



الهيئة العامة للتعدين | Public Authority for Mining

Opportunities in Oman's Mining Sector

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Content

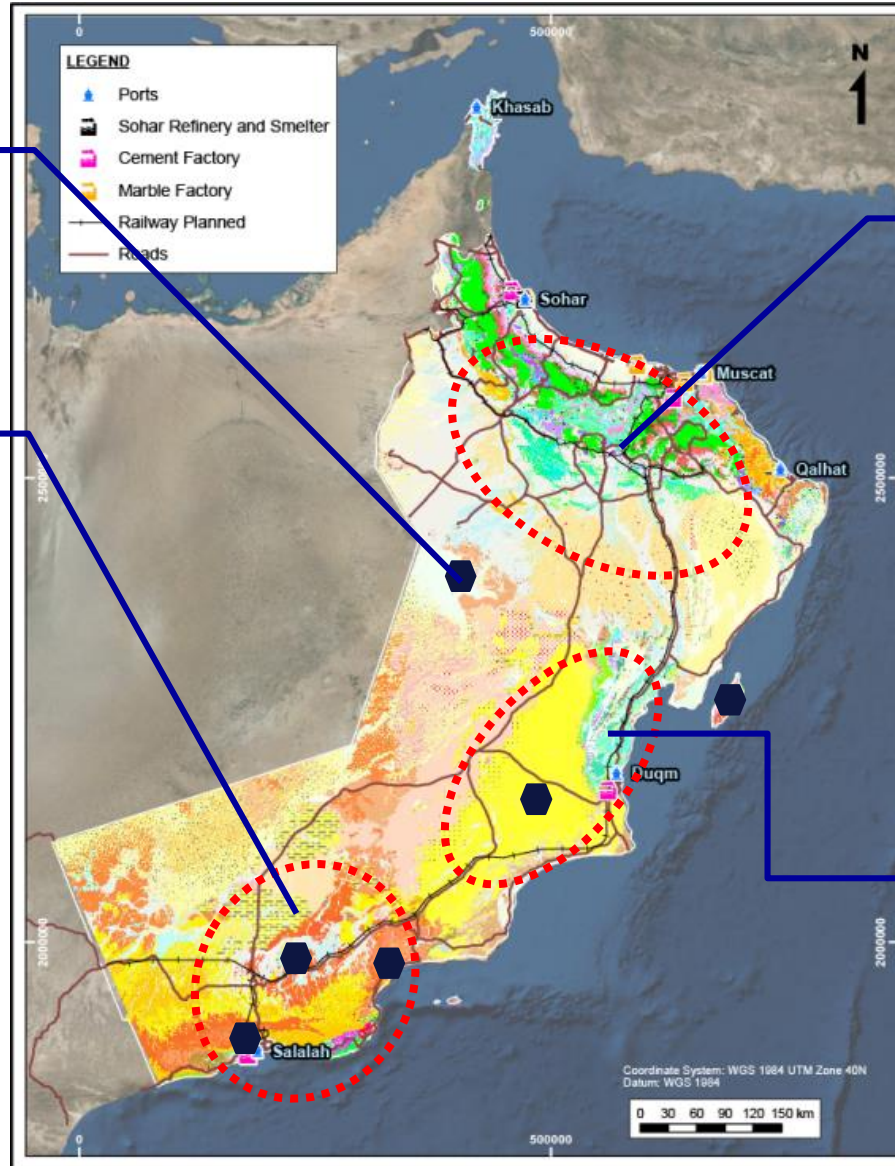
- 1 Mineral Prospectivity of Oman
- 2 Mineral Wealth Law
- 3 Investment Opportunities (Mining Blocks)



