

LAW No. 03/L – 163

ON MINES AND MINERALS

Assembly of Republic of Kosovo;

Pursuant to its authority under Article 65 (1), of the Constitution of the Republic of Kosovo,

Adopts

LAW ON MINES AND MINERALS

PART I

PURPOSE, SCOPE AND DEFINITIONS

**Article 1
Purpose**

The purposes of this Law are to promote the safe, environmentally acceptable exploration, extraction and processing of Minerals by regulating and monitoring Persons engaged in the mining industry, to facilitate and sustain greater private sector participation and competition in the mining industry, to maximize the Exploration and mining of Minerals, and to regulate the collection, management and archiving of geo-scientific data for the benefit of Republic of Kosovo.

**Article 2
Scope**

1. The Present Law shall apply to all activities involving the exploration, mining and/or processing of Mineral Resources in Republic of Kosovo.

2. Mineral resources, regardless of their origin, shape or physical state that are under or on the surface and within the territory of Republic of Kosovo, are property of the Republic of Kosovo. Mineral resources that are extracted by a Mining Licensee under a valid Mining License that has been issued pursuant to this law or that is within the scope of Article 85 of this law shall become the property of the Mining Licensee as and when such Minerals are extracted and deposited on the surface.

**Article 3
Definitions**

1. Whenever used in this Present Law, each of the following terms shall have the indicated meaning unless the context within which such term appears clearly intends another meaning:

1.1. **Area of Special Interest** - a physical/geographical area lawfully specified as in accordance with Article 18 of this law.

1.2. **Artisanal Mining** - the small scale extraction of Construction Minerals by private individuals by hand, using traditional tools and light tractor or other small vehicle transportation, not involving blasting, mechanical diggers, crushers, conveyor belts or other heavy machinery.

1.3. **Artisanal Mining License** - a License issued by the ICMM under Part VII of the Present Law.

- 1.4. **Artisanal Mining Program** - shall have the meaning ascribed to it in Article 44 paragraph 3, sub-paragraph 3.8, of this law
- 1.5. **Artisanal Mining Site** - an area that has been designated as a site for Artisanal Mining pursuant to Part VII of this Law.
- 1.6. **Business Organization** - all business organization established under and currently registered in accordance with the law of Kosovo.
- 1.7. **Cash-Operating Margin** - the amount derived by deducting operating costs from revenue where:
- 1.8. **operating costs** - means expenditures paid or incurred by a Licensee to conduct Mining Operations and/or the processing of the concerned minerals after the commencement of production from the Mining Area; provided, however, that the following items and expenses shall not be included in the calculation of operating costs:
- a capital expenditure in excess of five thousand euros (€5.000);
 - depreciation; and
 - financing charges, including interest, fees and related charges; and
- 1.9. **revenue** - means the gross value of all amounts received or due and payable to the Licensee as a result of the sale or other transfer of rights in or to minerals or Mineral Resources in any form or location, extracted or processed; provided, however, that the calculation of revenues shall in no case be based on prices that are below the applicable prevailing market price at the time of such sale or transfer, even if such lower price is specified in a contract of the Licensee.
- 1.10. **Commercial Explosive** - means any explosive, detonator, and/or other chemical or technical device used, or intended to be used, to conduct blast operations in connection with any exploration, mining or quarrying activity or special operation.
- 1.11. **Competent Court** - the Supreme Court of the Republic of Kosovo.
- 1.12. **Construction Minerals** - shall have the meaning specified in paragraph 2 of this article.
- 1.13. **ICMM** means the Independent Commission for Mines and Minerals, described in Part X of the present law.
- 1.14. **Public Interest License** - shall mean a License that is issued to a publicly owned enterprise or a socially owned enterprise in accordance with Part VIII of this law.
- 1.15. **Public Interest Permit** - shall mean a Permit that is issued to a publicly owned enterprise or a socially owned enterprise in accordance with Part VIII of this law.
- 1.16. **Environmental Impact Assessment** - means an assessment to determine the likely environmental consequences of activities pertaining to exploration or mining as defined in Law No. 03/L-024 on Environmental Impact Assessment.
- 1.17. **Energy Minerals** - shall have the meaning specified in paragraph 2 of this article.
- 1.18. **Exploration** - means any activities undertaken to determine the existence, quantity and probable value of a Mineral Resources.
- 1.19. **Exploration Area** - means the area to which an Exploration License applies.
- 1.20. **Exploration License** - means the official written authorization issued by the ICMM under Part III of this Law.

- 1.21. **Exploration Operations** - means geological mapping, soil and rock sampling, trenching, drilling, geophysical surveying and similar activities undertaken for Exploration or any other purpose.
- 1.22. **Exploration Program** - shall have the meaning ascribed to it by Article 22 paragraph 1 subparagraph 1.5 of this Law.
- 1.23. **Environmental Law** - means Law No. 03/L-025 on Environmental Protection.
- 1.24. **Law on Access to Official Documents** - means Law No. 2003/12 of 16 October 2003, "The Law on Access to Official Documents".
- 1.25. **Law of Kosovo** or "**applicable law**" means:
- the Constitution of the Republic of Kosovo,
 - any international agreement lawfully entered into by a public authority of the Republic of Kosovo;
 - any law or subsidiary legal act lawfully promulgated or issued by a public authority of the Republic of Kosovo; and
 - any international agreement, regulation, law or subsidiary legal act falling within the scope of Article 145 of the Constitution of the Republic of Kosovo.
- 1.26. **Industrial Minerals** - shall have the meaning specified in paragraph 2 of this article.
- 1.27. **Mining Strategy** - shall have the meaning specified in Article 73 of this law.
- 1.28. **License** - means an Exploration License, a Retention License, a Mining License or an Artisanal Mining License.
- 1.29. **License Area** - means the physical/geographical area specified in a License where the activities authorized by such License may be conducted.
- 1.30. **Permit Area** - means the physical/geographical area specified in a Permit where the activities authorized by such Permit may be conducted.
- 1.31. **Licensee** - means the Person or Persons named and authorized by the License.
- 1.32. **Metallic Minerals** - shall have the meaning specified in paragraph 2 of this article.
- 1.33. **Mine** - means any place or area where a mineral resource is being extracted, including all buildings, structures, machinery, mine dumps, roads or objects at such place or area that are used or intended to be used in connection with the winning, exploitation or processing of minerals.
- 1.34. **Mineral** - shall mean any substance, whether in solid, liquid or gaseous form, occurring naturally in or on the earth, or in or under water, or in tailings, and having been formed by or subjected to a geological process, but excluding petroleum and natural gas.
- 1.35. **Mineral Resource** - means any Metallic Mineral, Industrial, Construction Mineral, Precious or Semi-Precious Stone, Energy Mineral or Water having potential commercial value.
- 1.36. **Mineral Resource Group** - is a general term referring to one of the specific groups of Mineral Resources identified in paragraph 2 of this article.
- 1.37. **Minimum Exploration Expenditure** - means the minimum amount that the a Licensee under an Exploration License is required to expend on Exploration Operations as provided for in Article 24 paragraph 2 sub-paragraph 2.2 of this Law.

- 1.38. **Mining Area** - means the area to which a Mining License applies.
- 1.39. **Mining License** - means a License issued by the ICMM under Part V of this Law.
- 1.40 **Mining Operations** - means all activities undertaken for the purpose of carrying out the mining or exploitation of a Mineral Resource.
- 1.41. **Mining Program** - shall have the meaning ascribed to it by Article 31 paragraph 1 sub-paragraph 1.9 of this Law.
- 1.42. **Minister** - means the Minister of Energy and Mines.
- 1.43. **Ministry** - means the Ministry of Energy and Mines.
- 1.44. **Museum** - means the National Museum of Crystals and Minerals established by the Ministry pursuant to Article 78 of this Law.
- 1.45. **Permit Holder** - means the Person specified in a Permit as having the authority to carry out the activities authorized by such Permit.
- 1.46. **Person** - means a physical person or an Undertaking.
- 1.47. **Precious and Semi-Precious Stones** - shall have the meaning specified in paragraph 2 of this article.
- 1.48. **Processing** - means any treatment of extracted minerals, including the separation or enrichment of minerals through the use of physical, technological or chemical processes.
- 1.49. **Special Operations** - means:
- Exploration Operations involving: drilling, trenching, taking of samples in the necessary quantity geophysical measurement , including surveys involving the use of aircraft or high voltage electrical methods, the operation of machinery or equipment, and any related activities carried out for the purposes of Exploration that physically modify or disturb the land surface;
 - the use of explosives for mining or mineral exploration purposes;
 - the commencement of Mining Operations or Artisanal Mining;
 - mining Operations involving: the use or operation of machinery and equipment, such other activities as may be designated by the ICMM; and
 - the handling, storage, or processing of minerals involving: the use or operation of machinery and equipment, the application of chemicals and other agents, other activities as may be designated by the ICMM.
- 1.50. **Special Operations Program** - has the meaning ascribed to it in Article 38, paragraph 1, sub-paragraph 1.9 of this Law.
- 1.51. **Permit** - means the official written authorization issued by the ICMM for the conduct of Special Operations.
- 1.52. **Public Authority** - means any governmental executive authority, public body, ministry, department, agency, or other such authority that exercises executive, legislative, regulatory, public administrative or judicial powers. The term “public authority” shall also include any otherwise private organization or establishment to that extent it exercises any of the aforementioned powers pursuant to a grant of authority under a normative or sub normative act or pursuant to a delegation of authority from another Public Authority.

1.53. **Resource Estimate** - a document prepared in accordance with European standards for reporting exploration results, mineral resources and mineral reserves (The Reporting Code).

1.54. **Retention License** - means a License issued by the ICMM under Part IV of this Law.

1.55. **Significant Owner** - means a Person holding or controlling a five percent (5%) or greater ownership interest, directly or indirectly, in an Undertaking.

1.56. **Surface Rights Agreement** - means an agreement:

- between an applicant, a Licensee or a Permit Holder and a third party having lawfully registered property rights to the surface area that such applicant, Licensee, or Permit Holder proposes to use or is using for the conduct of activities covered by this Law, and
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- authorizing such applicant, Licensee, or Permit Holder to conduct such activities.

1.57. **Undertaking** - means:

- any enterprise, partnership, joint venture, legal person, association, project, branch, office, or other organization or establishment (regardless of ownership, domicile or place of business or establishment),
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- any Public Authority and/or
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- any physical person acting on behalf of any of the foregoing.

1.58. **Wasteful Practices** - means practices that are not consistent with good commercial mining practices customarily in use in the EU or required by EU or international standards.

1.59. **Water** - means water found on or under the surface of the Earth that is

- suitable for bottling or packaging for commercial sale or
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- usable as a source of thermal or hydroelectric energy.

2. For the purposes of the present law, Minerals are divided into the following groups:

Group 1 – Energy Minerals. “Energy Minerals” shall mean and include all types of Solid Hydrocarbons, Liquid and Gaseous Hydrocarbons, bituminous rocks and radioactive minerals. “Solid Hydrocarbons” shall mean and include lignite, brown coal, coal, anthracite and any other solid carbonaceous mineral. “Liquid and Gaseous Hydrocarbons” shall mean and include any organic mineral, gaseous or liquid, consisting predominantly of carbon and hydrogen, but shall not mean or include petroleum or natural gas.

Group 2 – Metallic Minerals. - “Metallic Minerals” shall mean and include minerals containing metals, including the following: aluminium, antimony, arsenic, beryllium, bismuth, boron, cadmium, caesium, chromium, cinnabar, cobalt, copper, galena, gallium, germanium, gold, hafnium, ilmenite, indium, iron, iron oxide, lead, lithium, magnesium, manganese, mercury, molybdenum, nickel, niobium, platinum group metals (PGMs: ruthenium, rhodium, palladium, osmium, iridium, and platinum), pyrites, radium, rare earth metals (lanthanides and actinides), rhenium, rubidium, scandium, selenium, silver, strontium, tantalum, tellurium, thallium, thorium, tin, titanium, tungsten and its ores, vanadium, wulfenite, yttrium, zinc, and zircon.

Group 3 – Non-Metallic Minerals. “Non-Metallic Minerals” shall mean and include all non-metallic minerals used for industrial purposes in industry. “Non-Metallic Minerals” include: “**Industrial Minerals**”, meaning those non metallic minerals principally used in industrial applications, including graphite, mica, vermiculite, feldspar, wollastonite, asbestos, talc, pyrophyllite, magnesite, brucite, fluorite, barytes, zeolites, olivines, and serpentised ultrabasics (optical quartz);

1.60. **Chemical Minerals** - meaning those non metallic minerals principally used in the field of chemistry, agro chemistry and color varnishes, including apatite, phosphorites, sulphur, mineral salt, bromium, iodium, borate, glauconite, natural pigments (mineral paints).

1.61. **Technological Minerals** - meaning those non-metallic minerals principally used in technological applications, including caolin, clay, bentonite, raw quartz ore (quartz, quartzite, quartz sands), silicon rocks (diatomite, trepelet, radioalite), carbonate rocks (limestone, traventine, chalk), dolomite, gyps, anhydrites, perillite etc.); and

1.62. **Construction Minerals** - meaning all minerals and associated materials normally exploited for the purposes of and/or use in the construction industry, including sand, gravel, limestone (and other sedimentary rocks), granite (and other magmatic rocks), and marble (and other metamorphic rocks), including clay, marl, gypsum chalk, alum, andesite, basalt, dunite, diabase, tuff, schist, shale, slate, sandstone, quartz, aggregates. and construction rocks, serpentine, periodite, dunite, diorite, diabasite, basalt, gabro, syenite, gnejset, and quartzite.

Group 4 – Precious and Semi-Precious Stones - “Precious and Semi-Precious Stones” shall mean and include the following: corundum, diamond, emerald, ruby, sapphire, amazonite, aventurine, beryl, chrysoberyl, chrysocolla, cordierite, diopase, garnet, quartz crystals (including amethyst, citrine, rock crystal, agate, carnelian, chalcedony, chrysoprase, jasper, hyalite, opal, tigers eye), sodalite, topaz, tourmaline and turquoise, nephrite, rhodonite, and jade.

Group 5 - Mineral Water and Geothermal Waters. “Mineral Water” shall mean water occurring naturally on or under the surface of the Earth that contains sufficient quantities of chemical elements to be of industrial value, including all water having more than one (1) gram of dry residue of Minerals in one (1) liter. “Geothermal Waters” are subterranean waters, generally of a spring or geyser, the temperature of which is appreciably above the local mean annual air temperature.

3. Ministry in consultation with the ICMM through a sub-normative act may determine detailed definitions of the terms used in this Law, as well as the definition of other terms, provided, however, that such more detailed definitions and definitions of other terms shall not impair the operation of any provision of this Law.

4. As used in this Law, the singular includes the plural, and the plural includes the singular, and references to “Article” are references to Articles of this Law unless otherwise indicated.

5. The pronoun “he” and the adjective “his” shall apply equally to either gender and shall also include an Undertaking where the context reasonably permits.

6. Unless the context clearly requires another interpretation, any reference in the present law to another law, regulation or sub-normative act, or any specific provision(s) thereof, shall be interpreted as including any and all amendments thereto. If such a law, regulation or sub-normative act is repealed and replaced with successor legislation governing the same subject matter, such reference shall be interpreted as meaning such successor legislation and, where applicable, the analogous provision(s) thereof.

PART II GENERAL PROVISIONS

Article 4 Authority Required for Exploration or Mining

1. Except as specifically provided in paragraph 2 of this article, this Law shall apply to all activities involving the exploration, mining and/or processing of Mineral Resources in Kosovo. No Person may carry out any activities involving the exploration, mining and/or processing of a Mineral Resource or any other mining related activity without a License or Permit issued by ICMM in accordance with this law.

2. It is specifically provided that the present law does not regulate or cover activities involving the exploitation of either Mineral Water or Geothermal Waters for health or drinking purposes.

Article 5
Types of License and Permits

1. ICMM shall issue the following Licenses and Permits subject to fulfillment of the requirements for the issuance of such Licenses and Permits as set out in this Law:

- 1.1. an Exploration License, as provided for in Part III hereof;
- 1.2. a Retention License, as provided for in Part IV hereof;
- 1.3. a Mining License, as provided for in Part V hereof;
- 1.4. a Permit to conduct Special Operations, as provided for in Part VI hereof;
- 1.5. an Artisanal Mining License, as provided for in Part VII hereof; and
- 1.6. a Public Interest License or Permit, as provided for in Part VIII hereof.

