National Mineral Policy

Sri Lanka

2026

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List of Abbreviations

SDG	- Sustainable Development Goals
NEA	- National Environment Act
NASTEC	- National Science and Technology Commission
R&D	- Research and Development

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Policy Name : National Mineral Policy

Effective Date : The policy is effective from 01.06.2026

1. Introduction

1.1. Background

All the minerals within the state's jurisdiction are vested in the Republic. Minerals are valuable yet non-renewable natural resources transferred among generations, but can typically be utilized only once. Minerals possess substantial importance in fuelling the economic development and growth of a nation. Therefore, it is imperative to harness the potential of mineral wealth, while concurrently formulating relevant policies to ensure that equitable benefits are derived from it. The initial step in effective mineral resource management is to recognize their real potential in both qualitative and quantitative terms. By comprehensively mapping our country's mineral potential, we can effectively develop the necessary strategies to maximize the utilization of known reserves in a sustainable manner while upholding responsible mining practices that safeguard the environment against detrimental extraction methods. Strengthening enforcement, promoting eco-friendly mining practices, and ensuring community involvement are essential to safeguarding natural resources for future generations while fostering sustainable development. Sri Lanka, with its invaluable and diverse ecosystems and unique and delicate micro-environmental conditions, necessitates the implementation of strict policies, commercial guidelines, and principles to govern mineral-related activities. The primary objective of this policy is to upgrade mining techniques and maximize mineral values while reducing the environmental impact by integrating suitable measures.

The Mines and Minerals Act of 1992, the National Mineral Policy of 1999, and the National Environment Policy of 2003 collectively provide a framework for the performance of the minerals sector to date, but only to a certain extent. These proposals stem from the absence of updated principles that optimize the sector for the utmost benefit of the country's citizens, while simultaneously uplifting the economy to adapt to emerging trends. Hence, the holistic objective of this new policy is to bridge this gap by fostering sustainable mining practices, attracting investments, maximizing value addition to minerals, stimulating local processing and manufacturing industries to utilize mineral resources and reduce reliance on exports, and promoting research and development within the sector. Moreover, this policy aims to enhance the performance of laws and regulations governing the sector, ultimately leading to the overall betterment of the nation.

1.2. Current Mineral Policy

The existing National Mineral Policy was developed in 1999. Collectively, the policy emphasizes the significance of institutional coordination to enhance the sector's performance. It aims to provide the necessary knowledge, tools, and methodologies for the optimal utilization of resources, promoting value addition, and fostering sustainable practices within the sector for its improvement. While the policy incorporates these elements to some extent, the need to update them in response to current sector trends is urgent. This is particularly crucial in contributing to the development through Sustainable Development Goals (SDG) country commitments, climate change, and industrial development.

1.3. Need of the Policy

While an existing National Mineral Policy was developed in 1999, currently evolving socioeconomic perspectives highlight the necessity for a revised approach. Hence, this new policy places significant emphasis on the "intrinsic quality" of local minerals and recognizes the wider diversification of the mineral sector. A feasibility study on mineral resources within Sri Lankan waters, value addition to mineral exports, regulating imports and re-exports of minerals, development of the mineral-related processing industry, sustainable management of the mineral resources and the environment, and issues of land ownership related to mineral extraction have been considered in drafting the new National Mineral Policy. Also, extensive consultations with a broad range of stakeholders, including public and private sector entities in real estate, academia, and regulatory bodies, have been instrumental in shaping this policy. It is intended that this new National Mineral Policy 2026 will update the existing policy. Hereafter, the National Mineral Policy – 2026 will repeal the existing mineral policies.

1.4. Purpose and Context

The purpose of this policy is to extensively identify policy principles that will enhance Sri Lanka's mineral sector. By bridging these policy principles with actionable plans at the ground level, strategies are introduced to guide the implementation process. This policy framework will serve as the foundation for relevant institutions to develop comprehensive Action Plans in their respective areas.

1.5. Rationale

The new policy emphasizes the optimum usage and benefits of local minerals and the importance of monitoring and regulating the flow of foreign currency generated from mineral exports. The policy also addresses the exploration and extraction of seabed mineral resources as well as land-related issues associated with mineral operations.

2. Vision, Mission, and Goals

2.1. Vision

Managing national mineral wealth for the optimal benefit of the nation.

2.2. Mission

To provide guidelines that will help in the creation of an appropriate administrative, legal, and functional framework for managing the national mineral wealth sustainably by attracting investments, generating employment, boosting competitiveness, and adopting best practices in exploration, mining, processing, and value addition in compliance with economic development and environmental concerns.

