



# The Sindh Government Gazette

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## PART-I

GOVERNMENT OF SINDH  
MINES & MINERAL DEVELOPMENT  
DEPARTMENT

Karachi, dated the \_\_\_\_ July, 2023.

### NOTIFICATION

No.SO(TECH)/M&MD/3-9/2023 TO/M&MDD/15-2/2021:- In exercise of powers conferred by section 50 of the Sindh Mines and Minerals Governance Act, 2021, the Government of Sindh are pleased to make the following rules, namely:-

#### PART-I PRELIMINARY

1. **Short title, extent and commencement.** (1) These rules may be called the Sindh Mines and Minerals Governance Rules, 2023.
  - (2) They shall extend to whole of the Province of Sindh.
  - (3) They shall come into force at once.
2. **Definitions.** (1) In these rules, unless the context otherwise requires -
  - (i) "Act" means the Sindh Mines and Minerals Governance Act, 2021 (Sindh Act No.XXXIV of 2021);
  - (ii) "Auction Committee" means the Auction Committee constituted under these rules;
  - (iii) "Constitution" means the Constitution of the Islamic Republic of Pakistan, 1973;
  - (iv) "drilling" means the perforation of the earth's surface for collection of core samples otherwise than by pitting, trenching or sinking a shaft, whether the hole is vertical, inclined or horizontal, and includes all operations for preventing the collapse of the sides of the hole or for preventing the hole from becoming filled with extraneous matter, including water.

- (v) "environmental pollution" means the environmental pollution including air, land and water pollution, noise pollution, 3resulting from exploration, mining and dressing activities and its auxiliary operations;
- (vi) "Regional Officer" means the Deputy Director or Assistant Director of the Department performing his duties in concerned Region of the Province;
- (vii) "Financial Institution" means an institution recognized, as such, by the State Bank of Pakistan for the purpose of advancing credit and loan facilities.
- (viii) "Form" means form appended to these rules;
- (ix) "Mines Committee" means the committee constituted under rule 4;
- (x) "person" means an individual, a company or association of persons incorporated, formed, organized or established in Pakistan or elsewhere, the Federal Government, a Provincial Government, a local authority in Pakistan; or a foreign government, a political subdivision of a foreign government, or public international organization.
- (xi) "Schedule" means the Schedules attached to these rules;
- (xii) "section" means a section of the Act.

(2) The terms and expressions used but not defined in these rules shall have the same meanings as assigned to them in the Act.

3. **Ownership of minerals.**- Notwithstanding anything contrary contained in any other rules or regulations or order or decree of Court or in any rule of custom or usage or in any contract, instrument, deed or other document, all mines and minerals shall be and shall always be deemed to have been the property of Government wherever they may be in the Province, and Government shall have all the powers necessary for the enjoyment of its right thereto.

## PART-II ADMINISTRATION

4. **Constitution of the Mines Committee.**- (1) Government may, by notification in the official gazette, constitute the Mines Committee which shall consist of the following:-

S.No.	Designation	Title
1.	Director General, Mines & Mineral Development	Chairman
2.	Director, Mineral Development, M&MD	Secretary / Member
3.	Director (Exploration), M&MD	Member
4.	One Nominee by the Secretary, Mines & Mineral Development Department, Govt. of Sindh, not bellow the rank of BPS-18.	Member
5.	One Nominee by the Director General Sindh Environmental Protection Agency, Govt. of Sindh, not below the rank of BPS-18.	Member
6.	One Nominee by the Secretary Land Utilization, Govt. of Sindh, not bellow the rank of BPS-18.	Member
7.	Concerned Field Officer of regional office of the Mines and Mineral Development Department, Govt. of Sindh.	Member
8.	President of Sindh Mine Owner Association	Non-voting Member

(2) The Committee may coopt any person as a Member (Expert) but such Member shall not have right to vote.

(3) The Mines Committee shall exercise all its powers and functions in accordance with the provisions of the Act and these rules.

(4) For the purpose of maintaining confidentiality and for smooth functioning of Mines Committee proceedings, no unauthorized person or applicants for mineral title or mineral permit shall bring any recording devices or gadgets which include cell phone, smart phone, audio visual cameras or any bugging device at the office of Licensing Authority. The mines committee shall have authority to restrain any unauthorized person(s) from the office if found in violation of the contents mentioned in this sub rule.

### PART-III -MINERAL TITLES

#### Division-I (General)

5. **Types of Mineral Titles.**- The mineral titles shall be granted for large scale mining with the investment of more than rupees three hundred million and no person shall conduct reconnaissance operations, exploration operations and mining operations or retain a mineral deposit in accordance with the provisions of these rules.

6. **Mineral Agreements.**- (1) Government may, at the request of a foreign Government or investor proposing to carry on mineral operations, enter into an agreement with that Government or investor relating to a mineral title, not inconsistent with these rules, or any other law, if Government is satisfied that substantial foreign investment is likely to be made in mineral operations and that the carrying of the undertaking in question is desirable in the interest of development of the mineral resources of the Province.

(2) The Federal Government may, at the request of Government, be a party to, and to the negotiation of a mineral agreement.

(3) A Mineral Agreement may, in particular, make provision with respect to all or any of the following matters:-

- (a) grant, renew, cancel or transfer of a mineral title;
- (b) minimum exploration operations to be carried on and related expenditure to be incurred for the purpose of those operations;
- (c) the information of joint ventures;
- (d) the basis on which the fair market value of any mineral or group of minerals may, from time to time, be determined on an arm's length basis;
- (e) the payment of enhanced royalty in specified circumstances;
- (f) the establishment of secondary and tertiary processing facilities in the Province;
- (g) guarantees to ensure the due and proper performance of the obligations of the holder of the mineral title;
- (h) financial and insurance arrangement;
- (i) the settlement of any dispute which may arise in the interpretation or application of any provision of a mineral agreement;

(j) coordination of exploration or mining operations to be carried on by the person concerned under an exploration license or a mining lease with any such operations carried on by the holder of an exploration license or a mining lease in any neighboring exploration area or mining area: or

(k) such other matters relating to mineral operation as Government may determine or as the parties to the agreement may consider necessary.

(4) Where the Federal Government is a party to a mineral agreement, the agreement may contain provision with respect to any matter for which the Federal Government has executive authority under the Constitution.

(5) Any provision contained in a mineral agreement which is inconsistent with any provision of the Constitution, the Act and these rules, shall to the extent of the inconsistency, be of no force or effect.

(6) Nothing contained in a mineral agreement shall be construed as absolving any party thereto from complying with any requirement laid down by law or from applying for, and obtaining, any permit, license, approval, permission or other document required by law.

(7) For the purposes of sub-rule (1), where substantial foreign investment is likely to be made in any particular case, Government shall have regard to -

- (a) the likely scale of the capital investment to be made;
- (b) the expenditure and work programme proposed by the applicant;
- (c) in the event of commercial discovery the likely scale of operation;
- (d) the mineral or group of minerals to which the mining title, if granted, would relate and the potential for export of that mineral or group;
- (e) the techniques to be used for the recovery of that mineral or group;
- (f) the technical and financial capabilities of the applicant for a mineral title; and
- (g) such other factors relevant to making that determination.

7. **Applications under this Part.-** (1) An application under this part shall be -

- (a) made to the Licensing Authority, except, where it is otherwise provided;
- (b) in the form appended to these rules or approved by the Licensing Authority;
- (c) accompanied by the fee specified in the First Schedule in respect of the application in question;
- (d) accompanied by the documents required under these rules.

(2) A separate application shall be made in respect of each area and for each mineral.

(3) Every application shall contain a detailed profile of the applicant and details of the area, the kind of mineral title, and the mineral or group of minerals to which the application relates.

(4) On receipt of an application alongwith documents under these rules, the Licensing Authority shall note thereon the date and time of its receipt and shall issue to the applicant an acknowledgement stating such date and time through postal or the electronic means.

(5) If any person submit application and upon receipt(s) of the same for the fresh grant of license, lease or permit for an area, subject to availability, the same area will be published in leading newspapers for inviting competitive bids and the applicant(s) who already submitted application for specified area(s) may also participate in the bidding process.

(6) If an applicant who is not Pakistan national, shall furnish with the application, an undertaking that the applicant will abstain from all political activity whatsoever effecting the sovereignty or security of Pakistan or which may amount to interfere in Pakistan's internal affairs and particular, that the applicant will not indulge in any subversive activities detrimental to National security of Pakistan.

(7) Subject to these rules, the Licensing Authority may grant, on such conditions as may be determined in writing by the Mines Committee, or refuse an application under this Part.

(8) On receipt of the application, the Licensing Authority shall, before granting any mineral title and permit, ascertain that the area applied for same mineral does not overlap with an area already covered by a license, lease or permit.

(9) An applicant may incorporate alternative proposals in addition to the proposals set out in the application to facilitate consideration by the Licensing Authority.

(10) If applicant is a company registered outside Pakistan, it would be required to register itself within Pakistan in accordance with the laws and rules in force in Pakistan, before grant of mineral titles.

(11) The licensing authority shall maintain a separate register of applications for mineral titles and mineral permit and containing the following information:-

- (a) S. No.
- (b) Date of receipt of the application
- (c) Name of the applicant
- (d) Complete address of the applicant
- (e) Whether applicant is a national of Pakistan or outside Pakistan
- (f) Mineral or minerals for which application has been made.
- (g) In case of mining lease, the period for which the lease is required.
- (h) District(s) in which license(s) or lease(s)/permit(s), is required.
- (i) Place and total area applied for.
- (j) Application fee paid.
- (k) Final disposal of the application, any other information as the licensing authority considers necessary.
- (l) Remarks.

(12) The register maintained under sub-rule (11) shall be open for inspection on payment of fee as mentioned in First Schedule.

8. **Power of Licensing Authority in respect of applications-** (1) The Licensing Authority may at any time after the receipt of an application under these rules, required the applicant by notice in writing –

- (a) to furnish the Licensing Authority within such reasonable period as may be specified in the notice with such information as may be described in the notice to enable it to determine who has, in the case of an applicant that is a company, the controlling interest in the affairs of the company; or such other information as may be described in the notice, as the licensing authority may deem necessary for purposes of considering the application;
- (b) to publish in such manner as may be specified in the notice particulars of the application in relation to the full names of the applicant and the area, the kind of mineral title, and the mineral to which application relates;
- (c) to give such particulars of the application to the person(s) identified by the Licensing Authority in the notice.

(2) In order to enable the Licensing Authority to consider any application under these rules, the authority may cause such investigations to be made or undertaken as the Licensing Authority may in its discretion deem necessary; or require the applicant, by notice in writing, to furnish the Licensing Authority within such periods as may be specified in the notice, with such proposals, by way of alternative to or in addition to proposals set out in the application.

(3) Where an application for mineral title is made in respect of an area within a reserved or protected forest, the licensing authority shall not grant any such title without prior consultation with the Forest Department, Government of Sindh.

(4) In considering any application under these rules and the condition subject to which the application may be granted, the licensing authority shall take into account the need to conserve and protect the natural resources in, on or under the land to which the application relates and any adjoining or neighboring land.

