

Decree E-58 of May 8, 1986
containing general rules for
exploration and exploitation of
Minerals (Mining Decree)

The President of the Republic of Suriname
Has considered,
that it is desirable to declare new regulations, adapted
to present demands and circumstances, for the exploration
and exploitation of minerals.

Has, after approval by the Military Authority and the
Council of Ministers, made the following decree:

SECTION I - DEFINITIONS

Article 1

In this decree:

- a. Building material means:
All forms of rock, such as gravel, sand, clay, shells as
well as crushed stone, and other material used for the
construction of buildings, roads, dams, airports and
similar works.
- b. Exploitation means:
The mining and subsequent processing, transportation and
marketing of minerals
- c. Exploitation area means:
The land subject to a right of exploitation
- d. Exploration means:
All activities to determine as accurate as possible the
nature, quantity, mode of occurrence and the economic value
of the mineral deposit, as well as all other activities to
determine the economical and technical feasibility of its
exploitation.
- e. Exploration area means:
The land subject to a right of exploration.
- f. Mineral means:
All substances, either in gaseous, liquid or solid form
which form a natural part, or have been a natural part of
the earth's crust, including ores, all kinds of rocks and
components of rocks, fossil fuels and building materials,
with the exception of ground water.
- g. Mining operations means:
Reconnaissance, exploration, exploitation, small scale
mining or quarrying building materials.
- h. Mining right means:
The right defined under article 6, paragraph 1.



- i. The Minister means:
The Minister responsible for mining affairs.
- j. Reconnaissance means:
The search for mineral indications by means other than substantial drilling operations, earth or rock moving, or other work which causes changes in the natural form of the earth's surface and/or in the state of the underground.
- k. Reconnaissance area means:
The land subject to a right of reconnaissance.
- l. Small scale mining means:
The reconnaissance, exploration and exploitation of a mineral deposit whose nature, mode of occurrence and quantity, warrants the economic mining by simple means and techniques.
- m. State Enterprise means:
A partnership or corporate body in which the State directly and/or through state institutions controls the management.



SECTION II - GENERAL PROVISIONS

Rights of the State concerning minerals

Article 2

1. All minerals in and on the ground are considered to be separated from the ownership of the land.
2. All minerals within the territory of the State of Suriname, the territorial sea, its bottom and subsoil, as defined in the Law of April 14, 1978 (Staatsblad 1978 no. 26)* are the property of the State.
3. In the economic zone, being the sea area bordering the territorial sea of the Republic of Suriname, which zone is defined in article 3 of the Law of April 14, 1978 (Staatsblad 1978 no. 26) the State of Suriname exercises exclusive sovereign rights with regard to reconnaissance, exploration, exploitation, the conservation of and management over minerals on the sea bed, its subsoil and in the waters above.
4. In the continental shelf, being the sea bed and subsoil of the sea area, which extends beyond the territorial sea to the outer edge of the continental margin, or to a distance of 200 nautical miles starting from the base line from where the breadth of the territorial sea is measured in case the continental margin lies within 200 nautical miles, the State of Suriname also exercises sovereign rights with respect to reconnaissance, exploration and exploitation of minerals.
5. Without prejudice to the foregoing rules will be issued by Government decree concerning among others:
 - a. the construction and use of artificial islands, installations and similar structures;
 - b. the protection of the sea environment, including rules against pollution;
 - c. the conduct of scientific research and experiments;
 - d. all other activities aimed at efficient reconnaissance, exploration and exploitation of minerals in the economic zone and the continental shelf.
6. No person shall carry out mining and related operations other than in accordance with legal provisions related to mining.

These mining operations can only be conducted after rights to do so have been granted by the competent authorities mentioned in article 6.

* The Staatsblad is the same as State Gazette or any other Government publishing organ.



Mineral policy

Article 3

The national mineral policy is vested in the Government.
The Minister is responsible for the implementation of such policy.

Interest of the State

Article 4

1. All mining operations shall be carried out in the most efficient way, taking into account the superior interest of the nation and according to most modern international techniques and methods in general accustomed to and norms tacitly assumed in the mineral industry and with professional use of advanced technology and effective equipment and with due regard to current norms on health and safety of workers in particular and the public in general as well as norms for the protection of ecological systems.
2. For the operations mentioned in the first paragraph of this article, one shall resort in priority to Surinamese nationals and Surinamese goods and services, if they can be obtained on comparable conditions, such as price, type, variety and quantity and other conditions, common in this type of industry than those which can be obtained elsewhere.

Classification of minerals

Article 5

For the purpose of this decree, minerals are classified into 5 groups:

- a. bauxite
- b. radio active
- c. hydro carbons
- d. other minerals, exclusive of building materials
- e. building materials



SECTION III - MINING RIGHTS

General

Article 6

1. Mining rights confer on the holder thereof the right to carry out mining operations and can be divided into:
 - a. right of reconnaissance
 - b. right of exploration
 - c. right of exploitation
 - d. right of small-scale mining
 - e. right to quarry building materials
2. Mining rights are granted only in accordance with the provisions of this decree.
3. The right of exploration for and the right of exploitation of minerals mentioned in article 5, a b c are granted by Resolution and under d and e by Ministerial Order.
4. The right of reconnaissance is granted by Ministerial Order.

Article 7

Mining rights can be obtained for:

- a. radio-active minerals and hydro carbons, exclusively by State enterprises;
- b. bauxite, exclusively by State and private enterprises;
- c. other minerals and building materials by both State and/or private enterprises and also by natural persons.

Article 8

1. A holder of a mining right shall maintain an office in Suriname where a copy of all technical reports on his operations must be available and accounting books kept with regular annual balancing of accounts.
2. The holder of a mining right who is a natural person, has to be a resident of Suriname and of legal capacity.
3. A holder of a mining right who does not reside in Suriname shall have at his disposal in Suriname such an office space that the condition in paragraph 1 of this article can be adequately met.



Article 9

Mining rights can only be granted if the applicant has proved to the satisfaction of the Minister among other things, his financial position, technical and organisational competence and experience with regard to the mineral(s) for which mining rights are requested.

Article 10

1. The application for a mining right shall be done in writing in the Dutch language and sent to the Minister in three copies.
All documents shall be dated and signed with mention of the capacity of the signatory.
2. The application shall contain all necessary information regarding the applicant, in any case:
 - a. for natural persons: name and first name, date and place of birth, nationality, whether a resident of Suriname and address;
 - b. for legal persons: corporate name, kind of company, the law under which and place where it has been established or incorporated, name and address of representative in Suriname, the registered and proportion of fully-paid capital, as well as names and addresses of managers and those who may legally bind the legal person to a third party;
3. To the first application shall be appended:
 - a. for natural persons: an excerpt from the civil registry or a document establishing his identity;
 - b. for legal persons:
 - a certified copy of the company articles
 - a copy of the last balance sheet with exploitation account, profit and loss account, auditors report and the report of the Board of Directors or similar organ to the general assembly of shareholders and resolutions passed by this assembly
 - a list with names, given names, nationality, profession and permanent addresses of the Chairman and members of the Board of Directors or similar organ
 - the credentials of the signatory
4. Second and subsequent applications shall contain a statement that information enumerated in paragraph 3 above had been previously supplied and are still valid.
5. Any modification in the information enumerated in the third paragraph of this article shall be without delay reported to the Minister.



6. The Minister may at any time request from the applicant of a mining right any additional information, over and above those enumerated in the second and third paragraph of this article.

Transfer and lease

Article 11

1. The right of reconnaissance and the right of small-scale mining are not transferable and cannot be leased or given into use to a third party.
2. The right of exploration and exploitation as well as the right to quarry building materials may wholly or in part be transferred, leased or given into use to a third party, only after written approval by the competent authorities and only to persons or enterprises that meet the requirements which the applicant of the rights concerned had to meet.
3. Those to whom the rights mentioned in the second paragraph of this article, are transferred or leased to, are severally liable with regard to what is transferred or leased to them.
4. The right of exploitation as well as the right to quarry building materials are real property rights. Their foreclosure can take place only after approval by the competent authorities and the executioner can only transfer them to a third party who fully meets the requirements which the applicant of the right had to meet.

Article 12

Any intended lease, transfer or giving into use of an acquired mining right shall be reported to the competent authorities in advance, who may disapprove of it within two months. No response from the authorities does not imply the approval referred to in paragraph two of article 11.

Registration

Article 13

1. The registration at the mortgage office shall be governed by Government Decree for those mining rights mentioned in that Decree.
The register established in accordance with the Government Decree shall be public and thereupon the negative registration system shall apply.



2. The granting, transfer or encumbering of mining rights take effect by their entry in the register mentioned in the first paragraph of this article.
3. The holder of a mining licence or concession obtained before this Decree takes effect, shall, with termination of his rights as penalty, register his rights within two years after the Government Decree mentioned in the first paragraph of this article takes effect.

Termination and revocation

Article 14

Mining rights terminate by:

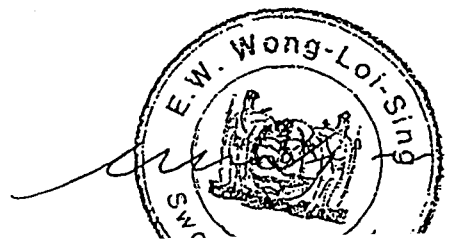
1. Expiration of the term for which they have been granted.
2. Surrender.
3. Revocation.

Article 15

The right of reconnaissance and the right of exploration shall not terminate by expiration of the term for which they were granted, if the holder of the rights concerned has, on the basis of the articles 23 and 27, in time applied for prolongation and such prolongation has not been denied.

Article 16

1. Upon the termination of this right, the holder shall, to the satisfaction of the Minister take the necessary steps in order to respect public safety, conserve the deposit, rehabilitate the area and protect the environment.
2. If the holder of the right mentioned in the first paragraph of this article fails to comply with the requirements as stated therein, the State may seek authorisation from the judge to have those measures taken at the expenses of the holder of the right.
3. Unless otherwise agreed upon at the granting of a mining right, the holder or former holder of a mining right is entitled, within 6 months after the date of termination of his right, to remove all movable properties.
He may be authorised by the Minister to remove such immovable properties as the Minister may deem not necessary for the conservation of the deposit.



Article 17

1. The holder of a mining right who wishes to surrender part or all of the area under his right shall apply to the Minister:
 - a. for a right of reconnaissance, not later than one month;
 - b. for a right of exploration, not later than three months;
 - c. for a right of exploitation, not later than two years prior to the date on which he wishes the surrender to take effect.

In case of partial surrender, the application shall:

- a. state the definition of the remaining area, with the geographical coordinates of the borders, indicated on a figurative map, in three copies, drawn by a surveyor in Suriname, with the form, being a polygon, of the land originally subject to his right and the area which shall remain under his right and on the same scale as the original map on which the right has been granted;
 - b. give the particulars of all mining operations carried out in respect to the area to be surrendered;
2. The Minister shall state such conditions as he may deem appropriate in respect of the safety of the public, the conservation of the deposit and the rehabilitation of the surrendered area.
 3. The Minister shall not approve of such request for surrender if and when the conditions mentioned in the second paragraph of this article are not met.
 4. The holder, who surrenders all or any part of his mining right has to submit to the Minister a final report on his operations in the surrendered area.

Article 18

1. The Minister may suspend or revoke a granted mining right if the holder of that right:
 - a. barring force majeure, does not comply with the legal provisions and conditions imposed and/or agreed which pertain to his right;
 - b. has transferred, given into use , or leased his right without the prior approval provided for in article 11;
 - c. has failed to report an intended transfer or lease of his right referred to in article 12;
 - d. has failed to pay any amount payable to the Government within three months after the amount became due;
 - e. has been sentenced guilty of unlawful exploitation;



- f. has refused implementation of an arbitral judgement passed as referred to in the second paragraph of article 62.
2. The Minister shall before suspending or revoking any mining right as referred to in the first paragraph of this article, give notice to the holder thereof and shall in such notice require him to remedy the breach specified, within a period of no longer than 30 days.
3. On revocation of a mining right, the right of the holder shall cease, but without prejudice to any liability or obligation resulting from his right prior to the date of revocation.

Discovery of minerals

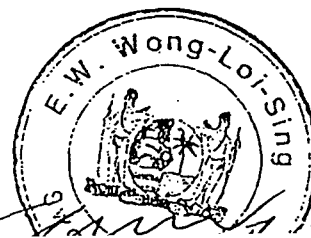
Article 19

The holder of a mining right, shall, within 30 days of the discovery of any mineral deposit, notify the Minister. The notification shall contain all the available information on the deposit discovered.

