



PRE-QUALIFICATION GUIDELINES
FOR THE AWARD OF EXPLORATION AND MINING RIGHTS

ANPM 2023

1. Introduction

These Pre-qualification Guidelines are issued to facilitate the conduct of public tender procedures required under Article 10 of Law 12/2021, of 30 June 2021, which approved the Mining Code and established the eligibility criteria for prospective bidder(s) wishing to qualify for the award of Exploration and Mining Rights for [Metallic Minerals, Gemstones, Industrial Minerals, Radioactive Minerals, Rare Earths and Coal] in 49 Concession Areas (“**Public Tender**”) in furtherance of the information and request for documentation detailed under the relevant Terms of Reference (“**ToR**”).

In the event of inconsistency between these Pre-Qualification Guidelines and the pre-qualification requirements detailed in the ToR, the requirements detailed in these Pre-Qualification Guidelines shall prevail.

2. Criteria

Prospective bidders wishing to participate in the Public Tender must pre-qualify with the Autoridade Nacional do Petróleo e Minerais (“**ANPM**”).

Prospective bidders wishing to participate in the Public Tender must submit proper and certifiable documental evidence of (i) their technical and financial capacity to carry out mining activities, (ii) their legal standing, (iii) their experience in implementing and complying with standard health, safety, environment and (iv) their local communities engagement and local content plans, all to the satisfaction of ANPM in accordance with its sole discretion, based on the following criteria:

2.1 Financial Qualification

The purpose of establishing financial qualification criteria is to allow ANPM to assess the prospective bidders’ financial strength and capacity to finance the mining activities and any liabilities that may be incurred in relation thereto.

Prospective bidders are required to have a fully paid-up share capital equivalent to or in excess of seventy-five thousand Dollars of the United States of America (USD 75.000,00).

The evaluation of prospective bidders’ financial capability shall be based on the following documental evidence (where bidders are bidding as members of a consortium, documents of all the consortium members must be submitted):

- (a) The last two (2) years financial statements verified by a chartered accountant or certified public accountant and duly signed by the Director(s) of the company and the chartered accountant or certified public accountant;
- (b) A description of long-term debt, including major lease obligations, and identification of the prospective bidder's major assets which have been pledged or otherwise encumbered upon them under financial security arrangements.

The prospective bidders shall further provide a Statement Letter outlining the following:

- (a) Details of medium-term plans which may materially alter their financial status;
- (b) Specific and detailed information on how they intend to finance the work commitments and letters of support associated with the projected financing, detailing the steps and timing required to secure the necessary funds (where applicable);
- (c) Any additional information evidencing the financial capacity of the prospective bidders.

2.2 Legal Qualification

In order to provide evidence of compliance with the legal qualification requirements for pre-qualification, the following documents or equivalent must be submitted by the prospective bidders to ANPM (where bidders are bidding as members of a consortium, documents of all the consortium members must be submitted):

- (a) A complete set of legal certificates attesting the legal standing of the prospective bidder, which should include express reference to the prospective bidder's registered address, primary business activity, identification of its duly authorized representatives, full details of ultimate ownership (Timorese companies must, notably, submit the SERVE Registration and the company's by-laws) and, if applicable, track-record of any mergers, demergers and similar transactions in past three (3) years;
- (b) Details of any projects and ventures in which the prospective bidder may be engaged, detailing the corresponding commitments in the short, medium and long term, including work programs and/or risks, namely those that may have an impact on the prospective bidder's ability to exercise the mineral rights that may be awarded to it following the Public Tender procedures;
- (c) Organizational chart and number of employees, with a breakdown by category and nationality; and

- (d) A Statement Letter issued by the prospective bidder and signed by a company official with legal authority to that effect attesting the inexistence of any pending litigation, legal proceedings or other similar circumstances that may have an impact on the prospective bidder(s)'s ability to exercise the mineral rights that may be awarded to it following the Public Tender procedures and attesting that the company is not bankrupt.

2.3 Technical Qualification

The qualification of the prospective bidders from a technical standpoint shall be based on their demonstrated experience in mining activities. The criteria and documentation to be supplied to demonstrate the prospective bidders' technical capabilities are as follows:

- (a) Relevant experience in mining activities

Prospective bidders must provide evidence of their relevant experience and expertise in mining activities, in particular in the exploration and mining of [metallic minerals, gemstones, industrial minerals, radioactive minerals, rare earths and coal] and/or other minerals. In order to evidence their technical capabilities, prospective bidders are required to submit a technical summary showing their technical operating capability, including, without limitation, the following information and data:

- (i) Prospective bidders' exploration and/or production assets in the last three to five (3 to 5) years, including a detailed summary of ongoing activities;
- (ii) Lists of technical personnel and their technical competencies in the field of exploration and mining of [metallic minerals, gemstones, industrial minerals, radioactive minerals, rare earths and coal] and/or other minerals;
- (iii) The technical summaries referred to in point (i) and (ii) above must contain an express representation that the information provided is true and accurate and be signed by a company official with legal authority for such purpose.
- (iv) In the event where the prospective bidder(s) does not have any exploration and/or production assets in the last three to five (3-5) years, the prospective bidders must provide statement(s) on the strategy for successful exploration with resources referred to in section 2.2c, and 2.3a(ii).

