



# **KINGDOM OF CAMBODIA**

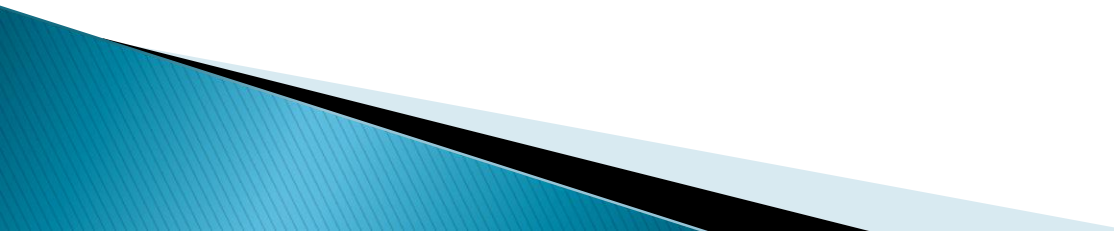
**Ministry of Industry, Mines and Energy  
General Department of Mineral Resources**

**Presents  
The Current Situation of Mining Industry in Cambodia**

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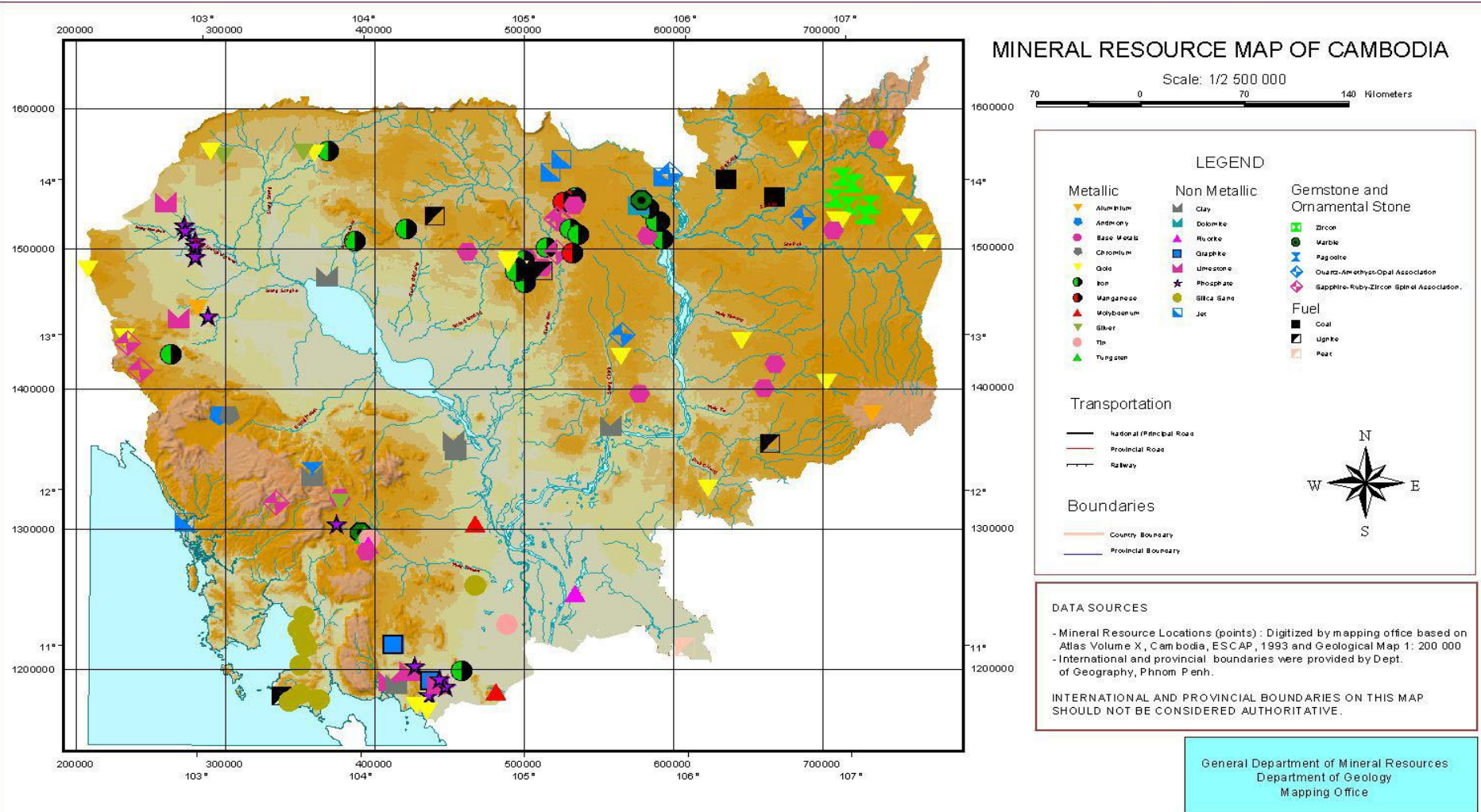
**Tokyo, 15 March 2013**

