MINING LAW OF ALBANIA

No. 7796, date 17.02.1994
CHAPTER I

SHORT TITLE AND EXTENT

Art. 1
This Law shall be known as the Mining Law of Albania (1994).

Art. 2
It extends to the whole territory of the Republic of Albania including the seabed and subsurface of waters under its jurisdiction.

CHAPTER II

GENERAL PRINCIPLES

Art. 3
In this Law, unless the context otherwise indicates:

"State" means the Republic of Albania.

"Minister" means the member of the Council of Minister for the time being responsible for mines and minerals.

"Ministry" means the ministry dependent on the Minister.

"Person" means a natural or juridical person.

"Mineral" means any substance, whether in solid, liquid or gaseous form, occurring naturally in or on the earth, in or under water or in tailing and having been formed by or subjected to a geological process, excluding petroleum that is in a liquid or gaseous state in situ and water, but including sand, stone, rock, gravel and clay, as well as soil, other than topsoil.

"Mine" means, when:

-(a) used as a noun,
   i) any excavation in the earth, including the portion under water or in any tailing, as well as any borehole, whether being WORKED or not, made for the purpose of searching for or winning a mineral, or
   ii) any other place where a mineral deposit is being exploited, including the mining area and all buildings, structures, machinery, mine dumps, access roads or objects situated on produced area and which are used or intended to be used in connection
with produced searching, winning or exploitation or for the processing of produced minerals and

-(b) used as a verb, the making of any excavation or borehole referred in paragraph - (a)
i) or the exploitation of any mineral deposit in any other manner, for the purpose of
winning a mineral, including any prospecting or exploration in connection with the
winning of produced mineral.

"Underground" means, in relation to a mine, any place in a mine under the natural surface of
the earth which is solely connected to the surface by means of a shaft, adit, raise, wince,
tunnel or decline or a combination thereof.

"Quarry" means any place (not being a mine) where quarry material or quarry mineral has
been removed or is being removed, whether by excavation or otherwise to supply material for
construction, commercial, industrial or manufacturing purposes.

"Process" means, in relation to any mineral, the recovering extracting, concentrating,
refining, calcining, classifying, crushing, screening, washing, reducing, smelting or
gasification thereof.

"Mining right" means a permit, concession, license or other authorization granted pursuant to
this Law to engage in activities related to prospecting, exploration or mining.

"Investment agreement" means an agreement entered into between a concessionaire and the
Minister pursuant to "Art. 44".

"Public interest" means something in which the public, the community at large, has
some pecuniary interest, by which their legal rights or liabilities are affected.

"Royalty" means the payment to the State of a percentage of the value of the delivered
minerals.

"Effective date" means the date on which a permit or concession is signed by the Minister.

Art. 4

The present Law governs the relationship between the State and natural or juridical persons
with respect to the obtaining of mining rights and the execution of mining activities. Excluded
from the application of this Law are petroleum that is in a liquid or gaseous state in situ and
waters.

Art. 5

All mining rights granted pursuant to this Law and the exercise of any mining activities shall
be governed by and be subject to the laws of Albania.

Art. 6
Activities under a mining right are declared to be in the public interest for purposes of allowing access to and use of land.

**Art. 7**

The State encourages the ongoing development and modernization of the mining sector in Albania in a free market economy based on competition and open access to economic activity.

**CHAPTER III**

**DOMINION OF THE STATE AND MINING RIGHTS**

**Art. 8**

All minerals in situ existing in the territory, to which this Law extends, whatever be their origin, form or physical state, within or on the surface of the earth, in the depths or in the waters are the inalienable and inprescriptible property of the State represented by the proper Ministry.

**Art. 9**

The State may grant mining rights in accordance with this Law to persons, national or foreign, allowing the holder to carry out mining activities. No person may engage in mining activities except in accordance with rights granted under this Law.

**Art. 10**

Before granting any right pursuant to this law, the Minister or his delegate shall make produced consultations with the relevant local authorities as the Minister may deem appropriate in cases where the granting of produced rights may seriously and adversely affect the residents of produced locality.

**Art. 11**

Any rights to conduct mining activities granted prior to this Law must be affected in accordance with this law.

**Art. 12**

A mining concession is an intangible right, distinct and independent from that of the ownership of the land. Subject to the prior written consent of the Minister, the rights emanating from a mining concession may be transferred and may be pledged. The constructions and other installations that affect the permanent operations are considered as immovable accessories to the concession.

**Art. 13**
No mining right shall authorize the holder thereof to use the underground or any shafts, adits, tunnels or other access to the underground for any purpose other than that expressly specified in the concession or permit. The use of the underground or access thereto for storage or disposal of toxic, radioactive or other wastes is prohibited. Very cultural, monetary, historical, archeological material, which should be found in the permit area or other material are the inalienable and inprescriptible property of the State. The concessionaires who found these materials must be noticed immediately to General Mining Directorate.

CHAPTER IV
GROUPING OF MINERALS

Art. 14
For purposes of this Law, minerals are divided into the following groups:

a) Group 1 Metallic Elemental Minerals
b) Group 2 Non-metallic Elemental Minerals
c) Group 3 Coal and oil-shale
d) Group 4 Quarry and construction

e) Group 5 Precious stones
f) Group 6 Semi-precious stones

The minerals that fall within each Group are listed in Schedule A, which is a part of this Law.

