institute of Mines shall justify the reasons of amendment of the regime and fix a period not inferior to 60 (sixty) days, and not superior to 120 (hundred and twenty) days, to proceed with the due substitution.

3. The conversion request of the Mining Certificate to the Mining Concession, shall comply with the provision of Article 45.
4. Elapsed the period established in paragraph 2, without the titleholder having formulated the substitution request of the title, the competent entity shall revoke the Mining Certificate.
5. The revocation of the Mining Certificate, in terms of the preceding paragraph, does not exonerate the respective titleholder from the compliance of the obligation to which the titleholder was subject up to the revocation date.

Article 112 **(Amendment of the Installed Capacity)**

Whenever a significant change in the installed capacity occurs, the Mining Certificate titleholder shall inform the fact, in writing to the National Institute of Mines and Provincial Directorate of Mines and Energy, indicating the new capacity installed in the mine.

Article 113 **(Activity report)**

1. The activity reports of the mining exploration under the Mining Certificate, obeys in its form and content, the established in Annex 14 of these Regulations, it shall equally be provided in electronic format.
2. The Mining Processing License titleholder shall:
 - a) Submit in the period of 15 (fifteen) days, after the term of each trimester, the production and commercialization report drafted in Portuguese, bounded and in electronic format;
 - b) Submit up to 28 February of each year, an annual report of annual activities developed, drafted in Portuguese, bounded and in electronic format, in conformity with the established in Annex 14 of these Regulations.
3. The Mining Certificate titleholder shall present in the act of submitting the annual report of activities conducted, the work program and respective budget for the following year.
4. The information and reports referred in the paragraph 2 are submitted in quadruple, three copies shall be handed to the National Institute of Mines, and the remainder copy to the respective Provincial Directorate, with jurisdiction upon the area of the Mining Certificate.

Article 114 **(Abandonment of the Mining Certificate Area)**

1. The Mining Certificate titleholder may abandon part or total area, at any time during the validity of the Mining Certificate, by means of an application addressed to the Minister or Provincial Governor with jurisdiction upon the area, in a period not inferior to 90 (ninety) days, in relation to the preview date for abandonment.
2. The abandonment of any area in terms of the preceding paragraph does not exonerate the titleholder from:
 - a) Paying any tax, fee, fine or any compensation due up to the abandonment date;
 - b) Comply with all the obligations related to environmental matters; and
 - c) Comply with any obligation demanded by law, up to the date in which the abandonment commences to produce effect.
3. The abandonment produces effects from the date established in the notification to the mining titleholder, which shall not be inferior to 30 (thirty) days.
4. In case of partial abandonment of the mining area, the titleholder is obliged to update the limits of the remaining area, proceed with the endorsement in the mining title and register of the updated area, by the National Institute of Mines.
5. In case of total abandonment of the mining area, the Mining Certificate extinguishes, turning the area free and available.

Article 115
(Causes of extinguishment of the Mining Certificate)

The causes which constitute the extinguishment of the Mining Certificate are:

- a) Expiry;
- b) Abandonment of the total area, in terms of paragraph 5 of Article 114;
- c) Revocation in terms of Article 64 of the Mining Law and Article 130;
- d) Cancellation in terms of paragraph 4 of Article 104.

SECTION II

Mining Pass

Article 116

(Characteristics and Limitations)

1. The Mining Pass is assigned to designated areas, for a period up to 5 (five) years, and may be extended successively, for equal periods.
2. The designated Mining Pass area shall not exceed 90 hectares.
3. Mining artisanal areas are considered mining operations in which simple nature equipment are used and with volume of extraction and reduced scale of mining operations.

Article 117

(Declaration, modification and extinguishment of designated areas of the Mining Pass)

1. In the declaration of the designated area of the Mining Pass, the following shall be indicated:
 - a) Geographic area coordinates;
 - b) Cadastral units which compose the area;
 - c) The mineral or minerals included;
 - d) Any exclusion area.
2. The designated area may be modified or extinguished in the following cases:
 - a) Need to be assigned to another major public utility purpose;
 - b) State interest; and
 - c) Need to submit to another regime of exploration of mineral resources existent in the area.
3. The constitution, modification, extinction of the designated area, mining pass subject to the publication in the Official Gazette.

