



# UPDATE ON THE MYANMAR MINING LAWS

**U WIN HTEIN  
DIRECTOR GENERAL  
DEPARTMENT OF MINES  
MINISTRY OF MINES**

# MINISTRY OF MINES

သယံဇာတနှင့်ထိုက်ခွဲရေးဝန်ကြီးဌာန

- ❖ The government authority responsible for implementation of the policy, legislation and enforcement of Law, Rules and Regulations in the mining sector.

# MINISTRY'S MISSION

- To offer a balanced approach to mineral development that considers a range of interests while supporting a competitive economic climate for the mineral sector.

- To minimize the environmental, Socioeconomic and Health impact ( EIA) (SIA) & (HIA)

-To minimize the mineral losses and be effective production by advanced technologies for mineral resources of state.

# Why Invest in Myanmar ?

- Access to untapped world-class mineral resources and a geo-strategic location
- Undergoing political and economic reforms, which will attract more foreign trade and FDI once the laws are in place
- The first three SEZs will set up in Thilawa, Kyaukphyu and Dawei
- Situated between China and India, the two biggest power in Asia and on the border of South and South-East Asia



# Current Mining Situation in Myanmar

- Blessed with mineral wealth.
- Held emporiums and special sales for Jade, Gems and Pearls since 1964 with the pricing based on Foreign Currencies ( sell through tender or competitive bidding ).
- Extensive mineral occurrences and well established centuries-old mining industry. ( such as Namtu Bawdwin lead zinc Mines started *since the 15<sup>th</sup> century*, Mawchi tin-tungsten Mines started *before 2<sup>nd</sup> world war* )
- The world largest Jadeite-jade deposits are found.
- Mogok, known as the Land of Rubies *since 13<sup>rd</sup> Century*.
- Mineral potential remains unrealized and resources are very much underutilized.

# Foreign Direct Investments ( FDI )

Sr.	Company	Type of Mineral
1.	Conerstone Resource (Myanmar) Ltd ( Australia )	Zinc Ore
2.	Myanmar Ponepipet Co.,Ltd (Thailand)	72% Tin Concentrate
3.	Myanmar CNMC Nickel Co.,Ltd ( China )	Ferronickel
4.	Simco Song Da Joint Stock Company ( Vietnam )	Marble
5.	Asia Pacific Mining Ltd (China)	Lead, Zinc , Copper, Gold
6.	Nobel Gold Limited ( Russia )	Gold and associated minerals
7.	North Mining Investment Co.,Ltd (China)	Ferronickel
8.	De Rui Feng Investment Co.,Ltd ( China )	Tin-Tungsten

# Mining Permits for Local Companies.

- Issued 1763 mining permits for citizens and can be classified by following:

• Exploration Permit	-	464	Nos
• Small Scale Mining Permit	-	1119	Nos
• Large Scale Mining Permit	-	134	Nos
• Subsistence Mining Permit	-	46	Nos

\* mainly for Goal, Tin – Tungsten, Copper, Antimony, Iron, Coal , Industrial Minerals Marbles, Granite , Magnesia dioxide, and lime stone.

A golden scale of justice is centered in the image, with a map of India in the background. The scale is balanced, and the map is light blue and white. The text "Policies and Legislation" is written in a bold, green, serif font across the center of the scale.

# Policies and Legislation



# Mining Law

## Related Laws

State-owned Economic Enterprise Law

Foreign Investment Law

The Protection of Wild Life and Wild Plants and  
Conservation of Natural Areas Law ( 1994 )

Myanmar Insurance Law ( 1993 )

Environmental Conservation Law  
( 2012 )

Cultural Heritage Law ( 1998 )

## Myanmar Mines Law ( 1994 )

Myanmar Mines Rules ( 1996 )

# Mining Law

- All mineral deposits found either on or under the soil of any land in the continental shelf are deemed to be owned by the State.
- MIC (Myanmar Investment Commission) promulgated the new Myanmar Investment Law. Related rules will come out soon.
- The Union of Myanmar Mines Law was promulgated in September 1994.
- Rules relating to the law followed in December 1996.
- Already enacted the Environmental Laws. ( promulgated in March 2012 ). Related rules will come out soon.
- The draft of amending the Myanmar Mines Law ( with the advice of experts and publics ) will replaced soon .