CHAPTER V
ADMINISTRATION

Art. 15
The Minister is designated as the competent authority to act on behalf of the State in the execution of this Law.

Art. 16
A General Mining Directorate is hereby created as a dependency of the Ministry to monitor mining activities in Albania. The research institutes on mining activities shall provide technical advice and assistance to the Minister and to the General Mining Directorate on the specific aspects of the mining industry that fall within their respective technical expertises.

Art. 17
The Minister may make Regulations as are necessary or convenient to be prescribed for carrying out or giving effect to the provisions of this Law.

CHAPTER VI

STATE MINING ENTERPRISES

Art. 18
All State owned enterprises engaged in mining activities are to operate as autonomous, whose activities shall be treated in all respects in the same manner as private sector entities.

Art. 19
The State mandates that the areas and activities for which the State Mining Enterprises are granted rights be privatised.

Art. 20
The contribution of the State Mining Enterprise in privatisation shall be valued at the reasonable fair market value of the rights and assets assigned by the State Mining Enterprise at the time of transfer. The method of valuation of the contribution of the State Mining Enterprise shall be determined by regulations.

CHAPTER VII

MINING RIGHTS FOR GROUP 1, 2 or 3 MINERALS

A) PROSPECTING PERMIT

Art. 21
The Minister may on the application of any person grant to that person a prospecting permit in the form prescribed by Regulation whereunder the permit shall have the exclusive right to search within the permit area for indications of minerals.

Art. 22
The area of a prospecting permit shall not exceed 400 contiguous, square kilometres and shall not cover any area that is subject to another prospecting permit or exploration concession or exploitation concession granted pursuant to this Law unless the holder of produced existing permit or concession specifically consents in writing.

Art. 23
The term shall be for maximum of one year, not subject to extension.
Art. 24

A person may hold more than one prospecting permit simultaneously.

Art. 25

An application for a prospecting permit shall:

a) state name and address of applicant
b) provide particulars of the financial and technical resources available to the applicant for the permit as well as experience in the mining industry
c) provide a description of the area over which the permit is sought, including a map, and
d) provide particulars of the program of reconnaissance operations proposed to be carried out, proposed methods of work, an estimate of the costs and of the period required for completion of the program.

Art. 26

Within sixty days after receipt of an application, the Minister shall give notice to the applicant for the grant of a prospecting permit of his decision on the application.

Art. 27

A prospecting permit confers the following rights on the permit:

a) to enter the permit area with produced agents, employees, vehicles, machinery and equipment as may be necessary or expedient for the purpose of prospecting for minerals in, or under the land;
b) to prospect for minerals and to carry out produced operations and produced works as necessary, provided that the permittee may not engage in drilling, excavation or other subsurface techniques except where and to the extent he is authorized by his permit to use any of those techniques and
c) to extract and remove from produced land samples of minerals in non-commercial quantities for purposes of analysis.

Art. 28

In addition to other conditions imposed in the prospecting permit, every prospecting permit shall be subject to the following:

a) the permittee shall promptly report to the Minister in writing the discovery of any minerals of economic interest;
b) all disturbances to the surface of the land which are made while prospecting shall be filled in or otherwise made safe to the satisfaction of the Mining Directorates and
c) the permit shall take all necessary steps to prevent damage to vegetation or other property.
Art. 29

The permitee shall, at produced times and in produced a manner as may be prescribed by Regulation, file or cause to be filed with the General Mining Directorate reports on the worse done within the permit area, the money expended and the results. A representative portion of all geological samples extracted by the permitee shall be provided to the General Mining Directorate along with the results of all tests or treatments carried out on the samples.

B) EXPLORATION CONCESSION

Art. 30

The Minister may, on the application of any person considered to have the requisite financial and technical resources and mining experience, award to produced applicant an exploration concession granting the concessionaire the exclusive right to explore for specified minerals in the concession area. The exploration concession shall be in the form prescribed by Regulation.

Art. 31

The application shall include:

a) identity and address of applicant;

b) statement of relevant experience;

c) statement of financial and technical resources available to the applicant for purposes of the requested concession;

c) proposed area of concession, including map;

d) mineral or minerals (Group 1, 2 and/or 3) for which the concession is sought;

dh) proposed method of explorations and

e) proposed worse program and anticipated schedule and expenditure for carrying it out. An exploration concession shall specify the minimum worse program to be undertaken by the concessionaire. Performance of produced minimum worse program shall be guarantied by a guarantor acceptable to the Minister. The form and substance of produced guarantee shall also be subject to the Minister's prior approval.

Art. 32

The holder of a prospecting permit shall have a priority right over other applicants during the term of produced prospecting permit and for a period of thirty days hereafter to be granted one or more exploration concessions over the area covered by the prospecting permit provided that the Minister is satisfied with items (b), (c), (dh) and (e) of art 31, the application of the holder of the prospecting permit.

Art. 33
Within sixty days after receipt of an application, the Minister shall notify the applicant of his decision on produced application.

**Art. 34**

The initial term of an exploration concession shall be for two years, subject to up to three extensions of one year each if requested by the concessionaire at least thirty days before the end of the then current period provided that the concessionaire has fully complied with its accrued obligations under the concession and provided further that it offers a worse program for the requested extension that is satisfactory to the Minister.

**Art. 35**

Within ninety days after the effective date of the exploration concession the concessionaire shall commence field operations.