Article 118

(Mining Pass Request)

1. The request for the Mining Pass shall be addressed to the Provincial Governor with jurisdiction upon the area and is submitted by any national natural or legal person with judicial, technical and financial capacity which allows them to conduct mining artisanal operations, at the respective Provincial Directorate.
2. For the purpose of the preceding paragraph national collective person is considered to be a person incorporated amongst nationals.
3. The Mining Pass shall contain the following information:
 - a) Complete identification of the applicant, and in case of collective persons its headquarters, identification and domicile of the legal representatives and representative;
 - b) Location area;
 - c) Mineral resources to be extracted in the area;
 - d) Validity period intended in the Mining Pass;
 - e) Other information that the applicant deems relevant.
4. The request for the Mining Pass shall contain the following documents:
 - a) The licensing sheet acquired in the location that the request shall be submitted, duly filled in;
 - b) Documentation proving the incorporation of the collective national person with indication of capital equity and its distribution to the respective partners;

- c) Applicant Tax Identification Number (Número Único de Identificação Tributária – NUIT);
 - d) Proof of payment of the processing fee in conformity with Annex 9;
 - e) Assumption of Liability in relation to the employees which are intended to employee in the designated area.
5. The application is considered to be submitted, at the date of receipt, through the placement of the evidentiary stamp on the receipt of the application, containing the code allocated by the National Institute of Mines.

Article 119 **(Processing of the Request)**

- 1. Once the request has been received, what is established in Article 5 proceeds with the necessary adaptations.
- 2. For the assessment of the request, the National Institute of Mines or Provincial Directorate of Mineral Resources and Energy may:
 - a) Notify the applicant to correct any mistakes, imprecisions or omissions or provision of additional information fixing for the effect a deadline that does not exceed 30 days;
 - b) Verify the data furnished in the application, as well as the background and references of the applicant;
 - c) Undertake consultation with other institutions and bodies, according to the cases;
 - d) Make recommendations and propose amendments to the request.
- 3. If within the deadline fixed in paragraph 2, the applicant does not render the requested information or does not correct the errors and omissions identified, the request is considered null and of no effect, turning it into a free and available area.

Article 120 **(Decision of the Request)**

- 1. The Mining Pass may only be awarded to the applicant that proves to possess technical and financial capacity to undertake mining operations.
- 2. The decision on the Mining Pass may be taken by the Provincial Governor with jurisdiction upon the area, in a period of 30 (thirty) days, and notified the interested party in a maximum period of (10) ten days counting from the decision date.

Article 121
(Awarding of the Mining Pass)

1. The awarding of the Mining Pass to the interested party is conditioned to the payment of processing and emission taxes, in conformity with the table that constitutes Annex 9 of these Regulations.
2. If after the communication of the decision of the allocation of the Mining Pass, the interested party does not proceed with the collecting of the decision in 60 (sixty) days, the same will be considered canceled and the area free and available.

Article 122
(Content and Validity of the Mining Pass)

1. The Mining Pass License shall contain the following information:
 - a) The number of the Mining Pass;
 - b) The name of the Mining Pass titleholder;
 - c) The code and name of the designated area and its location;
 - d) The validity of the Mining Pass;
 - e) The covered minerals
 - f) The terms and conditions to which the titleholder is subject to, namely;
 - (i) Exercise of the activity in the designated area of the Mining Pass;
 - (ii) Obligation to sell the mining production to commercialization licenses titleholders or to duly authorized persons in term of the applicable law.
2. The Mining Pass is valid for the period of 5 (five) years and successively extendable for equal periods.

Article 123
(Extension of the Mining Pass)

1. The mining titleholder may request the extension of the Mining Pass, the respective request shall be submitted with a minimum period of 30 (thirty) days in advance of its term.
2. The extension of the Mining Pass is authorized as long as the terms and conditions established in the pass are complied with.
3. The endorsement of the extension in the Mining Pass is conditioned to the payment of the respective processing fee established in Annex 9.
4. In case of an extension application is received in a period not complying with the period set in paragraph 1, the titleholder shall be subject to the payment of the fee established in Annex 9.