Article 6
Eligibility Criteria

1. A Person desiring to receive or maintain a License or Permit, or to extend or receive a transfer of an existing License or Permit, shall be eligible therefore if:

1.1. The Person is a Business Organization having at least one senior technical manager responsible for the day-to-day technical operations of the Business Organization who intends in good faith to be physically present in Kosovo; and

1.2. Neither the Person nor any of its executives, managers, directors or significant owners has in the past ten (10) years:

1.2.1. been determined by a court of competent jurisdiction to have committed any offence in or outside of Kosovo involving violence, threats of violence, corrupt practices, money laundering, bribery or kickbacks or any criminal offence punishable by six (6) months' imprisonment under the law applicable to such offence;

1.2.2. been declared ineligible, by reason of conduct such as that described immediately above, by any governmental or competent international institution or organization providing funds for general development, public investment or reconstruction;

1.2.3. been determined by a court of competent jurisdiction to have committed a serious offence by participating in the activities of a criminal organization, defined as a structured association established over a period of time and operating in a concerted manner to achieve financial gain through activities that are criminal or otherwise illegal where they take place;

1.2.4. been determined by a court of competent jurisdiction to have committed an act of fraud or an act equivalent to fraud; or

1.2.5. been fined or penalized by a Public Authority for intentionally making material misrepresentations in a document or statement provided to a Public Authority, unless such fine or penalty has been invalidated or annulled by a court of competent jurisdiction; and

1.3. The Person:

1.3.1. has not in the past two (2) years, been adjudged to be bankrupt or insolvent by a court of competent jurisdiction;

1.3.2. is not being wound up or administered by a court of competent jurisdiction;

1.3.3. does not currently have in place an agreement or arrangement with its creditors providing for extended or reduced terms of payment because the applicant had previously been unable to satisfy its obligations as they came due;

1.3.4. is not currently the subject of a judicial or administrative order suspending or reducing payments by or to such applicant thereby resulting in the total or partial loss of the applicants right to administer and/or dispose of its property;

1.3.5. is not currently the subject of legal or administrative proceedings that may result in a judicial or administrative order or judgment or an agreement described in subparagraphs 1.3.1 – 1.3.4 immediately above;

1.3.6. has not, in the past three (3) years, been adjudged by a court of competent jurisdiction to have breached a contract with any public entity, public authority or public undertaking in Kosovo or elsewhere; or

1.3.7. is not currently neglecting in the payment or submission of any taxes, duties, contributions, payments or charges owed or required to be submitted or paid to a public authority or publicly owned enterprise; and

1.4. the Person:

1.4.1. has the financial resources and is technically qualified and experienced to undertake the activities under the License or Permit to which the application relates, and to carry out the obligations therein provided;

1.4.2. possesses “all risks” third party liability insurance valid through the term of the License or Permit, in the minimum amount reasonably prescribed by the ICMM;

1.4.3. has not previously had a License or Permit cancelled or suspended by the ICMM, unless such action has been invalidated or annulled by a court of competent jurisdiction; and

1.4.4. is not in default under any License or Permit; provided that the ICMM shall not reject an application on the grounds of such a default unless the applicant:

1.4.4.1. has been given details of the default and has failed to remedy it within such reasonable time as the ICMM has allowed; or

1.4.4.2. where a default is not capable of remedy, has not offered or paid in respect thereof reasonable compensation; and

1.5. the subject matter of the License or Permit for which the applicant has made application:

1.5.1. does not materially conflict with the subject matter of another License or Permit issued to a third party;

1.5.2. does not materially conflict with the subject matter of a prior application that has been submitted by another applicant having priority;

1.5.3. does not include a Mineral Resource that is to be awarded on the basis of competitive tender procedures; and

1.5.4. does not include an area where the concerned activities are prohibited under any other law in to force in Kosovo; and

1.6. the Person has not misrepresented a material fact in its application.

Article 7 Generally Applicable Procedures

1. The ICMM shall issue procedures and standard forms for the license application procedure and the issuance of Licenses and Permits, and for the extension, modification, transfer, suspension or cancellation thereof.
2. Every License and Permit shall include conditions:
 - 2.1. requiring compliance with specified laws, rules, codes or standards;
 - 2.2. requiring the reporting of accidents;
 - 2.3. requiring measures for the protection of employees, public safety and public health; and
 - 2.4. requiring measures for the protection of the environment.
3. The ICMM shall issue a schedule specifying the amount of the application fee that must be submitted with each type of application. The amount of such fees shall be consistent with international best practice. Each applicant shall pay the required fee to the ICMM concurrent with the filing of its application. All such fees shall be non-refundable.
4. The ICMM shall confirm to the applicant the time and date of receipt of each application, and shall record the name of the applicant, its relevant contact information and type of application.
5. The ICMM may request an applicant to submit such additional information as the ICMM reasonably deems necessary to verify information previously filed or submitted by such applicant and/or the applicant's compliance with this Law.
6. The ICMM shall maintain complete and accurate records of all applications relating to a License or a Permit and of all meetings of the ICMM Board held to consider such applications; such records shall include, inter alia, all decisions reached and the reasons for such decisions.
7. Such records shall be available for public inspection in accordance with the Law on Access to Official Documents.

Article 8 Surrender of License Area

1. A Licensee under an Exploration License, Retention License or Mining License who desires to surrender all or any part of the License Area, shall apply to the ICMM, not less than one (1) month before the date on which he desires the surrender to have effect, for a certificate of surrender.
2. Subject to paragraph 4 of this article, the ICMM shall issue to the applicant a certificate of surrender either unconditionally or subject to such conditions relating to the surrendered area as the ICMM may reasonably determine.
3. An application under this Article shall:
 - 3.1. identify the area to be surrendered and, if the application applies to only a part of the License Area, include a plan clearly identifying both the part to be surrendered and the part to be retained;
 - 3.2. state the date on which the applicant desires the surrender to take effect;
 - 3.3. give particulars of the operations that have been carried out under the License on the area to be surrendered; and

3.4. be supported by such records and reports in relation to those operations as the ICMM may reasonably require.

4. The ICMM shall not issue a certificate of surrender if the ICMM determines that the applicant has not complied with the mine closure plan and rehabilitation program required under paragraph 1, sub paragraph 1.9, of Article 31 of this law or will not leave such area in a condition that is unsafe and that accords with good mining and environmental practice.

5. A certificate of surrender shall take effect on the date on which it is issued to the applicant. Where the certificate relates to the entire License Area, the License shall be cancelled with effect from the same date; in any other case, the License shall be modified to take account of the surrender.

6. In the case of a Surrender of all or any part of a License Area the Licensee shall remain liable for all obligations incurred and all liabilities arising in connection with activities carried out by the Licensee under the concerned License in the area surrendered.

Article 9

Suspension or Cancellation of License or Permit for Non-Compliance

1. If a Licensee or Permit Holder fails to maintain its eligibility under Article 6 of this law or to otherwise comply with a material requirement of the Present Law or any License, Permit, agreement or other instrument issued and/or executed pursuant to the Present Law, the ICMM shall provide such Licensee or Permit Holder with a written "Notice of Failure to Comply." Such notice shall:

1.1. specify the nature of the failure;

1.2. provide the Licensee/Permit Holder with a reasonable period of time to correct the concerned failure; such period of time shall be at least sixty (60) days but no more than one hundred twenty (120) days, unless the concerned failure has created or threatens to create a seriously dangerous situation and the ICMM determines that such failure must be corrected in a shorter period of time;

1.3. specify the measures that the Licensee or Permit Holder is required to take to correct such failure, which may include the payment by the Licensee or Permit Holder of a fine if the failure has caused a seriously dangerous situation;

1.4. attach an Order of Suspension informing the Licensee or Permit Holder that the concerned License or Permit is suspended until the Licensee or Permit Holder has, within the period of time specified by the ICMM:

1.4.1. completely cured the failure; or

1.4.2. if the ICMM so decides, cured the most serious aspects thereof as specified by the ICMM; and

1.5. inform the Licensee/Permit Holder that if the failure continues beyond the period of time specified in the notice, the ICMM is required by law to take the applicable penalty and/or enforcement measures provided for by the Present Law, including the cancellation of the concerned License or Permit under paragraph 2 of this Article.

2. If it is determined that the concerned Licensee or Permit Holder has failed to comply with the terms of such a notice within the time specified therein, the ICMM shall cancel the concerned License or Permit by issuing a written "Order of Cancellation":

2.1. informing the Licensee or Permit Holder that the concerned License or Permit is cancelled;

2.2. ordering the Licensee or Permit Holder to immediately cease all operations authorized by that License or Permit;

2.3. ordering the Licensee or Permit Holder to take whatever measures the ICMM deems necessary to ensure that the cessation of operations is carried out in a manner that is orderly and

safe and that leaves the site of those operations in a state that is not, and does not threaten to become, a danger or hazard to the environment or to human, animal or plant health or life.

2.4. ordering the Licensee or Permit Holder to immediately pay all accrued but unpaid royalties; and/or

2.5. ordering the Licensee or Permit Holder to pay a fine if ICMM considers the failure was willful or has caused a seriously dangerous situation.

3. A cancellation of a License or Permit pursuant to paragraph 2 of this Article shall take effect upon the delivery of the Order of Cancellation to the Licensee or Permit Holder.

4. Any notice or order provided to a Licensee or Permit Holder under paragraph 1 and 2 of this Article shall provide:

4.1. a written explanation of the ICMM's reasons for issuing such notice or order, and

4.2. written information regarding the Licensee/Permit Holder's legal rights of appeal and judicial review in connection with the matters specified in the notice or order.

5. In the case of a suspension or cancellation of a License or Permit, the Licensee or Permit Holder shall remain liable for all obligations incurred and all liabilities arising in connection with activities carried out by the Licensee or Permit Holder under the License or Permit or in accordance with a notice or order issued under paragraph 1 or 2 of this article.

Article 10 Transfer and Pledge of Licenses and Permits

1. Except as otherwise provided in this article, no License or Permit shall be transferred, pledged or in any other form encumbered, whether by mutual agreement or by operation of law.

2. If a Licensee under an Exploration License or a Mining License or a Permit Holder desires to transfer such License or Permit, the Licensee or Permit Holder and the proposed transferee shall submit jointly to the ICMM a completed application for such purpose in the prescribed format, together with the prescribed fee, and shall attach thereto the following:

2.1. a copy of the concerned License and/or Permit, the proposed transfer agreement and all other material documentation related thereto;

2.2. a statement from the Licensee or Permit Holder setting forth the reason(s) for the proposed transfer;

2.3. information demonstrating that the proposed transferee would be eligible, under the applicable provisions of the present law, to receive such License or Permit if such proposed transferee were to apply for such a License or Permit;

2.4. an update of the Exploration, Special Operations and/or Mining Program and a statement issued by the proposed transferee to fulfill the such programs as approved by ICMM; and

2.5. a written commitment by the proposed transferee to accept and discharge of all remaining obligations of the current Licensee or Permit Holder - whether arising under the License, the Permit, the Present Law or any other element of the Law of Kosovo - as of the effective date of the transfer.

3. The ICMM shall agree to the transfer of a License or Permit upon application in accordance with paragraph 2 of this article, if at the date of such application the transferee fulfills the conditions of paragraph 2 of this Article and the general conditions under this law for the issuance of the concerned License or Permit.

4. Upon approval of the transfer by ICMM the transferee shall be obligated to fulfill all obligations referred to in sub-paragraph 2.5 of paragraph 2 of this article.

5. A License or Permit may serve as collateral for a pledge to secure any liability of the Licensee or Permit Holder. Upon the creation of any such pledge, the pledgor and the pledge holder shall jointly file a notice with the ICMM providing the following information:

5.1. the name of the pledge holder;

5.2. the names and the addresses of the pledge holder's significant owners and directors, if any;

5.3. the official registered address of the pledge holder in Kosovo; and

5.4. a reasonably detailed description of the material terms of the pledge.

6. Upon receipt of a notice that fulfills the requirements of paragraph 5 of this article, the ICMM shall register the pledge in the License/Permit Cadastre maintained by the ICMM.

7. A pledge of a License or Permit shall not be construed as releasing the Licensee or Permit Holder from its obligations to comply with the terms and conditions under the pledged License or Permit.

8. A pledge holder shall immediately notify the ICMM of all measures taken by the pledge holder to enforce the pledge. If, by such enforcement measures, the pledge holder obtains possession of the concerned License or Permit or an order or judgment of a court or arbitration body that directs the pledgor to transfer possession of the concerned License or Permit to the pledge holder or that otherwise clearly supports the right of the pledge holder to obtain possession of the concerned License or Permit, the pledge holder shall immediately notify the ICMM. If the pledge holder obtains such an order or judgment, it shall provide the original of such order or judgment to the ICMM for review and copying. The ICMM shall immediately return such original to the pledge holder. The ICMM shall then take whatever measures may be necessary to give effect to such judgment or order.

9. In the event that the pledge holder obtains possession of the concerned License or Permit:

9.1. the pledge holder shall have no right to undertake the activities specified therein until the pledge holder provides the information that is required of a proposed transferee under subparagraphs 2.3, 2.4 and 2.5 of paragraph 2 of this article;

9.2. the pledge holder may transfer the License or Permit to a third party if the pledge holder and the proposed transferee fulfill all requirements specified in paragraph 2 of this Article; in such case any references in paragraph 2 of this Article to "Licensee" or "Permit Holder" shall be deemed to mean the pledge holder; and

9.3. the pledgor shall be under a strict obligation to provide whatever assistance the pledge holder or a proposed transferee of the pledge holder may reasonably require to fully comply with the referenced requirements of paragraph 2 of this article, especially – but not limited to – the preparation and submission of an updated Exploration, Special Operations and/or Mining Program as required by subparagraph 2.4 of paragraph 2 of this article.

10. If a lien arises by operation the law of Kosovo generally on the assets of a Licensee or Permit Holder, the lien holder may take whatever lawful enforcement measures the lien holder may deem necessary or appropriate to enforce that lien against the assets of the Licensee or Permit Holder, including any License or Permit held by such Licensee or Permit Holder. In such event, the provisions of paragraph 8 and 9 of this article shall apply and the references in such articles to "pledge" and "pledge holder" shall be deemed to mean, respectively, "lien" and "lien holder".

11. If a License or Permit is the subject of a pledge or lien, this shall in no way impair or otherwise affect the authority of the ICMM to cancel or suspend such License or Permit in accordance with the provisions of the present law and/or the terms and conditions of such License or Permit. However, if a pledge or lien holder enforces its pledge or lien, the pledge or lien holder may, at its option, satisfy the requirements imposed on a transferee by paragraphs 2.3 – 2.5 of this article, or submit an application for the transfer of

the License or Permit to a transferee in accordance with all requirements of paragraph 2, with the pledge or lien holder deemed to be the Licensee or Permit Holder for the purposes of such article. Until the applicable requirements of paragraph 2 have been fulfilled by the pledge or lien holder, any operational requirements specified in the License or Permit shall be suspended; however, the concerned pledge or lien holder shall be liable for ensuring that the concerned site is maintained in accordance with the applicable environmental and safety requirements.

Article 11 Transfer of Control

1. Any proposed change of a Significant Owner of a Licensee or Permit Holder shall be subject to approval by the ICMM. The ICMM shall deny its approval of such change if the new Significant Owner fails to meet the eligibility criteria set out in subparagraph 1.2 of paragraph 1 of Article 6 of this law or if such change would cause the Licensee or Permit Holder to become ineligible under any other provision of Article 6 of this law

2. On an application for approval as required by this Article 11, the ICMM may require the submission of such information as the ICMM may reasonably deem relevant and necessary.