**Art. 36**

The maximum area of an exploration concession shall be 200 square kilometres which are contiguous and shall not cover any area that is subject to a prospecting permit or an exploration or mining concession held by another, unless the Minister and the other permittee or concessionaire agree that the new concession will not unreasonably affect the existing contractual rights.

**Art. 37**

An exploration concessionaire may hold more than one exploration concession simultaneously.

**Art. 38**

The exploration concessionaire shall relinquish portions of the concession area progressively during the term thereof in accordance with the following schedule:

- a) at least forty percent of the original concession area, not later than the end of the initial term;
- b) at least fifty percent of the original concession area, not later than the end of the first one year extension;
- c) at least seventy five percent of the original concession area, not later than the end of the second one year extensions and
- d) all portions of the original concession area not covered by a mining concession, by the end of the third one year extension.

**Art. 39**

Every one year extension that the concessionaire requests shall be agreed by the Minister as a condition of the extension and once approved by the Minister shall be deemed a firm undertaking by the concessionaire.

**Art. 40**
The exploration concessionaire shall pay to the State an annual rental, payable on the effective date of the exploration concession and on each anniversary of produced effective date on the number of square kilometres comprising the concession area on the date payment is due. The annual rate of produced rental shall be equivalent in lek of 300 Swiss Francs in the moment of payment per square kilometre or fraction thereof.

Art. 41

An exploration concession confers on the exploration concessionaire the right:

a) to enter the concession area with produced agents, employees, vehicles, machinery and equipment as necessary for the purpose of exploring for minerals in, on or under the land;
b) to explore for minerals and to carry out produced works and operations for that purpose as may be necessary including digging pits, trenches and holes, and sinking bores and tunnels in, on or under the lands and
c) to extract and remove from produced land and export samples of minerals in non-commercial quantities for the purpose of testing.

Art. 42

The exploration concessionaire shall keep complete and detailed records of the surveys and other operations conducted pursuant to the concession and shall make produced records available in Albania at all reasonable times for inspection by the Minister and the General Mining Directorate.
The exploration concessionaire shall furnish the Mining Directorate with copies of produced information relating to surveys and other operations conducted by it as the General Mining Directorate may request.
The obligations of Articles 28 and 29 shall also apply to an exploration concessionaire.

Art. 43

Provided that it has complied with its obligations under the exploration concession, the exploration concessionaire shall have the right during the term of the exploration concession to elect to convert to one or more mining concessions the portions of the exploration concession area that it commits to develop and exploit. The application for the mining concession shall be filed in accordance with Article 45.

C) MINING CONCESSION

Art. 44

The Minister may on the application of any person considered to have the requisite financial and technical resources and mining experience, award to produced applicant on behalf of the State a mining concession granting produced concessionaire the exclusive right to mine and exploit one or more specified minerals from the concession area. The document evidencing the mining concession shall be in the form prescribed by Regulation.
The Minister is authorized to negotiate and, enter into on behalf of the State an investment agreement with the concessionaire.
Produced investment agreement shall require the prior approval of the Council of Ministers, and Parliament granting investment facilities, incentives and guarantees not included in the Albanian legislation.

**Art. 45**

The application for a mining concession shall:

a) provide identity and address of applicant;

b) specify the area over which the mining concession is sought (including map);

c) specify the mineral or minerals in Groups 1, 2 and/or 3 for which the mining concession is sought;

d) give details of the mineral deposits in the area over which the mining concession is sought, including details of all known minerals proved, estimated or inferred, ore reserves and mining conditions;

dh) provide a proposed development and investment program and schedule;

e) give particulars of the proposed mining operations, including:
(i) estimated capacity of production and scale of operations,
(ii) nature of the products,
(iii) proposals for the prevention of pollution, the treatment of wastes, the safeguarding of natural resources, the progressive reclamation and rehabilitation of land disturbed by mining and for the minimisation of the effects of mining on surface water and ground water and on adjoining or neighbouring lands,
(iv) the anticipated residual effects on the environment of the mining operations and proposals for their minimisation and mitigation, and
(v) any particular risks (whether to health or otherwise) involved in mining the mineral and proposals for their control or elimination;

e) give a detailed forecast of capital investment, operating costs and revenues and the anticipated type and source of financing;

f) give particulars of the applicant's proposals with respect to the employment and training of citizens of Albania, and

g) shall give particulars of expected infrastructure requirements and arrangements provision.

**Art. 46**

Where the applicant is not the holder of an exploration concession, the application shall also include full details of the financial and technical capacity of the applicant and information regarding his relevant experience in the mining sector.

**Art. 47**

The Minister shall notify the applicant for a mining concession of his decision on the application within ninety days after receipt thereof. With regard to applications from exploration concessionaires, produced decision shall be taken in accordance with Article 45. The Minister shall assure that the land over which a mining concession is granted has been properly surveyed before the mining concession is granted. For the purpose of doing so, the
Minister may direct the applicant for the mining concession to cause a survey to be prepared at the applicant's expense in accordance with produced requirements as may be specified in the direction.

All mining rights must be published in the official papers or other manner of information.

**Art. 48**

The maximum area for a mining concession is fifteen contiguous square kilometres. The same concessionaire may hold more than one mining concession simultaneously.

**Art. 49**

The duration of a mining concession shall be till to twenty years from its effective date, subject to up to four renewals of till to five years each if requested by the concessionaire not less than one year before the expiry of the then current term.