Reservation of land

Article 20

1. For certain minerals and for a certain period of time, land can be closed by Government Decree for mining operations:
 - a. in national interest;
 - b. for granting of mineral rights under special conditions.
2. Mining rights existing on the land to be closed for mining operations, prior to the date of the Government Decree mentioned in the first paragraph of this article are respected.

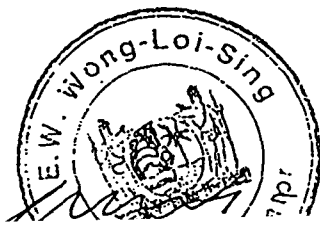


SECTION IV - RIGHT OF RECONNAISSANCE

Application

Article 21

1. The application for a right of reconnaissance shall be made in accordance with article 10 and shall state:
 - a. the form, being a polygon of the area for which the application is made; the geographical coordinates of the vertices of the polygon as further indicated on map drawn by a surveyor in Suriname, in 3 copies on a scale of 1 : 100.000, showing the borders of the area for which the application is made, and based on a topographic map of the same area, published by the Central Bureau for Aerial Mapping;
 - b. the mineral(s) for which the application is made;
 - c. the work program, which the applicant intends to carry out, with time schedule(s), a breakdown of the costs, equipment and labour to be employed.
2. If other information is necessary, or the supplied information has to be modified, the Minister shall notify the applicant in writing.



Granting, term of right and size
of the area

Article 22

1. In observance of the third paragraph of article 6 the right of reconnaissance is granted for a period no longer than two years, which period can only once be prolonged with another year.
2. The land subject to a right of reconnaissance shall not exceed 200.000 hectares.

Rights

Article 23

1. The right of reconnaissance confers on the holder thereof an exclusive right to carry out reconnaissance in or on the area for (a) mineral(s) to which his right relates.
2. He is further entitled:
 - a. to enter for reconnaissance the area subject to his right;
 - b. to erect camps and or temporary buildings for his personnel and equipment necessary for reconnaissance activities;
 - c. to have at his disposal samples collected as part of his reconnaissance activities, for tests and analysis;
 - d. after approval by the Minister, to take the samples abroad.

Obligations

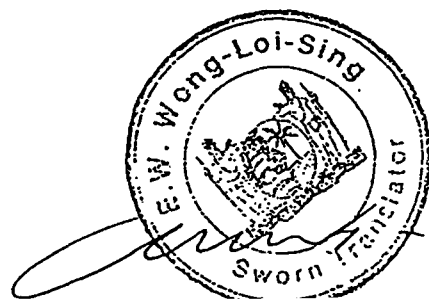
Article 24

The holder of a right of reconnaissance shall:

- a. carry out reconnaissance in accordance with the agreed work program, time schedule and overviews;
- b. notify the Minister of any discovery of mineral indications within thirty days of such discovery;
- c. submit to the Minister quarterly a report on his activities;
- d. present to the Minister annually a report stating the scientific and technical results of the activities in that year, to which shall be appended maps, profiles, diagrams, tables, as well as a list of his personnel according to nationality and a breakdown of expenses made;
- e. report to the Minister all raw data, tests and analyses, detailed reports and interpretations deemed necessary by the Minister;



- f. in accordance with the provisions of the first paragraph of article 22, submit to the Minister within two months following the termination of his right, a final report on the activities he carried out and the results achieved;
- g. have available in Suriname half of each of the samples referred to under c in the second paragraph of article 23.



SECTION V - RIGHT OF EXPLORATION

Application

Article 25

1. The application for a right of exploration shall be made in accordance with article 10 and shall state:
 - a. the form, being a polygon of the area for which the application is made; the geographical coordinates of the vertices of the polygon; as further indicated on a map drawn by a surveyor in Suriname in 3 copies on a scale of 1 : 100.000, showing the borders of the area for which the application is made, and based on a topographic map of the same area, published by the Central Bureau for Aerial Mapping.
 - b. all villages of tribal people in the area and its vicinity;
 - c. the mineral(s) for which the application is made;
 - d. a general workprogram which the applicant intends to carry out during the term of his right, as well as a detailed work program for the first twelve months, with time schedule(s), the cost of the project; personnel and equipment to be employed;
 - e. a commitment by the applicant to spend a certain minimum amount of money during the first period of the right to be granted to him, as referred to in the first paragraph of article 27.
2. If other information is necessary, or the supplied information has to be modified, the Minister shall notify the applicant in writing.
3. The Minister may demand from the applicant either proof of a bank deposit, or a bank guarantee from a bank in Suriname, covering an amount of money he deems appropriate in respect to the commitment mentioned in the first paragraph under item e.



Article 26

1. If the application referred to in article 25 is made by the holder of a right of reconnaissance, who has fulfilled all obligations, the Minister shall take the necessary steps to arrive at an agreement with him on short notice.
2. The right of reconnaissance, already granted to the applicant for the same mineral(s) remains legally in force until the decision referred to in the first paragraph of this article is taken.

Granting, term of right and size of the area

Article 27

1. In observance of the third paragraph of article 6 the right of exploration is granted for a period no longer than three years.
This first period can be prolonged twice with a period of 2 years each, if the holder of the right has, to the satisfaction of the Minister, carried out his activities according to the agreed work program, in the period preceeding the prolongation and has spent as direct costs at least the minimum amount of money committed for that same period, and on the condition that the applicant commits himself to spend a certain amount of money for the next period.
2. The right of exploration is granted for a joined area not exceeding 40.000 hectares. At each prolongation as referred to in the first paragraph of this article, the size of the area shall, at the discretion of the holder of the mining right, be reduced by at least 25% of the original surface, with the understanding that the remaining area constitutes a joined entity.
3. No right of exploration shall be granted to another person for the same term on the same area for the same mineral(s).
4. Prior to the granting of the right of exploration, the Minister may agree with the applicant on special conditions under which the right of exploration shall be exercised.



Rights

Article 28

1. The right of exploration confers on the holder thereof, an exclusive right to explore the area for mineral(s) to which his right relates.
2. He is further entitled:
 - a. to enter the exploration area for exploration activities mentioned in the first paragraph;
 - b. to drill holes for sample collection, make excavations and carry out subsurface work which in his judgement is necessary;
 - c. to erect on the exploration area camps and temporary buildings necessary for his personnel and equipment;
 - d. to build necessary infrastructure;
 - e. to use geological samples collected in the exploration area for tests and analysis;
 - f. after approval by the Minister, take the samples abroad.

Obligations

Article 29

The holder of a right of exploration is obliged:

- a. to commence exploration within three months following the granting of the right and continue his activities without any interruption of longer than four months, unless a longer period of interruption has been granted by the Minister;
- b. to carry out exploration work in accordance with the agreed work program and submit each year a detailed work program for the next year; no changes shall be made in the work program without prior consent of the Minister;
- c. to notify the Minister of every discovery of (a) mineral deposit(s), within thirty days after such discovery;
- d. to spend the minimum amount of money committed at the granting of the right;
- e. to keep complete and accurate records, which indicate among others:
 - the number of holes drilled with borehole diagrams, measurements, profiles etc.;
 - discovered mineral deposit(s);
 - raw data obtained from geological, geochemical and geophysical survey;
 - all other work done in connection with the exploration activities;
 - number of persons, according to nationality, locally employed for exploration purposes;
 - costs of the work done;
 - all other items which shall be prescribed.
- f. The Minister may at any time inspect the records;
- f. to refrain from commercial production; approval by the Minister is required to market products obtained as a result of test production;



- g. to have locally available half of each sample, c.q. drill sample;
- h. to report quarterly to the Minister on his activities;
- i. to submit to the Minister each year an annual report which makes mention of the scientific and technical results of his work in that year, with maps, profiles, diagrams, tables as well as a breakdown of costs;
- j. to report to the Minister all raw data, tests and analyses, detailed reports and interpretation deemed necessary by the Minister;
- k. if he is an enterprise, to present the annual report to the Minister within three months after approval of the annual account;
- l. to pay the duty mentioned in the first paragraph of article 63.



SECTION VI - RIGHT OF EXPLOITATION

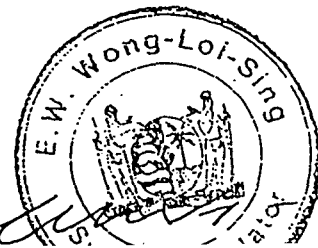
Application

Article 30

1. The application for a right of exploitation shall be made in accordance with article 10 and shall state:
 - a. the form, being a polygon of the area for which the application is made; the geographical coordinates of the vertices of the polygon as further indicated on a map drawn by a surveyor in Suriname, in three copies on a scale of 1 : 100.000, showing the borders of the area for which the application is made, and based on a topographic map of the same area, published by the Central Bureau for Aerial Mapping;
 - b. the mineral(s) for which the application is made;
 - c. the nature of the mineral deposit, with an extensive report on: the nature of all mineral deposits discovered; proven possible and probable reserves, calculated on the basis of internationally accepted criteria, as well as a technological report on mining and processing possibilities;
 - d. a mining program with time schedule(s);
 - e. production capacity to be installed and an estimate of total revenues from the deposit;
 - f. an estimate of the investment capital; operational costs and sales revenues and the intended method of financing;
 - g. local goods and services to be used;
 - h. training of and transfer of know-how to Surinamese nationals;
 - i. the program for rehabilitation of the mined out areas.
2. If other information is necessary, or the supplied information has to be modified, the Minister shall notify the applicant in writing.

Article 31

1. If the application referred to in article 30 is made by the holder of a right of exploration, who has discovered a mineral deposit of possible commercial value in the exploration area and has fulfilled all obligations, the Minister shall take all steps to arrive at an agreement with him on short term.
2. The existing right of exploration which relates to the same mineral(s) remains legally in force until a decision on the application as mentioned in the first paragraph of this article has been taken.



Participation of the State

Article 32

1. The State has the right of option to participate in the exploitation.
2. If the State intends to exercise the right of option, as referred to in the first paragraph of this article, the Minister shall, within two months after receiving the request mentioned in article 30, notify the applicant about this intention.

Granting, term of right and size of the area

Article 33

1. In observance of the third paragraph of article 6, the right of exploitation is granted for a period no longer than twenty-five years, which can be prolonged under conditions then to be agreed upon.
If the holder of the right of exploitation so wishes, he shall apply for prolongation to the Minister, not later than two years before termination of his right.
2. The area subject to a right of exploitation shall not exceed 10.000 hectares.

Rights

Article 34

1. The right of exploitation confers on the holder thereof an exclusive right to mine in and on the exploitation area the minerals to which his right relates, in accordance with legal provisions and conditions agreed upon.

He is further entitled:

- a. to beneficiate, process, transport and market the mined minerals referred to in paragraph 1 of this article, in accordance with the conditions agreed upon at the time of granting the right;
- b. to erect all works and buildings in or on the exploitation area to mine and process the minerals to which his right relates; If the exploitation area is crown land, he is also entitled to construct residential buildings for his personnel;
the holder of the mining right enjoys building and planting rights with respect to said works and buildings;
- c. to continue reconnaissance and exploration activities in or on the exploitation area for mineral(s) to which his right relates;



- d. to use timber and building materials which occur in his exploitation area to construct and maintain the works and buildings mentioned in this paragraph under b, if his exploitation area is crown land.
The Minister may set conditions;
Approval by the competent authorities is required to sell felled and uprooted trees and building material quarried;
- e. to grow fruits and vegetables for his personnel if his exploitation area is crown land;
commercial farming on the exploitation area is forbidden without approval of the authority in charge of agricultural affairs and without regard to existing conditions and conditions as may be set by the competent authority in this matter.