Article 124
(Causes of extinguishment of the Mining Pass)

1. The causes which constitute the extinguishment of the Mining Pass are:
 - a) Expiry;
 - b) Revocation in terms of paragraph 5 of Article 64 of the Mining Law;
 - c) Cancellation in terms of paragraph 2 of Article 121;
 - d) Renouncement by the respective titleholder; and
 - e) Extinguishment of the designated area of the Mining Pass.
2. The renouncement of the Mining Pass is verified with the abandonment of the mining activity and return of the respective pass.
3. The extinguishment of the designated Mining Pass areas is preceded of a pre-notice not inferior to 90 (ninety) days.

CHAPTER IV

Authorizations

SECTION I

Mineral Resources for building materials

Article 125

(Traditional uses of mineral resources for building materials)

The extraction of natural resources for building materials by the land users, does not require a mining title or authorization in the following cases:

- a) when carried out by national citizen in the extent and way allowed by the local customs and in the land where it is common to carry out such extraction;
- b) For the housing, warehousing and other facilities construction;
- c) handcrafted ceramics production.

Article 126

(Uses of mineral resources for building materials)

1. Without prejudice of the established in Article 54 of the Mining Law, the Ministry that oversees the area of mineral resources is previously consulted regarding the building and maintenance of dams, railways, public roads and other work of great engineering, of public interest, in order to determine and decide if existent, in the area of those constructions, any mineral deposit of economic and national interest, and which the exploration may be affected by the referred constructions.

2. The Minister who oversees the public works as entity in charge of the conducting of engineering works of public interest, shall supply to the Ministry which oversees the mineral resources sector the enrollment of potential areas of extraction of mineral resources for building, in a manner to be declared as reserved for that purpose.
3. For the purposes of reservation of the mineral extraction area for construction works of public interest, it is of the competence of the Minister which oversees the area of mineral resources to submit to the Government the proposal for the declaration of the reservation of the area.
4. It is of the competence of the Minister to authorize the extraction of mineral resources for building of works of public interest referred in the preceding paragraph.
5. The authorization for the extraction of mineral resources for building is assigned by the Minister who oversees the mineral resources sector, as long as the referred contract in paragraph 1 of Article 54, stipulates that the State shall provide free mineral resources for construction.
6. The collective person with a duly authorized contract for the conducting of works of public interest shall apply for the authorization for the extraction of mineral resources for building, in a period of 90 (ninety) days before the commencement of the construction.
7. For the purpose of the preceding paragraph, the authorization request for the extraction of mineral resources for building, shall contain the period, the mining plan and measurements of the rehabilitation area, as well as proof of payment of the processing of the request, in conformity with Annex 9.
8. The Minister may suspend or subject the mining title, the extraction of mineral resources in terms of this Article, when sold or transferred for commercial purposes or other different purposes of the referred in the authorization.

Article 127

(Geological investigations and Scientific Studies)

1. The geological investigations conducted by the State and the scientific studies conducted by teaching or scientific investigation institutions incorporated or registered according to the Laws of the Republic of Mozambique, are subject to the authorization of the Minister.
2. The Minister shall fix the terms and conditions of the conducting of geological investigations.
3. The conducting of scientific studies by educational institutions or scientific investigation in area subject to a mining title or direct use and enjoyment of land, is subject of previous consent of the titleholder.
4. The data obtained in the scope of this Article are priority of the State, being the States competence to promote and disclose these.

