

# **MINES AND QUARRIES LAW NO. 24 OF 2002**

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# **MINES AND QUARRIES LAW NO. 24 OF 2002**

**In the name of the people,**

**President of the Republic,**

**After reviewing the constitution of the Republic of  
Yemen.**

**And after the approval of the Council of Parliament**

**(Hereby decree as follows)**

## **PART I**

### **PRELIMINARY PROVISIONS**

#### **CHAPTER ONE**

#### **NOMINATION AND DEFINITIONS**

**Article (1):** This law shall be known as (the Mines and Quarries Law).

**Article (2):** The words and expressions set out below shall have the meanings assigned to each of them

unless the context should indicate to the contrary thereof:-

- Republic:** Republic of Yemen.
- Government:** Government of the Republic of Yemen.
- Ministry:** Ministry of Oil and Minerals.
- Minister:** Minister of Oil and Minerals.
- Board:** Geological Survey and Minerals Resources Board.
- Board of Directors:** Board of Directors of the Board.
- Chairman of the Board:** Chairman of the Board of Directors of the Board.
- Regulations:** The executive regulations of this law.
- Mineral Materials:** All natural minerals and their ores including chemical elements, radioactive elements, precious stones, rocks, layers, mineral deposits which are found on the earth's surface, underground, in the territorial waters or in the continental shelf. Also, mineral fluids that come from underground if extracted for the purpose of extracting mineral materials there from except oil, gas, and water.

<b>Natural Places:</b>	Places where mineral, industrial and construction materials occur.
<b>Mines:</b>	Natural places from which mineral materials are extracted from underground or on the earth's surface.
<b>Quarries:</b>	Natural places from which industrial and construction materials are extracted from the earth's surface.
<b>Metallic Minerals:</b>	Minerals which following their separation can result in the extraction of one or more metals such as iron, copper, nickel, lead, zinc, aluminum and cobalt.
<b>Non-metallic Minerals:</b>	Minerals that are industrially exploited in their primary condition and from which metals such as magnesium and sodium cannot be extracted.
<b>Radioactive materials:</b>	Belong to metallic minerals and distinguished by being a source of nuclear fuel metals such as uranium, radium and thorium.
<b>Precious minerals:</b>	Belong to metallic minerals and are distinguished by being a medium for barter transactions and a measure of material value of exchanged goods. Precious minerals include (Platinum, Gold, Silver, Precious stones such as Diamond and Corundum).

<b>Construction &amp; Industrial rocks:</b>	Materials used in industry and building such as decorative stone, sand, gypsum, clay, marble, basalt, granite, gabbro, travertine, gravel, kaolin and feldspar.
<b>Prospecting for minerals:</b>	Studying and surveying the earth surface using all scientific means to determine locations of minerals.
<b>Exploration for minerals:</b>	Tests of the earth's surface or underground using all scientific facilities in order to identify minerals and their natural places through their natural characteristics.
<b>Exploitation:</b>	Any action aimed at deriving commercial benefit from construction and industrial materials together with minerals whether in their natural conditions or after treatment.
<b>Permit:</b>	The right to prospect for.
<b>License:</b>	The right to explore.
<b>Exploitation Contract</b>	A contract signed according to the provisions of this law between the Board and any single or corporate body in order to exploit minerals, industrial and construction materials.
<b>Artisanal mining:</b>	Means manual and not mechanical works done by persons.
<b>Investor:</b>	Anyone who has a valid permit or license or exploitation contract.

## **CHAPTER TWO**

### **STATE OWNERSHIP OF MINERALS, INDUSTRIAL AND CONSTRUCTION ROCKS AND MATERIALS**

**Article (3):** With due consideration to “appropriation law for the public interest” and the provisions mentioned in this chapter, the following is excepted from this law:

- a) Existing and recognized rights of the citizens, at the time of issuing this law, in any area in the Republic related to the right of exploiting some minerals, construction and industrial rocks. These minerals and rocks shall be registered at the Board. The regulations shall explain registration procedures and the provisions related to exploiting minerals, construction and industrial rocks.
- b) Legal rights and obligations of those who own and use any earth surface.
- c) Oil, gas and their derivatives as well as water which are subject to special agreements and laws.
- d) Lands that are occupied by mosques or cemeteries or those which are considered to be religious or archeological places.

