

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES
NUMBER: 07 OF 2012

CONCERNING

THE INCREMENT ADDED VALUE OF MINERAL THROUGH THE ACTIVITIES OF
PROCESSING AND REFINING/SMELTING MINERAL

WITH THE BLESSING OF GOD ALMIGHTY

THE MINISTER OF ENERGY AND MINERAL RESOURCES,

Considering:

That to implement the provision of Article 96 and Article 111 of Government Regulation of the Republic of Indonesia Number 23 of 2010 concerning Implementation of Mineral and Coal Mining Business Activities, it is necessary to issue a Regulation of the Minister of Energy and Mineral Resources concerning Increment Added Value of Mineral through the Activities of Processing and Refining/Smelting Mineral;

Bearing in Mind:

1. Law Number 4 of 2009 concerning Mineral and Coal Mining (State Gazette of the Republic of Indonesia Number 4 of 2009, Supplement to State Gazette of the Republic of Indonesia Number 4959);
2. Government Regulation Number 23 of 2010 concerning Implementation of Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia Number 29 of 2010, Supplement to State Gazette of the Republic of Indonesia Number 5111);
3. Government Regulation Number 55 of 2010 concerning Direction and Supervision of the Management of Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia Number 55 of 2010, Supplement to State Gazette of the Republic of Indonesia Number 5142);

4. Decision of the President Number 59/P of 2011, October 18, 2011;
5. Regulation of the Minister of Energy and Mineral Resources Number 34 of 2009 concerning Preference for Domestic Minerals and Coal Supply (State Gazette of the Republic of Indonesia Number 546 of 2009);
6. Regulation of the Minister of Energy and Mineral Resources Number 18 of 2010 concerning the Organization and Working System of the Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Number 552 of 2010);

HAS DECIDED:

To issue:

THE INCREMENT ADDED VALUE OF MINERAL THROUGH THE ACTIVITIES OF PROCESSING AND REFINING/SMELTING MINERAL.

CHAPTER I

GENERAL PROVISION

Article 1

In this Regulation of the Minister:

1. Mineral means any naturally occurring inorganic compound that has a definite chemical composition and specific physical properties as well as an ordered crystal structure, or a combination thereof that forms rock, either separated or embedded.
2. Metal mineral means mineral of which its main element consists of metal, have a metallic luster, and generally apply as a good conductor of heat and electricity.
3. Non-metal mineral means mineral of which its main element consists of non-metal, such as bentonite, calcite (chalk/limestone), silica (quartz sand), and others.
4. Rocks means solid mass consisting of one or more types of mineral that form the earth's crust, both in the bound state (massive) or loose.
5. Concentrate means concentration products that are rich of valuable mineral as a separation result from ore mineral processing.
6. Ore Mineral means mineral that contains valuable metal.
7. Byproduct means mining productions, apart from main mining production, which are the side product from the processing activities on main mining production.

8. Slag means an aggregate of smelt that is separated from the smelting or refining on the metal which float on the surface of the liquid metal; formed by a mixture of imbu, ore/metal impurities, the ash of fuel and furnace coating material; can be used as road hardener, cement materials, fertilizers, etc.
9. IUP Exploration means a business permit that is granted to undertake the stages of general surveys, explorations and feasibility studies.
10. IUP Production Operation means a business permit that is granted upon completion of the implementation of IUP Exploration, in order to undertake the stage of production operation.
11. Small-Scale Mining Permit, hereinafter called an “IPR,” means a permit under which mining business is conducted within a small scale mining area that is limited in size and investments.
12. IUPK Exploration means a business permit that is granted to undertake the stages of general surveys, explorations, and feasibility studies in a special mining permit area.
13. IUPK Production Operation means a business permit that is granted upon completion of an Exploration Mining Permit stage to undertake a production operation stage in a special mining permit area.
14. Processing and Refining/Smelting means a mining business activity through which to improve the quality of mineral and to utilize and find associated minerals.
15. Added Value means the addition of value of mineral as a result of a process made in mineral.
16. Added value increment means the increment of value of mineral in order to provide benefit for economy, social and culture.
17. Research and development institution means an institution that conducts research and development in the field of mineral.
18. Minister means the minister that administers governmental affairs in the field of mineral mining.
19. Director General means the Director General whose duties and responsibilities in the field mineral mining.

