

THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS

Mining Code

2014



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MINING CODE

Decree No. XX, xxx, 2014.

ARTICLE 1 INTERPRETATION

1. All mineral resources are public property that can make a significant contribution to the economic development of the Republic of Somaliland. The Government is responsible for ensuring that mineral resources are developed for the benefit of the people in a manner that follows best international practices for resource management and the conservation and preservation of the environment.
2. The Government wishes to promote the exploration for and development of mineral resources in the Republic of Somaliland and wishes to ensure that exploration and development is carried out to best international standards, while encouraging and developing domestic expertise in the industry.
3. Due to the significant risk inherent in mineral exploration and development, it is desirable that these activities be carried out by the private sector.
4. The Mining Code does not apply to the exploration for and production of hydrocarbons.

ARTICLE 2 DEFINITIONS

Art Stone means any stone such as marble, extracted for its natural beauty for use in ornaments and polishing, etc., but not in building or construction.

Artisanal Mining means small scale, traditional and largely manual mining operations carried out by individuals, or small groups of individuals.

Artisanal Mining License means a License granted to an individual to conduct Artisanal Mining pursuant to Article 9 of the Mining Code.

Authorized Activities means Prospecting, Exploration, Mining or any related activities carried out pursuant to a License or Permit.

Commercial Discovery means a discovery of Minerals which could potentially be economically produced.

Construction Materials include all materials that are mined for use in the construction of buildings, roads, dams and similar works such as rock, stone, gravel, sand, clay, and limestone for the production of lime, but does not include industrial minerals.

Country means the Republic of Somaliland.

Court means the highest court in Somaliland.

Deposit means any natural concentration of Minerals found within the earth's crust.

Director shall mean the Director of Geology and Mining, Ministry of Water and Mineral Resources.

Exploration (to Explore) means the search for Minerals and Deposits by any geological, geochemical, geophysical or related methods including trenching, drilling and sampling.

Exploration License means a license to carry out Exploration granted pursuant to Article 6 of the Mining Code.

Explosives mean all forms of blasting material to be used in connection with Prospecting, Exploration, Mining or related activities.

Gemstone mean any form of mineral, which is commonly cut and polished for use in jewelry with the exception of diamonds which shall be considered as Minerals.

Government means the Government of the Republic of Somaliland.

Holder means a person or company to whom a Permit or License has been granted pursuant to the Mining Code.

Hydrocarbons mean all natural organic substances composed of carbon and hydrogen, including crude oil and natural gas and all other mineral substances, products, by products and derivatives found in conjunction with the same excluding coal.

License means a Prospecting License, Exploration License, Retention License, Artisanal Mining License or Small Mining License.

License Area means a portion of the geographic area of the Country which is subject to a License granted pursuant to the Mining Code.

Mine/to Mine/Mining Operations means to undertake all acts necessary to develop and extract Minerals, Construction Materials, Gemstones or Art stones from a deposit for treatment, processing or sale pursuant to a License or Permit.

Mineral means any natural occurring substance of economic value that is formed within the earth's crust and includes geothermal deposits, precious and base metals, diamonds and industrial minerals but excludes Hydrocarbons, Construction Materials, Gemstones, Art Stones and water.

Mining Code means the Somaliland Mining Code enacted by the Parliament of The Republic of Somaliland.

Mining Permit or Permit means a Permit granted pursuant to Article 8 of the Mining Code.

Minister/Ministry means the Minister/Ministry of Energy & Minerals.

Parliament means Parliament of the Republic of Somaliland.

Permit Area means a portion of the geographic area of the Country which is subject to a Permit granted pursuant to the Mining Code.

Prospect (to Prospect) means the reconnaissance level search for Minerals through geological, geophysical and geochemical mapping, sampling, and testing as well as other non-invasive methods.

Prospecting License means a license to Prospect granted pursuant to Article 5 of the Mining Code.

Regulations means the regulations contained in the Mining Code.

Republic means the Democratic Republic of Somaliland.

Retention License means a License granted pursuant to Article 7 of the Mining Code.

Right of Passageway means any required right of way necessary to access a License or Permit to carry out Authorized Activities.

Small Mining License means a License granted pursuant to Article 9 of the Mining Code.

ARTICLE 3 FEES AND ROYALTIES

1. All Minerals, Gemstones and Art stones obtained, produced and sold pursuant to a Permit issued under the Mining Code shall be liable to such royalty as prescribed in Schedule 1 of the Mining Code. Royalties will be calculated on a “net smelter return” basis after the deduction of refining, transportation and treatment charges.

2. Liability for the payment of royalties shall be deemed to have arisen immediately for Minerals, Gemstones and Art stones that have been extracted by Mining pursuant to a Permit and shall be payable monthly.

3. Where it is not possible to calculate the exact amount of the royalty payable before export or sale, a provisional royalty shall be payable based on the best estimate of the Holder. A final assessment shall be made immediately after receipt of the information necessary to establish the proper amount of the royalty due.

4. Samples for the purpose of experiment or assay, or commercial or scientific specimens, are exempt from the requirement to pay royalties.

6. The holder of a Permit or License, and any other persons or companies buying or selling Minerals or Mineral products, shall keep adequate records to the satisfaction of the Minister, to show the quantity of Minerals or Mineral products produced, bought or sold, and accounts of such purchases, sales or exports. Such records may be inspected by the Ministry upon reasonable notice.

7. The fees set forth in Schedule 1 shall be payable to the Ministry of Finance with respect to the matters specified therein.

8. Fees payable under Schedule 1 shall not be refundable except for fees with respect to the unsuccessful application for a Permit or License.

9. Any Holder who fails to pay applicable fees as per Schedule 1 shall immediately be considered in default with respect to the Permit or License.

ARTICLE 4 GENERAL PROVISIONS

1. No person or company shall Prospect, Explore or Mine in the Republic without a Permit or License issued pursuant to the Mining Code.

A preliminary evaluation of the potential of an area may be undertaken provided that no large scale or wide spread Prospecting or Exploration activities are carried out.

Any person may freely Mine Construction Materials, Art Stones or Gemstones for non-commercial purposes on land they occupy, or which is not owned or occupied by others.

