

**Ministry of Petroleum and Mineral Resources**

**Egyptian Mineral Resources Authority**

**Exploitation License Model**

**General Bid-round No (2) / 2020 for Exploration of some  
ores and associated minerals**

**Licensee's name:** -----

**Ore Type:** -----

**Exploration area:** -----

**Exploration area location:** -----

**Annual rent:** -----

**Royalty ( % ) of the value of the total annual production  
to be paid in quarterly installments, provided that the final  
settlement takes place at the end of the year.**

**Date of commencement of the license**

.....

**Duration of Exploitation license**

.....

**The insurance..... pound paid by receipt No. ....**

**Dated.....**

**The Exploration license issued based on it .....**

**The licensee**

.....

## **The mineral exploitation license**

It is on ..... corresponding \ \ 2020 This license has been concluded between:

(1) Mr. Engineer / Minister of Petroleum and Mineral Resources, in his capacity as his delegate, Mr. Geologist, Chairman of the Board of Directors of the Egyptian Mineral Resources Authority, located 3 Salah Salem Road. Abbasiya. Cairo

and hereinafter referred to as( EMRA) or the Ministry

(first party).

(2) company ..... and is legally represented in signing this license by Mr. / in his capacity and resident in .....

National number .....

and hereinafter referred to as “the licensee”

(second party).

The two parties have agreed on the following:

### **Introduction**

On \ \ 2020 Exploration license for..... ore was issued in the sector..... in ..... area for a period of two years and renewed in \ \ and ended in / / for company ----- as a result of being awarded in Bidround No. 2 of 2020.

- Whereas the company made a commercial discovery of the ore and fulfilled all its obligations during the Exploration periods and submitted to EMRA an economic feasibility study for the exploitation of the ore, and this study was accepted by EMRA.

On / / the licensee submitted an application for exploitation of the ore inside / with the entire area of the aforementioned exploration license.

- Whereas EMRA received the security, environmental and other approvals required to issue the exploitation license. Whereas the licensee has paid the rental and insurance value stipulated in Law No. 98 of 2014 regarding mineral resources, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020.

## Definitions

- “Authority” means the MINISTER competent with the Mineral Resources.
- “EMRA” means the Egyptian Mineral Resources Authority
- “Effective Date”. The date of signing the license
- “Exploitaion” It means, for example, but not limited to, all activities and operations according to the work programs and budgets approved under this license with regard to the following:
  - 1) All works that must be carried out in the region for the purpose of uncovering the ore, such as vertical holes, corridor construction, drilling, etc.
  - 2) Design, drilling, mining, civil construction, installations, services and maintenance of equipment, power lines, railways, pipes, drainage systems, facilities, ore processing units and related operations, and any other activity that helps to prepare mines for production and transportation.
  - 3) Carrying out production, transportation, storage, marketing, or any other work or activities that are necessary or complementary to any of the activities mentioned above.
- “Exploitaion Area” Means the area in which a commercial discovery of ore has been made, especially the one specified in this license. “Commercial Discovery” means the detection of ore commercially exploitable in accordance with well mining methods. Exploration is not considered commercial unless the company submits to EMRA a detailed feasibility study supported by documents proving that the ore when exploited can cover all costs within a period determined by the feasibility study.

- "Ore" means the mineral for which a commercial discovery has been made and specified by that license.
- "Antiquities" is subject to the provisions of the Antiquities Protection Law promulgated by Law No. 117 of 1983 and any other laws related to antiquities.
- "Mineral Resources Law" means Law No. 198 of 2014 amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020
- "Tax" means the fees imposed by the Arab Republic of Egypt according to the law applicable to income, goods and services ... etc.

"Tax Law" means the law of the Arab Republic of Egypt that is applied in relation to any tax and any subsequent legislation or regulation associated with it..

### **Article (1)**

The previous introduction and all the procedures preceding the exploitation license and the conditions for Bid No. 2 of 2020 are an integral part of this license and complement its provisions.

### **Article (2)**

#### **License duration - Effective date - Type of ore - Description of the area - Licensee rights**

under the provisions of Law No. 198 of 2014 regarding mineral resources, amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020 and the conditions of this license .

