

## CURRENT SITUATION OF MINING INDUSTRY IN CAMBODIA

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### I – MINERAL RESOURCES IN CAMBODIA

The result of geological studies and mineral investigations, carried out since the latter half of 19th century by French and Chinese geologists, have indicated significant mineral potential in Cambodia, including gold, iron, bauxite, manganese, silica sand, kaolin, limestone, phosphate, sapphires, rubies, coal, construction materials and other minerals. But, the reserves of those mineral resources have not been evaluated yet for development and mining. The mineral occurrences found in Cambodia are divided into five commodity grouping:

#### 1.- Metallic Minerals

- **Antimony (Sb) and Chromium (Cr)** – found in Pursat province
- **Iron (Fe)** – in Battambang, Kampot, Preah Vihear, Siem Reap and Stung Treng provinces
- **Manganese (Mn)** – in Preah Vihear province.
- **Molybdenum (Mo)** – in Kandal, Preah Vihear and Takeo provinces
- **Tungsten (W)** – in Kampong Speu provinces
- **Bauxite (Al)** – in Battambang and Mondulakiri provinces
- **Copper (Cu)** – in Kratie, Preah Vihear, Ratanakiri and Stung Treng provinces
- **Copper-Lead-Zinc** – in Kampong Speu, Mondulakiri, Preah Vihear and Ratanakiri provinces.
- **Tin (Sn)** – in Kampong Speu and Takeo provinces
- **Gold (Au)** – in Battambang, Kampong Cham, Kampong Thom, Kampot, Mondulakiri, Preah Vihear, Ratanakiri, Siem Reap and Stung Treng provinces.

#### 2.- Non-Metallic Mineral/ Industrial Minerals

- **Dolomite** – in Stung Treng province
- **Fluorite**—in Prey Veng province
- **Graphite**—in Kampot province
- **Limestone** – in Banteay MeanChey, Battambang, Kampot and Stung Treng provinces.
- **Phosphate mineral**—in Banteay MeanChey, Battambang, Kampot and Kampong Speu provinces
- **Silica sand** – in Koh Kong province and Kampong Som

#### 3.- Gemstones and Ornamental Stone

- **Sapphire** – in Koh Kong and Preah Vihear provinces
- **Sapphire, Ruby** – in Pailin (Battambang province)
- **Zircon** – in Preah Vihear and Ratanakiri provinces
- **Amethyst** – in Kampong Thom and Stung Treng provinces

- **Ornamental Stone: Jet** – in Koh Kong and Preah Vihear provinces, **Marble** – in Kampong Speu and Stung Treng provinces and **Pagodite** – in Pursat province.

#### 4.– Solid Fuel Minerals

- **Coal** – in Stung Treng province
- **Lignite** – in Kampong Som, Kampot, Savy Rieng, Kratie and Preah Vihear provinces

#### 5.– Construction materials

- **Basalt** – found in Kampong Cham and Ratanakiri provinces
- **Granite** – in Kandal, Kampong Chhnang, Prey Veng and Takeo provinces
- **Jaspers** – in Takeo province
- **Laterite** – in Battambang, Pursat and Takeo provinces
- **Quartzite** – in Kampot province
- **Rhyolites** – in Kampong Cham province.
- **Sandstone**—in Koh Kong and Kampong Speu provinces
- **Gravel** – in Kampong Cham, Kratie and Stung Treng provinces
- **Sand for construction** – in Kandal, Kratie, Kampong Chhnang and Kampong Speu provinces
- **Clay for brick and Tile Manufacturing** – everywhere in Cambodia

## II – MINERAL INVESTMENT IN CAMBODIA

By using the available mineral and geological data, so far there are around 91 companies (from Australia, China, Vietnam, Thailand, and domestic) licensed to conduct 139 exploration projects as shown below. Currently, they are being under their exploration phase. However, the preliminary results showed that about 17 of 139 exploration projects were confirmed positive.

Number of Companies	Exploration Licenses	
	Minerals	Number of Licenses
71	<b>Metallic Minerals (Iron, gold, cooper, ect.)</b>	118
1	Bauxite	1
1	Antimony, Chrome	1
13	Coal	14
2	Silica Sand	2
3	White Clay (Kaolin)	3
Total = 91		139

Up to now 13 of 91 companies (5– China, 3–Thailand, and 5–domestic) have been licensed to conduct 13 mining projects, **gold (4)**, iron (1) coal (1), limestone (5), and phosphate (1).