Article 12 General Commercial Rights of Licensees and Permit Holders

1. A Licensee or Permit Holder shall have, in relation to the activities authorized by the concerned License or Permit:

1.1. the obligation to carry on its business in accordance with law, good commercial mining practice and EU and international standards;

1.2. the right to carry on its business free from unreasonable or unlawful interference by any person or public authority;

1.3. the obligation to maintain in Kosovo complete and accurate books of account and financial records in Euros;

1.4. the right to open and operate bank accounts both in Kosovo and abroad;

1.5. the right to import directly from its respective suppliers all requisite goods and equipment; and

1.6. the right to receive and retain abroad proceeds from export sales; provided that all such proceeds shall be duly recorded and disclosed in the books of account and financial records required to be maintained in Kosovo by subparagraph 1.3 of this article.

Article 13 Restricted Activities

1. A Mining Licensee or a Permit Holder shall not conduct any activity upon any land that:

1.1. is within two hundred (200) meters of the boundaries of any village, town, city or other legal settlement;

1.2. is the site of, or which is within one hundred (100) meters of, any inhabited, occupied or temporarily uninhabited house or building;

1.3. is within forty-five (45) meters of any land that has been cleared, ploughed or otherwise prepared for the growing of farm crops or upon which farm crops are growing, unless the Licensee or Permit holder has acquired surface rights over such land;

- 1.4. has been used during the immediately preceding twelve (12) months for the growing or harvesting of farm crops, unless the Licensee or Permit holder has acquired surface rights over such land;
- 1.5. is the site of, or is within two hundred (200) meters of, a dam or reservoir;
- 1.6. is the site of, or is within one hundred fifty (150) meters of, any power station, power line or river;
- 1.7. is within sixty (60) meters of a street, road or highway;
- 1.8. is reserved for the purposes of any railway track or within sixty (60) meters of any railway track or any land reserved for a railroad track;
- 1.9. is dedicated as a place of burial;
- 1.10. is the site of any lawfully and officially designated ancient monument or national monument;
- 1.11. is part of a private or public aerodrome or an adjacent aviation security zone;
- 1.12. is within an area lawfully and officially designated as a state or municipal Park; or
- 1.13. in case of use of explosives, is within five hundred (500) meters of any housing, building or infrastructure facilities.

2. Where a Licensee or a Permit Holder desires to conduct activities that are covered by the License or Permit in an area that is otherwise prohibited by paragraph 1 of this article such Licensee or Permit Holder may apply to the ICMM for a waiver of the concerned restriction. The ICMM shall consult with those Public Authorities and any private persons having a legitimate interest that are directly concerned with the enforcement of the restriction. The ICMM may grant the requested waiver only to the extent agreed upon with such Public Authorities.

Article 14 Exercise of Rights

The rights conferred by a License or Permit shall be exercised with reasonable care. Any damage caused to the lawful interest of a third party as a result of the conduct of the activities authorized by a License or Permit shall be compensable in accordance with the applicable law on obligations in Kosovo.

Article 15 Use of Wasteful Practices

1. No Licensee or Permit Holder shall engage in Wasteful Practices.
2. If the ICMM, on the basis of clear and objective evidence provided by the Inspectorate or another source, determines that a Licensee or a Permit Holder is engaging in Wasteful Practices, the ICMM shall give written notice to such Licensee or Permit Holder of such determination. Such notice shall specify the nature of the practices objected to and require the concerned Licensee or Permit Holder, within thirty (30) days, to either deny that it is engaging in such practices or to provide an explanation as to why such practices are necessary.
3. If the ICMM is not satisfied with the response provided or if no response is received within the thirty (30) day period, the ICMM shall issue a "Notice of Failure to Comply" under Article 9 ordering the concerned Licensee or Permit Holder to cease using such practices. Such order shall specify in detail the wasteful practices that are the subject of the order. If the Licensee or Permit Holder fails to comply with such order, the ICMM shall take the measures specified in paragraph 2 of Article 9 of this law.

Article 16
Required Office in Kosovo

Every Licensee, Applicant and Permit Holder shall maintain an office in Kosovo to which communications from public authorities are to be delivered. Every Licensee and Permit Holder shall notify the ICMM of the address of such office and shall immediately notify the ICMM of any change to such address.

Article 17
Reports, Records and Information

Every Licensee and Permit Holder shall keep at the office required by Article 16 of this law all records and documents required by the present law. Physical samples required by the present law shall also be maintained at such office unless a provision of the present law specifically permits such samples to be maintained at a different location in Kosovo.

Article 18
Licenses Subject to Competitive Award Process

1. Except as specifically provided otherwise in paragraph 8 of this article, any Exploration or Mining License related to an Energy Mineral or to a mineral located within an area that is designated as an "Area of Special Interest" in accordance with paragraph 2 of this article shall be awarded and issued only after the conduct of an open, transparent and competitive tender process.

2. Upon the proposal of the Minister, the Government may designate a specific area in Kosovo as an "Area of Special Interest" if:

2.1. it has been documented that such area contains deposits of valuable Metallic Minerals, Industrial Minerals and/or Precious or Semi-Precious Stones in such quantities and possessing such characteristics as can reasonably be expected to be of substantial interest to three or more experienced and financially sound mining undertakings; and

2.2. the designation would not conflict or be inconsistent with any rights of a Licensee under an existing License.

2.3. If the Government designates an area as an "Area of Special Interest", the Government shall immediately cancel such designation if evidence becomes available demonstrating that the area does not meet the criteria specified in subparagraphs 2.1 and 2.2.

3. The competitive tendering process required by paragraph 1 of this article shall – except as provided in paragraph 4 of this Article - be conducted by a tendering committee consisting of:

3.1. the Minister of Energy and Mines, who shall serve as the chairperson;

3.2. the Minister of Economy and Finance;

3.3. the Minister of Trade and Industry;

3.4. the Minister of Environment and Spatial Planning;

3.5. the Minister of Labor and Social Welfare; and

3.6. In the event of an equal vote on a particular issue or proposal, the Minister of Energy and Mines has the right to decide on the issue. Any of the afore-mentioned members may, in writing, designate another person to serve as his/her proxy at any meeting or meetings of the tendering committee. A quorum of the tendering committee shall exist at any meeting of the tendering committee if at least three (3) members and/or duly designated proxies are present. The Ministry of Energy and Mines shall be responsible for providing the tendering committee with adequate legal and other technical expertise to ensure the lawful, proper and professional conduct of the tender. All persons assigned or engaged by the Ministry of Energy and Mines to support the tendering committee shall be perform their duties and functions in strict accordance with law, and

shall otherwise be responsible exclusively to, and shall take direction exclusively from, the tendering committee when performing such duties and functions. All public authorities, including the ICMM, shall provide the tendering committee with whatever assistance, advice and information the tendering committee may require or request to properly conduct such tender.

4. The tendering committee specified in paragraph 3 of this article shall have no authority to tender and award any License relating to an Energy Mineral if:

4.1. the award of such License (or a right to obtain such License) is the subject of another competitive tendering process being conducted, or to be conducted, by another body or public authority established by or pursuant to the provisions of an international agreement or another law,

4.2. such other tendering process has as its principal object the award of a contract for the construction of substantial new energy generation facilities; and

4.3. the body or public authority responsible for conducting that process has reasonably determined that the inclusion of such License (or a right to obtain such License) as a subject of such process is necessary to ensure the interest of potential tenderers.

4.4. If such conditions are met, the body or public authority responsible for conducting such tender shall have the exclusive authority to tender and award such License (or a right to obtain such License); provided, however, that such body or public authority shall not have the authority to award such License (or a right to obtain such License) to a tenderer that does not meet the applicable eligibility requirements established by the present law; and, provided further, that such License shall comply with the applicable provisions of the present law.

5. No person may submit a tender for or be awarded such a License if such person does not meet all of the relevant eligibility requirements established by the present law. The relevant tendering body, as determined in accordance with paragraphs 3 and 4 of this Article, may impose additional eligibility requirements; provided, however, that any and all such additional eligibility requirements shall be exclusively directed at ensuring that all tenderers have sufficient financial ability and experience to perform the activities to be authorized by the License.

6. Any License awarded by such a tendering body in accordance with the foregoing paragraphs of this Article shall comply with the applicable requirements of the present law. The ICMM shall have an obligation to duly issue such License within thirty (30) days after award by such a tendering body.

7. Notwithstanding the foregoing provisions of this article, it is specifically provided that the competitive tendering requirements of paragraph 1 of this article shall not apply to a License relating to an Energy Mineral if, for reasons directly related to the need to ensure security of energy supply in Kosovo, the Government issues a decision determining that there is an important public interest in issuing such License to:

7.1. a specific business organization that operates substantial energy generation facilities in Kosovo; or

7.2. a specific business organization that is a principal supplier of Energy Minerals to such facilities.

8. If the Government issues the abovementioned decision, the ICMM shall then have the exclusive authority to issue such License to such business organization. The ICMM shall ensure that the terms of such License comply with the applicable provisions of the present law; however, notwithstanding any other provision of the present law, the ICMM shall - in any Energy Mineral License issued in a non-competitive manner under the exemption established by this paragraph— limit the duration and/or scope of such License to ensure that such terms are restricted to the duration and scope needed to ensure security of energy supply in Kosovo.

9. If, prior to the effective date of the present law, the ICMM has lawfully issued in a non-competitive process a License that would now be subject to the competitive tendering requirements of this article,

such License shall continue to be valid until it expires or is lawfully cancelled or terminated in accordance with its terms or the applicable provisions of the law under which it was issued. Notwithstanding the foregoing, no public authority shall exercise any aspect of its discretionary authority in any manner that extends, or has the effect of extending, the scope or duration of such a License.

Article 19 Basic Requirements for the Competitive Award Process

1. If Article 18 of this law requires that a License (or a right to obtain a License) be awarded and issued only after the conduct of an open, transparent and competitive tender process, such process shall be:

- 1.1. conducted at a time and in a manner that is consistent with the Mining Strategy;
- 1.2. conducted by the appropriate tendering body as determined in accordance with Article 18 paragraphs 3 and 4 of this law.
- 1.3. conducted in full compliance with the procedural requirements of the Law on the Procedure for the Award of Concessions;
- 1.4. require the tenderers to meet, at a minimum, the eligibility requirements specified in Article 6 of this law and
- 1.5. require the tenderers to submit tenders that contain, at a minimum, the information and documents required by Article 22 of this law for an Exploration License and Article 31 of this law for a Mining License.

Article 20 Register of Mining Licenses

The ICMM shall maintain a Register of Licenses and Mining Cadastre that shall be made readily available to the public in accordance with the Law on Access to Official Documents.

PART III

EXPLORATION LICENSES

Article 21 Scope and Term

1. An Exploration License for Construction Minerals shall:

- 1.1. have a term of no more than two (2) years;
- 1.2. apply to an area no larger than two hundred and fifty (250) hectares; and
- 1.3. be extendable once only for a maximum of two (2) additional years.

2. An Exploration License for all other minerals shall:

- 2.1. have a term of no more than three (3) years;
- 2.2. apply to an area no larger than one hundred (100) square kilometers; and
- 2.3. unless prohibited by paragraph 9 of Article 18 of this law, be extendable a maximum of three (3) times, each such extension to be for a period of no more than two (2) years; provided, however, that on the occasion of each such extension the area to which the Exploration License then applies shall be reduced by at least fifty percent (50%).

3. The ICMM shall establish the reduced area referred to immediately above after taking into consideration the proposal of the applicant. Such proposal must be based on the results of all Exploration Operations conducted to date. The ICMM shall make reasonable efforts to establish the reduced area in a manner that facilitates the further exploration of the area no longer covered.

4. No Person shall at anytime hold multiple Exploration Licenses for Construction Minerals covering, in the aggregate, more than ten (10) square kilometers.

5. No Person shall at any time hold multiple Exploration Licenses for other Minerals covering, in the aggregate, more than three hundred (300) square kilometers.

Article 22 Applications

1. A Person desiring to undertake Exploration activities shall submit to the ICMM a completed application for the issuance of an Exploration License for the concerned Mineral Resource Group within the concerned area. Such application shall be submitted in the prescribed format, together with the prescribed fee, and the following shall be attached thereto:

1.1. the names and addresses of the applicant's Significant Owners and directors, if any;

1.2. the official registered address of the applicant in Kosovo;

1.3. a description of the technical, professional and managerial capabilities of the personnel to be principally responsible for the conduct of the Exploration Program, including a copy of their c.v. and, as may be reasonably required by the ICMM, relevant diplomas, licenses and certificates;

1.4. one or more maps showing:

1.4.1. the area under application, defined by coordinates;

1.4.2. the location of any existing building, infrastructure, agricultural activity or other significant manmade improvement or surface feature within such area or within one kilometer from any of its boundaries;

1.4.3. the proposed route of access by the applicant to such area; and

1.4.4. the boundaries of each concerned Municipality;

1.5. a detailed description of the Exploration Program proposed to be undertaken by the License applicant, including:

1.5.1. a description of the Mineral Resource Group to be covered by the License, supported by any reports or geological reports or other evidence;

1.5.2. a technical description of the Exploration methodology and equipment to be employed; and

1.5.3. such other documentation or information as the ICMM may reasonably require.

Article 23 Criteria for Issuance

1. Except as otherwise provided in Article 18 of this law, the ICMM shall issue an Exploration License for the concerned Mineral Resource and License Area to the concerned applicant if:

1.1. the requirements of Article 22, paragraph 1, have been complied with;

1.2. the applicant's proposed Exploration Program is based on best practices of exploration, mining and environmental protection;

- 1.3. the area of land over which the License is sought and the proposed term of the License are not in excess of the area and term reasonably required to carry out the applicant's proposed Exploration Program;
 - 1.4. the applicant:
 - 1.4.1. has the financial resources reasonably required to carry out its proposed Exploration Program, and
 - 1.4.2. is not ineligible under Article 6 of this law;
 - 1.5. the application and the applicant are otherwise in compliance with all provisions of this Law; and
 - 1.6. the issuance of the License within the three-month period following the date of application would be consistent with the implementation of the Mining Strategy.
2. Within three (3) months after receiving a complete application from an eligible applicant, the ICMM shall either issue the concerned License or provide the applicant with:
 - 2.1. the decision of the ICMM not to issue the concerned License;
 - 2.2. a written explanation of the ICMM's reasons for such decision; and
 - 2.3. written information regarding the applicant's legal rights of appeal and judicial review with respect to such decision.
 3. If the ICMM needs more time to assess the application, the ICMM shall, before the expiration of the referenced three-month period, provide the applicant with a notice informing the applicant of the ICMM's need for more time; in such event, the ICMM shall have an additional two (2) months to either issue the License or to provide the applicant with the decision of the ICMM not to issue the concerned License together with the written explanation and information required by paragraph 2 of this article.
 4. Where two or more applications complying with paragraph 1 of this article are made by different Persons for the grant of an Exploration License for the same mineral and in the same area, the applicant whose application was first registered by the ICMM shall have priority.

Article 24

Exploration License Rights and Obligations

1. An Exploration License confers on the Licensee the exclusive right, - subject to the terms and provisions of such Exploration License, the provisions of the Present Law (including any sub-normative acts lawfully issued under the authority of the Present law), and any relevant Surface Rights Agreement or surface rights assigned to the Licensee by the ICMM - to carry out the specified Exploration Operations.
2. An Exploration Licensee shall:
 - 2.1. unless the License provides otherwise, commence Exploration Operations within three (3) months from the date of issuance;
 - 2.2. expend on the specified Exploration Operations not less than the applicable minimum amount prescribed by the ICMM ("Minimum Exploration Expenditure");
 - 2.3. not remove any Mineral Resource from the Exploration Area except to the extent that the ICMM has specifically authorized such removal in writing; provided, however, that the ICMM may only authorize the Licensee to remove such samples of the Mineral Resource as may reasonably be needed for the purpose of permitting the Licensee to analyze or conduct tests on such samples; and

2.4. not conduct any exploration activities in or upon any land or property without first obtaining the written permission of:

2.4.1. in the case of privately owned land or property: the person who owns such land or property, or

2.4.2. in the case of publicly owned land or property: the person having a lawful right of use over such land or property, or if no person has such a right of use, the public authority that owns or has principal administrative authority over such land or property.

3. Only expenditures that are directly attributable to the concerned Exploration activities shall qualify as Minimum Exploration Expenditures under sub-paragraph 2.2 of this article. Where the amount expended on Exploration Operations is less than the applicable Minimum Exploration Expenditure, the amount of the shortfall shall be a debt owed and immediately due and payable by the Licensee to the ICMM.

