

REPUBLIC OF IVORY COAST
Union — Discipline — Work

LAW No.2014-138 OF 24 March 2014
CONTAINING THE MINING CODE

The National Assembly has adopted,

The President of the Republic has promulgated the following law:

SECTION I: PRELIMINARY PROVISIONS

CHAPTER I: DEFINITIONS

Article 1: As defined in this law:

- **mine blasting**, the mining operation which consists of removing rock, extracting it from the mass and of crushing it into smaller elements for handling and transport. The mining operation is carried out by hand, using mechanical tools or using explosives;
- **mines administration**, the Ministry for Mines or the Department responsible for implementing the mining policy, in particular, the follow up and control of mining activities;
- **mining activity**, the operation of prospection, search, exploration or exploitation of mineral substances;
- **farm-out**, the leasing for a definite or indefinite period, without a right to sub-lease, of all or part of the rights attached to a mining exploitation permit in consideration of a remuneration set by agreement between the parties;
- **authorization**, the administrative document that the mines administration issue to a natural person or legal entity for the purpose of carrying on mining activities other than those permitted under the mining titles;
- **mining register**, the geological and mining database connected to a geographic information system that enables the mines administration to produce and update the mapping of authorizations and mining titles by including, in particular, information on their

- geographic locations, their nature, their holders as well as their validity periods;
- **quarry**, the place where, either by excavation or by any other means, quarry substances are extracted;
 - **non industrial quarry**, the quarry operated by using manual and traditional methods and processes;
 - **industrial quarry**, the quarry operated by using highly mechanized methods and processes
 - **technical and financial expertise**, the professional references and the reputation of the operator in the mining sector reflected, in particular, by proof of the existence of adequate human resources, equipment and financial resources to undertake the mining work of exploration and/or exploitation;
 - **mining convention**, the agreement between an applicant for an exploitation permit and the Ivory Coast State, which sets the specific exploitation conditions;
 - **first commercial production date**, the date on which the mine reaches a continued period of production of sixty days at 80% of its production capacity as drawn up in the feasibility study forwarded to the mining administration or the date of the first shipment of the mining production for commercial purposes;
 - **community development**, the process that aims to improve, in a sustainable manner, the living environment and life quality of local communities via their participation in the implementation of projects that concern them;
 - **feasibility study**, the report that refers to the feasibility of the exploitation of a deposit within the perimeter of the exploitation permit and that presents the proposed program for said exploitation;
 - **Environment and Social Impacts Assessment (ESIA)**, the analytical and prospective study relating to the identification and assessment of impacts of a project on the environment, the natural and human surroundings in order to explain the negative or positive consequences thereof on the short, medium and long term and to propose measures to reduce or to eliminate the negative impacts;
 - **exploitation**, the operation which consists of extracting mining substances from a natural bed to dispose thereof for commercial purposes and which includes the preparatory work, the actual exploitation and possibly the installation and use of facilities for the outflow of the production;
 - **non industrial exploitation**, the exploitation of which the activities consist in extracting and in concentrating mineral substances and in recovering commodities therefrom by using manual and traditional methods and processes. It does not use chemical products or explosives and is not based on the prior discovery of a bed or a deposit;
 - **industrial exploitation**, the mining exploitation of which the activities consist in

extracting and in concentrating mineral substances and in recovering commodities therefrom by using modern and highly mechanized methods and processes.

- **semi-industrial exploitation**, the mining exploitation of which the activities consist in extracting and in concentrating mineral substances and in recovering commodities therefrom by using simple and not very mechanized methods and processes.
- **extraction**, all work to extract mineral substances from the ground and subsoil;
- **artificial deposit**, the artificial concentration of mineral substances at the surface stemming from the exploitation of mines and/or waste deriving from mineralogical and metallurgical treatments;
- **geothermal deposit**, high or low temperature classified natural deposit from which one can extract thermal energy, in particular, via hot water and underground steam that they contain;
- **natural deposit**, the abnormal and natural concentration of natural substances at the surface or in depth in a given zone of the earth's crust;
- **deposit**, the natural deposit of mineral substances that can be exploited in current economic conditions;
- **mine burrows, heaps and residue of quarry exploitation**, the discharge, refuse, waste and residue of the mining and quarry exploitation;
- **Extractive Industries Transparency Initiative or EITI**, the international standard set up by the coalition comprised of Governments, companies, the civilian society, investors and international organizations, the main goal of which is to reinforce governance by improving transparency and accountability in the extractive industries sector;
- **mining list**, the list of capital goods, machinery and consumables drawn up in accordance with the list of the Customs Code normally used for mining activities and for which import duties and taxes may be suspended, reduced or exempted;
- **mine**, the complex that groups together the administration and mining exploitation activities which include, inter alia:
 - the open-cut opening or excavations, wells, tunnels, underground openings from the mineral is extracted and stored by any process;
 - the movables and other facilities for the treatment, processing, storage and removal of mineral or waste, including the residue;
 - the tooling, equipment, machines, properties, facilities and improvement for the exploitation, processing, handling and transport of the mineral, waste and machinery;
 - the housing, offices, roads, runways, electrical lines, electricity production facilities, evaporation and drying facilities, mineral treatment and preparation facilities, piping, railroad and other infrastructures;

- the site on which or within which mining operations take place and also all buildings, premises, structures and appliances related thereto at the surface or beneath the surface of the ground for the purpose of treating and preparing mineral substances, to obtain or extract all mineral substances by any process or method.
- **ground occupant**, the natural person or legal entity who/which has developed a plot of ground;
- **lawful ground occupant**, the natural person or legal entity who/which obtained authorization from the Authorities to occupy a plot of ground or who/which, by use for generation, occupies a plot of ground;
- **geographic perimeter or perimeter**, the zone or the surface for which a mining title has been granted. The perimeter is fungible with the mining title of which it delimits the surface;
- **exploitation permit**, the mining title which grants its holder entitlement to undertaking mining exploitation activities;
- **exploration permit**, the mining title which grants its holder entitlement to undertaking mining exploration activities;
- **community development plan**, the document drawn by the holder of an exploitation permit in consultation with the neighboring communities and the administrative, territorial and local authorities, which specifies, in particular, the economic and social projects to be implemented for communities;
- **rehabilitation plan**, the document which presents the most suitable ways to plan and manage the environmental changes and the socio-economic effects brought about by the ending of the exploitation which include, in particular:
 - the cleaning;
 - the dismantling and removal of mining facilities;
 - the treatment and rehabilitation of the site;
 - the post-rehabilitation surveillance;
 - any reconversion of the site;
 - the official returning of the site to the proper authorities.
- **Ecuador principles**, the system of principles of the financial sector to ensure that the projects to be financed are financed in a socially responsible manner and that they **respect** the environment;
- **Kimberley process**, the common initiative that groups together Governments, diamond industries and entities of the civil society which undertake to monitor the conditions of control of the production and trading in rough diamonds governed by the Kimberley Process Certification Scheme (KPCS);

- **net production**, the commodities of the mine or quarry;
- **owner of the subsoil**, the Ivory Coast State owns the subsoil of the Ivory Coast;
- **prospection**, investigations limited to surface work, using simple methods and processes to discover clues of mineral substances;
- **exploration**, all work carried out at the surface, at depth or by airborne means to establish the continuity of clues of mineral substances, to determine whether or not a deposit exists, to study the conditions of exploitation and industrial use thereof, in view of filing a feasibility study with the mines administration;
- **fee**, the financial contribution imposed on the holder of a mining title or of an exploitation or extraction authorization;
- **rehabilitation**, all of the activities to bring an exploitation site to a condition close to that of the original condition;
- **social responsibility of the company**, the responsibility of an organization with regard to the impacts of its decisions and its activities on the community and on the environment reflected by transparent and ethical conduct which:
 - contributes to sustainable development, including to the health and well-being of the society;
 - takes account of the expectations of the concerned parties, in particular, the neighboring communities, the civil society, the authorities;
 - respects current law and is compatible with national and international standards;
 - is integrated in the whole organization and is implemented in its relations.
- **affiliated company**, the company or entity which:
 - is controlled directly or indirectly by any entity that constitutes the mining company;
 - is controlled directly or indirectly by a company or an entity which itself controls, directly or indirectly, any entity that constitutes the mining company.

The control referred to above means the direct or indirect ownership by a company or any other entity of more than fifty per cent (50%) of the shares, giving rise to voting rights, making up the capital of another company;

- **sub-contractor**, the natural person or legal entity that carries out a task that is part of the main activities of the holder of the mining title. This is, in particular:
 - exploration or exploitation work;
 - construction of industrial, administrative and socio-cultural infrastructures (roads, plants, offices, mining cities, supermarkets, staff co-ops, socio-cultural, health and school, leisure and water and electricity supply establishments);

- mining extraction, material transport and storage and mineral treatment work;
- **mineral substances**, the amorphous or crystalline, solid, liquid or gaseous natural substances from the subsoil or ground which, without treatment or after treatment, can be used as an industry or a craft industry commodity, as construction, gravelling or viability material, as an earth fertilizer or as a source of energy;
- **mining title**, the exploration permit or the exploitation permit of mineral substances;
- **protection zone**, the zones affected by the exploitation work;
- **prohibition zone**, the zone within the perimeter of the mining title in which no mining prospection, exploration, exploitation activity or no quarry substance exploitation activity can be undertaken;
- **impact zone**, the zone of which the epicenter is the exploitation site, which is liable to suffer the direct negative effects of the project and of which the radius is variable depending on the type of mining exploitation.