Mineral Prospectivity of Oman

Salt/Potash
Lithium

Limestone
Dolomite
Gypsum
Clays
Silica

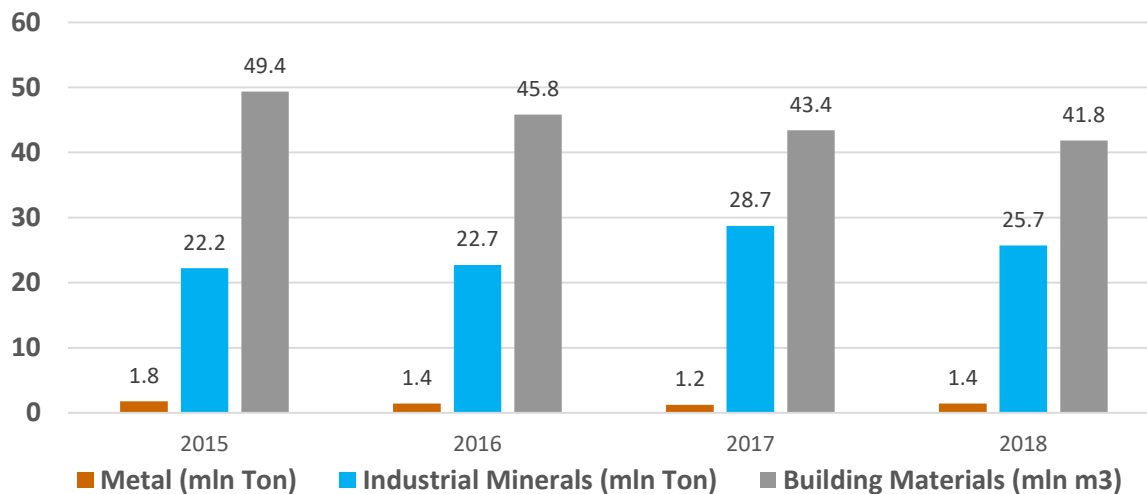


Copper/Gold
Chromite
Gabbro (Aggregates)
Nickel Laterite
Basalt
Zink
Lead
Marble
Limestone
Dolomite
Manganese
Laterite
Clays
Sand Silica
Gypsum
Salt
Lithium
Coal
Quartzite
Carbonatite

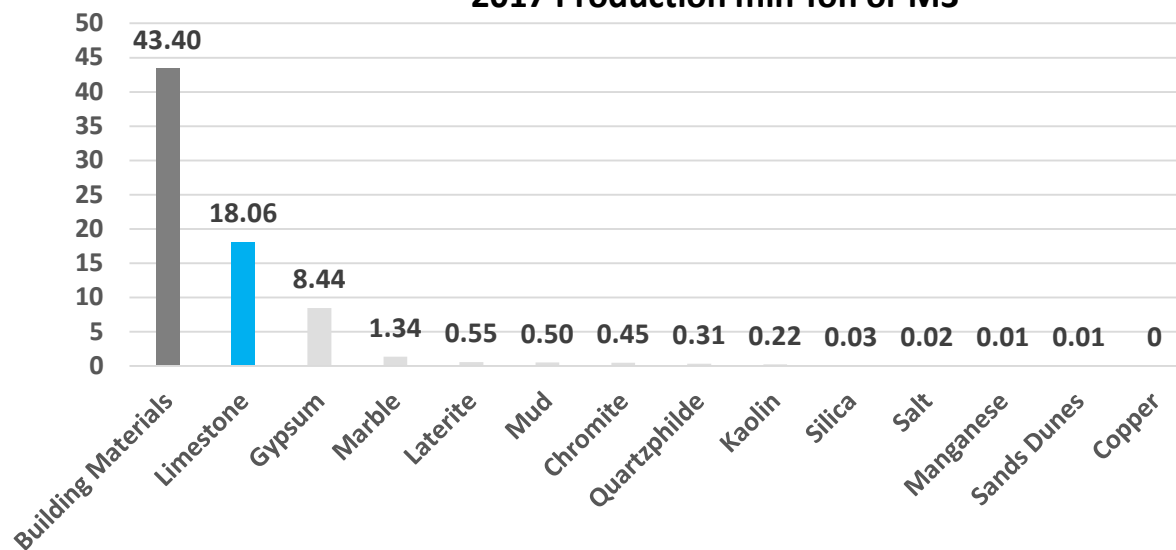
Active Commodities
Potential Commodities