**Art. 50**

The mining concessionaire shall pay to the State on the effective date of the mining concession and on each anniversary date of produced effective date an annual rental fee with respect to the concession area.

The rate shall be determined by the Minister from time to time for the particular mining concession, subject to the criteria approved by the Council of Ministers.

An annual rental fee with respect to the concession area have as minimum the equivalent in lek of 3 000 Swiss francs and as maximum the equivalent in lek of 10 000 Swiss Francs in the moment of payment for each square km² or fraction thereof.

**Art. 51**

Not later than fifteen days after the end of each calendar month, the mining concessionaire shall pay to the State in lek the equivalent of Swiss francs, a royalty of two per cent of the market value of the total volume of minerals from the concession area delivered to customers during produced calendar month.

The procedure for determining the market value of the minerals shall be specified in Regulations.

**Art. 52**

A mining concession confers on the concessionaire the right:

(a) to do all acts and things that are necessary to carry out effectually mining operations in, on or under the concession area;
(b) to take and remove from the land the mineral or minerals for which the mining concession is granted and to dispose of the; and
(c) to install and operate within the concession area plants for beneficiation, smelting, refining an otherwise adding value to the minerals extracted from the concession area.

**Art. 53**
A mining concessionaire has right to construct/install and operate within the concession area buildings, camps, storage facilities, pipelines, electric generation and transmission facilities, communications systems, railway lines, petroleum storage facilities and other infrastructure or facilities required for its operations

Art. 54

The State has no obligation to provide any infrastructure within or outside of the concession area. In the event that the concessionaire wishes to use facilities or infrastructure belonging to the State that are generally available to the public, it shall have the right to use produced infrastructure in accordance with legislation in force.

Art. 55

A mining concessionaire has the right without further license or authorization to sell in Albania or for export all minerals produced pursuant to the mining concession from the concession area, as well as finished products and by-products therefrom.

Art. 56

The mining concessionaire shall keep complete and detailed records of all operations conducted pursuant to the concession and shall make produced records available at all reasonable times for inspection by the Minister and the General Mining Directorate.

Art. 57

The mining concessionaire shall maintain in Albania full and complete books of account and produced other books and records as may be necessary to show the worse performed under the concession, the costs incurred and the quantity, quality and value of all minerals extracted from the concession area. All produced records and accounts shall be maintained in accordance with Albanian legislation and generally accepted accounting practices in the international mining industry.

Art. 58

The mining concessionaire shall furnish to the Mining Directorate technical, operational and production data in produced form, at produced intervals, in respect of produced periods and containing produced detail, as may be prescribed by Regulations.

Art. 59

The mining concessionaire shall present for the Minister's approval an annual worse program and budget and production schedule for the concession area. The first produced program shall cover the balance of the calendar year in which the effective date occurs and shall be presented within thirty days after produced effective date. For each subsequent year, the submittal shall be made at least ninety days prior to the calendar year to which the proposed program, budget and production schedule relate. The concessionaire's submittal shall be deemed approved if the Minister does not take written exception thereto within forty days after receipt.
Art. 60

Where the Minister considers that the holder of a mining concession is using wasteful mining or treatment practices or is conducting its operations contrary to the object of optimum exploitation of minerals, he may give notice to the concessionaire (giving in the notice particulars of produced practices) and require the concessionaire to show cause within produced period as the Minister shall specify in the notice why it should not cease to use those practices.

Where within the period specified in the notice under subarticle (1), the concessionaire fails to satisfy the Minister that the practices specified in the notice are not wasteful or contrary to optimum exploitation or that the use of those practices is justified, the Minister may issue a direction ordering the concessionaire to take produced rectifying steps within a period specified in the direction as may be required by the Minister.

Art. 61

If any person in any manner uses or causes to be used or intends to use the surface of any land which may in the opinion of the Minister detrimentally affect the object of this Law in relation to optimum exploitation of any mineral which occurs or which may occur in economically exploitable quantities in or on produced land or in tailing on produced land, the Minister may cause to be held into the matter and may issue an order in accordance with the legislation in power.

Art. 62

The concessionaires shall give notice to the Minister:

(a) one year in advance if it proposes to cease production from a mine in the concession area concerned;
(b) 180 days in advance if it proposes to suspend production from any produced mine, and
(c) 90 days in advance if it proposes to curtail production from any mine by more than ten per cent of the volume anticipated in the approved production schedule.

Produced notice shall state in detail the reason or reasons for produced proposed cessation, suspension or curtailment.
CHAPTER VIII
MINING RIGHTS FOR GROUP 4 MINERALS AND MATERIALS

A) PROSPECTING AND EXPLORATION PERMIT

Art. 63
The Minister may, on the application of any person considered to have the requisite financial and technical experience with group 4 of minerals, award to the applicant a prospecting or exploration concession described in regulation, granting the concessionaire the exclusive right to prospect or explore for group 4 of minerals in the concession area which should be primarily minerals to open a quarry of type 2.
The duration of a this concession shall be till to two years from its effective date, the maximum area for a prospecting and exploration concession is thirty contiguous square kilometres.
The same concessionaire may hold more than one mining concession simultaneously.
In case of the exploration permit the concessionaire must pay to the state an rental fee equal to the equivalent in lek of 100 Swiss Francs in the moment of payment for each square km² or fraction thereof for its concession area.

