

Comments on Draft Regulation

General

It is important that investments made by Pioneer Investors are protected. How this aspect is addressed in the draft exploitation regulation needs elaboration.

1. Draft regulation 19

Para 3

Proposal formulation

“The Authority, shall in consultation with the Contractor, shall ensure.....”

2. Draft Regulation 40

Para 2(b)

The volume of metals produced, marketed and sold during the Calendar year does not form part of the Mining Work plan. Therefore why this requirement?

3. Draft Regulation 50

Para 6

This is arbitrary and unnecessary step.

This should be left to the sponsoring state(s).

4. Draft Regulation 69

Para 1(b)

How will the value on Mineral be determined? This aspect needs to be clarified

5. Draft Regulation 104

Para 2

It is advisable to replace phrase “ affected thereby” in last line by “to which it may relate”.

Appendix IV: determination of Royalty liability.

In view of the possible difference between the contained metals per unit area between two contract areas by an order of magnitude, the royalty calculation must take into account the factor.

There is lack of clarity in respect of Royalty liability.