

People's Democratic Republic of Algeria

Ministry of Energy and Mining

Law 01-10 of July, 3rd, 2001 on the Mining Act

We wish to make it clear that this version is a preliminary translation
A linguistic work of checking is in hand by jurists in order to give you
more reliable version

“Journal Officiel” n°35 of July, 4th, 2001 the President of the Republic”

- Considering the Constitution and especially articles 12, 17, 18, 119, 122 (paragraph 24) thereof,
- Considering order n°95-04 of Chaabane 19th, 1415 corresponding to January 21st, 1995 concerning the approval of the agreement for the settlement of investment-related disputes arising between the States and other States' nationals,
- Considering order n°95-05 of Chaabane 19th, 1415 corresponding to January 21st, 1995 concerning the approval of the agreement on the creation of the International Investment Guarantee Agency,
- Considering order n°96-05 of Chaabane 19th, 1416 corresponding to January 10th 1996, concerning the approval of the United Nations convention on the maritime law;
- Considering order n°66-154 of June 8th, 1966 modified and supplemented, on the rules of civil procedure,
- Considering order n°66-155 of June 8th, 1966 modified and supplemented, on the rules of criminal procedure,
- Considering order n°66-156 of June 8th, 1966 modified and supplemented, on the code of criminal law,
- Considering order n°75-58 of September 26th, 1975 modified and supplemented, on the code of civil law,
- Considering order n°75-59 of September 26th, 1975 modified and supplemented, on the code of commercial law,
- Considering order n°75-74 of November 12th, 1975 on the creation of the general real estate register and the institution of the Land Register,
- Considering order n°76-80 of October 23rd, 1976, on the Navigation Laws,
- Considering order n°76-101 of December 9th, 1976 modified and completed, on the code of direct taxes and assimilated duties,
- Considering law n°79-07 of July 21st, 1979 modified and completed, on the customs code,
- Considering law n°83-03 of February 5th, 1983, relating to the environment protection,
- Considering law n°83-13 of July 2nd, 1983, modified and completed, dealing with industrial accidents and occupational diseases,
- Considering law n°83-17 of July 16th, 1983 modified and completed, on the water code,
- Considering law n°84-06 of January 7th, 1984, modified and completed, relative to mining activities,
- Considering law n°84-12 of June 23rd, 1984, modified and completed, on the general administration of forests,
- Considering law n°84-17 of July 7th, 1984, modified and completed, relative to the finance acts,

- Considering law n°86-14 of August 19th, 1986, relating to the activities of prospection, research, exploitation and pipe transportation of hydrocarbons,
- Considering law n°87-03 of January 27th, 1987, dealing with the regional planning,
- Considering law n°87-20 of December 23rd, 1987, stating the finance act for 1988, and especially paragraph 140 thereof,
- Considering law n°88-07 of January 26th, 1988, on occupational safety and health,
- Considering law n°90-08 of April 7th, 1990, modified, on the commons,
- Considering law n°90-09 of April 7th, 1990, on the wilayas,
- Considering law n°90-10 of April 14th, 1990, modified, relative to money and credit,
- Considering law n°90-11 of April 21st, 1990, on business relations,
- Considering law n°90-22 of August 18th, 1990, modified and completed, on the trade register,
- Considering law n°90-25 of November 18th, 1990, modified and completed, on the land management,
- Considering law n°90-29 of December 1st, 1990, modified, relating to town and country planning,
- Considering law n°90-30 of December 1st, 1990, on the domanial law,
- Considering law n°90-36 of December 31st, 1990, stating the finance act for 1991, and especially paragraph 188, thereof,
- Considering law n°91-11 of April 27th, 1991, setting the rules relative to expropriation for a public purpose,
- Considering the legislative decree 93-12 of October 5th, 1993, modified and completed, on the promotion of investment,
- Considering order n°95-06 of Chaabane 23rd, 1415, corresponding to January 25th 1995, on competition,
- Considering order n°95-07 of Chaabane 23rd 1415, corresponding to January 25th 1995, on insurance,
- Considering order n°96-22 of Safar 23rd, 1417, corresponding to July 9th 1996, dealing with the infraction repression, the foreign exchange control and legislation and the capital flows from and to abroad,
- Considering law n°98-04 of Safar 20th 1419, corresponding to June 15th 1998, relative to the protection of the cultural wealth,

After adoption by the Parliament,

Promulgates the law which content is the following:

CHAPTER- I GENERAL RULES

SECTION -1S COPE

Article-1-The provisions of this law apply to the activities of geological infrastructure, research and exploitation of mineral substances or fossils mentioned in article 2 here-under, except for waters, liquid or gaseous hydrocarbons fields and oil shales which are bound by specific law arrangements, but remain yet subject to the legal deposit obligation provided for in articles 35 and 36 of the present law.

The exploitation of mineral substances in the hydraulic public domain and the national forest, is subject to the provisions of this law, the provisions of Law n°83-03 of February 5th 1983 on the protection of environment, of Law n°83-17 of July 16th 1983, modified and completed, on the waters code and of Law n°84-12 of June 23rd 1984, modified and completed, on the general administration of forests;

Article-2- In accordance with the provisions of article 17 of the Constitution, are considered as public property, common ownership property, the mineral or fossil substances discovered or undiscovered, located in the onshore space of the soil and the subsoil or in the maritime spaces within the sovereignty of the Algerian State or the Algerian jurisdiction as defined by the legislation in force.

Article-3- The exercise of mining activities is open to any operator, irrespective of status or nationality, according to the provisions of this law and its statutory texts. These activities may only be carried out on the basis of a mining claim or a pickup license or a quarry or sand pit exploitation license. No mining activity may be authorized on sites protected by law and/or international treaties.

SECTION-2-FORMATION AND COMPOSITION OF THE MINERAL ESTATE

Article-4-The mineral estate, as defined in article 6 hereunder, takes form naturally. It is, legally and by the mere fact of the establishment of its existence, incorporated in the public property.

Article-5- The mineral estate is an exhaustible and unrenovable natural wealth. Notwithstanding any other provision otherwise applicable and particularly article 1 (paragraph 2) hereabove, its conservation obeys to the provisions of this law and its statutory texts.

Article-6-Without prejudice to the provisions of article 1 hereunder, the mineral estate governed by the present law is composed of solid energetic mineral substances, metallic mineral substances, nonmetallic mineral substances.

SECTION-3- LEGAL NATURE AND DISPOSITION OF MINING ACTIVITIES AND RELATED CLAIM.

Article-7- Mining research activities and mineral substances mining activities are considered as acts of merchant, and may only be carried out by natural or legal persons of private law.

Surface and underground workings, mining buildings, facilities, wells, galleries and other permanent works are considered as real estate. Are considered as fixtures, machines, engines and equipment used for the research and mining exploitation. Are considered as personal estate, extracted or broken down minerals, supplies and other movables as well as shares, stocks and interests in a venture or an association of companies for the research and/or exploitation of mineral substances.

Article-8- The mining claims relating to mining research activities constitute personal estate, transferable and assignable under the terms of this law and the provisions of the code of Civil Law and the Code of Commercial Law. They are not liable to a subleasing, a lien or a pledge. The mining claims related to mining exploitation activities create limited term realty rights, distinct from the ground property and liable to mortgage; right of priority is exercisable on realty. Lands, buildings, works, machines, equipment and engines of any kind used for (the) mining exploitation, constitute outbuildings of the said exploitation. The end of validity of a mining claim results in the extinguishment of any mortgage on the realty rights. Pickup, quarry or sand pit exploitation licenses considered as personal estate, are not mining claims.

Article-9- Transfers of property, mortgages, pledges granted by the above-ground landowners or entitled parties, on tangible real properties or fixtures and on realty rights, are not an obstacle to the carrying out of the research or exploitation activities within the meaning assigned by this law.

CHAPTER -II DEFINITIONS

SECTION-1-ON THE GEOLOGICAL INFRASTRUCTURE

Article-10- Are considered as geological infrastructure works, works aiming at the acquisition of the ground and underground basic knowledge, especially through geological mapping and associating geology, geodesy, geophysics, geochemistry, remote sensing and eventually boring.

Article-11- The mineral inventory consists in making a descriptive and estimate recording of the constituting elements of the mineral estate, as defined in article 6 hereabove, in order to know the country mineral resources.

Article-12- The legal deposit, as understood in the provisions of this law, is the preservation of the national geological knowledge patrimony. It is a documentary heritage compiling the results of studies and works achieved within the framework of activities related to the earth science, the research and mining exploitation over the whole national territory.

SECTION-2-ON MINING RESEARCH

Article-13- Mining research is subdivided in two steps : -
the mining prospection, -the mining exploration.

Article-14- Are considered as mining prospection, the topographical, geological and geophysical survey, the site inspection and other preliminary research of surface minerals in order to define the ground mineralogic attributes and geological characteristics.

Article-15- Are considered as mining exploration, the performance of geological and geophysical studies concerning the structures and the underground geology, the appraisal work through digging, boring and drilling, the analysis of mineral physical and chemical proprieties and the economic feasibility study of a field development and bringing in.

SECTION-3- ON THE EXPLOITATION OF MINERAL SUBSTANCES

Article-16-Is considered as mineral substances exploitation, the activity consisting in development preparatory works, mineral substances extraction and/or concentration, and their valorisation. Valorisation only covers the extracted mineral substances first transformation operations. Any other further industrial transformation is not part of the mining activity.

Article-17-The mining activity may have the following forms :

- Industrial mining, or
- Small and medium exploitation, or
- non-dustrial exploitation, or
- pickup, gathering and/or collecting activities, or
- quarries and sand pits mining.

Article-18-Is considered as an industrial exploitation, any exploitation which extraction capacities are equal or superior to 3000 metric tons/day.

Article-19- By small or medium exploitation we mean any permanent exploitation, with a minimum non-removable equipment, using as well as possible, industrial or semi-industrial processes, and which capacity extraction is under 3000 metric tons/day.

Article-20- Is considered as a non-industrial exploitation, the activity employing very few or not any mechanical device.

Article-21- Are considered as pickup, gathering and/or collecting activities, those relating to the appropriation of mineral substances as they stand on the ground surface.

Article-22- Is considered as quarries and sand pits mining, the activity bearing on the collecting of materials not containing any unprocessed upgradable mineral substance under the form of unconsolidated deposit intended for the soil construction, surfacing and improvement.

Article-23- Are considered as mining exploitation outbuildings, any facilities located on the base floor of the exploitation, fixed or not, as well as any underground and surface facilities pertaining to the latter and in relation with its activity.