(5) Where the licensing authority decides –

- (a) to grant an application under these rules subject to certain conditions, it shall give notice to the applicant accordingly, stating those conditions and the conditions referred to in rule 10;
- (b) to refuse an application under these rules, the Licensing Authority shall communicate the decision and reasons for the refusal to the applicant within a period of four months to the date of the receipt of the application and other relevant information requested by it.

(6) The applicant may within the period of one month after notice is given to him pursuant to sub-rule (5) (a) or within such further period as the Licensing Authority may allow in writing, on good cause shown, agree in writing to accept the

condition or such other conditions as may be agreed by the licensing authority and the applicant.

9. **Lapse of applications-** If an applicant fails to comply with the requirements of a notice referred to in sub-rule (1) or sub-rule (2) of rule 8, or to agree pursuant to sub-rule (6) of rule 8 within the period specified in the notice, or such further periods as may be allowed by the Licensing Authority, the application in question shall lapse on the expiration of the period, and the applicant whose application expires shall be intimated accordingly.

10. **General conditions of mineral titles.-** (1) In addition to any condition contained in a mineral title or a mineral agreement, it shall be a condition of a mineral title that the holder of the mineral title shall –

- (a) exercise any right granted to the holder by or under these rules reasonably and in such manner that the rights and interests of the occupier of any land to which the titles relates are not adversely affected except to the extent that the occupier is compensated;
- (b) employ technically qualified and competent persons to carry on the operation to which the titles relates including, but not limited to the preparation of any accounts, maps, plans, programs, reports and studies and the execution of any works required under these rules;
- (c) in the employment of all grades of employees, give preference to citizens of Pakistan and in particular, those of the Province of Sindh who possess appropriate qualification, expertise and experience for the purposes of the operations to be carried on under the mineral title;
- (d) implement measures including appropriate training programs in order to encourage and promote the education and development of citizens of Pakistan, and in particular, those in the Province, in modern mining skills and to equip them for employment in the mining sector;
- (e) with due regard to the need to ensure technical and economic efficiency, make use of products or equipment manufactured or produced and services available with high quality standards;
- (f) cooperate with other persons involved in the mining industry to enable citizens of Pakistan, and in particular, those in the Province of Sindh to develop skills and technology to render services in the interest of that industry in the Province;
- (g) take measures to prevent damage to the environment and where some adverse impact on the environment is unavoidable, take measures to minimize such impact;
- (h) make good any damage caused to the environment, insofar as possible, during the course of exploration or mining operations and on the cessation of such operations due to expiry, or cancellation of the mineral title or otherwise;
- (i) in the case of a company, give to the Licensing Authority notice of any change in its name, registered address, directors, share capital, memorandum or articles of association or constitution or of beneficial ownership of more than five percent of the issued share capital;

- (j) carry out the mineral operation in such manner as not to encroach on any area not included in the mineral title;
- (k) in the case of natural person, give to the licensing authority any change of the title holders address within thirty days of the change and in case of violation of this clause by the holder, he shall be liable to pay fine of rupees fifty thousand.

(2) It shall be a condition of every mineral title that –

- (a) before the commencement of mineral operation within a reserved or protected forest, thirty days' notice in writing shall be given to the District Forest Officer of the intention to commence the operation; and the operation shall be conducted subject to any condition that may be prescribed pursuant to sub-rule (4) of rule 11 or specified by such District Forest Officer regarding the use of fire or otherwise;
- (b) the holder of the title shall make such contributions to Government for the benefit of the local population to be used for such purposes as may be specified in the title or the mineral agreement;
- (c) on the termination, surrender or cancellation of the title, the holder therefore, in accordance with good mining practices shall –
  - (i) fill up all excavations on the land to which the title relates to a considerable level;
  - (ii) securely plug all mines on such land;
  - (iii) remove all equipment, installation and structures therefrom; and
  - (iv) take such action as may be necessary to restore the land in so far as possible, to its original condition and to prevent hazards to human or animal life or to the property of others or to the environment.

(3) The holder of a mineral title shall not be liable under clause (c) of sub-rule (2) to restore the surface of land in respect of which full compensation has been paid under sub-rule (8) of rule 11.

(4) A mineral title may make provision-

- (a) for the preemption of mineral by Government in such circumstances and on such conditions as are specified in the title subject to the payment of the fair market price determined on the basis so specified;
- (b) for the dispute which may be settled by arbitration; and
- (c) with respect to any of the matters referred to in sub-rule (3) of rule 6.

(5) It shall be compulsory for every mineral title or mineral permit holder to get a copy of the rules from the Licensing Authority on payment of fees prescribed in the First Schedule.

**11. Restrictions on Exercise of Rights by Holder of Mineral Title-** (1) The holder of a mineral title shall not carry on exploration or mining operations at or upon any point within a distance of –

- (a) fifty meters from the boundary of the exploration areas or, as the case may be, the mining area.

*Explanation.*- "fifty meters" used in this clause means the buffer area between two mineral titles);

- (b) two hundred meters from railway line, water reservoir (natural or artificial), canal or other public works, public road, Bridge, Gas pipe line high transmission power line of 132 KV and above, well, tank or cultivable agricultural land, except with the previous permission in writing of the licensing authority and in accordance with the conditions, if any, that it may impose.

(2) The mineral title holder shall maintain boundary pillars at corners as well as at each sides of the boundary of mineral title area at a distance of thirty meters from each other in accordance with the terms and conditions determined by the Licensing Authority.

(3) The holder of a mineral title shall not erect any building or carry on any surface operations upon -

- (a) any public pleasure ground, burning or burying ground; or
- (b) any place held sacred by any class of persons and recognized by the concerned authority; or
- (c) any house or village site, or public road or on any other place which the licensing authority may exclude from such operations.

(4) The holder of a mineral title shall not, without the written permission of the appropriate authority -

- (a) cut or injure any tree on occupied land or in an unreserved forest;
- (b) disturb the surface of any road;
- (c) center on any public pleasure ground, burning or burial ground or place held sacred by any class of persons; or
- (d) interfere with any right of way, well, tank, any water body or structure or cultivable agricultural land.

(5) All surface operation conducted under the authority of these rules within a reserved or protected forest shall be subject to such conditions as the Forest Department may by general or special order, from time to time, prescribe.

(6) In the event of any disagreement between the Forest Department and the holder of a mineral title, the matter shall be referred to the Secretary of the Department for a final decision on the matter.

(7) Before occupying any land for surface operations or clearing any land, the holder of a mineral title shall give to the licensing authority one month notice in writing specifying by name or other sufficient designation and extent of the land proposed to be occupied and the purpose for which it is required.

(8) The licensing authority shall, at any time within one month from the receipt of a notice given pursuant to sub-rule (6), state the objections, if any, on grounds of public interest to the proposed site and holder of the mineral title in

question shall not proceed with any of the operations until the said objections are removed.

(9) The holder of a mineral title shall-

- (a) pay such reasonable compensation as may be assessed by lawful authority in accordance with the law in force on the subject applying to the lands to which the title relates for all damage injury or disturbance which may be done by the holder in exercise of the powers granted by the title; and
- (b) indemnify Government in relevant head against all claims which may be made by third parties in respect of any such damage, injury or disturbance.

(10) In the event of any dispute with respect to the payment of compensation pursuant to sub-rule (8), the matter shall be referred to the licensing authority for a decision and the licensing authority shall, in making that decision, have regard to the provision of the law referred to in clause (a) of sub-rule (8).

(11) In the case of a boundary dispute between two or more holders of mineral titles, the matter may be referred to the licensing authority for final decision.

12. **Directions to holder of mineral title.** (1) The licensing authority may, with due regard to good reconnaissance, exploration or mining practices by notice in writing to the holder of a mineral title, give directions to the holder of title in relation to -

- (a) the carrying out of reconnaissance operations, exploration operations and mining operations, including any works connected therewith;
- (b) the conservation of any natural resources including mineral resources and the prevention of the waste or such resources;
- (c) the protection and preservation of the surface of mines or works and of buildings, roads, railways and other structures and enclosures on or above the surface of land and the conditions under which any such buildings, roads, railways, structures and enclosures may be undermined;
- (d) the construction, erection, maintenance operation, use or removal of structures, equipment and other good used in connection with the exploration for or the mining of conveyance of minerals;
- (e) the protection of the environment including the prevention and combating of pollution of the air or land which arises or may possibly arise in the course of the operations involved in exploration or mining for any mineral or after such operations have ceased;
- (f) the making safe of undermined ground and dangerous slimes, tailings, dams, waste dumps, ash dumps, shafts, holes, trenches or excavations of whatever nature made in the course of exploration or mining operations and the proper abandonment of mines;
- (g) the taking, preservations and furnishing to the licensing authority of cores, cuttings of samples of minerals from mines or excavations;

- (h) the submission to the licensing authority of reports, returns and other information;
- (i) the taking of logs or directional surveys or the making of other investigations;
- (j) the creation of safety zones in relation to structures erected on the mineral title relates;
- (k) the cessation of mineral operations to the extent of any encroachment by the holder of mineral title upon any area not included in the mineral title.

(2) Where the licensing authority is satisfied that the holder of mineral title has failed to comply with any direction specified in a notice under sub-rule (1) within the period so specified or such further period as the licensing authority may in writing allow on good cause shown, the licensing authority may cause to be taken such steps as may be necessary to comply with the direction and recover from the holder as a debt due to Government, the costs incurred in connection with the taking of such steps.

(3) Mineral title holder shall not erect any building or undertake any construction activity without permission of the Licensing Authority and in accordance and conditions specified in the permission so granted.

#### Division-2 Reconnaissance License

13. **Rights of Licensee.** (1) Subject to these rules and the condition of the license, a reconnaissance license shall confer on the licensee –

- (a) the non-exclusive rights, or where sub-rule (3) applies, the exclusive right to carry on reconnaissance operations in relation to the reconnaissance area in respect of any mineral to which the license relates; and
- (b) the right, subject to sub-rule (2), to carry on such other operation including the creation or construction of ancillary works, in the reconnaissance area as may be reasonably necessary for or in connection with the reconnaissance operation referred to in clause (a);

(2) The licensee shall not erect or construct any ancillary works referred to in sub-rule (1) (b) without the prior consent in writing of the licensing authority, either unconditionally or subject to such conditions as the authority may impose.

(3) Subject to sub-rule (4) the licensing authority may on application by an applicant for a reconnaissance license, grant the license to that applicant or the holder of a reconnaissance license, cause an endorsement to be made on the license by virtue of which an exclusive right is conferred on the applicant or the holder to exercise the exclusive right referred to in sub-rule (1) (a), if the licensing authority is satisfied on reasonable ground, that the grant of such an exclusive right is justified, having regard to the proposed reconnaissance operation and the proposed expenditure in or in relation to the reconnaissance area.

(4) An exclusive right referred to in sub-rule (3) shall not be granted in respect of any area of land to which any other mineral title has been granted, giving an exclusive right to carry on reconnaissance exploration or mining operations or a mining permit has been granted to carry on reconnaissance, exploration or as the case may be mining operation for the same mineral as those to which the exclusive right would, if granted, relates.