Mineral Prospectivity of Oman

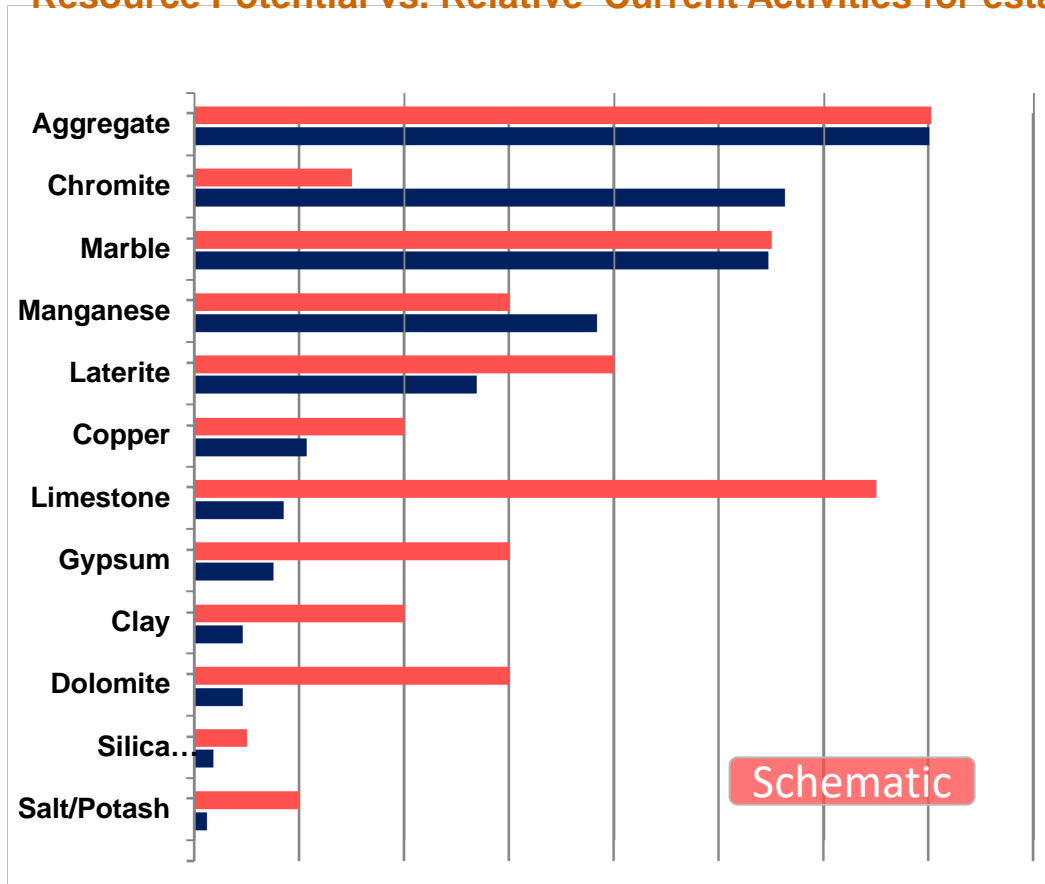
Total Annual Production



2017 Production mln Ton or M3



Resource Potential vs. Relative Current Activities for established commodities in Oman



- **Based on:**

- Review of commodities previously identified in historical studies
- Mineral occurrence inventory*
- Licence database
- Geological terrains

Potential Resource in Oman (based on relative prospectivity from know deposit models)

Relative Current Activity (no. of licences relative to each other)

Minerals Wealth Law

Main Themes of the Mineral Wealth Law

- 1 Optimum exploitation of mineral wealth
- 2 Simplifying procedures and promoting investments
- 3 Audit and inspection
- 4 Environmental protection, heritage and water resources
- 5 Community rights
- 6 Promote scientific research
- 7 Empowering PAM



1 Optimum exploitation of mineral wealth

- The minerals are **owned by the state** and it is prohibited to own, possess, or act without a license even if they are located on land owned by private property.
- Not granting licenses except after verifying the **technical** capability and **financial** solvency of the investor.
- It is permissible to **expropriate** private lands because of their mining importance.
- Not to grant licenses to exploit **precious stones or precious metals, or for areas greater than (5) square kilometers**, but rather according to a **concession** agreement that is approved by Royal Decree.
- It is prohibited to work **outside** the licensed area, to continue to work after the license expires, or to exceed the limits and scope of the license
- Obligation of the investor to **fees, royalties** from the value of sales of minerals, **surface rental** of the license area, and to provide a bank guarantee for the proper implementation of the license terms.
- **Not to export** minerals except after ensuring their optimal leverage and availability in the local market.

Simplifying Procedures and Promoting Investments

- PAM is responsible for **obtaining approvals** for mining areas and offer them to competitive bidding according to the principles of transparency and equal opportunities
- Increase the minimum mining license period from (1) years to **(5) years**, and the concession agreement is not less than **(20) years**.
- The royalty is charged in **different percentages** according to the economic viability of each mineral.
- Increasing the **upper limit** of the license area from (3 sq km) to **(5 sq km)**.
- Enabling the investor to **add more** than one **ore** to the mining license
- Establish a **mining registry** in which all geological and mining information and data that the investor needs is recorded.
- The commitment of the competent government agencies to reply within a maximum period of **(60) sixty days** for license applications
- Government agencies must cooperate to provide and develop facilities and infrastructure for mining areas.