CHAPTER II: GENERAL PROVISIONS

Article 2: The provisions of this law apply, without prejudice to the provisions within the scope, in particular, of specific areas governed by the law relating to rural property regulations, the water code, the law relating to nuclear safety and to protection against ionizing radiation, the public health code, the law relating to territorial communities, the environment code, the forestry code, the civil code, the criminal code, the tax and customs legislation and any other codes whose provisions may apply directly or indirectly to the mining activity, provided that they do not conflict with this law.

Article 3: All mineral substances, all mineral waters and all geothermal deposit contained in the ground and subsoil, the territorial waters, in the exclusive economic zone and on the continental shelf as well as its expansion beyond the two hundred sea limits up to the treaty limits internationally recognized by the Ivory Coast are the property of the Ivory Coast State.

Article 4: The prospection, exploration, exploitation, possession, treatment, transport, processing and marketing of mineral substances, mineral waters and geothermal deposit throughout the entire scope of the national territory, in the territorial waters, in the exclusive economic zone and on the continental shelf and its expansion beyond the two hundred sea miles up to the treaty limit internationally recognized by the Republic of Ivory Coast are subject to the provisions of this law and its implementing texts.

Hydrocarbons other than coal are not governed by the provisions of this law.

Article 5: Any natural person or legal entity, whether an Ivory Coast national or a foreign national, may undertake or carry on an activity governed by this law on the territory of the Ivory Coast provided that a mining title or an authorization has first been obtained.

Article 6: The State, alone or in partnership with third parties, may carry on a mining activity in accordance with the conditions provided for in this law.

Article 7: The granting of an exploitation permit entails an obligation for the holder thereof to set up an Ivory Coast company whose exclusive object shall be the exploitation of the deposit for which the permit was issued.

The exploitation permit is transferred to the company thus set up in accordance with the conditions defined by decree.

The State's granting of exploitation permits grants the State, in consideration of the wealth distributed and the impoverishment of the subsoil, the right to the allocation of contribution shares set at ten per cent (10%) of the capital of the exploitation company during the entire lifespan of the mine. The State may not be required to make any financial contribution for said contribution shares even in the event of a capital increase. In any event, the State's share shall continue to be equal to at least ten per cent (10%) of the capital of the exploitation company.

Any State paid participation in the capital of operating companies shall be determined by negotiation of party agreements at market conditions. Said participation is contributive and does not exceed 15% of the capital of the exploration company on the date of its acquisition. The limit of the State's paid participation does not take account of shares held by State companies and majority public financial participation companies.

Notwithstanding the foregoing, the State may hold an unlimited contributive participation in the capital of the exploitation company of a deposit in which the State has invested as from the deposit exploration and identification phase.

Article 8: The State encourages holders of mining titles to favor the participation of Ivory Coast nationals in the capital of mining companies.

The State may make the authorization to carry on an industrial mining activity governed by this law subject to the participation of nationals in the capital of companies set up for this purpose. Said participation shall be determined at market conditions

The terms and conditions of participation of Ivory Coast nationals in the share capital of exploitation companies are determined by decree.

Article 9: Any holder of a mining title or beneficiary of an authorization issued under this law, unless he/she resides in the Ivory Coast, is bound to choose domicile there and to have an agent whose identity and qualifications he/she shall notify to the mines administration.

Article 10 No natural person may hold a direct or indirect interest in a mining title or authorization or be the holder or beneficiary thereof if he/she does not enjoy his/her civil rights.

No legal entity may hold a mining title or be a beneficiary of an authorization unless registered with the Ivory Coast credit based on movables and trade register, if it is the subject matter of collective proceedings to pay off liabilities or if it was found to have been guilty of or was the

subject matter of proceedings on account of fraud, money laundering, corruption or serious violation of environmental, social or security rules.

No civil servant or official of the State working in the public administration, no official of State companies and no official of majority public financial participation companies may hold a direct or indirect interest in a mining activity or hold a mining title or be a beneficiary of an authorization.

Article 11: The members of the Government, the officials of the mines administration as well as all civil servants and officials of the State playing a role in the management of the mining sector may take direct or indirect financial interests in mining companies and in their direct or indirect sub-contractors within a five (5) year period after leaving office.

They are bound, subject to consequences in law, to report their direct or indirect interests held in the mining sector before taking up office and to state that they are not empowered to take any decision that has a direct or indirect impact on said interests.

CHAPTER III: PROVISIONS RELATING TO THE MINING CONVENTION

Article 12: The holder of an exploitation permit signs a mining convention with the State, within the sixty (60) business days following the allocation of its exploitation permit. In particular, the purpose of the mining convention is to stabilize tax and customs regulations.

The mining convention has an initial term of validity of twelve (12) years. It is renewable for periods of validity not exceeding ten (10) years, in accordance with the conditions defined by decree.

It is appended to the decree allocating the exploitation permit.

Article 13: The mining convention does not depart from the provisions of this law.

The content and the terms and conditions of implementation of the mining convention are determined by decree.

CHAPTER IV: CLASSIFICATION OF DEPOSITS OF MINERAL SUBSTANCES

Article 14: Natural deposits of mineral substances, other than the liquid or gaseous hydrocarbons, are classified, depending on applicable legal regulations, as mines and quarries.

Article 15: Peat bog, the deposits of construction, gravelling and viability materials, earth fertilizers as well as materials used for the ceramic industries and other like substances, apart from phosphates, nitrates, alkaline sales and other salts associated with the same deposits and

peat bog are deemed to be quarry substances.

Article 16: Deposits of mineral substances, other than liquid or gaseous hydrocarbons not referred to in article 15 above, are deemed to be substance of mines.

Article 17: For the purposes of this law, mines substances are classified according to the groups hereinafter:

- Group 1: precious metals (gold, silver and platinoids);
- Group 2: fine stones and precious stones (rough diamonds, emeralds, beryl, sapphires, rubies, garnets, topazes, citrines, zircons);
- Group 3: base metals (iron, nickel, cobalt, chrome, aluminum, copper, lead, zinc, manganese, rare earths, tantalum, lithium, tin);
- Group 4: radioactive and energy substances (uranium, thorium, potassium, coal, bituminous coal, brown coal, turf, bituminous shale);
- Group 5: other substances not classified elsewhere.

SECTION II: MINING TITLE

CHAPTER I: EXPLORATION PERMITS

Article 18: The exploration permit is allocated by decree, subject to earlier rights, to any Ivory Coast natural person or legal entity.

Article 19: Any applicant for an exploration permit must meet the following technical and financial criteria:

- prove that it has carried out at least two mining exploration projects over the ten (10) years prior to the application. The exploration projects carried out by a shareholder holding at least 35% of the applicant's capital shall be taken into account to determine the applicant's experience. The same shall apply when said shareholder proves that it has at least twelve (12) years' experience in the mining sector;
- have a works technical manager with at least seven (7) years' professional experience in mining exploration and who has carried on at least two (2) mining exploration projects or otherwise, who has been involved in the main phases of the mining exploration work. Any change in the works technical manager shall be subject to approval by the Mines Administration;
- prove that it has adequate financial capacity to meet the costs of mining exploration work

by setting up a bank reserve with a leading bank in the Ivory Coast. The terms and conditions applicable to the setting up of said reserve are specified by decree.

Article 20: The exploration permit grants, within the limits of its perimeter, at the surface and at depth, the exclusive right to explore for substance of mines as well as the right to dispose of products extracted as part of the exploration.

It grants its holder the exclusive right to request, at any time during the validity of the exploration permit, and to obtain, if it has fulfilled its obligations under this law, an exploitation permit in the event of the discovery of one or more deposits within the perimeter of the exploration permit.

The exploration permit constitutes an indivisible interest in movables which cannot be farmed out in consideration of a fee or be pledged or mortgaged.

Article 21: The existence of a currently valid exploration permit does not prohibit the granting, within its perimeter, of an authorization to exploit quarry substances.

The conditions of implementation of said provision are defined by decree.

Article 22: The exploration permit is valid for a four (4) year period as from its date of allocation. It may be renewed twice (2) for successive period of three (3) years.

An exceptional renewal may be granted for a period not longer than two (2) years, upon application by the holder of the exploration permit, provided that said application is justified by the need to finalize the feasibility studies.

Article 23: The perimeter covered by the exploration permit is a polygon whose outlines are the segments of lines oriented North-South and East-West, referenced to the geographic North, apart from land boundaries and territorial waters.

The minimum length of each segment of the polygon is one (1) kilometer.

The surface area of the perimeter covered by the exploration permit is between one (1) square kilometer and four hundred (400) square kilometers.

Article 24: The surface area of the perimeter is reduced by one quarter upon each renewal of the exploration permit.

However, the holder of the exploration permit may opt to keep the surface area to be returned provided that it proves that it works on the entire perimeter of the permit. In this case, the holder of the exploration permit is liable to pay an option fee, the rate, terms and conditions of which are determined by decree.