Under this license, the Minister grants only the licensee within a period \_\_\_\_\_ effective from \_\_\_\_\_ the full right to explore, dig and mine for the extraction of ore \_\_\_\_\_, transport it, and obtain what is found on the surface of any part or its interior from his area located in ..... And the closest corner to the west is the

intersection of the longitude and latitude, which is located on the red colored drawing accompanying this license. "

The Minister also grants the licensee, within the limits of the provisions of this license, the right to work caves, holes and lay, use, operate and extend railway lines and overhead wire lines, pipelines and telephone lines, construct roads, erect and remove mechanical machinery and buildings necessary for the residence of the license holder's users and workers, and all other installations and works that are or must be carried out to extract And extracting and storing ore - within the boundaries of the area from which the exploitation license is issued, or in any other area in which he is licensed to store, and that is all on the condition that government agencies inform each of them with regard to the establishment of those facilities and the authority also authorizes the licensee upon his request to take all means that enable him to transfer The disposal of mineral ores, and in general the full utilization of the exploitation license under a license or ancillary licenses and under the conditions agreed upon in accordance with the laws, regulations and regulations in force.

### **Article (3)**

#### **Mineral ores whose extraction is not authorized**

This license does not entitle the licensee to extract any ore other than the ore specified in this license in accordance with the provisions of Law No. 198 of 2014 regarding mineral resources, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decision No. 108 of the year 2020.

and whenever the licensee discovers another mineral in the licensed area, he must take the initiative to notify the EMRA of this. He also has the right to use the water that may exist in the licensed area or the wells that he digs in the area as required by the need for his works only.

### **Article (4)**

#### **Rent and royalty**

The licensee pays in advance on the first day of January of every year to EMRA an annual rent of ..... pound. (Twenty five thousand pounds) for each square kilometer, taking into account in calculating this area that the part of a square kilometer is calculated as a whole square kilometer

the licensee is obligated to pay the royalty due for the ore subject of the license at a percentage of (%) from the value of the total annual production of to be paid in quarterly payments Provided That the final settlement be completed at the end of the year, and percentage of (1%) is allocated to contribute to community development in the governorate in which the exploitation license area is located. He is also obligated to pay all state dues according to the provisions of Law No. 198 of 2014 regarding mineral resources, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020.

The licensee is also obligated to pay a percentage (%) of the value of the total annual production to be paid in quarterly installments, provided that the final settlement takes place at the end of the year after the accountants of the General Administration of Companies at EMRA review the approved extraction documents from the General Administration for Licensing and Inspection, the sale documents and the prices in effect for the ore price to the market

It is also committed to any amendments to the Mineral Resources Law and its executive regulations issued by Prime Minister decree No. 108 of 2020 and accepts any increase in the rental value and royalty

### **Article (5)**

#### **Taxes and fees**

The licensee is obligated to pay all the legally determined taxes, fees and stamps due for this license, and it will be deducted from his dues with EMRA unless he submits a proof of their payment, without the licensee having the right to recourse what he has paid in terms of taxes, fees or stamps from EMRA.

## **Article (6)**

### **Renewal of the exploitation license**

if it becomes evident to the Minister at the expiration of the term of this license that the licensee has fulfilled all the obligations stipulated in this license and the licensee has informed the competent authority in writing at least six months before the expiration of the license period of his desire to renew this license by a decision of the competent authority After approval of the Board of Directors of EMRA for a period or an extension of not more than fifteen years in total in accordance with the provisions of Article 22 of Law No. 198 of 2014 regarding mineral wealth, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020, the minister has the right to reject the request by a Reasoned decision.

It is permissible, by agreement between the Ministry and the licensee, to renew the license after that, according to the conditions agreed upon by those in this case. Renewal shall be by law.

## **Article (7)**

### **Its not permissible for the licensee to assign any of the rights resulting from this license to others without the approval of the competent authority**

It is not permissible for the licensee to lease all or some of his rights arising from this license to others or assign any of these rights to others without written approval from the competent authority in accordance with the provisions of Article (15) of Law No. 198 of 2014 regarding mineral resources, amended by Law No. 145 of 2019 And its executive regulations issued by Prime Minister decree No. 108 of 2020.

**The following conditions are required for the approval of the assignment:**

- (1) the licensee has fulfilled his obligations arising from the license
- (2) Assignment includes the assignee's commitment to all the terms of the original contract and its amendments.