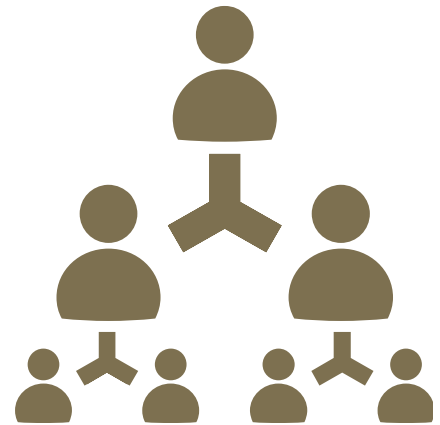
- Expanding the powers of inspectors
- **Combating** trade of licenses
- **Accurate clarification** of the acts/violations that constitute crimes against the Sultanate's mineral wealth and illegal profit and increase the penalties for its perpetrators
- Impose direct administrative fines for correctable violations.

4 Environmental protection, heritage and water resources

- The authority is obligated to **enforce** the requirements of environmental protection, health and safety when granting licenses.
- Violations related to the environment and public safety are subjected to fines. The continuation of violation may lead to the suspension or **revoke of the license**.
- Obliging the investor to rehabilitate the area and remove waste and deformations according to the approved **rehabilitation plan**
- Prohibition of **encroachment** on meteorite, fossils, historical relics or rare geological phenomena/sites and must cease operating immediately upon their discovery.
- Protecting water resources, aflaj, dams and reservoirs and **not encroaching** upon them.

Community rights

- No less than **(1%) of the sales** that is devoted to the development of the local community.
- **Employment** of the national workforce.
- Infrastructure **protection** and non-infringement
- The licensee is **fully responsible** for the damages that is caused by the company to others, even if the damage occurred outside the authorized area.



Regulations necessary to implement the law



1

The executive regulations of the Mineral Resources Law

2

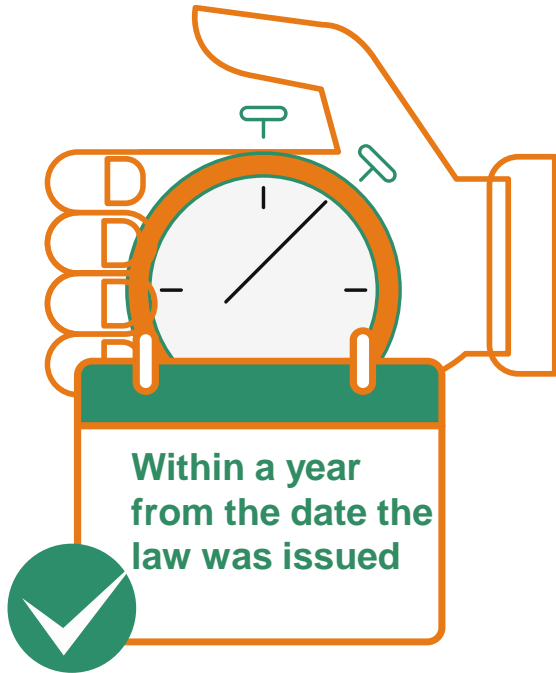
Regulations for competition for mining sites