SECTION-4-ON GENERAL TERMS

Article-24-Within the meaning of the present law, we understand by :

- Environmental audit : a proceeding aiming at the situation knowledge of an undertaking, a site or their exploitation with regard to environment in order to:
 1. 1. Measure and analyze the impact that may have the exercised activity and the exploitation methods used in this or that aspect of the environment.
 2. 2. Evaluate the conformity of exploitation methods with the prescriptions imposed by the legislation, the regulation and the contractual commitments,
 - .3. Draw up the balance of the previously carried out activity impact on the site, then either take measures for the site rehabilitation, or control the conformity of measures taken or to be taken on account of the legal, regulatory and contractual prescriptions.
- Geological data national bank : documentary holdings gathering after control, interpretation and acquisition, all information concerning the national soil and subsoil survey and excavation works (geophysics, geochemistry, geology, hydrogeology...),
- Floor of the mining exploitation : field on which are gathered all the surface installations of a mining exploitation (extraction units, workshops, stock yard, general and administrative services, storage areas, etc...),
- Field conservation : exploitation with confirmed techniques for an optimum recovery.
- Tax on issuing an act : tax covering the fees incurred by the Authorities during the investigation of any change or renewal or application for a mining license,
- Maritime spaces : the interior waters, territorial waters, continental shelf, and the exclusive economic zone as defined by the Algerian legislation,
- Environmental impact survey : the analysis of the exploitation impacts of any mining deposit on the environmental components, and on the water resources, the air and atmosphere quality, the soil and subsoil, nature, fauna and flora, as well as on human settlements near the mining deposit owing to noises, dusts, odours and vibrations emissions and their effects on the neighbouring populations health. The environmental impact survey includes an environmental management plan and is prepared according to a procedure obeying to the laws and regulations in force when the exploration and/or exploitation works begin,
- Mining exploitation : a whole constituted by the extracted and prepared reserves and the broken ores, the soil and subsoil infrastructures, earth works and below-grade structures, ground and underground facilities, buildings, equipment, tools and stocks, as well as any intangible property related to it,
- Field : deposit or part of a deposit which can be enhanced by an exploitation,
- Deposit : any geological concentration of mineral or fossil substances,

- Showings : any proved information directly controlled, on the occurrence of a mineralization in a given place,
- Finder : the holder of an exploration license who discovers a mineral substance deposit indicated on his claim and on the authorized perimeter,
- Environmental management plan : a document defined at the end of the environmental impact survey and a part of it, including the commitments of the mining claim holder concerning the environment protection on the whole of the mining deposit landed property. These obligations deal with any action the mining claim holder will take in order to prevent, reduce, delete or make up for the evil effects of his mining activities on environment and the health of people living on the mining deposit,
- Depletion allowance : a tax provision enabling the mining company to avoid paying taxes on a part of its profits providing that the corresponding sums are used for research works,
- Mining code of practice : technical conditions and exploitation methods used to better enhance the field potential, and optimize the productivity and the safety conditions, both industrial and public, as well as the environment protection conditions.
- Major risk : any event likely to arise from an act of nature or man and to cause damage, not restricted to the mining title perimeter; nor to the validity of the latter,
- Mineral substances : minerals or natural mineral associations of the soil and subsoil, in and under the waters, likely to be used in the economic activity either for their chemical composition or for an outstanding physical performance,
- Mining claim : according to the case, may either be a prospection license, or an exploration permit, or one of the rights mentioned in Article 116,
- Extension or preparatory development works : all the preparatory works to be undertaken in the course of the achievement of the necessary infrastructure for the opening of an underground exploitation (wells, catwalks and passageways to the field...) or during the extension of the exploitation to an adjoining zone, as well as those to be carried out in the frame of the field surface mining preparation (access tracks, stripping in order to reach the first mining bench...),
- Upgrading : the processing operations of an ungraded material as it is extracted, to obtain a product called concentrate meeting all the requirements, both of elements size and contents, of impurities contained, and of humidity percentage, etc...

CHAPTER -III GEOLOGICAL INFRASTRUCTURE

SECTION-1-ON THE NATURE AND CONTENT OF THE GEOLOGICAL INFRASTRUCTURE

Article-25-The geological infrastructure is composed of :

- geological infrastructure works
- the mineral stock
- the geological information legal deposit

It is a public interest permanent activity devoted to the State which carries it out through its national geological service. The geological infrastructure allows to enhance and federate the research efforts relating to the earth science.

Article-26-The geological infrastructure is particularly materialized by various scale cartographic supports, namely the regular geological maps and the synthesis thematic maps. The national geological service undertakes the map drawings and research works on its own.

Article-27-The geological infrastructure documents and data, of a public interest nature, are open and usable by all the cultural and socio-economical sectors.

Article-28- Any independent or university searcher, institution, body or company specialized in the mining, oil, hydrogeological, geotechnical or agronomical fields, may achieve any or part of a geological or regular thematic map as well as any geological surveys.

Article-29-The geological infrastructure works may be carried out on the basis of a license granted by the national geological service mentioned in the hereunder Article 40. This license should necessarily bear the precise name of the holder, the perimeter area with the exact limits, as well as the duration of the projected works.

Article-30-The geological infrastructure works license, free of charge, grants its holder, after notice to the local authority, an access right to the mentioned perimeter, and no possibility to undertake works likely to prejudice the landowner's interests or his beneficiaries'. If the license holder considers that digging and other works are necessary, he should first negotiate the compensatory damages terms with the said owner or interested parties.

Article-31-The national geological service only is entitled to issue officially the regular thematic and geological maps and documents and to provide for their national and international distribution. The name of the author(s) will be mentioned on the published maps or documents.

Article-32-The marketing of maps in the above-mentioned article 26 is free; any natural person or legal entity may acquire them without special procedure.

Article-33-The mineral stock defined in the above article 11 is an integral part of the geological infrastructure. The mineral stock procedure and the mode of presentation of the annual statement of mineral resources and mining reserves are set by regulatory process.

Article-34-The legal deposit, as defined in the article 12 above-mentioned, constitutes a part of the geological infrastructure.
The legal deposit is attached to the national geological service described at article 40 hereunder.

Article-35-Any operator or searcher, producing geological data, whatever the field of activity and the frame within which he is operating, is bound to report to the legal deposit. Anyone who executes soil digging, boring, excavating or drilling works should report to the legal deposit.

Article-36-In addition to the hereabove article 35 provisions, any holder of a mining claim has to ensure the conservation of any document, core, and geological, geophysical and geochemical information concerning the granted area, according to the legislation in force, in order to transmit them to the legal deposit.

Article-37-The legal deposit obligation allows the conservation, preservation and valorisation of the country geological patrimony, including rock samples, namely the macroscopic and microscopic samples, boring cores and powders.

Article-38-The legal deposit supplies the geological data national bank which provides for the gathering, processing and flow of information related to geology and the soil and subsoil mineral resources. The legal deposit operation conditions are set by regulatory process.

Article-39- The geological data bank is open to the public; the data consulting of geological information of the public domain is entirely free. Classified or of a confidential and economic type data will only be distributed after approval of the data holder.

SECTION-2-ON THE MISSIONS OF THE NATIONAL GEOLOGICAL SERVICE

Article-40-The missions of the national geological service placed under the authority of the Geology and Mining Control National Agency established in the hereunder article 45, are the following :

- the management of the soil and subsoil geological data legal deposit,
- the gathering, selection, processing, expertise and distribution of data relevant to the earth science,
- the development and implementation of the geological infrastructure national programme, namely in matters of regular geological maps, regional geochemical and geophysical maps, to scales to be defined by regulatory process.
- the national mineral stock updating and development,
- the achievement and official publication of thematic and geological maps,
- the setting and management of the geological data national bank,
- the setting and management of a "stonotheque", a rock library (conservation of rock samples collections),
- the setting and management of a national geological museum,
- the issuance of geological infrastructure works licenses,
- the issue of collection material regarding the documents and other geological data supports accessibility fees, and,
- the carrying out of any geological and geoscientific survey for the public interest.

CHAPTER-IV-ON THE STATE BODIES

SECTION-1-ON THE MISSIONS OF THE AUTHORITY AND BODIES IN CHARGE OF MINES

Article-41-The privileges of public authority in respect of the geological infrastructure, research and mining exploitation activities are exercised by the Minister in Charge of Mines. The state action is based on :

- the Authority in charge of Mines,
- the Mining Estate National Agency, established in Article 44 hereunder,
- the Geology and Mining Control National Agency, established in article 45 hereunder.

SECTION-2-ON THE AUTHORITY IN CHARGE OF MINES

Article-42-The mission of the authority in charge of Mines is to :

- work out and watch over the implementation of the national policy concerning the mining research and exploitation,
- propose, work out and implement the laws and regulations regarding mining activities,
- coordinate all the State and public bodies activities as regards mining research and exploitation, and,
- control all the geological infrastructure, mining research and exploitation works and activities.

SECTION-3- THE OTHER STATE BODIES

Article-43-The missions of management of the geological infrastructure, the mining estate and the mining control are exercised by State bodies, acting in their capacity as autonomous administrative authorities. These bodies get an incorporation and a financial autonomy. The missions, as well as the corporate charters, the organisation rules and operation conditions of these bodies are set by the present law and by the enactment considered for its enforcement. Their by-laws ensure them a financial autonomy and an independence, particularly in relation to operators.

SUBSECTION-1-ON THE MINING ESTATE NATIONAL AGENCY

Article-44-It is created a Mining Estate National Agency, an autonomous administrative authority, in charge of :

- the setting up and management of the land register,
- the issuance of the mining claims and licenses, including the preparation of specifications and agreements accompanying the said mining claims and licenses, under the authority of the Minister in charge of Mines,
- the management and follow-up of the mining claims and licenses and attendant documents, namely the agreements management on behalf of the State as well as the specifications, award, and constitution of files regarding the mining claims granting, suspension and withdrawal,
- the issuing of the collection documents concerning the administrative expenses right and the surface tax provided for in articles 156 and 157 of this law and the revenues

- derived from awards,
- the supervision and coordination of mining activities,
- contribute to the implementation of any arbitration, conciliation or mediation between mining operators and represent the State in the dispute settlement proceedings with investors in the mining field,
- assist the investors in their projects implementation in the mining sector,
- set up and update a data base relating to the mining claims and licenses and attendant documents,
- delimit the mining perimeters to promote the potential mineral zones or fields already highlighted in public estates,
- promote and contribute to the management of trades in connection with the mining activity and encourage the small and medium-size mining exploitations and the small-scale mining activity,
- work out and publish periodically statistics regarding its activity.

SUBSECTION-2- ON THE GEOLOGY AND MINING CONTROL NATIONAL AGENCY

Article-45- It is established a Geology and Mining Control National Agency, an autonomous administrative authority, which in addition to the missions mentioned in the hereabove article 40, will be in charge of :

- the setting up of the national geological service,
- the technical and administrative supervision of underground and surface minings and mining research workings,
- the control of the mining code of practice observance, in a care for an optimum recovery of mineral resources, and the public and industrial safety and health procedures,
- the mining activities control in order to preserve environment, in accordance with the standards and rules provided for in the legislation and regulations in force,
- the organisation and control of the mining sites rehabilitation, as well as the reconditioning of premises on the mining fields after exploitation,
- the management and use control of explosive substances and firing crafts,
- the issuing of collection documents concerning the extraction royalty provided for in article 159 of this law,
- to check the payment of a deposit for the reconditioning of premises, provided for in article 176 of the present law, in a special account open at the Treasury in the company's name,
- the follow up and the publication of statistics on the mining activities including those related to occupational accidents and diseases in the mining sector,

- the approval of experts in mine and geology
- the exercising of the mining police having the authority to establish an offence.

SUBSECTION-3-COMMON PROVISIONS TO AGENCIES

Article-46- The Mining Estate National Agency and the Geology and Mining Control National Agency have each at their disposal the following bodies for their management.

- a board of directors
- a permanent general secretary.

Article-47-The national agencies mentioned in articles 44 and 45 hereabove, may, if necessary, extend their structure through the setting up of local branches.

