

[Legal Notice No. 417]

## MINES AND MINERALS (BAUXITE ROYALTY) REGULATIONS 2025

### Table of provision

1	Citation .....	559
2	Commencement.....	559
3	Definitions .....	559
4	Application.....	560
5	Gross value.....	560
6	Royalty payable.....	560
7	Monthly assessment .....	560
8	Required documents.....	560
9	Audit and verification.....	561
10	Review by the Minister .....	561
	SCHEDULE .....	561

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## MINES AND MINERALS ACT

(Cap. 42)

### Mines and Minerals (Bauxite Royalty) Regulations 2025

I, Hon. Derrick Rawcliff Manuari, Minister for Mines, Energy and Rural Electrification, under section 80 of the *Mines and Minerals Act* (Cap.42), make the following Regulations:

#### 1 Citation

These Regulations may be cited as the *Mines and Minerals (Bauxite Royalty) Regulations 2025*.

#### 2 Commencement

These Regulations commence on the date they are published in the *Gazette*.

#### 3 Definitions

In these Regulations:

“*Act*” means Mines and Minerals Act (Cap. 42);

“*spot price*” means the daily price of alumina in USD per tonne, as published by:

(a) the LME; and

(b) the SME;

“*DMT*” dry metric tonne;

“**entity**” means a person or organization, whether an individual prospector, or a registered company, that engages in mining or related activities subject to these Regulations;

“**FOB**” means Free on Board;

“**LME**” means the London Metal Exchange;

“**Ministry**” means the Ministry responsible for mines, energy and rural electrification;

“**recovery rate**” means the expected percentage of alumina that can be extracted from alumina-containing material, confirmed through standard metallurgical testing used in the industry;

“**SME**” means the Shanghai Metal Exchange;

“**USD**” means United States Dollar.

#### **4 Application**

These Regulations apply to all entities that commercially export bauxite from Solomon Islands.

#### **5 Gross value**

The gross value of bauxite must be the higher of the following two amounts:

- (a) the value calculated in accordance with Division 2 of the Schedule; or
- (b) the actual sale price stated in the export contract.

#### **6 Royalty payable**

Royalty must be calculated and paid in accordance with the scheme in the Schedule.

#### **7 Monthly assessment**

- (1) The Ministry must assess royalties each month, based on:
  - (a) actual shipment data; and
  - (b) the current alumina prices published by the LME.
- (2) The Ministry must ensure that royalties are calculated based on the FOB value per DMT.
- (3) The Ministry must ensure that payment is made within 30 calendar days after the end of each reporting period.

#### **8 Required documents**

Each royalty submission must be accompanied by the documents listed in Division 1 of the Schedule.

**9 Audit and verification**

The Ministry is responsible for:

- (a) auditing shipment records; and
- (b) verifying grade certification reports; and
- (c) reviewing refinery recovery rates and pricing methods to ensure royalties are accurately calculated.

**10 Review by the Minister**

- (1) The Minister must review these Regulations from time to time.
- (2) The Minister may table a report of the review, including any recommendations, in Parliament.

**SCHEDULE****Division 1 Royalty calculation framework for bauxite****1. Royalty rate**

The royalty payable under regulation 6, must be:

- (a) 3% of the gross value of the exported bauxite ore; and
- (b) calculated for each shipment using the method provided in these Regulations.

**2. Reference grade parameters**

Category	Specification	Notes
Reference Al <sub>2</sub> O <sub>3</sub> grade	48-53% Al <sub>2</sub> O <sub>3</sub> content (DMT)	Based on average Solomon Islands ore assays
Recovery rate	33-55%	Subject to metallurgical test verification

**3. Currency and exchange rate**

All royalty calculations must be expressed in USD.

**4. Documents required for verification**

Each royalty submission must include the documents listed in the table below, along with the purpose of each document:

Document	Purpose
Bill of Lading	Shipment identification and export date
Assay Certificate	Grade confirmation (Al <sub>2</sub> O <sub>3</sub> percentage)
Quotation Source	Spot price reference (LME/SME)
Recovery Rate Evidence	Certified metallurgical recovery documentation

Exchange Rate Confirmation	For Solomon Bokolo Dollar payments, sourced from Central Bank of Solomon Islands
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## Division 2 Determination of FOB value for bauxite export

### 5. Dry tonnage calculation

To calculate export value, the dry metric tonnage of bauxite must be determined by applying a moisture adjustment factor to the total wet tonnage, as follows:

$$\text{Dry Tonnage (DMT)} = \text{Wet Tonnage} \times (1 - \text{Moisture Content } [\% \div 100]).$$

### 6. Available alumina content

The available alumina in the dry ore must be calculated by multiplying the dry tonnage by the average alumina grade stated in the shipment manifest:

$$\text{Available Al}_2\text{O}_3 \text{ (MT)} = \text{Dry Tonnage} \times (\text{Alumina Grade } [\% \div 100]).$$

### 7. Recoverable alumina yield

The estimated amount of recoverable alumina must be calculated by applying the declared refinery recovery rate to the available alumina content:

$$\text{Recoverable Al}_2\text{O}_3 \text{ (MT)} = \text{Available Al}_2\text{O}_3 \times (\text{Recovery Rate } [\% \div 100]).$$

### 8. Market valuation of alumina

The value of the recoverable alumina must be calculated using the current LME price for alumina, stated in USD per metric tonne:

$$\text{Gross Alumina Value (USD)} = \text{Recoverable Al}_2\text{O}_3 \times \text{LME Alumina Price [USD/MT]}.$$

### 9. FOB price determination

- (a) The FOB unit price per dry metric tonne of bauxite must be calculated by dividing the total gross alumina value by the total dry tonnage exported:

$$\text{FOB Value (USD/DMT)} = \text{Gross Alumina Value} \div \text{Dry Tonnage}.$$

- (b) This method ensures a consistent and transparent way to determine the export value of bauxite, and it may be used in royalty calculations, audit procedures and customs declarations.

Made this twenty-fifth day of September 2025.

**HON. DERRICK RAWCLIFF MANUARI**  
MINISTER FOR MINES, ENERGY AND RURAL ELECTRIFICATION