4. An Exploration Licensee shall:

4.1. keep full and accurate records on:

4.1.1. boreholes drilled;

4.1.2. lithologies penetrated, with detailed logs thereof;

4.1.3. mineral resources identified;

4.1.4. the results of all geochemical or geophysical survey;

4.1.5. the results of all analysis or identification of minerals;

4.1.6. the geological interpretation of the records maintained under items 4.1.1 through 4.1.5 this article;

4.1.7. the number of physical persons employed or contracted;

4.1.8. other work done by or on behalf of the Licensee;

4.1.9. costs incurred; and

4.1.10. other activities conducted by the Licensee that relate to the Exploration Program.

4.2. store and maintain in good condition in Kosovo each core sample obtained in a manner that clearly identifies the date and location of its extraction; such samples may be maintained at an address in Kosovo other than that specified in Article 16 of this law if the ICMM has been notified of such address;

4.3. submit to the ICMM, within two (2) months from the end of each calendar year:

4.3.1. an annual report for such calendar year, describing all Exploration Operations undertaken, identifying the location of all supporting documents and records and resulting physical samples, and providing an estimate of all Mineral Resources identified, illustrated with plans and sections at an appropriate scale; and

4.3.2. annual statements for such calendar year on expenditures, accidents and safety at the work site, and reclamation activities; and

4.4. submit to the ICMM, not later than September 30 of each calendar year, an Exploration Program for the following calendar year.

5. The ICMM may impose an administrative fine or other remedies in accordance with Part XIII of the present law if an Exploration Licensee fails to comply with the provisions of paragraphs 2 through 4 of this article.
6. An Exploration Licensee may submit a written request to the ICMM asking for an exemption from one or more of the record-keeping and reporting requirements established by paragraph 4 of this article. The ICMM may grant such request if, and only to the extent, that there are good and compelling reasons therefor. The ICMM's decision shall be in writing and shall include a detailed explanation of the ICMM's reasons for such decision. The ICMM shall issue the decision to the Exploration Licensee within sixty (60) days after receiving the request.
7. During the term of the Exploration License and any Mining or Retention License issued subsequent thereto, The ICMM shall keep the items referred to paragraph 4 of this article and received from the Exploration Licensee in confidence except to the extent that access thereto is strictly required by the Law on Access to Official Documents or a court order.
8. An Exploration Licensee shall have the right to apply for and receive a subsequent Mining License for the concerned Mineral Resource in the License Area if the requirements of Part V of this Law are complied with.
9. During the conduct of activities covered by its Exploration License, the concerned Exploration Licensee shall - in the event that such Exploration Licensee discovers crystal structures or crystal containing structures that are reasonably believed by the Exploration Licensee to be of unique aesthetic value and that are described in the sub-normative act issued by the Ministry pursuant to paragraph 5 of Article 78 of this Law, Explorations Licensee collect and preserve such structures in a secure location and immediately notify the Museum in writing. The Museum shall dispatch a representative to the site where such structure is maintained to take possession of such structure. Any such structure shall be the property of the Republic of Kosovo, and the Museum Director and the representative shall ensure that such structure is placed in the permanent possession of the Museum, which shall photograph and register such structure, including an identification of the site where it was obtained, the date on which it was discovered, and the name of the concerned Exploration Licensee.
10. The ICMM shall - within thirty (30) days after the effective date of this Law - notify all current Exploration Licensees in writing of the requirement set forth in paragraph 6. The ICMM shall also amend all existing Exploration Licenses to include such requirement, and shall include such requirement in all Exploration Licenses issued after the effective date of this Law.

Article 25

Exploration License Extension

1. An Exploration Licensee desiring an extension of his License shall submit to the ICMM a completed extension application in the prescribed format, together with the prescribed fee, and shall attach thereto the following:
 - 1.1. a copy of the Exploration License to be renewed and any related Permit;
 - 1.2. a map showing the area to which the application relates, defined by coordinates;
 - 1.3. a detailed description of the Exploration Operations conducted to date; and
 - 1.4. an updated Exploration Program.
2. The ICMM may extend an Exploration License if the concerned Licensee has submitted an application therefor in the prescribed form and accompanied by the prescribed fee and, as of the date of such application:
 - 2.1. the requirements of paragraph 1 of this article have been fulfilled;
 - 2.2. the applicant's updated Exploration Program is based on appropriate standards of exploration, mining and environmental protection;

- 2.3. the area of land over which the extension is sought is not in excess of the area reasonably required to carry out the applicant's updated Exploration Program and is otherwise consistent with the requirements of Article 21 of this law;
 - 2.4. the applicant has demonstrated that he has the financial resources reasonably required to carry out its proposed Exploration Program;
 - 2.5. the applicant is eligible under Article 6 of this law;
 - 2.6. the applicant is otherwise in compliance with the provisions of the Present Law; and
 - 2.7. the extension is not prohibited by paragraph 9 of Article 18 of this law.
3. Within three (3) months after receiving a complete extension application from an eligible applicant, the ICMM shall either issue the concerned extension or provide the applicant with:
- 3.1. the decision of the ICMM not to issue the concerned extension;
 - 3.2. a written explanation of the ICMM's reasons for such decision; and
 - 3.3. written information regarding the Licensee's legal rights of appeal and judicial review with respect to such decision.

PART IV

RETENTION LICENSES

Article 26 Scope and Term

1. The ICMM may issue a Retention License to a Person holding a current and valid Exploration License if the provisions of this Part IV permit such issuance. Any such Retention License shall:
 - 1.1. if issued to a Licensee under an Exploration License for Construction Minerals, have a maximum term of one (1) year from the expiration of such Exploration License;
 - 1.2. if issued to a Licensee under an Exploration License for any other mineral, have a maximum term of five (5) years from the expiration of such Exploration License;
 - 1.3. not be extended; and
 - 1.4. specify the grounds on which it is issued.
2. A Retention License shall have the effect of extending the term of an Exploration License. No Retention License shall be issued if such issuance is prohibited by paragraph 9 of Article 18 of this law.
3. Any Retention License that has a term of more than one (1) year shall be subject to annual reviews by the ICMM. During such an annual review, the Licensee shall provide the ICMM with updated versions of the studies and assessments required under paragraph 2. Article 27 of this law.
4. If, during such a review, the ICMM reasonably determines in writing that the relevant market conditions and/or other economic factors have changed such that the grounds for the Retention License are no longer present, the ICMM may cancel the Retention License ninety (90) days after the ICMM provides the Licensee with written notice of its intent to cancel the Retention License.

Article 27 Application

1. An Exploration Licensee may apply to the ICMM for the grant of a Retention License if:
 - 1.1. he has identified a Mineral Resource as evidenced by a Resource Estimate within the Exploration Area that is potentially of commercial significance; and
 - 1.2. the Mineral Resource cannot be developed immediately because of adverse market conditions or other economic factors that are reasonably believed to be of a temporary character.
2. An application for a Retention License shall be accompanied by studies and assessments by qualified experts on:
 - 2.1. the extent, prospects for recovery, and the commercial significance of the Mineral Resource, and the relevant market conditions and trends and economic factors; and
 - 2.2. such other relevant information as the ICMM may reasonably require in the proposals of the applicant regarding the retention and development of the Mineral Resource.

Article 28 Criteria for Issuance

1. If the commercial development of the concerned Mineral Resource is not presently feasible, but may become so within five (5) years, the ICMM may issue a Retention License to the Exploration Licensee over that part of the Exploration Area that the ICMM, after consultation with the Exploration Licensee, reasonably believes will be necessary to mine such Mineral Resource.
2. Within three (3) months after receiving a complete application from an Exploration Licensee, the ICMM shall either issue the concerned Retention License or provide the Exploration Licensee with:
 - 2.1. the decision of the ICMM not to issue the concerned Retention License;
 - 2.2. a written explanation of the ICMM's reasons for such decision; and
 - 2.3. written information regarding the Licensee's legal rights of appeal and judicial review with respect to such decision.

Article 29 Rights and Obligations

1. The Retention License shall, during its validity period, entitle the Licensee to apply for a Mining License for the concerned Mineral Resource within the License Area. Where such application is timely made, the provisions of the Present Law relating to the granting of Mining Licenses shall apply as if the Retention Licensee were the Exploration Licensee for that area.
2. The ICMM may condition the issuance of a Retention License on the Exploration Licensee's acceptance of certain obligations for exploration, such as:
 - 2.1. an obligation to continue certain specified Exploration Operations, and/or
 - 2.2. an obligation to undertake certain specified measures for the protection of the environment. Such conditions shall be specified in the Retention License.

PART V
MINING LICENSES

Article 30
Term and Scope

1. A Mining License for minerals other than Energy Minerals:

- 1.1. shall have a maximum term of no more than twenty five (25) years;
- 1.2. shall apply to such area as may be required for the concerned Mineral Resource; and
- 1.3. may be extendable for an additional term having a maximum duration of twenty-five (25) years.

2. A Mining License for Energy Minerals:

- 2.1. shall have a maximum term of no more than thirty (30) years;
- 2.2. shall apply to such area as may be required for the concerned Mineral Resource; and
- 2.3. may be extendable for an additional period of fifteen (15) years.

Article 31
Applications

1. A Person desiring to mine or otherwise exploit a Mineral Resource in Kosovo shall submit to the ICMM a completed application for the issuance of a Mining License for the concerned Mineral Resources within the concerned area. Such application shall be submitted in the prescribed format, together with the prescribed fee, and the following shall be attached thereto:

- 1.1. the names and addresses of the applicant's Significant Owners and directors, if any;
- 1.2. the official registered address of the applicant in Kosovo;
- 1.3. a description of the technical, professional and managerial capabilities of the personnel to be principally responsible for the conduct of the Mining Program, including a copy of their C.V. and, as may reasonably be required by the ICMM, relevant diplomas, licenses and certificates;
- 1.4. one or more maps showing:
 - 1.4.1. the area under application, defined by coordinates;
 - 1.4.2. the location of any existing building, infrastructure, agricultural activity or other significant manmade improvement or surface feature within such area or within one kilometer from any of its boundaries;
 - 1.4.3. the proposed route of access by the applicant to such area; and
 - 1.4.4. the boundaries of each concerned Municipality;
- 1.5. all relevant cadastral documentation as prescribed by the ICMM;
- 1.6. the environmental consent issued by the MESP and any approvals of other Public Authorities that may be required under the law of Kosovo;

1.7. Surface Rights Agreement(s), having a duration of not less than the proposed Mining License, between the applicant and all third parties having lawfully registered property rights to the surface area that the applicant proposes to use during the conduct of the concerned Mining Operations; or evidence of refusal or failure of such third parties to enter into such an agreement on reasonable terms;

1.8. the Mining Program proposed to be undertaken by the License applicant, which shall include:

1.8.1. an updated Resource Estimate of the Mineral Resources to which the License is to relate and an estimate of expected mine life, based on the results of the Exploration Operations carried out under the Exploration License and such other data and reports as may be required by the ICMM;

1.8.2. a description of the mine and of the planned activities for its development: all other planned development activities if such exist;

1.8.3. a description of the proposed location, extent and duration of Mining Operations following the commissioning of the mine and related developments, including the methods, techniques and equipment to be employed, the proposed locations of Mining Operations, an assessment of the expected annual production over the term of the License, and all marketing and agency arrangements, if any; and

1.8.4. a discounted cash flow estimate over the term of the License of projected capital and operating costs and revenues that establishes the financial and economic viability of the Mining Program;

1.9. a mine closure plan and a rehabilitation program prepared in each case by suitably qualified and experienced experts, including the cost estimate for the implementation of such plan;

1.10. if required by the Mining Strategy of Kosovo and in the light of the size and value of the Mineral Resources, a study of the social implications of the proposed Mining Program prepared by suitably qualified and experienced experts;

1.11. a performance bond in the format prescribed by the ICMM guaranteeing the availability of sufficient funds to carry out, when and as needed, the mine closure plan and rehabilitation program, such bond to be in an amount equal to or greater than the estimated cost of such plan and program, including contingencies;

1.12. A copy of the relevant Exploration License and, if applicable, Retention License held by the applicant; and

1.13. such other documentation or information as the ICMM may reasonably require.

Article 32 Application Processing

1. Upon receipt of a complete Mining License application by an eligible applicant, the ICMM shall immediately process the application in accordance with the provisions of the present law.

2. Within three (3) months after receiving a complete Mining License application from an eligible applicant the ICMM shall either issue the concerned License or provide the applicant with:

2.1. the decision of the ICMM not to issue the concerned Mining License;

2.2. a written explanation of the ICMM's reasons for such decision; and

2.3. written information regarding the applicant's legal rights of appeal and judicial review with respect to such decision.

3. If the ICMM needs more time to assess the application, the ICMM shall, before the expiration of the three-month period specified in paragraph 2, provide the applicant with a notice informing the applicant of the ICMM's need for more time; in such event, the ICMM shall have an additional one (1) month to either issue the Mining License or to provide the applicant with the decision of the ICMM not to issue the concerned License together with the written explanation and information required by paragraph 2 of this article.

Article 33 Criteria for Issuance

1. The ICMM shall issue the concerned Mining License if the following criteria have been fulfilled:

1.1. the requirements of paragraph 1 of Article 31 have been complied with;

1.2. reasonable evidence demonstrating the existence of sufficient deposits or reserves of minerals to justify the proposed Mining Program have been provided by the applicant;

1.3. the applicant's proposed Mining Program is based on best practices of mining and environmental protection, and ensures the efficient and beneficial use of the concerned Mineral Resources in the concerned area;

1.4. the area of land over which the License is sought and the proposed term of the License are not in excess of the area and term reasonably required to carry out the applicant's proposed Mining Program;

1.5. the applicant:

1.5.1. has demonstrated that he has the financial resources reasonably required to carry out its proposed Mining Program; and

1.5.2. is eligible under Article 6 of this law;

1.6. the application and the applicant are otherwise in compliance with the Present Law;

1.7. the issuance of the License within four (4) months period following the date of application would be consistent with the implementation of the Mining Strategy;

1.8. the issuance is not prohibited by paragraph 9 of Article 18 of this law;

1.9. each Public Authority from which an approval is required under the law applicable in Kosovo has either issued such approval or the time limit for issuing such approval has expired and the concerned Public Authority has not taken any action;

1.10. any required surface rights not covered by a Surface Rights Agreement have been otherwise acquired by the applicant or lawfully expropriated and assigned to the applicant in accordance with paragraph 2 of this Article.

2. If, under paragraph 1, sub-paragraph 1.7, of Article 31 of this law, the applicant has provided evidence that a third party has refused or failed to enter into a Surface Rights Agreement covering surface rights that are reasonably required by the applicant to pursue its Mining Program, the ICMM shall make an application - in accordance with the provisions of the Law on Expropriation - to the Government for the expropriation of the required surface rights, and the Government shall expropriate such rights. After the expropriation process is completed, the Government shall assign such surface rights to the License applicant upon the applicant's payment of the costs of the expropriation.

Article 34
Mining License Rights and Obligations

1. A Mining License confers on the Licensee the exclusive right - subject to the terms and provisions of such Mining License, the provisions of this law (including any sub-normative acts lawfully issued under the authority of this law), and any relevant Surface Rights Agreement or surface rights assigned to the Licensee pursuant to paragraph 2 of Article 33 of this law - to carry out the specified Mining Operations and related Exploration activities, including, but not limited to, the right to:

1.1. enter the License Area and to take all reasonable measures on or under the surface for the purpose of carrying out the Mining Program authorized by the License;

1.2. erect the necessary equipment, plant and buildings for the purposes of exploiting, transporting, or processing the exploited mineral;

1.3. sell or otherwise transfer rights to any exploited mineral; and

1.4. stack or dump any mineral, waste products or intermediate product awaiting on-site beneficiation in a manner provided for in the Licensee's Mining Program as submitted to and accepted by the ICMM.

2. A Mining Licensee shall:

2.1. unless the License provides otherwise, commence Mining Operations within three (3) months from the date of issuance;

2.2. develop the License Area and carry on mining in compliance with the Licensee's Mining Program as submitted to and accepted by the ICMM; and

2.3. demarcate and keep demarcated the Mining Area in such manner as the ICMM may reasonably require.