- e) Lands on which are constructed streets or airports or pipelines or geologically protected sites. But if some minerals are under these lands, it is allowed to extract them by a decision of the Prime Minister after the approval of the Council of Ministers and based on the Ministerial submission.

**Article (4):** Subject to the private ownership set out in paragraphs (a,b) of the previous article, minerals, construction and industrial rocks whether found on the earth's surface or underground, in the territorial waters, in the continental shelf or in the exclusive economic zone shall be owned by the state. The state shall have absolute right to prospect for and explore minerals, construction and industrial rocks and dispose of them except what is provided for in this law. This ownership may not be transferred, assigned or revoked and may not be lost by prescription.

**Article (5):** According to the previous article, the state ownership of minerals, construction and industrial rocks is not affected by permission or license given by the state or contracts signed by it related to prospecting for or exploring or exploiting such rocks or minerals. Also, the ownership of the lands included in these documents and whatever found on the earth surface or underground shall not be affected.

These permissions and licenses do not lead to any right. They only give the right of prospecting, exploring and exploiting minerals, construction and industrial rocks according to this law.

**Article (6):** The Board shall apply and implement this law, supervise mines and quarries, explore, prospect for and exploit minerals, construction and industrial rocks. The Board may entrust these activities to others according to the conditions provided for in this law. The regulations shall set forth detailed and executive rules for the provisions of this article.

## **PART II**

### **MINES AND QUARRIES**

#### **CHAPTER ONE**

#### **PROSPECTING PERMITS FOR MINERALS, CONSTRUCTION AND INDUSTRIAL ROCKS**

**Article (7):** Prospecting Permits for minerals, construction and industrial rocks shall be issued by the Board according to a written application submitted to the chairman of the board pursuant to the conditions provided for in this law and its executive regulations.

**Article (8):** The Board shall consider the application provided for in article (7) and take the decision on the permit application if it contains the necessary information and after the fees have

been paid according to the executive regulations.

**Article (9):** The prospecting permit shall be valid for the prescribed Period and pursuant to the nature of the minerals, construction and industrial rocks but not to exceed one year. The Board may renew, if necessary, the permission for the same period of time after paying certain fees.

**Article (10):** If a person finds minerals, he shall notify the Board in writing and the Board shall register the discovery rights for him in a register prepared specially for that purpose. He shall then be entitled to obtain an exploration license if he satisfies the necessary conditions and if the land is not given to another investor, and if he applies for an exploration license within three months starting from the date of his notification to the Board regarding the discovery, otherwise he may lose entitlement to obtain an exploration license.

## **CHAPTER TWO**

### **EXPLORATION OF MINERALS, CONSTRUCTION AND INDUSTRIAL ROCKS**

**Article (11):** The Board shall issue exploration licenses for the exploration of minerals, construction and industrial rocks. The Minister shall approve this license and for a period not more than two years according to a written application submitted to the chairman of the board. The

executive regulations shall govern the required conditions and procedures.

**Article (12):** The Board shall consider the application provided for in this law after making sure that it has satisfied the conditions. The Board may take the decision on the application at the time set forth in the executive regulations.

**Article (13):** Every licensee shall pay annual fees to be determined by the Board according to the financial regulations, the area being explored, conditions or any other considerations related to mining area.

**Article (14):** During the validity of the license, the licensee has the right to obtain an exploitation contract related to the whole area covered by the license or part of it and that according to the conditions set forth in (part two, chapter three) of this law.

**Article (15):** The licensee may not explore minerals or ores other than those mentioned in the license, unless these minerals or ores are mixed with the minerals mentioned in the license. In this case, the Board may add these minerals or construction and industrial rocks to the license. The licensee has to notify the Board in that matter in writing within 15 days of his finding the mixed minerals.