Article-48-The board of directors provided for in the above article 46 is composed of five (5) members, including the president. Members are appointed by the President of the Republic, on proposal of the Minister in charge of Mines.

The board of directors has all the authority and power necessary to the execution of missions devolved to the body it is in charge of, according to this law provisions. The board of directors proceeding are valid if at least three (3) of its members are present.

The passing of proceedings is made on the simple majority of present members. In case of equality of votes, that of the board of directors president will be casting.

The board of directors decisions may be appealed to the Conseil d'Etat within thirty (30) days following the date of their notification. The appeal is not a stay.

Article-49-The quality of member of the board of directors provided for in article 48 hereabove, is incompatible with the direct or indirect interest ownership in any mining sector company.

Article-50-The permanent secretary provided for in the hereabove article 46 is appointed by the President of the Republic, under proposal of the Minister in charge of mines.

The permanent secretary, under the authority of the board of directors president, provides for the management of the body he is in charge of.

The permanent secretary attends to the board with a consultative voice and provides for the technical secretariat.

Article-51-The Mining Estate National Agency and the Geology and Mining Control National Agency have their own standing orders issued by decree, and defining:

- Their method of operation
- The rights and obligations of the permanent secretary and board of directors members.
- Their personnel status.

The remuneration scheme of each of these bodies personnel is provided by decree.

Article-52-The Mining Estate National Agency and the Geology and Mining Control National Agency are each granted by the State an initial budgetary endowment. These bodies may not carry out any commercial business. They have the authority to contract.

Both their operation and equipment financing is provided by the Public Mining Estate Fund resources under article 154 of this law.

Besides, each of these bodies may, if necessary, propose to the Minister in charge of mines, during the elaboration of the year finance draft bill, the complementary budget provisions required, in addition to the resources mentioned in paragraph 4 hereabove, for the execution of their missions. These provisions are entered in the State budget.

The board of directors president is entitled to make the payments. He may totally or partially delegate this power to the permanent secretary as second person entitled to make payments.

CHAPTER-V-ON THE TECHNICAL AND ADMINISTRATIVE SUPERVISION

SECTION-1-ON THE ORGANISATION OF THE ADMINISTRATIVE AND TECHNICAL SUPERVISION

Article-53-The mining engineers of the Geology and Mining Control National Agency carry out the administrative and technical supervision and mining research and exploitation control missions, according to the legislative and regulatory provisions in force. The abovementioned engineers watch to the observance of standards and rules adapted to ensure safety and health and the mining conditions under the mining code of practice, in order to secure the mining

domain preservation, the protection of public ways water sources, surface buildings and of environment.

The engineers are engaged in the supervisory missions of the environmental management plans implementation, the enforcement of the regulations and laws concerning the environment protection in mining activities.

They notify the Authority in charge of environment of any event or fact likely to constitute an offence to the environmental protection rules. They are also engaged in the supervisory missions of the management and use of explosive substances and firing crafts.

Article-54-It is created a mining police composed of the mining engineers crafts of the Geology and Mining Control National Agency.

The specific status of the mining police is set by regulatory process.

For the exercise of their duties, the aforementioned officials take, before the court of Algiers, the following oath :

I swear by God to accomplish my mission with honesty and self-abnegation and to fulfil my duties in all cases.

Article-55-Within the scope of their competence, the Geology and Mining Control National Agency engineers, may at any time visit mining exploitations, tailing dumps, refuse dumps and mining research workings, as well as auxiliary facilities.

Moreover, they may require the presentation of any documents and the issuance of the samples necessary to the fulfilment of their duties.

Article-56-In order to ensure an optimum recovery of the commercial mineral substance, the Geology and Mining Control National Agency will watch to the observance of the mining code of practice and the regulations relating to the use of explosive substances and firing crafts by the claim or license holder. The mining code of practice is set by regulatory process.

Article-57-If the mining research and exploitation works are likely to jeopardize the public safety and health, the ground safety, the soundness of buildings and housings, the maintenance of thoroughfares, the conservation of mining exploitations, of aquifers, the use of supply sources in drinking or irrigation waters or for industrial requirements, the safety and health of employed personnel, in the

mining exploitations, and the air quality, and endangering the riparians, the local authority having jurisdiction, on proposal of the Geology and Mining Control National Agency, takes all the necessary conservatory measures, according to the regulations in force.

Article-58-The competent Wali, requested by the national geological service, may set up by decree protection perimeters around the geological sites. Any land occupancy, construction, research and exploitation works within these perimeters, are subject to the previous agreement of the Geology and Mining Control National Agency. However, appeals may be introduced in accordance with the legislation in force.

In the case of an action for indemnification, this one shall be charged to the Geology and Mining Control National Agency.

Article-59-No one may abandon a well, a passageway, a trench, a mining seat, without the previous authorisation of the Geology and Mining Control National Agency. Before any abandonment or cessation, the holder is bound to immediately achieve the works required specifically by the Geology and Mining Control National Agency for the purpose of the reconditioning of premises, the field conservation, the water tables protection and the public safety preservation.

Failing which, he will be officially appointed by the Geology and Mining Control National Agency, at the expense of the defaulting claim or license holder, and without prejudice to criminal and civil actions.

Article-60-Any well, passageway or surface or underground mining works, in contravention of the present law and its statutory texts, are prohibited by the competent Wali, on request of the Geology and Mining Control National Agency, without prejudice to civil and criminal actions.

Article-61-During the research and exploitation works, the mining claims or licenses holders file with the Geology and Mining Control National Agency an annual statement relating to their activity and the effects on the lands occupancy and the environment features.

Article-62-Mining spaces in mining exploitations down or in activity may not be used but for the purpose provided for by the mining procedure initially accepted, without any claim or authorization from the Geology and Mining Control National Agency.

Article-63-Before opening or taking up a well or passageway coming out to the surface, the

holder of the mining claim should notify the Geology and Mining Control National Agency together with :

- a drawing laying out the well or passageway location,
- a memorandum specifying the considered works,
- a statement of the safety measures decided in this regard.

Article-64-Three (3) months before the starting or the final cessation of works, the holder of a mining claim or license is bound to declare it to the Geology and Mining Control National Agency.

SECTION-2- ON MINING RISKS

Article-65-Any holder of an exploitation mining claim or a mining license for quarries and sand pits is bound to set up, at his own expense, a prevention system of major hazards its business could result in.

This system should be transparent and accessible to the Geology and Mining Control National Agency officials or any other qualified authority.

Article-66-If the Geology and Mining Control National Agency deems it necessary to carry on works with the intent to connect neighbouring mining exploitations either for the forced ventilation or water flow, or for the opening of emergency issues, the mining claims holders as far as they are concerned are bound to achieve the prescribed works.

Article-67-In face of an imminent hazard cause, either for the safety of persons, or the preservation of mining exploitations or environment, the Geology and Mining Control National Agency refers to the competent authorities in order to take the necessary conservatory measures.

Article-68-In the event of a serious accident in a mining research workings or in a mining exploitation and its outbuildings , the competent local authority, after approval of the Geology and Mining Control National Agency, takes all the appropriate measures according to the legislation and regulations in force.

Article-69-In case of accident resulting in fatality or serious injuries in the course of the mining business, the holder of mining claim or license for the exploitation of

quarries and sand pits or their agent is bound to notify immediately the qualified local authorities and the Geology and Mining Control Agency.

Article-70-In the case of an accident resulting in the loss of freedom of action of at least one person, the operator should take all the measures prescribed by the mining engineers in order to free the involved person (s).

Article-71-If it is impossible to have access to the dead persons during the accident, the mining claim holder or of an exploitation license of quarries and sand pits or their agent is bound to make this fact established by a legal police officer who reports it to the competent District attorney according to the legislation in force.

Article-72-In addition to a civil liability police insurance subscription as a business manager, any exploitation mining claim holder, except for the mineral substances pickup license, is bound to subscribe a special major risks insurance policy.

CHAPTER-VI-ON MINING CLAIMS AND THE EXERCISE OF OTHER MINING ACTIVITIES

SECTION-1-COMMON PROVISIONS TO MINING CLAIMS

SUBSECTION-1-ON MINING CLAIMS AND PROCEDURES

Article-73-Mining claims relating to mining activities are granted, after stated opinion of the competent Wali :

- for the mining research, under the form of :
 - a mining prospection license
 - and / or a mining exploitation permit
- for the mining exploitation, under the form of :
 - either a mining lease,- or an exploitation permit for a small or medium mining exploitation
 - or an artisanal mining exploitation license.

The documents and information constituting the file for the initial application, renewal, amendment, farmout, transfer or waiver, the conditions of its deposit and the terms of assignment of mining claims are specified by regulatory process.

Article-74-If the planned exploitation and prospection works include airborne or aerial surveys or aerial photography, the mining claim is granted as per advice of the Ministry of Defence.

Article-75-Any agreement or protocol under which the holder of a mining claim intends to assign or transfer, totally or partially, the rights and obligations deriving from thereof, is subject to the previous approval of the Mining Estate National Agency.

No one may be eligible to become, by transfer or conveyance, holder of the rights and obligations deriving from a mining claim if he does not comply with the rules governing its granting and the provisions of this law and its statutory texts.

In the event of an approval of the assignment or transfer by the Mining Estate National Agency, as a preliminary to the obtention of a new mining claim, the claimant will :

- pass an agreement with the said Agency as provided for in article 84 hereunder, carrying the same conditions as those set with the first holder, when a lease,
- To apply for the specifications as provided for in article 84 hereunder, when a licence or a permit.

Article-76-The leasing of a mining claim requires the formal and preliminary agreement of the Mining Estate National Agency. The farmout can only be done in favour of a person complying with the requirements of the mining claim granting, this will concern the totality of the perimeter granted and for a period not exceeding that of the claim.

The farmout shall be executed by a notary.

Article-77-The mining claim mortgaging may be done to the sole benefit of a financing institution established in Algeria. This mortgage can in no way concern the reserves in situ in the subsoil and only the right to exploit. The mortgage shall be executed by a notary.

SUBSECTION-2-ON THE MINING CLAIM HOLDERS

Article-78-The applicant for a mining claim should previously comply with the following conditions :

1-For the prospection license and the exploration permit : be a trading company ruled by the Algerian or foreign law duly constituted and registered in its country of origin.

2-For the mining lease and the development permit of a small or mediumsize mining exploitation: be a trading company ruled by the Algerian law and duly constituted.

3-For the artisanal mining exploitation license: be listed on the trade register.

Article-79-Any mining claim holder may associate with a third or more persons, without prejudice to the conditions set in article 75 hereabove.

SUBSECTION-3- PERSONS NOT ENTITLED TO EXERCISE A MINING ACTIVITY

Article-80-The State and territorial communities officials, representatives and public authorities and institutions employees in office, may not carry out mining activities when in practice.

Article-81-This prohibition does not affect the exercise of mining activities in respect of rights acquired previous to the election and/or appointment of persons hereabove mentioned in article 80.

Article-82-Without prejudice to the provisions of article 81 hereabove, the acquisition of the totality or a part of the rights related to the exercise of mining activities made by the persons mentioned in the above article 80 is void, and the acquired rights are recovered by the Mining Estate National Agency.

Nonetheless, the interested party may have recourse to the administrative jurisdiction.