# Contents

1. Mineral Resources in Cambodia
  2. Current Mineral Investment
  3. Mining Law and Related Rules and Regulations
  4. Cooperation between MIME and JOGMEC in Mining Sector
  5. Conclusion
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# 1. Mineral Resources in Cambodia

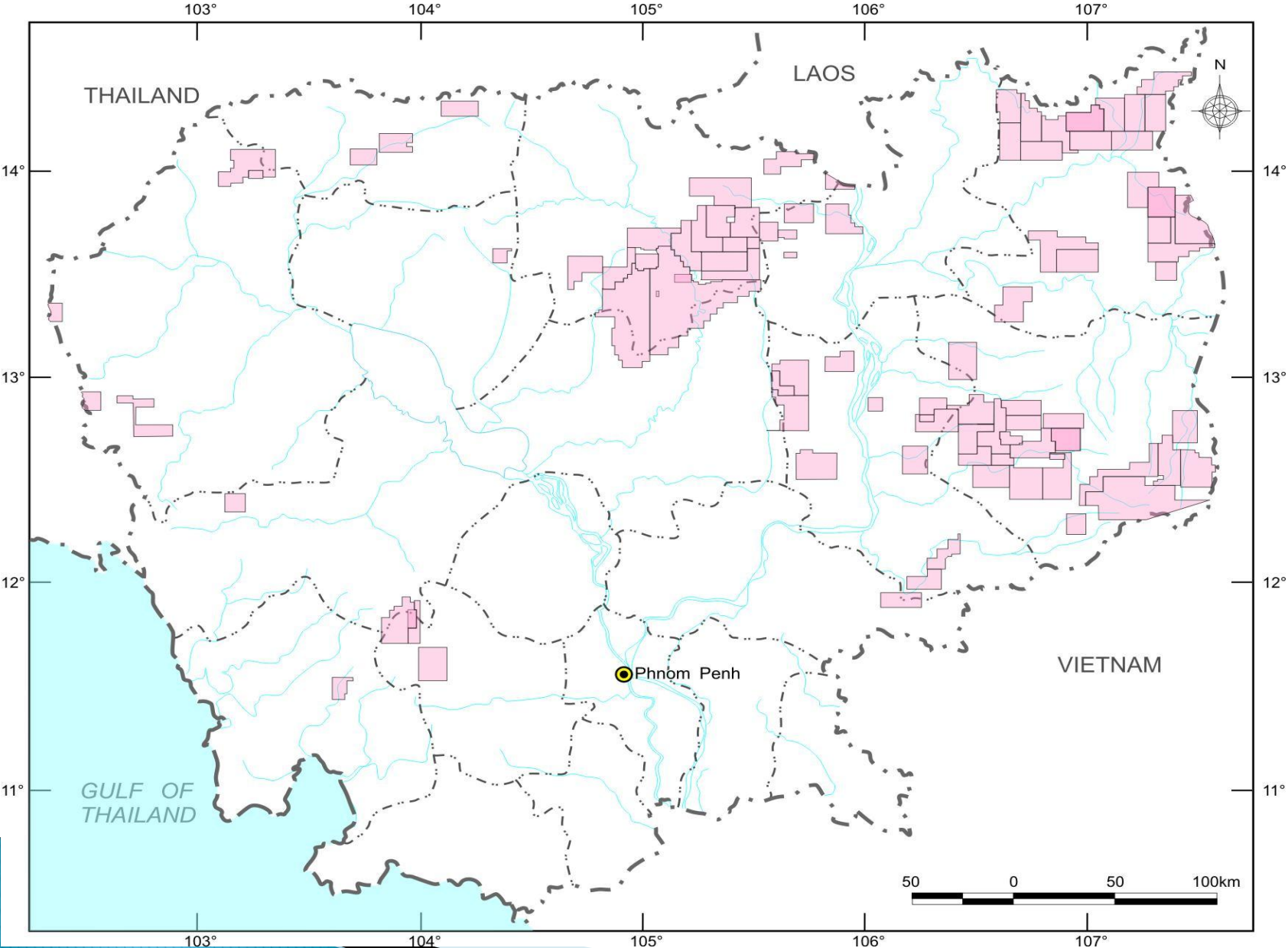
MINERAL RESOURCE MAP OF CAMBODIA



## 2. Current Mineral Investment

- ▶ 71 companies – 118 metallic exploration projects,
- ▶ 1 company – 1 Bauxite project,
- ▶ 1 company – 1 Chrome and Antimony project,
- ▶ 13 companies – 14 coal projects,
- ▶ 2 companies – 2 silica sand projects, and
- ▶ 3 companies – 3 white clay projects
- ▶ 17 of 139 exploration projects were positive.
- ▶ 13 of 91 companies – licensed to conduct 13 mining projects = gold (4), iron (1) coal (1), limestone (5), and phosphate (1).
- ▶ 3 mining project proposals (1 gold in Mondulkiri, 1 coal in Kratie and 1 silica sand in Kampong Som) were submitted to MIME for review and approval.

# 2. Current Mineral Investment (Continued)





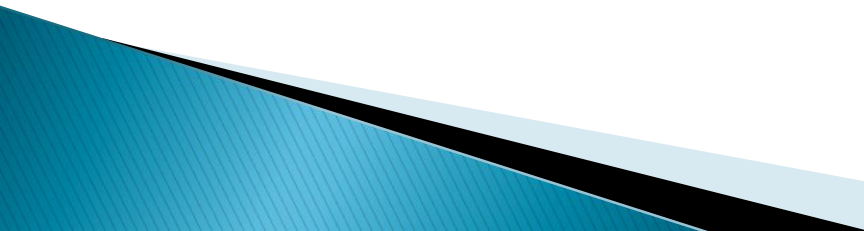
### **3. Mining Law and Related Rules and Regulations**

The Law on Management and Exploitation of Mineral Resources was promulgated on 13 July 2001 to attract domestic and foreign mining companies to invest in mineral exploration and mining in Cambodia.

The Law defined 6 categories of mineral licenses:

1. Artisanal mining license
2. Pits and quarries mining license
3. Gem Mining license
4. Mineral [Gemstone] cutting license
5. Mineral exploration license
6. Industrial mining license

### **3. Mining Law and Related Rules and Regulations (Continued)**

- A. There are two Sub-Decrees, Sub-Decree No 8 dated 31 January 2005 and Sub-Decree No 113 dated 29 September 2005, stipulating that:**
- Applicants shall directly submit their application for exploration licenses to the MIME for review and approval.
  - Concessionaire, holding exploration license, may submit the application for mining license at any time during the exploration period through MIME to CDC for approval.
  - Mining license is issued, provided that CDC approved the mining proposal.
  - All raw mineral resources mined in Cambodia shall be banned from export and reserved to supply the demands of domestic factories. Only finished products can be allowed for export.
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### 3. Mining Law and Related Rules and Regulations (Continued)

B. The Regulation, dated 25 May 2004, define the detailed procedures to apply for Registration and Mineral Licenses, Renewal and Transfer Right of mineral license.