- (b) Health, Safety and Environment (HSE)

Prospective bidders must provide evidence of having in place proper operational procedures on HSE, in accordance with the Best Practices of the Mining Industry and submit to ANPM for evaluation the following information and data:

- (i) HSE policies and procedures, including prospective bidders' policies and procedures with regard to health, safety and welfare of the persons involved in the mining activities and protection of the natural and marine environment, and prevention, minimization and mitigation of pollution occurrences and other environmental hazards. In the event that prospective bidders have not yet adopted HSE policies and procedures, same must provide a Statement Letter declaring their commitment to establish such HSE policies and procedures to support their operations in the event mineral rights are awarded following the Public Tender procedures;
- (ii) HSE records of the previous one to three (1 to 3) years, including, but not limited to, site injuries, mechanical/structural failures, environmental impact and mitigation efforts.

Each member of a consortium formed to bid for the Public Tender shall be required to submit the information and documentation listed in Section 2.3(a) and (b) above, where applicable. The technical qualification of prospective bidders organized as a consortium shall be made based on the combined review and assessment of the aggregated technical capability of all the consortium members.

2.4 Local Communities Engagement and Local Content Qualification

Holders of mineral rights are statutorily required to engage with and safeguard the rights of local communities in the Concession Area and neighbouring areas. Holders of mineral rights are further subject to certain local content requirements with the aim to maximize the participation of Timor-Leste nationals through employment and training as well as the supply of Timor-Leste Goods and Timor-Leste Services. Therefore, ANPM seeks to be provided with the prospective bidders' local communities engagement and local content commitments (and previous local content initiatives, if applicable). Prospective bidders must produce evidence or submit a Statement Letter briefly outlining the following:

- (a) Plan for resettlement and engagement/protection of local communities;
- (b) Track-record in sourcing of Timor-Leste Goods and Timor-Leste Services in ongoing or previous exploration and mining operations (if applicable) and Local Content Policies and Plan for procurement of Timor-Leste Goods and Timor-Leste Services;

- (c) Local Content Policies and Plan for employment and training Timor-Leste employees;
- (d) Local Content Policies and Plan for transfer of technology and know-how to Timor-Leste entities and nationals.

3. Final Notes

- a) All the above qualification documents shall be prepared in Portuguese or English languages;
- b) Pre-qualification applications must be delivered at ANPM registered offices, located at the Ministry of Finance Building, Level 7, Aitarak Laran, Dili, Timor-Leste or by e-mail to minerals_tender@anpm.tl and submitted as soon as bidding announcement is publicly opened and until five (5) days before the Bid Submission Close date set forth in the official Public Tender Timeline provided in Annex III of the Public Tender Terms of Reference;
- c) For the purposes of this pre-qualification, the technical, financial and legal qualification requirements shall prevail, while the local community engagement and local content requirements shall be deemed ancillary for the assessment of the merits of the bid;
- d) ANPM is allowed to pre-qualify entities that do not meet all the above financial and technical criteria of pre-qualification, expressly excluding the legal criteria, provided such pre-qualification is conditional to the obligation of the applicant to form a consortium with one or more pre-qualified entities that meet the criteria that the relevant applicant fails to meet so as for such consortium to submit a joint bid;
- e) This is a non-binding document and the pre-qualification of any prospective bidder hereunder cannot be deemed or construed as granting the prospective bidder any guarantee of award of mineral rights. Companies pre-qualified under this guideline are not mandatorily required to submit any bids in the Public Tender;
- f) Prospective bidders should refer to the Documents Checklist provided as Schedule 1 to these Pre-qualification Guidelines in order to have a better understanding of the documentation they are required to submit for pre-qualification assessment;
- g) The pre-qualification of any prospective bidders may be unilaterally revoked by ANPM in the following circumstances:
 - (i) In case of bankruptcy, dissolution or change of control of the prospective bidder or of any member of a consortium formed to bid for the Public Tender;
 - (ii) At the prospective bidder's request;
 - (iii) In case of cancellation of the Public Tender procedures.
- h) All days referenced in this document, shall be read as working days.