2.3. Policy Goals

- **Goal 01** : Construct a constantly updated national inventory of mineral resources.
- **Goal 02** : Assure sustainable utilization of mineral resources.
- **Goal 03** : Encourage value-added exports and mineral-based product development with optimal benefits to the nation
- **Goal 04** : Ensure the balance between environmental conservation and the sustainable use of mineral resources for economic development.
- **Goal 05** : Inspire research and development.
- **Goal 06** : Promote mineral investment by providing a conducive regulatory framework and adopting good governance in the mineral sector.
- **Goal 07** : Facilitate to resolve land related matters in Mineral Industry

3. Key Policy Principles

Sri Lanka's mineral sector plays a significant role in the country's economy, contributing to both employment and revenue generation. Having clear policy principles to guide the mineral sector is important to ensure good governance in managing the country's mineral resources while ensuring benefits for the country's economy, environment, and society as a whole.

Principle 1:
The State shall know the potential of the mineral resources within the jurisdiction.

Principle 2:

The mining of mineral resources will be decided considering the overall benefits to the people based on socio-economic and environmental perspectives.

Principle 3:
The national mineral wealth will be further enhanced via value addition and product development, resulting in optimal revenue for the country.

Principle 4:
Environmental protection and sustainable development will be ensured.

Principle 5:
Mineral sector research and development will be promoted.

Principle 6:
Robust legislative, administrative, and fiscal tools will be introduced.

Principle 7:
An efficient and effective land management system will be introduced.

4. Policy Statements

Policy Statement 1:
The State has a responsibility to acquire necessary knowledge enabling it to manage national mineral wealth for the benefit of the people while conserving the environment in a sustainable manner.

Policy Statement 2:
The State needs to adopt a holistic approach where decisions regarding the mining of mineral resources are made by considering the overall benefits to the people based on socio-economic and environmental perspectives, and the sustainability of the industry.

Policy Statement 3:
Sri Lanka's mineral wealth shall be utilized to its fullest potential by promoting value addition, enhanced processing capabilities, and attracting responsible investments, thereby generating optimal benefits for the state while supporting sustainable industrial development.

Policy Statement 4:
Recognizing that both mineral extraction and value-added processes will inevitably have an impact on the environment, all possible measures will be taken to minimize the negative environmental impact through strict adherence to regulations under the National Environment Act (NEA) and the Coast Conservation & Coastal Resource Management (CC & CRM) Act, and other relevant Acts and Regulations. As such, through appropriate environmental assessment processes, aspects such as mitigation, rehabilitation, and restoration will be carried out most appropriately and credibly.

Policy Statement 5:
The government policy on research and development (R&D), focusing on facilitating the policy grounds and objectives of the National Mineral Policy, aims to drive scientific and technological advancements that align with the priorities and goals of the policy.

Policy Statement 6:
Introducing legislative, administrative, and fiscal tools to achieve the goals outlined in this mineral policy and promoting good governance while focusing on Sustainable Development Goals (SDG) and other global commitments.

Policy Statement 7:
A holistic approach will be introduced to resolve land-related matters in a fair and balanced manner with the consultation of relevant stakeholders.

5. Applicability and Scope

This policy applies to the entire sector of minerals and mining in Sri Lanka, both onshore and offshore from academia to industry, except for hydrocarbons, and establishes a comprehensive framework and guidelines for the effective and sustainable management of the country's mineral resources.

6. Policy Implementation

The National Mineral Policy includes specific strategies for the policy goals listed in Section 2.3 above, as *Annexure 01*, which is an integral part of this policy document and will serve as the base document for implementation and monitoring.

Responsibility and Authority

The Strategies listed in *Annexure 01* above serve as the foundation for facilitating the principles of the policy and shall be implemented through the corresponding Acts. The regulatory bodies will have the power to put them into effect. Therefore, as per Principle 6, these authorities must establish a legislative and regulatory framework that aligns with the policy objectives. Such regulatory entities must specify the fundamental duties that support the policy in addition to the statutory framework. Such essential functions will be incorporated into the Corporate Plans of these authorities.

The regulatory bodies in the sectors of minerals and environment are the entities collectively responsible for the above in terms of the implementation of the policy.

Condition element - Stakeholders, including the general public and, especially, the industry, are the entities that will have an impact due to these policies when it comes to the level of implementation. Hence, once the appropriate regulatory authorities have collectively constructed an acceptable framework by the above, the relevant representatives shall consult the stakeholders to finalize the regulatory documents, such as detailed implementation strategies and work plans, etc.