- (3) To submit the draft assignment contract to EMRA before its approval.
- (4) the assignee submits the documents required by EMRA to prove his financial and technical sufficiency.
- (5) That the assignment be made in accordance with the provisions of Law No. 198 of 2014 regarding mineral Resources, amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020
- (6) the assignor pays twice the annual rental value in return for the assignment in addition to the value of the license, and the assignment is not effective until approved by the competent minister.
- (7) The obligation to submit a work program for the remaining period of the license period
- (8) In the case of partial assignment, the assignor and assignee are joint guarantors of all the obligations stipulated in the licenses towards the EMRA
- (9) The assignee is registered in the register of the qualified persons with EMRA
- (10) the assignee submit the insurance required by EMRA

### **Article (8)**

#### **Drawings**

The licensee shall present during the license period drawings and sectors showing the operations in the area in a correct manner and as determined by EMRA within a month From the expiration date of each year of the licensing years, with two copies of the aforementioned drawings and sectors, and a report on the works that he carried out during the year, and he is obliged to submit a technical report proving the existence of the ore and the economic feasibility This is without prejudice to the authority's right to reject the report by a reasoned decision.

### **Article (9)**

#### **Instruments and measuring devices.**



The licensee must have the equipment necessary to know the quantities of extracted ore that EMRA deems appropriate to perform this purpose.

#### **Article (10)**

##### **Account records and checking - keeping accounts and making statements**

The licensee must keep the books stipulated in the Trade Law as well as the records, statements and other papers necessary to implement this license in accordance with Law No. 198 of 2014 Concerning mineral resources, amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020, and that they are all kept in his chosen location or in any office agreed upon with EMRA, provided that it is in the Arab Republic of Egypt and has other comprehensive records For all works that the licensee undertook in the survey first, first to indicate the quantities of the mineral that he may have extracted and kept, and he must also send to the Commission monthly statements showing the quantities of the extracted and retained metal, the amount of the quantities sold and the selling prices in detail and the entity sold to it.

The monthly statements must be in the form approved by the Authority and signed by the Director of Labor. These statements shall be sent to the Authority within the next month.

#### **Article (11)**

##### **Assisting representatives Of Emra**

The Commission's delegates, each within their jurisdiction, shall have the right to enter the space for which this license is issued, and in the mines and in the operating sites in them, and they may conduct surveys and make drawings, tests, etc. related to the area. To work and the licensee's agents, employees and workers must assist them effectively.

#### **Article (12)**

##### **Work manager and his appointment**

The licensee must entrust the management of work in the survey to a manager with technical competence, and he must inform the Egyptian General Authority for Mineral Resources of his name, qualifications and experience when appointed. Article Fourteen has the authority of the Authority's delegate to issue instructions

The aforementioned manager or his representative in the event of his absence is authorized by the licensee to implement all the instructions issued by the authority or issued by its delegate in accordance with the provisions of this license and the texts and regulations issued or issued later, and in the event the director is absent from the work center, he must deputize for him

### **Article (13)**

#### **The authority of the Authority's delegate to issue instructions**

The representative of the Egyptian General Authority for Mineral Resources in the region shall have the right to issue the necessary instructions to follow the thieves of the law and the regulations in force in giving the temporary instructions called for in the state of urgency to prevent, avoid or reduce the danger or harm to lives or property that may result from the operation. These instructions or orders shall be issued in writing to the manager or the licensee's representative in the survey, and the licensee shall be responsible for the implementation of those orders and instructions, provided that in no case shall this result in exempting the licensee from compensating the damage that may arise from those actions.