For the first quarter of 2013, three mining project proposals, one gold project in Mondulkiri province, one coal project in Kratie province and one silica sand project in Kampong Som province, were submitted to Ministry of Industry, Mines and Energy for review and approval.

### **III- LAW ON MANAGEMENT AND EXPLOITATION OF MINERAL RESOURCES**

To attract domestic and foreign mining companies to invest in mineral exploration and mining in Cambodia, the Law on Management and Exploitation of Mineral Resources was promulgated on 13 July 2001. The Law has 42 articles spreading over 10 chapters govern the management and exploitation of mineral resources in the Kingdom of Cambodia. The following is highlighting the main provisions of the Law.

#### **1- GENERAL PROVISIONS**

Three articles define the mineral resources management and mining, use of mines sites and all activities related to mineral operations in the Kingdom of Cambodia, except for oil and natural gas operations that shall be governed by a separate law. All mineral resources, found in, on or under the ground, mountains, plateau, internal waters, territorial sea, islands, seabed and under the seabed within the sovereignty of the Kingdom of Cambodia, are State property.

#### **2. MINERAL LICENSE**

Seven articles define the eligibility of applicants, selection of mining companies and concessionaires' rights in order to carry out mineral operations.

To get a mineral license, the natural person or legal entity shall submit the application for mineral license to the Minister of Industry, Mines and Energy. The Natural person or legal entity can be granted a mineral license under consideration of her/his technical and financial capability and business registration.

Before entering any private property land to explore and exploit minerals, a concessionaire shall enter into a written agreement with a land property owner with respect to non-interference and non-access by the land property owner and the compensation for any damage to the ground caused by his/her mineral operations. Before entering the area of State property, determined as the protected, reserved or restricted areas, to explore and exploit minerals, a concessionaire shall have a written permit issued by the competent institutions or inter-ministerial institutions governing those areas.

The mineral prospecting, exploration and exploitation in State property land, determined as national cultural, historical and patrimonial sites, shall be prohibited.

#### **3. CATEGORIES OF MINERAL LICENSE**

Three articles define the categories of mineral license. To effectively govern mineral exploration and mining within the Kingdom of Cambodia, the Law allows Cambodian people and natural persons or legal entities to apply for the following mineral license:

1. **Artisanal mining license** shall be issued only to Cambodians to explore and exploit mineral resources by using locally available hand tools and by own labor or the number of family labor not exceeding 7.
2. **Pits and quarries mining license** shall be issued to a qualified natural person or a legal entity to exploit construction materials and industrial minerals, quarried from pits and used for constructions and chemical and processing industries.
3. **Gem Mining license** shall be issued to a qualified natural person or a legal entity to explore and exploit precious, semi-precious and ornamental stones;
4. **Mineral [Gemstone] cutting license** shall be issued to a qualified natural person or a legal entity to cut precious, semi-precious and ornamental stones.
5. **Mineral exploration license** shall be issued to a qualified natural person or a legal entity to explore mineral resources.
6. **Industrial mining license** shall be issued only to a concessionaire holding a mineral exploration license to exploit mineral resources found as commercial deposits in the concession area granted under the mineral exploration License.

The Concessionaire, holding the mineral exploration license, shall submit reports on technical, financial, environmental, social and economic analyses for socio-economic feasibility of mineral operations to the Minister in charge of mineral sector for review and approval.

#### 4. PROCEDURES TO ISSUE MINERAL LICENSE

Seven articles are devoted to the procedures to issue mineral license. Cambodians can apply in person for an **artisanal mining license at the provincial or municipal departments** of the Ministry in charge of mineral sector, where concession areas for the artisanal mining license are located, while the natural person or legal entity shall apply for **other mineral licenses under this law to the Minister** in charge of mineral sector.

The Minister in charge of mineral sector shall give a written response of approval or disapproval to applicants within a **maximum period of 45 days** following the date of submission of the complete application for a mineral license.

Except for the artisanal mining license, the concessionaire who holds other mineral licenses under this law may apply for **renewal, amendment and mortgage, transfer of rights, or inheritance with a written approval from the Minister** in charge of mineral sector.

A mineral license issued under this law shall be suspended or revoked if the concessionaire violates the provisions of this law.