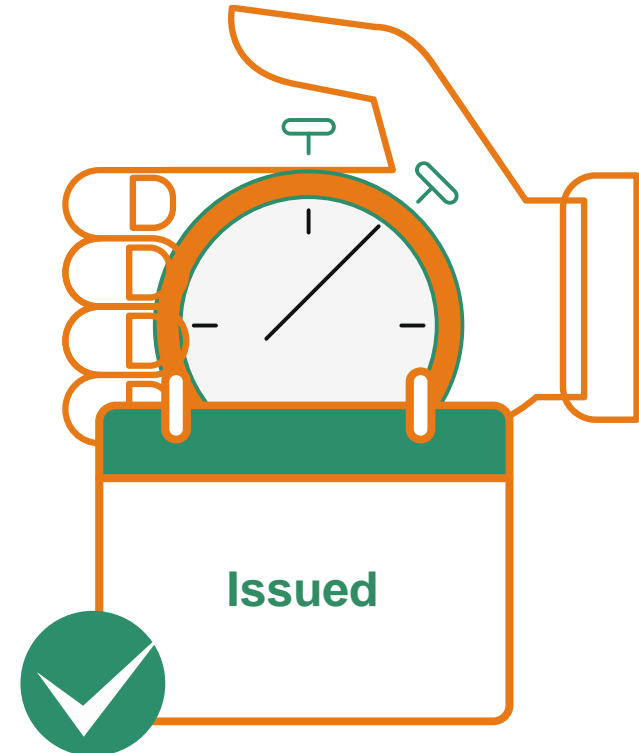
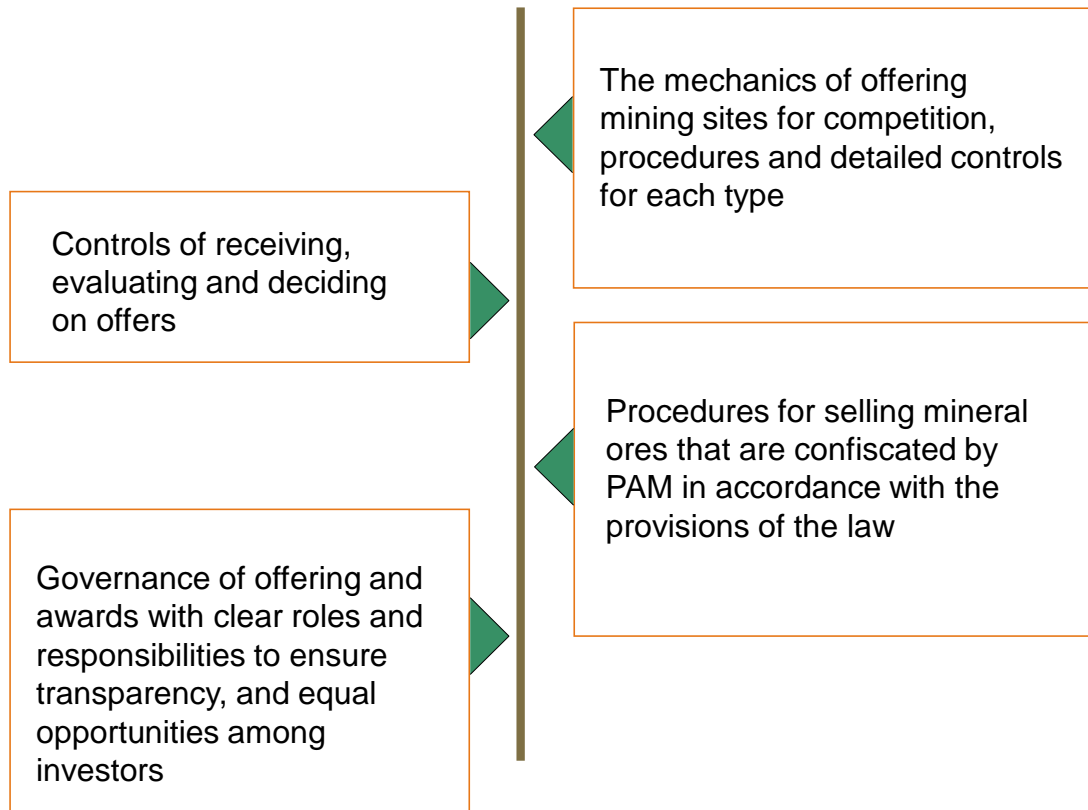
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The executive regulations of the Mineral Wealth Law

- 1 Types of licenses
- 2 Procedures for issuing and renewing licenses
- 3 Rights and Obligations of Licensees
- 4 Financial benefits to the authority (royalty, financial insurance, annual rent) and collection procedures
- 5 Procedures for collection and disbursement contributing to the development of the local community
- 6 Concession procedures and related terms and conditions
- 7 Mineral export procedures and controls
- 8 Procedures and controls for scientific research licenses
- 9 Licensing procedures and controls
- 10 Mineral registry procedures
- 11 Administrative penalties
- 12 List of services and fees