SUBSECTION-4-ON THE EXERCISE OF MINING ACTIVITIES BY THE STATE

Article-83-The State may only carry out research, and geological infrastructures activities having no commercial nature, for the purpose of the development of the geological knowledge or for scientific and technologic objectives. However, the State may entrust publicly-owned companies of private law, with the exercise of mining activities on its behalf.

SUBSECTION-5-ON THE AGREEMENT AND SPECIFICATIONS

Article-84-The mining lease is accompanied by a mining agreement to be concluded by the State and the potential claim holder(s) previous to its setting up.

The mining agreement, executed by the president of the Mining Estate National Agency board of directors and the authorized representative of the mining claim holder, is enforceable and binding upon the parties after approval by decree on proposal of the Minister in charge of mines.

The mining agreement, after its effectiveness, can not be modified but by the written consent of parties. This amendment will be formalised by a rider approved by decree on proposal of the Minister in charge of mines.

The mining agreement specifies the obligations and rights of the parties in relation with the legal, financial, fiscal, social and environmental conditions applying to exploitation during its term. It guarantees to the mining claim holder the stability of these conditions during the whole term of the claim according to this law provisions.

The agreement design is set by regulatory process.

Article-85-The issuance of any claim or license, other than the mining lease is dependent on the signing of specifications according to the legislation in force. The specifications designs are set by regulatory process.

SUBSECTION –6 ON MINING EXPERTS

Article–86-All the survey works for the constitution of the mining claims and quarries and sand pits exploitation licenses application files have to be achieved by experts in geological and mining surveys.

Article–87-Operators who, in their staff, do not count experts in geological and mining surveys may call for independent experts accredited by the Geology and Mining Control National Agency.

The terms and conditions of approval and registration of these experts are specified by regulatory process.

SUBSECTION – 7 ON THE DELIMITATION OF PERIMETERS

Article–88-Mining claims related to the activities of mining prospection, exploration and exploitation and the quarries and sand pits exploitations licenses delimit the perimeter within which they apply.

This perimeter is generated by vertical planes, indefinitely extended and deep, abutting above ground on the sides of a square, rectangle, or a closed polygon which tops are added in UTM coordinates (Universal Transversal Mercator).

Article–89- The basic unit of measurement of the area allocated for the prospection, exploration and the mining exploitation activities is a square of one hectare range, determined by the (UTM) coordinates according to a checker-board layout made official by the Mining Estate National Agency.
The area granted in a mining claim or a mining license will be a multiple of adjoining squares, presenting at least one side in common.

SUBSECTION -8 ON THE RENEWAL, REMOVAL, CESSATION, WAIVER OR ABANDONMENT OF THE MINING CLAIM

Article-90-The renewal of a mining claim is granted to its holder, within the terms set by the present law, in the case where the latter has fulfilled the obligations he subscribed during the mining claim term and this, in accordance with the

Chapter V provisions of this law.

The mining claim renewal may result in the modification of the initially granted area.

Article-91-The cessation or removal of the mining claim or the mining license is pronounced by the Mining Estate National Agency, if its holder :

- does not pay his taxes and royalties during two subsequent years,
- does not comply with the obligations he applied for,
- does not meet the commitments and requirements deriving from this

law and its statutory texts.

In addition to the implementation of a special clause relating to the settlement of disputes in the agreements concluded between the State and any holder of a license or a claim, the removal or cessation decision of a mining claim entitles the dispossessed holder of the claim to a right of recourse to the administrative jurisdictions.

The mining claim removal and cessation terms are set by regulatory process.

Article-92-A mining claim holder may, at any time, waive to his rights, totally or in part, without prejudice to the fulfilment of obligations devolved on him pursuant to the provisions of this law and its statutory texts.

Article-93-In case of waiver, abandonment, removal or nullity of the mining claim, the involved perimeter becomes available for the granting of new claims.

The perimeters so released are replaced in the location of open surfaces to the research or exploitation activities of mineral substances.

SECTION –2ON MINING RESEARCH

SUBSECTION –1ON MINING PROSPECTION

Article-94- No one may undertake mining prospection works if not in possession of a prospection license.

Article-95-The prospection license is granted to any private law legal entity applying for it to the Mining Estate National Agency, and in the chronological order of the applications registration.

Article-96- The mining prospection may concern one or more mineral substances, on a perimeter exclusively granted to a sole operator.

Article-97- The mining prospection license term may not exceed one year. Its holder may ask for a maximum of two renewals of six (6) months each if he has met the requirements under the prospection license and article 101 hereunder.

Article-98- The prospection license is issued on payment of the tax relating to the issuance of the act, it grants its holder an access right to the licensed perimeter, but does not entitle him to carry out works likely to prejudice the rights of the land owner, the chattels real holder, recipient or their beneficiaries.

Article-99- No finder's right is related to the prospection license. However, its holder may, before the end of its term, apply for an exploration permit.

Article-100-The prospection license ends automatically on the date of its expiry.

Article-101-The prospection license holder is bound to :

- submit half-yearly, to the Mining Estate National Agency, a detailed report of works carried out,
- file, at the latest three (3) months from the expiry of his mining claim, a copy of the document summing up the works performed, to the national geological service.

SUBSECTION 2
ON MINING EXPLORATION

Article –102- No one may undertake mining exploration works if not in possession of an exploration permit.

Article-103- Any legal entity giving a satisfactory account of adequate financial and technical capacities, may apply for an exploration permit on an unrestricted area. The required documents to account of these capacities are listed in the procedures, agreement and specifications provided for in articles 73, 84 and 85 hereabove.

The priority of granting is given to the holder of a prospection license, on at least a part of the applied for area.

In the event where the same perimeter is requested by several applicants and is not subject to a prospection, the claim is granted to the first applicant.

Mining claims on the perimeters already prospected at the expense of the State will be granted by tender arranged by the Mining Estate National Agency.

Article–104- The exploration permit is issued on payment of the fees relating to the issuance of the act, by the Mining Estate National Agency, according to the provisions of this law and its statutory texts.

Article-105- The mining exploration may concern one or more mineral substances. The same perimeter may only be granted to one operator.

Article-106- The exploration permit term may not exceed three years. Its holder may apply for a maximum of two renewals of two (2) years each. On the application for a renewal, the holder may ask for a modification in the surface of the exploration area.

Article-107- The granting of an exploration permit and its renewal entitle its holder to the collection of a surface tax, provided for in articles 157 and 158 of this law.

Article-108- The exploration permit gives its holder the right to carry out the mining works

inherent to the requirements of mining exploration as defined in article 15 of this law.

However, if these works cause a prejudice to the landowner, holder of the chattels real, recipient or their beneficiaries, a fair financial indemnification shall be allocated to the latter. The determination of this compensation will be first tried to be settled amicably. Failing an amicable arrangement between the parties, the competent jurisdiction will determine the compensation based on the value of the product that could have been obtained by the landowner, holder of the chattels real, recipient or their beneficiaries, in the ordinary course of a business, if in his possession during the useful term of the exploration permit holder.

The rule of compensation also applies to lands, state property, whatever their status.

Article-109- To the exploration permit is linked up a finder's right. During the exploration works, the finding of mineral substances entitles the valid permit holder to acquire an exploitation mining claim.

Article-110-An exploration permit holder is entitled to use mineral substances extracted during his works, in order to build up lots intended for mineralogical tests, providing that :

- a preliminary statement is filed to the Mining Estate National Agency,
- and the involved operations are not of a commercial nature.

Article-111-When the works carried out in the exploration permit area make it necessary to extend them to other substances, different from those provided for in the mining claim, and/or extend them outside the granted area, the holder may apply for the extension of the claim to these substances, and/or the integration of adjoining areas to the initial perimeter. The application for an extension is dealt with in the same terms as those governing the initial permit.

Article-112-The holder of an exploration permit is bound to file annually to the Mining Estate National Agency a detailed statement of works carried out.

Article-113-Where no finding is made, the exploration permit holder is bound to make the legal deposit of the whole documents and samples concerning the results of

works carried out, six (6) months at the latest from the expiry of this mining claim. The same applies for a finding not followed by an application for exploitation.

Article-114-When a finding is followed by an application for exploitation, the holder of an exploration permit is bound to comply with the formality of legal deposit of its geological report within a maximum of three (3) months.

Article-115-A grace period, which may not exceed two (2) years, may be allowed to any holder of an exploration permit who made a discovery and who, for economic conditions confirmed by an independent expert, cannot introduce for the moment an application for the granting of an exploitation claim. The independent expert fees are payable by the holder of the exploration permit. During the grace period, allowed by an administrative decision of the Mining Estate National Agency, the surface tax is due on the totality of the perimeter subject of the exploration permit, on the basis of the scale planned for the first period.

SECTION –3ON THE MINING EXPLOITATION

Article-116-No one may undertake a mining exploitation if not in possession of :

-one of the following mining claims :

a mining lease, an exploitation permit of a small or medium-size mining exploitation, or an artisanal mining exploitation license,

-a mineral substances pickup license.

Article-117-The mining lease, the exploitation permit of a small or medium-size mining exploitation and the artisanal mining exploitation license are granted only on submission of an application, to the Mining Estate National Agency according to the procedure provided for in article 7 hereabove.

Article-118-Any exploitation mining claim on an area, comprised totally or partially, in the hydraulic public domain or the forest national domain, requires for its granting the formal approval of the Minister in charge of waters or forests as the case may be and the Minister in charge of environment in both cases.

The Mining Estate National Agency services are in charge of the necessary administrative measures on behalf of the exploitation mining claim applicant.

SECTION-1- MINING CLAIM

Article- 119-The mining claim shall be granted by decree enacted, on a proposal of the Minister in charge of mines, to the holder of an exploration permit who has made a discovery.

In the case of a call for bid from the National Agency for the National Mining Estate for a deposit discovered following research financed by public funds on a perimeter for which no exploration permit has been delivered the claim shall be granted to the selected successful bidder.

A decree passed on a proposal of the Minister in charge of mines shall specify, in so far as needed, the terms of the invitation to bid and selection of grantees of the mining claim.

The mining claim can be granted only to one legal person for an industrial holding as defined in article 18 of this law.

Article-120-The mining claim shall be granted for a maximum period of thirty (30) years, with possible successive extensions as many times as allowed by reserves to be exploited.

Article-121-The mining claim confers the holder thereof the right of occupancy of land and appended rights as provided in the Section VII herein.

Article-122-The mining claim shall be subject to the payment of the fee levied on the drawing-up of the claim license.

Article-123-In the event that the perimeter set by the lease is covered in whole or in part by the national domain and on which an activity was formerly carried out, the licensee shall be subject to the payment of a rent to the Treasury, based on a lease concluded with the public domains administration.

SECTION-2-MINING PERMIT OF A SMALL AND MEDIUM-SIZED MINING HOLDING

Article-124-The mining permit for a small or medium – sized mining holding shall be delivered to the holder of an exploration permit who has discovered a deposit and who wishes to undertake exploitation under this status.

In the case of a call for tenders for exploitation activities from the National Agency for the national Mining Estate for a deposit discovered following research operations financed by public funds on a perimeter for which no exploration permit has been delivered, the permit shall be granted to the selected successful bidder.

A decree enacted on a proposal by the Minister in charge of mines shall specify , in so far as needed, the terms of the call for tenders and selection of the grantees of the mining claim.

Article-125-The exploitation permit for a small or medium mining holding shall be delivered to a legal person against the payment of a duty for drawing–up the deed by the national Agency for the National Mining Estate, for a maximum period of ten (10) years with possible extensions as many times as allowed by reserves to be exploited.