#### 5. MINERAL EXPLORATION AND EXPLOITATION

Four articles define the **rights and obligations of concessionaires** to carry out mineral operations. Every concessionaire or sub-concessionaire shall be responsible for carrying out mineral operations complied with the following operational requirements:

1. Carry out mineral operations with duly and effective way by following techniques

- and financial plans to be detailed in an **exploration work programme** or in a **mining feasibility study**;
2. Protect the **environment** as detailed in the Law on Environmental Protection and Natural Resources Management, such as the study of environmental impact assessment, plan for environmental management, plan for restoration of mining sites, and financial guarantees;
  3. Ensure the **occupational health and safety of workers** to be detailed in a programme for mining plans and occupational health and safety in mining sites, including the protection of accident and procedures of reporting the accident;
  4. Protect the **public safety in and around mining sites** to be shall be detailed in the mining plans;
  5. Educate, **train, and employ Cambodians** to be detailed in a programme for employment, education and training;
  6. Commit the procurement of **goods and services obtainable within the Kingdom** of Cambodia, where and when it is appropriate.

To control the enforcement of this Law, the Minister of Industry, Mines and Energy shall appoint competent officials, whose duties are defined as follows:

1. Be responsible to the Minister in charge of mineral sector for the **management [of mineral resources]** under the provisions of this Law;
2. Make **annual reports** on the activities of mineral exploration and mining to be submitted to the Minister in charge of mineral sector;
3. **Collect [data and] information and keep the reports** on mineral exploration and mining, transport, processing, marketing and export of minerals and mineral products;
4. Control the implementation of the provisions of this Law;
5. Control the implementation of regulations on health and safety of workers and people and environmental protection;
6. Perform other duties assigned by the Minister in charge of mineral sector;

## **6. CONCESSIONAIRE AND LAND PROPERTY OWNER**

Two articles are devoted to the **compensation for damage** caused by mineral operations. The **concessionaire acquiring a mineral license shall compensate the land owner(s)** for both within and outside the area of land granted under the mineral license for damage caused by the mineral operations, regardless of whether or not such damage is **accidental or anticipated**. In case the damage caused by the mineral operations carried out by two or more concessionaires, the concessionaires shall jointly compensate the land owner(s) for the damage accordingly. The compensation shall be made as follows:

- If the area of land for mineral operations, determined in a mineral license, impacts on land property, the land owner shall permit the concessionaire(s) to carry out mineral operations in the area of land with a **mutual agreement in advance**, in which the land owner shall be **reasonably and fairly compensated**.
- The compensation shall be **paid periodically or totally** under a mutual agreement between the land owner(s) and the concessionaire(s);

- In case the land owner(s) and the concessionaire(s) do not agree upon the compensation, the **Minister in charge of mineral sector shall settle this matter**, and if it is not successful, the Minister in charge of mineral sector shall request the Royal Government to establish a **joint committee to settle the matter**. In case the parties concerned do not accept the resolution of the compensation settled by the joint committee, a decision on the compensation shall be made by the capacity of the **court** of the Kingdom of Cambodia

## 7. FINANCIAL PROVISIONS

Six articles define the **financial obligations** to be fulfilled by concessionaires. The **applicant or concessionaire**, who holds a mineral license, shall pay the State for **registration, mineral license, renewal and transfer of rights, and annual land rental**.

All **concessionaires**, who hold mineral licenses, shall pay the State for **royalties, except** for concessionaires holding mineral **exploration license or mineral cutting license**.

## 8. PENALTIES

Eight articles define the penalties for violating the provisions of the Law. Any person, who violates any provisions of the Law, shall be liable to a fine from 500,000 riel to 10,000,000 riel or shall be liable to imprisonment from 01 month to 05 years, or to the both penalties.

The competent officials of the Ministry in charge of mineral sector, who conspires with a violator or commits a violation of the provisions of this law, shall be subject to administrative sanctions without prejudice to other criminal violations.

## IV – RELATED RULES AND REGULATIONS

A. There are two Sub-Decrees, **Sub-Decree No 8 dated 31 January 2005** and **Sub-Decree No 113 dated 29 September 2005** on the Determination of Principles for Investment in Mineral Resources, stipulating that:

1. Applicants (natural person of legal entity) shall submit their application for mineral **licenses, except industrial mining license, to the Ministry of Industry, Mines and Energy** for review and approval under the Law on Management and Exploitation of Mineral Resources.
2. Concessionaire, holding the exploration license, may submit his/her application for **industrial mining license** at any time **during the exploration period through the Ministry of Industry, Mines and Energy (MIME) to the Council for the Development of Cambodia (CDC)** for review and approval. The Ministry of Industry, Mines and Energy can **issue an industrial mining license to him/her, provided that he/she has obtained the approval from CDC**.
3. All **mineral resources** mined in Cambodia shall be **banned from export** and shall be retained/ reserved to **meet/supply the demands of domestic factories** to manufacture

finished (mineral) products. Only finished products (manufactured or processed in plants build in Cambodia) can be allowed for export.