4. SCHEDULE I: DOCUMENTS CHECKLIST

A. Financial and administrative documents required:

No.	Financial and Administrative Documents required (Mining Code, Chapters 3 and 4)	Remarks Notes:	Yes	No	Observation and comments
1	Companies are required to have a fully paid-up share capital equivalent to or in excess of seventy-five thousand Dollars of the United States of America (USD 75.000,00)	Evidence of the shares to be shown through any official document or certificate admissible under the laws of the country of incorporation. For companies incorporated in Timor-Leste, evidence can be made through the SERVE Certificate and the company's by-laws.			
2	Company's last two (2) years financial statements verified by a chartered accountant or certified public accountant and duly signed by the Director(s) of the company and the chartered accountant or certified public accountant, which may include balance sheets, income statements, statements of retained earnings, cash flow statements, notes to the accounts and Directors' reports.	For companies incorporated in Timor-Leste, a valid company bank statement showing transactions of the last two years will suffice for the purposes of this requirement (acknowledging the practical limitations in Timor-Leste to obtain certified financial statements).			
3	A Statement Letter outlining the prospective bidder's financial capability	Notes: the Statement Letter must outline: <ul style="list-style-type: none"> i. Details of medium-term plans which may materially alter the bidder's financial status; ii. Specific and detailed information on how the bidder intends to finance the work commitments for exploration and evaluation phase and subsequent mining phase and letters of support associated with the projected financing, detailing the steps and 			

B. Legal and administrative documents required:

No.	Legal documents required (Mining Code, Chapters 3 and 4)	Remarks Notes:	Yes	No	Observation and comments
1	Company Legal Qualification	<ul style="list-style-type: none"> i. Companies are required to show evidence of their legal standing (sole traders are not qualified to bid for this Public Tender); ii. Prospective bidders that are incorporated and registered in Timor-Leste must provide evidence of their sectorial business nomenclature with SERVE for activities pertaining to Mining Sector; iii. Acceptable information may include companies' by-laws, shareholders agreement, business licenses or registrations, business registration by SERVE for Timorese companies and any other documents acceptable to ANPM; iv. Prospective bidders must provide documentation evidencing track-record of any mergers, demergers and similar transactions in past three (3) years, where applicable; v. Prospective bidders must provide documentation evidencing the track-record of compliance with principles of good corporate citizenship. 			
2	Company Tax Qualification	Companies must provide evidence of valid tax returns for the past two (2) years (for prospective bidders incorporated and registered in Timor-Leste, a certificate must be issued by the Ministry of Finance) and a non-debt tax certificate.			

3	Statement Letter detailing any current projects and ventures in which the prospective bidder may be engaged in	Any ongoing projects that bear commitments in the short, medium and long term must be mentioned, including work programs and/or risks, namely those that may have an impact on prospective bidder's ability to exercise the Mineral Rights that may be awarded to it following the Public Tender procedures.		
4	Organizational chart and number of employees	If applicable, there can be a breakdown by country and, within each country and/or region, by category and nationality.		
5	Statement Letter signed by a company official with legal authority for such purpose attesting that there are no pending litigation, legal proceedings, or other similar circumstances.	To be issued by the prospective bidder and signed by a company official with legal authority to that effect attesting the inexistence of any pending litigation, legal proceedings or other similar circumstances that may have an impact on the prospective bidder(s)'s ability to exercise the mineral rights that may be awarded to it following the Public Tender procedures and attesting that the company is not bankrupt.		

C. Technical documents required:

No.	Technical documents required (Mining Code, Chapters 3, 6 and 8)	Remarks Notes:	Yes	No	Observation and comments
1	Prospective bidders shall provide a technical summary document illustrating their technical operating capability.	<p>The technical summary shall at least outline the followings:</p> <ul style="list-style-type: none"> i. Prospective bidder’s exploration and/or production assets in the last three to five (3 to 5) years, including a detailed summary of ongoing activities; ii. Lists of technical personnel and their technical competencies in exploration and mining of [metallic minerals, gemstones, radioactive minerals, rare earths and coal] and/or other minerals, in the form of Curriculum Vitae (CV). iii. For company with no exploration and/or production assets in the last three to five (3-5) years, provide statement(s) on the strategy for successful exploration with referred to in section 2.2c, and 2.3a(ii) of the pre-qualification guidelines. 			
2	HSE Statement Letter	<p>Prospective bidders are required to provide a HSE Statement Letter which outlining the following:</p> <ul style="list-style-type: none"> i. How they intend to uphold HSE principles in their operations and establish HSE policies and procedures for their operations should mineral rights be awarded to them further to the Public Tender procedures. If available, prospective bidder(s) shall provide a copy of 			

D. Local Communities Engagement and Local Content documents required:

No.	Local Communities Engagement and Local Content documents required (Mining Code, Chapters 5 and 9)	Remarks Notes:	Yes	No	Observation and comments
1	A letter of statement outlining applicants' experiences and commitment for local content in its current or past projects,	<p>Notes: to meet the requirements, the applicant is required to provide a brief summary outlining the following:</p> <ul style="list-style-type: none"> (i) Track-record in sourcing local goods and services for their operations; (ii) Existing plans of hiring and training local employees; (iii) Existing plans for transfer of technology and know-how to local entities; (iv) Experience in implementing Corporate Social Responsibility (CSR) Plans, (v) For companies that operate in the environment that has no local content requirement, the applicant shall outline in brief on its plan to achieve local content requirement as outline in (i) (ii) and (iii) of this note. 			