# Provisos of Environmental Conservation

- ❖ As stated in Myanmar Mines Laws ( 1994 ), to avoid or minimize negative environmental and social impacts due to the Mining Operation.
- ❖ Investors must perform measures as follows;
  1. Backfill or otherwise make safe damaged land to the satisfaction of the Ministry or Department.
  2. In disposing of wastes ( liquids, tailings and fumes ) shall undertake laboratory test. If toxic materials are found, degradation shall be made by chemical means.
  3. Monitoring of Dust Emission.
  4. Investors must take responsibility so that there is no pollution of the environment due to the use of water.
  5. Establish forest plantations or pay compensation to Ministry of Forestry, if trees were cut and cleared.

# Issued Public Notice

For

## Environmental Conservation for Four Main Rivers

Notification No. 26/2012 (Dated on 28.3.2012)

➤ No body can be allowed to make Prospecting, Exploration and Production for Metal and Gems Mining in the stream of Ayeyarwady, Than Lwin, Chin Dwin and Sit Taung Rivers and within 300 feet from bank of rivers.

A photograph of an industrial facility, likely a mineral processing plant. The scene features several tall, white smokestacks with orange bands at the top, set against a clear blue sky. In the foreground, there are large piles of reddish-brown earth or mineral ore. A complex network of conveyor belts and metal structures is visible, connecting different parts of the plant. The overall atmosphere is one of active industrial operations.

# Promoting the Development of Small and Medium Enterprise ( Mineral Sector )

# OBJECTIVES

- To eradicate poverty, Create opportunities for employment and Sustainable development.
- To improve small and medium mineral production in balance while producing natural mineral resources with the advanced technologies.

# UPCOMING AMENDMENTS FOR MINING RULES

Description	Existing Mining permit, Time and Area	Future Mining Permit, Time and Area
Mineral Prospecting Permit	<ul style="list-style-type: none"> <li>-A period <u>not exceeding 1 year.</u></li> <li>-The land area <u>not exceed 4200 Km<sup>2</sup>.</u></li> <li>-<u>Extension</u> period not exceeding <u>12 months.</u></li> </ul>	Remain Unchange
Mineral Exploration Permit and Feasibility Study	<ul style="list-style-type: none"> <li>-A period <u>not exceeding 3 years.</u></li> <li>-The land area <u>not exceed 3150 Km<sup>2</sup>.</u></li> <li>-<u>Extension</u> permit <u>one year at a time.</u></li> <li>-Extension may normally be <u>two occasion only</u></li> </ul>	Remain Unchange

<p>Large Scale Mineral Production Permit</p>	<p>-A period <u>not exceeding 25 years</u> shall be permitted.          -However, if the estimated life of the ore deposit proposed to be mined is less than 25 years only such period shall be determined.          -The land area is <u>depend on investment</u> amount and ore deposit.  <u>-Extension</u> period not exceeding <u>5 years at a time.( may get 3 times to extend )</u></p>	<p>-A period <u>not exceeding 25 years</u> shall be permitted.          -The land area is <u>depend on investment</u> amount and ore deposit.  <u>-Extension</u> period not exceeding <u>5 years at a time. ( may get 3 times to extend )</u></p>
<p>Medium Scale Mineral Production Permit</p>	<p>Not Include in Previous Law</p>	<p>-Not more than 10 Year          -Designated land area which shall <u>not exceed 1Km<sup>2</sup></u>  <u>-Extension</u> period <u>not exceeding one year on four occasions.</u></p>
<p>Small Scale Mineral Production Permit</p>	<p>-A period <u>not more than 5 years.</u>          -Designated land area which shall <u>not exceed 1Km<sup>2</sup></u>  <u>-Extension</u> period <u>not exceeding one year on four occasions.</u></p>	<p>-A period <u>not more than 5 years.</u>          -Designated land area which shall <u>not exceed 50 acres</u>  <u>-Extension</u> period <u>not exceeding one year on four occasions.</u></p>




<p>Substance Mineral Production Permit</p>	<p>-A period <u>not exceeding 1 year.</u> -The land area <u>not exceed 4200 Km<sup>2</sup>.</u></p>	<p>Remain Unchange</p>
<p>Integrated Permit</p>	<p>Mineral Prospection, Mineral Exploration and Large Scale Mineral Production or Small Scale Mineral Production Permit.</p>	<p>Mineral Prospection, Mineral Exploration and Large Scale Mineral Production or Small Scale Mineral Production Permit.</p>
<p>Mineral Trading Permit</p>	<p>Not Include in Previous Law</p>	<p>*In detail after getting the approval ( including Transporting, Storage and Trading for produced Minerals )</p>
<p>Mineral Processing Permit</p>	<p>Not Include in Previous Law</p>	<p>*In detail after getting the approval</p>