- B. The Regulation on Registration and Procedures for Applying for Mineral Licenses, Renewal and Transfer Right dated 25 May 2004, issued by the Ministry of Industry, Mines and Energy issued. This Regulation stipulated the provisions as follows:

### B.1 – PROCEDURES TO APPLY FOR MINERAL LICENSES

- 1- First of all, a director or shareholder of a company must come to complete a registration form, in person, at the Legal Affairs Division of the Ministry of Commerce. Documents to be submitted for registration of a Limited Liability Company include:

- |  |            |
|--|------------|
| 1. Registration Application Form   | 2 set      |
| 2. Memorandum and Articles of Association  | 2 set      |
| 3. Statement of Conformity   | 2 set      |
| 4. Application for Publication in the Newspaper  | 2 set      |
| 5. Copies of identification card or passport of directors shareholders   | 2 pcs each |
| 6. Photos (4cm X 6cm) of director and shareholders   | 2 set      |
| 7. Declaration on non-guilty of director   | 2 set      |
| 8. Resolution on share contribution (if a natural person is involved)  | 2 set      |
| 9. * if the office is located in a residence of any shareholder, the company is required to provide a real estate title                            | 2 set      |
| * if the office is located in a leased premise, the company is required to provide a lease agreement   | 2 set      |
| * if the office is located in a hotel for a period of less than one year, the company is required to provide a lease agreement by the hotel owner. | 2 set      |

And then, he/she has to come to complete a registration in person at the Ministry of Industry, Mines and Energy. Documents to be submitted for registration of a mining company include:

- |  |       |
|--|-------|
| 1. Registration Application Form   | 1 set |
| 2. Curriculum Vitae of applicant (director) certified by commune where he/she is living with a photo (4cm X 6cm) of director | 1 set |
| 3. A Copy of Identification Card/ Valid passport certified   | 1 set |
| 4. Letter certifying the company's current address issued by a commune where it is located                                   | 1 set |
| 5. A copy of Memorandum and Articles of Association  | 1 set |
| 6. A copy of Business Registration Certification issued by the Ministry of Commerce  | 1 set |

- 2- After registered at the two ministries, he/she has to come to the General Department of Mineral Resources to apply for Memorandum of Understanding (MOU) on Geological

**Survey** to the General Department of Mineral Resources, Ministry of Industry, Mines and Energy.

## **B.2- MEMORANDUM OF UNDERSTANDING (MOU) ON GEOLOGICAL SURVEY**

The purpose of the MOU is to **determine a new area for geological survey and minerals** to be explored for the next detailed step in the future and minimize their expenses and risk.

The **MOU is valid for 6 months** and can be extended **only once for 3 months**. Before the termination of the MOU, he/she shall submit **technical reports** to the Minister of Industry, Mines and Energy for review and approval.

The **technical reports are useful for application for mineral exploration license**. If the technical reports are approved by the Minister of Industry, Mines and Energy, he/she is **eligible to apply for mineral exploration license**. In this case he/she is required to **sign an agreement with the Ministry** of Industry, Mines and Energy. The **exploration and mining licenses** shall be issued under the **terms and conditions of the Mineral Exploration and Mining Agreement**.

## **B.3- MODEL OF MINERAL EXPLORATION AND MINING AGREEMENT**

It has 43 articles spreading over 13 chapters govern mineral exploration and mining projects to be carried out by concessionaires. To be responsible to the Ministry of Industry, Mines and Energy for their mineral operations, financial and work obligations, natural environmental protection, development of communities, and other requirements, concessionaires are required to enter into a specific mineral exploration and mining agreement with the Ministry of Industry, Mines and Energy. Some key terms of **mineral exploration and mining agreement** are highlighting as follows:

1. **Scope** – Determination of ore/ mineral type to be explored for, the surface and coordinates of the concession area, and responsibilities of companies for conducting mineral operations, all the cost involved in mineral operations, environmental protection and restoration and other operations in the concession areas.
2. **Termination of Agreement** – in case of the revocation of mineral exploration license or mining license or at the request of company.
3. **Period of Exploration** – is 6 years.
4. **Period of Mining** – The period of mining could be 30 years. If the period of mining is expired and the mining operations have still been indicated commercially, the Minister of Industry, Mines and Energy may extend the period of mining two (02) times for a period of five (05) years upon the submission of request of the concessionaire.
5. **Conditions to Issue and Renew Mineral Licenses**
  - a. **Exploration License** – issued in every 2 years and valid for 2 years. Documents to be submitted for exploration license shall include:



1. Application for exploration license; 1 set
2. Copy of Registration Certificate issued by the Ministry of Industry, Mines and Energy; 1 set
3. A proposed area(s) and location to be applied for; 1 set
4. Annual Financial Balance Statement for the last 3 years, certified by an auditor firm recognized by the Royal Government of Cambodia; 1 set
5. Plans for mineral exploration and/or mining and budget; 1 set
6. Documents of evidences showing company's financial capability, technical experience, labor, equipment and machinery to conduct mineral exploration and/or exploitation; 1 set
7. **Reports on environmental impact assessment, restoration plan for mined sites and management;** and 1 set
8. Plan for recruitment of Cambodians (employment, education and training of Cambodian citizens to be skilled in mineral operations; 1 set
9. Plan for procurement of goods and services obtainable in Cambodia.

The exploration license can be renewed up to 2 times for a period of 2 years, provided that the concessionaire has applied for an extension at least ninety (90) days prior to the expiration of the current valid exploration license with documents required in the Ministry's regulation. Documents to be submitted for renewal of exploration license include:

1. Application for renewal of exploration license; 1 set
2. Reports of the results of mineral exploration 1 set
3. Reports on environmental protection and restoration during the such period 1 set
4. Balance of Restoration Fund and Training budget statements 1 set
5. Financial Statements (Expenditure statement by indicating exploration expenses, admin. expenses, facilities and equipment, payment of annual land rental, restoration costs, training fund approved by the Ministry and other tax payments); 1 set
6. Report on the progress of recruitment and training of Cambodians;
7. Work Program (Action Plan) to be carried out (mineral exploration, recruitment and training, restoration, procurement of goods, proposed budget, etc.) 1 set

At the end of the sixth year of the exploration period, the Ministry may approve an extension of such license for an additional limited period where he/she need it to study economic feasibilities of this mineral deposit or to proceed to apply for a mining license.

**b- Mining License** – The concessionaire, holding the exploration license, may apply for mining license at any time during the exploration period to the Council for the Development of Cambodia for review and approval. The Ministry of Industry, Mines and Energy can issue a mining license provided that he/she has obtained the approval from the Council for the Development of Cambodia. Documents to be submitted for a mining license include:

1. Application Form for Mining License 1 set
2. **Final Feasibility Study Report** (Ore bodies, chemical analysis, confirmation of ore reserves, average metal contents, production plan and amount of minerals produced, marketing and sales plan, Statement on Financial Analysis [Cash Flow Analysis]; 1 set
3. **Mines and Mining Plans;** 1 set
4. Reports on **environmental impact assessment approved by the Ministry of Environment;** 1 set
5. **Restoration Plan** for mined sites when shut down 1 set
6. **Community Development Plan** (employment, education and training of Cambodian citizens, facilities and infrastructure development, health services, schools, **procurement of goods and services** obtainable in Cambodia, etc.) 1 set

The mining license shall be **renewed up under the mining period**, provided that the concessionaire has applied for an extension at least ninety (90) days prior to the expiry date of the valid mining license and submit the following reports and plans to the Minister for review and approval. Documents to be submitted for renewal of mining license include:

1. Application for renewal of industrial mining license 1 set
2. Detailed reports on the result of mining operations (amount of minerals mined, chemical analysis, etc.) during the previous years; 1 set
3. Reports on the environmental protection and mined sites restored or to be restored; 1 set
4. Financial Statements (Expenditures and Income Statements, Cash Flow by indicating payment of royalties, annual land rental, income tax, and other taxes, balance of restoration and training fund); 1 set
5. Mining operations and restoration plan for the next extension of mining period; 1 set
6. Report on the progress of the implementation of Community Development Plan 1 set
7. Work Program (Action plan) for the next step of Community Development Plan (employment, education and training of Cambodian citizens, facilities and infrastructure development, health services, schools, procurement of goods and services obtainable in Cambodia, etc.) for next extension of mining period 1 set

## 5. Work Obligations of Concessionaire

- Use **modern techniques and equipment** as detailed in an approved exploration work programmes or an approved final feasibility study;
- Bear **all costs involved** in mineral operations, restoration of mined sites, environmental protection, development of communities, etc.;
- Provide **capital, technology and manpower** necessary to conduct mineral operations;
- Provide **performance security** within 30 days after the effective date of agreement for due fulfillments of work obligations with the amount of **20,000.00** US Dollars to be deposited at the **National Bank of Cambodia**.

