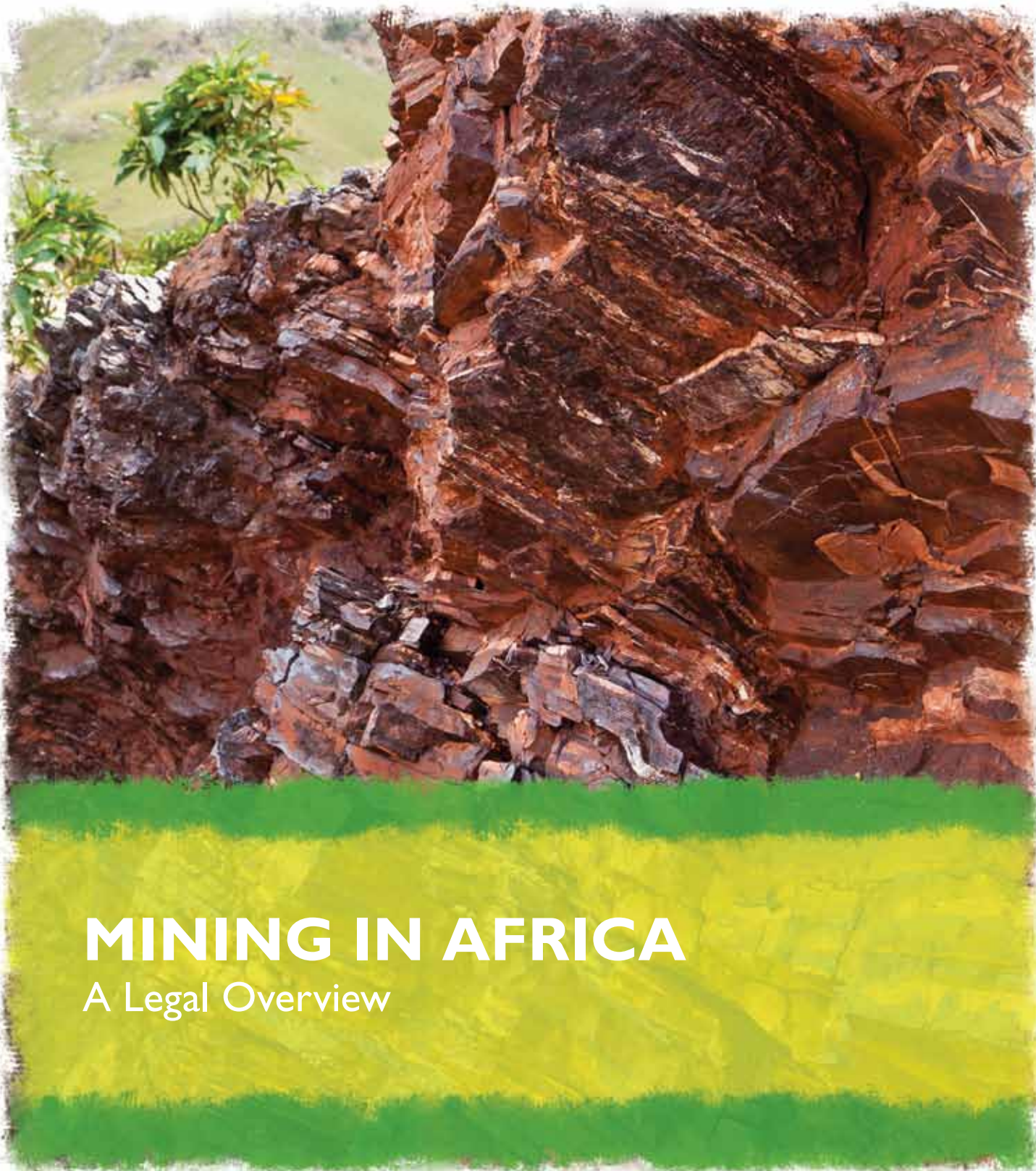




MINING IN AFRICA

A Legal Overview



EVERYTHING MATTERS



CONTENTS

Introduction	04
Algeria.....	06
Angola.....	08
Botswana	10
Burkina Faso.....	12
Democratic Republic of Congo.....	14
Egypt	16
Gabon	19
Ghana.....	21
The Republic of Guinea.....	24
Ivory Coast.....	26
Kenya	28
Liberia.....	30
Libya	32
Mali	34
Mauritania	36
Morocco.....	38
Mozambique.....	40
Namibia	43
Nigeria	45
Rwanda.....	48
Sierra Leone.....	50
South Africa	52
Tanzania.....	55
Tunisia.....	57
Uganda.....	59
Zambia	61
Zimbabwe	64
Our Global Presence	67
Key Contacts	68

INTRODUCTION

The future is bright for mining in Africa. Over 30% of the world's global mineral reserves are found in Africa, yet less than 5% of the total global mineral exploration and extraction budget is invested in the continent. The potential for a burgeoning mining industry across these two emerging regions is immense.

In Africa, infrastructure building is critical for the continued growth of the mining sector. Reports by leading global advisories suggest that African governments are at present unable to meet demand for key infrastructure including rail, ports and energy projects. In response, private participation and investment is being actively encouraged and sought after.

The opportunities for mining, resources and infrastructure companies are impressive, however there are also many obstacles, and governments, as part of the quest to diversify and capitalise upon their mineral rich countries, are realising the need for modern, open and transparent regulatory frameworks.

Many countries in Africa have either recently introduced or are working on new mining laws that seek to encourage investment. These are the first steps towards the formation of a world-class mining industry that has the potential to contribute significantly to economic growth and employment prospects in the region.

Support has been offered by institutions, including the World Bank and the International Finance Corporation, to develop transparent and investor-focused mining laws. At a government level, many African countries have devised mining concessions and specific import duty exemptions to encourage foreign investment in infrastructure building and mining exploitation.

This report is intended to provide a high-level snapshot of the mining industry and regulatory framework in the Sub-Saharan Africa region, prepared on the basis of publicly available information. We are very grateful to the firms which have contributed to the national content of this document.

MINING, RESOURCES AND ASSOCIATED INFRASTRUCTURE EXPERIENCE

Mining is a global business and transactions and disputes have an increasingly international dimension. The DLA Piper Group has unparalleled mining, resources and associated infrastructure expertise in the major mining regions around the world, including Australia, Africa, Russia, Asia, the Middle East, Europe and the United States.

The breadth of our global practice allows us to represent our clients on everyday issues as well as to deploy cross-border teams on large-scale international transactions and disputes. We act for regulators as well as industry, including clients involved in extraction, processing, distribution, infrastructure and trade. In addition to legal services, we provide advice on government affairs, lobbying and crisis management.

AN INTRODUCTION TO DLA PIPER

DLA Piper is the truly local, truly global law firm where everything matters. With more than 4,200 lawyers based in 31 countries throughout Asia Pacific, Europe, the Middle East, Africa and the United States, we provide our clients with trusted local expertise and access to seamless multi-jurisdictional legal capabilities.

Across Asia Pacific, we have more than 700 lawyers based in Australia, China, Hong Kong, Japan, Singapore and Thailand. We have approximately 600 lawyers based in Australia.

AFRICA

The DLA Piper Africa Group brings together the resources and expertise of DLA Piper's global practice and leading law firms in many jurisdictions across Africa. The combined experience and geographic representation produces an exceptional integrated service across Africa.

With a strong team of lawyers we can call on across Africa, and globally, we are able to project manage the specialist expertise of lawyers in different jurisdictions to provide integrated, cost-effective advice in a number of commercial and legal environments.

Having lawyers on hand with first-hand experience of the structures that suit local and international financial institutions, we can deliver bankable projects.

We are able to provide documents that comply with British or French law, as many African countries require.

AUSTRALIA

DLA Piper's Australian projects team has a depth of experience that spans the entire gamut of the mining process. Our lawyers have worked with a cast of global players and mining finance lenders. Also, secondments to key industry stakeholders ensure that our lawyers possess an invaluable understanding of the day-to-day challenges facing the industry and major resources projects. They understand the technical and commercial environment as well as sensible and innovative approaches to sharing risk and rewarding value engineering.

Our lawyers have extensive experience advising on corporate, projects/construction and finance aspects for large-scale mining, resources and infrastructure projects in most corners of the world.

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither DLA Piper nor any other member of the global DLA Piper organisation can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

The views of third parties set out in this publication are not necessarily the views of DLA Piper or its member firms. Moreover, they should be seen in the context of the time they were made.



ALGERIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combination of Islamic Law and Civil Law	Arabic	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 136 out of 183 (unchanged from 2010)
- Index of Economic Freedom 2011: 132 out of 183 (decreased 4.5 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Upper Middle income	34,895,470	US\$4,420

PROFILE

- 11th largest country in the world in terms of land area.
- Actively pursuing economic diversification away from oil and gas by encouraging domestic and foreign investment.
- Non-oil sectors, including mining and metal industry, have emerged as key drivers of growth in the last 10 years.

MINING INDUSTRY

- Highly prospective, particularly for base metals, iron and gold:

Iron ore: Potential ore reserves estimated at 3.5 million tonnes, located in the South-West (Mecheri Abdelazizi, Gara Djebilet). Said to be the largest reserves in the Arab World.

Gold: Potential reserves estimated at three million ounces, located in the South (Tirek Amessmessa).

Phosphate: Djebel Onk and Tebessa.

Lead and zinc: Potential reserves estimated at 150 million tonnes, located in the North (Oued Amizour field). Other prospects include diamonds, gems (precious and semi-precious) and uranium.

MINING LAWS

- Algeria introduced a new mining law in 2001. The new regulatory framework was intended to facilitate greater foreign investment in the mining sector, including through privatisation of existing mining areas. At least US\$1 billion has been spent on exploration and development in recent years.

Laws: Mining Law No. 01-10 of 2001

Licences: There are three types of licences:

1. *Reconnaissance:* Allows exclusive examination of the licenced area. Issued for a period of one year and may be renewed or extended twice, each time for six months.
2. *Exploration:* Confers the exclusive right to explore within, and apply for a mining licence in respect of, the licenced area. Issued for a period of three years, which may be renewed or extended twice, each time for a two-year period.
3. *Concession:* Confers the exclusive right to produce and exploit specified minerals in the licenced area. It is issued initially for a period of up to 30 years, renewable depending on the deposit reserves.
 - A surface rental lease will be concluded with the “Administration des Domaines” when the mining area is property of the state.
 - Alternatively, a mining exploitation permit may be issued for small to medium-sized projects. Such permits are issued for a period of up to 10 years.

Local labour/goods: labour and goods restrictions may apply to specific tenders and concessions.

FOREIGN INVESTMENT

Foreign investment is welcomed, however restrictions apply.

FOREIGN OWNERSHIP

Recent change in law generally requires 51% Algerian ownership for projects in Algeria. Most foreign mining companies enter into partnerships or joint ventures with local firms or government.

TAX

Corporate tax: the tax rate is 19% for companies involved in the production sector.

Capital Gains Tax: there is relief of 35% for assets held up to three years and 70% for assets held longer.

RELEVANT WEBSITES

- Ministry of Energy and Mining (www.mem-algeria.org)
- National Agency for Mining Resources (Agence Nationale du Patrimoine Minier) (www.anpm.gov.dz) – grants titles and partners with mining operators
- The World Bank, International Finance Corporation’s Ease of Doing Business 2011 (www.doingbusiness.org/rankings/)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- GOLDIM (Exploration of mining fields and metals, industrial minerals, marketing of exploitation products)
- ENOR (extraction and transformation of gold)
- ENOF (Production and marketing of non-ferrous products and substances) (www.enof-mines.com/)
- FERPHOS (Exploitation, marketing and export of iron and phosphate) (<http://ferphos.com/>)

ANGOLA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Civil Law	Portuguese	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 163 out of 183 (improved one ranking from 2010)
- Index of Economic Freedom 2011: 161 out of 183 (decreased 2.2 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Lower Middle Income	18,497,632	US\$3,490

PROFILE

- Following the end of the civil war in Angola in 2002, a post-war reconstruction boom has created jobs and encouraged the rebuilding of infrastructure.
- Political stability has returned to Angola and the Angolan Government (Government) is motivated to make the mining sector more attractive and diversified for investors and contribute to the development of local communities.

MINING INDUSTRY

Known mineral reserves include:

Diamonds:

- Diamond mining remains the most significant mining operation in Angola. The country has become one of the largest diamond exporters in the world.
- Most diamond mines are found in the areas of Lunda Norte and Lunda Sul.

Copper:

- Before the civil war, copper mining was a significant contributor to the Angolan economy and opportunities remain in this field for investors.
- Copper mining has occurred largely in the Mavoio region.

MINING LAWS

- In Angola, the state owns minerals, as provided for in the country's Constitution.
- In 2010, with a renewed focus on investment and growth, the Government proposed new mining laws.
- In July 2011 a new *Mining Code* was passed. The *Mining Code* regulates exploration, discovery, exploitation of mineral resources and associated rights and duties.

FOREIGN INVESTMENT

Foreign investment is encouraged in Angola, however, generally it is required that foreign investors will partner with Endiama, the state-owned mining operator.

FOREIGN OWNERSHIP

Foreign ownership is permitted, with conditions.

TAX

The Angolan company tax rate is currently 35% of net profit.

DEVELOPMENTS

- The passage of the new Mining Code will significantly improve Angola's international attractiveness and suit investors.
- It is anticipated that Angola will place a particular emphasis upon mining diversification, particularly copper mining in the Mavoio region.

RELEVANT WEBSITES

- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)
- mBendi Information Services (www.mbendi.com)

SNAPSHOT

- Endiama, a state-owned diamond company (www.endiama.co.ao)
-



BOTSWANA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Customary Law and Common Law	English	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 52 out of 183 (decreased two rankings from 2010)
- Index of Economic Freedom 2011: 40 out of 183 (decreased 1.5 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Upper Middle Income	1,949,780	US\$6,260

PROFILE

- Mining contributes over one-third of the country's Gross Domestic Product.
- Botswana has become a leading producer of diamonds based upon the quality and grade of its diamonds.
- Mining has grown significantly in Botswana since independence. This is attributed to significant development opportunities that have arisen with new discoveries.

MINING INDUSTRY

Known minerals include diamonds (production expected to range 30-35 million carats for the next 10 years), copper, nickel, cobalt, gold, soda ash and coal.