2. If any Permit or License has been granted as the result of fraudulent representation, or the rules of a Permit or License are found to be breached, the Minister may give notice to the Holder thereof and if the Holder fails to remedy the breach within 60 days the Minister may revoke the Permit or License.

3. No member of the Government or civil service, nor any other person or company associated with the administration of the Mining Code shall directly or indirectly, by themselves or with any other person, agent or company, acquire or hold any right or interest to any Permit or License. Any Permit or License purporting to confer such right or interest on any such person or company shall be null and void.

4. No person or company shall acquire by transfer or through an agent any Permit or License which they or it are otherwise barred from obtaining under the Mining Code.

5. The Minister may refuse to issue a Permit or License to an individual or company who held any License or Permit which has been revoked or has been convicted of an offence under the Mining Code.

6. The Minister may, with the approval of the Parliament, declare any area to be closed to Prospecting, Exploration or Mining for environmental, religious or cultural reasons.

7. In the event that any land wholly or partially within the area of any Permit or License is required for public purpose, the Minister, with approval of the Parliament, shall give notice thereof and pay reasonable compensation to the Holder. If reasonable compensation cannot be agreed upon it shall be determined by the Court.

8. Subject to the provisions of the Mining Code, the holder of a License may:

- a) Enter upon the License Area to carry out Authorized Activities;
- b) Erect on unoccupied land a temporary camp and such temporary structures and works as may be necessary for the Holder to carry out Authorized Activities, and enter into temporary occupation thereof;
- c) Use, other than standing timber, any wood based materials for domestic use and for use by employees, contractors or agents;
- e) Only divert or extract water from any river, stream, water course, lake, pool, or other source of water with the written consent of the owner of such water.

9. Holders of Exploration Licenses which are contiguous and form a single block may apply to the Director to have such Licenses amalgamated, provided that an amalgamation shall not extend to different Holders, and provided that the amalgamated Licenses do not exceed the maximum allowed

size. Thereafter, the amalgamated Licenses shall be treated as one with respect to the obligations imposed by the Mining Code.

10. Any Holder may apply to the Minister for the grant of a Right of Passageway by submitting Form 7 in duplicate and paying the applicable fee, and the Minister will grant the Right of Passageway if the Minister is satisfied that:

- a) It is necessary to carry out Authorized Activities: and
- b) The Holder has, whenever practicable, given notice to any person or company having lawful interest in the land on which such Right of Passageway is located and paid fair and reasonable compensation for any disturbance of surface rights, and for any damage to the surface of the land, or to any livestock, crops, trees, buildings or other structures. The amount of compensation payable shall be determined by negotiation and agreement or, if agreement cannot be reached, the amount shall be determined by the Court.

Any Right of Passageway granted shall expire when the Permit or License which it serves expires or is surrendered or terminated.

There are no annual fees or renewal requirements with respect to a Right of Passageway.

11. The Holder of an Exploration License, Mining Permit or Retention License shall erect permanent beacons on every corner and where highways or major watercourses cross the boundary within 120 days of being granted the License or Permit.

12. Before granting any Mining Permit, Retention Permit or Right of Passageway in connection therewith, and subsequent to such grant should the necessity arise, the Minister may require the area of land to be included or occupied or the boundaries thereof to be surveyed and the cost of such survey shall be borne by the applicant or Holder, as the case may be.

13. The Minister may require the boundary of any Mining Permit or Retention License or any part thereof to be demarcated in a manner, including the clearing of any vegetation along such boundary, so that it shall be clearly visible, and the Holder shall keep such boundary or part thereof permanently demarcated in such manner.

14. The Holder of any Permit or License shall produce a copy of the Permit or License whenever demanded by any person having lawful interest in the land on which the Holder is carrying out Authorized Activities, or when demanded by the Director or any officer authorized by the Director.

15. Any Holder of a Permit or License shall reasonably exercise the Holder's rights so as not to negatively affect any owner or occupier of the Permit Area or License Area, and whenever practicable, shall give notice to the person or company having lawful interest in such land before commencing Authorized Activities thereon, and shall pay fair and reasonable compensation for any disturbance of surface rights, and for any damage to the surface of the land, or to any livestock, crops, trees, buildings or other structures, as a result of the Authorized Activities.

The amount of compensation payable shall be determined by negotiation and agreement or, if agreement cannot be reached, the amount shall be determined by the Court.

Where the value of any land has been enhanced by Prospecting, Exploration or Mining activities, compensation payable with respect to such land shall not exceed the value of such land which would have been payable had such value not been enhanced.

The Minister may, by notice to the Holder of a Permit or License who has failed to pay the compensation awarded, suspend Authorized Activities until the compensation awarded has been paid.

16. Application for a Permit or License may be made for any area on which Artisanal Mining is being carried out provided that the Holder of a Permit or License thus granted does not interfere with the Artisanal Mining activities. If after the grant of a Permit or License the Holder desires to interfere with or have the Artisanal Miners cease their activities, the Holder must attempt to reach agreement with the Artisanal Miners with respect to compensation. If no such agreement can be reached, it will be determined by the Court.

17. The Holder of a Permit or License shall keep on the Permit Area or License Area, or at the Holder's office within the Republic, full and accurate books and records and plans, reports and maps with respect to all Authorized Activities and will make them available for inspection by the Ministry on reasonable notice.

18. One half of the core of any drill-holes shall be preserved by the Holder, together with proper geological logs and records, such that, during the term of the Permit or License and on the termination thereof, such core portions, logs and records shall be made available to the Ministry. With permission from the Minister, in some cases, a company may utilize 100% of a core to conduct metallurgical testing.