3. A Mining Licensee shall maintain:

3.1. complete and accurate technical records of his operations in the Mining Area;

3.2. copies of all maps, geological reports, including interpretations, mineral analyses, aerial photographs, ore logs, analyses and tests and all other data obtained and compiled by the Licensee in respect of the Mining Area; and

3.3. accurate and systematic financial records of his operations in the Mining Area and such other books of account and financial records as the ICMM may reasonably require; and if the Licensee is engaged in any other activity not connected with his Mining Operation, he shall maintain separate records and books of account on his Mining Operations.

4. A Mining Licensee shall submit to the ICMM:

4.1. within thirty (30) days from the end of each calendar quarter:

4.1.1. a report of the volume/tonnage of minerals produced during that quarter;

4.1.2. a statement showing the amount of the royalty that the licensee calculates to be payable in respect of such quarter, together with all information and calculations relating thereto; and

4.1.3. written proof that such royalties have been paid in the manner and amount required by Part IX;

4.2. within one hundred and twenty (120) days from the end of each calendar year:

4.2.1. a report for such calendar year providing: a summary of the results of all Mining Operations; precise details on the tonnage, volume, composition, grade and value of minerals produced; precise details on the tonnage and volume of waste removed and the manner in which it was disposed of; a detailed statement of expenditures, costs and persons employed; and an estimate of the remaining mineral reserves illustrated by plans and sections at an appropriate scale, on accidents and safety at the work site, and on recultivation activities;

4.2.2. audited annual statements for such calendar year on expenditures;

4.2.3. an audited annual statement showing the amount of the royalty that has been determined to be payable in respect of such calendar year, together with all information and calculations relating thereto and any modifications and explanations required to reconcile such annual statement with statements previously submitted in accordance with paragraph 4 subparagraph 4.1 point 4.1.1 of this section and

4.2.4. an audited annual financial report showing the profit or loss and the state of the financial affairs of the Licensee at the end of such calendar year.

4.3. not later than September 30 of each calendar year, an updated Mining Program for the following calendar year; and

4.4. such additional reports, records and other information as the ICMM may reasonably require.

5. During the term of the Mining License, the ICMM shall keep the reports and statements specified in subparagraph 4.2, paragraph 4, of this article in confidence except to the extent that access thereto is strictly required by the Law on Access to Official Documents or a court order.

6. During the conduct of activities covered by its Mining License, the concerned Mining Licensee shall - in the event that such Mining Licensee discovers crystal structures or crystal containing structures that are reasonably believed by the Mining Licensee to be of unique aesthetic value and that are described in the sub-normative act issued by the Ministry pursuant to paragraph 5 of Article 78 of this Law - collect and preserve such structures in a secure location and immediately notify the Museum in writing. The Museum shall dispatch a representative to the site where such structure is maintained to take possession of such structure. Any such structure shall be the property of the Republic of Kosovo, and the Museum Director and the representative shall ensure that such structure is placed in the permanent possession of the Museum, which shall photograph and register such structure, including an identification of the site where it was obtained, the date on which it was discovered, and the name of the concerned Mining Licensee.

7. The ICMM shall - within thirty (30) days after the effective date of this Law - notify all current Mining Licensees in writing of the requirement set forth in paragraph 6. The ICMM shall also amend all existing Mining Licenses to include such requirement, and shall include such requirement in all Mining Licenses issued after the effective date of this Law.

Article 35 Suspension of Production

1. A Mining Licensee shall give written notice to the ICMM three (3) months in advance if he intends to suspend or substantially reduce production. Such notice shall include a detailed justification for such suspension or reduction.

2. A Mining Licensee shall immediately inform the ICMM of the suspension or reduction of production due to causes beyond his control.

Article 36
Extension of a Mining License

1. The holder of a Mining License that wishes to extend such License shall submit to the ICMM a complete application for such extension in the prescribed format together with the prescribed fee, and shall attach thereto the following:

- 1.1. a copy of the Mining License to be extended and any related Permit to conduct Special Operations;
- 1.2. an updated Mining Program;
- 1.3. updated versions of the documents required by, sub-paragraphs 1.8, 1.9, 1.10 and 1.11 of paragraph 1 of Article 31 of this law; and
- 1.4. such other documentation or information as the ICMM may reasonably require.

2. The ICMM shall extend the License if the concerned Licensee has submitted the application, fee and documents required by paragraph 1 of this article, and, as of the date of such application:

- 2.1. the requirements of Article 33 of this law, as applicable to the updated Mining Program, have been fulfilled;
- 2.2. the applicant is eligible under Article 6 of this law;
- 2.3. the applicant is in compliance with the License, the Present Law and any Surface Rights Agreement or surface rights assigned or granted to the Licensee by a Public Authority; and
- 2.4. the extension is not prohibited by paragraph 9 of Article 18 of this law.

3. Within three (3) months after receiving a complete extension application from an eligible applicant, the ICMM shall either issue the concerned extension or provide the applicant with

- 3.1. the decision of the ICMM not to issue the concerned extension;
- 3.2. a written explanation of the ICMM's reasons for such decision; and
- 3.3. written information regarding the Licensee's legal rights of appeal and judicial review with respect to such decision.

4. At any time prior to the expiry of such three (3) month period referred to paragraph 3 of this Article, the ICMM may - in exceptional circumstances and in the exercise of his reasonable discretion - extend such period for an additional three (3) months. In such event, the ICMM shall immediately notify the applicant in writing of such extension and of the reasons therefor.

PART VI

PERMITS FOR SPECIAL OPERATIONS

Article 37
Term and Scope

1. The term and scope of each Permit shall be reasonably established by the ICMM in a manner that is directly and rationally related to the conduct of the Special Operations authorized by such Permit.

2. A Person who is already authorized by a License to conduct a Special Operation is not required to apply for or obtain a Permit to conduct such Special Operation.

Article 38 Application

1. A Person desiring to conduct a Special Operation shall submit to the ICMM a completed application for the issuance of a Permit to conduct the concerned Special Operation. Such application shall be submitted in the prescribed format, together with the prescribed fee, and the following shall be attached thereto:

- 1.1. a copy of any License of the applicant to which the Special Operation relates;
- 1.2. the names and addresses of the applicant's Significant Owners and directors, if any;
- 1.3. the official registered address of the applicant in Kosovo;
- 1.4. a description of the technical, professional and managerial capabilities of the personnel to be principally responsible for the conduct of the Special Operation, including a copy of their c.v. and, as may be reasonably required by the ICMM, relevant diplomas, licenses and certificates;
- 1.5. one or more maps showing:
 - 1.5.1. the area under application, defined by coordinates;
 - 1.5.2. the location of any existing building, infrastructure, agricultural activity or other significant manmade improvement or surface feature within such area or within one kilometer from any of its boundaries;
 - 1.5.3. the proposed route of access by the applicant to such area; and
 - 1.5.4. the boundaries of each concerned Municipality;
- 1.6. all relevant cadastral documentation as prescribed by the ICMM;
- 1.7. the environmental consent issued by the MESP and any other approvals from other Public Authorities that may be required under the law of Kosovo;
- 1.8. Surface Rights Agreement(s), having a duration of not less than the proposed Permit, between the applicant and all third parties having lawfully registered property rights to the surface area that the applicant proposes to use during the conduct of the concerned Specially Operations; or evidence of refusal or failure of such third parties to enter into such an agreement on reasonable terms;
- 1.9. the Special Operations Program proposed to be undertaken by the applicant, which shall include:
 - 1.9.1. a description of the location, extent and duration of the proposed Program and the methods, techniques and equipment to be employed; and
 - 1.9.2. a work program and a cost estimate;
- 1.10. a rehabilitation program prepared in each case by suitably qualified and experienced experts;
- 1.11. a performance bond in the format prescribed by the ICMM guaranteeing the availability of sufficient funds, when and as needed, to carry out the rehabilitation program, such bond to be in an amount equal to or greater than the estimated cost of such program, including contingencies; and
- 1.12. such other documentation or information as the ICMM may reasonably require.

Article 39
Application Processing

1. Within three (3) months after receiving a complete Permit application from an eligible applicant that meets all the requirements of Article 38, the ICMM shall either issue the concerned Permit or provide the applicant with

- 1.1. the decision of the ICMM not to issue the concerned Permit;
- 1.2. a written explanation of the ICMM's reasons for such decision; and
- 1.3. written information regarding the applicant's legal rights of appeal and judicial review with respect to such decision.

2. At any time prior to the expiry of the three (3) month period referred to in paragraph 1 of this article, the ICMM may - in exceptional circumstances and in the exercise of its reasonable discretion - extend such period for an additional one (1) month. In such event, the ICMM shall immediately notify the applicant in writing of such extension and of the reasons therefor.

Article 40
Criteria for Issuance

1. The ICMM shall issue the concerned Permit if the following criteria have been fulfilled:

- 1.1. the requirements of paragraph 1 of Article 38 of this law have been complied with;
- 1.2. the applicant's proposed Special Operations Program is based on best practices;
- 1.3. the applicant:
 - 1.3.1. has the financial resources required to carry out its proposed Special Operations Program, and
 - 1.3.2. is eligible under Article 6 of this law;
- 1.4. the application and the applicant are otherwise in compliance with the Present Law;
- 1.5. each Public Authority from which an approval is required under the law of Kosovo has either issued such approval or the time limit for issuing such approval has expired and the concerned Public Authority has not taken any action;
- 1.6. the applicant has agreed in writing to pay to the Government:
 - 1.6.1. any expropriation compensation that may be required as a result of an expropriation process initiated by the ICMM under paragraph 2 of this Article; and
 - 1.6.2. any reasonable costs incurred by the Government in connection with that process;
- 1.7. any required surface rights not covered by a Surface Rights Agreement have been otherwise acquired by the applicant or lawfully expropriated and assigned to the applicant in accordance with paragraph 2 of this Article.

2. If, under paragraph 1, subparagraph 1.8, of Article 38 of this law, the applicant has provided evidence that a third party has refused or failed to enter into a Surface Rights Agreement covering surface rights that are reasonably required by the applicant to pursue its Special Operations Program, the ICMM may make an application - in accordance with the provisions of the Law on Expropriation - to the Government for the expropriation of the required surface rights, and the Government shall expropriate such rights. After the expropriation process is completed, the Government shall assign such surface rights to the Permit applicant upon the applicant's payment of the amounts specified in paragraph 1, sub-paragraph 1.6, of this Article.

Article 41
Special Permit Rights and Obligations

1. A Permit confers on the Permit Holder the exclusive right - subject to the terms and provisions of that Permit, the Present Law (including any sub-normative acts lawfully issued under the Present law), and any relevant Surface Rights Agreement or surface rights assigned to the Licensee by the Government - to carry out the specified Special Operations, including, but not limited to, the right to:

- 1.1. enter on the Permit Area and take all reasonable measures on or under the surface for the purpose of carrying out the Special Operations Program authorized by the Permit;
- 1.2. erect the necessary equipment, plant and buildings for the purposes of transporting or processing of the concerned mineral;
- 1.3. sell or otherwise transfer rights to the concerned mineral or production; and
- 1.4. stack or dump any mineral or waste products in a manner provided for in the Special Operations Program authorized by the Permit.

2. A Permit Holder shall:

- 2.1. unless the Permit provides otherwise, commence the concerned operations within three (3) months from the date of issuance; and
- 2.2. demarcate and keep demarcated the Permit Area in such manner as the ICMM may reasonably require.

3. A Permit Holder shall maintain:

- 3.1. complete and accurate technical records of his Special Operations;
- 3.2. copies of any maps, geological reports, including interpretations thereof, mineral analyses, aerial photographs, ore logs, analyses and tests and other data that the Permit Holder has obtained or compiled in respect of his Special Operations; and
- 3.3. accurate and systematic financial records on his Special Operations and such other books of account and financial records as the ICMM may reasonably require; and if the Permit Holder is engaged in any other activity not connected with his Special Operations, he shall maintain separate records and books of account on his Special Operations.

4. A Permit Holder shall submit to the ICMM:

- 4.1. within thirty (30) days from the end of each calendar quarter, a report of the volume/tonnage of minerals processed during that quarter;
- 4.2. within sixty (60) days from the end of each calendar year:
 - 4.2.1. an annual report for such calendar year providing: a summary of the results of all Special Operations; precise details on the tonnage, volume, composition, grade and value of minerals processed; precise details on the tonnage and volume of waste removed and the manner in which it was disposed of; and a detailed statement of expenditures, costs and persons employed;
 - 4.2.2. annual statements for such calendar year on expenditures, on accidents and safety at the work site, and on reclamation activities; and
 - 4.2.3. an annual financial report showing the profit or loss and the state of the financial affairs of the Permit Holder at the end of such calendar year.

4.3. not later than September 30 of each calendar year, an updated Special Operations Program for the following calendar year; and

4.4. such additional reports, records and other information as the ICMM may reasonably require.

5. During the term of the Permit, the ICMM shall keep the reports and statements specified in subparagraph 4.2, paragraph 4, of this article in confidence except to the extent that access thereto is strictly required by the Law on Access to Official Documents or a court order.

Article 42 Suspension of Operations

1. The holder of a Permit to conduct ongoing processing operations shall give written notice to the ICMM three (3) months in advance if he intends to suspend or substantially reduce such processing. Such notice shall include a detailed justification for such suspension or reduction.

2. Every Permit Holder shall immediately inform the ICMM if he is unable to perform an authorized Special Operation due to force majeure.

PART VII

SMALL SCALE ARTISANAL MINING

Article 43 Term and Scope

An Artisanal Mining License shall be subject to the same provisions on term and scope as are applicable under Article 30 of this law to a Mining License for Construction Minerals. Provided, however, that no Artisanal Mining License may authorize the exploitation of more than twelve thousand 12,000 cubic meters of Construction Minerals in any calendar year.

Article 44 Application

1. An Artisanal Mining License may only be issued to a Municipality. A Municipality applying for an Artisanal Mining License shall not be subject to the eligibility requirements specified in Article 6 of this law.

2. A Municipality desiring to undertake Artisanal Mining activities shall submit to the ICMM a completed application for the issuance of an Artisanal Mining License. Such application shall specify the Construction Minerals and the area for which such License is sought. The area for which the License is sought must

2.1. lie wholly within the Municipality; and

2.2. only involve or affect land or property that is being directly and lawfully administered by the Municipality.

3. The Municipality shall submit the application in the prescribed format, together with the prescribed fee, and shall attach thereto the following:

3.1. the name of the chief administrative officer of the Municipality;

3.2. the official address of such chief administrative officer; and

3.3. a description of the technical, professional and managerial capabilities of the personnel to be principally responsible for the conduct of the Artisanal Mining Program, including a copy of their

c.v. and, as may reasonably be required by the ICMM, relevant diplomas, licenses and certificates;

3.4. one or more maps showing:

3.4.1. the area under application, defined by coordinates;

3.4.2. the location of any existing building, infrastructure, agricultural activity or other significant manmade improvement or surface feature within such area or within one kilometer from any of its boundaries;

3.4.3. the proposed route of access by the applicant to such area; and

3.4.4. the boundaries of the parcels, if any, into which the area has been or will be divided.

3.5. all relevant cadastral documentation as prescribed by the ICMM;

3.6. the environmental consent issued by the MESP and any other approvals from other Public Authorities that may be required under the law of Kosovo;

3.7. Surface Rights Agreement(s), having a duration of not less than the proposed Artisanal Mining License, between the applicant and all third parties having lawfully registered property rights to the surface area that the applicant proposes to use during the conduct of the concerned Artisanal Mining Operations; or evidence that the Municipality has lawfully expropriated such rights in accordance with the Law on Expropriation for the purpose of establishing an Artisanal mining site;

3.8. the Artisanal Mining Program proposed to be undertaken by the applicant in the specified area, which shall:

3.8.1. include an updated Resource Estimate of the Construction Minerals to which the License is to relate, an estimate of expected mine life and such other data and reports as may be reasonably required by the ICMM;

3.8.2. specify the maximum number of physical persons who shall be permitted to use such site;

3.8.3. set out a detailed program of measures that the Municipality commits to undertake to eliminate all illegal Artisanal Mining within the Municipality; and

3.8.4. estimate the annual costs to the Municipality of establishing, maintaining and operating the proposed Artisanal Mining site and of terminating all illegal Artisanal Mining within the Municipality;

3.9. a mine closure plan and a rehabilitation program prepared in each case by suitably qualified and experienced experts; and

3.10. such other documentation or information as the ICMM may reasonably require.