Article-126-The exploitation permit for a small or medium mining holding subject to the provisions of article 119 above, shall involve for the holder thereof the same rights and obligations as those applied to the holder of a mining claim.

SECTION-3-AUTHORIZATION FOR A NON-INDUSTRIAL MINING EXPLORATION

Article-127-The authorization for a non- industrial mining exploitation shall be granted to the first applicant either a natural or a legal person according to the following priority :

- Primarily the holder of an exploration permit applied for,
- Then the holder of a prospection authorisation on the perimeter applied for ,
- Finally any other applicant.

Article-128-The authorization referred to in article 27 above shall be granted by the National Agency for the National Mining Estate for a period not exceeding five (5) years. Such period shall be renewable as many times as allowed by reserves to be exploited.

Article-129-The authorization for a non industrial mining exploitation confers on the holder thereof the right of occupancy of land and appended rights provided in Section VII herein.

Article-130-The non industrial mining exploitation shall be subject to the payment of a duty on the drawing up of the deed.

CHAPTER-4-EXERCISE OF OTHER MINING ACTIVITIES

SECTION-1-AUTHORIZATION FOR PICKUP

Article-131-The authorisation for the pickup of mineral substances shall be granted to Algerian natural or legal persons against payment of duties on drawing up of deeds, by the National Agency for the National Mining Estate, for the substances the list of which shall set through regulations.

The same regulations shall also define, for each mineral substance, in particular :

- The regions of the country where this type of mining activity is authorized,
- The maximum surface areas authorized for the performance of such mining activity,
- The periods of the year during which such mining activity could be exercised
- The rules applicable to the submission of application for authorization and procedures relating thereto.
- The scale of the fee levied on pickup shall be set forth by the annual finance law.
- One single person may claim only one single authorization during the same period.

SECTION-2-AUTHORIZATION OF EXPLOITATION OF QUARRIES AND SAND PITS

Article-132-The authorization for exploiting quarries and sand pits shall be granted by the National Agency for the National Mining Estate with the assent of the wali having territorial jurisdiction.

The duty on the drawing up of the claim license as well as the surface tax under the activities of quarries and sand pits exploitation shall be set forth by the annual Finance Law.

The terms of enforcement of this article shall be set forth by regulatory process.

SECTION-VII- RIGHTS AND OBLIGATIONS

Article-133-Subject to the conditions and forms provided by the laws in force and in view of the achievement of the construction works and facilities, the holder of the mining license may be entitled to the following rights and benefits :

- Occupancy of land and connected rights;
- Access, passage and aqueduct incumbrances;
- Availability, acquisition of land by transfer or expropriation.

The holder of the mining license shall remain subject to all the legal and statutory obligations in force.

CHAPTER –1RIGHTS AND BENEFITS

SECTION-1-OCCUPANCY AND APPENDED RIGHTS

Article-134-In accordance with the conditions specified in this chapter the holder of a mining license shall be entitled to occupy, within the perimeter delimited by the mining claim, the lands necessary for the performance :

- Of exploration, exploitation works and other activities relating thereto,
- Of works for construction of housing for the staff assigned to the works covered by the said mining claim,
- Of works for the infrastructure necessary for the performance of operations relating in particular to the transportation of material, equipment and extracted products,
- Of drilling and works required for all kinds of procurement.

Article-135-In the event of an amicable settlement between the owners, holders of real rights, recipients and other interested parties or services concerned and the holder of the mining claim, the right of occupancy and connected rights shall be in the form of a commitment binding the parties.

Article-136-The benefit of land occupancy and connected rights provided in article 133 above–mentioned confers entitlement to allowances covering all damages undergone by the owners, holders of real rights, recipients and other interested parties, chargeable to the holder of the mining claim, the amount of

which shall be set amicably by the parties.
In the absence of an amicable settlement the dispute shall be submitted to the competent jurisdiction.

Article-137-No construction work can be undertaken on a private or already assigned land unless the requirements set forth in articles 135 and 136 hereabove are fulfilled.

The occupancy of the lands located within the safety perimeters referred to in article 58 above must have the prior authorization of the wali having jurisdiction in the territory, with the assent of the national geologic department and give rise to an allowance set in accordance with article 136 hereabove.

Article-138-The occupancy of lands covered by the national domain, assigned or not, or belonging to persons governed by private law, shall be free of charge, if it has the mission of mining prospection and exploration and if it does not cause damages.

Article-139-Whenever the occupancy executed in this manner or the exercise of auxiliary rights deprives the owner, holders of real rights, recipients or other interested parties of the enjoyment of land during a period exceeding three (3) years or if after the performance of works the occupied lands are no longer adequate for the prior utilization the interested parties may solicit:

- Either the grant of a supplementary allowance
- Or the assignment of the land to the holder of the mining claim.

In both cases the assessment of the value of the land to be acquired dates from the date of occupancy.

SECTION- 2INCUMBRANCES

Article-140-The holder of a mining claim may, in accordance with the conditions set forth in this law and the corresponding enforcement regulations, be entitled to the legal acces, passage and aqueduct incumbrances, necessary to his facilities or the operation of his mining holding.

Article-141-In the event of inclusion and in the absence of an amicable settlement with the interested parties, the holder of the mining license may, by a decree of the

wali having territorial jurisdiction, be entitled to the benefit, on the lands neighbouring to the perimeter allocated by the said license, of access, passage or aqueduct incumbrances necessary to the facilities or to the proper running of the holding, subject to the provisions of articles 142,143 and 144 above mentioned.

The access and passage incumbrance shall be granted for enclaved mining lands, in the case of absence or insufficiency of access, given exploitation in relation to its accessory or ancillary facilities, in relation to the public highway or any other working.

The aqueduct incumbrance shall be granted for the passage on, or flight over, the neighbouring lands of overhead or underground water, gas or electric pipes, lines, overhead cables, facilities and equipment intended for the transportation or storage of exploitation products as well as the arrangements intended to facilitate the utilization and the good conduct of mining works or necessary for the full development thereof.

Article-142-The authorization for exercise of incumbrances shall be granted by decree of the wali having territorial jurisdiction, after declaration of public interest pronounced, following an inquiry for which all the owners, holders of real rights, recipients and other interested parties or concerned services have been heard.

The declaration of public interest shall be pronounced by decree of the wali having territorial jurisdiction.

The interested parties referred to in above paragraph may bring an action against the decree authorizing occupancy and appended rights or exercise of incumbrances.

Article-143-The exercise of incumbrances stipulated in article 140 above mentioned shall be authorized free of charge, on request of the holder of the mining license, for the lands of the state Domain which are not already legally occupied by third parties. For this purpose a decree shall be passed by the wali having territorial jurisdiction.

However with respect to incumbrances charged on immovable properties belonging to the State Domain already occupied legally by third parties, the wali's decree having jurisdiction in the territory shall set an allowance

calculated on the basis of the damage undergone. Such allowance shall be chargeable to the holder of the mining license.

Article-144-The authorization for exercise of incumbrances for the pursuit of activities and operations mentioned in article 141 hereabove should be previously notified directly to the owners, holders of real rights, recipients and other interested parties or services concerned and subject to an inquiry made in each local council in view of obtaining the interested parties' opinion.

The exercise of incumbrances may be undertaken only with the prior approval of the wali having territorial jurisdiction who shall set the extent of rights and obligations resulting therefrom.

Notwithstanding the enforcement of other legal and statutory provisions in force the wali having territorial jurisdiction shall set a provisional and estimated allowance which shall be recorded by the holder of the mining license prior to the exercise of incumbrances.

The decree stating authorization of incumbrances shall be published in the office of the land registry which covers the mortgaged real estate. The disputes or controversies which might arise in connection with incumbrances or corresponding allowances shall be settled pursuant to the legal and statutory provisions in force.

SECTION-3-ACQUISITION OF LANDS

Article-145-Where required and for the general public the construction works and installations mentioned in article 133 hereabove to be realized inside or outside of the perimeter delimited by the mining license may, upon request of the holder of such license, be declared of public interest in accordance with the terms and conditions stipulated by the laws in force.

A declaration of public interest may be also pronounced in the same terms with respect to the facilities designed to storage, processing, transportation and discharging of extracted products as well as for structural works necessary to the full development of the planned mining holding.

Article-146-In order to carry out mining exploitation or the realization of the works necessary to such exploitation and for which the declaration of public interest has been pronounced in accordance with the laws in force by decree of the wali having

territorial jurisdiction the holder of the mining license may use, by way of availability, acquisition or expropriation, the lands necessary to such works or to the said mining exploitation.

Article-147-Notwithstanding the legal and statutory provisions in force and if its purpose is activities of mining exploitation the availability of lands covered by the national domain which are not legally occupied shall be enforced free of charge.

The deed stating the availability shall be drawn up by the Domain services on request of the National Agency for the National Mining Estate.

Article-148-If absolutely necessary and if the lands to be occupied belong to individuals and in the absence of an amicable settlement with the latter a procedure for expropriation for purposes of public interest may be carried into effect in accordance with the laws in force, to the benefit of the Domain Service.

In such case the occupancy of the land by the holder of the mining license shall be made through a lease.

CHAPTER- 2 OBLIGATIONS ON HOLDERS OF MINING LICENSES

Article-149-Any applicant of a mining claim shall attach to his application an impact study of the planned mining activity on the environment. This study carried out by an authorized specialized consultancy office shall be submitted to the approval of the concerned competent services.

Article-150-Besides the appreciation of the effects of mining activities on the environment the impact study shall include all the aspects relating to the protection of the environment in general and in particular :

- the technical conditions of work which guarantee the environmental stability and equilibrium.
- The measures adopted for the gradual rehabilitation of places during the whole period of mining activity.

Article-151-The impact study shall be submitted together with an environmental management plan, specifying and planning all the actions to be realized.

The environmental management plan shall include the budgets relating to the actions adopted for :

- measures intended for reducing the impact and the

rehabilitation

of places,

- the follow

- up and implementation of such actions, -the environmental audits to be realized annually.

Article-152-Besides the obligations defined elsewhere the holders of mining claims shall be bound to:

1. 1. Carry out the prospection, exploration and exploitation works provided in the conventions and/or specifications, in accordance with the conditions set forth in this law and its related enforcement regulations.

2. 2. Maintain exploitation, emergency and safety construction works and facilities, in accordance with the provisions and standards provided by the laws and regulations in force.

3. To comply with the technical and regulatory requirements enacted with respect to :
-Explosives transportation, storage and utilization, -Safety and hygiene -Environmental protection -Protection of animals and plants -Protection of historic and archeological sites and monuments

scheduled or in process of scheduling, -Water flow and drinking water supply, irrigation or industrial requirements, -Protection perimeters.

3. 4. Pay in accordance with the conditions set forth in this law and its corresponding enforcement regulations, all duties, fees, taxes and royalties for purposes of their activities or facilities,

4. 5. Provide the National Agency for the National Mining Estate and the National Agency for Geology and Mining Control with an annual report the contents of which shall be set by a decree of the Minister in charge of mines.

5. 6. Make good the damages caused to persons or properties as a result of the carrying out of their mining activities,

6. 7. Train engineer students in mining fields and others according to schemes fixed with Universities, Schools and Institutes for staff training,

7. 8. Undertake the rehabilitation of places.