### **Article (14)**

#### **conditions for the operation**

The licensee To start and continue working in a serious manner in the region within a month from the date of this license and the work is not considered continuous if it is suspended for a period of more than six months without the approval of the Egyptian General Authority for Mineral Resources in writing and according to the conditions it deems necessary, or if the work is connected in a non-serious way for a year and

the work is considered not When the works that are carried out at the site are not suitable for the area of the license or the quality of the raw material being extracted,

### **Article (15)**

#### **Statement of the workers and the extracted ore and the explosives**

the licensee is obliged to submit to the Authority quarterly reports that include the data related to his workers, the extracted raw material, its analysis, and the transported from it. Inventory, sold, average selling prices, used crackers and their quantities and what remains of them, and other data specified by the executive regulations of this law to ensure the seriousness of the Business and these data are confidential, and it is not permissible to disclose these data to any party except in the cases regulated in the law

### **Article (16)**

#### **Observance of the rules and instructions**

The licensee must abide by the rules and instructions issued by the Egyptian General Authority for Wealth in question regarding the organization and proper conduct of work in the area in question. The license. It is also committed to implementing the various laws, regulations and ministerial decisions related to the prevention of various dangers related to workers' housing, comfort and safety, and the prevention of danger to others.

### **Article (17)**

#### **Archeology**

All antiquities that the licensee finds during work shall be the property of the state, and the licensee must initiate the suspension of work and report immediately to the authority's representative in the region of all that is found or disclosed of tombs, antique statues, ancient inscriptions, ruins of archaeological buildings, etc. And he must take all the precautions that are guaranteed to be preserved until the commission's representative is notified of it, and he must then follow the instructions issued to him by the commission or its delegate in this regard, and he must hand them over

immediately to the government's representative whenever he is requested to do so

This is without prejudice to the provisions of the Antiquities Protection Law promulgated by Law No. 117 of 1983 and any other laws

### **Article (18)**

#### **Legal liability before third parties**

The licensee alone bears all liability before others for any damage resulting from his actions and the Commission has the right to recourse to him with what he might be judged by the exposure because of these actions

### **Article (19)**

#### **land ownership and the right of the Authority to dispose of it**

This license does not grant the licensee Any rights related to the ownership of the area subject to the license or the right to use that area individually. The Authority has the right to dispose of any part of the exploited area as it wishes for its private or public works. It also has the right to issue search licenses or licenses for exploitation therein for other minerals to others and provided that there is no conflict of rights. The licensee must work to prevent others from erecting buildings or any other facilities on the land of the area that is the subject of this contract or using them in any way, unless he has a previous license from the Egyptian General Authority for Mineral Resources

### **Article (20)**

#### **suspend the license temporarily**

The competent authority may, after the approval of the Authority's Board of Directors, suspend the validity of the exploitation license temporarily if the exploitation poses a grave danger to the security and safety of the work and workers or others or the licensed area.

Or if the authority submitted two technical reports of technical violations in it, according to the conditions, rules and procedures specified by Law

No. 198 of 2014 regarding mineral wealth, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020,

**Article (21)**

**violation of the license and the right to Its cancellation and its consequences**

the competent authority, after approval of the Authority's Board of Directors, may issue a decision canceling the search license in the following cases:

- 1- Failure to pay the rental value or royalty within sixty days from the due date.
- 2- Violation of any provision of Law No. 198 of 2014 regarding mineral wealth, amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020
3. Violating any of the conditions or provisions of the license
4. The issuance of a judgment that is obligatory for salvation declaring the bankruptcy of the licensee .
5. Liquidation, dissolution, or expiration of the licensed company.
6. Failure to start the business subject of the license for a period of up to one month from the date of receiving the area. Reasons for the licensee, or stopping without written permission from the Authority for a period of six consecutive months.
7. Assignment of the license to third parties or sub-leasing without written approval from the Authority.
8. If the licensee has stored the extracts on land outside the boundaries of the licensed area without obtaining a lease contract for it.
9. If it is proven that the licensee extracted raw materials from outside the licensed area.
10. If the licensee dies and the license is valid, and his heirs or one of them did not request a replacement within a period not exceeding ninety

days from the date of death, or if they requested solutions and did not meet the competence required to implement the license

11. If the licensee violates the operating conditions and does not remove the violation within sixty days from the date of his notification from the Authority.

12. If it is proven that the licensed area has been contaminated for a reason attributed to the licensee and did not process it despite being notified of that by the Authority

13. If the licensee submitted to the Authority false information or documents proven to be forged.

14. Failure to notify the Authority of any amendment to the documents submitted to the Authority within ninety days of the amendment being made.

As a result, all the rights of the licensee shall be permanently canceled without prejudice to the rights that the Authority has acquired against the licensee under this license.