MINING LAWS

- In Botswana, mineral rights are vested in the state.
- A new *Mines and Minerals Act* was passed in 1999.
- The new mining laws are geared to ensure stability, deregulation and government transparency.

Licences: there are three types of licences:

1. *Retention Licence:* This licence provides retention for prospectors who deem a project economically unviable in the short-term.

The first three-year licence remains exclusive while a second three-year licence provides limited rights for third parties to reassess a prospect.

2. *Mining Licence:* This licence is initially valid for a period of up to 25 years, as is reasonably required to carry out the mining programme.

The holder of a licence may apply for unlimited reviews for a period up to 25 years.

Additionally, mineral rights holders may be required to permit the government to hold up to a 15% minority interest in undertakings. This will be on commercial terms with the Botswana Government (Government) paying its *pro rata* share of costs incurred.

3. *Minerals Permits:* This permit allows companies to conduct small-scale mining operations for any mineral other than diamonds over an area not exceeding a half square kilometre. It is for five years, with unlimited renewals of up to five years.

Royalties: the rate varies depending on the resource type mined – precious stones (10%), precious metals (5%) and other minerals (3%).

FOREIGN INVESTMENT

Foreign investment is welcomed in Botswana and recent legislative amendments have been designed to further increase opportunities for foreign investors.

FOREIGN OWNERSHIP

There are no restrictions on foreign ownership although the payment of royalties will be required.

TAX

Variable rate income tax. The rate is the higher of either 25% or a rate derived by a formula.

DEVELOPMENTS

Smelters, refineries and other downstream processes classified as “manufacturing” will attract low and negotiated tax rates of 0–15%.

WEBSITES

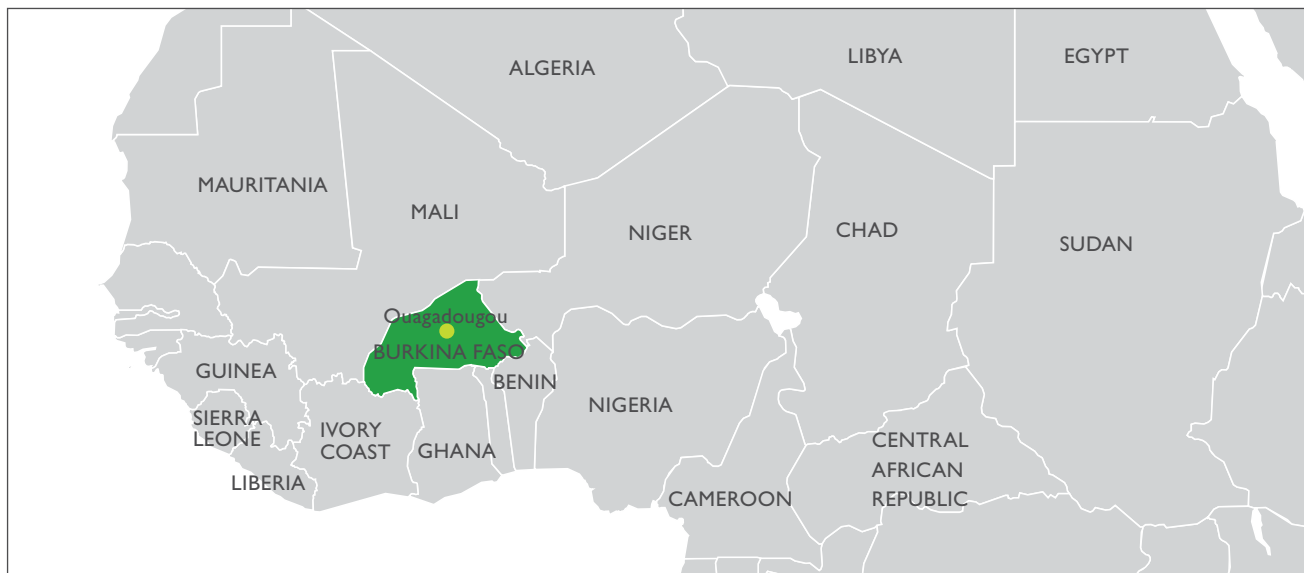
- Department of Mines (www.mines.gov.bw)
- mBendi Information Services (www.mbendi.com)
- The World Bank, International Finance Corporation’s Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Debswana (formed by the Government and South Africa’s De Beers in equal partnership)
- Diamond Trading Company Botswana
- Kolobe Mining



BURKINA FASO



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Civil Law	French	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 151 out of 183 (improved three rankings from 2010)
- Index of Economic Freedom 2011: 85 out of 183 (improved 1.2 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	15,760,000	US\$510

PROFILE

- There has been a major drive to promote minerals. In recent years \$100 million has been invested, and over 130 prospecting licences have been granted.
- Recognised as one of the most stable countries in the region for mining with a supportive government.

- “The biggest growth in new projects over the last two years has been in exploration for gold in West Africa, which accounts for about one third of new projects started in 2009-10, with Burkina Faso having the single biggest increase in West Africa” (*Ann Harrap, Australian High Commissioner to South Africa, 3 March 2011*).

MINING INDUSTRY

Known mineral reserves include deposits of gold, manganese, bauxite, copper, nickel, lead, zinc, limestone and marble.

MINING LAWS

Laws: A new Mining Code was adopted in 1997 (amendments were made in 2000). Mineral resources are the property of the state and the responsibility for granting mining rights rests with the *Ministère de l'Energie et Mines*.

Permits: there are two types of permits that can be granted by the Minister:

1. *Exploration:* Granted on a three-year basis with the option to renew twice for a further three-year period. While there are no limits to the number of permits that a company can hold, upon each renewal 25% of the permit area must be relinquished.
2. *Exploitation:* Valid for an initial 20-year period. The permit is then renewable every five years for the life of the mine. Fees are payable upon granting of the permit and annual surface fees exist. The state obtains a 10% interest in any mining venture.

Royalties: 3% of revenue from mineral production.

FOREIGN INVESTMENT

Foreign investment is encouraged and the state guarantees right of ownership and freedom of management.

FOREIGN OWNERSHIP

Foreign ownership is permitted.

TAX

The rate of corporate tax for mining companies is 20% – lower than the regular corporate tax rate.

DEVELOPMENTS

Burkina Faso is a member of the Economic Community of West African States, which is working towards enacting a uniform mining code.

RELEVANT WEBSITES

- Ministry of Mines and Energy (www.mines.gov.bf/)
- mBendi Information Services (<http://mbendi.com>)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Sydney-based company, Blackthorn Resources, is developing the Perkoa Zinc mine (expected to meet full production in 2011) in western Burkina Faso and is also exploring for gold (www.blackthornresources.com.au/)
- Avocet Mining operates the Inata Gold Mine (www.avocet.co.uk/)

DEMOCRATIC REPUBLIC OF CONGO



OVERVIEW		
JURISDICTION	LANGUAGE	CONTACT
Civil Law	French	DLA PIPER Yves Brosens T +32 2 500 1509 yves.brosens@dlapiper.com Caroline Daout T +32 2 500 1624 caroline.daout@dlapiper.com <i>We are grateful to Cabinet Kasongo & Associes for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT		
- Ease of Doing Business Report 2011: 175 of out 183 (improved four rankings from 2010) - Index of Economic Freedom 2011: 172 out of 183 (decreased 0.7 of a point from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Low Income	66,020,000	US\$160

PROFILE

- The Democratic Republic of Congo (DRC) holds the world's largest deposits of copper and cobalt. The country also holds deposits of gold and diamonds.
- The World Bank predicts that the gross production value of the mining sector will range between US\$2 billion and \$2.7 billion annually for the 10 years to 2017.
- The mining law reforms of 2003 were initiated by the World Bank and have sought to promote investment incentives and long-term exploitation licences.

MINING INDUSTRY

- More than 1,100 different mineral substances are thought to be found in the DRC.
- The four main regions for mining are Katanga, the two Kasaïs, Northeast Congo and Kivu-Maniema.

MINING LAWS

- The principal legislation is the *Mining Code Law No. 007/2002 /July/11* and the enabling regulations are encoded in the *Mining Regulation No. 038/2003/ March/26*.
- As per the Constitution and the *Mining Code*, the state retains ownership of all minerals in the soil and sub-soil.

Licences: the following two licences are available:

1. *Research:* must commence exploration within six months.
2. *Exploitation:* must commence exploitation within three years.

Royalties: the royalties vary depending on the resource type: iron/ferrous metals (0.5%), non-ferrous metals (2%) and precious metals (2.5%).

FOREIGN INVESTMENT

There are limited restrictions on foreign investment, except for small-scale miners where local incorporation, at a minimum, is required.

FOREIGN OWNERSHIP

A foreign party is required to transfer 5% of share capital to the DRC Government before an exploitation permit will be granted.

TAX

- A tax rate of 30% is imposed on net profits from exploitation and 10% on sales of products.
- A tax rate of 3% applies to the purchase of DRC-made products for mining.
- A tax rate of 5% for services received related to the corporate undertaking applies.
- Surface area taxes and duties apply.

DEVELOPMENTS

- A Code of Conduct was signed in early 2011 by stakeholders including miners, buyers, traders and government officials in the DRC to increase transparency and cooperation with local government officials.
- In 2009, *African Business* magazine estimated the total untapped mineral wealth of the DRC to be US\$24 trillion – equivalent to the Gross Domestic Product of Europe and the United States combined.

RELEVANT WEBSITES

- DRC Growth with Governance in the Mining Sector, The World Bank (<http://siteresources.worldbank.org/INTOGMC/Resources/336099-1156955107170/drcgrowthgovernanceenglish.pdf>)
- Mining Registry (www.cami.cd)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Lundin Mining, DRC (www.lundinmining.com/s/TenkeFungurume.asp)

EGYPT



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combination of Islamic Law and Civil Law	Arabic	Your regional DLA Piper contact - details at back of booklet <i>We are grateful to DLA Matouk Bassiouny for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 94 out of 183 (improved five rankings from 2010) - Index of Economic Freedom 2011: 96 out of 183 (improved 0.1 of a point from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Lower Middle Income	82,999,393	US\$2,070

PROFILE

- Substantial mineral resources, including iron ore, coal, phosphates and tantalite.
- Commercial producer of gold and has more than 40 mineral ores.

MINING INDUSTRY

- Gold is found in the Eastern Desert. There are more than 90 gold mines located in this desert. Significant exploitation licence recently granted for the Sukara Hill gold mine.
- Iron residues are found in four main sites in al-Bahareya Oasis. They are currently used in feeding the Iron and Steel Plant in Helwan. Iron residues are also found in the middle sector of the Eastern Desert and east of Aswan regions. Its reserves reach approximately 40 million tonnes. The raw iron is used to produce cast iron.
- In Egypt, phosphate is considered one of the major metallurgical residues. Large quantities of phosphate are found in the Red Sea Coast between the area of Safaga and Al Quseir and at West Sabaeya. Its economic importance is attributed to the fact that it is largely exported.
- Tantalite is found in Abu Dahhab region (considered one of the largest tantalite reserves in the world).
- Coal is mainly found in the Sinai region.
- Raw manganese is found in a number of sites but only a few are economically invested. The most important site is Om Bagama in Sinai. The manganese raw residues are also found in Abu Zneima in Sinai. The manganese is used in producing steel, solid batteries, paints and chemical industries.

MINING LAWS

The main mining related laws in the Arab Republic of Egypt are:

- *Mining and Quarries (Number 86 of 1956)*
- *Law 71 for 1957* (amending the Mining and Quarries Law)
- *Law 81 for 1964* (amending the Mining and Quarries Law).

Licences: there are three types of licences that may be issued by the Ministry of Petroleum and Mines:

1. *Exploration:* confers the exclusive right to explore within the licence area and priority in obtaining a mining exploitation agreement. Issued for a maximum period of four years, including renewals and extensions. Half of the licence area must be forfeited after two years if the licensee has not applied for, and been granted, an exploitation agreement.
2. *Exploitation:* confers the exclusive right to explore, extract and exploit specified minerals in the licence area. Must first have had an exploration licence over the area. Issued for a period up to 30 years, renewable for another 30 years.
3. *Protection:* confers the right to explore areas adjacent to the licenced area in order to protect the exploration or exploitation area. The protected area may not exceed the licenced area.

FOREIGN INVESTMENT

Foreign investment is welcomed.

FOREIGN OWNERSHIP

Egyptian law allows 100% foreign shareholding of Egyptian companies. Operating companies working in a mining concession area are generally a joint venture between the relevant regulator (generally the Egyptian Mineral Resources Authority) and the private concessionaire.

TAX

- 20% income tax (40.55% for profits of companies working in oil and gas prospecting).
- Mining concession agreements exempt the contractor from custom duties on imported machinery and equipment.