Obligations

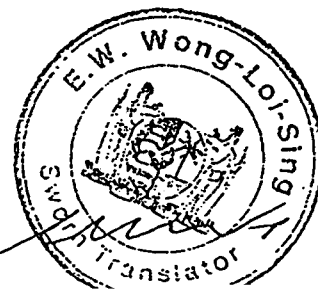
Article 35

The holder of a right of exploitation is obliged:

- a. to timely commence the activities agreed upon and to continue them without interruption, unless such interruption is approved by the Minister, under conditions then agreed upon;
- b. to clearly demarcate the exploitation area in the field;
- c. to respect the provisions on the construction of houses in urban areas when constructing residential buildings;
- d. to state annually, not later than November 30, the production and export estimates for the next year, import quantities of raw and other materials, capital and other goods for his activities, as well as their import values, export values and revenues, the levies to be paid and the cash requirements;
- e. to keep for inspection complete and accurate reports of technical and financial data;
- f. to report annually on the proven, possible and probable reserves still under his right, together with maps, geological reports, mineral analyses, aerial photos, drilling sections as well as all other relevant information;
- g. to submit quarterly a report to the Minister on his activities stating:
 - the amount of mineral and/or mineral concentrate produced, processed, marketed and exported, and its composition
 - the stocks and composition of the mineral and/or mineral concentrate
 - the (end) markets and countries of destination
 - the imported quantities and values of:
raw materials, types of fuel, capital and other goods for his activities
 - the levies and taxes paid and payable;
 - the number of workers according to nationality and wages paid;



- h. to submit to the Minister annually, not later than ninety days following the closing of the financial year, his annual report which provides a complete review of the activities during the year concerned, including, but not limited to: production, investments, export, employment, profit and loss account;
- i. to submit an annual report to the Minister, not later than three months after approval of the annual account, if he is an enterprise;
- j. to provide the Minister on request with such additional information as he deems necessary;
- k. to pay the levies referred to in the second paragraph of the articles 63 and 65.



SECTION VII - SMALL SCALE MINING

General

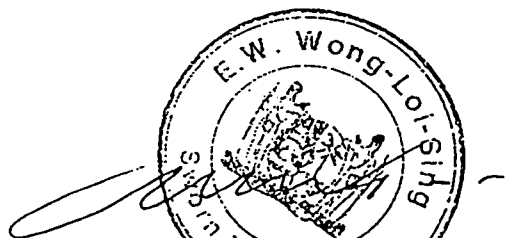
Article 36

1. The provisions of the articles 9, 12, 15 and of the sections IV, V, VI and VIII of this decree do not apply to small-scale mining.
2. The right of small-scale mining can only be granted for minerals referred to in article 5 under d.
3. Small-scale mining operations can only be carried out in selected areas. The Minister shall publish in the Staatsblad the areas assigned to small-scale mining. Areas already subject to mining right are closed for small-scale mining.
4. A right of small-scale mining can only be granted to natural persons who are residents of Suriname.
5. The right of small-scale mining can only be granted in one area.
6. A right of small-scale mining is granted on a joined area not exceeding 200 hectares.

Application

Article 37

1. The application for a right of small-scale mining shall be made in accordance with article 10 and shall state:
 - a. the form, being a polygon of the area for which the application is made; the geographical coordinates of the vertices of the polygon as further indicated on a map, drawn by a surveyor in Suriname, in 3 copies, on a scale of 1 : 50.000, showing the borders of the area for which the application is made, and based on a topographic map of the same area, published by the Central Bureau for Aerial Mapping;
 - b. the mineral(s) for which the application is made;
 - c. the way in which the applicants intend to carry out the small-scale mining operations;
2. Further provisions concerning the application may be published by the Minister in the Staatsblad.



Granting and term of right

Article 38

1. The right of small-scale mining is granted for a period no longer than two years, which period can be prolonged each time for another two years.
2. When granting the right, the Minister may set special conditions with regard to the method of mining.

Rights

Article 39

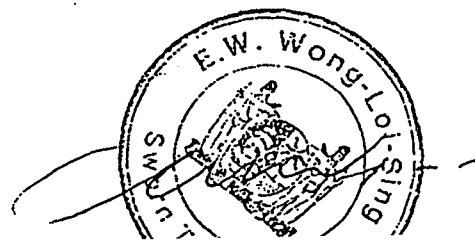
1. The right of small-scale mining confers on the holder thereof an exclusive right to carry out reconnaissance and exploration for and exploitation of the mineral(s) in or on the area to which his right relates.
2. He is further entitled :
 - a. to erect works and buildings in or on the area for his activities;
 - b. to use timber and building materials in or on the area to erect and maintain said works and buildings, if the area is crown land;
 - c. if the area is crown land, to grow fruits and vegetables for his personnel;
 - d. to apply for technical and administrative assistance from the Minister; as far as possible this assistance shall be provided free of charge.

Obligations

Article 40

The holder of a right of small-scale mining is obliged:

- a. to submit quarterly reports to the Minister stating:
 - the invested amount of capital;
 - the operating costs;
 - the number of persons working on his area, their names, age and nationality;
 - the tonnages of earth moved and mineral(s) mined;
- b. to keep weekly records of tonnages of earth moved and mineral(s) mined;
- c. to abide by the rules given;
- d. to pay the levies mentioned in the articles 64 and 65.



SECTION VIII - BUILDING MATERIALS

General

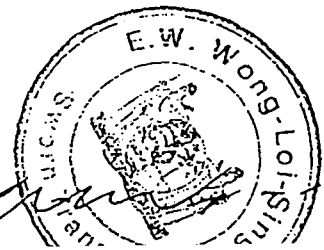
Article 41

1. The provisions of the articles 9 and 15 and of the sections IV, V, VI and VII of this decree do not apply to building materials as mentioned in article 5, under e.
2. The owner of the land and a rightful claimant on crown land are permitted to quarry building materials in or on the ground for personal or family use. He is not allowed to transfer the material in ownership for nothing or for valuable consideration or remove it from his land unless a right to quarry building materials has been granted.
3. By Government Decree further rules regarding the administration of building materials may be given.

Application

Article 42

1. The application for a right to quarry building materials shall be made in accordance with article 10 and shall state:
 - a. the type of building material for which the right is requested;
 - b. the method of and the estimated time for exploration, or the planned annual production and the method of quarrying;
 - c. the form, being a polygon of the area for which the application is made; the geographical coordinates of the vertices of the polygon as further indicated on a map drawn by a surveyor in Suriname in three copies and on a scale of 1 : 20.000, showing the borders of the area for which the application is made, and based on a topographic map of the same area, published by the Central Bureau for Aerial Mapping;
 - d. the plan for rehabilitation of the area after quarrying.
2. By Government Decree further rules may be given concerning the procedure of application.



Granting, term of right and size of the area

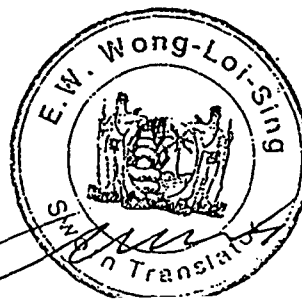
Article 43

1. The right to quarry building materials is granted for a period no longer than five years, which period can be prolonged each time with another period not exceeding five years.
2. The right to quarry building materials is granted on an area not exceeding 400 hectares.
3. If there is a real property or personal property right on the area, the right to quarry building materials can only be granted to the owner, or person entitled.
4. The right to quarry building materials shall not be granted to another person for the same period and on the same area where-upon such right has already been granted.
5. At the time of granting, the Minister may set such conditions as he deems appropriate with regard to the safety and interests of third parties and the conservation of the environment.

Rights

Article 44

1. The right to quarry building materials confers on the holder thereof an exclusive right to carry out exploration for and to quarry building materials to which his right relates.
2. He is further entitled to:
 - a. build infrastructure and erect buildings for personnel and equipment for his exploration and quarrying activities in or on the area to which his right relates;
 - b. to use timber occurring on the area subject to his right, to build, erect and maintain the infrastructure and buildings mentioned under a;
 - c. to grow fruits and vegetables for his personnel on the area to which his right relates. Commercial farming is not allowed without approval by the competent authority and without regard to existing conditions and conditions as may be set by the competent authority in that matter;



Obligations

Article 45

- The holder of a right to quarry building materials is obliged:
- a. to submit to the Minister quarterly reports on the progress and results of this exploration activities, if any;
 - b. to inform the Minister promptly in advance about his intention to start quarrying, if exploration activities precede it;
 - c. to keep daily records on the quantity of material produced;
 - d. to submit to the Minister quarterly reports stating, among others:
 - the quantities produced;
 - the quantities marketed;
 - if exported, the country of destination and export value;
 - the stocks;
 - a list of personnel according to nationality and the amount of wages paid;
 - the royalty paid;
 - e. to submit to the Minister annually, not later than November 30, a program which states, the planned exploration and/or quarrying operations including the planned production and the method of quarrying for the next calendar year;
 - f. to submit to the Minister annually, not later than ninety days after closing of the financial year, an annual report which gives a complete review of the activities conducted in the year under review, including but not restricted to: production, investments, export, employment, profit and loss account;
 - g. to strictly abide by all conditions set at the granting of his right;
 - h. to take all measures in or on the area to which his rights relate, for the protection of the health and safety of his personnel in particular, the public in general and for the protection of ecosystems;
 - i. to provide the Minister with all other information he deems necessary;
 - j. to pay the levies mentioned in the second paragraph of the articles 64 and 65.



SECTION IX - RIGHTS OF THIRD PARTIES

Article 46

In this section:

a. Private land means:

land in ownership of another than the State, or crown land issued under a real property or personal property right.

b. Claimant means:

those who own the land in ownership or have a real property or personal property right on private land.

c. Third party entitled means:

those whose interest, arising from a personal property right on private land, can be damaged by exploration for and mining of minerals.

Article 47

1. Claimants and third parties entitled of land on which a mining right has been granted, are obliged to allow the holder of such right to carry out mining operations to which the right granted to him relates, on land owned or occupied by them:
 - a. provided that they have been notified on time, in advance by the holder of the mining right, of his intention to carry out such operations and the objective, time and location thereof;
 - b. and have been compensated in advance or given security therefor, under the provisions of this decree.
2. The obligation in the first paragraph, imposed on claimants and third parties entitled extends to the construction or setting up of works needed by the holder of the mining right for exploration and exploitation in and on the area subject to his right. The holder of the mining right has building and planting rights with regard to aforesaid works.

Article 48

1. The holder of a mining right shall carry out his mining operations in a reasonable and proper way, so as to damage as little as possible the interest of the claimants and third parties entitled.
2. The holder of a mining right shall compensate the claimants and third parties entitled for all damages done as a consequence of his operations, whether he is at fault or not.

3. If the parties concerned cannot agree on the nature and extent of the compensation under the preceding paragraph, the complainant may request a court decision.
4. The claim to compensation payable under the second paragraph of this article and if it is not based on an agreement shall lapse after five years, starting from the day on which the claimants and third parties entitled were notified about the damage.
5. However, the holder of a mining right is not obliged to compensate for damage caused by mining operations to premises and plants which came into being with the sole objective to receive compensation.

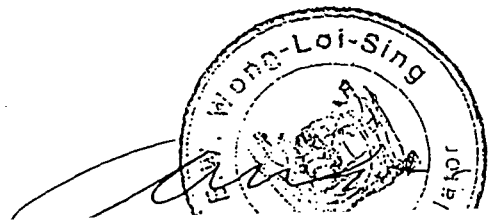
Article 49

If by mining operations damage is caused to private land or to anything that forms part thereof, the claimant and third parties entitled are entitled to demand that instead of compensation in cash, payable to each one of them, within a reasonable period of time the holder of the mining right, restore the land to its previous state, unless this impedes or obstructs his mining operations and without prejudice to the rights of claimant and third parties entitled to demand compensation under article 48 for the decrease in value of the land and anything that forms part thereof, that might take place, after the land has been restored to its previous state.

In case the costs of restoration exceed the compensation in cash, the claimant and third parties entitled have to accept the compensation.

Article 50

1. The holder of a mining right who shall make use for a long period of time of private land or part thereof, shall at the request of claimant, lease the whole land or part thereof at an agreed rent.
2. If the leased area, mentioned in this article has been in use by the holder of a mining right for more than seven years, or after relinquishment is in such a state that it cannot be used as before by the claimant, he may demand that the holder of the mining right concerned, take over the land for a price to be agreed upon by both parties.
3. If parties concerned cannot agree on the rent mentioned in the first or on the price mentioned in the second paragraph of this article, the complainant may request a court decision.
Unless otherwise decided by the judge, the costs of this lawsuit are borne by the holder of the mining right.