CHAPTER V

Transfer and Revocation

SECTION I

Transfer

Article 128

(Transfer *inter vivos*)

1. Without prejudice of the established in Article 62 of the Mining Law, the titleholder of the Exploration License, Mining Concession, Mining Treatment License, Mining Processing License, Mining Certificate and Mining Pass, may request the transfer of the respective mining title, in the following terms:
 - a) The Exploration License, the Mining Concession, the Mining Treatment License and the Mining Processing License, are only transferable between collective persons incorporated and registered according to the legislation in force in the Republic of Mozambique;
 - b) The Mining Certificate is only transferable to singular or collective national persons with domicile in Mozambique; and
 - c) The Mining Pass is only transferable to singular or collective national persons incorporated amongst nationals.
2. The Minister authorizes the transfer in a period of 180 (hundred and eighty) days counting from the date the respective application was submitted.
3. The Provincial Governor authorizes the transfer of the Mining Certificate for mineral resources for building and the Mining Pass in the maximum period of 60 (sixty) days, counting from the date the respective application was submitted.
4. The transfer request of Exploration Licenses may only be authorized after the conducting of research activity for a period not inferior to 24 (twenty-four) months, and submitting of the respective reports and research referring to the 2 (two) years.
5. The transfer request is addressed to the Ministry or the Provincial Governor if the case, and shall be submitted to the National Institute of Mines or an entity responsible for the mining licensing at the level of the province, it shall specify the terms and conditions of transfer and be accompanied by a transfer instrument.
6. The transfer request shall be accompanied by the following documents:
 - a) Declaration of the acceptance of the terms and conditions established in the mining titles by the assignee;
 - b) Official Gazette of the publication of the Articles of Association of the assignee or a notarized copy of the Articles of Association approved by the Commercial registration of legal entities, where the mining activity and social object are described, which includes the mining activity in the social object, including the identification of participation titleholders and the respective amount of the subscribed capital equity and eventual modifications;

- c) Proof of technical and financial resources of the assignee for the conducting of mining operations foreseen in the mining title;
 - d) Proof of experience of the assignee in the mining sector;
 - e) Tax Quit Claim of the assignee;
 - f) Proof of payment of the transfer fee of the mining title in conformity with Annex 9 of these Regulations.
7. From the notice of the transfer request, the applicant will be informed in writing, in a period of 10 (ten) days, after the decision making.
 8. In the case of rejection of the transfer request, the information referred in paragraph 7 shall indicate the reasons.
 9. The transfer of a mining title is subject to the endorsement and only takes effect after the payment of the respective fee.
 10. Any act of transfer that does not comply with the provisions of this Article is null and void.

Article 129

(Transfer on death or disability)

1. Mining titles may be transferred on death or mental disability of its Exploration License, Mining Concession, Mining Certificate, Mining Pass, Treatment License titleholder, in terms of the paragraphs to follow.
2. The transfer request is submitted to the National Institute of Mines or the entity responsible for the mining licensing at the Provincial level and shall contain the following requirements:
 - a) Declaration of the acceptance of the terms and conditions established in the mining titles by the assignee;
 - b) Copy of the document enabling heirs or, in case of mental incapacity, a copy of the legal proof of the mental incapacity;
 - c) Proof of payment of the transfer fee of the mining title in conformity with Annex 9 of these Regulations.
3. If the transfer by incapacity is done by a third party other than an heir, the provision of the preceding paragraph is applied.
4. The Minister authorizes the Exploration License or Mining Concession, Mining Treatment License, Mining Processing License and Mining Certificate, in a period of 180 (hundred and eighty) days, after the presentation of the request by the heir and legal representative of the titleholder.
5. The Provincial Governor authorizes the transfer of the Mining Certificate for the Mineral Resources for building and the Mining Pass in a maximum period of 60 (sixty) days counting from the submitting date of the respective request, by the heir or legal representative of the titleholder.
6. When there is one more heir, the same shall be incorporated as a collective person in a period of 180 (hundred and eighty) days, counting from the date of the issuance of the certificate enabling heirs, and submit the request to the National Institute of Mines or entity responsible for the mining licensing at

Provincial Level for the transfer of the mining title in favor of the collective person, at the end of which the title is considered extinct.

7. The decision on the request is communicated to the applicant in writing in a period of 10 (ten) days.
8. The transfer of the mining title only takes effect after the payment of the respective fee.
9. Any act of transfer that does not comply with the provisions of this Article is null and void.