RELEVANT WEBSITES

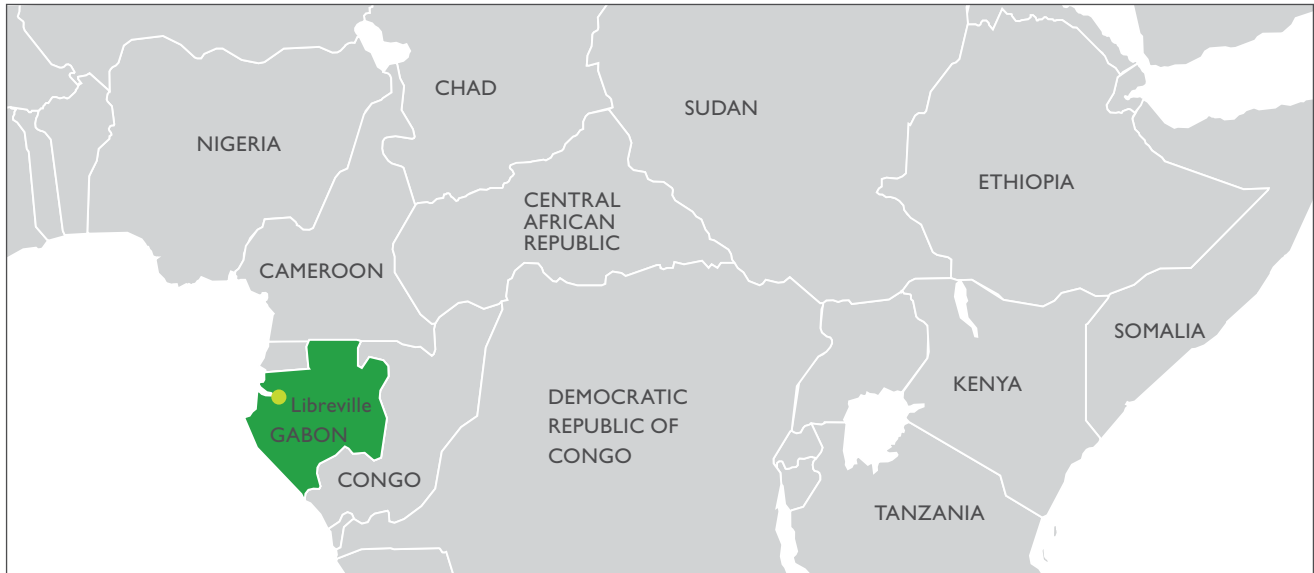
- Ministry of Petroleum and Mineral Resources (www.petroleum.gov.eg/)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Centamin Egypt Limited (www.centamin.com) – a gold explorer holding the exploitation licence to Sukari Hill Gold Project



GABON



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Civil Law	French	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 156 out of 183 (increased two rankings from 2010)
- Index of Economic Freedom 2011: 110 out of 183 (increased 1.3 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Upper Middle Income	1,470,000	US\$7,370

PROFILE

- The President of Gabon has identified the need for the country's oil-reliant economy to diversify as reserves begin to run down. This has been a policy priority since election in 2009.
- Gabon is a major petroleum producer, with crude oil accounting for a significant portion of the country's exports.

- The Comilog Mine is the second-largest producer of manganese alloys in the world.

MINING INDUSTRY

In addition to manganese, the country also has significant deposits of iron ore, diamonds, cement and phosphate.

MINING LAWS

- The state retains ownership of mineral substances occurring under the surface.

Licences: there are three types of licences that may be issued by the Ministry of Mines, Energy and Petroleum:

1. *Prospecting:* valid for two years, non-renewable and intended for regional reconnaissance over a negotiable area.
2. *Exploration:* if a concession is granted, valid for three years with option to renew for two further periods of three years. If no concession is granted, valid for two years with the option to renew once for two years. It is intended for “mining exploration and evaluation” over a negotiable area.
3. *Mining:* can be granted for mineral extraction. The licence is valid for five years and can be renewed as many times as required. The concession is valid for 25 years and can be subsequently renewed every 10 years as many times as required.

Royalties: in addition to fixed fees and a surface occupation fee, a value-added tax of between 0.5% and 5% per year exists.

FOREIGN INVESTMENT

Gabon is actively encouraging foreign investors in a range of sectors, including mining.

FOREIGN OWNERSHIP

There are no restrictions on foreign ownership. However, the Gabon Government requires investors to meet the Central African Economic and Monetary Community investment regulations.

TAX

Corporate tax: a rate of 35% operates with a set of exemptions.

Import duties: import duties do not apply during the exploration and investment phase. All consumable products used during processing are excluded.

DEVELOPMENTS

- Major French nickel and manganese mining company, Eramet, is continuing to expand operations in the country by building a manganese ore plant in Gabon. The Moanda plant, east of the capital Libreville, will produce 20,000 tonnes per year of manganese metal and 65,000 tonnes per year of silico-manganese.
- The Comilog Mine at Moanda, operated by Eramet, is expected to produce 3.6 million tonnes of manganese ore this year.
- BHP Billiton is undertaking a feasibility study to mine 300,000 metric tonnes per annum of manganese ore in the south-east of the country.

RELEVANT WEBSITES

- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

STAKEHOLDERS

- Eramet (www.eramet.fr) – the company has extensive mining and infrastructure interests in Gabon

GHANA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Common Law	English	Your regional DLA Piper contact - details at back of booklet <i>We are grateful to Reindorf Chambers of Ghana for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 67 out of 183 (improved 10 rankings from 2010)
- Index of Economic Freedom 2011: 95 out of 183 (decreased 0.8 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	23,837,261	US\$ 700.00

PROFILE

- Ghana is situated on the west coast of Africa and is home to more than 100 ethnic groups.
- Main exports are gold, cocoa and timber.
- Democratically elected government. The next elections are due to be held in December 2012.
- One of the fastest-growing economies in Africa. The country is well-endowed with natural resources.

MINING INDUSTRY

- With a rich resource base, minerals are generally found in the Western Region and include gold, diamonds, manganese ore and bauxite.
- The mining industry in Ghana is overseen by the Ministry of Lands and Natural Resources and regulated by the Minerals Commission.

- The Minerals Commission was established under the *Minerals Commission Act 1993 (Act 450)*. It is responsible for the regulation and management of the mineral resources of Ghana.

MINING LAWS

- The main law governing mineral operations is the *Minerals and Mining Act 2006 (Act 703)*.
- The *Minerals and Mining Act* grants mineral rights, specifies conditions for dealing with mineral rights, change of control of mining companies and reporting requirements of companies involved in reconnaissance, exploration and mining. There are separate laws governing environmental obligations and taxation.
- Ghana's Constitution and its *Minerals and Mining Law* states that all minerals are the property of the country and the President holds them in trust for the people.

Licences: there are three types of licences:

1. *Reconnaissance:* required to scout for minerals.
2. *Prospecting:* to prospect and explore for minerals.
3. *Mining lease:* to extract minerals.

Restricted licences:

- Restricted licences are required for industrial minerals (including clay, granite, marble, sand and salt).
- A licence is issued by the Minister acting on the recommendation of the Minerals Commission.
- The grant of a mining lease is required to be ratified by Ghana's Parliament.

Royalties: the rate is 5% of the total revenue generated from minerals obtained by the holder.

FOREIGN INVESTMENT

- The *Minerals and Mining Act* allows the Minister to enter into stability and development agreements with the holder of a mining lease. This is to ensure that the holder will not (for a period not exceeding 15 years from the date of the agreement) be adversely affected by changes in law, level of customs or other duties, taxes and royalties.

- Stability and development agreements are required to be ratified by Parliament.

FOREIGN OWNERSHIP

- A mineral right may not be granted to a person unless that person is:
 - A body incorporated under the *Companies Act 1963 (Act 179)*
 - A partnership incorporated under the *Incorporated Private Partnerships Act 1962 (Act 152)*; or
 - A body incorporated under another enactment in force.
- A company may be wholly foreign owned or a partnership made up of foreigners.
- The Ghana Government is entitled to acquire 10% interest in the rights and obligations of the mineral operations in respect of a mining lease.
- A restricted reconnaissance licence, restricted prospecting licence, restricted mining lease or a small scale licence may not be granted to a person other than a citizen. A non-citizen who expects to invest US\$10 million or more in a restricted mineral operation may obtain a mineral right in respect of an industrial mineral.

TAX

Corporate tax: the rate of tax is 25%.

Value-Added Tax (VAT) and National Health Insurance Levy (NHIL): currently 12.5% and 2.5% payable on every supply of goods and services and on imported goods. The supply of machinery used in mining as specified on the Mining List (determined by the Minerals Commission) is exempt from VAT and NHIL.

Customs duties: the holder of a mineral right is to be granted an exemption from payment of the customs import duty regarding plant, machinery, equipment and accessories imported specifically and exclusively for the mineral operations.

RELEVANT WEBSITES

- Government of Ghana (www.ghana.gov.gh)
- Ghana Chamber of Mines (www.ghanachamberofmines.org)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Gold Fields has two projects – Tarkwa Gold and Damang Gold, both in south-western Ghana (www.goldfields.co.za)
- Newmont has two operations in Ghana, Ahafo and Akyem, which comprise about 20% of their core assets worldwide (www.newmont.com)
- AngloGold Ashanti has two projects in Ghana – Iduapriem and Obuasi (www.anglogold.co.za)
- Golden Star Resources owns the Bogoso/Prestea mine that consists of mining and exploration concessions along the Ashanti Trend (www.gsr.com)



THE REPUBLIC OF GUINEA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Civil Law	French	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 179 out of 183 (decreased one ranking from 2010)
- Index of Economic Freedom 2011: 137 out of 183 (decreased 0.1 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	10,068,724	US\$370

PROFILE

- Mineral reserves of iron ore, bauxite, gold and diamonds.
- One of the world's largest bauxite producers.
- Internationally competitive in rough diamond production.
- Majority of foreign direct investment is in mining.

MINING INDUSTRY

Known minerals include bauxite/alumina (the Boke Region in north-western Guinea has significant reserves of up to half the world's bauxite), gold (north-eastern Guinea) and iron ore.

MINING LAWS

- The state retains ownership of deposits of minerals or fossil substances located below or on the surface of the ground as well as underground water and geothermal resources.



- Despite certain restrictions in the *Mining Code* 1995, the Republic of Guinea Government (Government) has been prepared to grant investment and concession agreements for longer periods of exclusive access to foreign investors.
- In March 2011 the Government announced a review of all types of mining licences and permits.

Licences: the *Mining Code* states there are four types available:

1. *Reconnaissance:* Allows prospecting of sites for three to six months.
2. *Exploration:* Grants exclusive right to explore for all the substances specified in the permit for three years with renewals permitted.
3. *Exploitation:* Exclusive right and free disposal of all the mineral substances for 10 years with renewals granted.
4. *Mining concession:* Reserved for large ore deposits which involve important investment (including infrastructure) and granted for 25 years with renewals available.

Royalties: the rate varies depending on the resource mined – bauxite (10%), bauxite processed into alumina (5%), iron ore (7%), gold (5%), diamonds (5–10%) and cut stones (2% of value).

FOREIGN INVESTMENT

Guinea is said to welcome and encourage foreign investment in mining and necessary infrastructure.

FOREIGN OWNERSHIP

Currently, the Government is reviewing foreign ownership arrangements.

TAX

- *Corporate tax:* 35%
- *Withholding tax:* 15%
- *Additional profit tax:* 50% when return on equity exceeds 20%

DEVELOPMENTS

- Substantial review of the granting of mineral licences and government ownership.
- Several high-profile mining ventures formed in recent years, particularly for bauxite, gold and iron ore mining.

RELEVANT WEBSITES

- The Ministère des Mines, de la Géologie et de l'Environnement is responsible for the administration of the mining sector (www.guinee.gov.gn/)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Guinea Alumina (www.guineaalumina.com) and Global Alumina (www.globalalumina.com/) are in joint venture with BHP Billiton, DUBAL and Mubadala at the Sangaredi Bauxite Mine in the Boke region
- Vale (www.vale.com/en-us/Pages/default.aspx) has mining and infrastructure interests in Guinea
- Rio Tinto Group (www.riotinto.com/) and Chinalco (www.chalco.com.cn/) are in partnership for the Simandou Iron Ore Project in Guinea

IVORY COAST



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Civil Law	French	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 169 out of 183 (decreased one ranking from 2010)
- Index of Economic Freedom 2011: 122 out of 183 (increased 1.3 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Lower Middle Income	21,075,010	US\$1,060

PROFILE

- While the country remains undeveloped, significant reserves of gold, diamonds, iron, nickel, cobalt, copper, manganese and bauxite have been identified in the Ivory Coast.
- Ivory Coast is seeking to develop its mining sector, aiming for mining to contribute up to 8 % of Gross Domestic Product within the next decade.
- Infrastructure development opportunities exist in the Ivory Coast.

MINING INDUSTRY

- To date, the majority of mining and prospecting licences have been for gold mining.
- Ivory Coast has considerable estimated iron ore deposits though it is hindered due to the lack of infrastructure. To improve access, a rail project has been proposed between Mount Nimba and San Pedro.

MINING LAWS

- All mineral rights are vested in the state.
- The *Mining Code* (Law No.95-553, July 18, 1995) regulates mining activity.
- The Minister of Mines and Energy is responsible for administering the mining sector.

Licences: there are three types of licences available:

1. *Prospecting and survey authorisations:* non-exclusive right to prospect. The area is negotiated with the Ivory Coast Government (Government) and such an authorisation is valid for one year, with the option to renew.
2. *Prospecting:* exclusive right to explore for minerals over a variable size of land. The period is for three years, with the option to renew for two years, twice (a separate licence may also be granted).
3. *Mining permit:* exclusive right to mine. The size of the permit depends on the area of the deposit. The period of the permit is initially 20 years, with various additional terms. Development must start within two years.

Royalties: The royalty paid is generally between 2.5% – 3% dependent on the resource mined. It is based on net return.

FOREIGN INVESTMENT

- In recent times, Ivory Coast has become much more politically stable and foreign investment is returning.
- There are no significant limits on foreign investment nor are there any substantial differences in treatment of foreign and national investors.

FOREIGN OWNERSHIP

- The Finance Ministry is required to approve investments from outside West Africa.
- The Government has made privatisation of state-owned bodies a priority, with the state retaining a nominal interest.

TAX

Corporate tax: the rate is 25%.

General income tax: rates range from 2% to 36%.

Value Added Tax: the rate is 18%.

DEVELOPMENTS

- Newcrest Mining is working to double the production of gold at its mine site at Bonikro Mine.
- Gold production is expected to increase to 20 tonnes per annum by 2020. The country currently produces 7 tonnes per annum.
- The Government has pledged to speed up and improve the process for investors to obtain mining permits.

