

Mining Rights Act, ACT 43 of 1967

There is no stated general mining policy guiding development of the mining sector.

The Mining Rights Act, ACT 43 of 1967, provides for rights to prospect and mine for mineral in the country. However, the Government is currently working on a new minerals act consistent with changing circumstances and emerging opportunities with a desire to promote private investment in the sector.

The 1967 Act vests mineral rights in the Kingdom of Lesotho. Prospecting and mining can only be undertaken under an appropriate authority.

A prospecting permit for precious stones entitles the holder during the period to peg a prospecting area in question, mine and dispose of the stones. A prospecting permit for minerals other than precious stones entitles the holder during the period to peg a prospecting area and only prospect. Ten is the maximum number of areas, each not more than forty thousand Cape square feet, at any one time. The prospecting permit holder may apply and be granted a mining licence if he proves the existence of payable quantities.

The mining licence entitles the holder to prospect and mine on the prospecting area for the specified minerals and stated conditions.

Prospecting leases for precious stones and for other minerals carry the same conditions as prospecting permits as above. A mining lease may be granted to anyone over any land as long as that land is free of title holding for that particular mineral. The holder is entitled to prospect and mine for the minerals specified. In all cases time periods are specified in the licences or leases together with other conditions including, rights, fees for grant, reporting procedures, rentals, royalties and sanctions for non compliance.

In the case of prospecting and mining leases compensation must be made to the land surface owner for any damages to crops or timber. Otherwise title holders are entitled to use the surface area for any purposes connected with prospecting and mining, subject to any other conditions that may be imposed in the permits.

After cessation of prospecting or mining the licence holder must pay compensation to the Consolidation Fund for any damage to the surface of the land. The level of compensation is agreed with Government. The mining rights are transferable upon application to the Minister. The conditions of the mineral title will not be forfeited during the term of the permit without due recourse to notices after non compliance and inability to remedy the default.

The act provides for a dealer's licence to buy, sell, import and export precious minerals which is issued upon fulfilment of certain conditions. The licence fee is ZAR 1000 for a Sotho national and ZAR 2000 for foreigners. This is renewed annually. There are no special incentives given to attract investors to the minerals sector. A foreign investor needs to register a local company. Applications for prospecting and mining licences are made, and licences issued, in the name of this company.

There are no special conditions for small scale mining. There are state participation obligations.

The Act does not address issues of environment but the Department of Mines and Geology includes general environmental provisions in leases for large mining claims. These include compliance of government directives, reduction of pollution, rehabilitation and good mining practice.