(5) Subject to sub-rule (3), (a) reconnaissance license does not confer on the holder an exclusive right to carry on reconnaissance operations as provided in sub-rule (1) (a).

**14. Duration of Reconnaissance License-** (1) Subject to these rules, a reconnaissance license shall be valid for such period not exceeding twelve months, as may be specified in the license.

(2) Notwithstanding sub-rule (1), but subject to these rules, where an application is made by the holder of a reconnaissance license for the grant of an exploration license in relation to an area of land in or which constitutes the reconnaissance; and in respect of a mineral in relation to which the licensee has the exclusive right under sub-rule (3) of rule 13 to carry on reconnaissance operations and the license shall not expire in relation to that area of land and mineral until the license is granted or the application is refused withdrawn or lapses, whichever first occurs.

(3) After six months from the date of expiry of the reconnaissance license, the same area may be granted for exploration purposes to another suitable party.

**15. Application for Reconnaissance License-** (1) An application for the grant of a reconnaissance license -

- (a) may be made, only by a body corporate formed by or under a law for the time being in force in Pakistan;
- (b) shall contain in respect of each application, complete profile of the company, particulars of its incorporation and registration, the full name, address and nationality of the directors and officers and, if the company has a share capital, the authorized subscribed and paid up capital and the full names address and nationality of any person who has the controlling interest in the affairs of the company and who is the beneficial owner of more than five percent of the issued share capital;
- (c) shall be made in respect of an area of land which does not exceed ten thousand acres are commensurate with size of the project to be decided by Government;
- (d) shall identify the mineral in respect of which a license is sought;
- (e) shall be accompanied by five copies of a detailed topographical and geological description of the area of land to which the application relates, and five copies of a plan or map of such area drawn to scale as the licensing authority may require showing its location with reference to magisterial districts and the extent of the area and the boundaries by reference to identifiable physical features and coordinate reference points;

- (f) shall contain particulars of the programme of reconnaissance operations proposed to be carried on, the estimated expenditure in respect thereof and the period within which the operations will be carried on; and in the case of an application for an exclusive right referred to in sub-rule (3) of rule 13, the reason for the application;
- (g) shall contain such particulars as may be necessary to determine the applicant's technical and financial resources including, but not limited to the companies audited financial statement, and, where applicable, those of any person contractually agreements;
- (h) shall contain the particulars of all other mineral titles held or mines operated in the Province by the applicant, whether alone or jointly, currently or during the ten years immediately preceding the date of the application; or where no such titles or mines are or were held or operated, particulars of any current involvement by the applicant in reconnaissance, exploration or mining operation outside the Province;
- (i) shall state the period, not exceeding twelve months for which the license is required;
- (j) shall be accompanied by such documents as the licensing authority may require in relation to any matter referred to in these rules; and
- (k) may contain any other matter which in the opinion of the applicant is relevant to the application.

16. **Restrictions on grant of Reconnaissance License.**- (1) The licensing authority shall not grant a reconnaissance license –

- (a) unless the licensing authority is satisfied that the applicant possess the required resources, expertise and experience to hold the license;
- (b) if, at the time of the application, the applicant is in default;
- (c) unless the licensing authority is satisfied, on reasonable grounds with the programme of the proposed reconnaissance operations and the estimated related expenditure and that the applicant has the technical and financial resources to carry on those reconnaissance operations and make that expenditure; or
- (d) in respect of an area of land in relation to a mineral in respect of which an exclusive right has under sub-rule (3) of rule 13 been conferred on any other holder of a reconnaissance license.

17. **Issue of Reconnaissance License.**- (1) Subject to sub rules (4) and (5) of rule 8, where the licensing authority decides to grant a reconnaissance license, it shall issue the license to the applicant upon payment of the fees specified in the Schedules of these rules.

(2) Subject to sub-rule (1), a reconnaissance license shall –

- (a) state the full names and the address of the licensee;
- (b) state the date on which and the period for which the license is issued under sub-rule (1) of rule 14;

- (c) state the extent of the reconnaissance area;
- (d) contain the description and plan of the reconnaissance area, prepared by the survey and drawing branch and verified using GIS and Remote Sensing (Satellite imagery) as provided in clause (d) of sub-rule (1) of rule 15, containing geometrical numerical depictions, or any combination thereof, in words or symbols;
- (e) state the conditions other than those specified in rule 10, subject to which the license is issued;
- (f) state the mineral or group of minerals in respect of which the license is issued;
- (g) set out the approved programme of reconnaissance operations and related expenditures; and
- (h) contain such other particulars as the licensing authority, either generally or in any particular case may determine.

(3) A mineral title shall stand granted on the issuance of Work Order Notification by the Licensing Authority after acceptance of terms and conditions of offer letter on affidavit, completion of all requirements and execution of an agreement containing the terms and conditions as mentioned.

18. **Work Programme of reconnaissance operations-** (1) Where the licensee is, by virtue of the conditions of license, required to carry out or to make within a particular period, in accordance with a work programme, certain minimum reconnaissance operations and expenditure, it shall furnish the licensing authority, on such date(s) as may be specified in the license or as may be determined by the licensing authority by notice in writing to the licensee, with details of such reconnaissance operations and the related expenditure.

(2) The licensing authority may on application made to it by the licensee and for good cause shown, by notice in writing to the licensee, amend any work programme and expenditure referred to in sub-rule (1) in accordance with proposals contained in the application to such extent as the licensing authority may deem appropriate.

(3) A licensee who fails to comply with the requirements of a work program referred to in sub-rule (1) shall subject to the provisions of rule 63, be liable to pay such penalty as may be prescribed in the 5<sup>th</sup> schedule of the rules.

19. **Records and reporting by licensee.** (1) The licensee shall prepare and keep at an address in the Province and submit in triplicate through field officer, in a form acceptable to the licensing authority proper records of -

- (a) the location and nature of all phonological studies, imaging and geophysical and other surveys carried on by the licensee in the course of the reconnaissance operations in the reconnaissance area, and the results, and assessments of such studies and surveys;
- (b) the persons employed by the licensee for purposes of the reconnaissance operations including the names, address, nationality and ages of such persons:

- (c) the expenditure incurred by the licensee in the course of the reconnaissance operations;
- (d) a statement of income derived and expenditure incurred in connection with the reconnaissance operations in the reconnaissance area and such other financial statements as the licensing authority may require;
- (e) such other information as may be determined by licensing authority by notice in writing to the licensee and shall retain such records for a period of not less than (three years) from the date of expiry of the license, or as provided in the license.

(2) The holder of a reconnaissance license shall prepare and maintain accurate plans and maps prepared by a registered mine surveyor in respect of the reconnaissance area and keep it all the time at an office in the Province.

(3) The licensee shall submit to the licensing authority, within sixty days after the end of the period of the license, in respect of the whole of the reconnaissance area, respects as follows:-

- (a) the reports shall be in duplicate and in a form acceptable to the licensing authority;
- (b) a report shall be submitted with any application for an exploration license in respect of the whole or any portion of the reconnaissance area;
- (c) where an application is made for an exploration license in respect of a portion of the reconnaissance area, separate reports shall be submitted in respect of that portion and the remainder of the reconnaissance area;
- (d) each report shall set out in relation to the period of the license –
  - (i) an evaluation of the prospects of the discovery of any mineral or group of minerals in the reconnaissance area;
  - (ii) all information, including photographs, tabulations in hard and soft copies in the records referred to in sub-rule (1) and the plans and maps referred to in sub-rule (2); and
  - (iii) the statement of income and expenditure and financial statements referred to in clause (d) of sub-rule (1).

(4) In the event of the cancellation or surrender of a reconnaissance license under rule 57 or 58, or the expiration of the license the person who was the licensee immediately before the cancellation, surrender or expiration shall on a date not later than thirty days after the date of the cancellation, surrender or expiration, deliver to the licensing authority –

- (a) all records kept in accordance with sub-rule (1);
- (b) all maps and plans referred to in sub-rule (2);
- (c) all reports, photographs, tabulations in hard and soft copies prepared by or on behalf of that person in the course of the reconnaissance operations; and

- (d) such other books, documents, records and reports as the licensing authority may require by notice in writing to such person, or copies of such records, maps, plans, reports, photographs, tabulations or any soft version of data (digital data), effect from the date immediately following the date of the cancellation, surrender or expiration or such later date as the licensing authority may, on good cause shown allow.

#### Division-3

#### Exploration License

20. **Rights of Licensee.-** (1) Subject to these rules and the conditions of the license an exploration license shall confer on the licensee -

- (a) the exclusive right to carry on exploration operations in the area in respect of which the license relates;
- (b) subject to the rights of the surface holder, the right to enter and occupy the land which comprises the exploration area for the purpose of carrying out exploration operations;
- (c) the right to take and use water on or flowing through such land for any purpose necessary for exploration operations subject to and in accordance with the provisions of the relevant legislation to water but in the exercise of such right the licensee shall not deprive any lands, villages or houses or watering places for cattle, of a reasonable supply of water.
- (d) with the prior permission in writing of the licensing authority generally or in any particular case, the right -
  - (i) to remove from the exploration area any mineral or sample thereof, for the purpose of testing, assaying or pilot plant studies, from any place where it was found or incidentally won in the course of such exploration operations to any other permission as may be required under other relevant legislation, outside Pakistan; and
  - (ii) to sell or otherwise dispose of limited amounts which may not exceed two percent of excavated of any such mineral or groups of minerals excavated during exploration operations; and
- (e) subject to sub-rule (2), to do all other things including the erection or construction of ancillary works in the exploration area as may be reasonably necessary for or in connection with any exploration operations referred to in clause (a).

(2) The provisions of sub-rule (2) of rule 13 shall apply with necessary modifications in relation to a licensee intends to do so as provided under rule 13.

21. **Duration of Exploration License.-** (1) Subject to these rules, an exploration license -

- (a) shall be valid for such period not exceeding three years as may be specified in the license and for the period of any renewal thereof;

(b) may be renewed –

- (i) for such period not exceeding two years as may be determined by the licensing authority and specified in the instrument of renewal;
- (ii) if the conditions specified in sub-rule (2) (c) (iii) of rule 26, are satisfied for a further period not exceeding one year as may be determined by the Licensing Authority and specified in the instrument of renewal as from the date on which the license would have expired.

(2) Notwithstanding the provisions of sub-rule (1) but subject to these rules –

- (a) where an application is made for the renewal of an exploration license, the existing license shall not expire until the application is refused, withdrawn or lapses, whichever first occurs: or
- (b) where the application is made by the holder of the exploration license for the grant of a mineral deposit retention license or, a mining lease, as the case may be in relation to –
  - (i) an area of land in or which constitutes the exploration area; and
  - (ii) a mineral to which the exploration license relates, the exploration license shall not expire in relation to that area of land that mineral or until the application is refused or withdrawn or lapses, whichever first occurs, or if the application is granted, until the mineral deposit retention license or as the case may be the mining lease is granted.