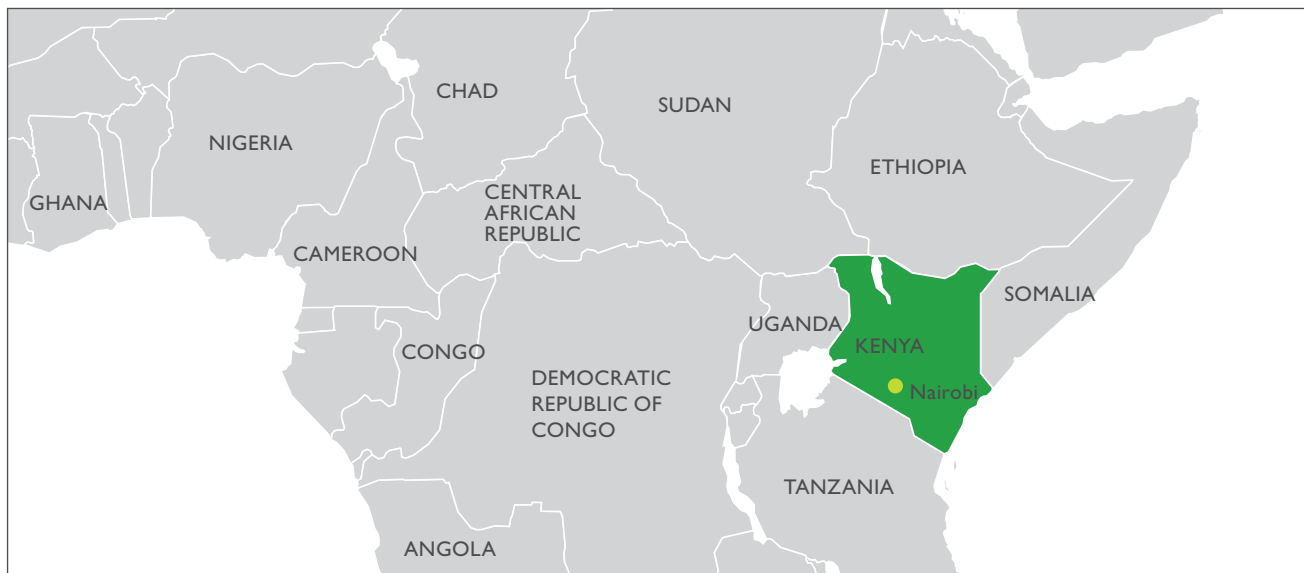
RELEVANT WEBSITES

- Ministère des Ressources Minières et Pétrolières (www.gouv.ci)
- mBendi Information Services (www.mbendi.com)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Randgold Resources (www.randgoldresources.com/randgold/content/en/2009/randgold-home)
- Etruscan Resources (<http://etruscanpressreleases.com/>)
- Banlaw Afrique Côte d'Ivoire SARL (www.banlaw-africa.com/coteoffice.html)
- Newcrest Mining (www.newcrest.com.au/operations.asp?category=10)

KENYA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Common Law	English, Kiswahili	Your regional DLA Piper contact - details at back of booklet <i>We are grateful to IK&M Advocates for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 98 out of 183 (decreased four rankings from 2010)
- Index of Economic Freedom 2011: 106 out of 183 (decreased 0.1 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	39,802,015	US\$770

PROFILE

- Kenya's reserve of natural resources is largely unexplored compared to most other countries in Africa.
- Kenya is believed to have enormous potential for numerous minerals, including base metals, industrial minerals, gemstones and gold.
- Mining operations in Kenya are minimal, with the mining and quarrying sector making a negligible contribution to the economy (less than 1% of Gross Domestic Product). However, this is expected to increase.

MINING INDUSTRY

- *Titanium and zirconium*: a substantial mineral sands deposit exists named the Kwale deposit. Investigations of this deposit resulted in Tiomin Resources Inc. of Canada planning to produce 330,000 t/yr of ilmenite, 75,000 t/yr of rutile and 40,000 t/yr of zircon at Kwale.
- *Cement*: in 2009 Kenya produced 3.32 million metrictons (Mt) of cement from four producers.
- *Soda ash*: a large-scale mining operation exists at the Magadi Soda plant, which extracts deposits of soda ash from Lake Magadi. The production of soda in 2010 was 473,689 tonnes, of which more than 85% was exported.
- *Gold*: there are several gold deposits in Kenya – the Migori deposit contains 1.6 million tonnes of gold. Gold is produced primarily by artisanal workers in the west and south western parts of the country.

MINING LAWS

- The primary legislation relevant to mining in Kenya is the *Mining Act* (Chapter 306 of the Laws of Kenya). Other relevant laws include the *Environmental Management and Co-ordination Act, 1999*.
- The state retains property in all extracted minerals.

Royalties: All minerals obtained in the course of prospecting or mining operations will be subjected to such royalties as may be prescribed.

FOREIGN INVESTMENT

Foreign investment is encouraged.

FOREIGN OWNERSHIP

Foreign ownership is not restricted. However, government policy requires investors to engage with the local community.

TAX

Corporate tax: the rate is 30%.

Branch tax rates: the rate is 37.5%

Value Added Tax: the rate is 16%.

DEVELOPMENTS

Kenya recently announced the discovery of potentially commercially viable coal and iron ore reserves.

RELEVANT WEBSITES

- The Department of Mines and Geology (www.estis.net/sites/kenya/default.asp?site=kenya&page_id=2780E954-BEAD-4B99-887F-5A8C7E1D7DEF)
- Ministry of Environment and Natural Resources (www.environment.go.ke)
- The Kenya Chamber of Mines (KCM) (www.kenyachambermines.com)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Athi River Mining Kenya Ltd (www.armkenya.com)
- International Gold Exploration (IGE) (www.ige.se)
- Kenya Fluorspar Company (www.kenyafluorspar.com)
- Swensson & Simonet Minerals Kenya Ltd. (SSM) (www.ssm-kenya.com/management.html)
-

LIBERIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combination of Customary Law and Common Law	English	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 155 out of 183 (decreased three rankings from 2010)
- Index of Economic Freedom 2011: 160 out of 183 (improved 0.3 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	3,954,979	US\$160

PROFILE

- A variety of mineral resources are found, including iron ore, gold and diamonds.
- The Government of Liberia (Government) is committed to restoring stability and attracting investors, particularly to explore significant iron ore reserves.

MINING INDUSTRY

- Alluvial diamonds are mined widely in the north and west of the country.
- Iron ore deposits are found in many regions.

MINING LAWS

- Relevant laws include the *Mineral Policy of Liberia* 2010, *Minerals and Mining Act* 2006 and the *Mining and Minerals Law* 2000.
- There are three types of licences that can be granted: prospecting, reconnaissance and mineral exploration.

Royalties: assessed on turnover.

FOREIGN INVESTMENT

Foreign investment is encouraged in Liberia.

FOREIGN OWNERSHIP

There are no restrictions on foreign ownership.

TAX

Corporate tax: the tax rate is 25%.

Mineral tax: a fixed mineral tax rate exists.

DEVELOPMENTS

- The Government is committed to providing infrastructure that will encourage foreign investment in mining. Vale SA and BSG Resources Ltd have committed to working with the government in building a new rail and port for iron ore exports.

RELEVANT WEBSITES

- Liberia Government Ministry of Lands, Mines & Energy (www.molme.gov.lr/content.php?sub=51&related=20&res=51&third=51)
- Liberia Mineral Sector Overview Mining Indaba 2011 (www.molme.gov.lr/doc/Microsoft%20PowerPoint%20-%20Liberia_INDABA%202011.pdf)

SNAPSHOT

- Vale SA (www.vale.com/en-us/Pages/default.aspx)
- BSG Resources Ltd (www.bsgresources.com/)



LIBYA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combination of Islamic Law and Civil Law	Arabic	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: no ranking provided
- Index of Economic Freedom 2011: 173 out of 183 (decreased 1.6 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Upper Middle Income	1,002,000	US\$7,495

PROFILE

- Fourth largest country and second highest per capita Gross Domestic Product in Africa. Highest literacy rate in North Africa.
- Enjoying renewed international relations in the last decade, especially with the US and EU. There has been a resulting influx of foreign investment.

- Over 100 government-owned companies have been privatised since 2003.

MINING INDUSTRY

- Large proportion of the country's known mineral resources are contained in the Wadi Ash Shatti valley in west-central Libya (borders the Illizi basin in Algeria), arising out of the Al Sawda Mountains.

- There are several known high-grade metamorphic belts suggesting deposits of gold, iron ore and base metals, as well as mineral base commodities. Limited exploration has occurred due to focus on the oil sector and low foreign investment previously.
- Known deposits include:
Iron Ore: Very large deposit in Wadi Ash Shatti. Estimated 795 Mt of ore at a grade of 52% iron.
Manganese: Wadi Ash Shatti Valley.
- Other potential reserves include gold (East Oweinat region), uranium, gypsum (eastern region) and phosphate (western region).

MINING LAWS

Laws:

- *Law No. 2 of 1971* (Mining Law) and the encouragement of *Foreign Capital Investment Law No. 5 of 1997*.
- Law No 443 of 2006.

Licences: there are three types of licences:

1. *Prospecting:* Issued for a period of six months, renewable once for another six-month period. Each entity cannot be granted more than five prospecting permits for a maximum surface area of 1,000 sq/km.
2. *Exploration:* Issued for a period of one year, renewable for further one-year periods up to a maximum permit life of four years.
3. *Investment Deed:* Issued for a period of up to 30 years, renewable by a decision of the Cabinet for a period not exceeding 15 years.

FOREIGN INVESTMENT

The Libya Mining Company, a government agency which oversees mining operations, has invited foreign participation on numerous projects and studies.

FOREIGN OWNERSHIP

Law No. 443 of 2006 requires foreign companies to have a local partner that holds a minimum joint venture share of 35%.

RELEVANT WEBSITES

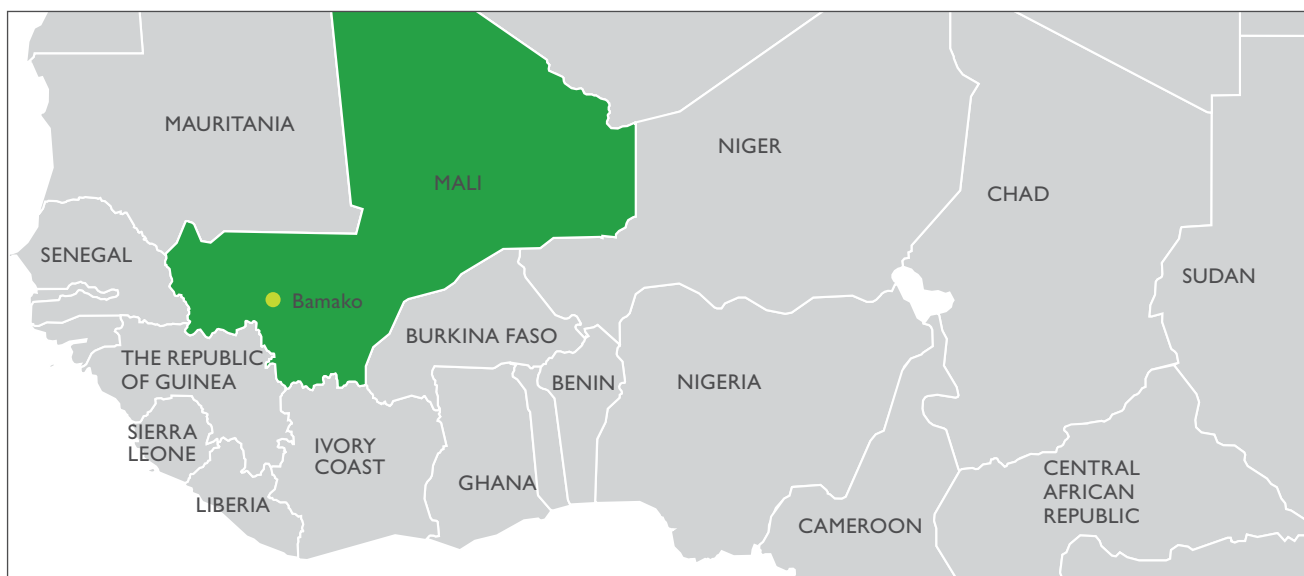
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Areva – signed a memorandum of understanding with Libya's National Bureau for Research and Development in February 2007 for uranium exploration (www.aveva.com/en/Industry_Sectors/Mining.aspx)

Information correct as at September, 2009.

MALI



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Civil Law	French	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 153 out of 183 (improved two rankings from 2010)
- Index of Economic Freedom 2011: 114 out of 183 (improved 0.7 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	13,010,209	US\$680

PROFILE

- Gold is the mineral most popularly mined in Mali, comprising 95% of the country's mineral sector.
- Mali is the third-largest gold producer in Africa.
- The minerals that are undeveloped include bauxite, chromium, copper, diamond and iron ore.

MINING INDUSTRY

- Most of Mali's mineral deposits are located in the east and west of the country:

Diamond: the Kéniéba area, close to the Senegalese border, has seen the recovery of several large gem-quality diamonds.

Gold: in March 2011, the Government of Mali (Government) stated that it expected its 2011 gold production to reach approximately 50 tonnes. Substantial gold mines include Morila and Yatela. Exploration activities are currently occurring in the south of the country.

Bauxite: Bauxite mining is expected to increase in coming years, with support from the Government and large deposits being found.

MINING LAWS

Laws:

- In 2005 the Government reformed the *Mining Code*.
- Mineral resources are the property of the state.

Authorisations: the *Mining Code* provides for the following types of authorisations:

1. An *exploration authorisation* valid for three months and renewable once for three months.
2. A *prospecting authorisation* valid for three years and renewable once for three years.
3. A *small-scale mining authorisation* valid for four years and renewable indefinitely for three years each time.
4. An *artisanal exploitation authorisation* valid for one year and renewable.

Licences: the *Mining Code* provides for the following types of licences:

1. An *exploration permit* valid for three years and renewable twice for three years each time.
2. An *exploitation permit* valid for 30 years and renewable indefinitely for 10 years each time.

Royalties: 3% is to be paid to the Government.

FOREIGN INVESTMENT

- Foreign investment is welcome in Mali and continued reform of the *Mining Code* seeks to further encourage such investment.
- A founding agreement is signed between the foreign company and the Government before exploration or mining commences.

FOREIGN OWNERSHIP

The World Bank states that Mali imposes ownership restrictions on the mining sector as foreign capital participation in the mining industry is limited to a maximum of 90%.

TAX

- The founding agreement signed before exploration or mining commences fixes all the conditions including taxes and royalty rates.



- *Corporate income tax:* 35%
- *Value Added Tax:* 18%
- *Tax on interest:* 9%
- *Insurance tax:* 20%

DEVELOPMENTS

In May 2011 the Government announced that it would further review the *Mining Code* to increase investment in other resources.

RELEVANT WEBSITES

- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)
- The World Bank Group, Investing Across Borders (Mali) (<http://iab.worldbank.org/Data/Explore%20Economies/Mali#/Investing-across-sectors>)
- Government of Mali (www.primature.gov.ml/)

SNAPSHOT

- Anglogold-Ashanti (www.anglogold.co.za/default.htm)
- Randgold Resources (www.randgoldresources.com/randgold/content/en/2009/randgold-home)

MAURITANIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Civil Law	Arabic and French	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 165 out of 183 (increased two rankings from 2010)
- Index of Economic Freedom 2011: 134 out of 183 (increased 0.1 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	3,290,630	US\$960

PROFILE

- The mining industry in Mauritania accounts for approximately a quarter of Gross Domestic Product.
- Infrastructure development is continuing.