Monitoring and Evaluation

The subject Ministry responsible for mineral sector shall play the main role in monitoring and implementing the Mineral Policy. However, since the institutions that address mineral-related issues are distributed among several ministries, the monitoring body shall consist of representatives of the appropriate ministries.

Condition element in General:

As of the Convention on the Law of the Sea, Sri Lanka will have a vast seabed area to administrate with rich mineral resources. To enable the management of these new frontiers, necessary administrative and legal framework will be formulated accordingly.

The policy does not address the strategic direction of national hydrocarbon resources and gem and jewellery sector.

7. Glossary/ Definitions

State's jurisdiction:

Land territory, including internal waters, territorial sea, contiguous zone, exclusive economic zone, and extended continental shelf seabed.

Good Governance:

The Good Governance of mineral resources refers to the transparent, accountable, equitable, and participatory management of mineral resources, guided by the principles of the rule of law, responsiveness, consensus orientation, inclusiveness, and efficiency. It ensures that decisions and actions within the mineral sector are fair, sustainable, and aligned with national priorities, while safeguarding environmental integrity and maximizing benefits for all citizens.

Mineral:

A naturally occurring substance that can be mined, whether in solid, liquid, or gaseous form, on, in, or below the surface of the soil; any ores containing such minerals and any product of such minerals derived by processing and including peat and salt but does not include hydrocarbons.

Miner:

An individual or an entity that works in the mining industry, which involves the extraction/mining of valuable minerals or other geological material~~s~~ from the Earth.

Mining:

Excavating in, on, or below the surface for the purpose of evaluating and obtaining any minerals.

Mineral Exploration:

To define the extent and determine the economic value of a mineral occurrence.

Value addition:

Value Addition of minerals refers to the systematic enhancement of the economic, functional, and market value of a mineral resource through processing, transformation, and product development, beyond simple extraction and sale of the raw material. It encompasses primary value addition, which improves the mineral's physical and chemical characteristics and product development, which converts minerals into market-ready, higher-value products tailored to specific industrial, commercial, or consumer applications.

Hydrocarbons:

Refers to the fossil fuels such as petroleum and natural gas.

Zero-Waste:

Minimizing or eliminating waste generation throughout the entire lifecycle of mineral extraction, processing, and utilization. Zero-waste policies involve strategies and practices that focus on resource efficiency, waste reduction, and the reuse, recycling, or repurposing of by-products and waste materials to extract maximum value from mineral resources while minimizing the environmental impact and conserving resources.

Annexures

Annexure 1: Policy Thrust Table (Goals-Objectives-Strategies)

Annexure 01: Thrust Table - National Mineral Policy 2026

Policy Principle	Policy Statements	Goal	Objectives	Strategies
Principle 1: The State shall know the potential of the mineral resources within the jurisdiction.	The State has a responsibility to acquire necessary knowledge enabling it to manage national mineral wealth for the benefit of the people while conserving the environment in a sustainable manner.	Construct a constantly updated national inventory of mineral resources.	To explore, assess, and evaluate the mineral potential of the state.	a) A national inventory of the mineral resources of the country, including basic geological data, will be made available with regular updates: I. Mineral-based data and information gathered and scattered among both private and public entities will be integrated to formulate a detailed database and updated information system. II. The knowledge gained from research activities on mineral resources will be shared to update the mineral-based information system and create knowledge and enhancing the economy of the country. b) A suitable institutional monitoring system will be developed to continually evaluate the current status of the mineral resources and possible mineable quantities and report the development of those resources. c) The entire jurisdiction's approach of exploring minerals to evaluate the nation's mineral wealth will be effectively changed, and the state will support and get involved in systematic mineral exploration within the state's jurisdiction. I. The government authorities shall be authorized for scientific study of minerals within the state's jurisdiction. II. Mineral exploration conducted by third parties will be re-evaluated to obtain the data, information and inputs on mineral resources required by the State.

				III. Even if generating data about minerals isn't a survey's primary objective, any mineral-related information that comes out of such a process or activity as secondary data must be shared with the relevant authorities. IV. The potential of offshore mineral resources and their economic extraction will be assessed regularly, and the necessary procedures, equipment, and knowledge required for exploration and mining of the minerals from the sea floor will be developed. d) Sharing data generated, related to mineral exploration or mining beyond national jurisdictions will be promoted ensuring compliance with international obligations, transparency, and effective participation in global ocean governance.