19. The Holder of a Permit or License which has expired or been surrendered or terminated shall, within 90 days thereof:

- a) Submit the Permit or License to the Minister for cancellation at no cost to the Holder;
- b) Fill in or cap all shafts, grade the walls of all pits or other excavations and remove all beacons. No timber shall be removed from any mine or shaft except as may be approved by the Director;
- c) Submit a summarized final report to the Ministry of the work carried out, expenditures made and conclusions reached;
- d) Forward to the Director all technical information relating to the License or Permit including plans of surface and underground workings, topographical, geological, geochemical and geophysical survey results, drill logs and assay results and any and all other records;
- e) Restore all disturbed areas to their original state including the removal of any buildings, plant, machinery or structures on any Permit Area or License Area or any Right of Passageway used in connection therewith. If such plant, machinery, structures or tools aren't so removed, they may be sold by negotiation or auction by order of the Minister, and the net proceeds of such sale, after deducting the costs thereof, shall be retained by the Ministry and held until applied for by the Holder within a period of twelve months, after which any such sum shall be forfeited to the Government. If such proceeds of sale are insufficient to return the License Area or Permit Area to their natural state, the Holder shall remain responsible for such costs. Where such plant, machinery, structures or tools cannot be sold by negotiation or auction they shall become the property of the Republic and may be dealt with in such manner as the Minister may direct.

Termination of any Permit or License for whatsoever reason, including transfer and surrender, shall not affect or in any way reduce any liability incurred by the Holder before the date of such termination.

20. Every Holder of a Permit or License when not in the Republic, shall appoint an agent resident in the Republic at all times to represent the Holder in all matters relating to any Licenses, Permits, Authorized Activities or obligations imposed by the Mining Code.

21. Every Holder of a Prospecting License, Exploration License, Retention License or Mining Permit shall maintain an office in the Republic to which communications may be sent during the term of the Permit or License.

22. No person or company shall in the course of Prospecting, Exploration, Mining or related activities, permit any noxious, hazardous or poisonous materials to pollute water and shall not discharge sand, slime or other tailings in a manner as to interfere with the use of water by the public.

23. Holders of Permits and Licenses may export samples for assaying and testing purposes without any notice or permit from the Ministry other than the regular reporting requirements for Permits and Licenses pursuant to the Mining Code.

24. When the Holder of a Permit or License discovers Minerals which may be of economic value or capable of development, and which have not been reported previously, the Director shall immediately be notified and provided with the details of such discovery.

ARTICLE 5 PROSPECTING LICENSES

1. Prospecting Licenses will be issued on a “first come, first served basis” for land that is not covered by an existing Permit or License to companies, or persons who have attained the age of 21 years, and understand the provisions of the Mining Code and their obligations there under. Applications will be deemed received by the Ministry on the date that they are delivered to the office of the Ministry and will be time stamped. No subsequent applications with respect to all or any part of the area for which application has been made will be considered until such time as the original application is approved, the period for rectifying any shortcomings in the application has passed, or the application has been denied for failure to meet the terms of the Mining Code.

Within 30 days of receipt of the application, the Prospecting License will be granted or the Ministry will inform the applicant of either the shortcomings in its application, or the reasons why the application has been denied. The applicant shall have 30 days to correct any shortcomings that have been identified and resubmit its application, following which the Ministry will respond to the revised application within 30 days.

Notice of the grant of a Prospecting License will be published by the Ministry in an official newspaper.

2. Holders of a Prospecting License shall have the exclusive right to apply at any time to convert all or any part of the Prospecting License into an Exploration License or Licenses by making an application for Exploration License(s) pursuant to the Mining Code.

3. A Prospecting License entitles the Holder to Prospect for all Minerals, Gemstones, Art stones and Construction Materials within the boundaries of the Prospecting License.

4. Prospecting Licenses shall have a two year term and are non renewable. The Holder of a Prospecting License which has expired may reapply for all or any part of the Prospecting License 60 days after the expiration of the original Prospecting License.

5. Prospecting Licenses must be rectangular in shape, the boundaries must be north/south and east/west in orientation, and they cannot exceed 1,000 square kilometers in size.

6. Application and annual fees are as per Schedule 1. Annual expenditure requirements are US\$25 per square kilometer. Annual fees are payable in arrears and if the Prospecting License is terminated or surrendered before the end of the full year the fees will be pro rated.

7. Prospecting Licenses may not be transferred, assigned, encumbered or inherited.

8. An applicant for a Prospecting License shall submit Form 1 to the Ministry in duplicate together with the application fee.

9. Prospecting Licenses may be surrendered without cost at any time on giving 30 days notice to the Ministry.

10. On or before 60 days after each anniversary date of the grant of a Prospecting License, the Holder shall submit to the Director a technical report detailing all Authorized Activities carried out during the year and the results thereof, and a financial report relating thereto, which shall include the number of persons employed, the total payroll and the total operating and capital expenditures incurred.

All reports and other information submitted to the Ministry shall be treated as confidential and will not be disclosed to third parties. However, the data should go out of confidentiality if the entity surrenders the prospecting licenses or they lapse.

ARTICLE 6 EXPLORATION LICENSES

1. Exploration Licenses will be issued on a “first come, first served basis” for land that is not covered by an existing Permit or License to companies, or persons who have attained the age of 21 years, and understand the provisions of the Mining Code and their obligations there under, or to persons or companies holding a valid Prospecting Permit. Applications will be deemed received by the Ministry on the date that they are delivered to the office of the Ministry and will be time stamped. No subsequent applications with respect to all or any part of the area for which application has been made will be considered until such time as the original application has been approved, the period for rectifying any identified shortcomings in the application has passed, or the application has been denied for failure to meet the terms of the Mining Code.

Within 30 days of receipt of the application, the Exploration License will be granted or the Ministry will inform the applicant of either the shortcomings in its application, or the reasons why the application has been denied. The applicant shall have 30 days to correct any shortcomings that have been identified and resubmit its application and the Ministry will respond to the revised application within 30 days.

Notice of the grant of an Exploration License will be published by the Ministry in an official newspaper.

2. An Exploration License entitles the Holder to explore for all Minerals, Gemstones, Art stones or Construction Materials within the boundaries of the Exploration License.

3. An applicant for an Exploration License shall submit Form 2 the Ministry in duplicate together with the application fee.

4. An Exploration License shall have a term of three years from the date of issuance and the Holder shall have the right to renew the Exploration Permit for two, two year periods provided that the size of the Exploration License shall be reduced by 25% with each renewal. The remaining portion of the license after reduction must be one contiguous block.