MINING INDUSTRY

- Mauritania currently exports iron ore, gold and copper concentrate. Iron ore is one the largest sources of revenue for the state.

MINING LAWS

Laws:

- In December 1999 resolution *Decret portant sur les Titres Miniers* (Decree on Mining Titles) was introduced. It provides a concise set of rules concerning all aspects of mining titles.
- The *Mining Code* of the Islamic Republic of Mauritania provides that only a company created under and governed by Mauritanian law can be granted a mining licence (*permis d'exploitation*). However, the

Commericla Code provides some flexibility on this point and allows forms such as joint-stock companies or joint ventures to be used for the creation of a commercial company.

Licences: the following two licences are provided:

1. *Exploration Licences:* exploration tenements are provided to applicants for a period of three years, with the option to renew twice. The total land available in one licence is 500 square kilometres (except diamond concessions).
2. *Mining Licences:* a mining licence is granted to a company resident in Mauritania for 30 years, with the option to renew for 10 years.

Royalties: the regime is currently being reviewed, however, royalties are floated and dependent on international prices.

FOREIGN INVESTMENT

- Foreign investment in Mauritania is encouraged and exemptions from certain duties exist.

FOREIGN OWNERSHIP

- The Government of Mauritania has no restrictions on foreign ownership, other than the requirement to adhere to all national laws.

TAX

Corporate tax: a 25% corporate tax is levied, however, tax-based incentives apply to new ventures.

Mining levy: in February 2011 the Minister for Industry and Mines announced a 10% levy on all mining transactions.

Value Added Tax: the rate is 14%.

DEVELOPMENTS

- Xstrata has committed to spending US\$6 billion to produce 50Mtpa of iron ore. It has also taken control of Sphere Minerals, an exploration company with three large iron ore projects in Mauritania.



- In July 2011 the World Bank gave Mauritania a significant loan to support its Second Mining Sector Capacity Building Project to strengthen Mauritania's ability to compete internationally.

RELEVANT WEBSITES

- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)
- Mauritania Government (www.mauritania.mr/fr/index.php)
- Mining Law and Regulations (www.mauritanides2010.com/html/regulations.html)
- mBendi Information Services (www.mbendi.com)

SNAPSHOT

- Xstrata (www.xstrata.com)
- Gryphon Minerals (www.gryphonminerals.com.au/)

MOROCCO



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combined Islamic Law and Civil Law	Arabic and French	DLA PIPER Abdul Aziz Al-Yaqout T +965 2291 5806 abdulaziz.al-yaqout@dlapiper.com <i>We are grateful to Hajji & Associates for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 114 out of 183 (no change from 2010)
- Index of Economic Freedom 2011: 98 out of 183 (increased 0.4 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Lower Middle Income	31,992,592	US\$2,790

PROFILE

- A liberal economy with an increasingly strong services sector. Robust growth outlook due to government reforms and major infrastructure investments and yearly growth since the start of the 21st century.
- One of the highest Gross Domestic Product (GDP) levels in the Arab World.
- Phosphate mining is an important aspect of Morocco's industry – the country is one of the world's largest producers.

- Mining contributes approximately 5–10% of the country's GDP, and mining products account for a majority of rail and sea freight.

MINING INDUSTRY

- Morocco's known mineral resources are contained mostly in the western regions of Morocco such as Benguerir and the Saharan mine of Boucraa. Potential exists for large scale finds and exploitation.
- The minerals to be exploited on a commercial scale are phosphate rock, barite, copper and silver.
- In addition, Morocco has significant reserves of tin, gold, zinc, iron, cobalt, coal, gas and manganese.

MINING LAWS

- The relevant laws include the *Mining Law*, 16 April, 1951; *Law no. 11-03* of 19 June 2003 relating to environmental protection; *Law no.12-03* of 19 June 2003 relating to impact studies on environment; and *Law no. 18-95* of 6 December 1995 establishing investment charter.

Licences: there are three types of licences:

1. *Exploration:* confers the exclusive right to explore within the licenced area, and the exclusive right to obtain a mining concession. It is issued for a period of three years which may be renewed or extended for four years.
2. *Mining Permit:* issued if workable deposits are discovered. Confers the exclusive right to produce and exploit specified minerals in the licenced area for an initial period of four years and may be renewed for three four-year periods with the possibility of a special extension of up to 12 years.
3. *Concession:* issued if a large discovery is made using an exploration or mining permit. Valid for 75 years and renewable for another 25 years.

FOREIGN INVESTMENT

Foreign investment is welcomed and investors can contact the Moroccan Agency for Investment Development.

FOREIGN OWNERSHIP

Foreign ownership is unrestricted except for special conditions which apply for phosphate mining.

TAX

- *Permanent income corporate tax:* the rate for exports is 17.5%.
- *Income corporate tax:* the rate for the domestic market is 30%.

RELEVANT WEBSITES

- ONHYM (National Office of Hydrocarbons and Mines) (www.onhym.com)
- Ministry in Charge of Energy and Mines (www.mem.gov.ma)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Managem (www.managem-ona.com).
- Société Minière du Toussit (CMT) is another major listed Moroccan mining company operating around 35 mineral mining sites in Morocco (www.cmt-maroc.com)

MOZAMBIQUE



OVERVIEW		
JURISDICTION	LANGUAGE	CONTACT
Civil Law	Portuguese	DLA PIPER David Church T +44 207 796 6357 david.church@dlapiper.com DLA CLIFFE DEKKER HOFMEYER Chris Ewing T +27 11 562 1000 chris.ewing@dlacdh.com <i>We are grateful to Sal & Caldeira for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT		
- Ease of Doing Business Report 2011: 126 out of 183 (increased four rankings since 2010) - Index of Economic Freedom 2011: 109 out of 183 (increased 0.8 of a point since 2010)		
INCOME	POPULATION	GNI PER CAPITA
Low Income	22,894,294	US\$440

PROFILE

- Located on the east coast of southern Africa, Mozambique is the gateway to many countries, including north-eastern South Africa, Swaziland, Zambia, Zimbabwe and Malawi.
- It is a stable country with a growing economy, driven mainly by agriculture and new investments in the natural resources sector.
- Substantial reserves of coal, mineral sands and tantalum as well as gold and semi-precious stones exist.
- “Development corridors” have been created at Maputo, Beira and Nacala to facilitate access to the African interior via road and rail with a growing supply of electricity. Further rail investments are planned in order to enable dramatically increased volumes of coal to reach Asian markets.

MINING INDUSTRY

- Reserves of coking and thermal coal are located in the central province of Tete, with other smaller and less explored basins in the provinces of Manica and Niassa. If projected growth is realised, Mozambique will be the second-largest exporter of seaborne coal in the world by 2020.
- Heavy mineral sands reserves are found in the northern province of Nampula (currently being mined by Kenmare) and in the southern province of Gaza.
- Gold reserves exist in the central province of Manica, close to the Zimbabwe border, and in the northern province of Niassa.
- Tantalum, precious and semi-precious stones are located in the central province of Zambezia.

MINING LAWS

- *Mining Law (Law no. 14/2002 of 26 June).*
- *Regulation on Mining Law (Decree no. 62/2006 of 26 December).*
- The state retains ownership of mineral resources located in and beneath the soil.

Mining titles (licences and permits):

1. *Reconnaissance Licence:* granted to carry out reconnaissance activities for a maximum period of two years. This period is not renewable. The licence is not transferable.
2. *Prospecting and Exploration Licences:* granted to carry out activities including prospecting for the named mineral and associated minerals and removing, exporting and selling samples. Holders receive compensation if, after carrying out prospecting for at least two years, the licenced area is closed to mining. It is granted for five years, renewable for up to a further five years.
3. *Mining Concession:* granted to any legal person established and registered in Mozambique. The holder may occupy land on an exclusive basis, undertake exploration and undertake necessary operations and work, including the storage, transport and sale of products resulting from mining activities. Concessions are granted for periods equivalent to the economic life of the mine up to 25 years, renewable for up to a further 25 years.
4. *Mining Certificate:* issued for maximum periods of two years, renewable for successive periods of not more than two years for small-scale operations. Mining certificates are transferable.
5. *Mining Pass (for artisanal mining):* an area may be declared to be a mining pass area when it is suitable for mining using unsophisticated exploration, extraction and processing methods for one year.

Royalties: rates vary depending on resource type: diamonds (10%), precious metals and precious stones (10%), semi-precious stones (6%), base metals (5%) and coal and other minerals (3%).

FOREIGN INVESTMENT

- The *Investment Law* provides that when carrying out their activities, foreign investors enjoy the same rights and are subject to the same duties and obligations applicable to nationals.

- Investments may not be made in those areas or economic activities which are expressly reserved to the ownership or exclusive operation by the Mozambique Government or to the investment initiative by public sector (with or without private sector participation). Currently this does not affect the holders of the main mining titles, namely, reconnaissance licences, prospecting and exploration licences, and mining concessions.

FOREIGN OWNERSHIP

- Foreign ventures are permitted in all of the national territory and in all economic sectors, except those that are reserved exclusively for ownership or development by the state.
- There is no limitation on foreign ownership of the main mining titles in Mozambique; provided that mining concessions are held through a legal person incorporated in Mozambique.

TAX

Income tax: the tax rate for corporate income tax and personal income tax is 32%.

Indirect taxes: the indirect taxation of income is done through Value Added Tax (17%), Specific Consumption Tax and customs duties.

DEVELOPMENTS

- A new law not yet published (the *Mega-Projects Law*) will require miners to reserve between 5% and 20% of the equity capital of the project company for eventual flotation on the Mozambican Stock Exchange. The details of this requirement will likely emerge in the corresponding regulations, which are likely to be published only next year.
- The Mining Law is under revision and will likely be amended later this year.

RELEVANT WEBSITES

- Ministry of Mineral Resources (www.mirem.gov.mz)
- Investment Promotion Centre (www.cpi.co.mz)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Vale, the Brazilian iron ore company, is building a coal mine in the central province of Tete (www.vale.com)
- Kenmare Resources mines mineral sands at Moma, province of Nampula (www.kenmareresources.com)
- Riversdale, an Australian company, recently acquired by Rio Tinto, is building a coal mine in Benga, Tete (www.riversdalemining.com.au)
- Ncondezi Coal and Minas de Revuboe are both developing extensive coal deposits in Tete (www.ncondezicoal.com) and (www.revuboe.com)

NAMIBIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combined Customary Law and Common Law	English	DLA PIPER David Church T +44 207 796 6357 david.church@dlapiper.com DLA CLIFFE DEKKER HOFMEYER Chris Ewing T +27 11 562 1000 chris.ewing@dlacdh.com <i>We are grateful to Engling Stritter & Partners for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 69 out of 183 (decreased one ranking from 2010) - Index of Economic Freedom 2011: 73 out of 183 (increased 0.5 of a point from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Upper Middle Income	2,171,137	US\$4,310

PROFILE

- Infrastructure is developing to facilitate mining growth.
- The Government of Namibia (Government) is currently reviewing mining and taxation laws to improve the country's attractiveness to foreign investors.

MINING INDUSTRY

- Namibia has substantial resources of diamonds (approximately 1% of world supply), uranium (approximately 10% of world supply), zinc, salt and copper.
- Namibia also has deposits of gold, lead, tin lithium, cadmium, vanadium and fluorspar.
- Phosphate deposits were recently found in the sea offshore the central coast of Namibia.

MINING LAWS

- Article 100 of the Namibian Constitution states that all natural resources below and above the surface of the land are owned by the state.

Licences: the *Minerals Act* provides for two main categories of licences:

1. *Mineral:* this includes exclusive prospecting rights, reconnaissance, exclusive reconnaissance, mining and mineral deposit retention.
2. *Non-exclusive prospecting and mining claims:* only Namibian citizens or corporate entities (in which only Namibian citizens may hold an interest) can attain this licence.

Royalties: the royalty is 10% for precious stones.

FOREIGN INVESTMENT

The Government encourages foreign investment.

FOREIGN OWNERSHIP

The majority of mines operating in Namibia are owned by foreign entities.

TAX

Corporate tax: the rate is 34% and 37.5% for mining companies (excluding diamond miners).

Value Added Tax: the rate is 15%.

DEVELOPMENTS

The Government is reviewing tax rates in relation to mining.

RELEVANT WEBSITES

- Ministry of Mines and Energy (www.mme.gov.na)
- National Planning Commission (www.npc.gov.na)
- Bank of Namibia (www.bon.com.na)
- Chamber of Mines (www.chamberofmines.org.na)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Areva Resources Namibia (www.areva.com)
- DeBeers Marine Namibia (www.debeersgroup.com)
- Rosh Pinah Zinc Corporation (www.exxaro.com)
- Rössing Uranium (www.rossing.com)
- Langer Heinrich Uranium (www.paladinenergy.com.au)
- Namdeb (www.namdeb.com)
- Navachab (www.anglogoldashanti.com)

NIGERIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Common Law	English	DLA PIPER David Church T +44 207 796 6357 david.church@dlapiper.com <i>We are grateful to Aalex for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 137 out of 183 (decreased three rankings from 2010) - Index of Economic Freedom 2011: 111 out of 183 (decreased 0.1 of a point from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Lower Middle Income	154,728,892	US\$1,140

PROFILE

- There are approximately 34 various categories of minerals. This includes significant deposits of gold, tin, iron tantalite, zinc and lead.
- The Nigerian Government (Government) is pursuing diversification away from oil production by implementing a major restructuring programme for the mining sector. It is aimed at attracting private investors.