CHAPTER II

PROCEDURES FOR INCREASING ADDED VALUE OF MINERAL

Article 2

- (1) Group of mining commodities from which added value can be improved, consists of:
 - a. metal mineral;
 - b. non-metal mineral; or
 - c. rocks.
- (2) The increment added value of mining commodities as referred to in section (1) can be implemented through the following activities:
 - a. processing and/or refining/smelting for metal mineral mining commodities;
 - b. processing for non-metal mineral mining commodities; and
 - c. processing for rocks mining commodities.

Article 3

- (1) The increment added value of mining commodity as referred to in Article 2 can be, as follows:
 - a. processing and/or refining/smelting for type of certain metal mineral commodities;
 - b. processing for type of certain non-metal mineral mining commodities; and
 - c. processing for type of certain rocks mining commodities.
- (2) Processing and/or refining/smelting for each type of certain mineral mining commodities specified in section (1) shall be implemented based on considerations:
 - a. have the resources and ore reserves in large quantities;
 - b. to encourage an increase of metal production capacity domestically;
 - c. Technologies of processing and refining/smelting are already proven at this stage;
 - d. the final products of processing and refining/smelting are used as raw materials for the domestic industry;
 - e. the final byproducts of processing and refining shall be used as raw materials for domestic chemical and fertilizer industries;

- f. as raw materials for domestic strategic industry that has mineral basis;
 - g. to give dual effect both economically and socially; and / or
 - h. to increase state revenues.
- (3) Consideration to conduct processing and/or refining/smelting for each type of certain mineral mining commodities as referred to in section (2) shall be a basis to stipulate the minimum limitation for processing and/or refining/smelting certain mineral mining commodities.
- (4) Type of certain metal mineral commodities as referred to in section (1) letter a, are among others:
- a. copper;
 - b. gold;
 - c. silver;
 - d. tin;
 - e. lead and zinc;
 - f. chromium;
 - g. molybdenum;
 - h. platinum metal group;
 - i. bauxite;
 - j. iron ore;
 - k. iron sand;
 - l. nickel and/or cobalt;
 - m. manganese, and
 - n. antimony;
- (5) Type of certain non-metal mineral commodities as referred to in section (1) letter b, are among others:
- a. calcite (chalk/ limestone);
 - b. feldspar;
 - c. kaolin;
 - d. bentonite;
 - e. zeolites;
 - f. silica (quartz sand);
 - g. zircon, and
 - h. diamond.
- (6) Type of certain rocks mining commodities as referred to in section (1) letter c, are among others:
- a. toseki;
 - b. marble;
 - c. onik;
 - d. perlite;
 - e. slate;
 - f. granite;

- g. granodiorite;
- h. gabbro;
- i. peridotite;
- j. basalt;
- k. opal;
- l. chalcedon;
- m. chert;
- n. jasper;
- o. chrysoprase;
- p. garnet;
- q. jade;
- r. agate; and
- s. topaz.

Article 4

- (1) Each type of certain metal mineral mining commodities as referred to in Article 3 section (4) shall be processed and refined/smelted in accordance with the minimum limitation for processing and refining/smelting as set out in Attachment I of this Minister Regulation.
- (2) Each type of certain non-metal mineral mining commodities as referred to in Article 3 section (5) shall be processed in accordance with the minimum limitation for processing as set out in Attachment II of this Minister Regulation.
- (3) Each type of certain rocks mining commodities as referred to in Article 3 section (6) shall be processed in accordance with the minimum limitation for processing as set out in Attachment III of this Minister Regulation.

Article 5

- (1) Byproducts or waste products from the processing and refining/smelting of copper metal mineral mining commodities in the forms of anodes mud and telurid copper, shall be processed and refined/smelted domestically in accordance with the minimum limitation for processing and refining/smelting metal mineral mining commodities as set out in Attachment I of this Minister Regulation.
- (2) Byproducts or waste products from the processing and refining/smelting of tin metal mineral mining commodities in the forms of zircon, ilmenite, rutile, monazite, xenotim and slag, shall be processed and refined/smelted domestically in accordance with the minimum limitation for processing and refining/smelting metal mineral mining commodities as set out in Attachment I of this Minister Regulation.
- (3) Byproducts or waste products from the processing and refining/smelting of lead and zinc metal mineral mining commodities in the forms of gold and silver, shall be processed and refined/smelted domestically in accordance with the minimum limitation for processing and refining/smelting metal mineral mining commodities as set out in Attachment I of this Minister Regulation.