**22. Effects of Issue of Mining Lease or Mineral Deposit Retention License on Exploration Area.-** (1) Where a mining lease is issued to the holder of an exploration license in respect of an area granted under exploration license that exploration license shall cease to have effect in relation to that area of land from the date on which the mining lease is issued.

(2) Where mining lease issued to a person other than the person holding the exploration license in respect of that area, then the exploration license will cease to hold effect from the date of issuance of mining lease unless the licensing authority deems it desirable in the interests of the development of the mineral resources of the Province that the exploration license should not be so ceased to have effect.

(3) Where a mineral deposit retention license is issued to the holder of an exploration license in respect of an area of land in or which constitutes the exploration area in respect of a mineral or included in the exploration license –

- (a) that exploration license shall cease to have effect in relation to that area of land on the date on which the mineral deposit retention license is issued; and
- (b) any other exploration license held by any other person shall cease to have effect in relation to that area of land only if the licensing authority deems it desirable in the interest of the development of the mineral resources by orders in writing.

23. **Application for Exploration License.-** (1) An application for an exploration license -

- (a) shall in case of an individual contain the full names and nationality, date of birth, postal and residential address; or
- (b) shall in case of company contain the information referred to in clause (a) of sub-rule (1) of rule 15;
- (c) shall be accompanied by fee specified in the in the First Schedule;
- (d) shall be accompanied by a plan referred to in clause (d) of sub-rule (1) of rule 15;
- (e) shall be in the Form-A approved by the Licensing Authority;
- (f) shall be accompanied by comprehensive geological description of the area of land over which the license is required and identify the potential for or the nature of mineralization contained therein; and any mineral in respect of which the license is required;
- (g) shall contain particulars of -
  - (i) the programme of the proposed exploration operations, the estimated expenditure in respect thereof and the period within which the operation will be carried on;
  - (ii) the estate of the environment the area to which the application relates and the anticipated effect which the proposed exploration operations may have on the environment and the measures to be taken to prevent or minimize any adverse effects thereon;
- (h) shall contain the particulars referred to in clause (f) of sub-rule (1) of rule 15 (technical and financial resources);
- (i) shall state the period not exceeding three years for which the license is required;
- (j) shall be accompanied by such documents as the licensing authority may require in relation to any matter referred to in this rule;
- (k) may contain any other matter which in the opinion of the application is relevant to the application; and
- (l) shall be made in respect of an area of land not exceeding ten thousand acres.

24. **Grant or refusal of Exploration License.-** (1) Subject to these rules, where an application for an exploration license-

- (a) is made by the holder of reconnaissance license in respect of an area of land in or which constitutes the reconnaissance area, and any mineral in relation to which the holder of the reconnaissance license has, under sub-rule (3) of rule 13, the exclusive right to carry on reconnaissance operations in that area of land, the licensing authority shall grant the exploration license; or

- (b) is made by any other person, the licensing authority may grant or refuse to grant the exploration license on the recommendations of the Mines Committee.

(2) The licensing authority shall not grant an exploration license to any person in relation to any area of land in respect of any mineral if at the time the application is made -

- (a) the area of land is in or constitutes a mining area or an area of land subject to mining permit;
- (b) any mineral deposit retention license is held by any other person in relation to the area of land, unless -
  - (i) the licensing authority deems it desirable in the interests of the development of mineral resources of Province to grant the application; and
  - (ii) if the mineral deposit retention license is in respect of the mineral to which the application relates, the holder of the mineral deposit retention license agrees to the grant of the exploration license;
- (c) any other licensee holds a reconnaissance license or exploration license conferring an exclusive right to carry on reconnaissance operations or as the case may be exploration operations, in the area of land in respect of the mineral included in the application unless -
  - (i) the other person agrees to the grant of exploration license; and
  - (ii) the licensing authority deems it desirable to grant the exploration license in the interest of the development of the mineral resources of the Province.

(3) An exploration license shall not be granted to an applicant who is in default at the time of submission of the application and unless the Licensing Authority is satisfied on reasonable grounds -

- (i) with the proposed program of exploration operations to be carried on and the estimated related expenditure;
- (ii) that the applicant has the technical and financial resources to carry on the exploration operations and is fit and proper person to hold the license; and
- (iii) that the applicant is fit and proper person to hold the license.

25. **Issue of Exploration License.**- The provisions of rule 17 shall apply with necessary modifications in relation to the issue of an exploration license.

26. **Application for Renewal of Exploration License.**- (1) Subject to this rule, the provisions of rules 23 and 24 shall apply, with necessary modifications, in relation to an application for the renewal of an exploration license.

(2) An application for the renewal of an exploration license shall -

- (a) be made not later than thirty days before the expiry date of the license or such later date, but not later than such expiry date, as the licensing authority may allow, on good cause shown;

- (b) state the period not exceeding one year for which the renewal is required;
  - (c) not be made --
    - (i) in the case of second renewal unless the applicant can satisfy the authority that such a renewal is necessary for the completion of a full feasibility study of the discovered deposits and the proposed activities could not have been reasonably completed during the period of the first renewal;
    - (ii) in the case of a second renewal in respect of an area of land greater in extent than fifty percent of the exploration area immediately prior to the date of that application or such other proportion of the exploration area as the licensing authority may determine on good technical or other reasonable grounds; or
    - (iii) in the case of a second renewal, unless the applicant can satisfy the authority that such a renewal is necessary for the completion of a full feasibility study of the discovered deposits and that the proposed activities could not have been reasonably completed during the period of first renewal.
  - (d) be accompanied by the report in duplicate containing the particulars described in rule 30 (1) (d) prepared in respect of the immediately preceding period of the exploration license;
  - (e) describe and identify the part of the exploration area to be retained and the part to be relinquished;
  - (f) be accompanied by the proposed work program and the estimated expenditure for the period of the renewal; and
  - (g) in the case of second renewal give the reason with the documentary proof for requesting the renewal.
- (3) Subject to the provision of sub-rule (4), the licensing authority shall not grant renewal of exploration license --
- (a) unless the licensing authority is satisfied on reasonable grounds --
    - (i) with the minimum exploration operations to be carried out and expenditure proposed to be made during the renewal period in respect of the areas of land to which the application relates; and
    - (ii) of the matters specified in sub-rule (3) of rule 24; or
  - (b) if at the time of application, the applicant is in default unless the licensing authority is satisfied on reasonable grounds that default is not substantial and that notwithstanding the default special circumstance exists which justify the grant of the renewal.
- (4) The licensing authority shall not refuse under sub rule (3) to grant the renewal of exploration license unless the licensing authority has by notice in writing informed the applicant of its intention to refuse to grant the renewal.

(5) The licensing authority shall not grant a second renewal of an exploration license unless the applicant has shown that the renewal sought is necessary for the completion of feasibility studies which could not have been reasonably completed during the period of the first renewal and has satisfied the conditions for renewal provided in sub-rule (3).

(6) The licensee shall pay the fee specified in the First Schedule in relation to the renewal of an exploration license.

27. **Application for Amendment of Exploration License.**- (1) Subject to sub-rule (2), a licensee may apply for an amendment of the license by the extension or reduction, or both, of the exploration area to which the license relates or by the additions of any mineral discovered in the exploration area and not included in the license; provided that this sub-rule shall not apply to precious metallic and non-metallic minerals.

(2) The provisions of rules 23 and 24 shall apply with necessary modifications in relation to an application under sub-rule (1).

(3) Upon the grant of an application under sub-rule (1) and upon payment of the fee specified in the First Schedule, the licensing authority shall amend the exploration license accordingly.

28. **Obligation of Licensee.** (1) The holder of an exploration license shall -

- (a) commence operations within three months of the issue of the license and carry on exploration operations in the exploration area in accordance with good exploration practices;
- (b) take all reasonable steps necessary to secure the safety, welfare and health of persons employed for purposes of those operations in the exploration area to protect the environment;
- (c) maintain in good condition and repair all structures, equipment and other goods in the exploration area and used in connection with the exploration operation;
- (d) remove from the exploration area all structures, equipment and other goods not used or intended to be used in connection with the exploration operations;
- (e) take reasonable steps to warn persons who may from time to time be in vicinity of any such structures, equipment or other goods of the possible hazards resulting there from;
- (f) notify the licensing authority of the discovery of a deposit of any mineral included or not in the license;
- (g) allow existing and future title holders of any area which is comprised in or adjoins or is reached by the area to which his title relates all reasonable facilities of access thereto;

- (h) notify the licensing authority within ten days after making discovery of a deposit of any mineral other than a mineral included in the license;
- (i) where the notification referred to in clause (h) relates to minerals necessary for the generation of nuclear energy as defined in sub-rule (7), notify to the Pakistan Atomic Energy Commission by the Department accordingly.

(2) Where, pursuant to clause (f) of sub-rule (1), the licensee notifies the discovery of associated minerals or pursuant to clause (h) of sub-rule (1), the licensee notifies the discovery of any minerals not included in the license, the licensee may, within three months of such notification, apply to the licensing authority for amendment of the license to include the associated minerals or that mineral.

(3) Where an application is made under sub-rule (2), the licensing authority -

- (a) may, in the case of an application relating to a mineral not included in the license, grant the amendment of the license as separate license in the respect of that mineral;
- (b) shall, in the case of an application associated minerals, grant the amendment of the license if it is satisfied on reasonable grounds that the license will make such alteration in its work program of exploration operations as are necessary in relation to the associated minerals; or comply with such terms and conditions which are agreed between the licensing authority and the licensee.

(4) Where the licensing authority decides to grant a separate license, it shall state the conditions governing the license.

(5) Subject to sub-rule (6), the licensee shall have no right in respect of mineral or group of minerals referred to in sub-rule (2) unless a separate license is issued in accordance with sub-rule (3).

(6) The licensee shall have no rights in respect of minerals referred to in clause (i) of sub-rule (2) without the agreement of the Pakistan Atomic Energy Commission.

(7) The minerals referred to in sub-rule (2) (i) include but are not limited to uranium, thorium, zirconium, molybdenum, hafnium, lithium and vanadium.

29. **Work Program of Exploration Operations.**- The provisions of rule 18 shall apply with necessary modification in relation to license and for that purpose and reference in that rule to "reconnaissance license" or "reconnaissance operations" shall be deemed to be a reference to exploration license or "exploration operations" respectively.

30. **Records and reporting by Licensee.** (1) The licensee shall prepare and keep at an address in the Province and submit in triplicate through field officer in a form prescribed by the licensing authority, proper records of -

- (a) the location and results of all photo-geological studies, imaging, geological mapping, geochemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling and other activities undertaken by the licensee in the course of the exploration

operation in or in connection with, the exploration area covered by the exploration license;

- (b) the results of all analytical metallurgical and mineral logical work incidental to such exploration operations;
- (c) the interpretation and assessment of the studies, surveys and work referred to in clauses (a) and (b);
- (d) the persons employed by the licensee for purpose of such exploration operations, including their names, addresses, nationality and ages;
- (e) the description and quantity of any mineral found in the area to which the title relates;
- (f) the capital and operating expenditure incurred by the licensee in the course of such exploration operations;
- (g) a statement of income and expenditure derived or incurred in connection with the exploration operations in the exploration area and such other financial statements as the licensing authority may require;
- (h) such other information as may be required by the licensing authority.