## **CHAPTER THREE**

### **EXPLOITING MINERALS AND ROCKS**

**Article (16):** Exploitation contracts for minerals, construction and industrial rocks shall be signed according to the following:

- a) By a direct decision made by the Board on exploitation contracts for minerals, construction and industrial rocks.
- b) In the case of other materials; a law shall be issued approving exploitation contracts for metallic minerals, radiant materials and precious minerals.

**Article (17):** Exploitation contracts shall only be signed if the applicant fulfills the conditions specified in the executive regulations of this law.

**Article (18):** Exploitation contracts shall include general and special conditions and provisions regarding rights and obligations of the Board, the applicant for exploitation contract or others figure. Also included should be procedures for dispute settlement, terms and conditions for waiver or transfer of ownership, rent and other terms and conditions.

## PART III

### CONSTRUCTION AND INDUSTRIAL ROCKS

**Article (19):** Construction and industrial rocks shall be divided into:

- a) Rocks, stones, sand and the materials that are used as raw materials in factories such as cement and glass.
- b) Rocks, stones, sand and the materials used in building in their natural condition or after undergoing simple manufacturing processes. The executive regulations shall explain the types of the raw materials mentioned in (a,b) of this article.

**Article (20):** Construction and industrial rocks may not be exploited unless there is a contract issued according to the provisions of this law and after paying the fees, except if it is for the private use of the owner.

**Article (21):** The contract shall include the annual fees due to the state against exploitation according to the financial regulations approved by the board of directors.

**Article (22):** If construction and industrial materials exist on land owned by persons, the latter shall have the priority in obtaining an exploitation contract according to the prescribed procedures.

**Article (23):** If the land exploited is not owned by the applicant, he shall enclose with his application a rent contract certified by the concerned authorities including the rent value and period of rent. The amount of the rent of the land may not influence the fees amount due to the state according to the financial regulations.

**Article (24):** The executive regulations shall specify the rules and provisions that supplement the provisions of this part including the conditions and the necessary procedures for issuing contracts and that according to their importance to development process. The financial regulations shall set forth privileges and exemptions enjoyed by licensees.

**Article (25):** The board of directors may, upon recommendation of the chairman of the board, delegate to the Board's branches powers and authorities of granting contracts for exploitation of construction and industrial rocks according to the provisions of this law.

## **PART IV**

### **COMMON PROVISIONS**

**Article (26):** It is forbidden to prospect for, explore and exploit minerals, construction and industrial rocks in the territorial waters, in the contiguous international waters and on the continental shelf, except

according to the conditions and provisions provided for in this law.

**Article (27):** An application for an exploration license, prospecting permit, or exploitation contract should include the information set forth in the executive regulations.

**Article (28):** The executive regulations of this law shall set forth the information related to every license or permission or exploitation contract issued according to this law.

**Article (29):** Rights granted according to the license or permission or contract shall be restricted to the minerals or rocks and within the boundaries of the specific site delimited in those documents and to unlimited vertical depth provided that it shall not horizontally extend to the deposits, veins, divisions or layers of the said materials which are beyond the boundaries of the specific site.

**Article (30):** Any individual or corporate body may not prospect for or explore or exploit or trade in minerals or construction and industrial rocks without permission according to the provisions of this law and its executive regulations. Materials extracted in violation of the provisions of this article shall be owned by the state. The individual or corporate body shall have no right to claim back from the state any expenses spent in that respect.

- Article (31):** Any mineral material or construction and industrial rocks may not be exported without permission from the Board. The same applies to experimental samples regardless of their quantity.
- Article (32):** The priority in issuing exploration licenses, prospecting permits or exploitation contracts shall be given to those who fulfill the conditions earliest.
- Article (33):** Renewal application for licenses, permits and contracts should be submitted within two months before the date of expiry. Renewal shall take effect as of the expiry date.
- Article (34):** The Board has the right to cancel the license, permit or contract in the following cases:
- a) If the investor violates or does not comply with the conditions mentioned in the license, permit and contract.
  - b) If he does not pay the amounts due to the state within the limited period and after giving one-month notice, unless there is force majeure that may prevent him from paying the amounts.
  - c) If he does not use the license, permission or contract or if he stops using them without legitimate reason.
  - d) If he smuggles minerals or rocks without paying the fees due to the state or if he

extracts or exploits them contrary to this law and its executive regulations.