#### HOW TO APPLY FOR MINERAL LICENSE

- A director/shareholder must come to complete a registration form in person at the Ministry of Commerce.



- And then, he/she has to come to complete a registration in person at the MIME.



- Application for Memorandum of Understanding (MOU) on Geological Survey to the MIME.





### 3. Mining Law and Related Rules and Regulations (Continued)



What is the purpose of the MOU?

- MOU is to determine minerals/ores for next detailed exploration and minimize costs and risks.
- MOU is valid for 6 months, can extended once 3 months
- Technical reports shall be submitted to the Minister for review and approval before termination of MOU.



- If the technical reports are approved, he/she required to sign **Mineral Agreement** with the MIME to be responsible for conducting mineral operations.



### 3. Mining Law and Related Rules and Regulations (Continued)



- Exploration license is issued under the condition of **Mineral Agreement**. Mining license can be applied for any time during exploration period.



- Mining proposal shall be submitted to CDC through MIME for approval.



- If it was approved, he/she shall make and submit EIA report to MOE for approval



- Mining license is issued, provided that his/her mining proposal and EIA report were approved accordingly.

### **3. Mining Law and Related Rules and Regulations (Continued)**

**C. Model of Mineral Agreement** – some keys terms of mineral agreement are as follows:

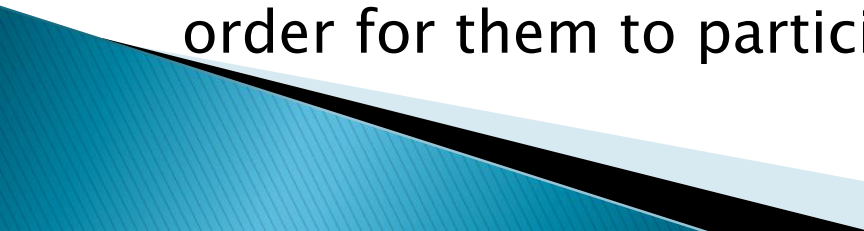
**1. Period of Exploration** – is 6 years.

**2. Period of Mining** – could be 30 years. It may extend 2 times for a period of 5 years each time upon hid/her request is approved.

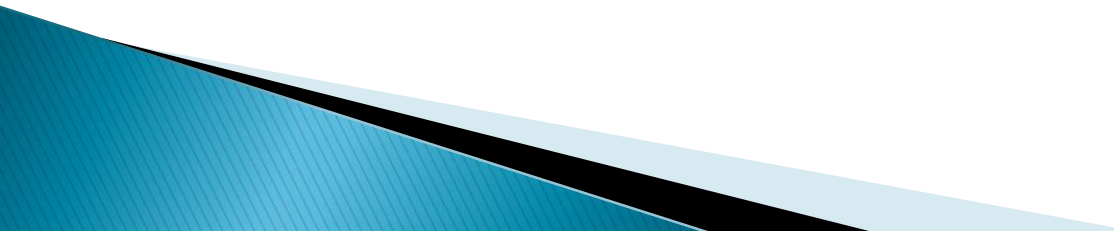
#### **3. Conditions to Issue and Renew Mineral Licenses**

- **Exploration License** – is valid for 2 years. At the end of the 6th year of the exploration period, an additional limited period is approved where he/she need it to finalize his/her feasibility study of mineral deposit or to proceed to apply for mining license.
- **Mining License** – is valid for 5 year and shall be renewed up under the conditions of agreement.