(2) The licensee shall also cause to be prepared by a registered mine surveyor accurate maps and plans in respect of exploration area.

(3) The licensee shall submit to the licensing authority within fifteen days after the end of each quarter during the period of such exploration license in a form acceptable to the licensing authority, a return or returns containing in relation to such quarter, a summary of the particulars and information contained in the records referred to in sub-rule (1) as may be required by the licensing authority; and such other particulars as the licensing authority may require in relation to the exploration operations carried on by the licensee.

(4) The licensee shall submit, within sixty days after the end of the period of such exploration license and of each period during which such exploration license has been renewed in respect to whole of the exploration area, reports as follows:-

- (a) the report shall be in duplicate and in such form as the licensing authority may determine in writing;
- (b) a report shall be submitted with each application for the renewal of the license or mining lease whether in respect of the whole or any portion of the exploration area;
- (c) where an application is made for a mineral deposit retention license or mining lease in respect of a portion of the exploration area, separate reports shall be submitted that in respect of that portion and of the remainder of the exploration area;
- (d) each report shall set out in relation to the period referred to in sub-rule (3), an estimate of the mineral reserves in the exploration area properly illustrated by way of plans and maps according to an appropriate scale and such other particular as the licensing authority may require in relation to the exploration operations carried on by the licensee.

(5) In the event of the cancellation of an exploration license under rule 57 or rule 58 or the expiration of any exploration license the person who was the licensee of such a license, immediately before such cancellation, surrender or expiration shall, on a date not later than one month thereafter, deliver to the licensing authority -

- (a) all records kept in accordance with sub rule (1);
- (b) all maps and plans referred to in sub rule (2);
- (c) all reports, photographs, tabulations, tapes and discs prepared by or own behalf of such person in course of such exploration; and
- (d) such other books, documents, records and reports as the licensing authority may require by notice in writing and delivered to such person or copies thereof unless a mineral deposit retention or a mining lease is issued to such person in relation to the area covered by such exploration license with effect from the date of such cancellation, surrender or such later dates as the licensing authority may allow on good cause shown.

#### Division-4

#### Mineral Deposit Retention License

31. **Rights of Licensee.** (1) Subject to these rules and the conditions of the license, a mineral deposit retention license shall authorize the licensee -

- (a) to retain the retention area in question for mining operations;
- (b) to carry out a programme of operation referred to in rule 41;
- (c) with the permission of the licensing authority, subject to relevant evidences, previously obtained whether generally or in every particular case -
  - (i) to remove from the retention area mineral or sample thereof, for the purposes of testing, assaying or pilot plant studies, to any other place whether within or outside the Province or, subject to such other permission as may be required under other relevant law, outside Pakistan; and
  - (ii) to sell or otherwise dispose of limited amounts of mineral for which the license was granted; and
- (d) subject to rule (2), to do all other things, including the out of investigations and operations, and the erection or construction in the retention area of such ancillary works, as may be reasonably necessary for or in connection with, any operations referred to in clause (b).

(2) The provision of sub-rule (2) of rule 13 (consent of authority to erection or construction) shall apply with necessary modifications in relation to a license intending to erect or construct ancillary works under sub-rule (1).

32. **Person who may apply for Mineral Deposit Retention License-** A person may apply for the grant of a mineral deposit retention license if the person is the

holder of an exploration license in relation to the area of land and the mineral to which the application relates and –

- (a) a potentially economic discovery of mineral deposit has been made in the exploration area;
- (b) the applicant has completed a full feasibility study to determine whether the mineral deposit can be developed and produced on a profitable basis;
- (c) the applicant intends to retain the exploration area or a part thereof for future development of the mineral deposit discovered as, for good economic or technical reason development could not then be reasonably undertaken on a profitable basis; and
- (d) exploration operations and relevant studies have been undertaken to the maximum extent feasible in the circumstances.

33. **Duration of Mineral Deposit Retention License.**– (1) Subject to these rules, a mineral deposit retention license –

- (a) shall be valid for such period, not exceeding two years, as may be specified in the license and for the period of any renewal thereof; and
- (b) may be renewed for such further period not exceeding one year as may be determined by the Licensing authority and specified in the instrument of renewal.

(2) Notwithstanding sub-rule (1) but subject to these rules, where the licensee applies for –

- (a) a renewal of a mineral deposit retention license, that license shall not expire until the application is refused, withdrawn or lapses, whichever first occurs; or
- (b) the grant of a mining lease in relation to an area of land in or which constitutes the retention area and in respect of any mineral included in the license shall not expire in relation to that area of land that mineral or groups of minerals until the application is refused or withdrawn or lapses, whichever first occurs or the mining lease is issued to the applicant.

(3) Where a mining lease is issued to the holder of a mineral deposit retention license in respect of an area of land forming part of the retention area and any mineral included in the mineral deposit retention license –

- (a) that license shall cease to have effect in relation to the area of land as from the date of the issue of the mining lease;
- (b) any other mineral deposit retention license shall cease to have effect unless, with the agreement of the licensee to whom the mining lease is issued, the licensing authority determines otherwise subject to conditions as it may specify in writing.

34. **Application for Mineral Deposit Retention License.**– (1) An application for a Mineral Deposits Retention License –

- (a) shall in the case of an individual contain the information referred to in clause (a) of sub-rule (1) of rule 23;

- (b) shall in the case of a company contain the information referred to in clause (a) of sub-rule (1) of rule 15;
- (c) shall be accompanied by the description and plan referred to in rule clause (d) of sub-rule (1) of rule 15 of the area of land not greater than the exploration area concerned over which the license is required;
- (d) shall identify the mineral to which the application relates and furnish full details of the proven, estimated or inferred mineral reserves contained therein, and of the mining conditions pertaining thereto;
- (e) shall contain particulars of -
  - (i) the proposals for the carrying out of work in the exploration area and expenditure during period of the license for which the application is made and if no further work in or in relation to the exploration area could be usefully carried out, the reasons therefore;
  - (ii) shall submit initial environmental assessment report duly approved from Sindh Environmental Protection Agency that contain the state of the environment in the area to which the application relates, the likely adverse impact which the proposed operations may have on the environment and the measures to be taken to prevent or mitigate such impact;
- (f) shall contain the particulars referred to in clause (f) of sub-rule (1) of rule 15 (technical and financial resources); and particulars of the exploration license held by the applicant;
- (g) shall give reasons in support of the claim that the mineral deposit discovered in the area of land to which the application relates could not then be mined on a profitable basis; and shall give a forecast of the circumstances in which, and the earliest date on which, the mineral discovered might be so mined;
- (h) shall state the period for which the license is required;
- (i) shall be accompanied by relevant data, studies, analyses documents and such other information as the licensing authority may require in relation to the application; and
- (j) may contain any other matter which, in the opinion of the applicant, is relevant to the application.

(2) An applicant for a mineral deposit retention license shall be made not later than one hundred and eighty days before the expiration of the exploration license or any renewal thereof, or such later date, but not later than such expiration date, as the licensing authority may allow, on good cause shown.

**35. Grant or refusal of Mineral Deposit Retention License.-** (1) The licensing authority shall not grant a mineral deposit retention license to a person who is not entitled to apply for such a license under rule 32 -

- (a) in respect of an area larger than an area which in the opinion of the licensing authority is required, having regard to the minerals or groups

of minerals discovered in the area to which the application relates, to carry on the mining operation;

- (b) if at the time of the application, the applicant is in default unless the licensing authority is satisfied on reasonable grounds that the default is not substantial and that notwithstanding the default special circumstance exist which justify the grant of the license;
- (c) in relation to any mineral unless the licensing authority is satisfied on reasonable grounds –
  - (i) that the deposit of the mineral in the area which the application relates cannot, for the reasons set out in the application, be mined on profitable basis at the time and can probably be mined on the expiration of the period referred in rule 33;
  - (ii) that no further work can be carried out in the exploration area which would have the effect of negating the reasons so given; and
  - (iii) that it is desirable to grant the license, having regard to the future utilization of the mineral resources of the Province;
  - (iv) that the applicant has the technical and financial resource to carry out any program of operations such as referred to in rule 41; and
  - (v) that the applicant continues to be an appropriate person to hold a license.

(2) The licensing authority shall not grant a mineral retention license in relation to the area of land to which such application relates.

(3) The licensing authority shall not refuse to grant a mineral deposit retention license on any grounds, unless the licensing authority has -

- (a) by notice in writing informed the applicant(s) of intention to refuse the application(s) –

- (i) setting out particulars of the grounds for that intention; and
  - (ii) requiring the applicant to make representation to the licensing authority in relation to such grounds or to remedy any matter relating therefore,

and the applicant has failed to avail remedy in such matter or to make representation; and

- (b) has taken into consideration any representations made by the applicant(s).

36. **Issue of Mineral Deposit Retention License:-** The provision of rule 17 shall apply with necessary modifications in relation to the issue of a mineral deposit retention license.

37. **Condition.-** It shall be a condition of every mineral deposit retention license that the Department may disclose information with respect to the retention area to a person if the Department is satisfied that the person bonafide seeks the information

for the purpose of investigating the possibility of carrying on mining operations in the retention area.

38. **Application for Renewal of mineral Deposit Retention License.**-(1) Subject to sub-rule (2), the provisions of rules 34 and 35 shall apply with necessary modifications in relation to an application for the renewal of a mineral deposit retention license.

(2) An application for the renewal of a mineral deposit retention license shall be made not later than ninety days before the date of expiration of the license of such later date, but not later than the date of expiration, as the licensing authority may allow on good cause shown.

(3) Subject to the provision of sub-rule (4), the licensing authority shall not grant renewal of a mineral deposit retention license if at the time of the application -

- (a) the applicant is in default unless the authority is satisfied on reasonable grounds that the default is not substantial and that, notwithstanding the default, special circumstances exist which justify the grant of the application; or
- (b) in relation to a mineral unless the licensing authority is on reasonable grounds satisfied of the matters referred to in clause (c)(i) to (v) of sub-rule (1) of rule 35 or in respect of an area larger than that referred to in clause (a) of sub-rule (1) of rule 35.

(4) The licensing authority shall not, under sub-rule (3), refuse to grant a renewal of the mineral deposit retention license unless the licensing authority has informed the applicant, by notice in writing of its intention to refuse to grant the renewal -

- (a) setting out particulars of all alleged default; and
- (b) requiring the applicant to make representation to the licensing authority in relation to the alleged default or other grounds for the proposed refusal or to remedy that default or other grounds for the proposed refusal on or before a date specified in the notice, and the applicant has failed or is unable to avail remedy that default or other grounds for the proposed refusal or make representation which, in the opinion of the licensing authority would remove the grounds for the proposed refusal.

(5) The licensee shall pay the fee specified in the First Schedule in relation to the renewal of a mineral deposit retention license.