MINING INDUSTRY

Nigeria has numerous minerals, many of which can be found on a commercial scale. They include:

- *Gold*: found in various parts of the country. In particular, Maru, Anka, Malele, Bin Yauri, Okolom and Iperindo.
- *Tantalite*: found in the Wamba-Keffi area of Nasarawa State, Isanlu-Egbe in the central region of the country, and in Ijero-Aramoko areas of Ilesha in south-western Nigeria.
- *Lead-Zinc*: found in Enyigba, Ameri, Ameka, Arufu, Akwana and Zurak.
- *Coal*: predominately in Enugu State, but an additional 22 coalfields are evident in 13 states including Delta, Ondo, Kwara, Ebonyi, Kogi, Benue, Nasarawa, Plateau, Bauchi and Adamawa.
- *Bitumen*: Lagos, Ogun and Edo States.
- *Iron Ore*: Kogi, Kaduna, Enugu, Nasarawa and Zamfara States. Purest deposits are found in Itakpe, Kogi State.

MINING LAWS

Laws:

- The Mining industry is regulated primarily by the *Minerals and Mining Act 2007* and the *Minerals and Mining Regulations 2010* National Environmental Standards and Regulations Agency.
- The Nigerian Constitution vests title to all mineral resources in the Government. Title to the minerals is transferred from the Government to a licence holder upon the lawful extraction of such minerals by the licence holder.

Licences: There are five types of licences:

1. *Reconnaissance*: required for carrying out reconnaissance activities on a non-exclusive basis in any part of Nigeria.
2. *Exploration*: for carrying out exploration activities on an exclusive basis in a designated area.
3. *Mining*: carrying out mining activities on an exclusive basis within a designated area.
4. *Small-scale mining*: for carrying out small-scale mining within an area not exceeding 3 square kilometres.
5. *Water use*: for the right to obtain and use water for exploration and mining operations.

Royalties: the rate varies depending on the resource. Gold, iron ore, lead, zinc, coal and tin ore are subject to a 3% royalty, while other minerals are subject to a rate of 5%.

FOREIGN INVESTMENT

- There are no restrictions on foreign investment in mining activities, however only Nigerian citizens, companies incorporated in Nigeria and mining cooperatives registered in Nigeria are eligible to hold mineral titles.
- A foreign investor intending to apply for a mining licence must incorporate a company in Nigeria for that purpose.

FOREIGN OWNERSHIP

Foreign ownership is not prohibited and there are few restrictions.

TAX

- Companies are taxed at a company rate of 30%.
- An Education Tax (2%) and a Value Added Tax (VAT) (5%) may also be payable. Exports are exempt from VAT.
- Additionally, companies are liable to pay royalties, annual service fees and annual surface rent.

DEVELOPMENTS

In 2010, the Government issued new mining regulations to give investors guidance on procedures, environmental and social obligations, dispute resolution processes and information on fees payable to the government.

RELEVANT WEBSITES

- Nigerian Government Official Website (www.nigeria.gov.ng)
- Federal Ministry of Mines & Steel Development (www.mmsd.gov.ng)
- Nigerian Investment Promotion Commission (www.nipc.gov.ng)
- Bureau of Public Enterprises (www.bpeng.org)

- Corporate Affairs Commission (www.cac.gov.ng)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Segilola Gold Limited – Perth-based Ratel Group holds a majority interest in the company and recently announced a further drilling program to increase the mineralised zone (www.ratelgroup.com/projects.php?id=1)



RWANDA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combination of Civil Law and Customary Law	English, French and Kinyarwanda	DLA PIPER David Church T +44 207 796 6357 david.church@dlapiper.com <i>We are grateful to be Equity Juris Chambers for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 58 out of 183 (increased 12 rankings from 2010) - Index of Economic Freedom 2011: 75 out of 183 (increased 3.6 points from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Low Income	9,997,614	US\$460

PROFILE

- The economy is continuing to diversify, and privatisation has been a focus of the Government of Rwanda (Government).
- The mining industry is developing with continuing updates to existing regulatory frameworks and an emphasis placed on improving the quantity of materials exported.
- Opportunities also exist for foreign investment in key infrastructure projects for services, transportation and the construction of a regional minerals processing hub.

MINING INDUSTRY

- The Rwandan mining sector includes mineral extraction, processing, quarrying, production of construction materials and extraction and processing of semi-precious stones.
- The key minerals being mined and traded include cassiterite, wolfram and gold.
- Other minerals mined in Rwanda include ambrigonite, beryl and semi-precious stones such as tourmaline, topaz, corundum, chiastorite, amethyst, sapphires, opal, agate and flint.
- The mining regions of Rwanda include Mutara, Rwinkwavu, Kigali, Ruhengeri, Gisenyi, Butare and Cyangugu.

MINING LAWS AND REGULATIONS

Laws:

- *Mining and Quarry Exploitation No. 37 /2008 of 11/08/2008.*
- *Ministerial Order No. 003/Minifom/2010 of 14/09/2010* provides the requirements for granting the licence for purchasing and selling mineral substances in Rwanda.
- *Ministerial Order No. 004/Minifom/2010 of 14/09/2010* states the environment conservation requirements in mining and quarry extraction.
- *Ministerial Order No. 005/Minifom of 14/09/2010* states the procedure for obtaining a licence, the conditions and the limits on mining and quarry extraction.
- *Ministerial Order No. 006/Minifom of 14/09/2010* determines the taxes applicable to mines and quarries.

FOREIGN INVESTMENT

- There is an active drive by the Government to attract capital-intensive foreign investment in the mining sector.
- There are no sectors that are barred to foreign investors and no restrictions on the percentage of equity that can be held.

FOREIGN OWNERSHIP

- Local and foreign investors have the right to own and establish business enterprises.

- The law also allows private entities to acquire and to dispose of interests in business enterprises. Foreign nationals may hold shares in locally incorporated companies.

TAX

Corporate tax: the standard rate of corporate tax is 30%.

Value Added Tax: the standard Value Added Tax (VAT) rate is 18% and applies across all sectors. Most mined minerals are exported from Rwanda in an unprocessed or semi-processed form and, therefore, zero-rated and not subject to VAT.

Duties: there is no duty to be paid for importing capital goods to be used in mining.

DEVELOPMENTS

- As at July 2011 a new mining legislative framework is being considered.
- The Mining and Exploration Authority (REDEMI) is currently being privatised and foreign companies are invited to submit applications for research and exploration permits.

RELEVANT WEBSITES

- Rwanda Geology and Mining Authority (www.ogmr.minirena.gov.rw)
- Ministry of Natural Resources (www.minirena.gov.rw)
- Rwanda Development Board – Investment Opportunities (www.rdb.rw/rdb/mining.html)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- NRD Rwanda Ltd
- Transafrika Resources (www.transafrikaresources.com/)

SIERRA LEONE



OVERVIEW		
JURISDICTION	LANGUAGE	CONTACT
Common Law	English	DLA PIPER David Church T +44 207 796 6357 david.church@dlapiper.com <i>We are grateful to BMT Law Chambers for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT		
- Ease of Doing Business Report 2011: 143 out of 183 (unchanged since 2010) - Index of Economic Freedom 2011: 149 out of 183 (improved 1.7 points from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Low Income	5,696,471	US\$340

PROFILE

- The country's economic recovery continues as foreign investment and consumer confidence improve.
- Two of the world's 10 largest and most famous rough diamonds were discovered in the Woyie River, which flows through the town of Koidu.

- With the prospect of new modern gold and diamond mines opening in the next three to five years, it is estimated that annual mineral export revenues could exceed US\$370 million.
- The country has relied on mining especially diamonds for its economic base. It is among the top 10 diamond producing nations in the world, and mineral exports remain the main foreign currency earner.
- Sierra Leone is also home to the third largest natural harbour in the world. Ships from all over the globe berth at Freetown's famous Queen Elizabeth II Quay.

MINING INDUSTRY

- Sierra Leone's primary mineral resources are diamonds, rutile, bauxite, gold and iron ore.
- The mineral sector in Sierra Leone includes large-scale production of non-precious minerals, large-scale production of precious minerals, and artisanal and small-scale production of precious minerals.
- Sierra Leone is also among the largest producers of titanium and bauxite, and a major producer of gold. There are known deposits of chromite, platinum, lignite, clays, and such base metals as copper, nickel, molybdenum, lead, and zinc.
- Diamonds cover an area of 7,700 square miles (about a quarter of the country) in the east and south east of Sierra Leone. Diamond-producing areas are concentrated in Kono, Kenema and Bo Districts, and are mainly situated in the drainage areas of the Sewa, Bji, Woa, Mano and Moa Rivers.

MINING LAWS

- Relevant laws include the *Mines and Minerals Act 2009*, *Environmental Protection Act 2000*, *Companies Act 2009* and the *Mining Policy (Revised) 2011*.
- Licences are issued for exploration, mining, alluvial and artisanal mining.

Royalties: the rate varies depending on the resource: special stones (15%), precious stones (6.5%), precious metals (5%) and all other minerals (3%).

FOREIGN INVESTMENT

Foreign investment is welcomed, however, foreign companies must either be registered in Sierra Leone or they must incorporate a local subsidiary company.

FOREIGN OWNERSHIP

Foreign ownership of mines is possible as provided for in the *Mines and Minerals Act 2009*.

TAX

- The company tax rate for mining is 37.5%.
- Mining companies are also required to provide 0.1% of annual revenue to fund community initiatives.

DEVELOPMENTS

The Marampa/Pepel Infrastructure Project providing rail and port infrastructure is currently being upgraded to provide for the transport of 2mtpa of iron ore produced in the Marampa region. The project is valued at almost US\$50 million. There is capacity to further improve infrastructure in future years to transport up to 5mtpa.

RELEVANT WEBSITES

- Ministry of Mines and Mineral Resources (www.slminerals.org)
- Sierra Leone Investment and Export Promotion Agency (www.sliepa.org)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- London Mining (www.londonmining.co.uk)
- African Minerals (www.african-minerals.com/am/en/home/)
- Cluff Gold (www.cluffgold.com)
- Cape Lambert Resources (www.capelam.com.au/)

SOUTH AFRICA



OVERVIEW		
JURISDICTION	LANGUAGE	CONTACT
Civil Law	English	DLA CLIFFE DEKKER HOFMEYR Chris Ewing T +27 (0)11 562 1158 chris.ewing@dlacdh.com

BUSINESS ENVIRONMENT		
- Ease of Doing Business Report 2011: 34 out of 183 (decreased two rankings from 2010) - Index of Economic Freedom 2011: 74 out of 183 (decreased 0.1 of a point from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Upper Middle Income	49,320,150	US\$5,770

PROFILE

- South Africa has rich mineral resources.
- It is the world's largest producer and exporter of platinum. In addition, it is a significant producer of gold, manganese, chrome, vanadium, titanium and coal.
- The value-added processing of minerals to produce ferroalloys, stainless steels, and similar products is a major industry.

- The country's diverse manufacturing industry is a world leader in several specialised sectors, including motor vehicles and parts, railway rolling stock, synthetic fuels, mining equipment and machinery.

MINING INDUSTRY

- South Africa's mineral wealth is diverse.
- The Witwatersrand Basin produces 94% of South Africa's gold output and contains considerable resources of uranium, silver, pyrite and osmiridium.

- The Bushveld Complex produces platinum group metals, chromium and vanadium-bearing titanium iron ore formations as well as large deposits of industrial minerals, including fluorspar and andalusite.
- The Transvaal Supergroup contains resources of manganese and iron ore.
- The Karoo Basin extends through Mpumalanga, KwaZulu-Natal, Free State, as well as Limpopo, hosting considerable bituminous coal and anthracite resources.
- The Phalaborwa Igneous Complex hosts extensive deposits of copper, phosphate, titanium, vermiculite, feldspar and zirconium ores.

MINING LAWS

- Relevant laws include the *Mineral and Petroleum Resources Development Act*, No. 28 of 2002 (MPRDA), Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Charter) and the Codes of Good Practice for the Minerals Industry (Mining Code).
- The main rights that are usually applied for in South Africa include prospecting rights and mining rights for minerals. Application is made to the Minister of Mineral Resources. If granted, the right is executed and then registered with the Mineral and Petroleum Titles Registration Office.
- Royalties are payable for extraction of minerals in terms of the *Mineral and Petroleum Resources Royalty Act*, No. 28 of 2008. It is paid on gross sales, and is to be paid to the National Revenue Fund by holders of the various forms of rights granted by the Minister under the MPRDA.

FOREIGN INVESTMENT

Foreign investment is welcomed.

FOREIGN OWNERSHIP

There are no restrictions on foreign ownership, however, disadvantaged South Africans must hold 26% economic ownership of the right in question, either directly or through equity in a company holding the right.

TAX

Corporate tax: the rate is 28%, however, special rules apply to gold-mining companies.

Capital Gains Tax: the rate is 14%.

Other taxes:

- Remittance Tax
- Value Added Tax
- Customs and Excise Tax
- Security Transfer Tax
- Transfer Duty
- Diamond Export Levy
- Payroll Tax (Pay as you Earn, Skills Development Levy, Unemployment Insurance Fund and Compensation for Occupational Injuries.)
- Property Tax (levied on Municipal level).

DEVELOPMENTS

- The Department of Mineral Resources' new online application system, the South African Mineral Resources Administration online system for prospecting rights, mining permits and mining rights, went live in April 2011.
- The Chamber of Mines of South Africa has indicated that South Africa's mining sector can anticipate growth of 3-4% annually to 2020.

RELEVANT WEBSITES

- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)
- Department of Mineral Resources (www.dmr.gov.za)
- Department of Energy (www.energy.gov.za)
- Chamber of Mines of South Africa (www.bullion.org.za)

SNAPSHOT

- Anglo American Plc (South Africa) (www.angloamerican.co.za)
- Anglo Platinum Limited (www.angloplatinum.com)
- Anglo Gold Ashanti (www.anglogold.co.za)
- Harmony Gold Mining Company Limited (www.harmony.co.za)
- Gold Fields (www.goldfields.co.za)
- Lonmin Plc (South Africa) (www.lonmin.com)
- Impala Platinum Holdings Limited (www.implats.co.za)
- BHP Billiton Limited (www.bhpbilliton.com)



TANZANIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Common Law	Kiswahili English	Your regional DLA Piper contact - details at back of booklet <i>We are grateful to IMMMA (Advocates) for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 128 out of 183 (decreased three rankings from 2010)
- Index of Economic Freedom 2011: 108 out of 183 (decreased 1.3 points from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	43,739,051	US\$500

PROFILE

Continuing public sector and economic reform has further improved the climate for investment in Tanzania.

MINING INDUSTRY

Known minerals resources include coal, gold, diamonds, iron ore, tanzanite, graphite, phosphate, rubies, limestone, platinum group metals (PGMs) and uranium.