## **Article (22)**

### **Real estate and movable property**

upon the expiry of the license period upon the expiry of the license period in principle and renewal The licensee shall be granted a period of three months to vacate the area of all movable and grided goods provided that he pays compensation equivalent to double the rental value for this period. Law No. 198 of 2014 regarding mineral wealth, amended by Law No. 145 of 2014 and its executive regulations issued by the Prime Minister's Decree No. 108 of 2020

## **Article (23)**

### **Handing over the area**

upon the expiration of the term of this license for the expiration of the period or for any other reason. The licensee delivers the area to the commission's delegate Delivery without the need for an alert or warning.

All maps and data related to the license shall be transferred to the Authority in cases of cancellation, assignment or expiration of its term, except for maps and data related to licenses issued to the armed forces.

#### **Article (24)**

##### **Financial settlement**

All texts mentioned in this license related to financial links between the Authority and the licensee remain in effect after revoking this license due to the expiration of its term or for any other reason until the final settlement is completed.

#### **Article (25)**

The Administrative Judicial Court of the State Council is exclusively competent to settle any dispute. It may arise from the implementation or interpretation of any provision of this license.

#### **Article (26)**

##### **The chosen place**

The two parties have acknowledged that the address indicated next to each of them issuing this license is the place chosen for them and that all correspondence and correspondence directed to it shall be correct and productive for all its legal effects, and if one of the parties changes his address, he must notify the other party of this by a registered letter with acknowledgment of receipt Otherwise, his correspondence at the address indicated in this license is deemed correct and productive of all its legal effects, and the provisions of Article (31) of the Mineral Resources Law,

#### **Article (27)**

### **Force Majeure**

shall not be held responsible if he is unable for compelling reasons to implement any provision or clause of what is mentioned in this license. Delay of the licensee in carrying out his technical obligations in this license due to compelling reasons that have included the delay period and every other period to avoid this damage resulting from this delay to the period determined under this license.

With all the foregoing, the government is not responsible in any way before the licensee for any damage, deprivation, or disruption that befalls him as a result of any force majeure or emergency accident,

### **Article (28)**

#### **the insurance**

The licensee must pay the Egyptian General Authority for Mineral Resources upon signing this license. An insurance equivalent to a one-year lease and this insurance is returned after the expiry of the license period, provided that all the requirements contained therein are implemented and all systems and regulations related to mining work are observed in accordance with the provisions of Article (34) of Law No. 198 of 2014 regarding mineral wealth, as amended by Law No. 145 of 2019 and the provisions of the insurance received. In the executive regulations issued by the Prime Minister's Decree No. 108 of the year 2020,

### **Article (29)**

#### **workers and employees,**

the licensee is obligated to observe the provisions relating to the proportions of the number of Egyptian employees and workers and the total wages and salaries they receive as stipulated in Law No. 26 of 1954 regarding some provisions relating to companies and any amendment that may occur to them.



### **Article (30)**

#### **The replacement of the heirs to their deceased if the licensee dies**

, his heirs shall have the right to replace their inheritor if the conditions are met by them and he requests This is in writing within a period not exceeding ninety days from the date of death, taking into account the provisions of the Civil Law promulgated by Law No. 131 of 1948 in this regard.

### **Article (31)**

The provisions of Law No. 198 of 2014 regarding mineral wealth, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020, and the special regulations issued by Prime Minister Decree No. 1966 of 2015 and the provisions of the Civil Law promulgated by Law No. 131 of 2015 shall apply. 1948 and the provisions of Law No. 14 of 2012, its executive regulations, and the provisions of the relevant laws apply to licenses issued in the Sinai Peninsula.

### **Article (32)**

The two parties are bound by any amendments made by the Council of State to this license upon reviewing it.

### **Article (33)**

The licensee shall abide by the provisions of the Environment Law promulgated by Law No. 4 of 1994 and its implementing regulations issued by Prime Minister Decision No. 338 of 1995 and the decisions issued in implementation of their provisions and their amendments

### **Article (34)**

#### **Copies of the License**

This license has been issued in three copies, one of which has been received to the licensee. The Authority shall keep the remaining two copies to act according to them when necessary and required.

**The licensee**

,

**Minister of Petroleum and Mineral Resources,**

**Authorize to**

**Chairman of the Board of Directors of the Egyptian  
General Authority for Mineral Resources**