39. **Application for Amendment of Mineral Deposit Retention license.**-(1) Subject to sub-rule (2), a licensee may apply for the amendment of the license -

- (a) by the reduction of the retention area to which the license relates; or
- (b) by the addition of any mineral or group of minerals discovered in the retention area and not included in the license:

Provided that this sub-rule shall not apply to precious metallic and non-metallic minerals.

(2) The provisions of rules 34 and 35 shall apply with necessary modification in relation to an application under sub-rule (1).

(3) If an application under sub-rule (1) is granted, the licensing authority shall amend the mineral deposit retention license accordingly upon payment of the fee specified in the First Schedule.

40. **Obligations of License.-** The provision of rule 28 shall apply with necessary modification in relations to a mineral deposit retention license.

41. **Work Program under Mineral Deposit Retention License.-** The licensee shall carry out any program of operations including evaluation from time to time, of the mineral deposit concerned, as may be specified in the license or directed to be performed by the licensing authority as a condition of any renewal of the license.

42. **Directions to Apply for Mining Lease-** (1) Where during the term of a mineral deposit retention license –

- (a) proposals are made in writing to the licensing authority by a person other than the licensee to mine in the retention area, under a mining lease granted to the person, the mineral included in the mineral deposit retention license; and
- (b) the licensing authority is satisfied that those proposals-
  - (i) would be likely to ensure efficient, beneficial and timely use of that; and
  - (ii) are made in good faith by a person who has the technical ability and experience to carry out the proposals and is otherwise qualified to hold a mining lease; or
- (c) the licensing authority has good reason to believe –
  - (i) that a mineral included in the mineral deposit retention license may be mined, sold or otherwise disposed of on a profitable basis; or
  - (ii) that further work may indicate the existence of any such mineral which may be mined, sold or otherwise disposed of on a profitable basis; or the licensing authority if it intends to proceed with the development of the deposit shall, before doing so, provide the holder of the mineral deposit retention license in accordance with sub-rule (2), an opportunity to apply for a mining lease.

(2) In the circumstance referred to in sub-rule (1), the licensing authority shall, by notice in writing, to the licensee –

- (a) in the case referred to in sub-rule (1) (a) and (b) –
  - (i) inform the licensee that it has received the proposal referred to in that sub-rule giving the name of the person making the proposals; and

- (ii) direct the licensee to apply, within such reasonable period as specified in the notice, for a mining lease over land in or which constitutes the retention areas, in respect of the mineral included in the mineral deposit retention license; or

(b) in the case referred to in sub-rule (1) (c) direct the holder -

- (i) to apply for a mining lease within such reasonable period as may be specified in the notice to carry on mining pertains in respect of the mineral;
- (ii) to carry such further exploration operations as may be specified in the notice in relation to the retention area within such reasonable period as may be specified in the notice; or
- (iii) to surrender, if the licensee so intends the retention area in accordance with these rules.

(3) Where, in the case referred to in sub-rules (1) (a) and (b), before the expiration of the period so specified, the licensee fails to apply for the mining lease as directed; or notifies the licensing Authority in writing that no such application will be made, the mineral deposit retention license shall be deemed to have been cancelled on the expiration of that period or, as the case may be, when the licensing authority so notifies, and sub-rule (8) of rule 56 shall have effect accordingly.

(4) Where under sub-rule (3), a mineral deposit retention license is deemed to have been cancelled, the licensing authority shall, by notice in writing to the person who made the proposals referred to in sub-rule (1), inform the person accordingly, and invite the person to apply under these rules within the period specified in the notice for a mining lease to give effect to those proposals.

43. **Records and Reporting by Licensee.** (1) The licensee shall prepare and keep at an address in the Province and submit in triplicate through field officer in a form acceptable to the licensing authority, proper record of -

- (a) the investigations and operations including the erection or construction of ancillary works carried out by the holder for, or in connection with, future mining operations described in rule 31;
- (b) the location and results of all photo-geological studies imaging, geological mapping, geochemical sampling, geophysical, surveying, drilling pitting and trenching sampling and bulk sampling and all other activities undertaken by the licensee in the course of the exploration operations carried on by the holder in the retention area or future mining operations described in rule 31;
- (c) the result of all analytical, metallurgical mineralogical work incidental to such exploration operations;
- (d) the interpretation and assessment of the studies surveys and works referred to in clauses (b) and (c);

- (e) the persons employed by the licensee for purposes of such investigations and operations, including their names, addresses, nationality and ages;
- (f) the capital and operating expenditure incurred by the licensee in the course of such exploration operation; and
- (g) such other information as may be required by the licensing authority.

(2) The licensee shall also cause to be prepared, by a registered mine surveyor, accurate plans and maps in respect of the retention area.

(3) The licensee shall submit to the licensing authority –

- (a) within thirty days after the end of the period of the mineral deposit retention license, a report containing an evaluation of the prospects and economic viability of future mining operations in the retention area;
- (b) such other reports, records and other information as the authority may, from time to time, require in writing in connection with the carrying on of investigations and operations in the retention area.

(4) The licensee shall submit to the licensing authority, within sixty days after the end of the period of the mineral deposit retention license, reports as follows:-

- (a) the reports shall be in duplicate and in a form acceptable to the licensing authority;
- (b) a report shall be submitted with an application for the renewal of the mineral of deposit retention license or a mining lease in respect of the whole or any portion of the retention area;
- (c) where an application is made for a mining lease in respect of any portion of the retention area, separate reports shall be submitted in respect of that portion and the remainder of the retention area;
- (d) each report shall set out, in relation to the period of the mineral deposit retention license –
  - (i) an evaluation of the prospects and economic viability of future mining operations in the retention area;
  - (ii) all information, including photographs, tabulations in hard and soft copy, in the records referred to in sub-rule (1) and maps referred to in sub-rule (2);
  - (iii) such other particulars as the licensing authority may require in relation to the operations carried on by such licensee.

(5) In the event of the cancellation or surrender of a mineral deposit retention license under rule 56 or rule 57 or the expiry of such license, the person who was the licensee, immediately before the cancellation, surrender or expiration shall, on a date not later than ninety days after the date of the cancellation, surrender or expiry, deliver to the licensing authority –

- (a) all records kept in accordance with sub-rule (1); and

- (b) such other books, documents, records and reports as the licensing authority may require, or copies thereof, unless a mining lease is issued to such person in relation to the area covered by such mineral deposit retention license with effect from the date immediately following the date of such cancellation, surrender or expiry or such later date as the licensing authority may allow, on good cause shown.

**Division-5**  
**Mining Lease**

44. **Rights of Holder of Mining Lease-** (1) Subject to these rules and the conditions of the lease, a mining lease shall confer on the lessee -

- (a) the right to carry on mining operations in the mining area in question in respect of a mineral to which the lease relates;
  - (b) the right to -
    - (i) carry on the mining area, in conjunction with mining operations referred to in clause (a), exploration operations in relation to the mineral;
    - (ii) enter and occupy the land which comprises the mining area for the purpose of carrying on mining operations referred to in clause (a) and exploration operations referred to in sub-clause (i);
  - (c) the right to remove from the mining area the mineral from any place where it was found or mined in the course of mining operations referred to in clause (a), to any other place within or outside the Province or, subject to such other permission as may be required under any relevant law, to any place outside Pakistan;
  - (d) the right to take and use water on or flowing through such land for any purpose necessary for mining operations subject to, and in accordance with, the provisions of the relevant legislation relating to water but in the exercise of such right, the lessee shall not deprive any lands, villages, houses or watering of places for cattle, of a reasonable supply of water;
  - (e) the right to sell or otherwise dispose of the mineral subject to any conditions of the mining lease or mineral agreement relating to the satisfaction of the domestic requirement of Pakistan; and
  - (f) the right, subject to sub-rule (2), to do all other things and carry on such other operations, including the erection or construction of ancillary works, as may be reasonably necessary for, or in connection with, the mining or exploration operations and activities referred to in clauses (a), (b), (c), or (e).
- (2) The provisions of sub-rule (2) of rule 13 shall apply with necessary modifications in relation to the lessee who intends to erect or construct ancillary works under sub-rule (1).

45. **Duration of Mining Lease.**- (1) Subject to these rules, a mining lease shall be valid for such period not exceeding thirty years extendable for further period as determined by the licensing authority.

(2) Notwithstanding the provisions of sub-rule (1), but subject to these rules, where an application is made for the renewal of a mining lease, the lease shall not expire until the application is refused, withdrawn, granted or lapses, whichever first occurs.

(3) If the lease deed is not executed within three months of the communication of the approval of the application for a mining lease and the presentation of the lease deed for signature, the right of the applicant to such lease be deemed to have lapsed unless the licensing authority is satisfied that the delay in execution was not caused by the applicant or was due to circumstances beyond the applicant's control.

46. **Application for Mining Lease.** (1) An application for the grant of a mining lease may be made only by a body corporate formed by or under a law for the time being in force in Pakistan.

(2) An application in Form-A, for a mining lease -

- (a) shall contain the information referred to in rule clause (a) of sub-rule (1) of rule 15;
- (b) shall be accompanied by the description, maps and plans as referred to in clause (d) of sub-rule (1) of rule 15;
- (c) shall be made in respect of an area identifying the mineral or group of minerals in respect of which the lease is sought;
- (d) shall contain the particulars referred to in clause (f) of sub-rule (1) of rule 15;
- (e) shall be accompanied by -
  - (i) a technological report on mining and treatment possibilities and the intention of the applicant in relation thereto;
  - (ii) where the applicant is a person referred to in rule 47 (1), the statement of expenditure referred to in rule 30 (1) (g) duly certified by a recognized firm of auditors or chartered accountants duly registered under the relevant law dealing with registration of auditors/ chartered accountants;
- (f) shall be accompanied by the relevant feasibility studies, detailed plans for development and operation of the mine and the programme of proposed mining operations, including a forecast of -
  - (i) the date by which the applicant intends to work for profit;
  - (ii) the capacity and expected rate of production and scale of operations;
  - (iii) the anticipated overall recovery of ore and mineral product; and

(iv) the nature of products;

(g) shall -

(i) be accompanied by an environmental impact assessment in terms of the Sindh Environmental Protection Act, 2014;

(ii) identify the extent of any adverse effect which the plan for development and operation of the mine and the carrying out of the programme of proposed mining operations would be likely to have on the environment and on any monument or relic in the area over which the lease is required; and

(iii) contain proposals for eliminating or controlling that effect;

(h) shall contain proposals for the prevention of pollution, the treatment and disposal of wastes, the safeguarding, reclamation and rehabilitation of land disturbed by mining operations, the protection of rivers and other sources of water, villages and human dwelling places, wildlife sanctuaries, protected forest area (subject to conditions) worship places, sensitive installations, road and railways infrastructures, airports, air strips, bridges, tunnels, oil and gas installations, refineries, Government buildings, schools, health facilities and for monitoring and managing any adverse effect of mining operations on the environment;

(i) shall identify any particular risks (whether to health or otherwise) involved in mining the mineral and proposals for their control or elimination;

(j) shall contain or be accompanied by -

(i) a statement giving a detailed forecast of capital investment, operating costs and revenues and the anticipated type and source and extent of financing;

(ii) a statement giving particulars of expected infrastructure requirements; and

(iii) proposals in respect of the matters specified in clauses (c) to (h) of rule 10;

(k) shall state the period not exceeding thirty years for which the lease is required;

(l) shall accompany with valid registration certificate from FBR, SRB and any tax collecting government organization or agency;

(m) shall be accompanied by such other documents and information as the licensing authority may require in relation to the application; and

(n) may contain any other matter which in the opinion of the applicant is relevant to the application;

- (o) shall be accompanied by the fee as specified in the First Schedule;
- (p) shall be for the area not exceeding seven thousand acres.