- Protect **natural environment** in the concession area - including the study of environmental impact assessment, environmental management plan and mines site restoration.
  - Deposit **restoration fund** - Concessionaire shall open a bank account for restoration fund, within sixty (60) days after the date of issuing a mining license at a bank authorized to do business in Cambodia in the name of Concessionaire and the bank account for this fund shall be **jointly administered by the Ministry and Concessionaire**. Concessionaire shall pay to the bank account for restoration fund for site-specific restorations of the mined lands in the Contract Area by following procedures:
    - (a) An **initial deposit** for an amount equivalent to **twenty percent (20%) of the estimated costs of restoration** for each term of a mining license issued to Concessionaire. The estimated cost of restoration shall be **mutually agreed** by both parties **before mining** operations commences;
    - (b) The **remainder** of the estimated costs of restoration **split in annual equal and consecutive amounts based on the number of years** of validity of the industrial mining license.
  - Provide **insurance of the occupational health and safety** of worker and protect the public safety in and around mines sites;
  - **Relinquish a part of concession areas where minerals are not found** under valid exploration licenses. The relinquishment shall be made in **every 2 years** during the exploration period **at least thirty (30) percent of the initial area**. Each area relinquished shall be **not less than ten (10) percent of the initial area** and shall be composed of **contiguous blocks** in conformity with the geometric requirements.
  - Submit **technical and accounting/financial reports** - Concessionaire shall keep the Ministry regularly at the **end of each month** and fully informed of mining operations. He/She shall submit to the Ministry within ninety (90) days after the end of each **calendar year reports on mining operations and financial statement** incurred in that period;
  - Confidentiality - The **confidentiality of data and analyses and interpretations pertaining to mining operations** shall be treated **until the agreement is terminated** or **data is allowed to be disclosed by the Concessionaire** upon the request of the Ministry. When the agreement is **expired, all data and analyses and interpretations shall be given to the Ministry**.
6. **Financial Obligations of Concessionaire** - The concessionaire shall **pay fees for registration and mineral licenses, annual land rentals, royalties** on the value of minerals extracted and **other fees, charges and taxes** involved under the Laws of the Kingdom of Cambodia.
7. **Mineral Costs** - include exploration costs, development costs, production costs, and general and administrative costs, which is **allowed to be recovered** under his/her accounting system.
8. **Valuation of Finished Products** - The valuation of finished products shall be determined and **mutually** agreed by the both parties, based on **international market price** in order to pay royalties.
9. **Export and Sale of Finished Products** - Concessionaire shall apply for **other licenses** to the concerned ministries and competent institutions of the Royal Government to

**export and sell** finished products, mined from his concession area and produced (processed) by his factories built in Cambodia, in conformity with the prevailing laws of the Kingdom of Cambodia.

10. **Right to Employ Immigrant Aliens** – Concessionaire is free to hire Cambodian nationals and foreign nationals of their choosing in compliance with the Labor Law and the Immigration Law. **Foreign employees who are hired longer than six (06) months** shall pay **tax on salary** under the prevailing Law on Taxation of the Kingdom of Cambodia.
11. **Suspension and/or Revocation of Mineral Exploration License and/or Mining License** – are subject to the violation of the provisions of the Law on Management and Exploitation of Mineral Resources and the mineral exploration and mining agreement. The period of **suspension shall not be over six (06) months**. In case that their mineral exploration or mining license is **revoked, they are required to clear/pay all debts involved outstanding prior to the revocation** of their mineral exploration or mining license, including **royalties, land rental, profit share if any, profit tax and other taxes** concerned, and **remit the restoration fund** remained under the agreement to the Ministry's bank account for environmental restoration in their mined sites.
12. **Termination of Agreement** – In case that the exploration license and/or mining license were revoked, this Agreement shall be terminated.
13. **Settlement of Disputes** – shall be made under the laws of the Kingdom of Cambodia.

#### References:

1. Law on Management and Exploitation of Mineral Resources promulgated in 13<sup>th</sup> of July 2001;
2. Sub-Decree No 8 dated 31 January 2005 and Sub-Decree No 113 dated 29 September 2005 on the Determination of Principles of Investments in Mineral Resources;
3. Regulation No 351, dated on 24<sup>th</sup> of May 2004, on Registration and Conditions of Mineral Licenses issued by the Ministry of Industry, Mines and Energy;
4. **Model of Mineral Agreement published in 2007.**