Renewal applications must be received by the Ministry at least 90 days before the expiration of the Exploration License and must include Form 3 in duplicate, and the appropriate fee according to Schedule 1. Within 60 days of receipt of the renewal application the extension will be granted or the Ministry will inform the applicant of either the shortcomings in its application, which must be rectified within 60 days and the application resubmitted, or the reasons why the applicant is being denied an extension.

The Holder of an Exploration License which has expired may reapply for all or any part of the Exploration License 60 days after the expiration of the original Exploration License.

5. Holders of an Exploration License shall have the exclusive right to apply at any time to convert a part of the Exploration License into a Mining Permit by making an application as per the requirements of the Mining Code and paying the applicable fee.

6. Application, annual, renewal and transfer fees are as per Schedule 1. Annual fees are payable in arrears and if the Exploration License is surrendered or terminated before the end of the full year the fee will be pro-rated.

7. Exploration Licenses must be rectangular in shape, boundaries must be north/south and east/west in orientation, and they cannot exceed 200 square kilometers in size.

Annual expenditure requirements are US\$200 per square kilometer for the initial term, US\$1,000 per square kilometer after the first renewal, and US\$3,000 per square kilometer after the second renewal.

Holders shall be allowed to add a 10% allowance for administration and overhead to exploration expenditures. Exploration expenditures which exceed annual minimum requirements can be applied to subsequent years.

8. On or before 90 days after each anniversary from the date of the grant of an Exploration License, the Holder shall submit to the Director a technical report detailing all Authorized Activities carried out during the year and the results thereof, and a financial report relating thereto which shall include the number of persons employed, the total payroll and the total operating and capital expenditures incurred.

All reports and other information submitted to the Ministry shall be treated as confidential by the Government and will not be disclosed to third parties. Once the license is relinquished or no longer active, the confidentiality clause no longer applies.

9. Exploration Licenses are fully transferable and assignable provided the Holder is in compliance with the Mining Code and will be transferred by the Ministry within 30 days of submission of Form 4 in duplicate and payment of the applicable fee.

10. Exploration Licenses may be surrendered at anytime without cost on giving 30 days notice to the Ministry and submitting Form 8 in duplicate.

ARTICLE 7 RETENTION LICENSES

1. In the event that a Deposit is discovered that is not currently economically viable due to technical constraints, adverse market conditions or other economic factors, all of which may be temporary in nature, a Retention License will be granted to the Holder of an Exploration License when it expires after all renewal periods. Applicants for a Retention License must submit to the Ministry a technical report summarizing the results of work completed, the reasons for requesting a Retention License, and the measures the Holder is taking to ensure security of the site and

protection of the environment, together with Form 5 in duplicate and the application fee. Within 60 days thereof the Retention License will be granted or the Ministry will inform the applicant either of the shortcomings or deficiencies in its application, which must be rectified within 60 days and the application re submitted, or the reasons why the applicant is being denied a Retention License.

2. Retention Licenses will be issued for a three year term with one renewal of three years allowed. Renewal applications must be received by the Ministry at least 90 days before the expiration of the Retention License and must include a revised and updated technical report, Form 6 in duplicate and the application fee. Within 60 days of receipt of the renewal application the extension will be granted or the Ministry will inform the applicant either of the shortcomings in its application, which must be rectified within 60 days and the application re submitted, or the reasons why the applicant is being denied an extension.

3. Application, annual, renewal and transfer fees are as per Schedule 1.

4. Retention Licenses must be rectangular in shape, boundaries must be north/south and east/west in orientation, and the maximum size is 10 square kilometers unless it can be reasonably demonstrated that a greater area is required to cover the Deposit.

5. Retention Licenses confer upon the Holder the exclusive right to apply for a Mining Permit.

6. Retention Licenses are fully transferable and assignable and will be transferred by the Ministry within 45 days of submission of Form 4 in duplicate and payment of the applicable fee provided the applicant has met all requirements of the Mining Code.

7. A Retention Permit may be surrendered in whole or in part at any time through the completion of Form 8 in duplicate and submission of the fee as per Schedule 1.

8. On or before the 31st day of March, the Holder of a Retention License shall submit to the Director a technical report detailing all Authorized Activities carried out during the year and the results thereof, and a financial report relating thereto which shall include the number of persons employed, the total payroll and the total operating and capital expenditures incurred.

All reports and other information submitted to the Ministry shall be treated as confidential by the Government and will not be disclosed to third parties.

ARTICLE 8 MINING PERMITS

1. Mining Permits will only be issued to companies duly incorporated and properly constituted for the transaction of business in Somaliland. The Republic of Somaliland is entitled to a 10 per cent carried (non-contributing and non-diluting) interest in companies to which a Mining Permit is issued.

2. Mining Permits shall be rectangular in shape and up to 20 square kilometers in size or larger if it can be reasonably demonstrated that the larger area is necessary to carry out Mining Operations.

3. The Holder of a valid Exploration License or Retention License has the exclusive right to apply for the grant of a Mining Permit at any time.

4. Notice of intention to grant a Mining Permit shall be published by the Ministry in an official newspaper and disclosed in any other manner as the Ministry deems appropriate.

5. Upon notification of the grant of a Mining Permit, the applicant shall forth with, at their own expenses, make a precise survey of the boundaries of the Mining Permit and shall supply a copy to the Ministry.