- (4) Byproducts or waste products from the processing and refining/smelting of iron sand metal mineral mining commodities in the form of slag, shall be processed and refined/smelted domestically in accordance with the minimum limitation for processing and refining/smelting metal mineral mining commodities as set out in Attachment I of this Minister Regulation.
- (5) Byproducts or waste products from the processing of non-metal mineral mining commodities which still contain elements or metal mineral with economical value, shall be processed domestically in accordance with the minimum limitation for processing metal mineral mining commodities as set out in Attachment I of this Minister Regulation.

Article 6

Metal mineral mining commodities including byproducts/waste products/associated minerals, non-metal minerals and certain rocks that will be sold abroad, must meet the minimum limitation for processing and/or refining/smelting certain mineral commodities as intended by Article 4 and Article 5.

CHAPTER III

THE IMPLEMENTATION OF ADDED VALUE INCREMENT

Article 7

- (1) The holders of metal mineral IUP Production Operation and metal mineral IUPK Production shall conduct domestically the processing and/or refining/smelting of certain metal mineral mining commodities as intended by Article 3.
- (2) The holders of non-metal mineral IUP Production Operation and non-metal mineral IUPK Production shall conduct domestically the processing and/or refining/smelting of certain non-metal mineral and rock mining commodities as intended by Article 3.
- (3) The processing and refining/smelting of the mining products produced by the holders of IUP Production Operation and IUPK Production as intended by in section (1), can be carried out directly or through cooperation with other holders of IUP Production Operation, IUPK Production Operation, and/or the holder of IUP Production Operation specifically for processing and refining/smelting.

Article 8

- (1) In the event that the holders of IUP Production Operation and IUPK Production Operation as intended by Article 7, due to economical reason, may not conduct their own processing and refining/smelting of mineral, they may conduct the cooperation for processing and/or refining/smelting with other parties who hold:
 - a. IUP Production Operation;
 - b. IUPK Production Operation; or
 - c. IUP Production Operation specifically for processing and refining/smelting.
- (2) The cooperation for processing and/or refining/smelting as referred to in section (1) can be:
 - a. sale and purchase of ore or concentrate;
 - b. services for processing and/or refining/smelting; or
 - c. joint development of facilities for processing and/or refining/smelting.
- (3) Cooperation plan for processing and/or refining/smelting as referred to in section (2) may only be implemented after obtaining approval from the Director General on behalf of the Minister.

- (4) The holder of IUP Production Operation specifically for processing and refining/smelting as referred to in section (1) letter c is granted by the Director General on behalf of the Minister, governor, or regent/mayor in accordance with the provisions of laws and regulations.

Article 9

- (1) The holders of IUP Production Operation and IUPK Production as intended by Article 7 may conduct a partnership with other entities to build the facilities for processing and/or refining/smelting.
- (2) The partnership as referred to in section (1) may be in the form of shares ownership.
- (3) The partnership as referred to in section (1) may only be implemented after obtaining approval from the Director General on behalf of the Minister.

Article 10

- (1) Based on the feasibility studies, the holders of IUP Exploration and IUPK Exploration who cannot do their own processing and refining/smelting due to economical reason and/or cannot conduct the cooperation or partnerships as referred to in Article 8 and Article 9, shall consult with the Director General to implement this Minister Regulation.
- (2) Upon consultation as intended by section (1), the Director General may, inter alia, appoint another IUP Production Operation holder, another IUPK Production Operation holder, and/or IUP Production Operation holder specifically for processing and refining/smelting to conduct processing and refining/smelting of its mining commodities if meeting the specifications in accordance with the capacity of the refining/smelting facilities.

Article 11

The Director General may facilitates the holders of IUP Production Operation, IUPK Production Operation, and/or IUP Production Operation specifically for processing and refining/smelting to receive mining commodities from the holders of IUP Production Operation, IUPK Production Operation and IPR who cannot do their own processing and refining/smelting due to economical reason, as long as it conforms to the specifications in accordance with the capacity of processing and/or refining/smelting facilities.