Article 25: The holder of an exploration permit is bound to carry out the exploration program presented in support of its permit application and to finance the work as agreed.

The holder of an exploration permit is bound to begin the work within the scope of the exploration permit within a six month period as from its date of allocation.

Article 26: The holder of an exploration permit is entitled to the free disposal of products extracted at the time of the exploration and trials provided that the exploration work does not constitute exploitation work.

Said possibility exists only under the following conditions:

- the holder of the exploration permit first reports the extracted products to the Mines Administration;
- the holder of the exploration permit pays the mining taxes for said extracted products, unless the Mines Administration and the Economy and Finances Administration grants an exemption for samples.

The maximum quantities of samples that may be taken are specified by decree.

CHAPTER II: EXPLOITATION PERMIT

Article 27: The exploitation permit is granted by right, by decree taken in Council of Ministers, to the holder of the exploration permit which has proved that there is a deposit within its exploration permit. Said proof is materialized by a feasibility study. The applicant must have complied with its obligations under the provisions of this law. It must present an application compliant with the provisions of the implementing decree of this law prior to the expiry of the period of validity of the exploration permit under which the application for the exploitation permit is made.

Several exploitation permits may stem from a same exploration permit. The allocation of an exploitation permit gives rise to the cancellation of the exploration permit within the perimeter of the exploitation permit. The exploration permit subsists for the remaining surface area outside the perimeter of the exploitation perimeter up to the expiry of its period of validity.

Article 28: The feasibility study includes, for information, but without limitation:

- a) the assessment of the importance and quality of reserves that may be exploited;
- b) the determining of the need to submit the ore to metallurgical treatment;
- c) the planning of the mining exploitation;
- d) the presentation of a mine construction program that specifies the work, equipment, facilities and supplies required to launch the commercial production of the potential bed or deposit as well as the related estimated costs together with forecasts of expenditure to be incurred each year;
- e) the socio-economic impact assessment of the project;
- f) the study of the project's impact on the environment (earth, water, air, fauna, flora and

human settlements) with suitable recommendations in accordance with the Environment Code and its later texts;

- g) the complete financial projections for the exploitation period;
- h) the community development plan;
- i) any other information that the party drawing up said feasibility study deems to be useful, in particular, to bring all banking or financial institutions to provide financing for the exploitation of the deposit;
- j) the findings and recommendations on the economic feasibility and the timetable drawn up for the launch of the commercial production, by taking account of the points listed above.

Article 29: All exploitation permit holders must, on the pain of the withdrawal of the exploitation title, prove within six (6) months of the issue of the title, that it:

- has available a team of mining engineers and geologists with wide professional experience in mining exploitation;
- has available a works technical manager with at least seven (7) years' professional experience in mining exploration or exploitation and who has carried on at least two (2) mining exploration or exploitation projects or otherwise, who has been involved in the main phases of the mining exploration or exploitation work. Any change in the works technical manager shall be subject to approval by the Mines Administration;
- has available a bank reserve in a leading financial institution in the Ivory Coast. The terms and conditions applicable to setting up said reserve are specified by decree.

Article 30: The exploitation permit is granted following a prior enquiry on the benefits and drawbacks (*enquête commodo et incommodo*) in accordance with the applicable regulations.

Article 31: The exploitation permit grants its holder the exclusive right to exploit deposits within the limits of its perimeter.

The exploitation permit includes, in accordance with current laws and regulations, authorization to transport or have transported the extracted mining substances, their concentrate or their primary by-products as well as the metals and alloys of said substances up to the place of storage, treatment or loading, to dispose thereof on domestic and foreign markets and to export them.

The exploitation permit also authorizes the setting up, in accordance with current regulations, of facilities for the packaging, treatment, refining and processing of mining substances as well as the utilities related to the purpose of the permit.

The exploitation permit is an indivisible right *in rem*. It may be mortgaged subject to the prior approval of the Minister for Mines in accordance with the conditions provided for by decree.

Article 32: The exploitation permit is granted for the lifespan of the mine as specified in the feasibility study without the initial validity period being longer than twenty (20) years.

It is renewable for successive periods of ten (10) years at most.

Article 33: The surface area for which the exploitation permit is granted is defined in relation to the deposit of which the exploitation is requested. The holder of the exploitation permit is bound to have the relevant surface area picketed in accordance with the provisions determined by decree.

Article 34: The holder of the exploitation permit is bound to begin the development work for the launch of the exploitation of the deposit within the perimeter of the permit within a one (1) year period as from the date of granting the permit and to diligently continue the work.

Article 35: A deferral or a suspension of the exploitation may be granted by order of the Minister for Mines upon application by the holder of the exploitation permit in the event of persistent adverse market conditions or force majeure. The deferral or the suspension is authorized for a period of two (2) years and may be renewed once only for an extra period of one year.

CHAPTER III: PROVISIONS COMMON TO MINING TITLES

Article 36: The activities of exploration and exploitation of mining substances are subject to an application for a mining title.

The terms and conditions and the procedures for examining applications for mining titles are defined by decree.

The applications for mining titles are examined by an advisory board in accordance with the conditions determined by decree.

Article 37: The Mines Administration may put out call for bids for non-allocated sites on which a mining potential, deemed to be active, has been proved through work carried out. Said call for bids is made in compliance with conditions of transparency and fair trading. The successful bidder is subject to the provisions of this law.

Article 38: The rights of the holder of a mining title relate to the extent of the perimeter delimited in the mining title, which is indefinitely continued in depth via the vertical lines that rest on the perimeter defined at the surface.

The delimitation of the perimeter of mining titles is drawn up in geographic coordinates in accordance with the provisions of the implementing decree of this law.

Article 39: The expansion of the geographic perimeter of a mining title is authorized, subject to earlier rights or applications for mining titles, in accordance with the conditions set by decree.

The new total surface area may not be greater than the maximum surface area provided for in article 23 of this law.

Article 40: The mining title is renewable upon application by the holder presented at least three months prior to the expiry of the current validity period.

The renewal of the mining title is by right when the holder has complied with its obligations.

The holder of the mining title enjoys rights related to its title as long as a refusal of renewal has not been notified to it.

The conditions of renewal of the mining title are specified by decree.

Article 41: The mining title is assignable or transferable subject to the prior approval of the Minister for Mines and in accordance with the conditions provided for by decree.

Any agreement thus concluded may be executed only subject to the condition precedent of said authorization.

The approval of the Minister for Mines is by right when the holder of the mining title has complied with its obligations under the Mining Code.

Article 42: The holder of the mining title may be authorized to waive, without penalty or indemnity, all or part of the surface area of the perimeter of said title as well as the mining title itself. The waiver is approved by the Mines Administration in accordance with the conditions provided for by decree.

Said approval is subject to the payment of amounts owed to the State on the date of the waiver and on the execution of work relating to the protection of the environment and the rehabilitation of sites, in accordance with the provisions of Articles 140 *et seq.* of this law.

Article 43: The mining title allocated under this law may be withdrawn, without indemnification or compensation, by the authority that issued it, in accordance with the procedures provided for by decree.

The withdrawal takes effect following formal notice of sixty (60) days, which has not been heeded, in particular, in the cases hereinafter:

- a) the holder of the exploration permit has not provided proof that it set up the bank reserve;
- b) the holder of the exploitation permit has not provided proof that it set up the bank reserve within the first six (6) months following the date of allocation of the permit;
- c) the exploration company employs children;
- d) the holder of an exploration permit carries on the exploitation activities within the perimeter of its permit;
- e) the exploration activity is delayed or suspended without a valid reason for more than six months;
- f) the feasibility study produced shows that there is a deposit within the perimeter of the exploration permit which is not followed by an application for an exploitation permit within a six (6) period;
- g) the startup of the exploitation work or the exploitation is delayed or suspended for more than six months without authorization;
- h) unauthorized assignments or transfers have been made;
- i) there have been serious breaches of hygiene, safety and health rules
- j) duties, fees and levies have not been paid;
- k) there has been recorded breaches of obligations relating to the conservation of forestry assets, protection of the environment and rehabilitation of exploited site;
- l) the fraudulent acquisition of a mining title is proved;
- m) the forfeiture of the holder's rights is recorded;
- n) the holder has not fulfilled its obligations relating to mining exploration work;
- o) the holder has not fulfilled its commitments relating to community development;

- p) the holder of the permit has been found guilty of corruption or attempted corruption at the time of the allocation of the mining title.

Article 44: In the event of the expiry, waiver, withdrawal of a mining title or of the forfeiture of the holder's rights, the perimeter that a mining title covers is released from all resulting rights as from midnight on the day after of the expiry of its validity period or the date of notification of the decision of the Mines Administration.

The buildings, appurtenances, wells, galleries and in general all fixtures for the exploitation are left by operation of law to the State in accordance with the conditions provided for in the plan for the management of the environment and the rehabilitation of the exploited sites.

SECTION III: PROSPECTION AUTHORIZATIONS

Article 45: The prospection authorization is granted to any natural person or legal entity who/which has presented a work program and an application compliant with the provisions of the implementing decree of this law.

Article 46: The prospection authorization grants its holder a non-exclusive prospection right which is valid for all substance of mines.