Article 51

1. If the holder of a mining right for his mining operations needs to have at his disposal all or part of private land within the area to which his right relates, and he wishes to take it over, he shall at first try do so by amicable settlement, by paying the compensation in advance or give security therefor.
2. If both parties cannot agree on the compensation mentioned in the first paragraph the complainant may ask the Cantonal Judge to determine the sum of compensation. The holder of the mining right may ask the judge to determine to what amount security shall be given, for payment of the compensation still to be decided upon.
3. With regard to the claim to determine an amount of money as security, judgement is passed first and separate.

Article 52

1. Only the actual value which the private land and everything that forms part thereof has for the claimant or third parties entitled as well as the actual cost of damage under article 48, are considered.
2. Thereby consideration is given to the decrease in value which the land and everything that forms part thereof, is considered to have undergone from the moment the holder of a mining right began to make use of the land until the moment the claimant receive the land back, in view of the use they make of the land.
3. The value added to the land or parts thereof, because of works set up for mining operations, is not considered when judgement is passed on the sum of rent, the price or the compensation.
4. When calculating the rent, price or compensation for having parts of private land at his disposal, the decrease in value which those parts of the land, which are not in use by the holder of the mining right, have undergone is taken into consideration as an essential consequence of that disposal.

Article 53

Appeal is permitted against all decisions made by the Cantonal Judge except against the decision to determine an amount of money as security.



Article 54

Unless otherwise determined under this decree, the provisions of the Civil Code apply to each lawsuit between a holder of a mining right on one hand and claimants and/or third parties entitled on the other hand.

Article 55

1. The Cantonal Judge, if he considers admissible a demand to determine the rent, price or compensation, under article 50 and 51, appoints one or more experts in an odd number to advise him on the rent, price or compensation to be determined.
2. The Cantonal Judge decides as soon as possible on the date and place of the inquiry to be conducted by the experts and has the court clerk immediately inform both parties and the experts thereof.
3. The parties can attend the inquiry to be conducted by the experts.

Article 56

1. The experts must submit their report to the Cantonal Judge within fourteen days after finishing their inquiry.
2. The Cantonal Judge gives the parties the opportunity to take note of the report and sees to it, that objections they wish to raise either orally or in writing, to maintain their rights are made known to the opposing party.
3. The parties are summoned by the Cantonal Judge to further explain or defend their interests before him on a date to be set by him, but not later than thirty days after the experts have submitted their report.
4. Regardless of either their appearance in court, or not, the Cantonal Judge passes his judgement within fourteen days following the day set by him under the third paragraph of this article, on the amount of rent, price, or compensation owed to the claimants and third parties entitled.

Article 57.

1. If claimants and third parties entitled refuse to surrender for use, all or part of the land, after the holder of a mining right has paid the compensation or lodged an amount of money as security therefor, they can be forced to vacate all or part of the land, by a warrant of the Cantonal Judge or by police force if necessary.

2. Except for the case mentioned in article 51, the land or parts thereof, shall after use be put again at the disposal of the claimants and third parties entitled.
Works placed or set up on the land or parts thereof, by the holder of the mining right shall be removed and openings made in the surface, such as holes, trenches, pits and shafts have to be filled up.
3. In case of default to meet the obligations set under the second paragraph of this article, the claimants and third parties entitled may, to the extent of their interest, seek authorisation of the Cantonal Judge for themselves to remedy the failure at the expenses of the holder of the mining right.

Article 58

1. If the holder of a mining right has to pay compensation under article 48, or pay the cost of rehabilitation under article 49, for land given in ownership or under a real property or personal property right to a third party, after mining rights have been granted on that same land in spite of reasonable objections raised by the holder of the mining right, the State shall reimburse him the compensation or costs, which - taken into consideration the interests of all parties concerned - can be considered as fair.
2. If the State cannot agree with the sum of money to be reimbursed by the State as compensation or costs of rehabilitation, the State may ask the Cantonal Judge to determine a sum. To that end the provisions of this decree with regard to the Cantonal Judge's ruling on the compensation to be paid by the holder of a mining right, are applicable.



SECTION X - RECONNAISSANCE BY THE STATE

Article 59

1. Claimants and third parties entitled as well as holders of mining rights are obliged to allow geological activities by the State on the areas subject to their rights.
2. Before starting the activities mentioned in the first paragraph of this article, the State shall notify the claimants and third parties entitled, so far as they appear on the public registry or are known to the State, about the intention to carry out those activities.
3. The notice shall state date and place of the activities.
4. Claimants or third parties entitled as well as the holders of mining rights shall be compensated out of State Treasury in case of damage caused by the activities.
The provisions of the paragraphs 3, 4, and 5 of article 48 are applicable.

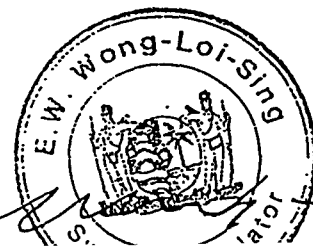


SECTION XI - INSPECTION AND CONFIDENTIALITY

Inspection

Article 60

1. The supervision of the observance of the provisions of this decree and the inspection of mining operations is vested in the Minister.
The Minister may by Order appoint organs and persons under his direction, to carry out the actual supervision and inspection.
2. The organs and persons mentioned in the first paragraph of this article are authorised to enter all areas, buildings and installations where mining operations are carried out, for the actual inspection in general and in particular:
 - a. to take samples;
 - b. to inspect reports, registers, account books and other records;
 - c. to obtain other information.
3. The organs and persons mentioned in the first paragraph of this article may have themselves accompanied, carried respectively by other persons, animals, vehicles, instruments and/or other equipment which they deem appropriate for the correct execution of their duties.
The holder, the lessee or user of the mining right shall without delay, render all means and assistance to the aforementioned organs and persons for the correct execution of their duties and shall accompany them and furnish them with all required and relevant information.
4. The organs and persons mentioned in the first paragraph of this article shall not unduly hinder, obstruct and/or damage the normal course of mining operations.
5. The State shall not be liable for any damage done in the exercise of duties and activities mentioned in this article, unless malice prepense and gross fault is involved.



Confidentiality

Article 61

1. The organs and persons mentioned in the first paragraph of article 60 are obliged to maintain secrecy of confidential information submitted to them under the provisions of that article and may only disclose that information:
 - a. to organs, services and bodies responsible for the implementation of this decree;
 - b. for the preparation of official statistics;
 - c. in case of a law suit;
 - d. in case of an investigation into the observance of this decree;
 - e. with the consent of those who supplied the information.
2. Violation of the provisions of this article shall be punished according to the provisions of the Penal Code.
3. The obligation to maintain confidentiality ends with termination of the mining right involved, provided that the information does not involve patents and licences and confidential data on the former holder of the mining right.



Section XII - SETTLEMENT OF DISPUTES

Article 62

1. Disputes about the interpretation, application or applicability of this decree between the State and the holder of a mining right, or between the latter and a third party, shall be subjected to the decision of the Cantonal Judge in the First Canton.
2. Except in cases whereby taxes, retributions and other levies are involved, including the declaration of gross proceeds for the calculation of income taxes, the Minister may conclude an agreement with the applicant of a mining right that each dispute within the framework of the rights granted to him including the contention that there is a dispute, that may arise between the State and the holder of the mining right and cannot be settled by amicable agreement, is referred to arbitration and that the arbitral decision may be enforced by or on behalf of every judicial body in and outside Suriname.



SECTION XIII - TAXES AND RETRIBUTIONS

Rental charge

Article 63

1. The holder of a right of exploration shall, at the beginning of each one-year period, pay to the State, through the Direct Tax Collector or any other officer appointed thereto by Government Decree, a rent calculated at a rate of 50 cents per hectare.
2. The holder of a right of exploitation shall, for the first 5 years following the granting of rights, pay each year to the State a rent calculated at a rate 5 guilders per hectare. From the 6th through the 10th year the annual amount payable shall be 120%; from the 10th through the 15th year 150% and every subsequent year 200% of the amount mentioned in the first sentence of this paragraph. The amount due under this paragraph shall be paid in the same way as stated in the first paragraph of this article.

Retribution

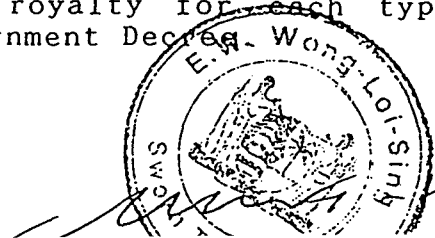
Article 64

1. The holder of a right of small-scale mining shall pay an amount of 250 guilders at the granting of this right. The amount payable shall be lodged with the Direct Tax Collector or a government official appointed thereto by Government Decree, at the time the application for the right is submitted. If the right of small-scale mining is not granted, the money shall be refunded less expenses incurred.
2. The holder of a right to quarry building material shall pay each year an amount of 250 guilders for the right granted. The amount due shall be paid in advance to the Direct Tax Collector or a government official appointed thereto by Government Decree, for the first time, at the granting of the right.

Royalty

Article 65

1. The holder of a right of exploitation, small-scale mining or to quarry building material respectively is liable to pay royalty.
2. The method to determine the royalty for each type of deposit shall be given by Government Decree.



3. By Government Decree shall be determined the way to pay the royalty, the formalities to observe, as well as measures to ensure the collection of what is payable.

Article 66

Under special circumstances exemption wholly, or in part of royalty payable under article 65, may be granted. The exemption shall be granted by Government Decree to the holder of a right of exploitation and to the holder of a right to quarry building materials and a right of small-scale mining by Ministerial order.

Exemption from payment of import duties

Article 67

1. The Minister of Finance and Planning, in response to a request thereto, may grant total or partial exemption from import duties for capital assets, materials, goods and equipment of anykind which will be used for mining operations and are procured up to the beginning of commercial production.
2. The Minister of Finance and Planning, in response to a request thereto, may also grant exemption from import duties mentioned in the first paragraph, for the goods mentioned therein which are procured for substantial plant expansion.
The request shall state clearly that it concerns substantial plant expansion.
3. The decisions mentioned in the first and second paragraph shall be published in the Staatsblad.
4. Conditions may be set to the exemption.

Depreciation

Article 68

The Minister of Finance and Planning in response to a request thereto, may determine that in the calculation of profits for income tax purposes, the write-off of costs incurred up to the beginning of commercial production can be accelerated and arbitrarily done in the first five years of the commercial production.



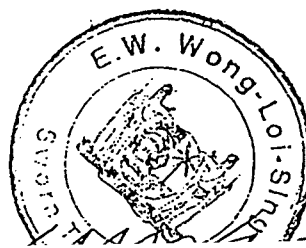
Reinvestment reserve

Article 69

1. The holder of a right of exploitation may form a reserve for reinvestment.
2. The amount deductible from the profit, for the reinvestment reserve shall not exceed 10% of the taxable profit in that year.
3. Within 3 years after its formation, the reinvestment reserve must be reinvested in Suriname.
 - in evaluation or development of mineral occurrences that concurs with the right of exploitation from which the profits derive;
 - or in equipment to mine new mineral occurrences, or in equipment to improve the mining of existing mineral occurrences;
 - or in acquisition of shares in companies whose activities are the evaluation, development and mining of mineral occurrences in Suriname.
4. If the reinvestment reserve formed for a certain year has not been used or only part thereof has been used, in the three consecutive years, the balance is added to the profit of the fourth year.
5. In case the operations end before the expiration of the 3-years period mentioned in the fourth paragraph of this article, the reserve is added to the profit of the year in which those activities are terminated.

Article 70

The incentives spelled out in the Investment Act G.B. 1960 no. 17, applicable text G.B. 1974 no. 5 do not apply to holders of mining rights in the sense of this decree.



SECTION XIV - PENALTY PROVISIONS

Article 71

Any person who:

- a. carries out mining operations without mining rights granted to him;
- b. refuses to allow or provide all facilities and assistance as mentioned in article 60:
- c. in any report, register, map, submitted in pursuance of the provisions of this decree, knowingly includes any information which is false or misleading;
- d. contravenes the provisions of this decree or provisions issued for its execution;

is liable to imprisonment for a term not exceeding two years or to a fine not exceeding 100.000 guilders or to both.

Article 72

1. If the offences, under article 71 are committed by a corporate body, the members of its Board of Directors residing in Suriname, or in their absence, its local representatives shall also be sentenced guilty of the offences.
2. The provision in the foregoing paragraph also applies to a corporate body acting as manager or representative of another corporate body.
3. No member of the Board or representative of a corporate body shall be sentenced guilty of an offence if he proves that the offence was committed without his knowledge or connivance.