- e) If he refuses to present the required information about the exploited quantities or if he presents incorrect information.
- f) If he does not take necessary measures for conserving the environment.
- g) If he does not keep books necessary for showing extracted and sold quantities.
- h) If he asks in writing for the termination of the license or permission or contract.
- i) If he violates any condition of the exploitation contract.

**Article (35) :** The investor, according to the previous article, has no right to ask the Board or the government for any compensation or recovery of any amounts as a result of the canceling of the license or permit or contract.

**Article (36):** In case of canceling licenses or permit or exploitation contracts, the investor shall be bound to:

- 1) Remove all equipment, machines, remains and signs from the operations area including fencing the mines and quarries and filling the holes within ninety days starting from the cancellation date, otherwise the Board shall remove the above-mentioned at his expense.
- 2) Abandon to the Board all mines and quarries in good condition and he has the right to remove

- all installations if this does not cause damages. If these installations are not removed within ninety days starting from the cancellation date, this shall be considered abandonment by the investor to the Board at no cost. He shall compensate for all damages resulting from investment.
- 3) The Board may buy the assets of the investor after approval of the board of directors at a cost to be agreed on. If they disagree on the cost, an appraisal committee shall determine it. This committee consists of three persons, every party shall choose one person and the third person shall be selected by the two persons. The decision of this committee shall be binding.

**Article (37):** Those who undertake operations of prospecting for or exploration or exploitation for minerals or construction and industrial rocks should keep copies of geological, geophysical and other surveys related to quarries and mines as well as research. The Board should be provided with these copies.

**Article (38):** If the explorer or investor finds, during the operations he undertakes, radioactive materials such as: Uranium, Thorium and Radium, he shall immediately notify the Board. The Board shall take whatever actions and steps are appropriate in accordance with the nature and risks of the explored radioactive material.

**Article (39):** The officers of the Board, who are duly authorized in writing, shall be entitled to enter sites of operations of exploration or investment in mineral materials and construction and industrial rocks for the purposes of inspection and control regarding all current operations, including checking records and documents related to their activities and ensuring the implementation of health and safety regulations as well as system of storage of explosives and to exercise other ways of control and investigation. The investor shall be under an obligation to provide all facilities and render assistance necessary for the due performance of their responsibilities.

**Article (40):** The investor should make use of local raw materials and goods.

**Article (41):** With due consideration to the labor law, the investors, during operations of exploration and exploitation of mineral materials or construction and industrial rocks, shall be obliged to:

- 1-Give priority to Yemeni workers specially those who have the required experience and skills.
- 2-Hold training courses for the workers according to periodic programs taking in consideration their nature and level of their operations.

## **PART V**

### **PENALTIES AND FINES**

**Article (42):** without prejudice to any more severe penalties which are provided for in the law in force, a fine of not less than one hundred thousand (100,000) Yemeni Riyals and not more than five hundred thousand (500,000) Yemeni Riyals or an imprisonment for a term not exceeding six months, shall be imposed on anyone who shall commit any of the following acts:

- 1) Commencing operations of exploration and exploitation of minerals before obtaining the permit or license.
- 2) Using the permit, license or contracts for purposes other than those covered by them.
- 3) Extracting minerals or attempting to do so without having an investment contract according to the provisions of this law.
- 4) Smuggling minerals outside the Republic.
- 5) Submitting false or forged information for purposes of obtaining a permit, license or investment contract for the minerals.