Article 45 Application Processing

1. Within three (3) months after receiving a complete Artisanal Mining License application from a Municipality, the ICMM shall either issue the concerned License or provide the Municipality with:

1.1. the decision of the ICMM not to issue the concerned License,

1.2. a written explanation of the ICMM's reasons for such decision, and

1.3. written information regarding the Municipality's legal rights of appeal and judicial review with respect to such decision.

2. At any time prior to the expiry of such three (3) month period referred to paragraph 1 of this article, the ICMM may - in exceptional circumstances - extend such period for an additional one (1) month. In such event, the ICMM shall immediately notify the Municipality in writing of such extension and of the reasons therefor.

Article 46 Criteria for Issuance

1. Upon receipt of a complete Artisanal Mining License application from a Municipality the ICMM shall issue the concerned Artisanal Mining License if the following criteria have been fulfilled:

1.1. the requirements of Article 44 of this law have been complied with;

1.2. reasonable evidence demonstrating the existence of sufficient deposits or reserves of Construction Minerals to justify the proposed Artisanal Mining Program have been provided by the Municipality;

1.3. the area and term for which the License is sought are not in excess of the area and term reasonably required to carry out the Municipality's proposed Artisanal Mining Program;

1.4. the application and the applicant are in compliance with the provisions of the Present Law; and

1.5. any required surface rights not covered by a Surface Rights Agreement have been otherwise acquired by the Municipality or expropriated by the Municipality in accordance with the Law on Expropriation.

Article 47 Municipal Rights and Obligations

1. A Municipality shall not allow or authorize any Artisanal Mining activities within its borders except in strict compliance within the terms of an Artisanal Mining License that has been issued to such Municipality by the ICMM. Each Municipality that has received an Artisanal Mining License shall be responsible for complying with the terms and provisions of such License and the Present Law (including any sub-normative acts lawfully issued under the authority of the Present law), and fulfilling all commitments made in its application for such License. Each Artisanal Mining site shall be maintained and operated by the concerned Municipality under the supervision of, and in accordance with, the lawful orders issued by the ICMM.

2. In addition to conditions foreseen in paragraph 1 of this article, each Municipality having an Artisanal Mining License shall:

2.1. publish a daily fixed charge to be paid by each physical person desiring to use the site; such charge shall be established by the Municipality in an amount that is calculated, in the aggregate, as sufficient to cover its annual capital and operating costs incurred in connection with the establishment, maintenance, and operation of its Artisanal Mining sites; the Municipality shall regularly review and revise the amount of such charge as necessary;

2.2. collect the amount of the applicable fixed charge from each user in advance, which amounts shall be "public money" and the "own source revenue" of the Municipality and handled in accordance with the Law on Public Financial Management and Accountability;

2.3. impose such restrictions on the use of the site as may be required by the concerned Artisanal Mining License;

2.4. restrict the use of an Artisanal Mining site to physical persons who have paid the applicable charge and who have complied with the restrictions governing the use of the site;

- 2.5. ensure that aggregate monthly site production and individual site user daily production of mineral ore and materials do not exceed the respective limits prescribed by the ICMM;
 - 2.6. ensure that, by the end of each day, each site user shall remove from the site all mineral ore and materials produced by him that day, any such production not so removed shall become the property of the Municipality;
 - 2.7. ensure that the weight or volume of all mineral ore and materials produced by each site user in any day is duly measured and recorded in writing, with a copy of such record being provided to the site user;
 - 2.8. provide any services and facilities approved by the ICMM in an effective, safe and cost efficient manner;
 - 2.9. implement in a diligent and efficient manner the program of measures to eliminate illegal Artisanal Mining that the Municipality committed to undertake when it applied for the License;
 - 2.10. establish and maintain full and accurate books and records, which shall be available at any time for inspection by the ICMM, showing:
 - 2.10.1. the capital and operating costs incurred by the Municipality in establishing, maintaining and operating its Artisanal Mining sites and in implementing its program to eliminate illegal Artisanal Mining,
 - 2.10.2. the fixed charges recovered by it from site users and any other revenues accruing to it from such Sites;
 - 2.11. manage the Artisanal Mining sites and access thereto and its program to eliminate illegal Artisanal Mining in accordance with applicable mining, safety, environmental and other standards and the terms and conditions of its License; and
 - 2.12. pay royalties to the ICMM in accordance with the present Law.
3. Within three (3) months from the end of each calendar year, every Municipality that held an Artisanal Mining License during such calendar year shall submit to the ICMM an annual report for such calendar year that:
- 3.1. includes audited accounts for such calendar year;
 - 3.2. describes the Artisanal Mining activities undertaken at each site covered by such License, including individual and aggregate production levels for each mineral mined at such site;
 - 3.3. evaluates the environmental impact of such mining at each such site;
 - 3.4. contains proposals, if any, for the e. establishment of new Artisanal Mining sites and modifications to existing site or parcel boundaries;
 - 3.5. describes in detail the steps it has taken to implement its program to eliminate illegal Artisanal Mining; and
 - 3.6. accounts for all costs paid or incurred and revenues received or accrued in relation to its operation of Artisanal Mining sites.
4. A Municipality may not undertake or have any commercial or other interest in any Artisanal Mining activity, except as specifically provided for in Part VII.

Article 48
Authority to Exclude Users

Without prejudice to the general applicability of paragraph 1 of Article 47 of this law, the ICMM shall have the authority to issue an order excluding any Person from an Artisanal Mining site if such Person intentionally or repeatedly fails to comply with the Present Law or the lawful orders issued by the ICMM. The concerned Municipality is required to take whatever steps may be necessary to ensure that such order is routinely and effectively enforced.

PART VIII

PUBLIC INTEREST LICENSES AND PUBLIC INTEREST PERMITS

Article 49

Issuance of Public Interest License and/or Public Interest Permit to a Publicly Owned Enterprise or Socially Owned Enterprise

1. This part VIII may only be used to issue a Public Interest License or a Public Interest Permit to:

1.1. A “publicly owned enterprise” that has been identified as a Central POE in or pursuant to the Law on Publicly Owned Enterprises, unless all or a majority of the ownership interests in such enterprise have been transferred to one or more private Persons; or

1.2. A “socially owned enterprise”, as that term is defined in the Law on the Privatization Agency of Kosovo, unless all or a majority of the ownership interests in such enterprise have been transferred to one or more private Persons.

2. If:

2.1. An enterprise meeting the criteria of paragraph 1 above desires to obtain or maintain a License or Permit, but such enterprise is not eligible to obtain or maintain such License or Permit solely because such enterprise does not meet, or no longer meets, one or more of the criteria specified in subparagraphs 1.3 and 1.4 of Article 6 of this law, and

2.2. The ICMM requests and obtains a decision of the Government’s affirming that there are strong and objectively valid reasons to conclude that the overall public interest of Kosovo would be substantially served by issuing a Public Interest License or Public Interest Permit,

2.3. then the ICMM may issue a Public Interest License and/or Public Interest Permit to such enterprise, but only after the ICMM and the Government have complied with paragraphs 3, 4 and 5 of this Article.

3. If the enterprise holds any other License or Permit, the ICMM shall, if it has not already done so, take the measures that it is required to take under Article 9 to cancel such License or Permit.

4. The ICMM and the Government shall both specify in detail and in writing the reasons supporting their conclusion that the overall public interest of Kosovo would be substantially served by issuing such Public Interest License and/or Public Interest Permit to the concerned enterprise.

5. The terms and conditions of any such Public Interest License or Public Interest Permit shall comply with the present law; provided, however, that a Public Interest License or Public Interest Permit shall:

5.1. contain whatever additional limitations, restrictions and requirements the ICMM may determine to be reasonable and in the public interest under the circumstances;

5.2. not be transferable or made subject to a pledge under any circumstances, and therefore Article 10 of this law shall not be applicable thereto;

5.3. have a maximum term of two (2) years; and

5.4. exempt the enterprise from any performance bond requirement established by this law.

6. During the ninety (90) days period preceding the expiration of the term of a Public Interest License or Public Interest Permit, the concerned enterprise shall have the right – unless prohibited by paragraph 7 of this article - to request one extension of the term of such Public Interest License or Public Interest Permit. The ICMM and the Government shall observe and implement the requirements of paragraphs 1-5 of this Article, when determining whether to grant such request. If the request is granted, the maximum term of any such extension shall be two (2) years.

7. If, at any time, an enterprise holding a valid and current Public Interest License or Public Interest Permit becomes fully eligible under Article 6 to hold a normal License or Permit for the concerned activities, such enterprise may immediately apply for such normal License or Permit. Where such an enterprise applies for a normal License, such enterprise shall have – so long as the Public Interest License held by it is current and valid – a priority right over any other Person to apply for and obtain a normal License with respect to the concerned mineral(s) lying within the concerned area, unless the issuance of the normal License would be contrary to paragraph 9 of Article 18 of this law.

8. If an enterprise holds a current and valid Public Interest License and, during the term of that license, all or a majority of the ownership interests in that enterprise are acquired by one or more private Persons, the Public Interest License shall immediately terminate; however, the enterprise shall then have a priority right, exercisable within the six-month period following such acquisition, to apply for and – if eligible - obtain a normal License with respect to the concerned mineral(s) within the concerned area covered by the Public Interest License that was terminated by operation of this paragraph.

9. If an enterprise holds a current and valid Public Interest License and, during the term of that license, all or substantially all of the assets that are used by such enterprise to perform the activities covered by that license are acquired another Person, the Public Interest License shall immediately terminate.

PART IX

ROYALTIES AND LEVIES

Article 50 Royalties

1. The Ministry of Energy and Mines and the Ministry of Economy and Finance shall, after consulting with and obtaining the views of the ICMM and other interested parties, including existing Licensees or their representatives, jointly develop a proposed schedule of the royalties that Licensees shall be required to pay in connection with the conduct of licensed exploitation activities in Kosovo. Such proposed schedule shall specify in detail the formulae to be used in calculating the amount of royalties due. After the proposed schedule has been developed by the two referenced ministries, they shall jointly submit the proposed schedule to the Government for its approval. After Government approval, the Government shall submit the proposed schedule to the Assembly for approval.

2. After receiving the proposed schedule, the Assembly shall consult with and obtain the views of interested parties, including existing Licensees or their representatives, make any modifications to the schedule that the Assembly deems necessary or appropriate, and approve such schedule.

3. After Assembly approval, such schedule shall become effective on the first day of the next calendar year; provided, however, if the Assembly approves such schedule in the second half of a calendar year, it shall become effective on the first day of the third quarter of the next calendar year.

4. Until such schedule becomes effective, any royalty schedule previously lawfully promulgated shall remain in effect.

5. Proposed modifications to a schedule previously approved and issued by the Assembly pursuant to paragraph 3 of this article may be submitted to the Assembly by the Government in accordance with paragraph 1 of this article, or by at least six (6) members of the Assembly.

6. The ICMM shall be responsible for assessing and collecting royalties in accordance with the approved schedule.

7. If the ICMM reasonably determines that a Licensee has negligently or intentionally made material misrepresentations with respect to the information provided to the ICMM that relates to the determination of the Licensee's Cash Operating Margin, the ICMM shall issue a Notice of Failure to Comply to the concerned Licensee under Article 9 of the present law and take whatever other measures may be authorized by that article or any other provision of the present law.

Article 51 Deferments and Exemptions

1. Royalties shall not be due or payable on samples of minerals extracted for the purpose of chemical or technological analysis.

2. A Mining Licensee may apply to the ICMM for an authorization to defer the payment of a royalty if, at the close of the period for which such royalty is due, such Licensee's Cash Operating Margin is less than zero. If the ICMM determines that the Licensee's Cash Operating Margin is in fact less than zero at the close of the concerned period, the ICMM may authorize the deferment of the royalty, in whole or in part, in accordance with this Article. If the ICMM grants such an authorization, the royalty amount immediately due and payable for the concerned period shall be reduced to the extent necessary to increase the cash-operating margin to zero, and the balance shall be deferred.

3. Where the payment of any royalty is deferred:

3.1. the amount of the deferred royalty shall be accumulated with any other outstanding payments of royalty; and

3.2. this accumulated outstanding amount shall become due and payable when the next regularly scheduled royalty payment is due.

Article 52 Payment of Estimated Royalty

1. Where, for any reason, it is not currently possible to determine the amount of royalty due, the ICMM may require the Licensee to pay an estimated royalty.

2. If the actual amount of such royalty is later ascertained, the Licensee shall be liable for any shortfall. If the estimated amount paid exceeds the actual amount due, the Licensee shall be entitled to a refund of the excess amount paid or such excess amount shall be credited toward the next royalty payment due.

Article 53 Failure to Pay Royalty

1. If a Licensee fails to pay any royalty when due, the ICMM shall issue a "Notice of Failure to Comply" pursuant to Article 9 and take the measures authorized by the present law.

2. In addition, the ICMM may, by written order served on such Licensee, prohibit such Licensee from selling or otherwise disposing of any concerned mineral or production until all outstanding royalties have been paid or until an arrangement reasonably acceptable to the ICMM has been made for the payment thereof.

Article 54 Administrative Fees

1. The ICMM may assess such fees as the ICMM may prescribe in a reasonable manner for the filing of a License or Permit application, or for providing any requested geo-scientific data or information or any requested service. The ICMM shall ensure that any fees so established are in:

1.1. an amount that is reasonably calculated to compensate the ICMM for the costs of processing such an application or fulfilling such a request and

1.2. otherwise in accordance with best practices.

PART X

THE INDEPENDENT COMMISSION FOR MINES AND MINERALS

CHAPTER I

Independent Commission for Mines and Minerals: Establishment, Functions and Organization

Article 55

The Establishment of the Independent Commission for Mines and Minerals

1. The Independent Commission for Mines and Minerals (ICMM) originally established pursuant to Regulation No. 2005/2 of January 21 2005 (as amended by Regulation No. 2005/38 of 29 July 2005 and Law 03/L-081 of 13 June 2008) is hereby designated as an independent agency within the meaning of Articles 119, paragraph 5, and 142 of the Constitution of the Republic of Kosovo and shall, from the effective date of the present law, operate pursuant to and in accordance with the authority of the present law.

2. The ICMM shall regulate mining activities in Kosovo in accordance with the present law, the sub-normative acts issued pursuant to the present law, and the Mining Strategy.

3. The ICMM shall act in the public interest and independently exercise the powers and carry out the functions assigned to it by the present law.

4. The ICMM shall comply with the Law on Access to Official Documents, the Law on Public Procurement, the Law on Public Financial Management and Accountability, and all other laws governing the conduct and management of public authorities in Kosovo.

5. It shall be a criminal violation of the present law for any person to exert or to attempt to exert any political, administrative, financial or other influence over the ICMM or its staff or management personnel; provided, however, that this proscription shall not apply to any communications or efforts made or undertaken for the purpose of promoting the ICMM's proper implementation or observance of the present law or another law, including sub-normative acts lawfully issued under the present law or another law.

Article 56

Powers and Responsibilities of the ICMM

1. The ICMM shall have the general authority and responsibility to ensure:

1.1. the orderly exploration and exploitation of mineral resources in Kosovo and the optimal utilization of mineral resources at all mining operations in accordance with the present law and the Mining Strategy;

1.2. the general compliance of mining operations with the present law, the subnormative acts issued pursuant to the present law, and the terms of Licenses and Permits issued by the ICMM pursuant to the present law.

2. The ICMM shall have the competence and responsibility to perform the following functions in accordance with the present law:

2.1. The issuance, transfer, extension, suspension and revocation of Licenses and Permits;

2.2. The establishment and maintenance of a mining cadastre and a GIS database containing geographical data, geological data, other relevant economical data and all existing minerals titles and mining rights; and

2.3. The issuance of rules on the internal organization and operation of the ICMM.

3. The ICMM shall provide technical assistance to the Government in all matters related to mines and minerals in Kosovo when requested by the Government.