SECTION II **Revocation**

Article 130

(Conditions of Revocation of Mining Titles)

- I. The mining titles will be revoked based on any of the reasons referred in Article 64 of the Mining Law and these Regulations, when there is no answer to the pre-notice of the intention and of the motives which justify such revocation, with the period of 60 days, counting from the date of reception of the pre-notice.
2. There shall be immediate revocation in the following cases:
 - a) Non-payment of the production taxes or surface tax if, after 90 (ninety) days from the date in which the taxes are due, the mining titleholder does not make referred payment plus the interest of arrears legally established;
 - b) The non-exercise of the mining activity or non-submitting of the annual report of the work conducted in a period of 24 (twenty four) months, after the issuance of the Exploration License;
 - c) Non commencement of the mining production in a period of up to 48 (forty eight) months after the issuance of the Mining Concession; and
 - d) Non commencement of mining production in a period of 24 (twenty four) months after the issuance of the mining certificate.

CHAPTER VI

Violations

ARTICLE 131

(Infractions related to the information)

- I. The following, shall be punished with a fine in the minimum amount equivalent to 60 minimum wages of the extractive industry sector, and may be aggravated according to the seriousness of the infraction:

- a) Submit false information in any request, report or documentation, according to the Mining Law or these Regulations;
 - b) Furnishes or provides that it is furnished to any employee, data, information or false declarations in relation to any subject upon which that applicant requires details, according to the Mining Law and these Regulations;
 - c) Refuses to respond or provides false answer to any question posed by the employee in order to obtain any data or information or necessary declaration, in terms of the Mining Law and these Regulations;
 - d) Falsifies or/and culpably uses any document, instrument used in the concluding of a business required by the Mining Law or these Regulations; and
 - e) Intentionally do, or try to or impel that an incorrect annotation in any book, document or instrument preserved for the purpose of the Mining Law or these Regulations are done.
2. The titleholder that submits an annual report of activities after the established date, will be punished with a fine equivalent to:
- a) 20 minimum wages, for the prospecting and exploration;
 - b) 50 minimum wages, for the Mining Concession, Treatment License, Mining Processing License;
 - c) 10 minimum wages, for the Mining Certificate.
3. The obstruction or prevention, of the compliance of the inspective activities referred in Article 11, will be punished with a fine equivalent to the amount between 20 and 900 minimum wages, according to the seriousness of the infraction and the type of mining title.

ARTICLE 132

(Diverse infractions)

1. The exercise of mining activities without license or authorization is prohibited.
2. The violation of the provisions of the preceding paragraph, that substantiates as a crime is subject to the established in Articles 78, 79 and 80 all of the Mining Law.
3. The following, shall be punished with a fine of 10 minimum wages of the extractive industry sector, and may be aggravated according to the seriousness of the infraction:
 - a) Buries or helps bury mineral substances in any location, with the purpose of misleading third parties in respect of the potential material existent in that location;
 - b) Falsifies or helps falsify samples or results of the analysis of samples with the purpose of misleading the State or any third parties concerning the quality of the substances or mineral products.
4. The mining titleholder that assaults, prevents, obstructs or interferes with any employee in the exercise of their duties in terms of the Mining Law or these Regulations or refuses to comply with a legal order given by the same, shall be punished with a fine of 40 minimum wages, which may be aggravated according to the seriousness of the infraction.

5. The mining titleholder that does not comply with the notification on the abandonment of the area of the Exploration License, Mining Concession and Mining Certificate in terms of these Regulations, shall be punished with a fine foreseen in terms of Article 131.
6. Lack of demarcation established in line c) of paragraph I, Article 52 and line a) of Article 107, shall be punished with a fine equivalent to 20 minimum wages.
7. Any violation of the provision of the Mining Law or of these Regulations which govern the mining activity conduct to which no specific penalty is defined, will be punished with a fine of minimum amount equivalent to 20 minimum wages, and may be aggravated according to the seriousness of the infraction.
8. The amounts of the fines foreseen in these Regulations may be amended by Conjoint Ministerial Diploma or the Ministers which oversee the Finance and Mining Resources sectors.
9. The enforcement of the fines will be according to the seriousness of the infraction, the circumstances which surrounded the practice of the infraction and the mining exploration scale.