Article 73

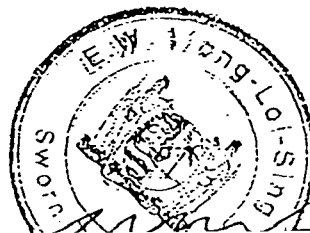
1. Officers appointed under article 134 of the Penal Code and those to be appointed by resolution are authorised to investigate or report all offences under this decree.
2. The officer mentioned in the preceeding paragraph may at all times enter any place, such as mines, works, buildings if he on reasonable grounds suspects that an offence has been or is being committed.
3. When denied entrance, he may force his way in with police assistance.



4. He is not allowed to enter any residential building without permission of the occupier, unless:
 - a. accompanied by the District Commissioner concerned, or
 - b. with a general or special warrant from the Attorney General at the Court of Justice, or from the District Commissioner concerned.
5. An official report shall be made about his entry within 48 hours. It shall state time and purpose of entry. In case the officer is accompanied by certain persons appointed by him, mention of it shall be made in the report.
6. He may at any time demand inspection of all books and records which he deems necessary to fulfill his task.

Article 74

1. Everyone shall, at first demand, allow inspection of books and records deemed necessary by the officer mentioned in article 73.
2. Everyone shall, at first demand, supply oral information which the officer deems necessary.



SECTION XV - TRANSITIONAL PROVISIONS

Article 75

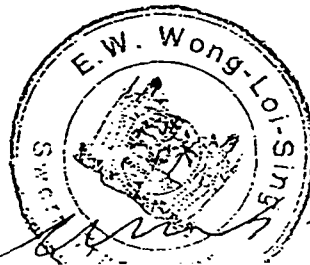
1. Notwithstanding the provisions of this decree, rights and obligations from licenses and/or concessions already issued for exploration and/or exploitation, shall continue in force for the period for which they have been issued.
2. When this decree takes effect, the following acts are repealed:
 - a. the Minerals Act applicable text, G.B. 1952 no. 28;
 - b. the Act of December 1, 1948, on the exploitation of minerals in navigable creeks and streams applicable text G.B. 1952 no. 29;
 - c. the Act of December 23rd, 1952 (G.B. 1952 no. 120) regarding prospect by the State on lands on which a licence for exploration or concession to exploit minerals has been granted;
 - d. article 11, paragraph 3 of the Act on Agriculture applicable text (G.B. 1950 no. 87);

as well as all other legal provisions, made to supplement, amend or implement those acts.

3. The acts mentioned in the preceeding paragraph items a and b and legal provisions to implement them, and all this as has been recently amended, continue to apply to licences and concessions granted by virtue of same.

Article 76

1. By Government Decree, articles 9, 10, 24, 25, 29, 30, 35, 40, 45 which relates to data provided by the holder of a mining right, can be supplemented or amended. That Government Decree shall not be applicable to mining rights granted before the date it takes effect.
2. By Gouvernement Decree, the amount of money mentioned in articles 63 and 64 can be amended, taking into account a method of indexation to be given at the same time.



Final Provisions

Article 77

1. This decree can be cited as: "MINING DECREE".
2. It takes effect 60 days following its promulgation.

Done at Paramaribo, May 8, 1986
L.F. Ramdat Misier

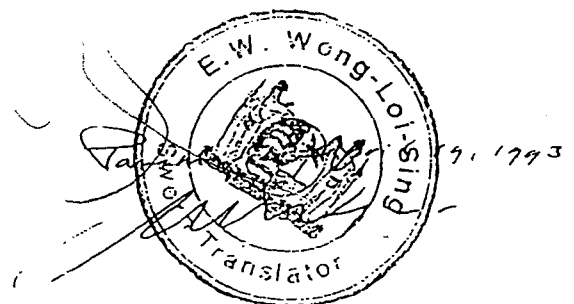
Chairman of the Military Authority
D.D. Bouterse

The Prime Minister
W.A. Udenhout

The Minister of Natural Resources
and Energy
K.R. Koole

The Minister of Finance and Planning
W.A. Udenhout

Issued at Paramaribo May 8, 1986
The Minister of Internal Affairs
District Administration and Peoples
Mobilization
J.A. Wijdenbosch



TRANSLATION

1986

Decree of May 8, 1986 containing general rules regarding the tracing and exploitation of Minerals (Mining Decree)

Explanatory note

The changing views with regard to the Management and control of the exploitation of natural resources as laid down and expressed in the U.N. declaration of Permanent Sovereignty on natural resources and in the U.N. Convention on the right of the Sea and the regulations resulting from the same as well as the necessity to adjust the existing legislation in respect to the current needs and circumstances, have been important motives with the drawing up of this decree.

For that matter, mineral resources are of great significance for the national economy and the development of our country and not only require a specific legal treatment, but their characteristics justify a more far-reaching government interference.

The main objective of this act is to provide for the legal framework within which, in this way, an orderly development of mining can take place. Therefore, this act offers the government the opportunity to gear the development of mining in such a way and to execute a mining policy that it fits within its national economic policy.

On the other hand, it also offers the necessary encouragements and guarantees to private home - and foreign investors in this sector.

This act :

- therefore governs the granting, registration and ending of mining rights.
- provides for the integration of mining activities in the national development (training opportunities, employment, preference for national goods and services);



- governs the protection of man and environment;
- provides for fiscal facilities to foster mining, in both the initial phase of the project development with high financial risks and in the years of low mineral prices.
- governs small-scale mining, causing individuals to practise mining in a responsible way;
- takes measures with regard to regulating the winning of building materials, such as shells, sand, gravel, road metal;
- takes measures with regard to mining on private land.

This decree must be considered a mother decree. Specific legal regulations with regard to special minerals are possible. It is expectable that a special petroleum decree and a special bauxite decree be made for which this decree shall serve as a basis.

Explanation by Article

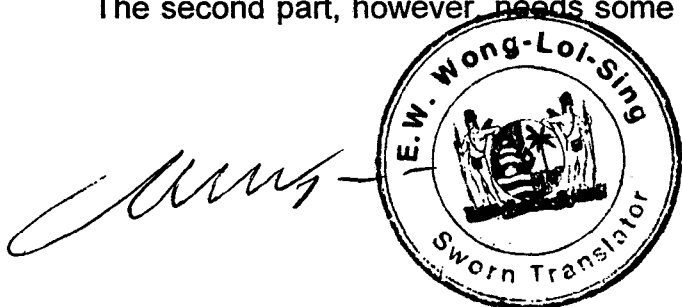
Article 1

As usual, in order to avoid repetition, some concepts are defined for clarity's sake. The definitions are self-explanatory. Some definitions need to be clarified, subsection e and k, that is.

Sub-section e - exploration

The first part of the definition, with regard to the determining of nature, scope, manner of appearances and economic value of a mineral is self-evident.

The second part, however, needs some further explanation.



In this Mining Law no special place has been given in the definition of mining operations of the phase following the discovery of a mineral deposit and the determination of the physical characteristics, but prior to the commencement of commercial productions; this is the so-called evaluation phase, in which a pilot plan is often set up and in which the technical and economic feasibility is determined.

In this Law this phase still falls under the exploration phase, see also Article 29 under f in which there is mention of the test production (during exploration) and Article 30 paragraph 2 under c in which the applicant of an exploitation right is asked for a technological report of exploitation and treatment opportunities.

Sub-section k - state enterprise

It often occurs that the Government establishes a limited liability company together with a semi-governmental institution, because the Law requires at least 2 founders; hence the words: "self and/or through State Institutions".

Preference is given to the concept of "enterprise" instead of "business" as the former notion is wider than "business".

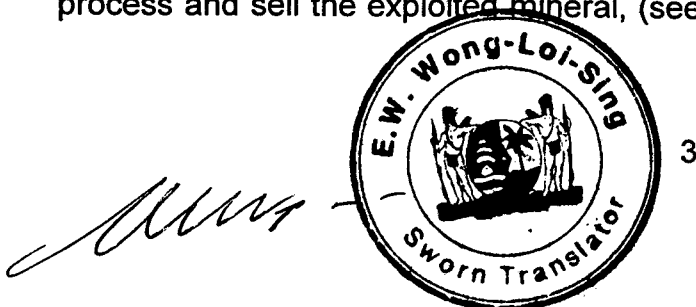
Article 2

Sub-section 1

The old Mining Law has as a starting point the fact that minerals, as long as they have not been exploited, are the property of the State, see SIB 1977 no. 25.

In this decree this is now expressly stipulated. according to the old Mining Law, the concessionary becomes the owner of the mineral by exploiting it.

This principal has been abandoned in this decree. The State remains the owner even after exploitation. The holder of the right of exploitation does have the power to work process and sell the exploited mineral, (see Article 3u sub-section 2 under a).



The ownership shall be transferred to:

- a the operator by processing (Article 660 BW)
- b A third party by selling and delivering to this third party

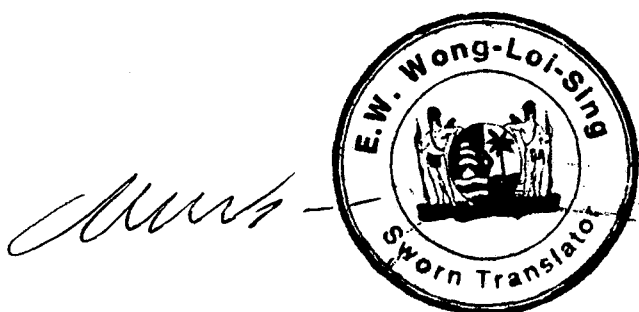
With regard to the offshore area, this decree is in accordance with the recent UN Sea Right Convention (Jamaica 1982). Although the Convention referred to has not become effective yet, because of the fact that the ratification procedure is still going on, the regulations contained in that Convention - at any rate those concerning the economic Zone and the Continental shelf - on the one hand codification of customary Law and on the other stipulations of originating positive international Law.

From Article 18 of the Vienna Convention concerning conventions (1969) of which Suriname is a party, follows that the signatories of the Sea Right Convention have to strive after bonafide ratification and are not allowed to develop activities that can frustrate the purpose and character of this convention.

In this framework, adjustment of the existing legal regulations with regard to the economic Zone and the continental shelf in the act of April 14, 1978 (S.B. 1978 no 26) and October 13, 1964 (G.B. 1964 no. 86) respectively must be seen.

Sub-section 2

The width of the territorial sea is measured starting from a basic line as indicated on the hydrographic map no 2017 of April 1961. This map was issued in January 1971 in the scale 1 : 750,000 and officially acknowledged by the Suriname Government. This Zero meter isobar referred to in the Law text as basic line, is situated 18 dm below the central position (NSP).



Sub-section 3

The rights, as laid down in this sub-section, grant to the State no ownership of this area or of the minerals occurring there, but they grant only exclusive rights with regard to the utilization of the area and the minerals occurring there.

Sub-section 4

According to this sub-section, Suriname also exercises exclusive sovereign rights with regard to the reconnaissance and exploration as well as the exploitation of mineral sediments. It concerns mineral sediments on the sea bed and the subsoil. So mineral sediments occurring in or on the watermass above the continental shelf are excluded. Herein is the difference with the rights of the State in the economic Zone.

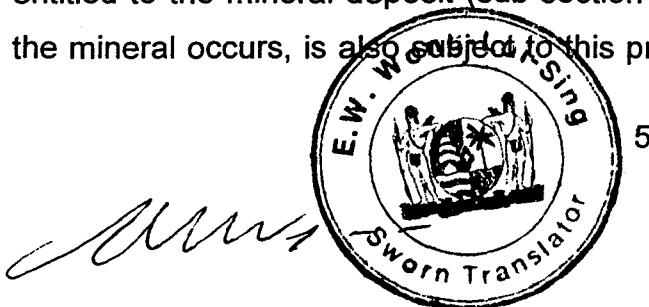
The bound of the continental shelf as accepted in the maritime Law Convention, Article 76, is applicable for Suriname as well.

Sub-section 5

Suriname claims, also in accordance with this maritime Law Convention, the right to set rules with regard to special activities in the area, aimed at an efficient exploration, exploitation and preservation of, as well as management of minerals in this area.

Sub-section 6

Starting from the provision in sub-section 1, that minerals are owned by the State, mining operations cannot be carried out by private persons unless the power to this purpose is given by the State as the owner (sub-section 2) or by the sovereign persons entitled to the mineral deposit (sub-section 3 and 4). The owner of the land on which the mineral occurs, is also subject to this provision.