Art. 64
The application for a prospecting and exploration permit for group 4 of minerals shall include:

a) identity and address of applicant;
b) statement of financial and technical resources available to the applicant for purposes of the requested concession, statement of relevant experience in prospecting and exploration for group 4 of minerals;
c) proposed area of concession, including map;
c) mineral or minerals (Group 4) for which the concession is sought;
d) proposed method of explorations and proposed worse program and anticipated schedule and expenditure for carrying it out.

Art. 65
Within sixty days after receipt of an application, the Minister shall notify the applicant of his decision on produced application.

B) MINING CONCESSION

Art. 66
A quarry permit is required for the mining of construction minerals and materials except in following instances:
the owner of the surface taking materials therefrom for use in construction on his own property;
b) local authorities or other persons engaged in the construction of public roads or other public works utilizing the spoil from necessary excavations or from borrowpits close to produced road or works;
c) the holder of a mining concession taking construction materials from within its concession area for use in its mining operations.

Art. 67

Any dispute as to whether a person qualifies for an exception under Art. 66 shall be decided by the Minister whose decision in the matter shall be final.

Art. 68

The Minister shall establish any public quarries by ministerial decree (type 1). A public quarry shall be under the operational jurisdiction of the director general of the General Mining Directorate.

Art. 69

Two types of quarry permits are authorized:

a) Type 1 quarry permit, being a permit to remove construction minerals and materials from a public quarry on payment of produced fee as may be imposed by the Minister in respect to the materials removed. The maximum initial duration of a type 1 quarry permit is one year, subject to renewal for successive periods of six months each if requested by the permittee at least thirty days before the expiry of the then current period.
b) Type 2 quarry permit, being an exclusive permit to develop and mine a quarry for specified Group 4 minerals or materials in consideration of paying the fee specified in permit in respect of the minerals or materials removed. The maximum initial duration of a type 2 quarry permit is ten years, subject to renewal for successive one year periods if requested by the permit at least thirty days before the expiry of the then current period.

Art. 70

An application for quarry permit shall:

a) state name and address of the applicant;
b) indicate the Group 1 minerals or materials for which the permit is sought;
c) specify the initial duration for which the permit is sought;
c) provide particulars of the financial resources available to the applicant to pay for the minerals and materials to be extracted;
d) in the case of a type 1 quarry permit, indicate the minimum and maximum quantities on an annual basis and the specifications of each mineral or material on which the permit is sought;
dh) in the case of a type 2 quarry permit, (1) specify the exact location of the applicant's proposed quarry,
give details of the deposit over which the quarry permit is sought,

provide a proposed development and investment program and schedule,

give a detailed forecast of capital investment, operating costs and revenues and the anticipated type and source of financing,

give particulars of expected infrastructure requirements and arrangements for provision,

provide a detailed list of construction materials and minerals to be produced from the quarry, estimated capacity of production and scale of operations, and planned markets for the production,

detail the experience of the applicant in operating quarries and in marketing minerals and materials of the type to be produced from the quarry;

give particulars on environmental aspects of the proposed quarry operation, including:

i) proposals for the prevention of pollution, the treatment of wastes, and the safeguarding of natural resources,

ii) the anticipated residual effects on the environment of the quarry operations and proposals for their minimisation, and

iii) any particular risks (whether to health or otherwise) involved in mining the materials and minerals and proposals for their control or eliminations and

give particulars of the applicant's proposals with respect to the employment and training of citizens of Albania.

Art. 71

Within thirty days after receipt of an application, the Minister shall notify the applicant of his decision on produced application. The Minister may accept, accept with conditions or reject any application for a quarry permit. In any event, he shall communicate his decision on the application within thirty days after receipt thereof. The permit shall be in the form prescribed by the Regulation. The permit shall contain produced additional conditions as the Minister shall impose as a condition thereof.

Art. 72

With respect to a type 2 quarry permit involving an export oriented project, the Minister is authorized to negotiate and enter into on behalf of the State an investment agreement of the type referred to in Art. 44.

Art. 73

The mining concessionaire shall pay to the State on the effective date of the mining concession and on each anniversary date of produced effective date an annual rental fee with respect to the concession area.

The rate shall be the equivalent in lek of 1 500 Swiss Francs in the moment of payment for each square km² or fraction thereof.

Art. 74

Not later than fifteen days after the end of each calendar month, the mining concessionaire shall pay to the State in lek the equivalent of Swiss francs, a royalty of two per cent of the
market value of the total volume of minerals from the concession area delivered to customers during produced calendar month. The procedure for determining the market value of the minerals shall be specified in Regulations.

Art. 75

The Minister have the right to give at local authorities with a particular decree the administration of the minerals and materials of group 4 minerals.

CHAPTER IX

GROUPS 5 AND 6 MINERALS

Art. 76

No person may prospect for or mine Group 5 or Group 6 minerals without a mineral claim granted by the Minister.

Art. 77

Before applying for a mineral claim the applicant must stake out the area of land over which the person wishes the mineral claim to be granted and must notify the owner or owners of produced land, if not the State, through local authorities of the applicant's intention to seek a mineral claim over the respective property.

Art. 78

Any person, including a person who has previously held a mining claim on some or all of the same area, may apply to the Minister for a mineral claim covering specified Group 5 or Group 6 minerals.

The application shall:

a) provide the name and address of the applicant,
b) identify the land to which the application relates and specify whether produced land is owned by the State or by third parties,
c) where produced land is not owned by the State, give the name and address of each registered owner of the land to which the mineral claim application relates, provide a consent from the registered land owner, executed before a notary, to the granting of the mineral claim over his property, and
d) specify the Group 5 and Group 6 mineral or minerals in respect of which the mineral claim is sought.