ARTICLE 133

(Penalties)

Without prejudice of the established in the preceding Article and the criminal liability, the violation of the provisions of the mining legislation and according to the seriousness is liable to punishment in the following terms:

- a) Warning;
- b) Fine;
- c) Seizure of the mineral product;
- d) Confiscation of the equipment and means used;
- e) Suspension of the mining activity; and
- f) Revocation of the Mining title or authorization.

ARTICLE 134
(Competence for Enforcement of Penalties)

1. It is the competence of:
 - a) The Minister of Mineral Resources and Energy the enforcement of the penalties and the suspension of mining activity and revocation of the mining title;
 - b) To the Provincial Governor the enforcement of the penalties and suspension of the mining activity and revocation of the Mining Certificate for mineral resources for building and the Mining Pass; and
 - c) To the inspector general of the Mineral Resources and Energy the enforcement of the penalties of warning, fine, seizure of mineral products, confiscation of equipment and means used and temporary suspension of mining activity.
2. The penalties and limits to be applied by the Provincial Inspection of the Mineral Resources and Energy are defined by Ministerial Diploma.

ARTICLE 135
(Reoccurrence)

1. In case of reoccurrence in the violation of the provisions of the Mining Law or of these Regulations, the fine referred in the preceding paragraphs shall be aggravated to the double and cumulatively the suspension of activity for a period of 6 (six) months to 12 (twelve) months.
2. Subsisting the committing of the infractions foreseen in this chapter, and according to its seriousness, the mining title shall be revoked and the mining titleholder shall no longer be eligible to obtain another title or mining rights.

ARTICLE 136
(Allocation of fines)

1. The amount of the fines referred in these Regulations, shall be channeled in direction to the tax administration of the respective fiscal area, up to day 10 of the following month of its collection, destined for:
 - a) 40% to the State; and
 - b) 60% to the National Institute of Mines.
2. Regarding fines applied to infraction referring to diamonds, precious metals and gems, the destiny complies with the stipulated in the Regulations of commercialization of diamonds, precious metals and gems.

ARTICLE 137

(Allocation of the products and means seized)

1. The mineral product including the mineral resources for building seized in result of the exercise of illegal mining activity revert in favor of the State, and shall be channeled to the National Institute of Mines, which shall proceed with its assessment and sale.
2. The result of the sale, referred in the preceding paragraph shall have the following distribution:
 - a) 40% to the State; and
 - b) 60% to the National Institute of Mines.
3. Regarding diamonds, precious metals and gems, the mechanism of assessment, sales and distribution of the result of sales complies with the stipulated in the regulations for the commercialization of diamonds, precious metals and gems.
4. The equipment and means confiscated in consequence of possession, illegal circulation and commercialization of mineral products revert in favor of the state.
5. The reversal in favor of the State, of equipment and means confiscated, in terms of the preceding paragraph is done by means of registration of the same in the respective registry after verification of the lawfulness of the same and the direct allocation for public interest purposes.
6. The application of the registration process referred to in the preceding paragraph is undertaken by the General Inspection of the Ministry that oversees the mineral resources sector in coordination with the managing entity of the State's assets at central level.

ARTICLE 138

(Infractions committed by legal persons)

- I. When the person is accused of any infraction of the Mining Law or of these Regulations, is a collective person, the said person that at the time of undertaking of the infraction is a General Manager, manager or equivalent, will be jointly convicted in terms of the articles of these regulations, except when proved that the infraction was committed without their knowledge or that necessary precautions were taken to avoid its committing.