**Article (43):** Without prejudice to any more severe penalty provided for in the laws in force, a penalty of not less than ten thousand (10,000) Yemeni Riyals and not more than one hundred thousand (100,000) Yemeni Riyals or an imprisonment for a term not exceeding six months, shall be

imposed on anyone who shall commit one of the following acts:

- 1) Extracting construction and industrial rocks in violation of the provisions of this law.
- 2) Refraining from paying the prescribed fees due to the state, in consideration of extracting construction and industrial materials.
- 3) Smuggling construction and industrial rocks outside the Republic.
- 4) Using quarry licenses for purposes other than those covered by them.
- 5) Refusing to provide the required facilities or to render the required assistance to the officers authorized by the Board or preventing them in any manner from performing their responsibilities.
- 6) Providing any false or forged information for the purposes of obtaining exploitation contract for construction and industrial rocks.

**Article (44):** A summary fine, of not less than five thousand (5,000) Riyals and not more than ten thousand (10,000) Riyals, shall be imposed on anyone who shall commit any of the following acts:

- 1) Non-compliance with the renewal of the permit and license at the given times.
- 2) Non-submission of required reports and information by the investor according to this law and its executive regulations.

**Article (45):** The fine shall be doubled in the event of a repeat of the violations previously stated in this part.

**Article (46):** The penalties and fines previously stated shall not affect the restoration to the state of the minerals or construction and industrial rocks, which are the subject of the violations or their value including any income that has been derived therefrom.

#### **PART IV**

#### **FINAL PROVISIONS**

**Article(47):**with due consideration to the appropriation law for the public interest, especially article (3), the government has the right to appropriate any land whatever its nature against just compensation if any minerals or construction and industrial rocks appear to exist in that land and that public interest justifies the investment thereof according to this law.

**Article(48):** according to the provisions of this law, authorities concerned with distributing lands for building such as Ministry of housing and Ministry of Endowments, shall make sure that these lands free from minerals and that in coordination with the Board.

**Article (49):** In the event of any dispute that may arise under this Law, the solutions shall be as follows:-

- a) Should any dispute arise between the investors and the Board regarding the identification of the kind and class of any

mineral, the matter shall be referred to the Minister for determination and the complainant has the right to resort to law.

- b) Should any dispute arise among the holders of permissions and licenses and exploitation contracts regarding the boundary lines separating their mines and quarries, the Board shall determine the dispute at the expense of the disputing parties by a resolution giving the reasons therefore.

The complainant shall have the right to resort to the competent court within 15 days starting from the date of being notified of the resolution. Such a case shall be considered a case of summary proceedings.

- c) With due consideration to (state cases law), if any dispute arises between the Board and other government bodies due to implementing the provisions of this law, it shall be brought before the Council of Ministers for determination and the decision shall be final.

**Article (50):** Those who are subject to the provisions of this law shall enjoy the privileges and exemptions which are provided for in the investment law.

**Article(51):** Should force majeure prevent investors from performing their duties within the fixed times,

such prevention shall not be considered a failure to perform duties. The Board may extend the period of time which was devoted for performing duties equaling to the period of prevention of duties performance.

**Article (52):** Taking into consideration articles (9, 14, 29) of this law, an Artisanal mining license shall be granted upon application submitted to the Board or whomsoever authorized by the Board.

**Article (53):** The executive regulations of this law shall be passed by a resolution of the council of Ministers based on a proposal of the Minister, provided that the said regulations shall include the supplementary rules regarding the organization of mines and quarries as to ventilation, the restrictions imposed on the use of explosives, the provisions regulating the Artisan mining, the forms of permits, licenses and exploitation contracts. Also, health and vocational safety measures, training and qualification matters and other organizational rules provided for in this law.

**Article(54):**The Board shall issue the financial regulations concerning royalties, rents and other revenues as well as types of insurances, cash and bank guarantees required for the Board. These financial regulations shall be passed by a resolution of the Prime Minister following the consent of the Council of Ministers according to a proposal of the Minister.

**Article(55):**The republican resolution by law no.(50) of the year (1991) concerning mines and quarries and any other law or provision inconsistent with the provisions of this law shall be repealed.

**Article (56):** This law shall come into force from the date of its issue and shall be published in the Official Gazette.

**Issued on 10 Jamadi Awal 1423 H  
Corresponding to 20 July 2002**

**Ali Abdulla Saleh**

**President of the Republic**