CHAPTER IV

THE OBLIGATION OF THE HOLDERS OF IUP PRODUCTION OPERATION, IUPK PRODUCTION OPERATION, AND IUP PRODUCTION OPERATION SPECIFICALLY FOR PROCESSING AND REFINING/SMELTING

Article 12

- (1) The holders of IUP Production Operation and IUPK Production Operation and IUP Production Operation specifically for processing and refining/smelting and who conduct the processing of ores, concentrates, or intermediate products in accordance with the minimum limitation of processing and/or refining/smelting of the holder of:
 - a. other IUP Production Operation;
 - b. other IUPK Production Operation;
 - c. IPR;
 - d. Interim permits to conduct hauling and sale;
 - e. IUP Production Operation for sale; and/or
 - f. IUP Production Operation specifically for transportation and sale,

in cooperation as intended by Article 8 are not subject to production royalties for processed and/or refined/smelted mineral, unless the associated mineral which has to be paid by the mineral buyer of mineral.

- (2) Where the IUP Production Operation holders specifically for processing and/or refining/smelting conduct processing and refining/smelting of ore, concentrate, or intermediary products in accordance with minimum limitation of processing and refining/smelting in cooperation as intended by Article 8 with IUP Production Operation holders specifically for other processing and/or refining/smelting, the products of which have not met the minimum limitation of processing and/or refining/smelting under laws and regulations, production royalties for associated mineral utilized shall be paid by the mineral buyers.

Article 13

- (1) The holders of IUP Production Operation on copper, IUPK Production Operation on copper, and IUP Production Operation specifically for processing and refining/smelting copper as well as the holder of IUP Production Operation specifically for hauling and sale of mineral, who sell copper mining commodities to foreign country, including byproducts or waste products of processing and refining/smelting in the forms of anodes mud and telurid copper, must meet the minimum limitation for processing and refining/smelting metal mineral mining commodities as stated in Attachment I of this Minister Regulation.

- (2) The holders of IUP Production Operation on lead and zinc, IUPK Production Operation on lead and zinc, and IUP Production Operation specifically for processing and refining/smelting lead and zinc as well as the holder of IUP Production Operation specifically for hauling and sale of mineral, who sell lead and zinc mining commodities to foreign country, including byproducts or waste products of processing and refining/smelting in the forms of gold and silver, must meet the minimum limitation for processing and refining/smelting metal mineral mining commodities as stated in Attachment I of this Minister Regulation.
- (3) The holders of IUP Production Operation on iron sand, IUPK Production Operation on iron sand, and IUP Production Operation specifically for processing and refining/smelting iron sand as well as the holder of IUP Production Operation specifically for hauling and sale of mineral, who sell iron sand mining commodities to foreign country, including byproducts or waste products of processing and refining/smelting in the form of slag, must meet the minimum limitation for processing and refining/smelting metal mineral mining commodities as stated in Attachment I of this Minister Regulation.
- (4) The holders of lead IUP Production Operation, lead IUPK Production Operation, and IUP Production Operation specifically for processing and refining/smelting of lead as with by-products or waste products from the processing and refining/smelting in the form of anodes mud and telurid copper having not met the minimum limitation of processing and refining/smelting as intended by section (1) must be secured in accordance with the provisions of laws and regulations.
- (5) The holders of iron sand IUP Production Operation, iron sand IUPK Production Operation, and IUP Production Operation specifically for processing and refining/smelting of iron sand with by-products or waste products from the processing and refining/smelting of slag having not reached the minimum limitation of processing and refining/smelting as intended by section (3) must be secured in accordance with the provisions of laws and regulations.

Article 14

- (1) The holders of tin IUP Production Operation, tin IUPK Production Operation, and IUP Production Operation specifically for processing and refining/smelting tin, who conduct the activity of processing and refining/smelting of tin metal, shall separate and process the associated minerals thereof, such as zircon, ilmenite, rutile, monazite, xenotim and shall process slag, in accordance with the minimum limitation for processing and refining/smelting metal mineral mining commodities as stated in Attachment I of this Minister Regulation.

- (2) The holders of tin IUP Production Operation, tin IUPK Production Operation, and IUP Production Operation specifically for processing and refining/smelting tin as well as the holder of IUP Production Operation specifically for hauling and sale of tin, who sell tin mining commodities to foreign country, including byproducts or waste products of processing and refining/smelting and the associated mineral, such as zircon, ilmenite, rutile, monazite, xenotim, must meet the minimum limitation for processing and refining/smelting metal mineral mining commodities as referred to in section (1).
- (3) In the event that the holders of IUP Production Operation on tin, IUPK Production Operation on tin, and IUP Production Operation specifically for processing and refining/smelting tin, who own byproducts/associated mineral, such as zircon, ilmenite, rutile, monazite, xenotim, and slag, have not met the minimum limitation for processing and refining/smelting as referred to in section (1), it shall be secured in accordance with the provisions of the legislation.xx