6. Application, annual, renewal and transfer fees shall be as per Schedule 1.
7. The Holder of a Mining Permit shall have the exclusive right to Prospect, Explore and Mine and make all necessary excavations, erect permanent houses, buildings, plants, infrastructure & other works as may be necessary for Mining Operation.
8. Applicants for a Mining Permit must submit at a minimum a pre-feasibility study, and preferably a bankable feasibility study, prepared to accepted international standards (such as Canada's National Instrument 43-101) and prepared by a qualified independent consultant. Such study must include the applicants plan for employing and training citizens of the Republic, for purchasing goods and services in the Republic, and shall detail and quantify the economic benefits of the proposed Mining Operation to the Republic. The applicant can request a waiver of the requirement to have the study prepared by an independent consultant if it already has established and significant Mining Operations.
9. Applicants for a Mining Permit must submit an Environmental and Social Impact Assessment ("ESIA") prepared to best and accepted international standards by a qualified independent consultant that at a minimum includes an evaluation of the effects on, and mitigation measures with respect to adverse affects on:
 - (a) local communities (and includes consultation therewith);
 - (b) infrastructure;
 - (c) flora and fauna;
 - (d) land and soils;
 - (e) surface and groundwater;
 - (f) air quality;
 - (g) visual and noise pollution;
 - (h) cultural heritage.
10. The ESIA must detail the applicant's plans for;
 - (a) management and treatment of emissions, discharges, wastes and tailings;
 - (b) use and storage of chemicals;
 - (c) reclamation of land and returning the Permit Area to its natural state at the end of Mining Operations.
11. The EISA must estimate the costs of mitigation measures with respect to any adverse social and/or environmental impacts. The Minister may require the applicant to provide a cash or bank guarantee to secure the applicant's obligations under the ESIA.
12. The Ministry will review and respond to an application for a Mining Permit within 180 days of receiving Form 9 in triplicate together with the application fee, and approve and accept the ESIA and grant the Mining Permit, or either inform the applicant of any shortcomings and deficiencies in its application or specify the reasons why the application is being denied pursuant to the Mining Code. The applicant must correct any shortcomings or deficiencies in its application, or subsequent revised applications, and re submit a revised application within 120 days. The Ministry shall respond within 90 days to any revised applications and advise the applicant of shortcomings and deficiencies, or specify the reasons why the application is being denied pursuant to the Mining Code.
13. The Holder of a Mining Permit must commence construction of a mine within 24 months of the grant of the Mining Permit. The Ministry will grant annual extensions if the applicant can demonstrate that the delay is due to adverse economic conditions.
14. The Holder of a Mining Permit shall continuously carry out bona fide Mining Operations on the Mining Permit. The Holder of a Mining Permit may temporarily suspend Mining Operations due to economic or other conditions but must notify the Ministry immediately of its intention to do so. If the

Holder of a Mining Permit suspends Mining Operations for a period greater than one year, it must provide annual reports to the Ministry detailing the reasons for the suspension, the measures the Holder is taking to ensure security of the site and protection of the environment, and the reasons why the Holder should not be ordered to return the Permit Area to its natural state.

15. The Holder of a Mining Permit that intends to change or alter Mining Operations under an existing Mining Permit must inform the Ministry of its intention to do so and if the Ministry in its discretion determines that the changes are material and significant, a new technical report and ESIA will be required.

16. On or before the 60th day following the end of each calendar quarter, the Holder of a Mining Permit shall submit to the Director a technical report detailing all Authorized Activities carried out during the quarter and the results thereof, a financial report relating thereto which shall include the number of persons employed, the total payroll and the total operating and capital expenditures incurred, and financial statements prepared according to International Financial Reporting Standards ("IFRS").

All reports and other information submitted to the Ministry shall be treated as confidential by the Government and will not be disclosed to third parties.

17. A Mining Permit can be freely pledged, mortgaged, assigned or transferred. To transfer a Mining Permit the applicant must submit Form 4 in duplicate together with the applicable fee. Within 60 days of receipt of the application, the transfer will be granted provided the applicant is in compliance with the Mining Code, or the Ministry will inform the applicant of either the shortcomings in its application which must be rectified within 60 days and the application resubmitted, or the reasons why the applicant is being denied the transfer.

18. A Mining Permit may be surrendered in whole or in part at any time through the submission of Form 8 in duplicate together with the applicable fee as per Schedule 1.

19. The initial term of a Mining Permit shall be the lesser of the expected life of the Deposit or 20 years, and the Holder shall be entitled to apply for and be granted successive five year renewals, provided the applicant is in compliance with all requirements of the Mining Code, until the depletion of the Deposit. Applicants shall submit Form 10 in duplicate, a technical report detailing the status of the Mining Operation and the appropriate fee as per Schedule 1 to the Ministry at least three months before the expiration of the Mining Permit. Within 60 days of receipt of the renewal application the extension will be granted or the Ministry will inform the applicant of either the shortcomings in its application which must be rectified within 90 days and the application resubmitted, or the reasons why the applicant is being denied an extension

20. If the cash operating margin of a Mining Operation falls below zero, the Holder of a Mining Permit may defer paying royalties until such time as the cash operating margin is positive. Deferred royalties shall be accumulated without interest and must be paid when the cash operating margin is positive.

ARTICLE 9 OTHER LICENSES

1. Artisanal Mining Licenses

(a) An Artisanal Mining License will be granted with respect to any area not covered by an existing Permit or License. Applicants are required to submit Form 11. An Artisanal Mining License will be granted with respect to an area covered by an existing License provided that the Ministry is satisfied that the Artisanal Mining License will not interfere with Authorized Activities on the existing License.

- (b) Application and annual renewal fees are as per Schedule 1. Mining Operations carried out under an Artisanal Mining License are not subject to any royalties.
- (c) Artisanal Mining Licenses are transferable. Applicants must submit Form 4.
- (d) Artisanal Miners are required to meet acceptable public standards of work safety, health and protection and rehabilitation of the environment as determined by the Ministry in its sole discretion. Failure to meet such standards will result in the Holder of an Artisanal Mining License being denied a renewal or being subject to such fines as the Ministry or Court may impose.
- (e) The maximum size of an Artisanal Mining License is five hectares.
- (f) Artisanal Mining Licenses are valid for a period of one year and can be renewed annually provided the Holder is in compliance with the Mining Code.

2. Small Mining Licenses

- (a) A Small Mining License is required for Mining Operations that produce less than 1,000,000 tonnes per annum of Construction Materials or 100,000 tonnes per annum of ore containing Minerals, Art Stones or Gemstones. Applicants must submit Form 12. Larger Mining Operations or any Mining Operation that uses hazardous chemicals or produces tailings requires a Mining Permit.
- (b) A Small Mining License will be granted with respect to any area not covered by an existing Permit or License. A Small Mining Permit may be granted with respect to an area covered by an existing License for Construction Materials, Gemstones or Art stones only, provided that the Ministry is satisfied that it will not interfere with Authorized Activities on the existing License.
- (c) The maximum size of a Small Mining License is fifty hectares.
- (d) A Small Mining License is valid for a period of one year and can be renewed annually provided the Holder is in compliance with the Mining Code.
- (e) A Small Mining License can be transferred, mortgaged or pledged. Form 4 must be submitted to transfer a Small Mining License.
- (f) Application, annual and transfer fees are as per Schedule 1.
- (g) Holders of Small Mining License are required to meet acceptable public standards of work safety, and protection and rehabilitation of the environment as determined by the Ministry in its sole discretion. Failure to meet such standards will result in the Holder of a Small Mining License being denied a renewal or being subject to such fines as the Ministry or Court may impose.
- (h) Mining Operations carried out under a Small Mining License are not subject to any royalties.