Regulations for Mining Sites Bidding





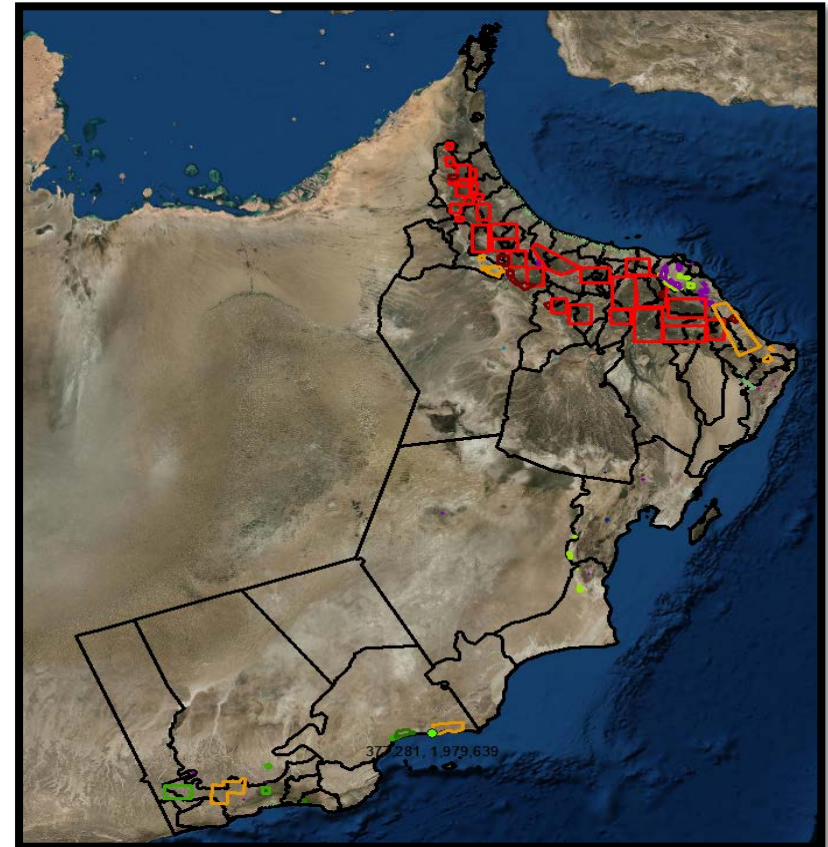
Investment Opportunities (Mining Blocks)



Mining Blocks Initiatives

Pre approved acreage of land of different sizes with indications for the presence of ore minerals. They are to be offered for investment on competitive basis.

Commodities	No. of Blocks	Area (Km2)
Chromite	30	13,948
Marble	13	1,117
Limestones	12	2,911
Dolomite	20	308
Silica	8	293
Gypsum	3	589
Carbonatite	4	0.23
Kaolin	2	0.494
Attapulgite	2	143
Poters Clay	2	0.5
Basalt	1	10
Laterite	8	500
Feldspar	5	24
¹⁵ Total	110	19,844





Types of Mining Blocks Offered For Bidding

Blocks Offered as Concessions

- Area > 5 Km² or
- Precious Minerals.
- Right to Explore & Mine or only to Mine.
- Right to mine specific minerals
- 20 – 30 Years.
- Requires Concession Agreement.
- Ratified by RD.

Blocks Offered for Exploration to Mining

- Area ≤ 5 Km²
- Right to Explore & Mine.
- Exploration then mining permits.
- Right to mine specific minerals

Blocks Offered for Mining Only

- Area ≤ 5 Km²
- Completed exploration study.
- Resources & reserve defined.
- Commodities do not require extensive exploration activities.
- Blocks had mining activities.
- Right to mine specific minerals.

Blocks Offered for Exploration Only

- Any area.
- Carry no or little data.
- Right to Explore only.
- Cost recovery (+ Margin) through sale of data

Commitment to set up local mining/manufacturing industry.

Exploration all activates that are necessary to assess the mineral potential of a given area up to definition of resources/reserve including drillings, testing and surveying

Mining Block Bidding Types

Public Tender

- **Public Announcement**
- **Open to local and/or international**
- **Any type of blocks**