Art. 79

Within thirty days after receipt of the complete application the Minister shall notify the applicant of his decision on the application. If Minister is willing to grant the mining right, he shall include in the notice the rate or rates of royalty payable as well as special conditions, if
any, that are to apply to the mineral claim and the amount and type of bond or other security that the applicant must post with the Minister and maintain to guarantee
(i) correct reporting of all minerals extracted from the mineral claim area and
(ii) their value as well as
(iii) proper and timely payment of royalty thereon concerning his mineral claim.

Art. 80

A mining claim may be granted over a maximum area of two contiguous hectares. The same person may hold more than one mining claim simultaneously. A mining claim may not be granted over any area over which another mining right has been granted pursuant to this Law unless the holder of produced other mining right gives an irrevocable consent in writing thereto.

Art. 81

A mining claim shall have a maximum validity of five years from the date of the Minister's notice to the applicant accepting the application.

Art. 82

The holder of a mining claim may, in accordance with the conditions prescribed by the Minister in respect of produced claim, prospect, explorer and mine the Group 5 and 6 mineral or minerals in respect of which the claim is granted and may in connection with any produced prospecting, exploration or mining:
(a) erect buildings and structures,
(b) exercise any rights in the nature of easements,
(c) carry out within the mining claim area any activities of prospecting, exploration and mining,
(c) extract from the claim area all minerals authorized by the mining claim, and
(d) dispose of the minerals extracted through a licensed mineral dealer, but not otherwise.

Art. 81

The holder of a mining claim shall pay to the State within five days after the end of each calendar month in lek the equivalent of Swiss francs, a royalty of two per cent of the market value of all minerals from the claim area sold during produced month.

Art. 84

The holder of a mining right shall comply with produced rules and procedures as may be prescribed by Regulation in relation to the registration and sale of minerals extracted by the mining claim holder.

Art. 85

No person may make commerce in Group 5 or Group 6 minerals unless he holds a mineral dealer's license issued by the Minister.

Art. 86
An application for a mineral dealer's license shall:

a) state the name and address of the applicant,
b) detail the experience of the applicant in the commerce of Group 5 and Group 6 minerals,
c) indicate the mineral or minerals for which the mineral dealer's license is sought, and
d) provide evidence of the source of financial sources available to the applicant for conduct of the proposed commerce in minerals.

Art. 87

The Minister shall notify the applicant under Art. 86 of his decision on the application within thirty days after receipt thereof.

CHAPTER X

RELATIONSHIP BETWEEN THE HOLDERS OF MINING RIGHTS AND THE OWNERS OF THE SURFACE

Art. 88

The relationship between holders of mining rights and the owners of the surface shall be regulated in accordance with the Albanian legislation in power.

CHAPTER XI

GENERAL OBLIGATIONS OF HOLDERS OF MINING RIGHTS

Art. 89

Every holder of a mining right shall give preference in selecting employees at all levels to applicants of Albanian nationality who possess the requisite expertise and experience.

Art. 90

Every holder of a mining right shall undertake development and training of its personnel.

Art. 91

The holder of a mining right shall conduct all mining operations in a safe, prudent and responsible manner and shall take reasonable measures to protect all persons against potential dangers from produced operations in accordance with mine safety regulation.

Art. 92

The holder of a mining right shall provide basic medical facilities and staff.
Art. 93

The holder of a mining right must maintain in force and effect at all times produced insurance as may be required by applicable law. Any insurance which it or its shareholders obtain must be in accordance with Albanian Insurance Legislation.

Art. 94

The holder of a mining right shall facilitate the inspection and audit of its operations by duly authorized representatives of the State.

Art. 95

The holder of a mining right shall assure that all activities related to its mining right are carried out in an environmentally responsible manner. The holder of the mining right shall take necessary precautions to prevent pollution or damage to the environment including the undertaking of remedial measures within a reasonable period to repair or offset damage to the environment in cases where is determined that any works or installations of the holder of the mining right or any operations conducted by or on behalf of produced holder endanger property of others or cause pollution or harm flora or fauna or the ecosystem. Where pollution occurs the holder of the mining right must promptly treat or disburse it in an environmentally acceptable manner.

Art. 96

The holder of a mining right shall prepare an implement an environmental management plan to prevent the environment for the Minister of Health and Environmental approval and, once approved, this plan which will, among other elements, address the handling and acceptable disposal of all solid, gaseous and liquid wastes from the holder's operations.

Art. 97

The holder of a mining right that uses water in its operations must return the water to the river, lake or other source from which taken, free from contamination that could adversely affect human health or the development of flora and fauna.

Art. 98

The rehabilitation of the surface of land concerned in a mining activity shall be carried out by the holder of the mining right in accordance with a specific rehabilitation program proposed by the holder and approved by the Minister.

Art. 99

Whenever a mining right is terminated or lapses or an area covered by a mining right is surrendered, the person who was the holder of the mining right immediately prior to produced
termination, lapse or surrender shall demolish all buildings, structures or any other thing which was erected or constructed in connection with produced mining right on the surface of the land concerned and shall remove all debris and, as far as practicable, restore within a reasonable time any produced surface to its natural state to the satisfaction of the Minister. Produced demolition or removal shall not be applicable in respect of structures, buildings or objects

a) which the State may elect, by notice from the Minister, to succeed to the ownership free of charge or
b) which the owner of the land wishes to retain and which has been agreed upon between produced former holder of the mining right and the owner of the land in a writing lodged with a notary.