# Upcoming Amendment For gold mining

Description	In 1996 Mining Rule	Future Mining Rule
Small Scale Permit	20 Acres and below	5 Acres and below
Medium Scale Permit	Not Mention	Not more 50 Acres
Large Scale Permit	<ul style="list-style-type: none"> <li>-No area limit</li> <li>-Depend upon the size og Ore deposits and production Time</li> </ul>	50 Acres and above



# Investment information

- 
1. Adopted the Market-Oriented Economic System.
  2. Practice the production sharing contract (*P.S.C*) system.
  3. *Not making new investment by itself, rather, it would encourage foreign and local investors to make them.*
  4. The investor can invest as a *foreign direct investment (FDI) or joint investment* with local company.

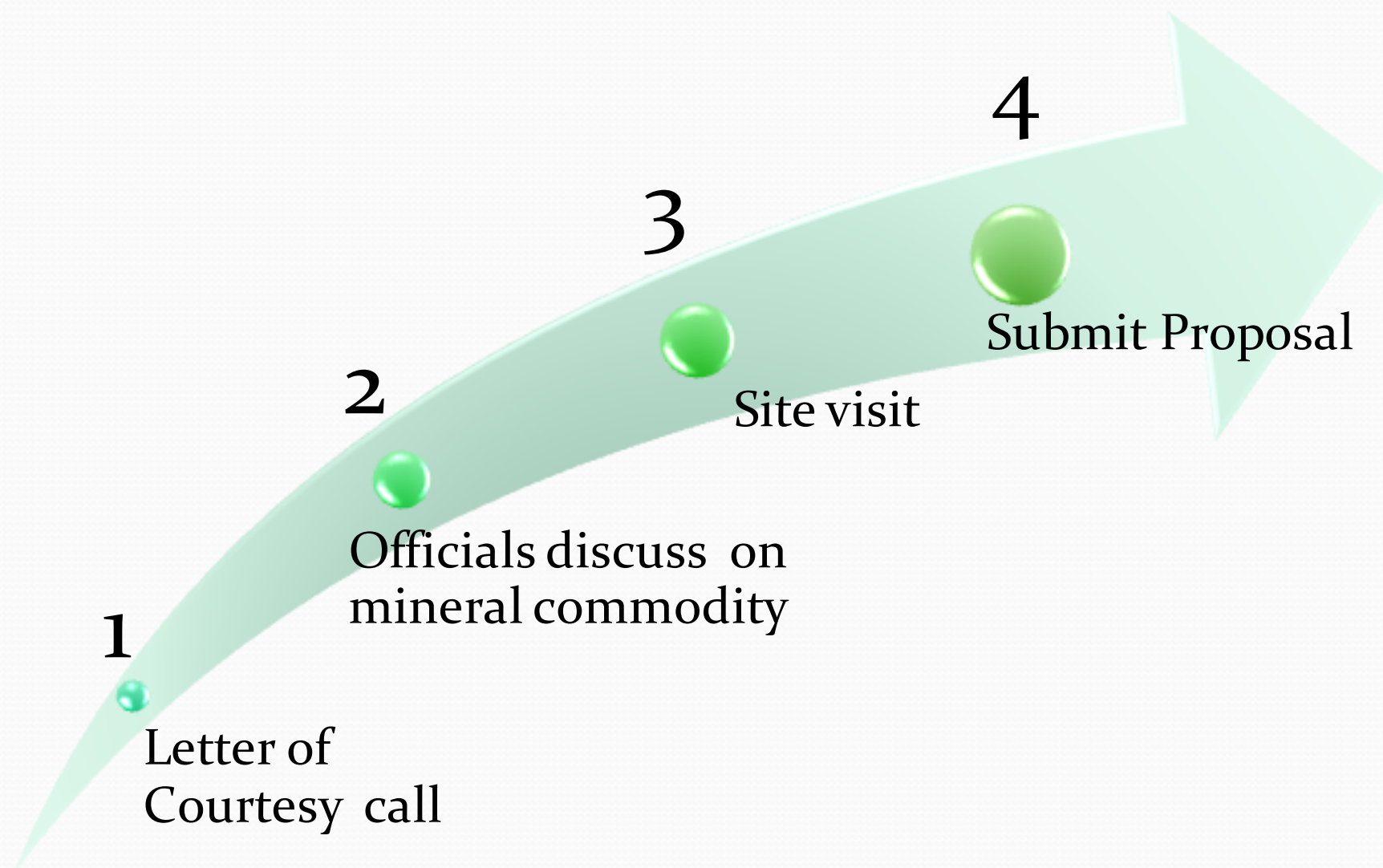
- 
5. For investors who would like to do exploration to confirm the reserve of a deposit or to start with the **grassroots exploration** operations in a virgin land , they may apply accordingly clearly stating their intentions.
  6. Funds required to conduct the prospecting, exploration and feasibility study are borne by the investor 100% at his own risk.
  7. Investor should be made value added (or) mineral processing.
  8. Ministry encourage to establish the processing plants with the advanced technologies.