Limited Tender

- **By Invitation only**
- **Specific companies – local/International**

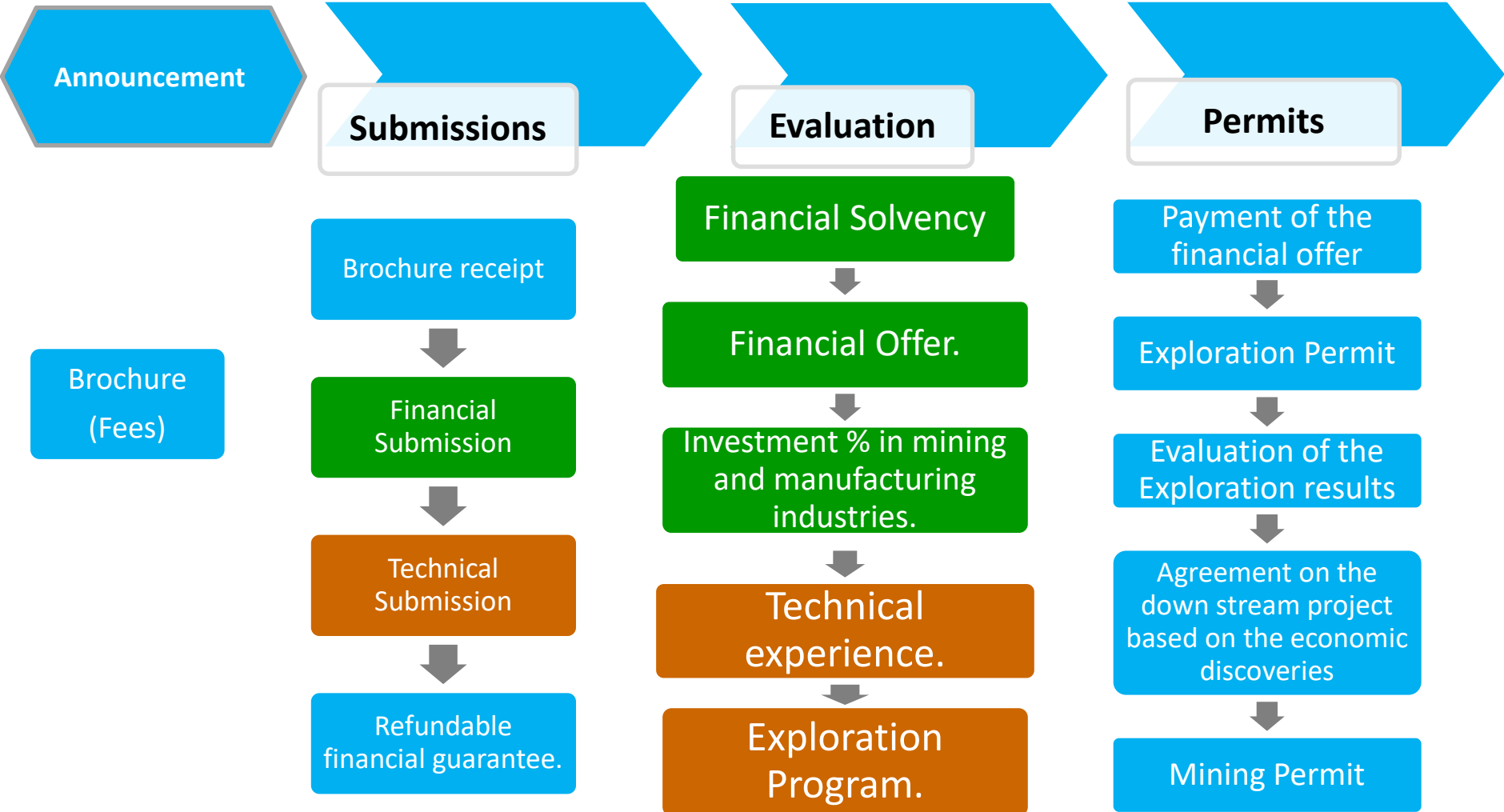
Local Tender

- **Public Announcement or By Invitation**
- **Open to local investors only**
- **Specific type of blocks**

Limited Single Source

- **By Invitation - local and International**
- **Specific type of blocks**
- **Evaluate technical submission**
- **Negotiate financial offering**

Bidding Procedures For Blocks Offered for Exploration to Mining & Concession



- Terms and conditions applies in accordance with the Executive Regulations of the Mining Wealth Law

Evaluation Criteria For Blocks Offered for Exploration to Mining & Concession

Technical Submission
35%

Technical Experience

Exploration program
Content
Timing
Cost

Financial Submission
65%

Financial Solvency

Premium ↑

Annual recurring rate of annual production ↑

% of Investment in mining and manufacturing industries from total capital cost of the project ↑



Thank You