The prospection authorization does not grant its holder any preference for the later obtaining of a mining title, a mining or quarry exploitation authorization. It does not grant the right to dispose of the substance of mines discovered for commercial purposes.

Article 47: The period of validity of the prospection authorization cannot be more than one year.

It can be renewed exceptionally in accordance with the conditions defined by decree.

Article 48: The prospection authorization is valid for the requested zone, apart from zones classified as closed or prohibited zones or zones covered by a mining title or an authorization. The surface area covered by the prospection authorization is not greater than two thousand (2 000) km².

Article 49: The prospection authorization is not assignable, transferable or cannot be farmed out.

Article 50: The prospection authorization may be waived without penalty or indemnity.

Article 51: The prospection authorization is granted or withdrawn by order of the Minister for Mines, in accordance with the procedures and conditions determined by decree.

SECTION IV: NON INDUSTRIAL AND SEMI-INDUSTRIAL MINING EXPLOITATION AUTHORIZATIONS

CHAPTER I: SEMI-INDUSTRIAL MINING EXPLOITATION AUTHORIZATION

Article 52: The zones within which semi-industrial exploitation is permitted are reserved or abandoned in accordance with the conditions determined by decree.

Article 53: The semi-industrial mining exploitation authorization is granted by order of the Minister for Mines, subject to earlier rights, following consultation of the proper administrative authorities and of the concerned urban districts or rural communities, to:

- natural persons of Ivory Coast nationality;
- cooperative companies with a majority Ivory Coast participation;
- Ivory Coast small and medium sized companies, the majority of whose capital is held in Ivory Coast.

The conditions of allocation of the semi-industrial exploitation authorization are determined by decree.

Article 54: The semi-industrial mining exploitation authorization grants its holder the exclusive right to exploit substance of mines for which it is issued.

Article 55: The semi-industrial mining exploitation authorization is valid for a period of four (4) years which is renewable in accordance with the conditions specified by decree.

Article 56: The perimeter covered by a semi-industrial mining exploitation authorization is square or rectangular and has a surface area of between twenty five (25) hectares and one hundred (100) hectares.

Article 57: Without prejudice to the provisions of this law dealing with relations between operators and occupants of the ground and/or lawful occupants of the ground, the beneficiary of the semi-industrial mining exploitation authorization may not, save for an amicable understanding between the parties:

- carry on work on arable land;
- hinder the normal irrigation of land under cultivation.

It is also bound to exploit the mine substances rationally and to protect the quality of the environment.

At the end of its authorization, the beneficiary is bound to restore the arable land and the normal irrigation of land under cultivation damaged by its work in accordance with the conditions defined

by decree.

Article 58: The use of chemical products in semi-industrial exploitations may be authorized in accordance with the conditions defined by decree.

Article 59: In the event of the discovery on an allocated plot of a mining deposit whose exploitation requires the use of industrial methods and processes, the beneficiary of the semi-industrial mining exploitation authorization is required to report this fact to the Minister for Mines, who shall decide on the conditions in which the exploitation may continue.

This discovery entitles the beneficiary of the semi-industrial mining exploitation authorization to fair indemnity. The terms and conditions of the indemnification are defined by decree.

Article 60: The semi-industrial mining exploitation authorization is not assignable. It is transferable in accordance with the conditions set by decree.

Article 61: The beneficiary of the semi-industrial mining exploitation authorization may waive all or part of the surface area of the plot as well as the authorization itself, without penalty or indemnity, subject to notification to the Minister for Mines.

The waiver implies the restoration of the exploited site.

Article 62: The semi-industrial mining exploitation authorization may be withdrawn by the Minister for Mines in accordance with the conditions set by decree.

Article 63: Upon the expiry, waiver or withdrawal of an semi-industrial mining exploitation authorization or upon the forfeiture of the beneficiary's rights, the perimeter covered by the authorization is released from all resulting right, as from the day after of the expiry of the validity period or the date of notification of the decision of the Mines Administration.

CHAPTER II: NON-INDUSTRIAL MINING EXPLOITATION AUTHORIZATION

Article 64: The zones within which non-industrial mining exploitation is permitted are reserved or abandoned in accordance with the conditions determined by decree.

Article 65: The non-industrial mining exploitation authorization is granted by order of the Minister for Mines, subject to earlier rights, following consultation of the proper administrative authorities and of the concerned urban districts or rural communities, to:

- natural persons of Ivory Coast nationality;
- cooperative companies with a majority Ivory Coast participation;

The conditions of allocation of the non-industrial exploitation authorization are determined by decree.

Article 66: The non-industrial mining exploitation authorization grants its holder the exclusive right to exploit substance of mines for which it is issued.

Article 67: The non-industrial mining exploitation authorization is valid for a period of four (4) years which is renewable in accordance with the conditions specified by decree.

Article 68: The use of explosive substances and chemical products in non-industrial exploitations is prohibited.

Article 69: The perimeter covered by a non-industrial mining exploitation authorization is square or rectangular and has a surface area not greater than twenty five (25) hectares.

Article 70: Without prejudice to the provisions of this law dealing with relations between operators and occupants of the ground and/or lawful occupants of the ground, the beneficiary of the non-industrial mining exploitation authorization may not, save for an amicable understanding between the parties:

- carry on work on arable land;
- hinder the normal irrigation of land under cultivation.

It is also bound to exploit the mine substances rationally and to protect the quality of the environment.

Article 71: At the end of its authorization, the beneficiary is bound to restore the arable land and the normal irrigation of land under cultivation damaged by its work in accordance with the conditions defined by decree.

In the event of the discovery on an allocated plot of a mining deposit whose exploitation requires the use of semi-industrial or industrial methods and processes, the beneficiary of the non-industrial mining exploitation authorization is required to report this fact to the Minister for Mines, who shall decide on the conditions in which the exploitation may continue.

This discovery entitles the beneficiary of the non-industrial mining exploitation authorization to fair indemnity. The terms and conditions of the indemnification are defined by decree.

Article 72: The non-industrial mining exploitation authorization is not assignable. It is transferable in accordance with the conditions set by decree.

Article 73: The waiver of all or part of a non-industrial mining exploitation authorization is authorized, without penalty or indemnity, subject to notification to the Mines Administration.

The waiver implies the restoration of the exploited site.

Article 74: The non-industrial mining exploitation authorization may be withdrawn by the Minister for Mines in accordance with the conditions set by decree.

Article 75: Upon the expiry, waiver or withdrawal of a non-industrial mining exploitation authorization or upon the forfeiture of the beneficiary's rights, the perimeter covered by the authorization is released from all resulting right, as from the day after of the expiry of the validity period or the date of notification of the decision of the Mines Administration.

SECTION V: AUTHORIZATIONS TO EXPLOIT QUARRY SUBSTANCES

CHAPTER I: COMMON PROVISIONS

Article 76: The authorizations to exploit quarry substances fall into two (2) categories:

- authorization to open non-industrial quarries;
- authorization to open non-industrial quarries.

There are two types of authorizations for each quarry type:

- authorization for permanent quarries, called authorization to exploit quarry substances;
- authorization for temporary quarries, called authorization to extract quarry materials.

Article 77: The authorization to exploit quarry substances grants its beneficiary, within the limit of its perimeter, the exclusive right to exploit quarry substances thereon.

Article 78: The authorization to exploit quarry substances entails, in accordance with

current laws and regulations, authorization to transport or to have transported extracted quarry substances and their concentrate or primary byproducts up to the place of storage, treatment or loading and to dispose thereof on domestic and foreign markets.

Article 79: Under the authorization to exploit quarry substances, facilities for packaging and primary treatment of quarry substances can be set up in accordance with current regulations,

Article 80: The beneficiary of an authorization to exploit quarry substances is bound to have the perimeter described in the authorization delimited in accordance with the conditions set by decree.

Article 81: The beneficiary of an authorization to exploit quarry substances is bound to exploit the quarry in accordance with the development and exploitation plans produced and approved by the Mines Administration in accordance with the conditions set by decree.

Article 82: The expansion of the perimeter of an authorization to exploit quarry substances is authorized, subject to earlier rights, in accordance with the conditions set by decree.

Article 83: The waiver of an authorization to exploit quarry substances is authorized in accordance with the conditions set by decree.

Article 84: The authorization to exploit quarry substances may be withdrawn by the Minister for Mines in accordance with the conditions set by decree.

Article 85: An authorization to exploit quarry substances which has not been used within twelve (12) months as from its date of allocation lapses.

The resumption of the activity of a quarry that has been abandoned for one (1) year is subject to new authorization being granted.

Article 86: Upon the expiry, waiver or withdrawal of an authorization to exploit quarry substances or the forfeiture of its beneficiary's rights, the perimeter covered by the authorization is released from all rights as from midnight on the day after of the expiry of the validity period or the date of notification of the decision of the Mines Administration.

Article 87: The authorization to extract quarry materials is valid for a one (1) year period, which is renewable once only.

The authorization to extract expires six (6) later when it has not been used within said period.

Article 88: The authorization to extract quarry materials is not assignable, transferable or cannot be farmed out.

Article 89: The authorization to extract quarry materials is granted only after the payment of the extraction tax related to the cubing for which it is requested.

Any lawful occupant or occupant of the ground is required to obtain authorization prior to any exploitation of quarries on his or her land.