CHAPTER XII

SPECIAL BENEFITS TO PROMOTE PRIVATE INVESTME

Art. 100

With the object of promoting investment in the mining sector, the following benefits are guaranteed to holders of mining concessions for types 1, 2 or 3 minerals and their shareholders, and may at the discretion of the Minister be extended in accordance with article 44 as he considers justified to the holders of any other type of mining right for an activity that is primarily export oriented:

a) right to import directly goods and equipment required for operations;
b) right to maintain books of account in US dollars or other foreign exchange acceptable to the Albanian National Bank;
c) right to exchange foreign exchange into local currency at the generally prevailing rate for commercial transactions at time of the exchange;
d) right to receive and retain abroad proceeds from export sales and to cover local costs;
e) right to convert local currency income into foreign exchange at the generally prevailing exchange rate for commercial transactions as required for purposes of paying for imports, and remitting abroad debt service, profits and dividends;
f) right to open foreign trust accounts in connection with project financing;
g) right to maintain and operate bans accounts both in Albania and abroad;
h) undertaking that the mining sector in relation to other sectors of economic activity will not be discriminated against fiscal package consisting of:
(i) land and property rental at the applicable rate specified in Albanian legislation;
(ii) import duties at generally applicable rates under Albanian legislation;
(iii) royalty or fee as applicable specified in this Law;
(iv) corporate profits tax at rates under Albanian legislation in effect on date of granting of the mining concession, permit or authorization, as applicable, calculated in accordance with rules under Albanian legislation in effect on produced date.
(v) taxes or fees on locally formed companies with rules under Albanian legislation, i) exemption from turnover tax under Albanian legislation and from other taxes which may substitute this for the holder of the mining right or its shareholders which profit from this law
j) guarantee of stability of the fiscal package set forth in
i) above for the full term of produced mining right;
k) guarantee that the legal regime under which the mining right is granted shall apply to
the holder of the mining right and its shareholders for the full term of the mining right and
that changes in produced legal regime, including enactment of new laws, shall not be
applicable unless the Minister and the holder of produced mining right agree in
writings and
l) right to have any disputes between the State and the holder of the mining right settled
by arbitration in accordance with the rules of the International Chamber of Commerce,
Paris, France or Competent Albanian Court.

Art. 101

In cases where the Minister extends some or all of the benefits under Art. 100 to the holder of
a qualifying other type of mining right, the benefits so granted shall be specified in the
document granting the mining right or in an investment agreement.

CHAPTER XIII
REGISTRY OF MINING RIGHTS

Art. 102

The General Mining Directorate shall maintain a registry of all mining rights granted,
renewed, transferred or cancelled. It shall be the sole responsibility of the holder of the
mining right to register its mining right and any renewal, transfer or cancellation thereof and
to pay a fee in lek equivalent to 100 Swiss francs for each registration or change thereto. The
register shall be kept available for inspection.

Art. 103

For purposes of any legal proceeding concerning a mining right that is registered:
a) a registered interest has priority over an interest that is not registered, and
b) an earlier registered interest has priority over a later registered interest.

Art. 104

No transfer of a mining right or an interest therein shall be effective unless approved in
writing by the Minister and until both the transfer and the Minister's approval thereto are
recorded in the register.

CHAPTER XIV
PENALTY FOR CONDUCT OF MINING ACTIVITIES WITHOUT VALID MINING RIGHTS; RIGHT OF MINISTER TO TERMINATE MINING RIGHTS
Art. 105

An person who carries out mining activities without a valid mining right issued under this Law shall be guilty of an offence and liable for payment of a fine imposed by the Minister not less than equivalent in lek of 50000 and not more than equivalent in lek of 500000 Swiss francs in the moment of payment for each such violation.

Art. 106

The Minister shall have a right to terminate any mining right where the holder thereof:

a) is found to have made material misrepresentations in its application for the mining right especially for the material and financial resources;

b) commits a material breach of this Law;

c) commits a material breach of obligations under the document granting its mining right;

d) closes down or ceases to operate a mine for 180 consecutive days, or

e) unreasonably curtails production from a concession area.

Art. 107

The following procedure shall be followed in giving effect to a termination under Art. 106:

a) the Minister shall give notice to the holder of the mining right specifying his intention to terminate the mining right and the reason for produced termination,

b) the holder of the mining right shall have a period of ninety days after receipt of the notice to:

i) appeal to the tribunal having jurisdiction over disputes between the State and the holder of the particular mining right (international arbitration or the courts in Albania, as applicable) if it disputes the validity of the Minister's reason for the termination or

ii) remedy to the Minister's satisfaction the reason for the termination where produced reason falls within Art. 106 b), c) or e);

c) if the holder of the mining right appeals the pursuant to b) i) above the validity of the reason for termination, the Minister may not proceed with the termination until a final decision is rendered by the tribunal having jurisdiction, provided that the holder of the mining right is diligent in pursuing its claim in produced proceedings and

d) if the holder of the mining right fails to pursue either of the rights listed in b) above, the mining right shall terminate effective ninety days after the holder's receipt of the Minister's notice under a) above.