ARTICLE 139

(Procedures)

1. The procedures for the enforcement of penalties for the violation of the mining legislation, will be contained in a specific Regulations of the inspective activity.
2. The commencement of the judicial procedures, and execution of trial hearings in respect to the violations of mining legislation shall be governed by the applicable legislation without prejudice of the following requirements:
 - a) The inspectors and technicians are authorized and duly accredited to undertake inspections and audits, have the competence to draft notices of the infractions here foreseen;
 - b) The notices drafted by referred infractions in the preceding line shall follow the procedures foreseen in the specific Regulations;
 - c) Whenever the matter of the infraction also constitutes a crime in terms of the Mining Law and the criminal legislation, a docket shall be equally submitted by the General Inspection to the Criminal Investigation Police for the investigation and procedure according to the criminal legislation.
3. The administrative authorities and the police shall establish the conducive conditions for the technical inspectors in the compliance of their inspection obligations, auditing and judicial channeling of the infraction cases from the mining legislation.

ARTICLE 140
(Civil liability)

Without prejudice of the provisions in Articles 30 and 31 of the Mining Law, the Regulations on the Process of Resettlement resulting from Economic Activities, the civil responsibility of the mining titleholder operated in the following terms:

- a) The mining titleholder is responsible for any damage caused to the cultures, constructions and any improvements, as well as for the resettlement of any land occupant, which results from the exercise of their rights according to their respective title or authorization, and shall compensate the owner of the referred goods or the resettled people;
- b) The mining titleholder and the respective operator are jointly responsible for any compensation for loss or damage resulting from the mining activity;
- c) If the parts involved are in disagreement in respect of compensation terms, may appeal to the mediation of the Ministry of Mineral Resources and other means of resolution of conflict established in the Law;
- d) If no resolution is possible in terms of the preceding line, any of the parts may appeal to the competent court;
- e) Any person that applies for a mining title is subject to the jurisdiction of the Mozambican courts in respect to all the acts and obligations that result from the obligation to compensate in terms of this Article;
- f) The compensation is determined bearing in mind the emergent damages and ceasing profits, in terms of the law, the payment of the referred compensation shall precede the removal of the goods or resettlement.

CHAPTER VII
Miscellaneous

ARTICLE 141

(Investment method)

1. The national direct and foreign investment may separately or cumulatively take, the following forms, as long as liable to monetary assessment:
 - a) Amount paid in freely exchangeable currency by the total or partial acquisition of social participations in companies incorporated in Mozambique or of the mining title in cases of partial or total transfer, from the amount paid in the bank registered in Mozambique or in an external authorized account in terms of the Exchange Law;
 - b) Equipment and respective accessories, material and other imported goods;
 - c) In case of direct national investment, infrastructures, installations and transfers related to the use of land, concession, licenses and other rights of economic, commercial or technologic nature;
 - d) Transfer, in specific cases and in the terms agreed and sanctioned by the competent entities of the rights of use of patented technology and of trademarks;
 - e) Amount expended in geological studies or other activities in scope of the obligations foreseen in the Mining Law.
2. The amount of direct investment covers the expenses, duly accounted and confirmed by the auditing company with established reputation, incurred in the exploration operations, treatment and development, processing and other mining operations related to the exploration and mining production in a mine object of a Mining Concession or Mining Certificate.
3. The investment of the State is covered by means of the appreciation of other existent minerals and other methods to be defined by the Government.

ARTICLE 142

(Guarantees)

The infrastructures, the installations and other goods allocated to mining operations, may be given as guarantee, as long as they are part of the mining operations, such is done to assure the financing of the mining activity, by means of the Ministers authorization.

ARTICLE 143

(Allocation of the goods)

1. If all or part of an Exploration License, Mining Concession or Mining Certificate is no longer part of the respective mining title, the movable and immovable goods are subject to the following regime:

- a) The movable goods related to the mining operation located in the Exploration License area, Mining Concession or Mining Certificate and that no longer are subject to the mining title, shall be removed from the respective titleholder;
 - b) The immovable goods of the titleholder related with the mining operations located in the Exploration area, Mining Concession or Mining Certificate, and that are not subject to a title, shall be removed, destroyed or in another manner recovered by the respective titleholders and handed in this case to the State.
2. In case of the mining titleholder does not remove the movable goods according to the established in subparagraph a) or does not recover the movable goods according to the established in subparagraph b), both of the preceding paragraph, the Minister notifies the titleholder in those terms, setting for that purpose a period not inferior to 30 (thirty) days, and not superior to 60 (sixty) days.
 3. If the period set in the preceding paragraph expires, the Minister orders the removal of goods, at expense of the titleholder or removes them, entitling the State of the right of return of the expenses incurred in the removal of such goods.
 4. In case of revocation of the mining titleholder in virtue of the non-compliance and there being debts of the mining title in relation to the State, the movable and immovable goods allocated to the mining operations shall be withheld and revert in favor of the State.