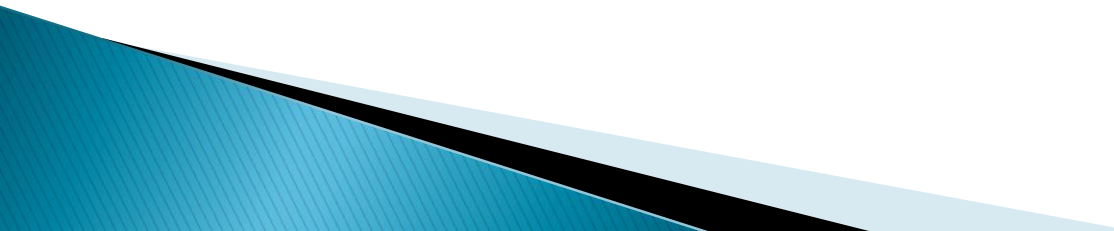
### **3. Mining Law and Related Rules and Regulations (Continued)**

- 4. Work Obligations of Concessionaire** – Conducting mineral operation by using modern techniques with accountability and environmental consideration.
  - 5. Financial Obligations** – registration, mineral licenses, annual land rentals, royalties, other charges and taxes.
  - 6. Valuation of Finished Products** – by both parties, based on international market price.
  - 7. Export and Sale of Finished Products** – Apply for other licenses to concerned ministries/ institutions.
  - 8. Right to Employ Immigrant Aliens** – to the extent that qualified Cambodian nationals cannot be found to fill the positions required. Foreign employees hired longer than 6 months shall pay tax on salary.
  - 9. Obligations to Employ and Train Cambodian Nationals** – in order for them to participate in Mineral Operations.
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### **3. Mining Law and Related Rules and Regulations (Continued)**

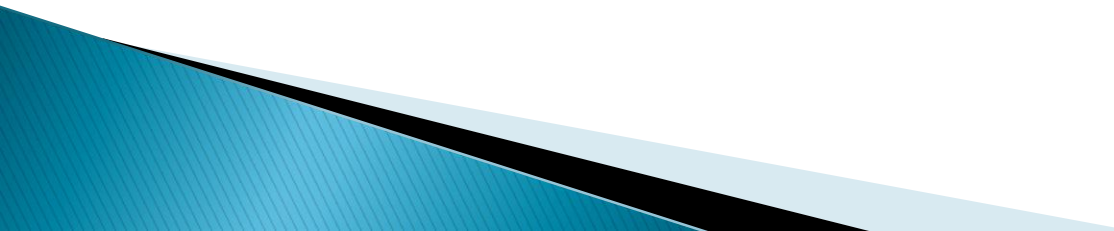
10. **Restoration and Safety Measures** – After the permanent shutdown of Mineral Operations, the mined areas shall be restored reasonably under the accepted mining practices.
  11. **Restricted Sites** – Conducting Mineral Operations in the perimeter of archeological, patrimonial and historical properties, burial places, railway, public roads, ponds, and land reserved for other public purposes are prohibited.
  12. **Settlement of Disputes** – shall be made under the laws of Cambodia.
  13. **Suspension and Revocation of Mineral License** – are subject to violation of the provisions of the Law.
  14. **Termination of Mineral Agreement** – Where mineral license was revoked, the Agreement shall be terminated.
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## 4. Cooperation between MIME and JOGMEC

- JOGMEC signed MOU with MIME to conduct geological investigation in Kampot–Takeo areas in Cambodia to determine areas of mineral potential for a detailed exploration in the future.
  - The results from the last surveys are very useful to attract Japanese mining companies to invest in mining industry in Cambodia in the future.
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## 5. Conclusion

- Private sector is considered as a good partner to develop mineral resources in Cambodia, contributing to the growth of the national economy and the reduction of poverty.
  - Some mining projects will be started this year and next following years.
  - The positive result from the geological survey done by JOGMEC in the areas of Kampot–Takeo will give the opportunity to and attract Japanese mining companies to invest in mineral exploration and mining in Cambodia in the future.
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Thank you for your attention