CHAPTER V

COOPERATION TO CONDUCT RESEARCH AND DEVELOPMENT IN THE
PROCESSING AND REFINING/SMELTING

Article 15

- (1) The holder of IUP Production Operation, IUPK Production Operation or IUP Production Operation specifically for processing and refining/smelting may cooperate, by giving priority to national interests, to conduct research and development in the processing and refining/smelting mining commodities with:
 - a. research and development institution at the ministry that administers governmental affairs in the field of mineral mining;
 - b. competent and independent survey institution; and/or
 - c. state and/or private universities;
- (2) Research and development in the processing and refining/smelting as referred to in section (1) are including the following activities, inter alia:
 - a. problem solving and efficiency process;
 - b. validation of new and untested technology;
 - c. mastery of technology, technology transfer, and technology innovation; and/or
 - d. feasibility studies.
- (3) The findings of research and development in the processing and refining/smelting as intended by section (1) may be used as a basis for the Minister to conduct a review over the minimum limitation for processing and/ or refining/smelting certain mineral as stated in Article 4 and Article 5.

CHAPTER VI

ADMINISTRATIVE SANCTIONS

Article 16

- (1) The holder of IUP Production Operation or IUPK Production Operation who infringes the provisions as referred to in Article 4 section (1), section (2) or section (3), Article 5 section (1), section (2), section (3), section (4) or section (5), Article 6, Article 7 section (1) or section (2), Article 12 section (1) or section (2), Article 13 section (1), section (2), section (3), section (4), or section (5), or Article 14 section (1), section (2), or section (3) shall be subject to administrative sanctions.
- (2) The holder of IUP Production Operation specifically for processing and refining/smelting who infringes the provisions as referred to in Article 4 section (1), section (2) or section (3), Article 5 section (1), section (2), section (3), section (4) or section (5), Article 6, Article 12 section (1) or section (2), Article 13 section (1), section (2), section (3), section (4), or section (5), or Article 14 section (1), section (2), or section (3) shall be subject to administrative sanctions.
- (3) The holder of IUP Production Operation specifically for hauling and sale who infringes the provisions as referred to in Article 6, Article 13 section (1), section (2), section (3), or Article 14 section (2) shall be subject to administrative sanctions.
- (4) The administrative sanctions as referred to in section (1), section (2) and section (3) shall be in the form of:
 - a. written warnings;
 - b. Provisional suspension on IUP Production Operation, IUPK Production Operation, or IUP Production Operation specifically for processing and refining/smelting, or hauling and sale.
 - c. revocation of an IUP Production Operation, IUPK Production Operation, or IUP Production Operation specifically for processing and refining/smelting or IUP Production Operation specifically for hauling and sale.
- (5) The administrative sanctions as referred to in section (4) are granted by the Minister, governor or regent/ mayor in accordance with their authorities.

Article 17

The administrative sanctions in the form of a written warning as referred to in Article 16 section (4) letter a shall be imposed at most 2 (two) times, with each warning period is 1 (one) month at the latest.

Article 18

- (1) The holder of IUP Production Operation, IUPK Production Operation, or IUP Production Operation specifically for processing and refining/smelting or IUP Production Operation specifically for hauling and sale who obtains a written warning after the expiry period of written warning as referred to in Article 17 and has not performed its obligations, shall be subject to administrative sanctions in the form of a provisional suspension of activities as referred to in Article 16 section (4) letter b.
- (2) The administrative sanction in the form of a provisional suspension of activities as referred to in section (1) is imposed in period of no later than 2 (two) months.

Article 19

The administrative sanctions in the form of a revocation of IUP Production Operation, IUPK Production Operation, or IUP Production Operation specifically for processing and refining/smelting or IUP Production Operation specifically for hauling and sale as referred to in Article 16 section (4) letter c, is imposed on the holder of IUP Production Operation, IUPK Production Operation, or IUP Production Operation specifically for processing and refining/smelting or IUP Production Operation specifically for hauling and sale, who did not carry out its obligations until the expiry period of the provisional suspension of activities as referred to in Article 18 section (2).

CHAPTER VII

MISCELLANEOUS PROVISIONS

Article 20

- (1) The holder of provisional permit for hauling and sale who will sell the excavated mineral in the stage of exploration or feasibility study, must sell such excavated mineral domestically.
- (2) The holder of IUP Production Operation not engaged in the field of mining business but wishing to sell the excavated mineral, must sell such excavated mineral domestically.

CHAPTER IX

TRANSITIONAL PROVISIONS

Article 21

Upon effectiveness of this regulation, the holders of IUP Production Operation and IPR issued before the operation of this Regulation of the Minister are prohibited from selling ore (raw material or ore) abroad within 3 (three) months of the operation of this Regulation of the Minister.

Article 22

- (1) The holders of IUP Exploration and Contracts of works in the stage of exploration and/or feasibility study, who still prepare and/or has prepared a feasibility study before the entry into force of this Minister Regulation, shall make adjustments on the minimum limitation for processing and/or refining certain mineral mining commodities as stated in Attachment I, Attachment II, Attachment III, made an inseparable part of this Minister Regulation within a period of no later than 3 (three) years from the entry into force of this Minister regulation.
- (2) The holders of IUP Exploration and Contracts of Works in the stage of exploration and/or feasibility study must submit progress reports periodically about adjustment on the minimum limitation for processing and/or refining/smelting certain mineral mining commodities, in its feasibility study as referred to in section (1) to the Director General, governor, or regent/mayor in accordance with their authorities to do an evaluation.
- (3) The holders of IUP Exploration and Contracts of Works in the stage of exploration and/or feasibility study as referred to in section (1) who fail to adjust its minimum limitation for processing and/or refining/smelting certain mineral mining commodities in accordance with the provisions of this Minister Regulation or fail to conduct its cooperation plan about processing and/or refining/smelting with other parties in accordance with the provisions of laws and regulations, must consult with the Director General to conduct the processing and refining/smelting.

Article 23

- (1) The holders of IUP Production Operation and Contracts of Works who have conducted the activities of construction stage before the entry into force of this Minister Regulation, shall make adjustments on the minimum limitation for processing and/or refining/smelting certain mineral mining commodities as stated in Attachment I, Attachment II, and Attachment III of this Minister Regulation within a period of no later than 4 (four) years from the entry into force of this Minister Regulation.

- (2) The holders of IUP Production Operation and Contracts of works in the construction stage as referred to in section (1), shall submit progress reports periodically about adjustment on the minimum limitation for processing and/or refining/smelting certain minerals mining commodities, to the Director General, governor, or regent/mayor in accordance with their authorities to do an evaluation.
- (3) The holders of IUP Production Operation Contracts of Works in the construction stage as referred to in section (1) who fail to adjust its minimum limitation for processing and/or refining/smelting certain mineral mining commodities in accordance with the provisions of this Minister regulation or fail to cooperate with other parties in accordance with the provisions of laws and regulations, must consult with the Director General to conduct the processing and refining/smelting.

Article 24

- (1) The holders of IUP Production Operation who have produced various types of certain metal mineral, non-metal mineral, and rocks commodities before the entry into force of this Minister regulation, shall make adjustments on the minimum limitation for processing and/or refining/smelting as stated in Attachment I, Attachment II, and Attachment III, made an inseparable part of this Minister Regulation, within a period of no later than 5 (five) years from the entry into force of Law Number 4 of 2009 concerning Mineral and Coal Mining.
- (2) The holders of IUP Production Operation who have made production as referred to in section (1), shall submit progress reports periodically about adjustment on the minimum limitation for processing and/or refining/smelting certain mineral, to the Director General, governor, or regent/mayor in accordance with their authorities to do an evaluation.
- (3) The holders of IUP Production Operation as referred to in section (1) fail to adjust its minimum limitation for processing and/or refining/smelting in accordance with the provisions of this Minister Regulation or fail to cooperate with other parties in accordance with the provisions of the laws and regulations, must consult with the Director General to conduct the processing and refining/smelting.

Article 25

- (1) The holder of Contract of Works who has made production before the entry into force of this Minister Regulation, must make adjustments on the minimum limitation for processing and/or refining/smelting as stated in Attachment I, made an inseparable part of this Minister Regulation, within a period of no later than 5 (five) years from the entry into force of Law Number 4 of 2009 concerning Mineral and Coal Mining.

- (2) The holders of Contract of Works who have made production shall submit progress reports periodically about adjustment on the minimum limitation for processing and/or refining/smelting metal mineral as referred to in section (1), to the Director General, a copy of which to the governor and regent/mayor, in accordance with their authorities in order to do an evaluation.
- (3) The holders of Contract of Works who fail to adjust its minimum limitation for processing and/or refining/smelting metal mineral as referred to in section (1) or fail to cooperate with other parties in accordance with the provisions of the laws and regulations, must consult with the Director General to conduct the processing and refining/smelting.

CHAPTER X

CONCLUDING PROVISIONS

Article 26

This Minister Regulation shall take effect from the date it is issued.

In order that every person may know of it, the promulgation of this Minister Regulation is ordered by placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta

on February 6, 2012

MINISTER OF ENERGY AND MINERAL RESOURCES,
OF THE REPUBLIC OF INDONESIA

sgd.

JERO WACIK

Promulgated in Jakarta

on February 6, 2012

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

sgd.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 165 OF 2012

**ATTACHMENT I OF REGULATION OF THE MINISTER OF ENERGY AND
MINERAL RESOURCES NUMBER 07 OF 2012, February 6, 2012**

**MINIMUM LIMITATION FOR PROCESSING AND REFINING/SMELTING METAL
MINERAL MINING COMMODITIES**

No.	Commodities		Byproducts/Waste Products/Associated Mineral	Minimum Product Limitation for Sale Abroad
	Ore	Mineral		
1.	Copper (smelting process)	a. Kalkopirit b. Bornit c. Kuprit d. Kovelit	a. Anodes mud	Cathode Cu > 99,9% Cu a. Au >99% b. Ag >99% c. Pd >99% d. Pt >99% e. Se >99% f. Te >99%
			Telurid Copper	a. Cu >99% b. Te >99%
	Copper (leaching process)	a. Kalkopirit b. Bornit c. Kuprit d. Kovelit		a. Cu > 99% b. Au >99% c. Ag >99% d. Pd >99% e. Pt >99% f. Se >99% g. Te >99%
2.	Gold	Native Associated minerals		a. Au > 99% b. Au > 99%
3.	Silver	Native Associated minerals		a. Ag > 99% b. Ag > 99%
4.	Tin	Kasiterit		Sn > 99,85%
			Associated Minerals a. Zircon b. Ilmenite c. Rutile d. Monazite e. Xenotim	a. (ZrO ₂ +Hf) >99% b. FeTiO ₃ > 99% c. TiO ₂ >98% d. Logam oksida tanah jarang (REO) (>99%) e. Logam oksida tanah

No.	Commodities		Byproducts/Waste Products/Associated Mineral	Minimum Product Limitation for Sale Abroad
	Ore	Mineral		
				jarang (REOH) (>99%) f. Rare metals > 99%
			Slag	a. W >99% b. Ta ₂ O ₅ >99% c. Nb ₂ O ₅ >99% d. Sb ₂ O ₅ >99%
5.	Lead and Zinc	a. Galena b. Spalerit c. Smithsonit d. Hemimorfit (kalamid)		Bullion > 90% Pb Bullion > 90% Zn
			a. Gold b. Silver	Au > 99% Ag > 99%
6.	Chromium	Chromite		Metal alloys (alloy) > 60% Cr Cr > 99%
7.	Molybedum	a. Molibdenit b. Wulfenit		a. Metal Alloys (alloy) > 60% Mo b. Mo > 99%

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No.	Metal mineral commodities		Byproduct/WasteProduct/ Associated Mineral	Minimum Product Limitation to be Sold Abroad
	Ore	Mineral		
8.	Platinum metal group	a. <i>Native</i> b. Sperrylit c. Braggit d. Laurit		Pt > 99%
9.	Bauxite	a. Gibbsit b. Diaspor c. Boehmit		a. Smelter grade alumina > 99% Al ₂ O ₃ b. Chemical Grade Alumina > 99% Al ₂ O ₃ > 99% Al(OH) ₃ c. Al > 99%
10.	Iron ore	a. Hematit b. Magnetit c. Pyrites		Sponge iron > 85% Fe Pig iron > 94% Fe
		d. Goetit/laterit		Spong e iron > 80% Fe Metal alloys (Alloy) > 88% Fe
11.	Iron sand	a. Titanomagnetit b. Ilmenite c. Rutile		Pig iron > 94% Fe
			Slag	a. TiO ₂ > 98% b. Metal alloys (Alloy) > 65% Ti c. V ₂ O ₅ > 14.0% d. Metal alloys (Alloy) > 65% V

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12.	Nickel and/or kobalt (smelting process) a. Saprolit b. Limonit	a. Pentlandit b. Garnerite c. Serpentin d. Karolit e. Pirit f. Goetit		a. Ni Mate > 70% Ni b. FeNi (saprolit) > 16% c. NiFeNi (limonit/mixture) > 10% Ni d. NPI (<i>Nickel Pig Iron</i>) > 6% Ni
	Nickel and/or kobalt (leaching process) Limonit			a. MHP (<i>Mix Hydroxide Presipitate</i>) > 25% Ni b. MSP (<i>Mix Sulfide Presipitate</i>) > 45% Ni c. Ni > 99% d. Co > 99% e. Cr > 99%
	Nickel and/or kobalt (reduction process) a. Saprolit b. Limonit			Sponge FeNi > 4% Ni
13.	Manganese	a. Pirolusit b. Psilomelan c. Braunit d. Manganites		a. Metal alloys (Alloy) > 60% Mn b. MnO ₂ > 98%
14.	Antimony	Stibnit		a. Sb > 99% b. Sb ₂ O ₅ > 99%

**ATTACHMENT II OF REGULATION OF THE MINISTER OF ENERGY AND
MINERAL RESOURCES NUMBER 07 OF 2012, February 6, 2012**

**MINIMUM LIMITATION FOR PROCESSING NON-METAL MINERAL MINING
COMMODITIES**

No.	Commodities	Name of products	Minimum Product Limitation to be Sold Abroad
1.	Calcite (chalk/ Limestone)	a. Kapur tohor (<i>quick lime</i>)	a. CaO > 96%
		b. Kapur padam (<i>hydrated lime</i>)	b. Ca(OH) ₂ between 70-74%
		c. Ground Calcium Carbonate (GCC)	c Grain size < 1000mesh
		d. Presipated Calcium Carbonate (PCC)	d. CaCO ₃ > 98%, bj < 0,7 g/cc
2.	Feldspar	a. Ceramic materials; and b. Glass	a. (K ₂ O + Na ₂ O) > 10%; and b. Fe ₂ O ₃ < 1%
3.	Kaolin	<i>Filler</i>	a. <i>whiteness</i> >79%; b. grain size > 2 mikron < 30%; c. grain size > 5 mikron < 12%; d. SiO ₂ between 46,73 - 47,80%; and e. Al ₂ O ₃ between 37,30 – 37,84%
		<i>Coating</i>	a. <i>whiteness</i> > 83%; b. grain size > 2 mikron < 71%; c. grain size > 5 mikron < 3%; d. SiO ₂ between 46,73 - 47,80%; and e. Al ₂ O ₃ between 37,30 – 37,84%
4.	Bentonite	Ca Bentonit (bleaching materials)	Bleaching power 25,38 – 38,11%

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5.	Zeolites	Active Zeolites	KTK >100 meq
6.	Silica (Quartz sand)	a. Glass materials	SiO ₂ > 80% in the form of <i>cullet</i>
		b. Gravel pack	a. SiO ₂ > 98,5%; b. Roundness > 60%; c. Sphercity > 70%; d. solubility in acid < 1,3%; and e. able to rupture at a pressure 5000 psi, size fraction -40+70 mesh < 6,2%
7.	Zircon	Zirkonia	a. (ZrO ₂ +Hf) > 99%; and/or b. U ₃ O ₈ and ThO ₂
8.	Diamond	a. Diamond b. Concentrate (Au dan Pt) secured	a. Diamond b. Au > 99% c. Pt > 99%

**ATTACHMENT III OF REGULATION OF THE MINISTER OF ENERGY AND
MINERAL RESOURCES NUMBER 07 OF 2012, February 6,
2012**

MINIMUM LIMITATION FOR PROCESSING ROCK MINING COMMODITIES

No.	Commodities	Limitation of product that will be sold abroad after completing process	Information
1.	Toseki	Flotation	Flotation product in the form of concentrate
2.	Marble	Cutting and/or polishing	For size cutting, it depends on market
3.	Onik		
4.	Perlite	Crushing and heating	
5.	Slate (Batu Sabak)	Cutting	
6.	Granite	Size sorting or cutting	Size depends on market
7.	Granodiorite		
8.	Gabro		
9.	Peridotite		
10.	Basalt		
11.	Opal	Polishing	Size and form depend on market
12.	Chalcedon		
13.	Chert (Rijang)		
14.	Jasper		
15.	Chrysoprase		
16.	Garnet		
17.	Jade		
18.	Agat		
19.	Topaz		