Article-153-The holder of mining claim shall be bound, under penalty of suspension possibly followed by the withdrawal of his license according to the procedures set forth in article 91 hereabove to:

-Start the works at the latest one year after the granting of the license and pursue them steadily,

-Implement in accordance with the good engineering practice the scheme agreed upon of prospection, exploration and exploitation works -Implement the annual investment corresponding to the works herein above mentioned and according to the schedule fixed.

Such annual obligatory investment may however be reviewed in the case of an adverse economic cycle or an appreciable depreciation of the prices of the granted mineral substances.

-Forward to the legal registry all information, documents and surveys of any and all kinds relating to prospection, exploration and exploitation operations,

-Maintain in Algeria the drill cores as well as any sample of both the substances covered by the license and related substances,

-Provide the information and all useful justifications requested to him by the services in charge of mines in order to prevent any accident or following an accident.

SECTION -VIII FINANCIAL AND FISCAL PROVISIONS

Article-154-The financing of the bodies referred to in articles 44 and 45 herein shall be ensured in particular by:

- A proportion of the proceeds of the extraction tax,
- The proceeds of duties on the drawing up of deeds related to mining licenses,
- A proportion of the proceeds of the surface tax,
- Any other proceeds related to their activities.

Such proceeds shall be paid to the collector of taxes and paid into the Fund of the National Mining Estate.

Besides the financing of bodies referred to above a proportion of the proceeds deriving from the extraction tax and the surface area tax shall be paid into the common fund of local authorities to the benefit of local councils.

The rates of such proportions shall be fixed by regulatory process. The Fund of the Public Mining Estate operates in the form of a special allocation account to be set up in accordance with the laws and regulations in force.

Article-155-The fiscal provisions applied to the mining activities such as defined in articles 13 to 23 herein above shall be set forth by the provisions hereof.

The applicable fiscal provisions other than those expressly provided by this law shall be those enacted by the fiscal legislation in force.

The terms of payment of any duty, tax or penalty provided by this law shall be specified by an interdepartmental order.

Article-156-A duty on the drawing up of a deed shall be levied on the drawing up, modification and renewal of the following mining licenses and authorizations :
-prospection authorization, -exploration permit, -mining claim -exploitation permit for a small or medium mining holding, -authorization for a non-industrial mining exploitation, -pick up authorization.

The rate of the said duty is set forth in annex 1 hereof. The Updating of such rate shall be fixed by a decree of the Minister in charge of Mines after allowing for the inflation rate recorded during the preceding year.

Article-157-The holders of an exploration permit and / or a mining claim shall be subject to an annual surface tax.

Such tax shall not replace in any way the rent which the owner of the land or his interested parties are entitled to claim.

Article-158-The surface tax shall be levied on the basis of a scale laid down in annex 2 herein. The updating of such scale shall be set forth by a decree of the Minister in charge of Mines, taking into account the inflation rate recorded during the preceding year.

The payment of this tax shall be made as follows :

- at the time of the delivery of the mining license or the renewal thereof in proportion to the number of the remainder of full months of the calendar year,
- and at the beginning of each calendar year for the following years.

Article-159-The mineral substances extracted from land or sea deposits shall be subject to an extraction royalty.

Shall be excluded from the payment of such royalty the holders of a pickup authorization, the holders of an exploration permit for the substances extracted pursuant to the provisions of article 110 herein above.

Article-160-The extraction royalty shall be levied on the basis of the scale set forth in annex 3 hereof.

The lists of mineral substances forming each of the categories of substances

enumerated in annex 3 herein shall be specified by a decree of the Minister in charge of Mines.

Such royalty shall be paid at the latest by march 31st of each year for the previous year, upon a voluntary declaration drawn up by the operator on a form supplied by the National Agency for Geology and Mining Control and addressed thereto.

Such royalty shall be based on the quantity of extracted raw material the unit value of which is proportional to the value of the market mining product.

With respect to precious metals and precious and semi precious stones the basis for the extraction royalty shall be constituted by the quantity of market products obtained.

The method for determining the extracted quantity shall be specified by a decree of the Minister in charge of Mines.

The value of marketable mining products used for calculating the extraction royalty as well as the updating formula thereof shall be fixed, case by case, in mining conventions or specifications.

Article-161-A rebate of 30% on the extraction royalty shall be granted to the holders of exploitation permits of small or medium mining holdings.

A rebate of 50% of the extraction royalty shall be granted to the holders of permits of non industrial mining exploitation.

Furthermore, account being taken of the important efforts for research and exploitation, the type of production and used techniques and in order to foster exploitation in particularly difficult regions, reductions of the royalty rate may be granted.

The criterion for rebates stipulated in the above paragraph shall be fixed by regulatory process.

Article-162-The agents of the National Agency for Geology and Mining Control shall be in charge of the control and of the operator's voluntary return. They shall be entitled to make the adjustments duly justified.

Any misrepresentation shall give rise to an adjustment and a penalty

amounting to half of the value of the eluded royalty.

The penalties shall be paid into the State Budget.

Article-163-The mining enterprises shall be subject to a tax on mining profits.

Subject to the provisions hereof, the tax on mining profits shall be assessed, paid and collected under the same conditions as the corporate income tax.

The rate of the tax on mining profits shall be fixed at 33% as follows :

- 30% to the State Budget;
- 3 % to the local collectivities.

Article-164-The enterprises the main or incidental activity of which consists of prospection, exploration works for account of third parties, shall be excluded from the scope of the provisions herein.

Article-165-The gross result for the financial year shall be the profit or loss for the financial year which shall not exceed twelve (12) months. If this period is of twelve (12) months the financial year shall coincide with the calendar year. If the period is less than twelve (12) months the financial year shall be comprised in the same calendar year.

Article-166-The enterprises subject to the tax on mining profits as defined herein are bound to keep separate accounts of the three activities of mining prospection, exploration and exploitation in accordance with laws and regulations in force and by financial year.

The corporate annual balance sheet shall be presented in the form of a consolidated balance sheet.

Article-168-Depreciation and amortization shall be entered in the books by the enterprise, in accordance with the laws in force, in the limit of the taxes appearing in annex 4 herein.

The costs for prospection and exploration shall be admitted to amortization, provided that their amounts are validated by the National Agency of the National Mining Estate.

In the case of acquisition of a mining license from an initial holder the

purchase price of such license shall be admitted to amortization by the new holder thereof under the same conditions as if he had himself realised the research works.

Article-169-The mining enterprises shall be authorized to constitute regulated depletion allowances. Such provisions shall be considered as deductible charges before determining the gross result.

The maximum rate of such provision shall be fixed at one percent (1%) of the annual turnover net of tax. This provision must be used for financing the research works within a period of three (3) years under the penalty to be necessarily reintegrated to the result.

Article-170-The mining enterprises shall be entitled to carry over losses to the ten (10) years following the financial year showing a loss.

Article-171-The mining enterprises shall be exempted, for their mining prospection, exploration and exploitation activities, from :

1. 1. the tax on occupation,
2. 2. any tax levied on operating results established to the benefit of the State, local authorities and any legal entity governed by public law other than those referred to in article 163 herein.

Article-172-The mining enterprises shall be exempted from any dues and taxes charged on built property made up of buildings and other construction realized over the granted mining perimeter.

Article-173-The specific equipment acquired or imported by the enterprises holding a mining license or for their account and designed to be directly assigned to mining prospection, exploration and exploitation activities shall be exempted from the VAT.

The imported equipment, matters and products designed to be assigned and used in connection with mining prospection and exploration activities performed by the enterprises specified in the 1st paragraph of this article for themselves or for their account shall be exempted from customs duties, taxes and royalties.

Article-174-The list of specific equipment set forth in above article 173 shall be set by regulatory process.

Article-175-The mining investment realized from capital contributions, by means of freely convertible currencies duly quoted by the Banque d'Algerie and the importation of which is duly noted by the same, shall benefit from the transfer guarantee of the invested capital and income deriving therefrom.

Such guarantee shall also concern the real net proceeds of the assignment or winding-up, even if this amount is higher than the initially invested capital.

Article-176-The enterprises performing mining exploitation activities shall be bound to constitute annually, before determining the gross results, a provision for the rehabilitation of sites.

The rate of such provision shall be fixed at 5% of the annual turnover net of tax.

Such provision shall be bindingly put in a consignment account, an escrow account, bearing interest, open with the Treasury in the name of the enterprise.

The amount of such provision and the interests borne shall be used exclusively to finance the works of rehabilitation of sites after exploitation.

The method for a progressive rehabilitation of sites co-ordinated with exploitation shall be preferred if there is no objective technical reason against it. The National Agency For Geology and Mining Control shall be entrusted with the control of the due constitution of such provision and the use thereof.

At the end of mining operations and after complete rehabilitation of sites the remainder of the provision shall be reintegrated to the taxable result of the enterprise.

In the event that the amount of the provision constituted plus interests borne proves to be insufficient to cover the total expenses for the sites' rehabilitation the enterprises shall be bound to defray the cost therefor before paying off any creditor except for the salary earners.

Article-177-The mining investments shall be excluded from the scope of the provisions of the decree – law n° 93-12 of October 5th 1993, modified and supplemented relating to the investment promotion.

SECTION -IX-
BREACHES AND SANCTIONS

Article-178-In addition to criminal police officers and agents, the agents of the mines police set forth in article 54 above shall be entitled to search for, and record the breaches of the provisions herein.

Within the exercise of their duties the agents mentioned herein above shall be entitled to call out the military.

The establishment of a breach shall give rise to the drawing up of an official report in which the agent in charge of the official report shall relate accurately the established facts and the statements obtained by him.

The official report shall be signed by the agent in charge of the official report and by the defaulting party. In case of refusal of the signature by the infringer the same shall be mentioned.

The official report shall constitute evidence unless provided otherwise and shall not be subject to confirmation.

It shall be forwarded to the public prosecutor having territorial jurisdiction within a period that shall not exceed eight (08) days, with the National Agency for Geology and Mining Control being kept informed.

Article-179-Whoever occupies, by any means whatever, a land covered by a protection order, without the prior consent of the National Agency for Geology and Mining Control shall be punished with an imprisonment of two (02) to twelve (12) months and a fine of AD 5,000 to AD 20,000.

Article-180-Whoever has abandoned a well , a gallery, a trench, an extraction seat, without the prior authorization of the National Agency for Geology and Mining Control shall be punished with an imprisonment of two (02) to twelve (12) months and a fine of AD 5,000 to AD 20,000.

Shall be punished with the same penalty the operator who will not have

performed the works prescribed by the National Agency for Geology and Mining Control pursuant to the provisions of articles 59 hereof.

Article-181-Any operator who will have pursued exploitation works in defiance of the administrative prohibition provided in article 60 herein shall be punished with an imprisonment of six (06) months to three (03) years and a fine of AD 20,000 to AD 100,000.

Article-182-Any operator who has omitted to forward to the National Agency for Geology and Mining Control the report provided in article 61 herein shall be punished with an imprisonment of two (02) to six (06) months and/or a fine of AD 5,000 to AD 20,000.

Shall be punished with the same penalty the holder of the mining license who will not have informed the National Agency for Geology and Mining Control of the opening or the workover of a well or an adit, in violation of the provisions of article 63 herein.

Shall be also punished with the same penalty the operator who will have omitted to inform the National Agency For Geology and Mining Control of the definitive stopping of works, in accordance with article 64 herein.