ARTICLE 10 SAFETY, INSPECTION AND ACCIDENTS

1. The Holder of a Permit or License shall take all due and proper precautions for the safety of all persons contracted or employed by the Holder including proper precautions to prevent any persons being injured by any blasting operations, the operation of any plant, equipment or machinery, or other works or apparatus, and shall provide suitable fencing, guards and warning notices where such dangers exist or are likely to arise.

2. The Holder of a Permit or License shall take all due and proper precautions for the protection of the environment.

3. The Ministry shall have the right to inspect any Authorized Activities at any time and if the Ministry determines that they are being carried out in a manner that is detrimental to the health, welfare or safety of any person, or the environment, notice shall be given in writing to the Holder or his agent. Such notice shall contain particulars of the matter considered to be dangerous or defective and it shall be remedied forthwith or within such time as may be specified. The Ministry may order work to be suspended until the danger is removed to its satisfaction.

4. If the Holder objects to or disputes such notice, he shall immediately state his objection in writing to the Minister who shall make a decision on the objection within five business days. In such case the Holder shall immediately cease the activities which gave rise to the notice until such time as the Minister reaches a decision on the objection. If, in the opinion of the Minister, there is no immediate danger, work may proceed during the time the matter is being determined, under such restriction and upon such conditions as he may consider necessary and may specify in writing.

5. Whenever an accident occurs in connection with Authorized Activities causing or resulting in a loss of life or serious injury to any person, or damage to the environment, the Holder shall forthwith report on the matter in writing to the Minister. If the Ministry determines that an inquiry should be held, the Ministry shall have the power to summon witnesses, to call for the production of books and documents, examine witnesses and parties concerned under oath, and shall report on its findings to the Parliament together with recommendations for any fines, penalties and sanctions. Any witnesses required to attend the inquiry shall be paid reasonable expenses as are applicable to court witnesses. The Court shall determine the final size, quantity or terms of any fines, penalties or sanctions.

SECTION 11 DISPUTES, DEFAULTS AND PENALTIES

1. Where any dispute or disagreement occurs between two Holders with respect to the Mining Code or the terms or conditions of any Permit or License, the Holders may jointly apply to the Director to arbitrate such dispute.

2. The parties to the dispute shall submit to the Director written memoranda covering the matter in dispute. The Director, or other officer duly authorized by him, may investigate such dispute, and the decision of the Director shall be binding upon all the parties to the dispute.

3. At the conclusion of every investigation, the Director or other Authorized Officer, shall make a report to the Minister.

4. Any person or company who violates the Mining Code, shall be guilty of an offence, and shall be liable on conviction to a fine not exceeding US \$25,000 as determined by the Minister.

5. The Ministry must provide a written notice to the Holder of a Permit or License that is in default with respect to any provisions of the Mining Code. The Holder shall be provided with a reasonable period of time to correct the default which shall not be less than 60 days.

6. Any person, company or Holder may appeal any order or action by the Director, Minister, Ministry, Parliament or Government, including the imposition of fines and sanctions and the revocation of Permits or Licenses, to the Court. Any person, company or Holder may appeal any order or action by the Court including the imposition of fines and sanctions and the revocation of Permits or Licenses, to the London International Court of Arbitration ("LICA") according to the rules of the latter. The person, company or Holder initiating an appeal to the LICA shall be responsible for

all direct costs relating thereto and if such appeal is successful, shall have the right to offset such costs against any sums payable under the Mining Code.

7. In addition to any penalties imposed under the Mining Code, persons or companies shall be libel and responsible for any penalties imposed by the Court as a result of any violation of the Mining Code or the laws of the Republic.

8. The Holder or the Government, as the case may be, shall give notice to the other promptly after learning of an event of Force Majeure and shall fully describe the event of Force Majeure and if possible, estimate the anticipated duration of the Force Majeure and the measures adopted or proposed to be adopted to remedy or abate the event of Force Majeure. The obligations of a Holder with respect to the Mining Code will be suspended and applicable deadlines shall be deferred as a result of an event of Force Majeure. If the Holder or Government disputes the existence, effect or duration of a Force Majeure event or the adequacy of the actions of the other to remedy or abate the Force Majeure or to mitigate any related loss, such dispute shall be resolved by the Court. Either the Holder or the Government shall have the right to appeal the ruling of the Court to the LICA and each party shall initially bear their own costs subject to any subsequent decision on the award of costs by the Court or the LICA.

SECTION 12 MISCELLANEOUS

1. The Ministry shall keep a registry of all Licenses and Permits and Rights of Passageway and such registry shall be freely and openly available for inspection by the public at all reasonable times.

2. The Ministry shall publish notices from time to time for the information of the general public, giving details of the grant and termination of Licenses or Permits.

3. The Director shall forward a copy of every Permit or License issued and every Right of Passageway, to the district commissioner of the district or districts in which the Permit Area, License Area or Right of Passageway is situated.

4. The holder of a License or Permit who requires the use of explosives shall make application to the Director for the authority to use explosives by completing Form 13 and submitting the applicable fee.

5. In carrying out Prospecting, Exploration, Mining and related activities under the Mining Code, Holders shall employ and train Somaliland citizens to the greatest extent possible and shall give preference to goods produced or available in the Republic and services rendered by Somaliland citizens over imported goods and services, provided the price and quality thereof is comparable.