Principle 2: The mining of mineral resources will be decided considering the overall benefits to the people based on socio-economic and environmental perspectives.	The State needs to adopt a holistic approach where decisions regarding the mining of mineral resources are made by considering the overall benefits to the people based on socio-economic and environmental perspectives, and the sustainability of the industry.	Assure sustainable utilization of mineral resources.	To promote sustainable and inclusive mining practices and optimal utilization of mineral resources.	a) Mining of minerals will be permitted if minerals are utilized appropriately, preventing any potential underuse that could degrade the value of the minerals. b) The entities that utilize minerals in a way that will be most beneficial for the nation will be given mining preference. c) The regulatory authorities, with the participation of all stakeholders in the industry, will evaluate the activities of existing entities, including private companies and State-Owned Enterprises (SOEs), to ensure the generation of maximum benefits. d) The areas with a high mineral potential should be identified and zoned for future utilization. e) By the relevant rules and regulations, good health of the mines should be maintained with minimal negative impact on the surrounding environment. I. Before the start of any mineral mining, necessary base data (environmental, geological, etc.) will be collected to quantify the potential impact of such mineral extraction. II. In the event of a negative impact is caused by mining and mining-related activities, the authorized institutions related to mining shall assess such damages with the assistance of relevant government

				agencies, and the "miner" shall be obligated to compensate the affected parties and entities. III. Employee health and occupational safety precautions will be ensured by adopting mining standards. IV. When a mine's lifespan expires, appropriate measures will be taken under "Mine Closure" to secure the mined area with precise rehabilitation norms. V. The zero-waste policy is encouraged at the mining stage and will be continued until the processing and marketing stages. f) To develop infrastructure facilities in remote rural areas where large or small-scale mining operations have been established in order to help the economic upliftment of the local population.

Principle 3: The national mineral wealth will be further enhanced via value addition and product development, resulting in optimal revenue for the country.	Sri Lanka's mineral wealth shall be utilized to its fullest potential by promoting value addition, enhanced processing capabilities, and attracting responsible investments, thereby generating optimal benefits for the state while supporting sustainable industrial development.	Encourage value-added exports and mineral-based product development with optimal benefits to the nation.	1. To encourage and facilitate mineral value addition and product development with the greatest possible benefit to the state. 2. To ensure the availability of earth materials for local consumption. 2. To regulate and monitor import and re-export.	a) The intrinsic quality of local minerals will be assessed to maximize economic benefits. b) Market opportunities and market intelligence will be gathered to ensure that appropriate international market-based export values are obtained from the export of minerals in value-added form. c) Recycling of mineral wastes is encouraged as a key conservation technique, and upgrades of low-grade mineral raw materials, mineral wastes, and rejects will be taken into consideration where possible. d) Opportunities to utilize quality mineral reserves will be made available on a competitive basis following a careful analysis of the benefits to the country. e) Processing and value-addition norms will be promoted by creating a competitive base for investors. f) Considering the overall gain to the state from mineral exports, the minerals may be imported and re-exported depending on their significant value addition. g) The fact that the minerals are non-renewable resources and that every mine eventually runs dry or becomes unprofitable should be taken into consideration in the mineral export policy. Therefore, export policy should consider the nation's long-term requirements and prohibit the export of minerals in a minimal or non-value-added form that will in any

				way adversely impact the sustenance and growth of the local value-added industry. I. Small-scale entrepreneurs in the mineral sector will be promoted with adequate access to technological, financial, managerial, and trading support. Existing mineral-based industries will be strengthened and diversified to increase their competitive edge, export potential, and employment creation capacity. II. If the survival of a local mineral-based industry is threatened by a shortage or non-availability of local minerals, mineral imports will be permitted, after being subjected to a careful analysis of the overall benefits from such imports.

Principle 4: Environmental protection and sustainable development will be ensured.	Recognizing that both mineral extraction and value-added processes will inevitably have an impact on the environment, all possible measures will be taken to minimize the negative environmental impact through strict adherence to regulations under the National Environment Act (NEA) and the Coast Conservation & Coastal Resource Management (CC & CRM) Act, and	Ensure the balance between environmental conservation and the sustainable use of mineral resources for economic development.	▷ promote sustainable mining practices to minimize the negative impacts on the environment. ▷ ensure successful implementation of rehabilitation and restoration at the post-mining stage. ▷ ensure alignment with coastal resource management and conservation objectives for environmental sustainability.	a) All necessary measures relating to mineral-based activities will be taken to protect and minimize adverse impacts on the environment and society and will equally apply to both private enterprises and SOEs engaged in the mineral sector. b) Mining of minerals is only permitted in restricted areas under strict preservative norms, following a comprehensive evaluation of its economic viability and potential environmental impacts, and is subject to close monitoring. c) The establishment or enhancement of environmental regulations related to mining activities is promoted. d) Prior approval will be obtained to operate mineral-based industries, including mining, in environmentally sensitive areas. e) To sustainably manage the coastal resources within the Coastal Zone, and maintain the stability of the coastal ecosystem. f) It will be encouraged to use contemporary technology and efficient mining techniques that address environmental issues and maintain the quality of raw materials. g) Necessary human resources development and training will be promoted to adopt available and advanced technologies to evolve a competitive edge in the mineral industry.