Article 57 Implementing Regulations

The ICMM shall implement all the sub-normative acts issued by the Ministry in accordance with Part XII of the present law.

Article 58 Reporting

1. Within ninety (90) days from the end of each calendar year, the ICMM shall prepare, publish in its official web site and submit to the Assembly an annual report:

1.1. analyzing the condition of the mining industry in Kosovo; and

1.2. summarizing all regulatory, investigative and enforcement actions taken by the ICMM during such calendar year; provided however, that such report shall not include any reference to an on-going investigation to the extent such reference would jeopardize legitimate secrecy concerns with respect to such investigation.

CHAPTER II

The ICMM Board: Establishment, Functions and Organization

Article 59 ICMM Board

1. The ICMM shall be directed by a board (the "ICMM Board") comprised of five (5) members. All powers of the ICMM shall be vested in the ICMM Board. Any decision required by the present law to be taken by the ICMM shall be taken by the ICMM Board.

2. ICMM Board members shall not have the status of civil servants. In performing their duties and responsibilities pursuant to the present Law, ICMM Board members shall act exclusively in the public interest and in good faith.

3. Each member of the ICMM Board holding office as of the effective date of the present law shall continue to serve in that position until the expiration of his/her term or until his/her earlier resignation or lawful removal from such position. The successors of such Board members shall be appointed by the Assembly of Kosovo in accordance with paragraphs 4 through 7 of this article.

4. The candidates shall be individuals selected by an ad hoc committee established on the basis of a decision of the Government. The selection of candidates shall be made on the basis of the results of an open and transparent competition based on objective criteria and on the basis of adequate professional qualifications. Candidates shall be selected and nominated solely on the basis of their professional expertise and experience, merit and moral integrity.

5. Upon the decision of the Government, the Permanent Secretary of the Office of the Prime Minister shall, within seven (7) days, publish a notice soliciting applications for the vacant position(s) on the ICMM Board. Such notice shall require the submission of applications within thirty (30) days from the date of publication of such notice to the administration of the Government. The administration of the Government shall forward all such applications to every member of the ad hoc committee established by the

Government decision. For each position on the ICMM Board, the ad hoc committee shall select at least two of the most qualified candidates and forward their names to the Government; and the Government shall then forward those names to the Assembly. The Assembly shall then either appoint one of the candidates to the concerned position or reject all such candidates; in the event the Assembly rejects all such candidates, the Government shall immediately re-run the selection process and provide the Assembly with the names of at least two new qualified candidates.

6. No person may be appointed by the Assembly of Kosovo or continue to serve as a member of the ICMM Board if he/she:

6.1. has any direct or indirect ownership or commercial or pecuniary interest in any Person that is engaged, or that intends to engage, in any activity regulated by the Present Law;

6.2. has any employment, contractual, business, or familial relationship with any Person that is engaged, or that intends to engage, in any activity regulated by the Present Law;

6.3. is or is related to a manager, director or Significant Owner of an undertaking that is engaged, or that intends to engage, in any activity regulated by the Present Law;

6.4. has any other conflict of interest that could reasonably be expected to impair their ability to perform their duties to the ICMM Board in a routine, objective and disinterested manner;

6.5. has been determined by a court of competent jurisdiction to have committed, in the ten (10) years period immediately preceding his/her nomination, a criminal offence under the law of Kosovo or any other country or jurisdiction;

6.6. has been determined by a court of competent jurisdiction, administrative agency or organization responsible for enforcing standards of professional conduct in the 10 year period immediately preceding his/her nomination, in unprofessional conduct.

6.7. is an appointed public official; or

6.8. is an active member of any political party holding a senior mandate/position within a political party or any other senior political position within a public authority.

7. Every member of the ICMM Board shall hold a valid diploma from an accredited university and possess at least five (5) years of professional work experience in geology, mining, engineering, market economics, management, accounting or law. At least three (3) members of the ICMM Board shall have substantial geology or mining experience.

8. The terms of the initial members of the ICMM Board appointed under the present law shall be as follows; one member shall have a term of four (4) years, two members shall have a term of three (3) years, and two members shall have a term of two (2) years. The terms of all successors of the initial members shall be 4 years. No person may serve on the ICMM Board for more than two (2) terms.

9. Ninety (90) days prior to the expiration of the term of an ICMM Board member, the Government shall initiate the procedure specified in paragraph 5 of this article for the selection of candidates to succeed such member. The member whose term is expiring may apply for such position if his/her re-appointment is not prohibited by the last sentence of paragraph 8 of this article.

10. Any member of the ICMM Board whose term has expired shall, if his/her successor has not yet been appointed, continue to serve on the ICMM Board until his/her successor is appointed or until the date occurring six (6) months after the expiration of his/her mandate, whichever happens earlier.

Article 60

Removal of Members of the Board

1. A Board member shall be removed by the Assembly if it is determined that the member:

- 1.1. failed to fulfill the criteria set forth in paragraph 6 of Article 59 of this law at the time of his appointment;
 - 1.2. no longer meets the criteria set forth in paragraph 6 of Article 59 of this law; or
 - 1.3. intentionally or due to gross negligence has breached a provision of Article 61 of this law.
2. A decision of the Assembly to remove a member of the Board shall be in writing and contain a justification for the Assembly's decision.
3. The concerned Board member may challenge such a decision of the Assembly in accordance with the law of Kosovo applicable to administrative disputes. In the event of the filing of such a challenge, the concerned Board member shall be suspended until the Supreme Court of Kosovo has made a final decision on whether the Assembly's decision was in accordance with paragraphs 1 and 2 of this article.
4. During the period of any such suspension, the concerned Board member shall continue to receive his salary.; however, such Board member:
- 4.1. shall not participate, directly or indirectly, in any matter, activity or decision-making process of the ICMM or the ICMM Board,
 - 4.2. shall not discuss, directly or indirectly, any such matter, activity or process with any Person;
 - 4.3. shall not enter the offices or other premises of the ICMM; and
 - 4.4. shall not be given access to any records of any description of the ICMM or located at the ICMM's offices except as may be ordered by the Supreme Court of Kosovo.

Article 61 Conflict of Interest

1. While serving as a member of the ICMM Board or as the ICMM Director, and during the twelve (12) month period immediately following his/her ceasing to hold such a position, a member of the ICMM Board or the Director shall not:
- 1.1. accept, solicit, discuss or consider any employment, engagement, compensation, or any offer from any Person that has any business or other dealings with the ICMM or had such dealings with ICMM while he/she held such position; and/or
 - 1.2. represent any Person with respect to any matter that is under consideration by the ICMM.
2. If a Person is involved in the violation of paragraph 1 of this article, the ICMM shall take one or more of the following actions against such Person:
- 2.1. reject any pending Permit or License application of such Person;
 - 2.2. cancel a Permit or License held by such Person; and/or
 - 2.3. impose an administrative fine on such Person in the amount of one hundred an fifty thousand 150,000 Euros.
3. If the Director of the ICMM violates paragraph 1 of this article, the ICMM Board shall remove him/her immediately. If a member of the ICMM Board violates paragraph 1, then each of the other members of the Board are legally and personally obligated to report such violation to the Assembly, which shall remove such member after verifying the accuracy of the report.
4. If an ICMM Board member fails to take active measures to implement the actions required by paragraphs 2 and 3 of this Article, such member shall be subject to immediate removal by the Assembly and such failure shall be sufficient justification for such removal.

5. A Person who is negatively affected by a decision of the ICMM Board under this Article may challenge such decision in accordance with the law of Kosovo applicable to administrative disputes or – if the Person is the Director of the ICMM – the Law on the Civil Service.

Article 62 Organization and Voting

1. The Chairman shall manage and organize the work of the ICMM Board.
2. The Chairman shall convene meetings of the ICMM Board when and as he/she considers necessary or when requested by two other members of the ICMM Board.
3. The quorum for meetings of the ICMM Board shall be three (3) members.
4. The Chairman shall chair the ICMM Board meetings. In exceptional cases where it is necessary for the ICMM Board to meet in the absence of the Chairman, the Chairman shall authorize one of the other members of the ICMM Board to chair the meeting.
5. Any decision of the ICMM Board shall require the affirmative votes of at least three (3) members of the Board.
6. The ICMM Board may establish, as it deems necessary, additional procedural rules to govern its operations and the operations of the ICMM. All such procedural rules shall adopted by a written decision of the ICMM Board in accordance with the foregoing provisions of this article. All such procedural rules shall be published in the Official Gazette and on the ICMM's official web-site. No such procedural rules shall have or be given any force or effect until at least eight (8) calendar days have passed from the date on which such publication requirements have been met.

Article 63 Director

1. The ICMM shall have a Director who shall be appointed by the ICMM Board.
2. The ICMM Board shall appoint the Director on the basis of the results of an open and transparent competition based on objective criteria. Candidates shall be selected and appointed solely on the basis of their professional expertise and experience, merit and moral integrity. The Director must also meet and maintain compliance with the eligibility requirements specified for board members in paragraph 6 of Article 59 of this law.
3. The Director of the ICMM shall be responsible for the following:
 - 3.1. Performing all functions delegated to him by the ICMM Board;
 - 3.2. Conducting the ordinary business of the ICMM in accordance with any decisions or instructions issued by the ICMM Board and subject to relevant legislation;
 - 3.3. Organizing, appointing and dismissing staff of the ICMM in accordance with any decision issued by the Board; and
 - 3.4. Preparing meetings of the Board and ensuring the proper implementation of decisions made by the Board.
4. During the Director's absence or any period when the Director is unable to perform such duties, the Board may assign such duties to another senior official of the ICMM.
5. The Director may attend meetings of the Board but shall have no voting rights.
6. The Director may be removed by the Board if there are good and substantial reasons for such removal. The Board shall remove the Director if it is determined that he/she:

6.1. failed to fulfill the criteria set forth in paragraph 6 of Article 59 of this law at the time of his appointment;

6.2. no longer meets the criteria specified in paragraph 6 of Article 59 of this law; or

6.3. intentionally or due to gross negligence has breached the provisions of Article 61 of this law.

7. A decision of the Board to remove the Director shall be in writing and be supported by a justification. The removed Director has the right to challenge such decision in accordance with the Law on the Civil Service.

Article 64 Budgeting and Financing

1. The ICMM shall be subject to and comply with the provisions of the Law on Public Financial Management and Accountability governing the budgeting and financing of independent agencies.

2. The salaries of ICMM Board members and the Director shall be determined by the Budget and Finance Committee of the Assembly in accordance with the Law on Public Financial Management and Accountability and any other applicable legislation.

3. The ICMM Board may engage, in strict accordance with the provisions of the Law on Public Procurement, suitably qualified professional independent consultants needed to assist the ICMM with its work. Any such consultant must

3.1. meet - and for the duration of his appointment continue to satisfy - the eligibility requirements established by paragraph 6 of Article 59 of this law; and

3.2. possess substantial professional education and experience in the area of expertise concerned.

Article 65 Dedicated Revenue

1. With the exception of royalties, revenue collected by the ICMM in the form of license fees and other charges levied pursuant to the present law shall be the "dedicated revenue" of the ICMM. Donor funds specifically provided to support the ICMM shall also be deemed the "dedicated revenue" of the ICMM. All such items shall be deposited into the budget of the Republic of Kosovo and appropriated for the authorized purposes of ICMM under the relevant budgetary category and in accordance with the budgetary process established by the Law on Public Financial Management and Accountability.

2. Royalties collected by the ICMM shall not be the ICMM's "dedicated revenue" but shall be the general revenue of the Republic of Kosovo. Such royalties shall be deposited as such in the budget of the Republic of Kosovo.

Article 66 Confidentiality

1. Each member of the ICMM Board and each employee, staff and consultant of the ICMM is required to take all appropriate measures to accord a high degree of protection to all information not already in the public domain that has been received by the ICMM from Business Organizations or private Persons. Such measures shall be sufficient to ensure that such information is protected against intentional and/or negligent disclosure.

2. The ICMM and the ICMM Board shall not designate or maintain as confidential any information that is subject to disclosure, publication, or public accessibility by the Law on Access to Official Documents.

3. Any intentional violation or repeated negligent violations of the duty of confidentiality specified in this Article shall serve as sufficient basis for the removal of the concerned member or the termination of the concerned employee, staff or consultant.

PART XI

MINING INSPECTORATE

Article 67 The Mining Inspectorate

1. The Mining Inspectorate shall function as a Department within the ICMM and shall carry out the functions assigned to it by the present law.

2. The Inspectors of the Mining Inspectorate shall act in an independent manner and in accordance with the relevant legal provisions and it shall be a criminal violation of the present law for any person to exert or to attempt to exert any political, administrative, financial or other influence over the Mining Inspectorate or its staff or management personnel. This proscription shall not apply to any communications or efforts made or undertaken for the purpose of promoting the Mining Inspectorate's proper implementation or observance of the present law or another law, including sub-normative acts issued under the present law or another law.

Article 68 Chief Inspector

1. The Mining Inspectorate shall be headed by a Chief Inspector. The Government shall appoint the Chief Inspector. The Government shall first ensure that the concerned person:

- 1.1 has an advanced university degree in mining;
- 1.2 has at least ten (10) years of professional experience in mining;
- 1.3 has not been convicted of any criminal offense,
- 1.4 performs no leadership or other significant function for any political party, and
- 1.5 otherwise possesses a suitable moral character and professional background.

2. The Chief Inspector shall serve for a five-year term. The Chief Inspector may be re-appointed for one or more additional five year terms. The Government may remove the Chief Inspector from that position prior to the expiration of such five-year term if there are good and justifiable reasons for taking such action. Such reasons include, but are not limited to, any of the following:

- 2.1 the Chief Inspector has repeatedly demonstrated that he/she lacks the necessary competence to professionally lead the Mining Inspectorate;
- 2.2 the Chief Inspector has repeatedly failed to exercise reasonable professional diligence in ensuring that his/her acts and the acts of other Mining Inspectorate personnel are in compliance with the present law or the applicable requirements of other laws;
- 2.3 the Chief Inspector has repeatedly failed to discharge his/her duties or comply with his/her obligations under the present law;
- 2.4 the Chief Inspector has engaged in any act involving a conflict-of-interest, discriminatory conduct, or abuse of authority;
- 2.5 The Chief Inspector has permitted any other Mining Inspectorate personnel to engage in an act that the Chief Inspector knew, or through the exercise of reasonable managerial diligence, should have known involved a conflict-of-interest, discriminatory conduct or an abuse of authority.

3. If the Government exercises its authority to remove the Chief Inspector, the Government shall provide the removed person with a written statement setting forth in detail all of its reasons for taking such action

along with a copy of the Government's decision on such removal. If the person so removed believes that the action was without lawful justification, such person may challenge such decision by filing a complaint with the Supreme Court of Kosovo, and such court shall have the authority to take whatever remedial action, if any, that it deems lawful and appropriate.

4. The Chief Inspector shall not engage in any political activity and shall remain neutral on all political matters.

5. The Chief Inspector shall provide detailed quarterly reports to the Minister and the ICMM regarding the Mining Inspectorate's operations and enforcement actions. The Chief Inspector shall also promptly respond to any specific request made by the Minister or the ICMM for information regarding any particular aspect of the Mining Inspectorate's operations or actions.

6. The Chief Inspector shall submit a detailed annual report to the Minister, the ICMM, the Assembly, and the Government on all matters relating to the operations, actions and decisions of the Mining Inspectorate. The report for a given calendar year shall be submitted by February 28 of the following calendar year.

Article 69

General Authority of the Mining Inspectors

1. A duly authorized inspector of the Mining Inspectorate shall have the general authority to inspect exploration, mining and special operations being conducted by any Person to determine:

1.1. whether the Person conducting such activities holds a License or Permit from the ICMM; and

1.2. if the Person does hold such a License or Permit, whether the activities are being conducted in conformity with the concerned License or Permit and the safety and environmental implementing regulations issued by the Minister pursuant to this law.

Article 70

Illegal Exploration, Mining and Special Operations

1. If an authorized inspector has good reason to believe that a person is conducting exploration, mining or special operations and that such person does not hold any License or Permit from the ICMM, the inspector shall immediately inform the Kosovo Police, which shall be required to immediately dispatch at least two officers to the scene.