MINING LAWS

- The relevant laws include the:
 - *Mining Act* 2010.
 - *Tanzania Investment Act* 1997.
 - *Land Act* (1999 and 2002).
 - *Environment Management Act* No. 20 of 2004.

- The Government of Tanzania (Government) retains ownership of all natural resources.

Licences: there are three types of licences that can be granted:

1. *Prospecting:* any company or individual can apply for a prospecting licence.
2. *Mining:* any company or individual can apply to mine in Tanzania. There are restrictions on gemstone mining for foreigners.
3. *Primary Mining:* is only for citizens of Tanzania as per section 8(2) of the *Mining Act*.

Royalties: vary depending on the resource: gemstone and diamonds (5%), uranium (5%), copper, gold, silver, PGMs (4%), salt and industrial minerals (3%) and gems (1%).

FOREIGN INVESTMENT

- Foreign investment is welcomed.
- All foreign investors must engage the Tanzania Investment Centre.

FOREIGN OWNERSHIP

There are no restrictions on foreign ownership, other than for gemstone mining where a foreign investor may be required to partner with a national company.

TAX

Company tax: the tax rate is 30%.

Mining tax: in the first year of operation, no tax is collected for equipment and supplies imported. However, thereafter, a tax of up to 5% is levied.

DEVELOPMENTS

The construction of an 850km railway infrastructure project to link southern coal and iron ore projects will be completed in 2012.

RELEVANT WEBSITES

- National Website of the United Republic of Tanzania (www.tanzania.go.tz)
- Ministry of Energy and Minerals (www.mem.go.tz)
- Ministry of Lands and Human Settlement (www.ardhi.go.tz)

SNAPSHOT

- African Barrick Gold Mines – the company operates four gold mines in Tanzania (www.africanbarrickgold.com)
- Williamson Diamond Mines (www.mwadui.co.uk)
- Tanzanite One Limited (www.tanzaniteone.com)
- AngloGold Ashanti (www.anglogold.co.za)
- Great Basin Gold PLC (www.greatbasingold.com)
- Lake Victoria African Gold Mining (www.lakevictoriainingcompany.com)

TUNISIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combination of Islamic Law and Civil Law	Arabic	Your regional DLA Piper contact - details at back of booklet

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 55 out of 183 (improved three rankings from 2010)
- Index of Economic Freedom 2011: 100 out of 183 (decreased 0.4 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Lower Middle Income	10,432,500	US\$3,720

PROFILE

- Tunisia has a diverse economy, ranging from agriculture, mining, manufacturing, petroleum products and tourism.
- Has one of Africa and the Middle East's highest per capita Gross Domestic Product.
- Has relatively well-developed infrastructure.

MINING INDUSTRY

- Tunisia's mineral resources are contained in the volcanic zones, which are the Diapris area, Central Tunisia and North-South Axis, North Basin and Gafsa.
- Minerals to be exploited on a commercial scale are iron, phosphates, lead and zinc.

MINING LAWS

To encourage mining exploration and activity, Tunisia introduced a new *Mining Law* in 2003.

Licences: there are three types of licences:

- 1 *Prospecting*: allows examination of the licence area for minerals. Drilling and mining activities cannot be undertaken; however, geological studies can be performed for producing evidence of sites of interest for an exploration permit. Issued for a maximum period of one year and may be renewed for a single one-year period.
- 2 *Exploration*: confers the right to explore within the licence area. May be obtained without first having obtained a prospecting licence. Separate permits can be granted to different applicants for the same licence area but for different minerals. Holder of an exploration licence has the exclusive right during the period of the licence to apply for an exploitation concession for the subject minerals. Issued for a maximum period of three years, and may be renewed or extended twice, each time for up to three years.
- 3 *Exploitation*: confers the exclusive right to exploit minerals in the concession area. Issued for a period consistent with the quantity of exploitable reserves.

FOREIGN INVESTMENT

Foreign investment is welcomed (with restrictions).

FOREIGN OWNERSHIP

Foreign companies and foreign controlled Tunisian companies may hold mineral licences, but must have a domicile in Tunisia or a local representative.

TAX

Corporate tax: the normal tax rate is 25%. The holder of a mining right is exempt for five years from the date of commencing operations.

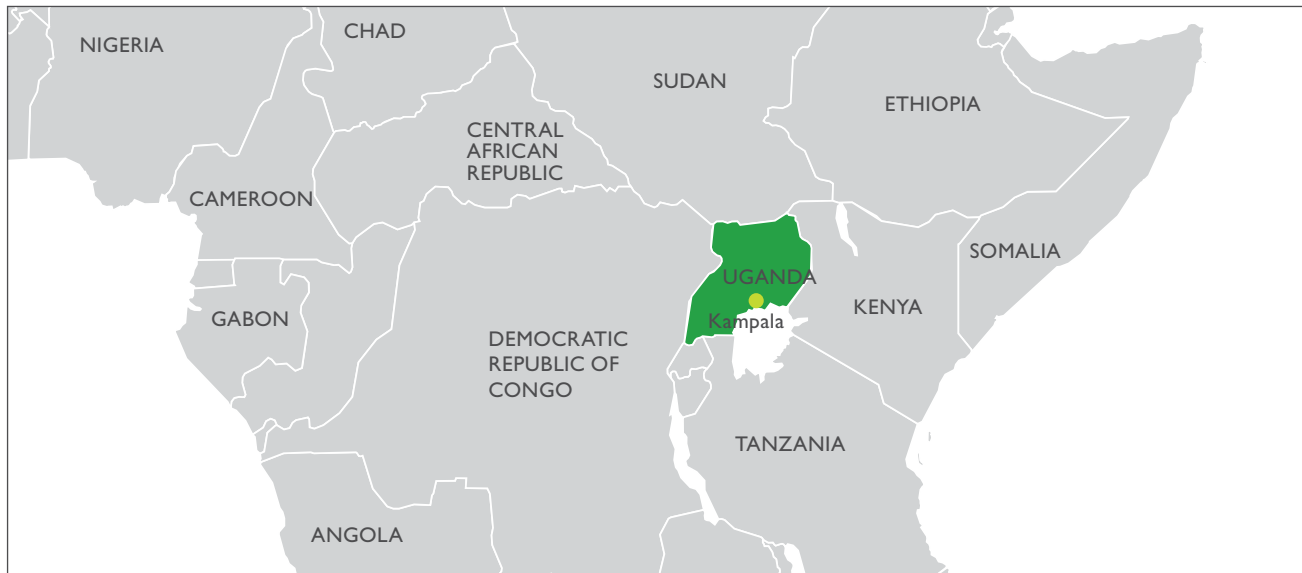
RELEVANT WEBSITES

- Ministry of Industry, Energy and PME (www.industrie.gov.tn)
- Office National des Mines – mapping, exploration, development, training, laboratories and logistics (www.onm.nat.tn/)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Société du Djebel Djerissa – iron ore producer
- Groupe Chimique Tunisien – state-owned phosphate processing company
- Compagnie des Phosphates de Gafsa – state-owned mining company
- Societe du Nord-Ouest – lead and zinc miner

UGANDA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Combined Customary Law and Common Law	English	DLA PIPER David Church T +44 207 796 6357 david.church@dlapiper.com <i>We are grateful to Sebalu & Lule Advocates for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 122 out of 183 (improved seven rankings from 2010)
- Index of Economic Freedom 2011: 80 out of 183 (decreased 0.5 of a point from 2010)

INCOME	POPULATION	GNI PER CAPITA
Low Income	32,709,865	US\$460

PROFILE

- Infrastructure development is a significant part of the Ugandan Government's (Government's) National Development Plan for 2010–2015.
- The Government is also continuing to provide investor-friendly policies to attract foreign investment in the mining sector.

MINING INDUSTRY

- Variety of precious, non-precious and industrial minerals.
- Minerals found include gold, copper, cobalt, nickel, zinc, lead, tin, beryllium, coltan, platinum group metals, bismuth, lithium, limestone, marble, phosphate, vermiculite and silica sand.
- Mining of limestone is a major economic activity.
- Large gold deposits are found in the south-west of the country.

MINING LAWS

- Relevant laws include *The Mining Act 2003* and *The Mining Regulations 2004*.
- The control and ownership of all minerals in Uganda is vested in the state.

Licences: the *Mining Act* provides for the following four licences:

1. *Prospecting:* grants the right to carry on prospecting operations. Quarterly geological reports must be submitted and any mineral discovery must be reported. This licence is valid for one year.
2. *Exploration:* the area of land explored is not to exceed 500 square kilometres. The applicant is required to show technical competence and the ability to provide for the employment and training of Ugandan citizens. An exploration licence will not be granted for a period exceeding three years. Multiple licences may be issued.
3. *Retention:* the holder of an exploration licence may apply for a retention licence if mining cannot commence immediately. A feasibility study is required and the period of retention cannot exceed three years.
4. *Location:* location licences are granted on small-scale prospecting and mining operations.

Mining lease: granted with notice to the Government and required to hold an exploration licence.

Royalties: paid on the gross value of the mineral.

FOREIGN INVESTMENT

Foreign investment is welcomed without restriction provided the foreign investor can demonstrate the benefits of their operation to the local economy.

FOREIGN OWNERSHIP

Foreign ownership is permitted, however, registration or incorporation in Uganda is required.

TAX

The income tax rate applicable to mining companies is calculated according to a specific formula.

RELEVANT WEBSITES

- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Kilembe Mines Ltd – state-owned mining company
- Kasese Cobalt Company – cobalt metal miner in partnership with government (www.kccl.co.ug)

ZAMBIA



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Common Law	English	Your regional DLA Piper contact - details at back of booklet <i>We are grateful to Chibesakunda & Co. for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

- Ease of Doing Business Report 2011: 76 out of 183 (improved eight rankings from 2010) - Index of Economic Freedom 2011: 91 out of 183 (increased 1.7 points from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Low Income	12,935,368	US\$970

PROFILE

- Zambia is a stable and vibrant country that is a natural hub for the sub-continent's diverse activities.
- Zambia has undergone vast infrastructure development over the years since the liberalisation of the economy.
- The arrival of foreign investors in the mining industry has seen the mining industry experience significant infrastructure investments, notable among them being the construction and commissioning of the Lumwana mine in the north-western province.

MINING INDUSTRY

- Geologically Zambia is endowed with substantial mineral resources, which include copper, cobalt, nickel, lead, zinc, iron, manganese, gemstones and a number of industrial minerals.
- The major metal, which has been exploited for nearly a century, is copper, and it is the single largest contributor to the economy. Internationally, the country is recognised as a major producer of copper and cobalt and has, since the early 1960s, ranked amongst the highest copper and cobalt producers in the world.
- Significant quantities of selenium and silver, together with minor gold and platinum group elements are also produced as by products of copper mining.
- Resources found in the country include:

Copper and cobalt: in excess of one billion tonnes of ore have been mined from the mines of the Copperbelt and conservative estimates suggest that further combined reserves exceed two billion tonnes.

Iron: substantial resources of iron have been identified, occurring primarily as sedimentary ironstones in central and western Zambia.

Nickel and platinum group elements: nickel occurrences are known in the Basement sequences east and south of Lusaka.

Gold: more than 300 gold occurrences have been recorded but most are only prospects.

Diamonds: alluvial diamonds have been reported throughout much of northern, north-eastern and western Zambia.

Coal: Zambia possesses substantial coal resources and has been producing coal continuously since 1967.

MINING LAWS

- Relevant laws include the *Mines and Minerals Development Act No. 7 of 2008*, *Mines and Minerals Development (General) Regulations of 2008* and *Mines and Minerals Development (Prospecting Mining and Milling of Uranium Ores and other Radioactive Mineral Ores) Regulations 2008*.
- Section 3 of the *Mines and Minerals Development Act* states that all rights of ownership of minerals are vested in the President on behalf of the Republic.

Licences: the following mining licences may be granted under the *Mines and Minerals Development Act*:

1. *Prospecting:* confers on the holder of the licence exclusive rights to carry on prospecting operations. It is valid for a period of two years. It may be renewed for a further two-year period. The total maximum period shall not exceed seven years.
2. *Large-scale mining:* confers on the holder exclusive rights to carry on mining and prospecting operations in the mining area. The licence is granted for a period not exceeding 25 years. A separate large-scale gemstone licence is granted for gemstone mining for a period not exceeding 10 years.
3. *Small-scale mining:* the holder is granted exclusive rights to carry on mining operations. The licence is granted for a period not exceeding 10 years. A separate small-scale gemstone licence is granted for gemstone mining for a period not exceeding 10 years.
4. *Artisan's mining:* an artisan's mining right shall be valid for a period of two years.

Royalties: the rate is 3% for base metals, industrial minerals or energy minerals, and 5% for energy minerals, precious minerals and gemstones.

FOREIGN INVESTMENT

Foreign investment is welcomed. There are no general restrictions applied to foreign investment.

FOREIGN OWNERSHIP

Foreign ownership of mining companies is allowed in Zambia. However, this is subject to specific restrictions imposed on certain mining rights.

TAX

Company tax: the rate of tax payable by companies is currently 35% for non-listed companies and 33% for listed companies. A special rate of 30% applies to mining companies.

DEVELOPMENTS

- According to the Zambia Development Agency, a number of mining companies in the country have committed to significant capital investments in their operations, while others continue to attract foreign investors.
- In the year 2010 alone, the mining sector is reported to have attracted about US\$2 billion in new mining investments, according to the Chamber of Mines in Zambia.
- Exploration works for minerals in Mwinilunga, North-Western Province, have been commenced by Zhonghui Mining Group of China. The firm reportedly has plans to invest more than US\$3 billion in mining activities on the Copperbelt and north-western provinces of Zambia.