CHAPTER II: AUTHORIZATION TO EXPLOIT INDUSTRIAL QUARRIES

Article 90: The authorization to exploit an industrial quarry is granted, subject to earlier rights, by order of the Minister for Mines, following consultation of the proper administrative authorities, in accordance with the conditions set by decree.

Article 91: The authorization to exploit quarry substances is valid for a renewable period of:

- four (4) years at most as from its date of allocation for industrial quarries of movable materials;
- ten (10) years at most as from its date of allocation for industrial quarries of other quarry substances.

Article 92: The surface area of the plot of the industrial exploitation authorization is fifty (50) hectares for quarries of movable materials and of one hundred and fifty (150) hectares for quarries of other quarry substances.

Article 93: The authorization to exploit industrial quarries is assignable and transferable subject to the prior approval of the Minister for Mines.

Article 94: When the beneficiary of an authorization to exploit an industrial quarry wishes to sell appliances, vehicles, machinery, materials, machines and equipment that it owns, the State has a pre-emption right that it exercises in accordance with the conditions provided for by decree.

The buildings, appurtenances and all fixtures for the exploitation are left by operation of law and free of charge at the disposal of the State in accordance with the conditions provided for in the plan for the management of the environment and rehabilitation of exploited site.

CHAPTER III: AUTHORIZATION TO EXPLOIT NON-INDUSTRIAL QUARRIES

Article 95: The authorization to exploit a non-industrial quarry is granted, subject to earlier rights, by order of the Minister for Mines, following consultation of the proper administrative authorities, in accordance with the conditions set by decree.

Article 96: The authorization to exploit non-industrial quarries is valid for a renewable period of two (2) years as from its date of allocation.

Article 97: The surface area of the plot for which the authorization to exploit non-industrial quarries is allocated is twenty five (25) hectares at most.

Article 98: The authorization to exploit non-industrial quarries is transferable subject to the prior approval of the Minister for Mines. It is not assignable or cannot be farmed out.

SECTION VI: EXPLOITATION OF BURROWS, HEAPS AND WASTE FROM THE EXPLOITATIONS OF MINES AND QUARRIES

Article 99: The exploitation in view of the use of masses comprised of burrows, heaps and other waste from the exploitation of quarry substances is subject to authorization in accordance with the conditions set by decree.

The provisions relating to authorizations to exploit industrial and non-industrial quarries apply to the exploitation of burrows, heaps and other waste from the exploitation of quarry substances.

SECTION VII: SPECIAL PROVISIONS APPLICABLE TO CERTAIN MINERAL SUBSTANCES

CHAPTER I: SPECIAL PROVISIONS APPLICABLE TO ROUGH DIAMONDS

Article 100: The production, possession, transport, trading and processing as well as all transactions relating to rough diamonds are subject to the standards of the Kimberley Process Certification Scheme.

Article 101: The production, possession, transport, processing, trading as well as all transactions in rough diamonds are controlled in accordance with the conditions set by decree.

Article 102: The administrative documents relating to possession and trading of rough diamonds are issued in accordance with the conditions set by decree.

Article 103: The exploitation permit for rough diamonds grants entitlement to possession, transport, trading and processing as well as to all transactions related to rough diamonds.

CHAPTER II: SPECIAL PROVISIONS APPLICABLE TO RAW GOLD AND TO GOLD ORE

Article 104: The possession, transport, trading and processing as well as all transactions related to raw gold and gold ore are subject to authorizations whose terms and conditions are

determined by decree.

Article 105: The possession and trading of raw gold and of gold ore are controlled in accordance with the conditions set by decree.

Article 106: The administrative documents relating to possession and trading of rough diamonds are issued in accordance with the conditions set by decree.

Article 107: The gold exploitation permit grants entitled to possession, transport, trading and processing as well as to all transactions related to raw gold and gold ore.

Article 108: The possession, treatment, transport, trading and processing as well as transactions related to gold are subject to special rules defined in the implementing decree of this law.

CHAPTER III: PROVISIONS APPLICABLE TO RADIOACTIVE SUBSTANCES

Article 109: The exploration and exploitation of radioactive substances are subject to special provisions determined by decree.

Article 110: The possession, treatment, transport, trading and processing as well as the transactions related to radioactive substances are subject to special provisions defined by decree.

CHAPTER IV: PROVISIONS APPLICABLE TO MINERAL WATER

Article 111: Mineral water is deemed to be a mine substance.

Article 112: The special provisions applicable to the exploration and exploitation of mineral water are determined by decree.

SECTION VIII: PROHIBITION ZONES AND PROTECTION ZONES

Article 113: Are classified as prohibition zones, the spaces within a hundred (100) meter radius around:

- closed properties;
- walls or an equivalent system;
- protected areas;
- wells;
- religious edifices;
- burial places or places deemed to be sacred.

Are also deemed to be prohibition zones, the surroundings, over a distance of 100 meters:

- thoroughfares
- water pipes and supply facilities;
- all work for public purposes;
- civil engineering works;
- public domain appurtenances.

The list of prohibition zones may be completed in accordance with the conditions determined by decree.

Article 114: The prospection, exploration and exploitation in prohibition zones are subject to the prior consent of the concerned owners, occupants or communities and the authorization of the Minister for Mines.

The terms and conditions of authorization are determined by decree.

Article 115: Specific zones may be defined for the protection of mining work around structures or infrastructures of public interest as well as around any place where the general interest so requires, by order of the Minister for Mines, upon application by the concerned parties and following an investigation.

Article 116: A decree determines the limits and elements constituting the protection zone as well as the conditions applicable to stay and movements within said zone. The protection zone thus created may be reduced or eliminated in accordance with the same procedures and conditions.

SECTION IX: RIGHTS AND OBLIGATIONS PERTAINING TO THE CARRYING ON OF MINING OR QUARRY OPERATIONS

CHAPTER I: ADHESION TO GOOD GOVERNANCE PRINCIPLES

Article 117: Any holder of a mining title undertakes to apply good governance principles, in particular, the Ecuador Principles and those of the EITI.

Article 118 Any holder of a mining title must comply with the principles and requirements of the EITI standard. In particular, the holder of the mining title must, for the elaboration of EITI reports, make declarations based on data which the proper authorities in the area have audited.

The holder of the mining title must report all information on payments to the State, including the social realizations, to the EITI national bodies.

Article 119: All mining income owed to the State and collected by the State, including the social realizations made by mining companies, are reported to the EITI national bodies.

Article 120: Child labor is prohibited in all activities governed by this Law.

CHAPTER II: COMMUNITY DEVELOPMENT

Article 121: The State guarantees the respect, protection and implementation of human rights and of rights of local communities affected by the mining exploitation.

The State oversees the implementation of the social responsibility of mining companies.

Article 122: The holders of mining titles or the beneficiaries of mining exploitation authorizations and the other commercial entities involved in mining exploitation must respect, protect and promote human rights.

Article 123: The holders of mining titles or the beneficiaries of mining exploitation authorizations are bound to respect the rights of populations and of local communities

Article 124: The holder of the exploitation permit is bound to elaborate a community development plan in consensus with the neighboring communities and the territorial and local administrative authorities, with precise goals and an investment plan.

The holder of the exploitation permit is bound to set up a fund to which contributions are made each year. The fund is dedicated to the implementation of socio-economic development projects for local communities drawn up in the community development plan. Said amounts are exempted from tax in relation to industrial and commercial profits.

The terms and conditions applicable to contributions to and to management of said fund are specified in the mining regulations.

Article 125: The Mining Administration sets up a local mining development committee for each mining exploitation, which is responsible for implementing economic and development projects for the local communities. The terms and conditions applicable to the creation, powers and operating of said mining local development committees are determined by decree.

The holder of the exploitation permit shall implement technical support measures and measures to reinforce the capacities of mining local development committees to ensure the efficient use of funds.

Article 126: The beneficiary of the semi-industrial mining exploitation authorization and the beneficiary of the quarry substances industrial exploitation authorization are bound to contribute to the financing of socio-economic activities of their settlement localities in accordance with the terms and conditions specified by decree.

CHAPTER III: RELATIONS WITH THE OCCUPANTS OF THE GROUND

Article 127: The occupancy of land needed for the activity of prospection, exploration or

exploitation of mineral substances and related industries within and outside the perimeter of the mining title or the authorization as well as the crossing of said land for the same purposes are effected in accordance with the terms and conditions drawn up by decree.

The occupancy of said land also entitles the occupant and the lawful occupant of the ground to a fair indemnity. The terms and conditions of said indemnification are defined by decree.

Said indemnification is covered by a memorandum of agreement between the operator, the occupant of the ground and the lawful occupant of the ground under the supervision of the Mines Administration.

The simple crossing of said land does not grant entitlement to an indemnity if the crossing does not cause any damage. However, repeated crossing of the land that causes inconveniences, damage or disturbance of possession grants entitlement to a fair compensation negotiated in the presence of the proper administrative structures.

Where applicable, said occupancy entails the right to cut the wood needed for said activity and to use free waterfalls within the perimeter defined in the mining title or the authorization, subject to indemnification or payment of taxes and fees provided for under current laws or regulations.