	other relevant Acts and Regulations. As such, through appropriate environmental assessment processes, aspects such as mitigation, rehabilitation, and restoration will be carried out most appropriately and credibly.			h) Restoration and rehabilitation will be essential components of the mining plan, which will be closely monitored and evaluated by the relevant authorities. i) Standard operating procedures will be developed to prevent mineral contamination and infestation with unknown invasive species, harmful toxic chemicals, and radioactive or other biological, physical, or chemical means.

Principle 5: Mineral sector research and development will be promoted.	The government policy on research and development (R&D), focusing on facilitating the policy grounds and objectives of the national mineral policy, aims to drive scientific and technological advancements that align with the priorities and goals of the policy.	Inspire research and development.	To promote research, innovation, development, and technological advancements in the mineral sector.	a) The requirement for R&D activities will be identified to be aligned with the national mineral policy's policy grounds, goals, and objectives, and facilitate the allocation of dedicated funding and resources. b) Periodic assessments will be conducted to identify priority areas for research in the dynamics of the mineral industry. c) The research will concentrate on the development of viable and affordable processing techniques and mineral value addition under local conditions. d) Collaboration and partnerships between government agencies, research institutions, industries, and other stakeholders will be facilitated and promoted. e) Research will be developed to share expertise, information, and facilities among the relevant entities. f) International collaboration in R&D activities related to mineral resources including minerals beyond national jurisdiction will be promoted. g) Appropriate mechanisms will be developed to disseminate the research and development information and data among stakeholders. h) Responsible public-private partnerships and linkages, joint ventures with both local and foreign investors, are promoted for industrial investments, giving preference to advanced technologies and value addition processes.

Principle 6: Robust legislative, administrative, and fiscal tools will be introduced.	Introducing legislative, administrative, and fiscal tools to achieve the goals outlined in this mineral policy and promoting good governance while focusing on Sustainable Development Goals and other global commitments.	Promote mineral investment by providing a conducive regulatory framework and adopting good governance in the mineral sector.	To construct a competitive, transparent, accountable, and conducive environment for the mineral industry's development, from exploration to product development, through appropriate regulations and standard norms.	a) Existing Acts, regulations, guidelines, administrative frameworks, and fiscal norms shall be examined to align such tools with policy principles and goals. b) The Regulatory Institutional Framework system of the mineral sector is strengthened to facilitate the exploration, mining, and efficient supply of minerals for industries. c) Fiscal policies will be strengthened with the assistance of relevant authorities in a manner to acquire due remittance to the State. d) Good governance in the mineral sector will be ensured through the implementation of necessary legal and administrative norms that promote transparency, accountability, participation, inclusivity, and environmental and social responsibility. e) The provisions of the Act and Regulations will be reviewed periodically and harmonized with the relevant policies governing industrial activity. f) Market-based instruments (i.e. Polluter Pay System) are enforced to ensure the sustainability of the mineral sector. g) Development activities shall be limited to the lands with high mineral potential, enabling the mining of those mineral resources when and where needed.

				h) The need for capacity-building initiatives will be recognized to strengthen the implementation and enforcement of legislative and fiscal norms. i) The recognition and protection of indigenous rights and the principle of free, prior, and informed consent (FPIC) are emphasized.

Principle 7: An efficient and effective land management system will be introduced.	A holistic approach will be introduced to resolve land-related matters in a fair and balanced manner with the consultation of relevant stakeholders.	Facilitate to resolve land-related matters in Mineral Industry.	To facilitate investment in the mineral sector by intervening to identify the land use priorities.	a) Identification of spatial distribution of economically viable mineral occurrences within Sri Lankan jurisdiction. b) Establish mechanism for strategic assessment of optimum land use with the consultation of relevant stakeholders. In this context considering the non-renewable nature of mineral resources, utilize of minerals in certain area will be prioritized over other land uses. c) Ensuring the availability of lands for future mineral investment projects. d) Declaring cleared ready-to-investment mineral deposits by gazettes e) Ensuring the healthy mine closure and effective rehabilitation for effective land use.