Article-183-Any assignment, transfer of a mining license without the prior authorization provided for in article 75 herein shall be punished with an imprisonment of one (1) to two (2) years and a fine of AD 10,000 to AD 50,000.

Article-184-The breach of the provisions of article 80 herein shall be punished with an imprisonment of one (1) to three (3) years and a fine of AD 20,000 to A.D 50,000.

Article-185- Whoever undertakes prospection or exploration works without the authorization or the permit stipulated in articles 94 and 102 herein shall be punished with an imprisonment of two (2) months to two (2) years and a fine of AD 20,000 to AD 50,000.

Article-186- Any operator who omits or refuses to rehabilitate sites after injunction by the National Agency for Geology and Mining Control shall be punished with an imprisonment of one (1) year to three (3) years and a fine of AD 10,000 to AD 50,000.

Article-187-Whoever has performed an exploitation activity without a mining license or

without an authorization for pickup or without an authorization for exploitation of quarries and sand pits shall be punished with an imprisonment of one (1) year to three (03) years and a fine of AD 20,000 to AD 100,000.

Article-188-Any person who has delivered deliberately a mining license or an authorization for pickup or an authorization for quarries or sand pits exploitation, in evident violation of this law, shall be punished with an imprisonment of two (2) to twelve (12) months and a fine of AD 10,000 to AD 50,000.

Shall be punished with the same penalty anyone who has performed a mining activity by making use of the license or authorization referred to above.

Article-189-Whoever performs a mining activity within a site protected by law or by international conventions shall be punished with an imprisonment of two (2) to four (4) years and a fine of AD 10,000 TO AD 50,000.

Article-190-Any refusal to comply with the requisitions made by the mining engineers, in case of imminent danger or accident occurred in a mining research or exploitation yard shall be punished with the penalty provided for in article 422 ter of the penal code.

Article-191-The operator who omits to draw up the official report stipulated in article 71 herein shall be punished with an imprisonment of ten (10) days to two (2) months and/or a fine of AD 500 to AD 2,000.

Article-192-In case of relapse the penalties set forth in articles 179 to 191 herein shall be doubled.

SECTION-X-PARTICULAR PROVISIONS RELATING TO OFFSHORE ACTIVITIES OF RESEARCH AND EXPLOITATION OF MINERAL SUBSTANCES

CHAPTER -I-GENERAL PROVISIONS CONCERNING OFFSHORE MINING ACTIVITY

Article-193-The Algerian State exercises on the whole of the maritime regions specified in article 2 herein sovereign rights for the purposes of research and exploitation of mineral or fossil substances.

Article-194-Subject to the particular provisions set forth in this section the provisions of sections I to VIII herein shall be applicable to the activities of mining research and exploitation carried out in the maritime regions referred to above.

Article-195-Within the maritime regions under algerian jurisdiction only the holders of mining licenses for research or exploitation of mineral or fossil substances delivered by the Algerian State shall be holders of the right of exploiting such substances.

Article-196-If the mining license concerns in whole or in part the Algerian maritime regions this portion shall be attached, for the application of this law, to the riparian wilayates.

Article-197-During the period when are performed the activities mentioned in article 193 hereabove the laws and regulations shall apply to the facilities and machinery defined in article 198 hereunder.

The said laws and regulations shall be applied, in the same conditions inside of the safety zones, to the supervision of operations realized therein as well as to the preservation of public order.

Article-198-The facilities and machinery used for the research or exploitation of mineral substances in the maritime zones, for the purposes of this law shall refer to:

- the platforms and the annexed facilities,
- the other exploitation devices as well as auxiliary equipment,
- the vessels which directly participate to research or exploitation operations.

Such installations and machinery which are movables by nature and immovables by destination, may be mortgaged under the conditions stipulated by the law in force.

Article-199-The seamen who participate, on board the maritime facilities and machinery defined in article 198 hereabove, to the activities of research or exploitation of the mineral substances of Algerian maritime regions may, on their request, remain subject to the seamen social insurance system and continue to benefit from the provisions provided in the Maritime Code relating to diseases and injuries as well as repatriation. In such case the employer shall assume the shipowner's obligations.

Article-200-The facilities and machinery referred to in article 198 hereabove shall be subject to the rules and regulations relating to the safeguard of human life in the sea.

Moreover if the same are able to float they shall be subject to the laws and regulations relating to registration and navigation permit as well as the regulations concerning the prevention of collision in the sea during the time of floating.

For the application of the said laws and regulations the person who conducts research or exploitation works on such facilities and machinery shall be considered, in relation to the appropriate authorities, as the master under the laws and regulations. Such person, in all cases, shall be subject to the relevant jurisdiction in accordance with the laws in force.

Article-201-Around the facilities and machinery referred to in article 198 hereabove a safety zone can be established extending over five hundred (500) metres measured from each point of the outer edge of such facilities and machinery.

It shall be forbidden to enter, without authorization, by any means whatever, into such zone for reasons unconnected with research or exploitation operations. Restrictions may be placed on the flight over the facilities and machinery as well as safety areas to the extent necessary to the protection of such facilities and machinery and to the security of air navigation.

Article-202-Any sea or air carriage between the national territory and the facilities and machinery set up in the Algerian maritime areas shall be reserved to the vessels and aircrafts authorized by the concerned authorities.

Article-203-The owner or operator of a facility or machinery referred to in article 198 hereabove resting on the seabed or any person conducting on board such facility or machinery research or mining works shall be responsible, as for as one is concerned, of the setting-up, working and the constant maintenance in good order of the maritime signalling. In all cases signalling expenses shall chargeable to the owner or operator. Such provisions shall apply, as the case may be, to the signalling of the safety zones specified in article 201 hereabove.

In the event that the persons specified in paragraph 1 hereabove fail to comply with the instructions given to them by the competent authority for the application of this decree and without prejudice of legal proceedings, the said authority may, after an order which was of no effect, take compulsory necessary measures at the owner or operator's expenses.

In order to ensure that the said persons fulfill the obligations chargeable to

them under this article the competent authority shall have access to the facilities and machinery as well as to the signalling devices.

Article-204-The sea information collected during activities of research or exploitation of mineral substances in the algerian maritime areas shall be transmitted to the competent authorities by the persons referred to in article 203 above.

Article-205-The port legislation shall be applicable to the signalling of the facilities and machinery referred to in article 198 as well as of the safety zones specified in article 201 above. To this end the person conducting, on the facilities and machinery, research or exploitation works shall be considered, towards the competent authorities, as the captain or the employer for the purposes of the said articles.

In all cases such person shall come under the competent jurisdiction in accordance with the laws and regulations in force.

Article-206-The owners or operators shall be bound to lift totally the facilities and machinery which are no more used. If necessary they shall receive a formal notice to fulfil such obligation and the time limits shall be fixed to them for the start and completion of works.

In case of refusal or negligence in the performance of such works, the same may be executed automatically at the owners or operator's costs and risks. In such case the owners or operators may lose their rights on the said facilities and machinery.

CHAPTER - 2 SPECIAL FISCAL PROVISIONS FOR SEA MINING ACTIVITY

Article-207-In accordance with article 2 herein, the products extracted from the maritime areas subject to the Algerian jurisdiction shall be considered, with regard to customs regulations, as extracted from a new part of the customs territory as stipulated in article 1 of the customs code. For the application of the tax legislation the same products shall be considered also as extracted from the national territory.

Article-208-A register of mineral and fossil substances shall be kept in the facilities and machinery specified in article 198 hereabove. The form in which such register shall be kept and the notices to appear thereon shall be specified by regulatory

process.

Article-209-The customs officers shall be entitled to visit, at any time, the installations and machinery; they may also visit the transport facilities involved in the exploitation of the Continental Shelf or the exploitation of its natural resources inside of the safety zones provided in article 201 above and within the maritime area of the customs district.

CHAPTER -3 – SPECIAL PENAL PROVISIONS RELATING TO SEA MINING ACTIVITY

SECTION -1 - SANCTIONS

Article-210-Without prejudice to the sanctions which could be enacted furthermore and in particular by the maritime Code and the law relating to the protection of the environment referred to above, the breach of this law and of the corresponding enforcement regulations with respect to activities of research and exploitation of sea mineral substances shall be punished according to the provisions of articles 211 to 222 hereunder.

Article-211-Whoever has undertaken within the algerian maritime areas an activity of mining research or exploitation without a mining license shall be punished with an imprisonment of one (1) year to three (3) years and a fine of AD 20,000 to AD 100,000.

In case of repetition the penalty of a fine shall be doubled and moreover an imprisonment up to four (4) years could be pronounced.

Moreover the Court may order, if necessary, either the removal of installations and machinery installed in the sites of research or mining without authorization, or their retrofit.

The court may allow to the convicted person a time limit to proceed with the removal of installations or machinery or their retrofit

The penalties stipulated in paragraph one of this article shall be also applicable in case of non performance, in the prescribed time limits, of the

works of removal or retrofit referred to in paragraph two.

If upon expiry of the deadline set by the judgment the removal of installations and machinery or their retrofit, as the case may be, has not been undertaken or completed, the administrative authorities competent may cause the necessary works to start ex officio for the enforcement of the decision of the court at the costs and risks of the convicted person.

SECTION -2- SUSPENSION OF WORKS

Article-212- If a breach as defined in article 210 above has been established the president of the administrative jurisdiction ruling in interlocutory proceedings, on the request of the authorized administrative authority, may order the interruption of the works of research or exploitation.

The jurisdiction may, at any time, at the request either of the authorized administrative authority or of the owner or the operator, give a ruling on the cancellation or the maintenance of the measures taken for the stopping of works.

Article-213- The pursuit of works of research or exploitation notwithstanding the judicial or administrative decision ordering interruption shall be punished with an imprisonment of three (3) months to two (2) years and a fine of AD 20,000 to AD 200,000 or with only one of these two penalties.

SECTION -3 MARINE POLLUTION

Article-214- Whoever will have discharged, let escape, incinerate in the sea or immerse, from an installation or a machinery referred to in article 198 above, materials, products or wastes likely to pollute, alterate or degrade waters, land or maritime regions under algerian jurisdiction or will have contravene the provisions enacted by the law relating to the protection of the environment, during the research or exploitation operations of mineral substances within the algerian maritime regions, shall be liable to the sanctions and penalties provided by such law.

The international conventions relating to marine pollution and ratified by

Algeria shall be applicable to breaches of provisions punished by this law.

Article-215-The owner or operator who will have refused to perform, despite a formal notice of summons, the works specified in article 206 herein shall be punished with an imprisonment of one (1) year to two (2) years and a fine of AD 50,000 to AD 200,000.

Article-216-Any breach of the provisions of articles 203 and 204 herein shall be punished with the penalties stipulated by the maritime code and the laws in force.

Article-217-The person conducting the works of research or exploitation on board the installations and machinery referred to in article 198 above shall be bound, under the penalty of AD 10,000 to AD 100,000, to cause the maritime authority to mention on the traffic permit specified in article 200 hereof, the name and qualifications of each of the persons the presence of which onboard is obligatory, in compliance with the regulations on the safeguard of human life in the sea.

Article-218-Shall be punished with an imprisonment of two (2) to six (6) months any person specified in article 203 who sets up an equipment likely to be mistaken for a mark of maritime signalling or to harm the observation by the navigator of such mark.