Article 128: The execution of work, within the perimeter of an exploitation permit or of an authorization by the owner of the State grants entitlement, in favor of the holder, to the reimbursement of expenditure incurred or to the payment of its value, less, where applicable, the benefits that the latter may gain therefrom.

Disputes relating to the amount of the compensation to be paid or any other matter related thereto are submitted to arbitration by the proper administrative structures in accordance with the conditions defined by law.

Article 129: The holder of a mining title or the beneficiary of a mining exploitation authorization is entitled, for the purposes of its exploitation and related industries, to dispose of substances other than the minerals of which its work necessarily involves the felling, in particular, of the woody species.

The occupant of the ground or the lawful occupant of the ground may request permission to dispose of said substances if the operator does not use them in consideration of payment of a fair indemnity, where applicable, unless they result from the treatment of extracted mineral substances.

The right to dispose of said substances other than mineral substances is exercised in accordance with the regulations applicable to said substances.

Article 130: The occupancy as well as the work mentioned in Articles 115 and 127 of this Law may be declared as serving public purposes in accordance with the conditions provided

for under current law, subject to the special or additional obligations imposed on the holders of the mining title or the beneficiaries of authorizations.

CHAPTER IV: RELATIONS WITH SUB-CONTRACTORS AND BETWEEN OPERATORS

Article 131: The holder of a title or the beneficiary of an exploitation authorization can, under its responsibility, sub-contract mining operations for which it is responsible to qualified companies. It must give preference to Ivory Coast companies, on equivalent conditions of quality, price and quantities.

The sub-contracting contracts must be provided to the Mines Administration. The sub-contractors are approved in accordance with the conditions set by decree.

Article 132: The holder of the exploitation permit is bound to implement a training plan for national SMEs, identified according to its needs, in order to increase their participation in the provision of goods and services for the mining project.

Article 133: The holder of a title or the beneficiary of an exploitation authorization as well as its sub-contractors must give preference to Ivory Coast companies for construction, supply and provision of services contracts, on equivalent conditions of quality, price and quantities.

Article 134: The holder of a title or the beneficiary of an exploitation authorization as well as its sub-contractors must, as a priority, employ Ivory Coast nationals as personnel for the needs of their operations.

For this purpose, the holder of the mining title must draw up and finance a training program for Ivory Coast personnel, identified according to its needs, of all qualifications, in accordance with the conditions set in the mining convention.

Article 135: The holder of the exploitation permit is required to help finance the reinforcement of capacities of officials of the Mining Administration and to the training of Ivory Coast mining engineers and geologists.

The terms and conditions of said contribution are determined by decree.

Article 136: The thoroughfares, electrical lines and other facilities or infrastructure work owned by an operator and that are liable to serve for a common use may be used by neighboring establishments and be available for public use, provided that such use does not cause any inconvenience for the operator and in consideration, where applicable, of the payment of a fair indemnity and use costs.

An agreement entered into between the neighboring operators or between the relevant

operator and the proper authority and any other relevant authority defines the terms and conditions of the availability of said facilities for common use.

CHAPTER V: SAFETY, HYGIENE AND MEASURES TO BE TAKEN IN THE EVENT OF ACCIDENT

Article 137: Any natural person or legal entity carrying out exploration or exploitation work in relation to mineral substances under the provisions of sections II, III and IV of this Law is bound to carry out the work in accordance with currently accepted practices so as to guarantee the safety of persons and property.

The safety and hygiene rules applicable to the prospection, exploration and exploitation work in relation to mineral substances, transport, storage and use of explosives are set by decree.

Article 138: Prior to undertaking any work whatsoever under a mining title or an authorization, the holder or the beneficiary draws up rules relating to safety and hygiene specific to the envisaged work. The holder of a mining title or the beneficiary of an authorization is bound to comply with and to ensure compliance with the rules approved by the Mines Authority.

Article 139: In the event of an accident in a mine or a quarry or in their appurtenances or in the event of an identified danger, the holder of the mining title or the beneficiary of an authorization is bound to take all necessary measures to limit or prevent the loss.

It immediately reports the facts to the Mines Administration.

When the holder of the mining title or the beneficiary of an authorization is unable to avoid or to limit the loss by its own means, the authorized officials of the Mines Administration as well as the police officers take, at the concerned party's expenses, all necessary measures to eliminate the danger and to avoid a repeat thereof.

In the case of extreme urgency or in case of refusal of the concerned parties to comply with said measures, they are carried out as a matter of course by the Administration and at the concerned parties' expense.

CHAPTER VI: PROTECTION OF THE ENVIRONMENT

Article 140: The activities governed by this Law must be carried out in such a way as to protect the quality of the environment, the rehabilitation of exploited sites and the conservation of the forestry assets in accordance with the terms and conditions drawn up under current regulations.

Article 141: Any applicant for an exploitation permit or an industrial or semi-industrial exploitation authorization is bound, prior to undertaking any exploitation work whatsoever, to conduct and to submit the Environmental and Social Impact Assessment, acronym ESIA, to the approval of the Mines Administration, the Environment Administration and any other services provided for under mining regulations.

The EIES must include an Environmental and Social Management Plan which includes a plan for the rehabilitation of sites and their estimated costs.

Any substantial amendment of the Environmental and Social Management Plan is first authorized by the Mines Administration and the Environment Administration.

In view of protecting the health and well-being of populations neighboring mining sites, inspections are carried out from time to time:

- by the holder of the exploitation permit or of the industrial or semi-industrial exploitation authorization, at its expense, under its Environmental and Social Management Plan as approved by the proper administrative structures;
- by the proper administrative structures and, where applicable, by a body specialized in the area, appointed by the proper administrative structures, at the expense of said Administrations.

In the event of extensive pollution recorded, the expenses of inspection, of subsequent checking and the related fines are charged to the holder of the exploitation permit or to the beneficiary of the exploitation authorization, in accordance with the terms and conditions specified by decree.

Article 142: The holder of an exploitation permit or the beneficiary of an industrial or semi-industrial exploitation authorization is bound to implement the Environmental and Social Management Plan approved by the Mines Administration and the Environment Administration.

Article 143: The holder of the exploitation permit or the beneficiary of an industrial or semi-industrial exploitation authorization are subject to special laws and regulations governing, in particular, the protection of the environment, town planning, the establishments classified as being dangerous, insalubrious or inconvenient and the protection of forestry assets.

CHAPTER VII: REHABILITATION AND CLOSING OF THE MINE

Article 144: As from the beginning of the exploitation, an escrow account for the rehabilitation of the environment, domiciled in a leading financial institution in the Ivory Coast, is opened.

Said account is used to cover the costs of the plan to rehabilitate the environment at the end of the exploitation. The amounts are paid into this account, according to a scale drawn by the proper administrative structures, and are recognized as expenses to determine the base for the tax on industrial and commercial profits. The holder of an exploitation permit or the beneficiary of an industrial or semi-industrial authorization permit is bound to make contributions to said account.

The terms and conditions applicable to contributions to and to the operating of escrow accounts are defined by decree.

Article 145: Any application for an exploitation permit or an exploitation authorization of industrial quarries is bound to provide, at the same time as the Environment and Social Impact Assessment, a plan for the closing and rehabilitation of the mine.

The closing and rehabilitation plan is submitted to the approval of the Administrations responsible respectively for mines and the environment.

When changes in mining activities justify a modification of the closing plan, the holder of the mining title or the beneficiary of the authorization to exploit industrial quarries is bound to submit it for review.

The closing plan must take account of the following aspects:

- the cleaning of the exploitation site;
- the dismantling and removal of mining facilities;
- the treatment and rehabilitation of the site;
- the post-rehabilitation surveillance of the site;
- the reconversion possibilities of the site;
- the official return of the site to the proper authorities.

Article 146: The closing and rehabilitation plan is drawn up in relation to the site and the type of exploitation.

Article 147: The closing and rehabilitation plan must specify the methods provided for the dismantling and recovery of all components of the mining facilities, including the facilities and equipment specified in the implementing decree.

The closing and rehabilitation plan must provide for the carrying out of gradual rehabilitation work during the exploitation and not only at the end of the exploitation.

It must also provide for the post-closing environmental follow up.

Article 148: Any holder of a mining exploitation permit or beneficiary of an exploitation authorization of industrial quarries retains public liability for the damage and accidents that may be caused by the old facilities over a period of (5) years after the closing of the mine.

SECTION X: TAX AND CUSTOMS PROVISIONS

CHAPTER I: DUTIES, LEVIES AND FEES

Article 149: Applications for the allocation, renewal, assignment, transfer, farming out, mortgage or waiver of mining titles and authorizations are subject to payment of fixed duties whose amounts and terms and conditions of payment are set by decree.

Any application must, on the pain of inadmissibility, be accompanied by the receipt of payment of the fixed duty.

The fixed duties vest to the State regardless of the follow up given to the application.

Article 150: Are subject to the payment of the annual land royalties (*redevance superficiaire*):

- the holder of a mining title;
- the beneficiary of a prospection authorization;
- the beneficiary of a non-industrial or semi-industrial exploitation authorization;
- the beneficiary of an authorization to exploit quarry substances.

Article 151: In addition to the tax on industrial and commercial profits and the fees and levied provided under the Tax Code, the holder of an exploitation permit is subject to the payment of royalties based on sales after deduction of transport (price FOB) and refining expenses, where applicable.