ARTICLE 144

(Information and Documentation)

The mining titleholder is obliged to:

- a) Maintain and preserve in Mozambique, all the information, documentation, registration, and technical data related to the activities carried out according to the mining title, including all the financial and economic data;
- b) Maintain all the information, documentation and other data specified in the preceding paragraph, complete and updated;
- c) Submit trimestral and annually to the Ministry the data, reports and other information or documentation demanded by the Mining Law or by these Regulations;
- d) Respond to any surveys of the competent authorities related to the quantities and amounts in the mining production;
- e) Permit in time and place, specific consultation, including the taking of copies/ photocopying by the competent authorities, of books and registration in respect to the quantity and amount of the mining production.

ARTICLE 145
(Confidentiality)

1. The information contained in exploration and production reports submitted by the mining titleholder in terms of the Mining Law, of these Regulations or of other norms applicable to the mining activity is considered confidential, shall not be disclosed during a period of 3 (three) months, counting from the date of extinction of the mining title, unless by previous consent of the respective titleholder.
2. The technical information submitted with the Mining Concession or Mining Certificate application or any extension is always maintained confidential, unless with consent of the respective titleholder.
3. The prohibition of disclosure in terms of the established in the preceding paragraphs is not applicable:
 - a) To the Ministry or other State entity in compliance with the obligations imposed by Law;
 - b) If in connection with any judicial procedure or arbitration; and
 - c) If in connection with the establishment of obligation and responsibilities of the titleholder in respect to the payments owed to the State.
4. Confidential disclosure of documents is not considered whenever proved that the data disclosed was already of public domain before the disclosure.

ARTICLE 146
(Change of domicile and representative)

1. In case of change of domicile or representative, the applicant or mining titleholder, informs in a period of 5 (five) days, to the National Institute of Mines the new address or new proxy/representative in Mozambique.
2. Any information necessary to provide to the mining titleholder is effective if sent to the address provided in terms of the preceding paragraph or according to what is established in the respective mining title application.
3. If the applicant or mining titleholder does not comply with the provision in the preceding paragraphs, shall be punishable in terms of Article 131.

ARTICLE 147
(Force majeure)

1. The delay or partial or total non-compliance of the obligations, to which the mining titleholder or mining rights holder are bound to in terms of the Mining Law and of these Regulations, exempts the titleholder of the responsibility when such delay or non-compliance is due to force majeure.
2. Force majeure is considered all exterior and unpredictable causes, which are out of reasonable control of the mining titleholder or mining rights holder, and includes acts of nature, such as, calamity, floods, storms, water accumulations, earthquakes, fires, declared or non-declared acts of war, lockout, riots, civil

- unrest, strikes, disruption at work or any act or lack thereof of any act of any entity, agent or State representative.
3. In cases in which the mining titleholder or mining rights titleholder intends to invoke force majeure cause, notifies in writing and in a period of 48 (forty eight) hours, the entity which issued the mining title and authorization, of nature, circumstances and data of the occurrence of such fact, its predictable duration, consequences and other aspects which are deemed necessary.
 4. The Ministry refuses the extension in a period of duration foreseen in the preceding paragraph, in cases in which, notwithstanding the force majeure fact, the mining titleholder or mining rights holder may in a shorter period adopt measures at their reach aiming for the compliance of their obligations.
 5. Verifying the cessation of a force majeure cause, the mining titleholder or the mining rights holder is obliged to resume in a period of 30 (thirty) days, the suspended operations.