ARTICLE 3

The State revenues are for the most important part generated from the revenues of the Mining Industry. Therefore, a general Mining policy starting from the Government is desirable. The execution of this policy is entrusted to the Minister charged with Mining Affairs.

ARTICLE 4

Wasting minerals as exhaustive natural resources (non-renewable resources) must be excluded, therefore not only high requirements are set to mining operations, but these operations must be able to stand the test of the general interest at any time. Mining operations must always yield optimal use to the State.

ARTICLE 5

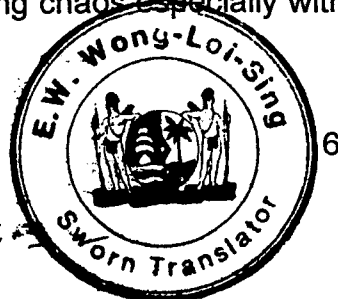
The division in 5 groups is based on practical, strategic and economic considerations. Bauxite has been included as a separate group because of the position occupied by this mineral in our economy and because of the large number of legal regulations that exist in this field (see also clarification to this Article 7).

Radio-active minerals, being raw material for the production of energy are a separate group because of the strategic interest and the most sensitive part they play in the international political system. So maximal control of this mineral is desirable (see also clarifications to Article 7).

Hydrocarbon constitute, as most important source of energy generation in the world, a separate group, for strategic reasons too.

The energy household is of eminent importance and therefore must be determined by the Government itself (see also the clarification to Article 7).

For practical reasons, building materials and "other minerals" constitute separate groups. The prevailing chaos especially with regard to the section of building materials must be banned.



Building materials are minerals, so they are the possession of the State (see Article 2) and, unlike in the past must be put under the operation of this decree.

The regulation with regard to this is of a simple nature, but it is essential in view of the problems arising especially with regard to the destruction of the landscape, ground water pollution and the use of explosives.

ARTICLE 6

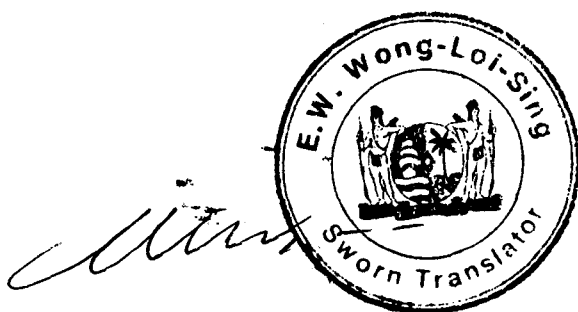
In this decree the licence and concession system are abandoned. The notion of concession has the character of ownership in the international world, and is now especially avoided in Third World Countries. Therefore the contents of the rights referred to in this article have been indicated as much as possible; amongst other things, see the articles 23 jo 24, 28 jo 29, 34 jo 35.

Sub-section 3

Although the execution of the mining policy has been placed in the hands of the Minister in charge of mining matters (see Article 3), the development of the minerals referred to in Article 5 sub-section a, b and c is considered of such importance that granting the rights with regard to these minerals is done by resolution causing the approval of the conditions to be thereby set, to be in the hands of a higher state organ. The request is at any rate submitted to the Minister (see Article 10).

Sub-section 4

The right of reconnaissance with regard to the minerals referred to in subsection a, b and c of Article 5 however, is granted by the Minister.



ARTICLE 7

Radio-active minerals and hydrocarbons as strategic minerals must be exploited under the management of a State enterprise. These State enterprises are intended either to take the exploitation at hand themselves or by contracting third parties (contractors). The other minerals can be exploited by private companies as well (see explanation to Article 5 as well).

Granting mining rights to natural persons is not deemed desirable, amongst others because of capital risk going along with it and tax-technical matters, with the exception of the "other minerals" and building materials (see further explanation to small-scale mining and building materials with regard to this).

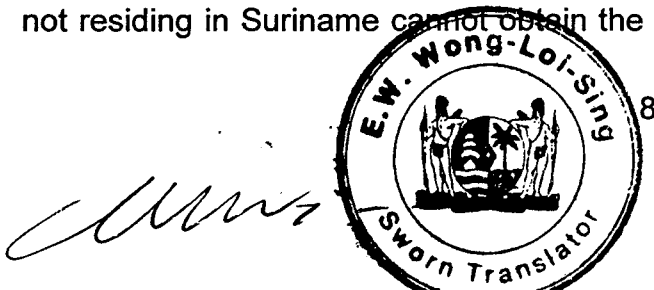
ARTICLE 8

Sub-section 1

With the obligation of technical reporting by those entitled to mining, the Government wants to attain access to an overview of the State of affairs with regard to mining operations at any moment. The claim for regular bookkeeping with regular annual closures has been included for the safeguarding of the claims of the fiscal authorities. The bookkeeping must yield a materially trustworthy basis for profit calculation. The claim for regular annual closures comprises closing the fiscal years in principal every 12 months. Upon the commencement or the end of the enterprise, deviating fiscal years can occur and equally upon allowable change of the fiscal year,

Sub-section 2

The provision under consideration with regard to natural persons stipulates as a claim that they must live in Suriname and be capable of acting as well. Natural persons not residing in Suriname cannot obtain the mining right on the basis of this provision.



Sub-section 3

Bodies not established in Suriname and which have obtained a mining right the requirement that they must, at any rate have at their disposal suitable office space, has been included.

ARTICLE 9

See explanatory note to Article 10 sub-section 2 through 6.

ARTICLE 10

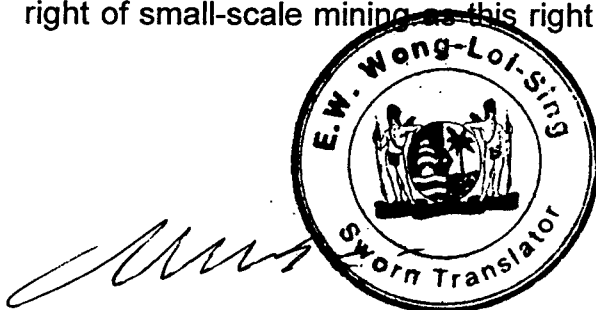
The request must be made in triplicate. The applicant is supposed to get back a certified copy while internally a copy is sent to the State Land Service for compilation in the registration held in that place. The third copy rests with the Minister.

Sections 2 through 6

It has occurred too often that malafide persons presented themselves as mining companies. On the other hand it can be important for the assessment of the request to know in what relations the applicant stands with regard to other persons and companies. For these reasons the applicant must state the data that have been referred to in this Article.

ARTICLE 11

Each right of property basically is liable to transference except if it is forbidden by Law. Since the right of reconnaissance is granted for a short period of time, it is desirable to deviate from the principle of conveyability. This holds good as well for the right of small-scale mining as this right is intended to be bound to a special person.



The principle of conveyability does apply, however, to the right of exploration and the right of exploitation as well as the right to exploit building materials, be it that control of the same is essential. Hence the express prior approval for this.

Only the granting of the right of exploitation of the building materials is a prerogative of the owner and other holders of title, however not forbidden to proceed to the conveyance of the right to exploit building materials to a non-owner or other holder of title.

In the international mining system participation takes place in various ways for which reason not only transference but also rent and use are subject to the regulation of Article 11, causing the various forms of participation to fall under the ruling of this Article.



If the right has been transferred to various companies in a split up manner, each of them shall remain liable for the whole personally. Hence the words "for what has been transferred to them".

And if the right has been hired out or given for use, both those entitled to mining and the hirer or user shall be liable for the whole personally.

The provision of sub-section 4 makes it possible to encumber with a mortgage the right of exploitation and the right to exploit building materials for financing purposes. This, however, does not mean that the principle of sub-section 2 is not endangered.

ARTICLE 12

In order to prevent the Government from being surprised by a request for transference, it has been determined that already during the negotiations between those entitled to mining and those to whom this is intended to be transferred, the Government shall be informed.


 10

ARTICLE 13

In view of the legal security in the social system, business rights on real estate are obtained and transference of the same takes place by registering in the register at the mortgage office. Now that the right of exploitation has been raised to a right in rem, it is desirable to stay in this system. Although the right of reconnaissance and exploitation are no rights in rem, but rights that are indeed related to a real estate, and as a rule are an initial phase of the right of exploitation, the registration system is made applicable to that as well. The existing mining rights/licence and concession, ought to be brought under this system. For this, a period of 2 years has been set, starting from the date of the Government Resolution concerned.

Transference is constitutive only for granting, transference and encumbrance, not for termination. The rights shall terminate in the manner indicated in the articles 14 and following. A system of deletion as administrative measure shall be desirable.

ARTICLE 14

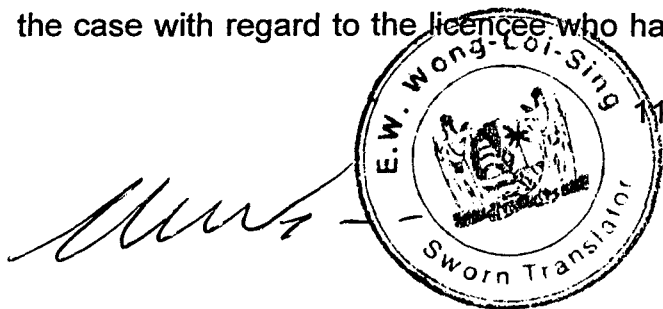
See the Articles 17 and 18 for this

ARTICLE 15

For the protection of those entitled to exploitation, their rights shall not end if no decision has been taken yet with regard to extension.

ARTICLE 16

The holder or past holder of a mining right, is entitled to take with him his investments in kind. This holds good in particular for those entitled to reconnaissance and exploitation who work with risk capital and have not yet found any revenues from the same. Deviating from this principal can be agreed upon. This could especially be the case with regard to the licensee who has fully earned back his investments.



A handwritten signature in cursive script is positioned to the left of a circular official stamp. The stamp features a central emblem with a crown and two lions, surrounded by the text "E.W. Wong-Lai-Sing" and "Sworn Translator" at the bottom.

ARTICLE 17

No one can be compelled to continue availing himself of his rights.
However, a sudden waiving of these rights can result in macro economic repercussions.
As a rule. (Origineel onvolledig) klopt niet

The submission of a work programme referred to in this article makes the control by the minister more effective. In view of the dynamic character of mining, there must be a possibility for the State to claim necessary data. This gives an enuntiative character to the listing in the article.

ARTICLE 22

The right of reconnaissance is granted for a short period of time.
The holder of this right shall decide within this short period of time if he wishes to proceed to the application for the exploration right, or for terminating his activities.
A period of three years at the most for general geolocial reconnaissance seems sufficient, also in view of the number of data already existing.

ARTICLE 23 AND 24

In practice, the phenomenon of walking licence came into being; it was granted to persons who wanted only to prospect. Now this system is legally regulated in this decree in the shape of a right of reconnaissance. Content has been given to this Act in Article 23 and 24. No financial encumbrances (duties) are imposed on the person entitled just like this is the case with walking licences. He does have an exclusive right and a right to obtain the exploration right.
He is allowed to take samples with him, however without the right to carry out any significant drilling operations.



[Handwritten signature]

The obligations connected with the right to reconnaissance are intended to collect the maximal quantity of information, in order to increase the insight into the mining potential of the area.

ARTICLE 25

See for this Article 21. With this request however, the applicant commits himself to spend a minimum amount of money. This obligation as well as the size of the amount, give to the Minister an indication with regard to the seriousness and the capability of the applicant.

As the research makes progress, the applicant is expected to indicate clearer and clearer where he expects possible minerals; if he wishes to be considered for extension of his right, he will have to abandon parts of that area which will then be at the disposal of others in order to be extended.

Sub-section 3

The holder of the exploration right has an exclusive right(see too article 8 under 1).

Sub-section 4

The stipulations of this decree shall, in practice not constitute the sole basis for the content of the right of exploration; further conditions will have to supplement the contents. This decree shows the framework within which the relation to the person entitled to explore, can be further worked out by agreement. Additional conditions will be necessary with each extension of the right of any significance.



ARTICLE 28

The exploration right is an exclusive power (see also Article 23 under 1 and Article 34 under 1).



In the rest of the Article meaning is further given to the exploration right. Unlike the right of reconnaissance the person entitled to explore is allowed to drill deep holes and to carry out further operations.