The holder of an exploitation permit for rough diamonds is not subject to royalties.

Royalties are collected in the same conditions and according to the same procedures, consequences in law and security interests as the levies on sales.

Article 152: In addition to the taxes, levies and fees provided for under the Tax Code, the

beneficiary of a semi-industrial mining exploitation authorization is bound to pay royalties.

The beneficiary of an exploitation authorization for rough diamonds is not subject to royalties.

Article 153: The rates of royalties are set under mining regulations.

Article 154: The beneficiary of a non-industrial mining exploitation authorization is subject to an annual flat tax whose amounts and terms and conditions of collection are specified by decree.

Article 155: In addition to the taxes, levies and fees provided for under the Tax Code, the beneficiary of an authorization to exploit or extract quarry substances is subject to the payment of an exploitation or extraction levy based on the quantities produced.

The rates of the extraction or exploitation levy are set under mining regulations.

Article 156: The machinery, machines and equipment mentioned in Articles 162 and 165 of this Law, imported by the holder of an exploration or exploitation permit or its approved sub-contractors and which may be re-exported or assigned after use are covered by temporary admission regulations, with payment of the statistic fee (acronym RSTA).

Article 157: Under this Law, the holder of the mining title is liable to pay community fees on all of its imports during the exploration and exploitation phase.

Article 158: Capital gains made on assignments of mining titles and of industrial exploitation authorizations of quarry substances are subject to a tax in compliance with the Tax Code.

When, with the information available, it is not possible to determine the capital gains according to the provisions of the Tax Code, it is established as being a gain arising from the difference between the assignment price and the total value of expenditure incurred for the assigned property.

CHAPTER II: REPORTING OBLIGATIONS

Article 159: The holder of an exploration permit is subject to the tax obligation to file each year the return relating to the operating account and results and of elements to determine the license to carry on a trade or an occupation (patent).

Article 160: The holder of an exploitation permit is subject to the reporting obligations applicable to companies subject to industrial and commercial profits and, in particular, the obligation to file each year a return relating to its operating account and results.

Article 161 Any natural person or legal entity that carries out purchase, sale, transit, export or import of mining substances governed by this Law must report this operation to the Minister for Mines and record the result of said operations in a register which is kept up to date in accordance with the provisions of this Law and subsequent texts.

Any natural person or legal entity that carries out packaging, treatment, processing operations, including the elaboration of metals and alloys relating to said substances or their concentrate or any primary by-products, is also bound by said obligation.

CHAPTER III: ADVANTAGES GRANTED DURING THE EXPLORATION PHASE

Article 162: The machinery, materials, machines and equipment included in the approved program specifically and definitively for mining exploration operations and needed to implement the exploration program imported by the holder of the exploration permit and its sub-contractors approved by the Mines Administration are exempted from customs duties, including value added tax.

The exemption upon import also extends to parties and spare parts for exploration machines and equipment. In any event, the value of spare parts may not be greater than 30 % of the global Cost-Insurance-Freight value, CIF, of imported machines and equipment.

The list of machinery, materials, machines and equipment that may be exempted from import duties and levies is submitted with the application for the exploration permit. Upon issue of the exploration permit, said list is added to form an integral part thereof.

The commercial vehicles on the aforementioned list are covered by a temporary admission.

When certain machinery, materials or machines to be imported are not on said list, an application for specific exemption is submitted to the Minister for Economy, following approval of the list of said goods by the Minister for Mines.

May not give rise to exemption from import tax:

- machinery, materials, machines and equipment whose manufactured equivalent can be found in the Ivory Coast or is available on conditions of price, quality, warranty, inter alia, equal to those of the same goods of a foreign origin;
- vehicles used to transport people and goods;
- furnishing movables and other chattels;
- equipment not approved by the Mines Administration and Customs Administration;
- goods not giving rise to deduction under the provisions of the Tax Code.

Article 163: Without prejudice to the provisions of Article 162 above and in addition to the advantages granted by the Tax Code, the holder of an exploration permit enjoys exemptions in relation to:

- corporate tax income;
- flat minimum tax or its equivalent;
- property taxes;
- registration duties on contributions made upon incorporation or capital increase of companies.

CHAPTER IV: STABILITY AND ADVANTAGES GRANTED DURING THE EXPLOITATION PHASE

Article 164: The State guarantees the holder of the exploitation permit the stability of tax and customs regulations.

Should more favorable tax and customs regulations be applicable in the mining sector, the holder of the exploitation permit may request the benefit thereof provided that it adopts it in its entirety.

Article 165: During the phase of the making of initial investments and the expansion of production capacities of an existing mine, the holder of an exploitation permit is exempted from customs duties, including VAT, collected on the import on machinery, materials machines and equipment as well as on spare parts included in the approved program and directly and definitively intended for mining operations.

For the purposes of the exemption provided for in this article, the value of parts may not be greater than 30 % of the global Cost-Insurance-Freight (CIF) value of imported machines and equipment.

The list of machinery, materials, machines and equipment as well as parties and spare parts that may be granted an exemption is appended to this exploitation permit.

Commercial vehicles on the aforementioned list are covered by a temporary admission.

May not give rise to exemption upon import, the following materials, machinery and equipment:

- vehicles used to transport people and goods other than the extracted mining products;
- machinery, materials, machines and equipment whose manufactured equivalent can be found in the Ivory Coast or is available on conditions of price, quality, warranty, inter alia, equal to those of the same goods of a foreign origin;
- furnishing movables or other chattels;
- goods not giving rise to deduction under the provisions of the Tax Code.

The holder of the exploitation permit retains the right to sell its imported machinery, materials, machines and equipment in the Ivory Coast provided that it pays the duties and levies applicable on the date of the transaction on the assignment value and carries out all formalities

laid down under current regulations.

The import exemption period may not be longer than the time limit for the making of the initial investments provided for in the decree allocating the exploitation permit and two (2) years for the investments to expand production capacities. Said time limits may be extended in accordance with the conditions set by decree.

Article 166: The holder of the exploitation permit, its affiliated companies and their approved sub-contractors benefit from:

- a) exemption on customs duties due and payable on liquid or gaseous fuels, lubricants, chemical or organic products needed to treat the ore, including VAT, during the entire exploitation period of the mine;
- b) temporary admission regulations during a period of three (3) years as from the date of the first commercial production;
- c) exemption for export duties and levies on the product of the mine, including stamp duties during the entire exploitation period;
- d) exemption from exit duties and levies on machinery and equipment used to carry out the exploitation work upon their re-export;
- e) the procedure for the immediate removal for their imports of machinery, machines and equipment as well as the products and consumables substances intended for making investments and/or exploitation;
- f) re-export regulations applicable to machinery covered by the temporary admission.

Article 167: The expatriated personnel of the holder of the exploitation permit and of direct sub-contractors approved by the Mines Administration benefit, for their personal belongings, from exemption from duties and levies over a one year period as from its first settlement in the Ivory Coast, apart from community fees.

Article 168: The holder of the exploitation permit is exempted from VAT on its imports and foreign services, the purchase of goods and services in the Ivory Coast and on sales in connection with the mining operations up to the date of the first commercial production.

Article 169: The holder of the exploitation permit is exempted from:

- a) tax on real estate assets of developed assets and the tax on real estate assets of non-developed assets, apart from the tax on real estate income, the road, hygiene and sanitation tax for its premises located outside the mining perimeter during the period of

- validity of the exploitation permit;
- b) the exploitation levy for the withdrawal of water from the water table as part of mine drainage operations in the perimeter of the permit during the period of validity of the exploitation permit;
 - c) the felling tax in the perimeter of the permit during the period of validity of the exploitation permit, provided that the woody essences are not sold;
 - d) the contribution for the license to carry on a trade or an occupation (patent), for the sole fact of the extraction and sale of extracted substances, during the period of validity of the exploitation permit. Said exemption does not cover processing of extracted substances;
 - e) the tax on industrial and commercial profits and the flat minimum tax during the first five years following the date of the first commercial production. The taxable net profit is determined in accordance with the provisions provided for in the Tax Code.
 - f) the local tax levy.

Article 170: The rates of the tax on interest on the income from receivables is reduced by half for interest to finance the exploration company granted in the form of loans for more than three years,

Article 171: The holders of quarry exploitation authorizations benefit from the advantages of the Investment Code.

SECTION XI: FOREIGN EXCHANGE REGULATIONS

Article 172: The holder of the mining title or the beneficiary of an authorization is subject to the foreign exchange regulations of the Ivory Coast.

During the period of validity of the title and of the authorization and subject to compliance with its obligations, in particular, in relation to foreign exchange regulations, it is authorized to:

- open and operate local or foreign currency accounts in the Ivory Coast and elsewhere;
- cash in abroad all funds acquired or borrowed abroad, apart from proceeds from the sale of their production that must be repatriated to the Ivory Coast in accordance with the conditions set under foreign exchange regulations;
- transfer abroad the dividends and income from invested capital as well as the income from the winding up or realization of their assets;

- pay foreign suppliers for the goods and services needed to run operations.

The guarantee of the free convertibility between the local currency and convertible foreign currencies is governed by the international treaties which include the franc zone and the West African Economic and Monetary Union.