6. No person or company shall at any time:

a) interfere with or obstruct any Authorized Activities;

b) interfere with any Right of Passageway;

c) interfere with any machinery, plant, works or property on any Permit Area, License Area or Right of Passageway;

d) willfully break, deface or remove any boundary marker, beacon, pillar, post or notice erected for the purposes of the Mining Code.

e) interfere with any timber, support, door or barrier in any mine, shaft or adit;

f) remove or otherwise interfere with tailings;

g) obstruct any person or company in the exercise of their rights conferred by the Mining Code.

7. When areas which have previously been restricted from Prospecting, Exploration or Mining are opened up, when a License or Permit has expired or been terminated, or when multiple persons or companies have expressed interest in a particular area, the Minister may determine that it is in the best interests of the Republic to invite tenders for the Mineral rights to such areas. The tender process shall be publicly announced in an official newspaper in the Republic, and by such other means as the Minister deems appropriate. The Minister shall consider the competing bids and select the bid which is most likely to promote the expeditious and beneficial exploration and development of the area having due regard for the program which the applicant proposes to carry out and the financial and technical resources and experience of the applicant. The Minister shall report on his decision and the reasons therefore to the Parliament.

8. Any other law, regulation, directive or practice in and of the Republic which is inconsistent with the Mining Code shall not apply to matters provided for in the Mining Code.

SECTION 13 GOVERNMENT PARTICIPATION, TAXATION AND FISCAL REGIME

1. The Republic of Somaliland will retain a 10 percent carried (non-diluting and non-contributory) interest in all Permits and Licenses, and shall not be required to contribute any capital.

2. The rate of taxation on corporate profits from Mining Operations is 30 per cent calculated according to International Financial Reporting Standards ("IFRS").

(a) Where financing for the development of a Mining Operation is obtained from related parties by way of loans, the maximum debt/equity ratio of the company holding the Permit shall be deemed to be 65:35 for the purposes of preparing its financial statements and calculating profits. Interest on intercompany and related party loans shall not exceed commercial loan rates. Where debt financing has been obtained from an independent third party, the debt/equity ratio of the company holding the permit shall be the actual debt/equity ratio for the purposes of preparing its financial statements and calculating profits.

(b) Mining operations shall be granted the benefit of accelerated depreciation whereby the cost of capital equipment may be deducted from taxable income on a straight line basis over four years.

(c) Financial losses may be carried forward indefinitely and deducted from taxable income.

(d) All contributions to any reclamation bonding requirements shall be deductible for tax purposes at the time they are made.

(e) Holders of a Mining Permit are granted fiscal stability whereby any subsequent changes to the Mining Code will not be applicable to Mining Permits granted prior to such change with the exception of changes to Schedule 1.

3. Materials, supplies, services and equipment used for Prospecting or Exploration purposes are exempt from any import/export duties or value added taxes. Materials, supplies and equipment imported with respect to Mining Operations are subject to a five per cent import duty but are not subject to a Value Added Tax.

4. The export of Minerals, Gemstones, Art stones and Construction Materials are free of all duties and taxes.

5. A Value Added Tax of five per cent will be applied to operating costs with respect to Mining Operations.

6. Expatriate employees engaged in Authorized Activities in the Republic and not subject to any personal tax.

7. The transfer of beneficial ownership in a License or Permit for cash or other consideration which values the License or Permit at more than of US\$ 1 million is subject to a 20 per cent capital gains tax payable to the Republic. The Government reserves the right to look through any transaction in the Republic, or offshore, to determine if a change in beneficial ownership has occurred. Exploration, development, operating and construction expenditures in Somaliland are deductible against the capital gains tax but then may no longer be used as a deduction against income.

The transfer of beneficial ownership in a License or Permit as a result of joint venture expenditures made on the License or Permit is not subject to the capital gains tax.

8. Companies may hold the proceeds from the sale of Minerals, Gemstones, Art stones and Construction Materials produced in Somaliland in offshore bank accounts, but all profits from their sale are taxable in Somaliland.

9. A five percent withholding tax is applicable to interest payments paid to offshore entities. There is no withholding tax on dividends.

**SCHEDULE 1
ROYALTIES AND FEES**

US \$ - United States Dollars

Shs – Somaliland Shillings

Royalties

Gold	five (5) per cent
Other Minerals	three (3) per cent
Gemstones	three (3) per cent
Art stones	three (3) per cent
Construction Materials	nil

Application Fees

Prospecting License	US\$ 2,500
Exploration License	US\$ 5,000
Retention License	US\$ 25,000
Artisanal Mining License	Shs 10,000
Small Mining License	US\$ 2,500
Mining Permit	US\$ 50,000
Right of Passageway	US\$ 500

Annual Fees

Prospecting License	US\$ 10/km ²
Exploration License	US\$ 20/km ²
Retention License	US\$ 25,000
Mining Permit	US\$ 50,000

Transfer Fees

Exploration License	US\$ 2,500
Retention License	US\$ 10,000
Artisanal Mining License	Shs 5,000
Small Mining License	US\$ 1,000
Mining Permit	US \$25,000

Renewal Fees

Exploration License	US\$ 2,500
Retention License	US\$ 10,000
Artisanal Mining License	Shs 10,000
Small Mining License	US\$ 2,500
Mining Permit	US\$ 25,000

Miscellaneous Fees

Surrender/cancellation of License/Permit	US\$ 2,500
Permit to use explosives	US\$ 5,000

Form 1

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for a Prospecting License

Name and Address of Applicant:

Local Address of Applicant:

Local Agent of Applicant (if applicable):

Nationality of Applicant:

Location, size and coordinates of Prospecting License (attach map):

Application fee:

ATTACHMENTS:

**Description of Applicant including financial and technical resources
(for informational purposes only)**

**Description of proposed work plan
(for informational purposes only)**

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

Prospecting License No. _____, covering the License Area as set out herein, is hereby granted this _____ day of _____, 20____ to:

“Insert name of Applicant here”

“affix seal here”

Signature of Minister

Form 2

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for an Exploration License

Name and Address of Applicant:

Prospecting License Number (if applicable);

Local Address of Applicant:

Local Agent of Applicant (if applicable):

Nationality of Applicant:

Location, size and coordinates of Exploration License (attach map):

Application fee:

ATTACHMENTS:

**Description of Applicant including financial and technical resources
(for informational purposes only)**

**Description of proposed work plan
(for informational purposes only)**

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

Exploration License No. _____, covering the License Area as set out herein, is hereby

granted this _____ day of _____, 20____ to:

“Insert name of Applicant here”

“affix seal here”

Signature of Minister

Form 3

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for Renewal of Exploration License

Name and Address of Applicant:

Current Exploration License Number:

Expiry Date of Exploration License:

Local Address of Applicant:

Location, size and coordinates of Exploration License after 25 per cent size reduction (attach map):

Application fee:

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

Exploration License No. _____, covering the License Area set out herein, is hereby renewed, this _____ day of _____, 20_____, effective as of the expiry date thereof.