# PSC Ratio ( Sample )

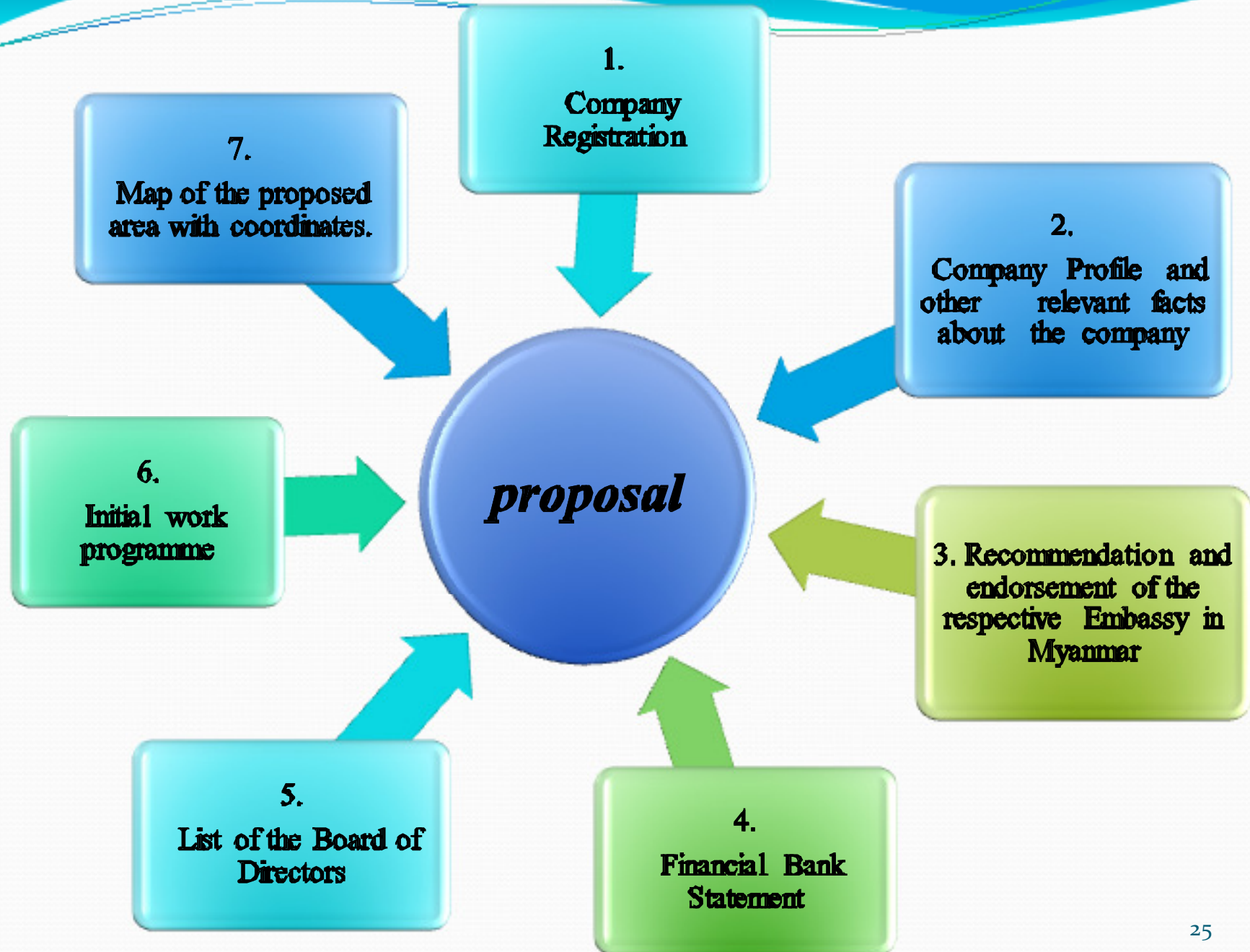
Description	Viet Nam Simco Sounda	China Non Ferrous Metal Corporation (CNMC)
Area	Nay Pu Taung, Taunggok Township , Rakhine State	Taguang Taung, Thabeikkyin Township ,Mandalay Region
Investment	US\$ 18.5 million	US\$ - 787.899 Million
Signing	16.3.2012	28.7.2008
Development Period	20 Months	36 Months
Proposed Production Per Year	Marble Block - 30,000 m <sup>3</sup> Marble Slab - 100,000 m <sup>3</sup>	Ferro Nickel - 51416 Tons Ni = 25.49 %
Royalty	3 %	4 %
Production Shearing Contract Ratio (Government : Company )	20 : 80 (Below - US\$ 649) 25 : 75 (Between - US\$ 650 - 749) 30 : 70 ((Above - US\$ 750)	12 : 88 (US\$ 20001- 25000) 15.75 : 84.25 (US\$ 25001- 29000) 20 : 80 (US\$ 29001- 35000) 23.75 : 76.25 (US\$ 35001- 42000) 28 : 72 (US\$ 42001- 50000) 32 : 68 (Above - US\$ 50000) <sup>23</sup>