ARTICLE 29

This Article is intended to reach a selection from serious interested parties. The conditions referred to in this Article are intended to exclude speculators. The sub-sections b and d offer the possibility to negotiate, whereby the technical and financial conditions are set forth (e.g a bank guarantee immediately claimable, the research techniques to be used). The other sub-sections of this Article are intended to provide the Government with the maximal quantity of information, whereby other conclusions than the holder of the exploration right can be drawn after study of the same.

ARTICLE 30

Sub-section 1 of this Article clearly exposes the system of this decree, namely that the right of exploration shall precede the exploitation right (see for this the clarification to Article 31). Therefore sub-section 2 under b through 1 stipulates that the Minister shall be informed as comprehensive as possible concerning the ore appearances and the technical and economic feasibility of the project.

ARTICLE 31

The system followed by this decree is a step-by-step granting of rights.

First an exploration right is granted followed by the exploitation right. Exploration operations are expensive. These costs will not be made until the mining company can, with some surety expect the exploitation right to be granted to him.

In order to make good for this, in some countries priority rights are granted to the person possessing the exploration right, in order for him to obtain the exploitation right. In other countries, this priority right is not expressed in the Mining Law but in these countries the right of exploitation is only granted to the person entitled to explore under conditions to be further set.

This decree follows the latter system. In paragraph 1 the Minister is given the obligation to come to an agreement with the person having the right of exploration, with regard to the conditions under which the exploitation right shall be granted.

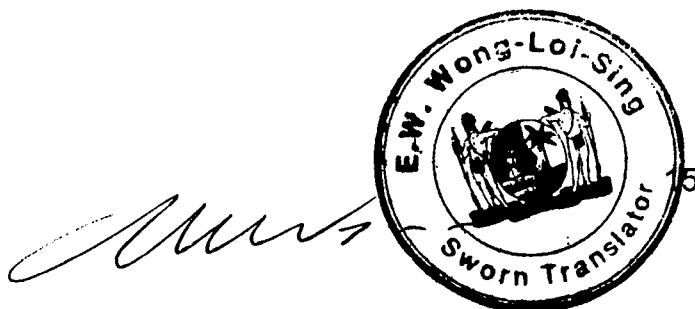
This provision does not make it impossible for the Government to join another company, in the exceptional cases in which no agreement can be reached.

However, the other company will first have to request the exploration right in order to meet the stipulation of Article 30 paragraph 2, especially sub-section c through g.

ARTICLE 32

In this decree is expressed that the State has a right to participate in the exploitation phase. Participation can take place in many ways, for example by purchasing shares in the limited liability company to be specially founded for the exploitation.

It testifies of a good administration to timely inform the applicant of the decision to participate. Hence paragraph 2.



ARTICLE 33

The period referred to in this Article does not only cover the production phase but the phase of setting up the Mine and the installation (the latter phase can sometimes even last 5 years).

In case the exploitation of minerals can be spread over a longer period of time, it is desirable to continue joining the same Mining Company, however, under new conditions adjusted to this time. Exhaustion must be avoided at all cost. Moreover, extremely short periods that cannot be extended, indeed foster exhaustion.

ARTICLE 34



In this act the concession system has been abandoned (see clarification to Article 6). Therefore the Articles 34 and 35 are intended to give meaning to the exploitation right. Therefore an extensive summing-up of the rights and duties of the holder of this right is essential.

A special remark on paragraph 2 under c continuing reconnaissance and exploration operations are essential for optimal utilization of the deposit. So the exploitation right also comprises the power to carry out continuing reconnaissance and explorations operations. Further, this Article speaks for itself.

ARTICLE 35

See also the clarification to Article 34. The duties referred to in this decree serve to enable the State to conduct the management of the natural resources as well as possible. The State as owner and sovereign duly entitled to the mineral deposit, shall see to it that exploitation takes place in the most efficient way. In order to obtain optimal use from our natural resources.

- a Exhaustion, whereby only the richer ore layers are exploited, must be avoided;

- b Economic effects result from the exploitation for the benefit of the State;
- c Damage to the environment and to citizens is limited to a minimum.

In sub-section a of this Article the holder of the exploitation right has been obliged to "timely" commence with operations. The word "timely" has been chosen here because it can depend on various matters when operations can start.

ARTICLE 36 THROUGH 40

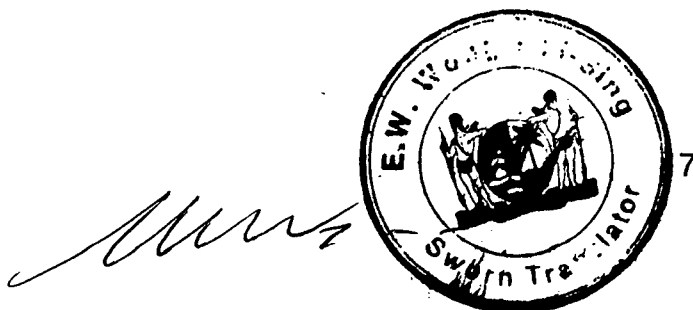
Mining must be carried out on a strictly economic basis and with the most efficient technology, in order to obtain optimal benefit for the community. However, in Suriname there are individuals that develop mining activities on a small-scale basis and assisted by simple means and techniques, and who have made it their trade (e.g. pork knockers). This form of mining, referred to in this Decree as small-scale mining, is as a rule considered exhaustion. On the other hand, it must be said that fewer and fewer deposits become suitable for small-scale mining.

For the time being the right to carry out their activities cannot be taken away from the individuals referred to.

No difference has been hitherto made in the Mining Law, between this form of mining and the normal way of mining. Maintaining small-scale mining however does require a legal regulation for the same. It must, however be borne in mind that it is not desirable to foster small-scale mining; it is a matter that is drawing to an end. For that matter, it is to be expected that in the future mineral deposits that can be easily mined are becoming sparser and sparser and the mining techniques to be then applied will become more complex for the minerals that will then be difficult to exploit.

The application procedure with regard to the rights of reconnaissance, exploration and exploitation are not deemed desirable with regard to the small-scale miner.

Therefore these rules are not applicable to him (Article 36 sub-section 1)



In general it here concerns less strict and simplified administrative procedures concerning the application (article 37) and granting (article 38) of this right. It must thereby be observed that in this decree the right of small-scale Mining Comprises both reconnaissance, exploration and exploitation activities.

Small-scale Mining is only intended for the "other minerals" category referred to in Article 5. One is thinking of precious stones, gold, industrial minerals, etc.

If the nature and manner of occurrences of a mineral deposit justify exploitation through small-scale mining, the Minister (this is a technical matter) can reserve the sediment for small-scale mining (Article 36 sub-section 3).

Granting the right only to natural persons (Article 36 sub-section 4) must be placed in relation to the nature and set-up of small-scale mining.

The area has been kept small (Article 36, sub-section 6), bearing in mind restricted exploitation capacity of the individual. The right of small-scale mining is granted for a period not longer than 2 years (Article 38 sub-section 1). One must hereby take into account the fact that this miner is not obliged to work.

Although very regular reporting is essential, the control of individual persons, especially in the remote interior, is an expensive matter. By using a short validity period, one can take corrective measures in case of none or improper use of the right, for instance by not granting the right again.

If it appears that the holder of the right has observed all prescriptions, and has actively availed himself of this right, the Minister can decide to extend the right for a period of no longer than 2 years. When reporting to the Minister it concerns a simple report, in which the most important production and financial data are laid down.

The granting thereby of assistance by the service charged with the same by the Minister, makes control quite more efficient.

ARTICLE 41 through 45

In these Articles the following matters are provided for:

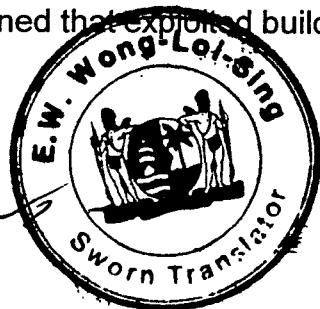
The right of exploitation of building materials comprises the reconnaissance and exploration as well as exploitation of building materials. For that matter, in general, the phases of reconnaissance and exploration will either not appear or they will last just relatively shortly, whereby the size and other physical features of the mineral will be mainly evaluated. Therefore this system has been chosen, whereby the right of exploration of building materials will not be separately granted (Article 41 sub-section 1).

The right is only granted for one kind of building material (Article 42 sub-section 1 under a and Article 44 sub-section 1 are in the singular : "Kind of building material"); unlike "other minerals" laterite or shells or rubble can be found in nature, mostly separately. The right is exclusive (Article 44 sub-section 1) but in a sense more far-reaching than the right of exploration or exploitation , namely an area granted for exploitation of a building material cannot be granted to another person, not even for an other building material (Article 43 sub-section 4). The reason for this is that in general building materials do not occur together or in groups and if this would be the case, granting more than one right would presumably bring along inacceptably much earth moving, with all possible unpleasant consequences.

The right cannot be granted on sites on which business or personal title rests other than to the title bearer himself (Article 43 sub-section 3).

This again depends on the nature of the exploitation of building materials, which often goes together with excavations on a large scale or other kinds of earth moving.

In order to control those entitled to crown land of a business and personal nature, and land owners, who are allowed to take building materials for personal and family use, occurring on their land, and in order to prevent illegal commercial production, it has been determined that exploited building materials may be removed from their land



only if they (the owners or those entitled) are in the possession of a mining right (Article 41 sub-section 2). The building materials referred to may by no means be removed from the land. This means processed or not. Producing another product, for instance bricks in order to transport the same later on from that land, is forbidden.

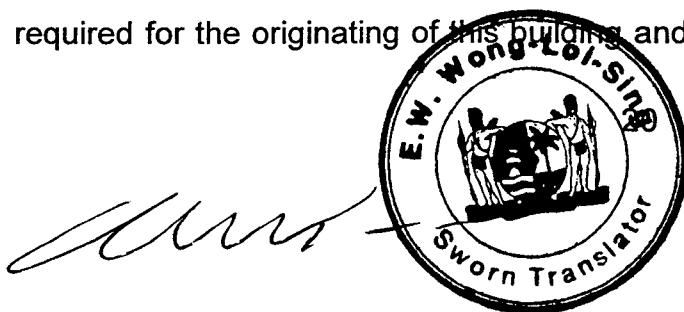
So "personal or family use" must be interpreted in a restricted way. The possible adverse consequences for the environment and interests of third parties as a result of the exploitation of building materials cause the Minister to be given the power to unilaterally impose conditions on the holders of the right (Article 43 sub-section 5) when granting the right. This is the reason too, why the applicant is required to give information with regard to the manner and the place of exploitation and other relevant data when requesting the right.

ARTICLE 46 through 58

It has already been stipulated in Article 2 that the mineral deposits are not owned by the private owners of the land. This means that mining operations can be carried out on private land as well. Therefore protection of the land owners is desirable.

Other title bearers of land, such as leaseholders (Article 46 under b), renters and users (Article 46 under c) are included in this regulation (in Article 46 under c the words "right of enjoyment" have been included in order to indicate that it only concerns here those who actually have enjoyment (i.e. use) of the land, such as the renter and users; see also under b). The main thing is that the private ownership cannot be a hindrance for mining activities. Mining is of public order and of general use and for this rights resulting from private ownership will have to give way. The owner and other titleholders of the land are therefore obliged to allow mining operations on the land.

According to the verification rule everything that is built on others' land becomes the property of the land owner. This verification rule is broken through here by the granting of the building and planting rights by Decree (see last sentence of Article 47 sub-section 2). Transcription of a deed in the registers of the mortgage office is not required for the originating of this building and planting right.



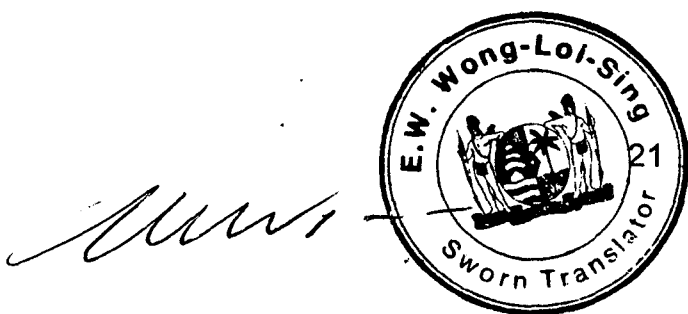
The protection of the owner and other title holders of the land has been included especially in the Articles 46, 49 which articles are self-evident.