47. **Grant or Refusal of Application for Mining lease-** (1) Subject to these rules, where the holder of an exploration license or a mineral deposit retention license, makes an application for a mining lease in respect of an area of land in, or which constitutes, the exploration area or, as the case may be, the retention area; and any mineral included in such exploration license or such mineral deposit retention license, as the case may be, the licensing authority shall grant the mining lease.

(2) Subject to these rules, where an application is made for a mining lease by any person referred to in sub-rule (1), the licensing authority may grant or refuse to grant the mining lease.

(3) The licensing authority shall not grant a mining lease in relation to any area of land in respect of any mineral if, at the time of the application, any person other than the applicant holds –

- (a) any exploration license conferring an exclusive right to carry on exploration operations in that area of land in respect of that mineral;
- (b) any mining permit in relation to that area of land in respect of that mineral; or
- (c) any mineral deposit retention license in relation to that area of land and in respect of that mineral, unless –
  - (i) that other person agrees to the mining lease; and
  - (ii) the licensing authority deems it desirable to grant the mining lease in the interest of the development of the mineral resources of the Province.

(4) The licensing authority shall not grant a mining lease in relation to any area of land in respect of any mineral if, at the time of the application, the period specified in an invitation given under sub-rule (4) of rule 42, to a person other than the applicant to apply for such a mining lease, has not expired.

(5) Subject to sub-rule (1) of rule 46 and sub-rules (6) and (7) of rule 47, a mining lease shall not be granted –

- (a) unless –
  - (i) the feasibility studies show that the mine can be profitably developed and operated;
  - (ii) the proposed plans for development and operation of the mine and the programme of the mining operations of the applicant will ensure the efficient, beneficial and timely use of the mineral resources;
  - (iii) the applicant in question has or can obtain the technical and financial resources and experience to carry out mining operation effectively;

- (iv) the proposals submitted with the application are satisfactory;
  - (v) it is in the interest of the development of the mineral resources of the Province to grant the lease;
  - (b) if at the time of the application the applicant in question is in default unless the licensing authority is satisfied on reasonable grounds that the default is not substantial and that, notwithstanding the default, special circumstances exist which justify the grant of the lease; or
  - (c) in the case of an application in relation to any area of land of any mineral, to a person who does not hold an exploration license or a mineral deposit retention license in relation to that area of land or that mineral, unless the licensing authority is satisfied on reasonable grounds that the requirements of clause (a) are satisfied;
- (6) The licensing authority shall not refuse to grant a mining lease to the holder of a mineral title referred to in sub-rule (1) -
- (a) in accordance with sub-rule (5)(a), unless the licensing authority has -
    - (i) by notice in writing informed the applicant, of its intended refusal and reasons thereof;
    - (ii) provide the applicant an opportunity to make, within such reasonable period as may be specified in the notice, representations in relation to all matters relating to its intention and, if the applicant so desires, to make proposals in relation to any such matters; and
    - (iii) taken any such representations into consideration;
  - (b) in accordance with sub-rule (5)(b), unless the licensing authority has by notice in writing informed the applicant of its intended refusal -
    - (i) setting out particulars of the alleged default: and
    - (ii) requiring the applicant to make representation to the licensing authority in relation to the alleged default or to remedy the default on or before a date specified in the notice and the applicant has failed to remedy the default or make such representations, as in the opinion of the licensing authority, would remove the ground for the intended refusal.

(7) The licensing authority shall not refuse to grant a mining lease on the ground that any proposals submitted with the application are inadequate or unsatisfactory unless the licensing authority has, by notice in writing, informed the applicant accordingly and afforded the applicant a reasonable opportunity to modify those proposals.

48. **Issue of Mining Lease.**- (1) The provisions of the rule 17 shall apply with necessary modifications to the issue of a mining lease.

(2) A mining lease shall not be repugnant to the provisions of the Act and these rules.

(3) A lessee shall pay in respect of the issue of the lease -

- (a) to the department, the fee specified in the First Schedule; and
- (b) stamp duties and registration charges may, subject to revision from time to time, by Government in accordance with the relevant laws.

49. **Application for Renewal of Mining Lease.-** (1) Subject to sub-rule (2), the provisions of rules 46 and 47 shall apply with necessary modifications in relation to an application for the renewal of a mining lease under this rule.

(2) An application for the renewal of a mining lease shall be made not later than six months before the date of expiration of the lease or such later date, but not later than such date of expiration, as the licensing authority may allow, on good cause shown.

(3) Subject to sub-rule (4), on application duly made, the lease may be renewed in accordance with clause (b) of sub-rule (1) of rule 45 with or without a variation of the conditions of the lease and upon payment of the fee specified in the First Schedule.

(4) The licensing authority shall not grant a renewal of a mining lease on receipt of information of field inspection that the minerals are not in workable quantities and do not remain to be mined on a profitable basis.

50. **Application for grant of fresh mining lease.-** (1) Subject to sub-rule (2), the lessee may apply for a fresh title for a mineral discovered during the exploration.

(2) The provisions of rules 46 and 47 shall apply with necessary modifications in relation to an application under sub-rule (1).

(3) If an application under sub-rule (1) is granted by the licensing authority, it shall amend the mining lease accordingly, upon payment of the fee specified in the First Schedule.

51. **Application for Amendment of Mining Lease.-** (1) Subject to sub-rule (2), a lessee may apply for the amendment of the lease -

- (a) by the reduction of the mining area to which the lease relates; or
- (b) by the addition of any mineral or group of minerals discovered in the mining area and not included in the lease:

Provided that this sub-rule shall not apply to precious metallic and non-metallic minerals.

(2) The provisions of rules 46 and 47 shall apply with necessary modification in relation to an application under sub-rule (1) of this rule.

(3) If an application under sub-rule (1) is granted the licensing authority shall amend the mining lease accordingly upon payment of the fee specified in the First Schedule.

52. **Obligations of Lessee.-** (1) Subject to sub-rule (2), the provisions of rule 28 shall apply for a fresh mining lease for a mineral discovered during the exploration and for that purpose, the reference in that rule to the licensee shall be deemed to be a reference "the lessee".

(2) It shall be a condition of a mining lease that the holder shall commence mining operations within six months of the issue of the lease and shall carry on those operations in accordance with the approved plan for the development and operation of the mine.

53. **Notice of Cessation of Mining Operations.**- The lessee shall give notice in writing to the licensing authority of any intention for temporary discontinuation of mining operations, on a date not later than thirty days in the case of such discontinuation of mining operations or such other period as the licensing authority may allow, on good cause shown, before such intended cessation.

54. **Action by Licensing Authority.**- On receipt of a notice referred to in rule 50, or if the licensing authority has reason to believe that lessee has ceased mining operations without any justified reason, the licensing authority may cause the matter to be investigated and take appropriate action.

55. **Unit Development-** (1) This rule applies where the licensing authority determines that -

- (a) in the interest of the effective recovery of minerals from neighboring or contiguous mining areas; or
- (b) in the national interest in order to secure the development and ultimate recovery of any minerals from neighboring or contiguous mining areas, it is desirable that the lessees in those areas should coordinate their operations or develop their deposits as a unit.

(2) Subject to sub-rule (3), where this rule applies, the licensing authority may, in writing direct the lessees concerned, stating the reasons for such directions -

- (a) to enter into an agreement, within the period specified in the direction for or in relation to the co-ordination of their operations or the development of their deposits; and
- (b) to lodge that agreement with the licensing authority forthwith for approval.

(3) Before giving any direction under sub-rule (2), the licensing authority shall afford each lessee concerned a reasonable opportunity to make representations to the licensing authority in writing with regard to the proposed direction.

(4) Where -

- (a) an agreement is not reached as required by sub- rule (2); or
- (b) an agreement so reached is not satisfactory to the licensing authority, the licensing authority may cause a plan to be prepared in accordance with good mining practices, and afford each lessee concerned a reasonable opportunity to make representations to the licensing authority in writing with regard to plan.

(5) Each lessee concerned shall perform and observe the conditions of -

- (a) a plan which is satisfactory to the licensing authority; or

- (b) a plan, (with or without modifications as a result of any representations made pursuant to sub-rule (4), prepared under that sub-rule.

56. **Records and reporting by lessee.**- (1) The lessee shall prepare and keep at an address in the Province and submit in triplicate through field officer in a form acceptable to licensing authority proper records of -

- (a) the mining operations referred to in rule 44 (1) (a) stating -

- (i) the nature, appraisal and results of all mining operations carried on in, or in connection with, the mining area to which such mining lease relates;
- (ii) the nature and mass or volume of the mineral in such mining area and treated or stockpiled in such mining area or elsewhere;
- (iii) the nature, mass or volume and value of the mineral sold or otherwise disposed of, the amount of money received and, the full names and addresses of any person to whom such mineral was sold or otherwise disposed of;
- (iv) the nature and mass or volume of any waste removed from such mining area and the manner in which it was disposed of;
- (v) the persons employed by the lessee for the purpose of such mining operations, including their names, addresses, nationality and ages;
- (vi) the capital and operating expenditure incurred by the lessee in the course of such mining operations;
- (vii) a statement of income and expenditure in respect of each quarter of the mining lease derived or incurred in connection with the mineral operations in the mining area and such other financial statements as the licensing authority may require; and
- (viii) such other information as may be required by the licensing authority;

- (b) the exploration operations referred to in rule 44(1) (b) including -

- (i) the nature, location and results of all photo-geological studies, imaging, geological mapping, geo-chemical sampling geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling, and all other activities undertaken by lessee in the course of such exploration operations;
- (ii) the results of all analytical, metallurgical and mineralogical work incidental to such exploration operations;
- (iii) the interpretation and assessment of the studies, surveys and work referred to in clauses (i) and (ii);
- (iv) the nature, mass or volume and value of any mineral found or incidentally won in the course of such exploration operations;

- (v) the nature, mass or volume and value of any mineral sold or otherwise disposed of, the amount of money received and the full names and addresses of any person to whom such mineral was sold otherwise disposed of;
- (vi) the persons employed by the lessee for the purpose of such exploration operations, including their names, addresses, nationality and ages;
- (vii) the capital and operating expenditure incurred by such lessee in the course of such exploration operations;
- (viii) such other information as may be required by the licensing authority.

(2) The lessee shall also cause to prepare, by a registered mine surveyor, accurate plans and maps in respect of the mining area and such plans and maps shall be kept in the office of the mine.