# Procedures for the Foreign Investment in Mining Sector





## 6. Documents to include with the proposal





7. After getting the approval of the Ministry of Mines and the completion of all the require recommendation documents, the proposal and the Agreement Draft will send to the Myanmar Investment Commission ( MIC ) for Investment permit.

# Activities to Promote Mining Sector

## EVENTS

- First Myanmar Mining Summit ( 22-25 Jul, 2012 )
- National Level Mineral Sector Development Summit ( 19 Oct, 2012 )
- The Seminar on Sustainable Development and Mine Pollution Control ( 29 Oct, 2012 )
- Myanmar Mining Investment Forum 2012 ( Singapore, 3-6 Dec 2012 )
- Second Myanmar Mining Summit ( 21-24 Jan, 2013 )
- The Myanmar-Japan Joint Seminar on Mining Industry and Related Laws (19 Feb, 2013 ) \* **Upcoming event**

## ASSOCIATIONS

- Myanmar Gems & Jewellery Entrepreneurs Association.
- Myanmar Gold Entrepreneurs Association.
- Myanmar Federation of Mining Association.

# Key Considerations for Investment

1. Foreign investors can buy Jade and Gems in Emporium and it can be exported.
2. Foreign investors can invest in Jewellery Making Industry. But, gemstone mining are not allowed to invest.
3. All new mining proposal should contain Mine Closure Plan prepared in accordance with Myanma Mines Law.
4. For proposal mining projects, it's necessary to address the potential environmental impact and social impact issues that may arise due to proposed mining activities.
5. Private entrepreneurs are permitted to sell their mineral products freely in the local market and may also export them after mineral processing.

6. Any kind of raw ores are not allowed to export.
7. Ministry is welcoming to set up mineral processing and refining plants in Myanmar in partnership with local and foreign investors.
8. We are now inviting to produce coal and build coal power plants.  
**( for domestic use only , not allowed to export)**
9. Before investing in Myanmar, foreign investors need to understand a number of regulatory and legal topic as well as environmental conversations.
10. Some of these are corporate registration, legislation, work permits, industrial licensing, taxation, investment promotion and the availability of infrasture and facilities.

# MINISTRY'S EXPECTATION

- ❖ Promote optimal utilization of Myanmar valuable mineral resources for its production of refined products, through the contribution of foreign investment with advanced technologies.

# Contact Information

**Mr. Win Htein**

Director General

Department of Mines

Ministry of Mines

Office Building No. ( 19 ), Nay Pyi Taw, Myanmar.

Tel : 95-67-409017

Fax : 95-67-409376

E-mail : [deptmine@gmail.com](mailto:deptmine@gmail.com)

A scenic landscape featuring a large, white, curved structure in the foreground, possibly a monument or a modern building. The structure is set against a backdrop of lush green trees and a clear blue sky. In the distance, a mountain range is visible, with a winding road or path leading up the slope. The overall scene is bright and clear, suggesting a sunny day.

**Thank You  
for Your Kind Attention**