“affix seal here”

Signature of Minister

Form 4

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for Transfer of Exploration License

Name and Address of Applicant (Transferor):

Exploration License Number:

Name and Address of Transferee:

Local Address of Transferee:

Local Agent of Transferee (if applicable):

Nationality of Transferee:

Application fees:

ATTACHMENTS:

**Description of Transferee including financial and technical resources
(for informational purposes only)**

We hereby certify that the information included herein and attached hereto is true and correct in all respects.

“Transferor”

“Transferee”

Name:

Title:

Date:

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

Exploration License No. _____ is hereby transferred this _____ day of

_____, 20_____, effective as of the date hereof, to:

“Name of Transferee”

“affix seal here”

Signature of Minister

Form 5

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for a Retention License

Name and Address of Applicant:

Exploration License Number:

Expiration Date of Exploration License:

Local Address of Applicant:

Location, size and coordinates of Retention License (attach map):

Application fee:

ATTACHMENTS:

Technical Report

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

Retention License No. _____, covering the License Area as set out herein, is hereby granted this _____ day of _____, 20____, effective as of the expiry date above, to:

“Insert name of Applicant here”

“affix seal here”

Signature of Minister

Form 6

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for Renewal of Retention License

Name and Address of Applicant:

Current Retention License Number:

Expiry Date of Retention License:

Local Address of Applicant:

Application fee:

ATTACHMENTS:

Updated Technical Report

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:
Title:
Date:

By Order of the Ministry of Energy and Minerals

Retention License No. _____ is hereby renewed for a period of three year effective on the expiration date above, this _____ day of _____, 20_____.

“affix seal here”

Signature of Minister

Form 7

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for a Right of Passageway

Name and Address of Applicant:

Number of associated License or Permit;

Local Address of Applicant:

Location, size and coordinates of Right of Passageway (attach map):

Application fee:

ATTACHMENTS:

Explanation of reasons for requiring a Right of Passageway.

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

Right of Passageway No. _____, covering the area set out herein, is hereby granted

this _____ day of _____, 20____ to:

“Insert name of Applicant here”

“affix seal here”

Signature of Minister

Form 8

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Notice of Surrender of Permit or License

Name and Address of Holder:

Number of License or Permit;

Local Address of Holder:

Effective Date of Surrender of Permit or License:

Application fee:

COMMENTS OF HOLDER:

Explanation of reasons for surrendering Permit or License.

I hereby certify on behalf of the Holder that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

_____, is hereby declared null and void effective as of the date
set forth above, this _____ day of _____, 20_____ :

“affix seal here”

Signature of Minister

Form 9
THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS

Application for a Mining Permit

Name and Address of Applicant:

Local Address of Applicant:

Local Agent of Applicant (if applicable):

Names, percentage ownership and nationality of shareholders:

Exploration License on which Mining Permit application is based:

Location, size and coordinates of Mining Permit (attach map):

Term of Mining Permit:

Application fee:

**Description of Applicant and its sponsors and shareholders including information on financial and technical resources;
(for informational purposes only)**

ATTACHMENTS:

- Technical Report
- Environmental and Social Impact Assessment
- Articles of Incorporation and By laws

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:
Title:
Date:

Form 10

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for Renewal of Mining Permit

Name and Address of Applicant:

Current Mining Permit:

Expiration Date of Mining Permit:

Local Address of Applicant:

Application fee:

ATTACHMENTS:

Updated Technical Report

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date:

By Order of the Ministry of Energy and Minerals

Mining Permit No. _____ is hereby renewed for a period of five years effective on the expiration date above, this _____ day of _____, 20_____.

“affix seal here”

Signature of Minister

Form 11

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for an Artisanal Mining License

Name and Address of Applicant:

Nationality of Applicant:

Number of existing Artisanal Mining License (if being renewed):

Location, size and coordinates of Artisanal Mining License (attach map):

Application fee:

DESCRIPTION OF MINING ACTIVITIES TO BE CARRIED OUT:

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Date:

By Order of the Ministry of Energy and Minerals

Artisanal Mining License No. _____, covering the License Area as set out herein, is

hereby granted this _____ day of _____, 20____ to:

“Insert name of Applicant here”

“affix seal here”

Signature of Minister

Form 12

**THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS**

Application for a Small Mining License

Name and Address of Applicant:

Nationality of Applicant:

Number of existing Small Mining License (if being renewed):

Location, size and coordinates of Small Mining License (attach map):

Application fee:

DESCRIPTION OF MINING ACTIVITIES TO BE CARRIED OUT:

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Date:

By Order of the Ministry of Energy and Minerals

Small Mining License No. _____, covering the License Area as set out herein, is

hereby granted this _____ day of _____, 20____ to:

“Insert name of Applicant here”

“affix seal here”

Signature of Minister

Form 13
THE REPUBLIC OF SOMALILAND
MINISTRY OF ENERGY AND MINERALS

Application for a Permit to Use Explosives

Name and Address of Applicant:

Local Address of Applicant:

Local Agent of Applicant (if applicable):

Names, percentage ownership and nationality of applicant/shareholders:

Exploration License or Mining Permit Number on which explosives are to be used:

Application fee:

ATTACHMENTS:

-Technical Report detailing the need for explosives, the training and expertise of the individuals responsible for the use of explosives, the amount of explosives to be used monthly, how the explosives will be acquired and transported, security measures to prevent loss or theft of explosives, and any other information relevant to the granting of a Permit to Use Explosives.

I hereby certify on behalf of the Applicant that the information included herein and attached hereto is true and correct in all respects.

“signature”

Name:

Title:

Date: