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MINES AND MINERALS (BAUXITE ROYALTY) REGULATIONS 2025**Table of provision**

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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 ₂ O ₃ grade	48-53% Al ₂ O ₃ 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 ₂ O ₃ 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