

MINING EASEMENT

A mining easement may be granted in connection with mining, treatment or ancillary operations conducted by the applicant for the mining easement or some other person for the purpose of constructing and operating one or more of the following facilities: a road; an aerial ropeway; a power transmission line; a pipeline; a conveyor system; a bridge or tunnel; a waterway; any other facility ancillary to mining or treatment or ancillary operations in connection with any of the preceding purposes which may be approved by the Minister.

The term of a mining easement shall be identical to the term of the tenement in relation to which the mining easement was granted.

Area of a mining easement. The area of land over which a mining easement may be granted will be that sufficient for the purpose or purposes for which it was granted and shall be in a rectangular or polygonal shape.

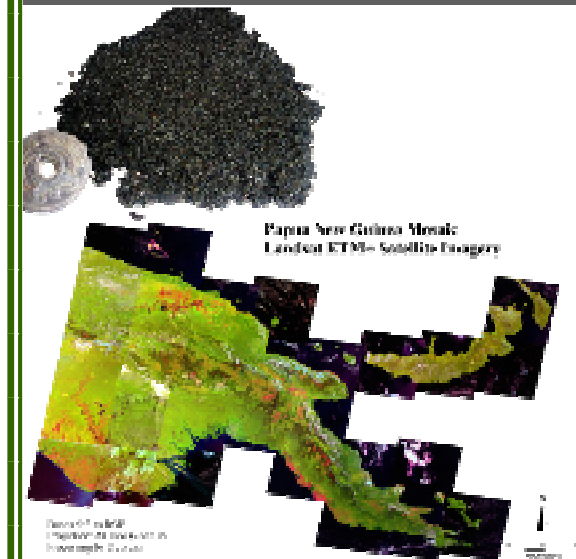


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TYPES OF MINING TENEMENTS



Minerals for Life

There are various types of Mining Tenements which are issued by the Mining Minister on recommendation from the Mining Advisory Council under the Mining Act 1992. These tenements are:

1. Exploration Licence (EL)
2. Mining Lease (ML)
3. Special Mining lease (SML)
4. Alluvial Mining Lease (AML)
5. Lease for Mining Purpose (LMP)
6. Mining Easement (ME)

The Head of State, acting on advice from the National Executive Council issues the special Mining Lease whilst the Minister for Mining issues the other types of licences.

EXPLORATION LICENCE

Term of an EL: An exploration licence may be granted for a term not exceeding two years, which may be extended for periods not exceeding 2 years.

Area of an EL: The area of land in respect of which an exploration licence may be granted shall be no more than 750 sub-blocks and one area comprising one sub-block or more than one sub-block, each of which shall share a common side with at least one other such sub-block.

Note: One Sub block = 3.41 km²

MINING LEASE

A mining Lease is generally issued for small to medium scale alluvial and hard rock mining operations.

Term of Mining lease: A mining lease may be granted for a term not exceeding 20 years, which may be extended for periods not exceeding 10 years.

Area and shape of mining lease. The area of land in respect to which a mining lease shall be granted shall be not more than 60 Km² and in a rectangular or polygonal shape.

SPECIAL MINING LEASE

A special Mining Lease is generally issued to the EL holder for large scale mining operations. The EL holder must also be a party to a Mining Development Contract with the state.

Before the grant of an SML, the Minister is required to convene a development forum to consider the views of the persons and authorities whom the Minister believes will be affected by the grant of the SML.

Those represented at this forum will include the applicant for the special mining lease; the landholders of the land that is the subject of the application for the special mining lease and other tenements to which the applicant's proposals relate, the National Government, and the Provincial Government, if any, in whose province the land the subject of application for the special mining lease is situated.

Term of a SML. A special mining lease may be granted for a term not exceeding 40 years, which may be extended for periods not exceeding 20 years.

ALLUVIAL MINING LEASE

The Minister may grant an AML, on the application of a natural person who is a citizen or a land group in respect of land owned by that natural person or land group. An alluvial mining lease shall not be granted over land that is the subject of an existing tenement unless the existing tenement is an Exploration Licence or a Mining Easement.

Term of Alluvial Mining Lease. An alluvial mining lease may be granted for a term not exceeding five years which may be extended for periods not exceeding 5 years.

Area and shape of alluvial mining lease. An alluvial mining lease may only be granted over land that is a river bed and land that extends no further than 20m from any river bed. The area of land in respect to which an alluvial mining lease may be granted shall be not more than 5ha; and in a rectangular or polygonal shape.

An alluvial mining lease may only be granted to a depth which is consistent with the safe conduct of the mining development described in the approved proposals and the depth shall be specified on the lease document.

LEASE FOR MINING PURPOSE

An LMP may be granted in connection with mining operations conducted or to be conducted by the applicant for LMP or some other person for one or more of the following purposes:

- (a) the construction of buildings and other improvements, and operating plant, machinery and equipment;
- (b) the installation of a treatment plant and the treatment of minerals therein;
- (c) the deposit of tailings or waste;
- (d) housing and other infrastructure required in connection with mining or treatment operations;
- (e) transport facilities including roads, airstrips a ports;
- (f) any other purpose ancillary to mining or treatment operations or to any of the preceding purposes which may be approved by the Minister.

Term of Lease for Mining Purposes. The term of a lease for mining purposes shall be identical to the term of the special mining lease or mining lease in relation to which the lease for mining purposes is granted.

The Area and shape of a lease for mining purposes shall be not more than 60 Km² and in a rectangular or polygonal shape.