A situation may occur when the mining activities will continue for a long period of time. In that case the owner or business title holder is entitled to claim from the Mining Company to take over the landlease of the land (see Article 50 sub-section 1). Should however, the use last longer than seven years, the owner or business titleholder can claim that the Mining Company takes over the ownership or the business right (e.g. long lease) of the area already leased out to the latter (Article 50 sub-section 2). With regard to the 7 years, see Article 27 sub-section 1. It would take one too far to claim from the holder of the mining right that he buys land.

On the other hand, the initiative to buy can be taken by the holder of the Mining right too. The procedure for this has been described in Article 55. In connection with the purchase referred to in Article 50, sub-section 2 and Article 51, however, the judge only has to take into account the objective value. The value added through mining activities is not considered. Another system could wrongly damage the mining opportunities (see Article 52).

A long process procedure could possibly have detrimental consequences for the mining industry. Therefore, the procedure has been kept strict with respect to time (see Article 56).

The one who submits a request for a mining right. takes into account possible damages and indemnity to owners and other titleholders appearing on the site. The Government retains the right to give state land to third parties in long lease, lease or use, after the granting of a Mining Right. The holder of the Mining Right however, cannot become the victim of this. The State shall in that case have to reimburse damages and expenses insofar as this is reasonable, to the aforesaid long lease-holder, leaser or user.



ARTICLE 59

The State is expressly granted the power to carry out geological operations on private land. The owner and other title holders as well as holders of Mining rights are obliged to allow these operations.

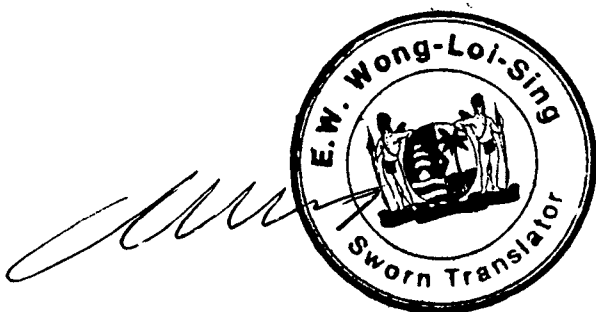
ARTICLE 60

The effectiveness of this and any act is completely depended on the control of its observance. Supervision of the mining activities has as its goal to primarily find out if what is aimed at, is actually achieved, especially if the requirements under which a mining right is granted, are met and secondly in order to act in a corrective way.

The supervision rests with the Minister who, by order delegates special powers to services or persons falling under him. One hereby has in mind a mine inspectorate and mine inspectors for the direct control. This service acts on behalf of and not instead of the Minister (Article 60, sub-section 1).

Subject to the nature of the intended inspection activities, the bodies and persons referred to can have themselves accompanied by others or take with them instruments/materials (Article 60, sub-section 3). Although not explicitly obliged, it is desirable, for a good understanding, to inform one of this, especially in view of the safety of the persons referred to, and in order to give the holder of the right the opportunity to see to guidance and assistance.

Although the inspectors are to see to it that no unnecessary delays and or damage are inflicted upon the course of the operations (Article 60, sub-section 4). This can indeed be the case for whatever reasons. It is, among other things, possible that the work has to be interrupted for special control activities. The State cannot be blamed for this kind of delay or damage resulting from the nature of the inspection, unless there is mention of intent or gross fault.



ARTICLE 61

This Article is self-evident.

ARTICLE 62

In principle disputes in the relationship with the holder of the mining right shall be submitted to the procedures of the Cantonal Court of Justice.
However, the Minister is granted the power to insist on an arbitration procedure as is common use now.

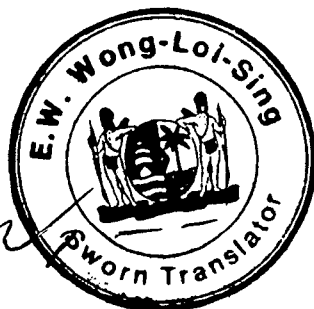
In case there are no treaties with all countries concerning the execution of sentence and authentic deeds, the possibility to require the feasibility of the arbitral order abroad by agreement is indicated in the last sentence of sub-section 2.

ARTICLE 63

Duties are charged in proportion with the size of the surface, in return of the right granted. This form of retribution is also meant as indirect means to persuade the holder of an exploration right and exploitation right not to sell the parts of the area concerned, used by him (see too Article 76, sub-section 2).

ARTICLE 64

By this stipulation, the holder of a right to small-scale mining and of the holder of a right to exploit building materials, a reasonable contribution is claimed in the costs made with the extension of the aforesaid rights. The holder of a right to small-scale mining only needs to pay the amount due one time, while the holder of a right to exploit building materials must pay the amount due each year. The reason of this unequal treatment lies in the difference in the nature of both rights (see also Article 76, sub-section 2).



ARTICLE 65

The provision under consideration means that holders of an exploitation right owes royalty for each type of mined deposit. Since each type of deposit cannot bear the same loyalty, the royalty will have to be fixed by deposit. The method of calculating of the royalty shall be determined prior to or when granting the exploitation right by Government resolution.

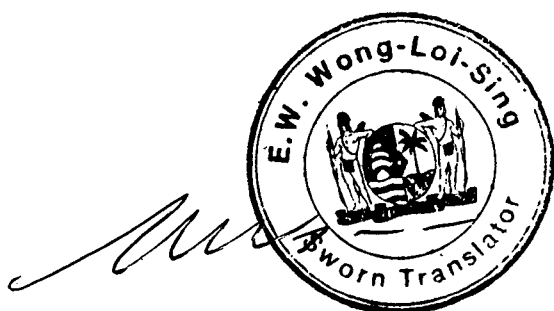
ARTICLE 66

The provision under consideration implies that in special circumstances for a special period, partial exemption of the royalty due can be granted.

Special circumstances amongst others occur if, during a certain period the Company is not able to pay the royalty due as a result of decreased sales of the products due to decreased demand.

ARTICLE 67

The provision under consideration governs the facility of complete or partial exemption from import duties. This facility is one in the framework of the stimulation of investments in the Mining Sector in Suriname. The full or partial exemption from import duties is applicable to company resources and other matters purchased until the commencement of the commercial production. This remarkable moment has been chosen since, until that moment a period precedes in which the Company often has to make high expenditures in order to proceed to commercial production in due course. The Government therefore helps the Company in this phase in which much is invested, by an alleviation of the costs, in the form of the full or partial exemption of import duty referred to.



Sub-section 2

The facility of full or partial exemption of import duties is also applicable in the framework of Company expansion if considerable investments have been made in goods referred to in sub-section 1.

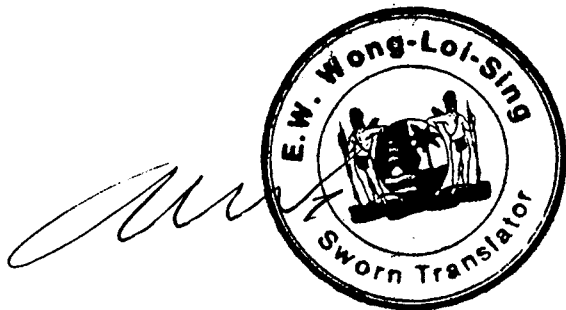
The question if there is mention of a considerable Company extension will depend on the total amount invested in the framework of that company resources and other matters, related to the size of the Company concerned. The Company submitting the request will have to prove that the investments will bring about a considerable company expansion.

ARTICLE 68

The provision under consideration, regulating the depreciation brought about earlier, must also be placed in the framework of the stimulation by the Government of investments in the Mining Sector. The facility under consideration of the early depreciation is related to the costs made till the moment when the commercial production starts. Through this provision the Company can write off early and arbitrarily within the first 5 years of commercial production, the large investments made especially in the period prior to the commencement of the commercial production, in a manner in which this is most appropriate in view of the fiscal obligations.

In this provision it does not concern the abandoning of taxes but in principle the shifting of the pressure to later years. The liquidity provision of the company is enlarged through this, so that investment financing can be facilitated.

As the Company can also arbitrarily apply the (accelerated) depreciation within the first 5 years of commercial production, it can thus regulate the level of depreciation in accordance with the business results.



ARTICLE 69

The current stipulation implies a facility for the holder of a right to exploit. This facility gives a definite tax relief, if the Company re-invests the reserve for re-investment accumulated within one year, in 3 years after it had been reserved, in a manner as referred to in sub-section 3 of this Article.

Sub-section 2

Regulates the tax relief in the sense that a Company can include 10% of its taxable profit of the year concerned in the reserve of re-investment.

Sub-section 3

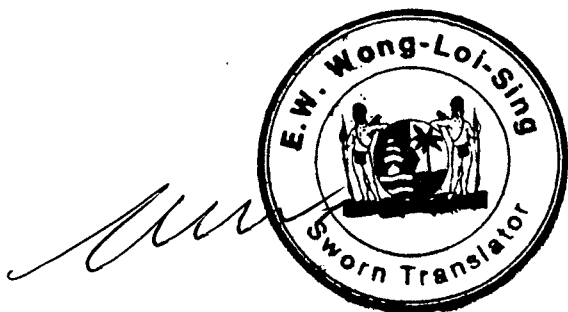
Sets conditions to the reserve formed, namely that this must be re-invested within 3 years after it was formed, in Suriname in a manner as stated in that sub-section. From this the objective of this facility can be distilled, that is the furthering of industrialization and employment in the Mining Sector on a longer term.

Sub-section 4

Stipulates that if the reserve for re-investment formed in a certain year, has not been utilized or only partly utilized in the three consecutive years, the remaining part of the reserve must be included in the profit of the fourth year.

Sub-section 5

Has a bearing on the terminating of the business activities within 3 consecutive years, after the year in which re-investment reserved is formed, while the reserve has not been utilized yet or only partially utilized. In that case, the re-investment reserve must be included in the profit of the year in which the activities referred to have been terminated.



ARTICLE 70

In the investment Act, similar facilities as those referred to in the Articles 58 and 59 have been included. This provision has been included in order to prevent an enterprise from availing itself of both facilities.

ARTICLE 71 through 74

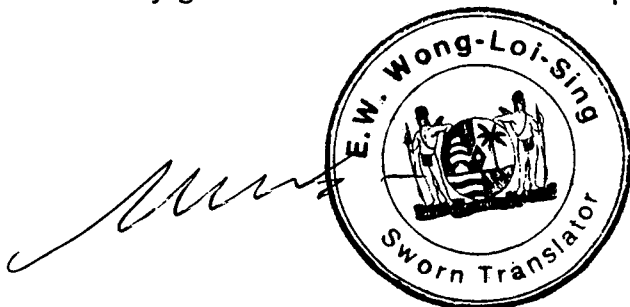
These provisions are the usual penalty clauses running parallel not only with the Code of Criminal Procedure but with other legal regulations in which penal provisions occur as well. Tracing punishable facts in the Mining Industry is a rather delicate matter whereby misunderstandings can easily originate. The investigation officer will therefore have to be a most experienced Mining engineer or geologist, who is quite familiar with the course of things in the Mining Industry. Although the Mining Inspector in many countries has investigation power, it seems preferable for Suriname to grant this power to just one Mining Inspector.

ARTICLE 75

This provision is self-evident.

ARTICLE 76

The dynamic development in the Mining Industry must be rapidly taken advantage of. The information given by holders of Mining Rights must, in this framework be regarded. Therefore it is essential that the Articles referred to this provision with regard to the data given, can be amended by Government Resolution. This Government resolution shall be effective for the future and shall not be valid for Mining Rights already granted. For that an act is required.



Sub-section 2

In view of the effect of inflation, it is necessary now and then to change amounts referred to in an act. But this must be done in a flexible way. In our legal system the Government Resolution is most appropriate for this. This Government resolution will - contrary to the one referred to in sub-section 1 - indeed apply to the Mining Rights already granted. However, these are protected now that the Government Resolution must state an indexation.

ARTICLE 77

Unlike what is usual, a period of 60 days is here maintained. this long period is related to the regulation with regard to building materials and is intended to:

- a giving information;
- b enabling persons to request the right to exploit building materials
- c to process administratively the applications referred to under b.

The Minister of Natural Resources and Energy,

K.R. Koole

Paramaribo, April 30, 1996