2. After the arrival of the officers, and with their assistance, the inspector shall obtain the identity of the persons involved in such activities and determine whether or not such persons or their employer, if any, holds a License or Permit from the ICMM.

3. If no such Person or their employer (if any), holds a License or Permit from the ICMM, the police officers shall arrest the concerned Persons, who shall be subject to the administrative fine provided for in paragraph 2 of Article 79 of this law and the criminal penalties established by this law in Article 80. Furthermore, the inspector shall confiscate all working means and extracted minerals at the scene.

4. If such Persons or their employer do hold such a License or Permit from the ICMM, but the mining or exploration activities being conducted are not authorized by such License or Permit, the inspector shall immediately report the unauthorized activities to the ICMM, and the ICMM shall be required to impose on the Licensee or Permit Holder the measures provided for in Article 9 of this law.

Article 71

Authority to Enforce Environmental and Safety Legal Provisions

1. If an authorized inspector of the Mining Inspectorate has good reason to believe that a Person holding a License or Permit from the ICMM is conducting mining or exploration activities in violation of the safety or environmental regulations issued by the Minister pursuant to the present law, the inspector shall have the authority to order the Licensee or Permit Holder to

1.1. If the violation does not present an imminent threat to the environment or human or animal health, issue an order to the Licensee or Permit Holder requiring the Licensee or Permit Holder to eliminate the violation within a period of thirty (30) days; or

1.2. If the violation does present an imminent threat to the environment or human or animal health, issue an order to the Licensee or Permit Holder requiring the Licensee or Permit Holder to immediately take whatever measures may be necessary to eliminate the violation as soon as practicable and to cease all activities causing or effecting the violation until such corrective measures have been implemented.

2. All actions taken by an inspector under this article shall be immediately reported to the ICMM Board.

Article 72 Investigative Authority of the Mining Inspectorate

1. The Mining Inspectorate shall have the authority and responsibility to conduct a full investigation to determine the causes of any of the following events:

1.1. An event involving the death of or serious injury to any Person occurring at a mining or exploration site;

1.2. An event involving the death of, or serious injury to, any Person if such death or injury is reasonably believed to have been caused as a result of a Special Operation; and

1.3. An event involving any serious environmental accident or property damage that is reasonably believed to have been caused by mining or exploration activities or a Special Operation.

2. In addition, the Mining Inspectorate shall within the shortest period of time possible submit to the ICMM Board a report containing its opinion concerning the causes of the event.

3. If the Mining Inspectorate determines that any such event is attributable to a violation of the safety or environmental regulations issued by the Minister pursuant to the present law, the inspector shall take the appropriate measures authorized by Articles 71 and 72 of this law.

4. The Mining Inspectorate shall immediately provide the ICMM Board with a written notice of all investigations initiated under this article. The Inspectorate shall conclude its investigation as soon as may be practicable under the circumstances. Upon the conclusion of the investigation, the Mining Inspectorate shall provide a full written report on the investigation to the ICMM Board and the Persons who were investigated.

PART XII

THE MINISTRY OF ENERGY AND MINING

Chapter 1

Mining Strategy and Mineral Resource Management Plan

Article 73 Mining Strategy

1. The Ministry, in cooperation with ICMM and the Geological Institute of Kosovo, shall prepare and submit to the Government for approval a draft Mining Strategy, which shall set out the Ministry's recommended policies, objectives and implementation plan for the overall coordinated and sustainable exploitation of Mineral Resources in Kosovo that takes into consideration specific features and conditions of particular areas, specific occurrences of particular Mineral Resources and the requirements for their exploitation and commercial and industrial use.

2. After receiving the Ministry's draft Mining Strategy, the Government shall review, modify as it deems reasonable, approve, and submit to the Assembly the Mining Strategy. After receiving the Mining Strategy approved by the Government, the Assembly shall review, modify as it deems reasonable, approve and issue the Mining Strategy. The Ministry shall review the Mining Strategy and its implementation every three (3) years and shall, when necessary or advisable, make recommendations to the Government and the Assembly with respect to its modification or implementation.

3. During the preparation and implementation of spatial and urban plans, all Public Authorities shall take full account of and comply with the Mining Strategy promulgated by the Assembly. Such Mining Strategy shall prevail over any inconsistent spatial or urban plan.

4. In the period before the Assembly promulgates the Mining Strategy, no Public Authority may approve or implement a spatial or urban plan without the consent of the Government. Before providing such consent, the Government shall obtain the advice of the Ministry. The Government shall be required to provide such consent unless the Ministry provides the Government with a written explanation that clearly demonstrates that the implementation of such plan will significantly interfere with the coordinated and sustainable exploitation of Mineral Resources of Kosovo.

Article 74

Mineral Resources Management

1. During the end of three (3) months of the end of each calendar year, the ICMM and the Geological Institute shall prepare and submit to the Ministry of Energy and Mining a draft Mineral Resources Management Plan for the following year. Such plan shall be in compliance with the Kosovo Mining Strategy. The draft plan shall set out the ICMM's and the Geological Institute's recommended objectives and implementation plan for the overall coordinated and sustainable exploitation of Mineral Resources in Kosovo.

2. Within thirty (30) days after receiving the mineral resources management plan, the Ministry of Energy and Mining shall review, modify as it deems reasonable, approve and promulgate such plan. The ICMM and the Geological Institute shall implement the plan and, as needed, provide the Ministry of Energy and Mining recommendations with respect to its modification or implementation.

Chapter 2

Mining Safety and Environmental Protection

Article 75

Mining Safety regulations

1. The Ministry of Energy and Mines in cooperation with the Ministry of Labor and Social Welfare and in consultation with the ICMM shall have the authority and responsibility to develop, promulgate and publish mining safety regulations to be observed by all Licenses and Permit Holders. Such mining safety regulations shall:

1.1. contain such rules as may be reasonable and necessary to ensure that the operations of Licensees and Permit Holders are conducted in a manner that eliminates unreasonable dangers to human life and health;

1.2. be consistent with best international practice; and

1.3. comply with all applicable requirements of the EU's *acquis communautaire*.

Article 76

Mining Environmental Protection Regulations

1. The Ministry of Energy and Mines in cooperation with the Ministry of Environment and Spatial Planning and in consultation with the ICMM shall have the authority and responsibility to develop, promulgate and publish mining environmental protection regulations to be observed by all Licenses and Permit Holders. Such mining environmental protection regulations shall:

- 1.1. establish such rules as may be reasonable and necessary to ensure that the operations of Licensees and Permit Holders are conducted in a manner that eliminates unreasonable dangers to the environment;
- 1.2. be consistent with best international practice; and
- 1.3. comply with all applicable requirements of the EU's *acquis communautaire*.

Chapter 3 **Geological Institute of Kosovo**

Article 77 **Geological Institute of Kosovo: Establishment and Functions**

1. The Geological Institute of Kosovo ("GIK") shall be established as an independent geo-scientific institute within the Ministry.
2. The GIK shall perform the following functions:
 - 2.1. Develop and maintain a geological survey for the entire territory of Kosovo to a proportional scale of one to fifty thousand (1:50,000);
 - 2.2. Establish, maintain and expand a national geological database, the geological archive and other geo-scientific information;
 - 2.3. Cooperate with the Mining Cadastre and the GIS of the ICMM for the compilation of updated data from the national geological database, the geological archive and other geo-scientific information provided by GIK;
 - 2.4. In cooperation with ICMM, provide national geological mapping and related geo-scientific data to public authorities and the private sector, as necessary to support national, regional and local development plans;
 - 2.5. Provide objective and impartial analysis and advice to public authorities and private sector organizations within the scope of expertise of the GIK;
 - 2.6. Carry out geo-scientific research activities; and
 - 2.7. Cooperate with the ICMM and other public authorities, as necessary, to perform the functions of the GIK.

Chapter 4 **National Museum of Crystals and Minerals**

Article 78 **National Museum of Crystals and Minerals**

1. The National Museum of Crystals and Minerals ("Museum") shall be established as an institute of the Ministry.
2. The Museum shall perform the following functions:
 - 2.1. Develop and establish exhibits, open to the public, dedicated to the geological and mining heritage of Kosovo;
 - 2.2. Serve as a repository for, and exhibit, the crystal structures and crystal containing structures received by the Museum from Exploration Licensees and Mining Licensees pursuant to, respectively, paragraph 9 of Article 24 and paragraph 6 of Article 34 of this Law;

3. The Museum shall be headed a Museum Director who shall report to the Minister. The Museum Director shall be appointed by an ad hoc selection committee established by the Minister. The ad hoc committee shall make its selection on the basis of the results of an open and transparent competition using objective criteria, including the professional qualifications of the candidates, their professional expertise and experience, and their merit and moral integrity. The Ministry shall publish a notice soliciting applications for the Museum Director position. Such notice shall require the submission of applications within thirty (30) days from the date of publication of such notice to the Ministry.

4. Candidates for the Museum Director position must meet the conditions specified in paragraph 6 of Article 59 of the present law and must also possess significant management experience as well as a scientific grade in geology or mining technical sciences from an accredited university within or outside of Kosovo.

5. The Ministry shall, in consultation with the Museum Director, establish a sub-normative act describing the specific types of crystal structures and crystal containing structures that Exploration and Mining Licensees are required to collect, preserve and deliver to the Museum; provided, however, that such sub-normative act shall only describe structures that are of such a size and unique and aesthetic value as to justify their inclusion in a public exhibit of the Museum. The Ministry shall also strictly ensure that such sub-normative act does not impose a material burden on the ability of Exploration and Mining Licensees to efficiently carry out their concerned exploration and mining activities.

PART XIII

REMEDIAL AND PENALTY PROVISIONS

Article 79

Imposition of Administrative Fines and Other Remedies

1. If any Person holding a License or a Permit violates a material provision of the present law, a License or Permit issued by the ICMM, or a sub-normative act issued by the Ministry under the authority of the present law, the ICMM shall take the actions specified in Article 9 of the present law.

2. If any Person violates a material provision of the Present Law, regardless as to whether such Person holds a License or Permit, the ICMM shall issue an order:

2.1. imposing an administrative fine of up to one thousand 1000 € per violation-day on each physical person who, whether through negligence or intentional misconduct, is responsible for the acts or omissions constituting or directly causing such violation;

2.2. imposing an administrative fine of up to ten thousand 10,000 € per violation-day on each Undertaking involved in such violation; and

2.3. requiring the concerned Person(s) to repair any environmental or other damage caused by such Person(s) or to pay an amount that is reasonably estimated to be necessary to make such repairs in a comprehensive and highly professional manner. If more than one Person is the subject of such an order, they shall be jointly and severally liable for its full satisfaction.

3. If any Person unlawfully mines or exploits minerals, the ICMM shall impose upon such Person a fine equal to three (3) times the amount of royalties payable on the minerals mined or exploited. The ICMM shall establish a reasonable methodology for estimating the amount of minerals unlawfully mined or exploited and shall determine such fine in accordance with that methodology.

4. If any Person conducts any exploration, mining or special operation without holding the required License or Permit, the ICMM shall issue an order imposing on such Person a fine of five thousand (5,000) € for each such operation.

5. The monetary fines and remedial requirements specified in this article are cumulative and the ICMM shall issue whatever orders are necessary to impose on the concerned Person(s) all applicable fines and remedial requirements.

6. With respect to the fines that are required by subparagraphs 2.1 and 2.2 above, the ICMM shall develop and publish a schedule specifying, by type and degree, the various violations and the amount of the fine associated with each.

Article 80 Criminal Penalties for Illegal Mining Activities

1. Any physical person who engages, or who encourages or employs others to engage, in mining or exploration activities and who does not hold a License or Permit from the ICMM shall be subject to the administrative fine provided for in paragraph 2, subparagraph 2.1, of Article 79 of this law and imprisonment for a period of up to six (6) months.

2. Any Undertaking that employs or encourages physical persons to engage in mining or exploration activities shall, if such Undertaking does not hold a License or Permit from the ICMM, be subject to the administrative fine provided for in paragraph 2, subparagraph 2.2, of Article 79 of this law. In addition, any senior manager of the Undertaking who knew – or in the exercise of reasonable managerial oversight and diligence – should have known of such mining or exploration activities, shall be subject to the criminal and administrative penalties specified in paragraph 1 of this article.

Article 81 Penalties for Failure to Comply with an Order of the ICMM or a Mining Inspector

1. Any physical person who fails or refuses to comply fully and faithfully with an order issued by the ICMM or a Mining Inspector under the Present Law shall be criminally liable under all applicable provisions of the criminal code for such failure or refusal. If an undertaking fails to comply with such an order, the physical persons responsible for such failure shall be criminally liable for such failure under the applicable provisions of the criminal code.

2. Any physical person who interferes or attempts to interfere with the work of ICMM or a Mining Inspector during the performance of its official duties and authorities under the Present Law shall be liable under the applicable provisions of the criminal code for such interference.

3. Any person convicted under the criminal code of an offence specified in paragraph 1 or 2 of this article shall, in addition to the fines or penalties imposed under the criminal code, also be subject to an administrative fine up to one hundred thousand (100,000) €.

Article 82 Claims for Damages, Injunctions, and Other Remedies

1. If a Person violates a provision of a License, a Permit, the Present Law, a sub-normative act issued under the Present Law, or a decision or order of the ICMM or an order of a Mining Inspector issued under the authority of the Present Law, and such violation causes, or threatens to cause, material economic harm (including lost profits) or other harm to a third Person, the negatively affected party shall have the right to file a complaint with the Competent Court requesting such court to issue, as may be appropriate under the circumstances, an order:

- 1.1. requiring the violator to pay compensation for such harm;
- 1.2. requiring the violator to cease the prohibited conduct or activity;
- 1.3. requiring the violator to take positive action to cure the violation; and/or
- 1.4. imposing such other remedial measures as may be justified under the circumstances.

PART XIV

TRANSITIONAL AND FINAL PROVISIONS

Article 83

Cooperation between Public Authorities

The Ministry of Energy and Mining and the ICMM shall have the duty to cooperate with each other and with other Public Authorities inside or outside of Kosovo in matters pertaining to mining and minerals to the extent necessary to accomplish their functions and responsibilities as set out in the present Law.

Article 84

Administrative and Judicial Review and Appeal

Every decision or action of the ICMM, the Ministry or any other Public Authority taken pursuant to or under the authority of the Present Law shall be subject to both administrative and judicial review and appeal in accordance with requirements and procedures of the Law on Administrative Procedure.

Article 85

Publication of Sub-normative Acts

All regulations, rules, and other sub-normative acts of any description adopted by the Ministry or any other public authority with respect to the present law shall be immediately published in the Official Gazette. A copy of any such regulations, rules or sub-normative act shall be provided to any Person immediately upon such Person's request.

Article 86

Existing Licenses

1. A License or Permit issued prior to the entry into force of the Present Law shall continue to be valid if:
 - 1.1. such License or Permit was issued in accordance with the laws and regulations in force on the date of its issue; and
 - 1.2. such License or Permit has not expired or otherwise been validly and lawfully terminated by the ICMM or other competent public authority in accordance with the terms and conditions of such License or Permit.
2. A License or Permit application that was submitted prior to the effective date of the Present Law and that has not resulted in the issuance of the applied for License or Permit shall be processed in accordance with and subject to the provisions of the present law.

Article 87

Public Money

All royalties, fees, charges and other items paid to or received by a Public Authority pursuant to the Present Law shall become "public money" as defined in the Law on Public Financial Management and Accountability and shall be handled in accordance with the provisions of that law.

Article 88

Repeal of Prior Legislation

The Present Law repeals and replaces UNMIK Regulations 2005/2 and 2005/3 and all amendments thereto, and Law No. 03/L-81. The provisions of the present law shall also prevail over and supersede any provision or aspect of any other law of Kosovo that is inconsistent or in conflict therewith.

Article 89
Entry into Force

This law shall enter into force fifteen (15) days after its publication in the Official Gazette of the Republic of Kosovo.

Law No. 03/L – 163
22 July 2010

Promulgated by the Decree No. DL-042-2010, dated 09.08.2010, of the President of Republic of Kosovo, Dr. Fatmir Sejdiu