Art. 108

In the event of a termination for a reason specified in Art. 106, the Minister shall have the right to take without paying any compensation therefore any and all property of the holder of the mining right related to the terminated mining right. In addition the Minister shall have a right to execute any outstanding bonds or other guarantees given by or on behalf of produced holder and to pursue without limitation any other legal rights it may have to collect compensation and damages from produced person.
CHAPTER XV
MISCELLANEOUS

Art. 109

All notifications required or permitted under this Law shall be in writing.

Art. 110

Technical data and samples provided by the holder of a mining right to the Mining Directorate shall be maintained by the State as confidential, unless otherwise agreed by the provider of produced data or samples, until the first to occur of the following:

a) the termination or expiry of the mining right,
b) the relinquishing of the area to which the data or samples relate
c) the elapse of two years from the date on which the General Mining Directorate received the particular information or samples
d) the publication of produced data;
   provided however that nothing in this Article shall be construed as limiting the right of the State to use produced information in the preparation of economical-financial reports and returns required of or by the State.

Art. 111

The holder of a mining concession for Group 1, 2 or 3 minerals shall have the right to import minerals into Albania for processing and then re-export, with both the import and export being exempt from all taxes, duties or other impositions by the State.

Art. 112

Under no circumstances shall the State, or any person acting on its behalf, be liable to third parties as a result of injury to persons or damage to property resulting from the grant of or exercise of rights or the performance of any duty or function conferred or imposed by this Law. The holder of a mining right shall indemnify and hold harmless the State and any produced person acting on behalf of the State from any such person claim by third parties.

Art. 113

This law become in power 15 days after the publication in official newspaper.

TABLE A GROUPS OF MINERALS

GROUP (1) METALLICS
Antimony  Molybdenum
Silver   Monazite
Gold     Nickel
Arsenic  Oxide of iron
Copper   Osmiridium
Bismuth  Pyrites of arsenic
Caesium  Platinum
Cinnabar  Lead
Fluorspar  Rubidium
Galena   Rutile
Garnet   Selenium
Germanium  Sulphur
Iron     Scheelite
Ilmenite  Tantalus
Indium   Titanium
Tin      Thorium
Cadmium  Tungsten and its ores
Cobalt   Vanadium
Chromium  Wolfram
Columbium  Wulfenite
Lithium  Zinc
Manganese  Zircon
Iron ore  Zircon
Platinoid minerals  Mercury
Rare earth minerals

GROUP (2)  NON-METALLICS

Alumina  Cryolite
Alunite  Rock salt
Apatite  Quartzite
Asbestos  Laterite
Barytes  Magnesite
Bauxite  Mica
Beryllium and its ores Ores of silicon
Borates  Perlite
Ceolite  Mineral pigments
Diatomaceous earth  Pyrophyllite
Feldspar  Reef quartz
Phosphates  Chert
Graphite  Steatite
Graphite clays  Emerald
Emery  Iceland spar
Soapstone  Talc
Halite  Peat
Shale ash  Topaz
Calcite  Vermiculite
Chloride  Wollastonite

*******************************************************************************
GROUP (3)                      COAL AND OIL SHALE

<table>
<thead>
<tr>
<th>Coal</th>
<th>Oil shale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bituminous</td>
<td>Pyrobituminous</td>
</tr>
<tr>
<td>Bituminous sands</td>
<td></td>
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</tbody>
</table>

GROUP (4)                      MINERALS AND CONSTRUCTION MATERIALS

<table>
<thead>
<tr>
<th>Marine aggregate</th>
<th>Gyps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anhidritet</td>
<td>Gabroide</td>
</tr>
<tr>
<td>Bentonite clay</td>
<td>Kaolin</td>
</tr>
<tr>
<td>Brick clay</td>
<td>Marble</td>
</tr>
<tr>
<td>Pipeclay</td>
<td>Ophiocalcite</td>
</tr>
<tr>
<td>Pottery clay</td>
<td>Slate</td>
</tr>
<tr>
<td>Fire clay</td>
<td>Plagigranite</td>
</tr>
<tr>
<td>clay and clay shale</td>
<td>Sands</td>
</tr>
<tr>
<td>(for construction)</td>
<td>Serpentine</td>
</tr>
<tr>
<td>Bentonite</td>
<td>Syenite</td>
</tr>
<tr>
<td>Breccious</td>
<td>Clay shale</td>
</tr>
<tr>
<td>Dolomite</td>
<td>Travertine</td>
</tr>
<tr>
<td>Fuller's earth</td>
<td>Tufts</td>
</tr>
<tr>
<td>Granite</td>
<td>Gravel</td>
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<tr>
<td>Limestone</td>
<td>Zhuret</td>
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</table>

GROUP (5)                      PRECIOUS ROCKS

<table>
<thead>
<tr>
<th>Diamond</th>
<th>Ruby</th>
</tr>
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<tbody>
<tr>
<td>Corundum</td>
<td>Sapphire</td>
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GROUP (6)                      SEMI PRECIOUS ROCKS AND OPAL

<table>
<thead>
<tr>
<th>Agate</th>
<th>Rhodonite</th>
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</thead>
<tbody>
<tr>
<td>Chalcedony</td>
<td>Tourquoise</td>
</tr>
<tr>
<td>Quartz crystal</td>
<td>Tourmaline</td>
</tr>
<tr>
<td>Nephrite</td>
<td>Jade</td>
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<tr>
<td>Opal</td>
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