The free conversion and the free transfer to their home country of all or part of the amounts owed to it, provided that it has paid the miscellaneous taxes and contributions applicable to it in accordance with current regulations, are guaranteed to the expatriated personnel employed by the holder of the permit or the beneficiary of an authorization residing in the Ivory Coast.

SECTION XII: SURVEILLANCE AND ADMINISTRATIVE, TECHNICAL AND FINANCIAL CONTROL

Article 173: The sworn officials of the Mines Administration are responsible, under the authority of the Minister for Mines, for overseeing the application and technical and administrative surveillance of the activities referred to in the Mining Code. Their powers cover all exploration work, the mining exploitations and their appurtenances.

The sworn officials of the Mines Administration are responsible in particular for:

- the elaboration, conservation and distribution of documentation
- relating, inter alia, mineral substances and mineral resources;
- the coordination of control by the various Administrations of the implementation of the provisions of various laws and regulations applicable to mining companies.

Article 174: The Mines Administration keeps registers up to date for mining titles and authorizations issued under this law. The sworn officials of the Mines Administration have access, both during and after their implementation, to all drillings, excavations and all work to check that the provisions of this Law, in particular, the safety and hygiene rules, are respected.

The sworn officials of the Mines Administration also have access to exploitation work and facilities to carry out the same checks thereof.

The holder of mining titles and the beneficiary of authorizations as well as those carrying out work or their employees are bound to facilitate the performance of control and checking operations by sworn officials of the Mines Administration.

Article 175: The Mines, customs and tax Administrations are bound to provide an economic and accounting follow up and to oversee the financial control of mining activities. The terms and conditions of exercise of said control are specified by decree.

Article 176: The holder of a mining title or the beneficiary of an authorization updates registers to be provided to the Mines Administration, the returns, data, samples, reports and documents whose content, form and frequency of production are specified by decree.

Article 177: Any drilling, underground work, excavation work, being implemented, regardless of the purpose thereof, at a depth greater than twenty (20) meters, is to be reported to the Mines Administration.

SECTION XIII: CRIMINAL PROVISIONS AND ADMINISTRATIVE PENALTIES

CHAPTER I: COMMON PROVISIONS

Article 178: The sworn officials of the Mines Administration are officers from the criminal investigation department for the investigation and recording of violations of the Mining Code. Said investigation may include a body search.

The unsworn officials of the Mines Administration are bound to forward their reports on the investigation and recording of violations of the Mining Code as well as the seized mineral substances to the Mines Administration.

The reports recording the violations and the seized products are forwarded to the District Attorney with territorial jurisdiction.

Article 179: In all cases of disputes relating to mining activities, the reports and notices of the Mines Administration serve as experts' reports.

CHAPTER II: CRIMINAL PROVISIONS

Article 180: Is punished by a prison sentence of three months to one year and a fine of 1,000,000 CFA Francs to 5,000,000 CFA Francs or one of said two penalties only, whomsoever:

- exploits without authorization any quarry product on his or her own land;
- buys or transports unauthorized quarry materials;
- extracts without authorization quarry materials on public domain land or other party's land;
- leases, lends or assigns an authorization to a third party without the prior consent of the Mines Administration;

- knowingly gives false information to obtain a mining title.

Article 181: Is punished by a fine of 1,000,000 CFA Francs to 5,000,000 CFA Francs, whomsoever:

- holder of a mining title or an authorization does not provide the Mines Administration, within the required time limits, with the detailed reports on work, results obtained, declaration of production statistics, inflows, outflows and on stocks of products for commercial and processing operations;
- provides its declarations of production and sale after the time limit laid down in mining regulations;
- pays land royalties and proportional fees late;
- holder of mining title does not keep the registers of extraction, sale and shipment of extracted products, regularly updated in accordance with the conditions provided for under regulations, or refuses to present said registers to the officials authorized to check them.

Article 182: Is punished by a one year to three year prison sentence and a fine of 10,000,000 CFA Francs to 50,000,000 CFA Francs or one of said two penalties only, whomsoever:

- trades, without authorization, in precious stones and metals;
- holder of a mining title or authorization fails to comply within fifteen days with orders of sworn officials relating to measures applicable to safety and protection of the quality of the environment;
- objects in any way to the occupancy of a mining perimeter by its holder;
- holder of a mining title or an authorization fails to comply within fifteen days with instructions of sworn agents of the Mines Administration relating to hygiene measures;
- carries out mining work in zones in which mining activity is prohibited;
- falsifies or modifies a mining title in any way;
- carried out mining activities with out of date authorizations or mining titles;
- illegally carries on work of prospection, exploration or exploitation of mineral substances other than precious stones and metals;
- holder of a mining title fails to submit all Memoranda of Agreement, contracts and agreements under which it intends entrusting, assigning or transferring all or part of the rights and obligations attached to said title to the prior approval of the Administration;
- fails to provide its monthly declarations of production and of sale;

- exploits, without authorization, mineral substances other than those referred to in the authorization;
- fails to inform the Administration of any accident that occurred or of any other cause of danger identified in a mine or quarry or in its appurtenances;
- holder of a mining title or an authorization modifies the duly allocated perimeter;
- reduces the taxable value of extracted products.

Article 183 Is punished by a two year to five year prison sentence and a fine of 50,000,000 CFA Francs to 100,000,000 CFA Francs or one of said two penalties only, whomsoever:

- exploits, without mining title, mineral substances other than those referred to in the mining title;
- illegally carries on work of prospection, exploration, exploitation or sale of precious stones and metals;
- without prejudice to the confiscation measure provided for in Article 188 of this Law is in possession of precious stones or metals, regardless of the quantity thereof, without papers or documents that may provide information on the source or origin thereof;
- forfeits its title, refuses to comply with disciplinary measures provided for under current laws;
- holder of an exploration permit, disposes of the products extracted during its prospection or exploration work, without making the declaration thereof.

Article 184: The attempt and the aiding and abetting of violations provided for under this Law are punishable under Articles 24 and 27 of the Criminal Code.

The provisions of Articles 117 and 133 of the Criminal Code relating to mitigating circumstances and to a stay of proceedings are not applicable to violations provided for and published under this Law.

Article 185: In the event of a repeat violation, the fine may be doubled and a prison sentence not longer than ten years may be handed down.

Article 186: The prosecution of violations provided for under this Law obeys the rules defined in the Code of Criminal Procedure.

CHAPTER III: ADMINISTRATIVE PENALTIES

Article 187: In all cases of violation, the Administration may order:

- the cancellation of the authorization or of the mining title;
- the temporary or permanent closing of the perimeter concerned by the authorization or the mining title;
- the general or special confiscation of machinery used to commit the violation and the resulting products in favor of the State;
- the display of the sentencing decision at the place of violation and at the administrative centers of the *départements* and sub-prefectures over three months;
- the publication of the sentence in three daily newspapers published in the Republic of Ivory Coast, three times successively at the expenses of the guilty parties;
- prohibition on stay or on appearance, in accordance with the provisions of Article 77 *et seq.* of the Criminal Code.

Article 188: The administrative penalties may be appealed before the proper court.

Article 189: In all cases of violation, the Administration may come to terms at any time in accordance with the conditions defined by decree.

SECTION XIV: DISPUTE SETTLEMENT

Article 190: In the event of disagreement between the holder of a mining title or the beneficiary of an authorization and the State in relation to the enforcement of this Law and its implementing texts, the Mines Administration and the holder or the beneficiary may jointly appoint one or more independent experts acting in an advisory capacity to try to settle the dispute.

Any disagreement between said same parties relating to the matters governed by the Mining Code of a nature other than purely technical shall be settled finally by the ordinary courts of Ivory Coast having jurisdiction or by an arbitral court set up under Ivory Coast law or else by an international arbitral court when the mining convention so provides.

The rights of the holder or of the beneficiary are suspended until the final award unless a guarantee is provided in the form and for an amount acceptable by the Mines Administration.

Up to the final award, the Mines Administration may take any protective measure that it deems to be necessary to protect people, property, the environment and the exploitation.

SECTION XV: TRANSITIONAL PROVISIONS

Article 191: The currently valid mining titles and mining authorizations on the date this Law takes effect are valid for the period and the substances for which they were issued. They retain their definition throughout the period of validity thereof. Renewals will be made in accordance with the provisions of this law.

Article 192: The currently valid mining conventions on the date this Law takes effect are valid for the term of the period of validity thereof. Said agreements will be renewed in accordance with the provisions of this law.

Article 193: The holders of mining titles, the beneficiaries of mining authorizations and the signatories of mining conventions mentioned in Articles 191 and 192 above may request to be governed by the provisions of this Law in accordance with the conditions determined by decree.

SECTION XVI: END PROVISIONS

Article 194: Decrees adopted in Council of Ministers set the terms and conditions of implementation of this Law.

Article 195: The Investment Code does not apply to the holder of mining titles.

Article 196: This Law repeals all early conflicting provisions, in particular, Law No. 95-553 of July 18, 1995.

Article 197: This Law shall be published in the Journal Officiel of the Republic of Côte d'Ivoire and be implemented as law of the State.

**Made in Abidjan, on 24 March 2014
Alassane OUATTARA**

Certified copy
The General Secretary of the Government
Sansan Kambile, Judge

N°1400123