Article-219-If the register of mineral or fossil substances provided in article 208 hereabove is not kept in accordance with the provisions in force or contains false notes the person conducting works of research or exploitation on board installations and machinery specified in article 198 shall be punished with an imprisonment of one (1) year to two (2) years and a fine of AD 10,000 to AD 50,000.

The same penalties shall be applicable in the event that the official refuses to communicate the register or is opposed to the control thereof by the competent authorities.

SECTION -4CASES OF SABOTAGE

Article-220-Whoever will have irregularly entered inside a safety zone as defined in article 201 above or irregularly flown over it after the authorities competent have taken the appropriate measures with a view to allowing the navigators to be aware of the situation of such zone, shall be punished with an imprisonment of one (1) year to two (2) years and a fine of AD 10,000 to AD 50,000.

Article-221-Any person who will have destroyed wilfully or with criminal intent any installation or machinery specified in article 198 hereabove, by any means whatever, shall be punished in accordance with the provisions provided by articles 395 and following ones of the penal code.

Article-222-Shall be entitled to establish the breaches provided in articles 211 to 219 herein:

- The judiciary police officers and agents,
- The mining engineer of the National Agency for Geology and Mining Control,
- The harbour - masters
- The commanders of the vessels of the national marine,
- The commanders of the State oceanographic vessels,
- The chief - masters of the State aircrafts,
- The customs officers,
- The surveyors of maritime navigation and works,
- The supervisors of the maritime navigation,
- The agents of the national coast guards service,
- The technical officers of the maritime navigation,
- The engineers of maritime signalling services,
- The sworn officers of scientific research and accenographic departments.

The reports establishing such breaches of provisions shall constitute evidence unless proved otherwise.

Such reports shall be transmitted to the prosecutor of the Republic having jurisdiction in the territory.

SECTION -XITRANSITORY PROVISIONS

Article-223-The authorizations for research and/or exploitation delivered in accordance with the provisions of the law n°84-06 of January 7th, 1984 concerning mining activities, modified and supplemented, in force at the date of promulgation of this law shall remain valid until the date of their expiration. Such authorizations may not be subject to either renewal or extension.

Article-224-The holder of an authorization of research and/or exploitation in force at the date of promulgation of this law may choose the delivery of a mining license established by the provisions of this law subject to a formal waiver of his

former research and/or exploitation authorization.

The delivery of such license shall be made in accordance with the provisions of this law and its enforcement regulations.

The delivery of such mining license shall involve the cancellation of the former research and/or exploitation authorization.

Article-225-Any holder of an authorization for research of mineral substances delivered in accordance with the provisions of the law n°84-06 of January 7th, 1984 concerning mining activities, modified and supplemented, shall be bound, within three (3) months from the date of publication of this law in the Journal Officiel of the People's Democratic Republic of Algeria, to file with the Minister in charge of mines an identification file containing the following documents :

- A copy of the Minister's decree concerning research authorization,
- A copy of his trade register,
- A progress report on the works undertaken at the date of the filing of the file as well as the planned estimated programme for the remaining works to be completed.

Article-226-Upon the receipt of the identification file of the research activity mentioned in above article 225 the central administration in charge of mines shall proceed to the review thereof and decide, within one (1) month from the date of receipt, on the type of the mining license to which such file should be linked for its administration.

Article-227-Any holder of an authorization to exploit mineral substances shall be bound, within six (6) months from the date of publication of this law in the Journal Officiel of the People's Democratic Republic of Algeria, to submit an identification file, to the Minister in charge of mines, containing the following documents :

- A copy of the minister's decree or the wali's decree relating to exploitation authorisation,
- A copy of his trade register,
- A 1/5 000 scale map of the perimeter covered by the said activity with its accurate coordinates,
- The real date of the start of the exercise of exploitation,
- The probable remainder of the period for exploitation,
- An exploitation technical file including the information hereunder :
- The deposit morphology and the geologic and commercial reserves,

- The applied exploitation method,
- The employees,
- The annual production,
- The cumulated investments
- The environmental study, if necessary

Article-228-Upon receipt of the identification file for the exploitation activity mentioned in above article 227 the central administration in charge of mines shall proceed to its examination and decide on the nature of the mining license to which such file should be linked for its administration, within six (6) months from the receipt of the file.

Article-229-At the date of publication of this law in the Journal Officiel of the People's Democratic Republic of Algeria, any document which does not comply with the provisions of the law n°84-06 of January 7th 1984 concerning mining activities, as modified and supplemented, having allowed a mining activity, shall be voided.

Article-230-One (1) month following the expiry of the deadline stipulated in articles 225 and 227 hereabove the research and/or exploitation authorizations which were not covered by an identification file shall be unilaterally treated as the corresponding mining licenses by the central administration in charge of mines.

Article-231-All the information obtained and held by any enterprise or office, at the date of publication of this law in the Journal Officiel of the People's Democratic Republic of Algeria, for purposes of programmes for geologic and mining studies and research financed by government funds and in respect of the national geologic service shall be property of the state and as such shall be transferred to the Ministry in charge of mines.

Article-232-Until the creation of the National Agency for Geology and Mining Control and within a period not exceeding two (2) years the privileges assigned to the latter shall be exercised jointly by the central Administration and the decentralized departments of the Ministry in charge of mines.

Article-233-Until the creation of the National Agency for the National Mining Estate and within a period not exceeding two (2) years the privileges assigned to the latter shall be exercised by the central Administration in charge of mines.

Article-234- Until the setting up of the national geologic service within the National Agency for Geology and Mining Control, the privileges assigned to the latter shall be exercised by the central Administration of the Ministry in charge of Mines.
The tasks of public service with respect to the national geologic service entrusted to the National Office for Geologic and Mining Research as well as the properties held by endowment for the carrying out of such tasks shall be transferred to the said administration on the date of the publication of this law in the Journal Officiel of the People's Democratic Republic of Algeria. The transfer of the properties shall be made in accordance with a procedure enacted by regulatory process.

Article-235- Until the generalization of the (U.T.M) system to the whole national territory the maps established in the Lambert system of coordinates shall be valid.

Article-236- Within the setting up of the agencies referred to in articles 232 and 233 herein the mines Authorities shall be entrusted to :

- Introduce the register of the mining real estate within a period which shall not exceed one (1) year. Such register shall be transferred to the National Agency for the National Mining Estate on the date of its setting up,
- Introduce and set up a management system for data banks within a period not exceeding two (2) years, -cause the provisions relating to the legal deposit to be complied with.

Article-237- The fiscal provisions specified in section VIII of this law shall be applicable to mining authorizations and licenses allocated pursuant to the provisions of law n°84-06 of January 7th, 1984, concerning mining activities, as modified and supplemented, from January 1st, 2003. Before such date the tax system in effect at the date of publication of this law in the Journal Officiel of the People's Democratic Republic of Algeria shall be applicable until December 31, 2002.

Article-238- Any holder of a mining license who is entitled to fiscal advantages granted in accordance with the provisions set forth in the decree - law n°93-12 of October 5th, 1993, concerning the promotion of investment shall be entitled to:

- either continue to benefit from such advantages until the expiry date of their validity but in losing the benefit of exemptions provided in section VIII hereof,

-or waive them expressly and avail himself of the benefit of the provisions set forth in section VIII herein.

SECTION -XIIFINAL PROVISIONS

Article-239-Shall be hereby repealed the law n°84-06 of January 7 th, 1984 concerning mining activities, modified and supplemented, and article 140 of law n°87-20 of December 23 rd, 1987, concerning the finance law for 1988, referred to above.

Article-240-This law shall be published in the "Journal Officiel" of the People's Democratic Republic of Algeria.

Algiers, 11 Rabie Ethani 1422 corresponding to July 3, 2001

Abdelaziz BOUTEFLIKA

APPENDIX N°1 TO THE MINING LAW

SCALE OF THE DUTY ON THE DEED DAWING UP

NATURE OF ACTIVITY

I – MINING RESEARCH

Prospection

- Initial demand

-Renewal or modification

Exploration

-Initial application

-Renewal, transfer (total or partial), assignment

II – MINING EXPLOITATION MINING CONCESSION

-Initial application-Renewal, modification, transfer, assignment
Small and medium mining holding

.-Initial application-Renewal, modification, transfer, assignment

NON-INDUSTRIAL EXPLOITATION

-Initial application-Renewal, modification, transfer, assignment

Pick-up

-Application

AMOUNT (AD)

10,000 20,000

20,000 40,000

50,000 100,000

25,000 50,000

15,000 30,000

10,000

BASIS SCALE OF THE SURFACE TAX

The total amount of the proportional fee shall be determined through adding the fee computed for each appropriate bracket.

The total amount of the tax payable shall be equal to the amount of the fixed fee appearing in the line corresponding to the area granted by the mining license and the proportional fee as determined hereunder.

SURFACE AREA (hectares)	ANNUAL FIXED FEE (AD)	Annual proportional fee by bracket and by hectare (AD)		
		Initial period	First renewal	Second renewal
From 1 to 30	5,000	100	250	350
From 31 to 100	10,000	150	450	650
From 101 to 500	15,000	250	650	1,250
From 501 to 1,000	20,000	235	620	1,250
From 1,001 to 5,000	30,000	220	600	1,250
From 5,001 to 50,000	105,000	205	580	1,250
From 50,000 and more	1, 000,000	190	550	1,250

**APPENDIX N° 3 TO THE MINING LAW
RATE OF THE ROYALTY FOR EXTRACTION OF MINERAL SUBSTANCES**

CATEGORY OF SUBSTANCES	UNIT OF MEASUREMENT	RATE (%)
Ferrous metallic mineral substances	Extracted ton	1.5
Non-ferrous metallic mineral substances	Extracted ton	2
Non metallic mineral substances	Extracted ton	2.5
Of which non metallic mineral substances for construction materials	Extracted M ₃	6
Precious metals, precious and semi-precious stones	Kilogram of marketable product	6

APPENDIX N°4 TO THE MINING LAW

DEPRECIATION RATES OF RESEARCH AND DEVELOPMENT COSTS

TYPE OF EXPENSES	RATE (%)
Research cost (prospection and exploration before start of production)	100
Costs of the mining claim acquisition (without carrying out of research works by the claim holder)	20 to 33
Preparatory development works before production start-up	33
Development works for extension after production start-up	33 to 100

DEPRECIATION RATES APPLICABLE TO FIXED ASSETS

TYPE OF FIXED ASSETS	RATE (%)
CONSTRUCTIONS	

Hard buildings	2 to 5
Detachable buildings	15
Industrial buildings	5
Ordinary housing	1 to 2
Workers lodgings	3 to 4

TRANSPORTATION WAYS AND INFRASTRUCTURE WORKS

TRACKS AND GROUND WAYS	25
AIRFIELDS	20
WATER WELLS	15

MOBILE EQUIPMENT

LIGHT VEHICLES (SOUTH)	33.3
LIGHT VEHICLES (NORTH)	25
HEAVY VEHICLES AND APPLIANCES	20

INSTALLATIONS

EXTRACTION	10 to 20
STORAGE	10 to 20
HYDRAULIC AND GAS PIPES	10 to 15
ELECTRIC SYSTEM	10

EQUIPMENT AND FITTINGS

TOOLS	10 to 20
OFFICE EQUIPMENT	16 to 20
HEAVY MINING EQUIPMENT	10