RELEVANT WEBSITES

- Zambia Development Agency (www.zda.org.zm)
- Patents and Companies Registration Agency (www.pacra.org.zm)
- Zambia Association of Chambers of Commerce and Industry (www.zambiachambers.org)
- Ministry of Mines and Mineral Development (www.zambiamining.co.zm)
- Zambia Revenue Authority (www.zra.org.zm)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Chibuluma Mines Plc (www.metorexgroup.com/ops_chibuluma_Mines.htm)
- Albidon Zambia Limited (www.albidon.com)

ZIMBABWE



OVERVIEW

JURISDICTION	LANGUAGE	CONTACT
Common Law	English, Shona and Sindebele	DLA PIPER David Church T +44 207 796 6357 david.church@dlapiper.com DLA CLIFFE DEKKER HOFMEYER Chris Ewing T +27 11 562 1000 chris.ewing@dlacdh.com <i>We are grateful to Kantor & Immerman for their assistance in the preparation of this material.</i>

BUSINESS ENVIRONMENT

■ Ease of Doing Business Report 2011: 156 out of 183 (decreased one ranking from 2010) ■ Index of Economic Freedom 2011: 157 out of 183 (increased 0.7 of a point from 2010)		
INCOME	POPULATION	GNI PER CAPITA
Low Income	12,522,784	US\$375

PROFILE

- Agriculture is an important component of the economy and the country is working towards regaining its position as a net exporter of food.
- It has good transport infrastructure domestically, and there are services operating to neighbouring countries.
- The adoption of the use of multiple currencies (mostly United States Dollar and South African Rand) has further increased foreign investment.
- Telecommunications infrastructure is modern and expanding rapidly.

MINING INDUSTRY

- Minerals produced include gold, platinum group metals, iron, nickel, chrome and coal. Other minerals found in Zimbabwe include diamonds, asbestos, cobalt, graphite, lithium, and palladium.
- All known platinum group metal resources in Zimbabwe are found along the Great Dyke of Zimbabwe.
- Gold is mined in various areas including Kadoma, Matebeleland Province and Mashonaland West Province.
- Copper is found in Mashonaland West Province.
- Diamonds have been found in the eastern part of the country.
- The mining sector continues to recover with a projected growth of 44% in 2011. The mining sector contribution to the economy continues to grow and is expected to do so in the medium term.
- The mining sector accounts for 65% of exports, up from 50% in 2009, and accounts for a third of imports. With exports estimated at US\$1.2 billion in 2010 and a nominal Gross Domestic Product (GDP) estimate of US\$6 billion, mining accounts for about 20% of nominal GDP.
- The success of the future growth of the mining sector is also dependent upon the ability to attract investment for key infrastructure projects.

MINING LAWS

- The principal law regulating mining in Zimbabwe is the *Mines and Minerals Act* 1961, which is a consolidation of all laws relating to mines and minerals. There are ancillary acts, regulating dealing and exports of minerals and the establishment of various statutory bodies within the sector.
- Chapter 21:05 of the *Mines and Minerals Act* states the right and ownership to all minerals, mineral oils and natural gases under the soil, including the rights to search, mine for and dispose of such minerals, mineral oils and natural gases vests in the President of Zimbabwe on behalf of the state.
- *Licences*: the *Mines and Minerals Act* provides for two types of exploration licences:
 1. *Prospector's Licence*: a Prospector's Licence is intended for small-scale prospectors and is valid for two years only. It does not give an exclusive right to the holder. It can only be given to Zimbabwean residents or their appointed agents.
 2. *Exclusive Prospecting Licence*: an exclusive right is created to prospect for specified minerals in any defined area in Zimbabwe. It is granted for an initial period of three years and may be extended for a further period not exceeding three years.

Royalties: the rate is 5%.

FOREIGN INVESTMENT

- Foreign investment is encouraged in Zimbabwe.
- Generally, foreign investors must be issued with an Investment Licence by the Zimbabwe Investment Authority (ZIA) and in addition, approval from the Ministry of Indigenisation and Economic Empowerment.
- In considering an application for an Investment Licence, the ZIA Board considers the effect of the proposed investment on skills and technology transfer, job creation, beneficiation of raw materials, environmental impact and on other sectors of the economy.
- The ZIA lists mining and mineral exploration as a priority sector. Until recently, in priority sectors, foreign investors were free to take 100% ownership

of their ventures. The enactment of the *Indigenisation and Economic Empowerment Act* 2008 has materially changed this, chiefly in relation to controlling interests, however, it is now under review.

- An Investment Licence is valid for two years and is renewable.

FOREIGN OWNERSHIP

The *Indigenization and Empowerment Act* enjoins all companies, partnerships or associations carrying out business or investing in Zimbabwe to be at least 51% owned by indigenous Zimbabweans. New foreign investors are required to submit an indigenisation implementation plan at the time of applying for an Investment Licence. Foreign investors can no longer obtain Investment Licences without an approved indigenisation plan.

TAX

Zimbabwe's system of taxation is source-based.

- *Income tax*: the rate is presently 25%.
- *Withholding tax*: the rate is 15% on remitted dividends.

Mining incentives:

- Taxable income of a holder of a special mining lease is taxed at a special rate of 15%.
- Suspension of Duty on Goods Imported for Specific Mine Development Operations may be granted on application to the Revenue Authority.

DEVELOPMENTS

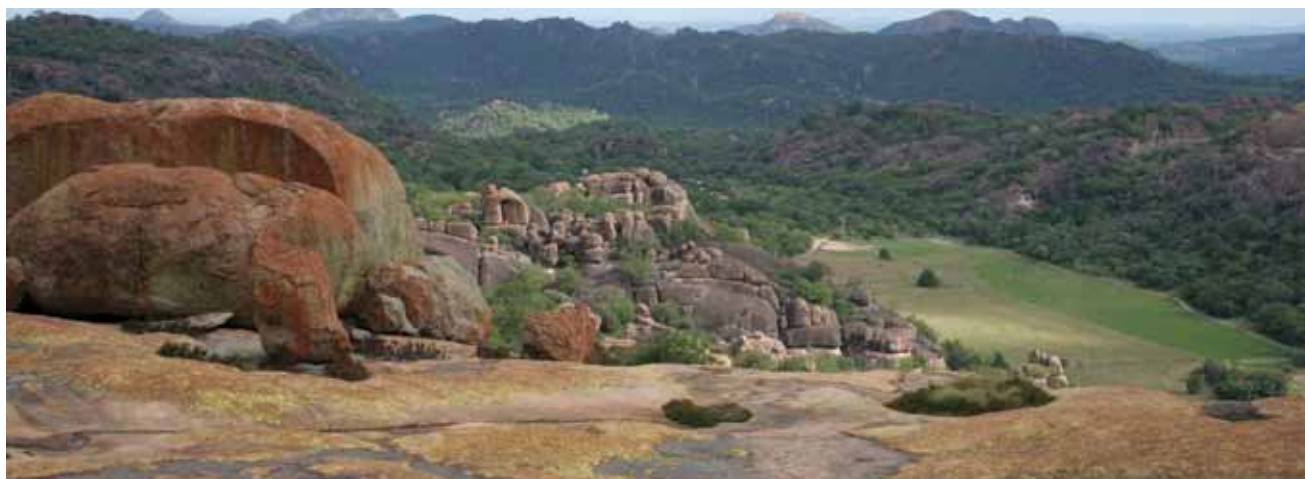
In June 2011, the Kimberley Process allowed Zimbabwe to freely sell its diamonds without any restrictions.

RELEVANT WEBSITES

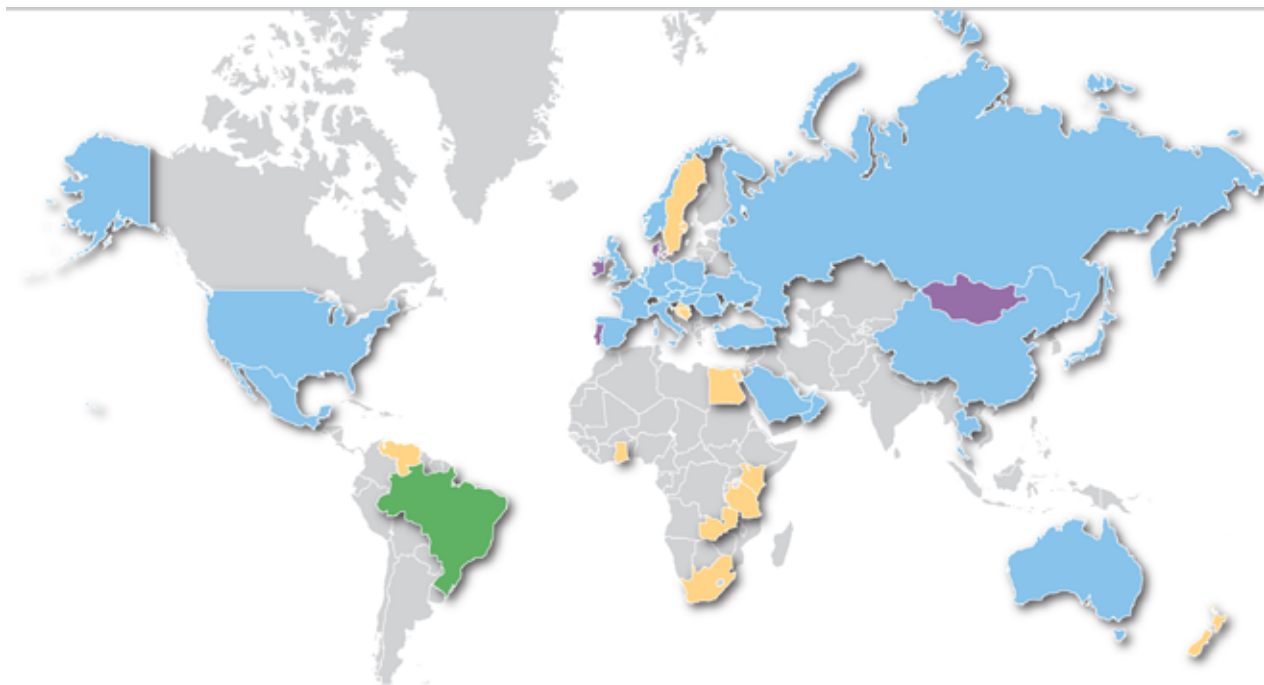
- Zimbabwe Investment Authority (www.zia.co.zw)
- Ministry of Mines and Mining Development (www.mines.gov.zw)
- Ministry of Youth Development, Indigenisation and Economic Empowerment (www.mydie.gov.zw)
- Minerals Marketing Corporation of Zimbabwe (www.mmcz.co.zw)
- Ministry of Finance (www.zimtreasury.org)
- Zimbabwe Revenue Authority (www.zimra.co.zw)
- Zimbabwe Chamber of Mines (www.chamberofminesofzimbabwe.com)
- The World Bank, International Finance Corporation's Ease of Doing Business 2011 (www.doingbusiness.org/rankings)
- The Heritage Foundation Index of Economic Freedom (www.heritage.org/index/Ranking)

SNAPSHOT

- Zimplats (www.zimplats.com) – platinum
- Riozim (www.riozim.co.zw) – gold
- Murowa diamonds (www.murowadiamonds.com) – diamonds
- Hwange Colliery Company (www.hwangecolliery.net) – coal



OUR GLOBAL PRESENCE



DLA PIPER OFFICES

AUSTRALIA
Brisbane
Canberra
Melbourne
Perth
Sydney

AUSTRIA
Vienna

BAHRAIN
Manama

BELGIUM
Antwerp
Brussels

CHINA
Beijing
Hong Kong
Shanghai

CZECH REPUBLIC
Prague

FRANCE
Paris

GEORGIA
Tbilisi

GERMANY
Berlin
Cologne
Frankfurt
Hamburg
Munich

HUNGARY
Budapest

ITALY
Milan
Rome

JAPAN
Tokyo

KUWAIT
Kuwait City

MEXICO
Mexico City

NETHERLANDS
Amsterdam

NORWAY
Oslo

OMAN
Muscat

POLAND
Warsaw

QATAR
Doha

ROMANIA
Bucharest

RUSSIA
Moscow
St. Petersburg

SAUDI ARABIA
Riyadh

SINGAPORE
Singapore

SLOVAK REPUBLIC
Bratislava

SPAIN
Madrid

THAILAND
Bangkok

TURKEY
Istanbul

UKRAINE
Kyiv

UNITED ARAB EMIRATES
Abu Dhabi
Dubai

UNITED KINGDOM
Birmingham
Edinburgh
Glasgow
Leeds
Liverpool
London
Manchester
Sheffield

UNITED STATES
Atlanta
Austin
Baltimore
Boston
Chicago
Dallas
Delaware
Houston
Los Angeles
Miami
Minneapolis
New Jersey
New York
Northern Virginia
Philadelphia
Phoenix
Raleigh
Sacramento
San Diego
San Francisco
Seattle
Silicon Valley
Tampa
Washington, DC

GROUP FIRMS

BOSNIA-HERZEGOVINA
Sarajevo

CROATIA
Zagreb

EGYPT
Cairo

GHANA
Accra

KENYA
Nairobi

NEW ZEALAND
Auckland
Wellington

SOUTH AFRICA
Cape Town
Durban
Johannesburg

SWEDEN
Stockholm

TANZANIA
Dar es Salaam
Mwanza

VENEZUELA
Caracas

ZAMBIA
Lusaka

FOCUS FIRMS

DENMARK
Copenhagen

IRELAND
Dublin

MONGOLIA
Ulaanbaatar

PORTUGAL
Lisbon

PREFERRED FIRMS

BRAZIL
Rio de Janeiro
São Paulo

TURKEY
Istanbul*

*This is the firm's Foreign Attorney Partnership

KEY CONTACTS

The DLA Piper Africa Group provides the security of international best practice legal service combined with local strength and knowledge. If you would like to find out more about our legal advisory services in Africa please contact one of the following people:

MINING



Robert Edel

Partner

T +61 8 6467 6228

robert.edel@dlapiper.com

ENERGY AND INFRASTRUCTURE



Damian McNair

Partner

T +61 3 9274 5379

damian.mcnaair@dlapiper.com

RENEWABLE ENERGY



Stephen Webb

Partner

T +61 7 3246 4208

stephen.webb@dlapiper.com

IMPORTANT NOTICE

The information in this brochure is intended as a general overview and discussion of the subjects dealt with. The information provided here was obtained from publicly available sources and may have changed. This information is not intended to be, and should not be used as, a substitute for taking legal advice in any specific situation. DLA Piper is not responsible for any actions taken or not taken on the basis of this information. Please refer to the full terms and conditions on our website.

www.dlapiper.com

DLA Piper is a global law firm operating through various separate and distinct legal entities.

Further details of these entities can be found at www.dlapiper.com

Copyright © 2012 DLA Piper. All rights reserved. CZR04 | AUG12 | DLA844