(3) The lessee shall submit within fifteen days after the end of each quarter in a form acceptable to the licensing authority, a return containing in relating to such quarter –

- (a) such details of the particulars and information contained in the records referred to be in sub-rule (1) as may be required by the licensing authority by notice in writing to the lessee;
- (b) all information, including photograph tabulations, hard and soft versions (digital data), in the record referred to in sub-rule (1) and the plans and maps referred to in sub-rule (2);
- (c) the annual statement of income and expenditure and of any other financial statement referred in sub-rule (1)(a)(vii);
- (d) an estimate of the remaining mineral reserves in such mining area properly illustrated by way of plans and maps according to and of appropriate scale;
- (e) particulars of any proposed mining operations and exploration operations during the succeeding year together with a forecast of the source of such mining operations in terms of defined mineral reserves; and
- (f) such other reports, records and information as the licensing authority may require in relation to the mining operations and exploration operations carried on by the lessee in such mining area.

(4) The lessee shall submit to the licensing authority within sixty days after December 31 in each year, returns or reports as follows:–

- (a) the returns or reports in duplicate and in a form acceptable to the licensing authority;
- (b) the returns or reports shall contain, in relation to each year –

- (i) such summary of the particulars and information contained in the records referred to in sub-rule (1) as may be required by the licensing authority by notice in writing to the lessee;
- (ii) all information, including photographs, tabulations in hard and soft copies, in the records referred to in sub-rule (1) and the plans and maps referred to in sub-rule (2);
- (iii) the annual statement of income and expenditure and of any other financial statements referred to in sub-clause (a)(vii) of sub-rule (1);
- (iv) an estimate of the remaining mineral reserves in such mining area properly illustrated by way of plans and maps according to an appropriate scale;
- (v) particulars of any proposed mining operations and exploration operations during the succeeding year, together with a forecast of the source of such mining operations in terms of delineated minerals reserves; and
- (vi) such other reports, records and information as the licensing authority may require in relation to the mining operations and exploration operations carried on by the lessee in such mining area.

(5) In the event of the cancellation or surrender of mining lease under rule 57 or rule 58 or the expiration of a mining lease, the party who was the lessee immediately before such cancellation, surrender or expiration shall, on a date not later than one eighty days after the date of such cancellation, surrender or expiration, deliver to the licensing authority –

- (a) all records kept in accordance with sub-rule (1);
- (b) all maps and plans referred to in sub-rule (2);
- (c) all reports, photographs, tabulations in hard and soft copies prepared by or on behalf of such person in the course of such exploration operations; and
- (d) such other book, documents, records and reports as the licensing authority may require, or copies of the items referred to in clauses (a) to (d).

#### Division-6

#### Cancellation and Surrender of Mineral Title

57. **Cancellation of Mineral Titles.**— (1) Subject to this rule and to rule 63, where the holder of a mineral title –

- (a) fails to use in good faith the land subject to the title for purpose for which the title was granted;
- (b) uses that land for any purpose other than the purpose for which the title was granted;
- (c) fails to comply with any requirement of these rules with which the holder is bound to comply;
- (d) fails to comply with a condition of the title;

- (e) fails to comply with a direction lawfully given under these rules or with a condition on which any certificate of surrender is issued or on which any exemption or consent is given under these rules; or
- (f) fails to pay any amount payable by him under these rules within one month after the amount becomes due, the licensing authority may cancel the title on that ground, by notice in writing served on the holder of the title.

(2) Before canceling a title under sub-rule (1), on a ground referred to in that sub-rule, the licensing authority shall –

- (a) by notice in writing served on the holder of the title, give not less than thirty days' notice of its intention to cancel the title on that ground;
- (b) specify in the notice, a date before which the holder of the title may, in writing, submit any matter which he intends the licensing authority to consider; and
- (c) take into account –
  - (i) any action taken by the holder of the title to remove that ground or to prevent the recurrence of similar grounds; and
  - (ii) any matter submitted to the authority by the holder of the title pursuant to clause (b).

(3) The Licensing Authority shall not cancel a title under sub-rule (1) on a ground referred to in clause (f) of sub-rule (4), before the date specified in a notice referred to in sub-rule (2), the holder of the title pays the amount of money concerned together with any penalty arising pursuant to sub-rule (2) of rule 106.

(4) The Licensing Authority may, by notice in writing served on the holder of a mineral deposit retention license, cancel the license if the holder fails to make application for a mining lease in accordance with a notice given to that holder under sub-rule (2) of rule 42.

(5) The licensing authority may, by notice in writing served on the holder of a mineral title, cancel the title –

- (a) if the holder (being an individual) is –
  - (i) adjudged bankrupt and becomes defaulter; or
  - (ii) enters into any agreement or scheme of composition with creditors or takes advantage of any law for the benefit of debtors;
- (b) if, in the case of a holder that is a company, an order is made or a resolution is passed for winding up the affairs of the company, unless the winding up is for the purpose of amalgamation or reconstruction and the licensing authority has been given notice thereof; or
- (c) if the mineral title was obtained by fraud or misrepresentation.

(6) Where an application has been made under rule 63 for the transfer of a mineral title or of rights or interests to or in a mineral title consequent on the death of

an individual who is the holder of the title, the licensing authority shall not cancel the title unless the Licensing Authority has refused to grant the transfer.

(7) Where mineral title is held by two or more persons, the Licensing Authority shall not, under sub-rule (5), cancel the title, in relation to one or more persons on the occurrence of an event entitling the licensing authority to cancel the mineral title, unless the authority is satisfied that any other person or persons who hold that title are unwilling, or would be unable, to carry out the duties and obligations of the holder of that mineral title.

(8) On the cancellation of a mineral title, the rights of the holder thereunder shall cease, but the cancellation does not affect any liability incurred before the cancellation and any legal proceedings that might have been commenced or continued against the former holder of the title may be commenced or continued against that former holder.

58. **Surrender of Mineral Title.**- (1) The holder of a mineral who intends to surrender all or part of the land subject to the mineral title shall, not less than three months before the purposed date of surrender, apply to the licensing authority for the certificate of surrender in respect of the land.

(2) An application under sub-rule (1) shall -

- (a) state the date on which the applicant wishes the surrender to have effect;
- (b) if part of the land subject to the title is to be surrendered, identify the land to be surrendered by a description and the inclusion of a map identifying that part;
- (c) contain particulars of reconnaissance, exploration or mining operation, as the case may be carried on in respect of the land to be surrendered; and
- (d) be supported by such records and reports in relation to those operation as the licensing authority may reasonably require.

(3) Subject to sub-rule (4), on application made under sub-rule (1), the licensing authority shall issue a certificate of surrender in respect of the land to which the application relates either unconditionally or subject to such conditions as are specified in the certificate.

(4) The licensing authority shall not issue a certificate of surrender -

- (a) to an applicant who is in default;
- (b) to an applicant who fails to comply with any reasonable requirement of the licensing authority for the purpose of clause (d) of sub-rule (2); or
- (c) if the authority is not satisfied that the applicant will not leave the land to be surrendered and on which reconnaissance, exploration or mining operations have been carried on, in a condition which is safe and which accords with good reconnaissance, exploration or mining practices.

59. **Effect of certificate of surrender.-** (1) Where pursuant to sub-rule (3) of rule 58, a certificate of surrender is issued, the licensing authority shall, if a part only of the land, subject to a mineral title is surrendered, cause the title to be amended accordingly, or shall, in any other case, cause the mineral title to be cancelled, and in either case, the licensing authority shall give to the applicant notice in writing of the amendment or, as the case may be, the cancellation and of the issue of certificate of surrender.

(2) Land in respect of which a certificate of surrender is issued shall be treated as having been surrendered with effect from the date on which notice of the surrender is given to the applicant pursuant to sub-rule(1).

(3) The surrendered land does not affect any liability incurred before the date on which the surrender has effect in respect of the land and any legal proceeding that might have been commenced or continued against the holder or, as the case may be, the former holder may be commenced or continued against the former holder.

#### Division-7

#### Registration and Transfer of Mineral Titles

60. **Titles Register.-** The licensing authority shall cause a record to be made in a titles Register kept for the purpose, of every mineral titles issued, and of any dealings with or affecting a mineral titles specifying -

- (a) the number of a mineral title;
- (b) the name and the address of the holder;
- (c) the date of issue and the period for which the title is granted;
- (d) the minerals for which the title is granted;
- (e) the total area;
- (f) situation and boundaries of the land over which the title is granted;
- (g) the date of any renewals;
- (h) annual surface rental, rate of royalty and fees payable;
- (i) the date of any surrender, transfer;
- (k) any security or deposit given;
- (l) such other information as the licensing authority may consider necessary.

61. **Inspection of Titles Register.-** The Titles Register shall on application be open for inspection by the applicant who may take copies of any title or entry in the Register, on payment of the appropriate fee set out in the First Schedule.

62. **Rectification of Titles Register.-** Where the licensing authority is satisfied that there has been a mistake made in or that some matter has been incorrectly entered in, or omitted from the Titles Register, it shall rectify the Register by correcting that mistake or incorrect entry.

63. **Approval of Transfer of Mineral Title.-** (1) A transfer or assignment of or, right or interests to or in a mineral title, shall have no effect unless -

- (a) the licensing authority on recommendations of the mines committee in writing approve the transfer or, assignment wholly or partially; and

- (b) the transfer or assignment is to a person capable of holding the title under these rules;

(2) Where an application is made to the licensing authority for any approval, referred to in clause (a) of sub-rule (1), the licensing authority may accord approval after hearing in person both the parties and in consultation with the Mines Committee.

(3) The licensing authority shall not give its approval to any dealings referred to in sub-rule (1) with –

- (a) a reconnaissance license;
- (b) an exploration license during the first two years of its term unless the authority considers that are special reasons for giving such approval; or
- (c) unless the licensing authority is satisfied on reasonable grounds that –
  - (i) the proposed assignee or transferee has the financial and technical resources to undertake the obligations under the mineral title;
  - (ii) the proposed assignee or transferee is an appropriate party to hold the mineral title;
  - (iii) the proposed assignment or transfer will not adversely affect operations under the mineral title.

(4) An application under this rule shall –

- (a) be in the Form-D and shall be accompanied by the fee set out in First Schedule;
- (b) contain, in respect of the proposed assignee, transferee or the person to be joined, the information referred to in rule 15(1)(a) and (f) and all other relevant information required in respect of an applicant for a mineral; and
- (c) be accompanied by an unconditional undertaking by the proposed assignee, or transferee to assume all the obligations of the proposed assignor and to comply with all the terms and conditions if approval for the assignment is granted.

(5) The licensing authority may require any applicant for any approval referred to in sub-rule (1) to furnish to it such information as it may reasonably require enabling it to dispose of the application and applicant shall comply with the requirement.

(6) In case of death of mineral title holder, the title shall be transferred as per rule to legal heir(s) on application along with succession certificate duly obtained from concerned authority and the matter will be decided by the Mines Committee according to rules.

**Division-8**  
**Miscellaneous Provisions**

64. **Joint Liability.**- Where a mineral title is held by more than one holder, the liability of the holders under these rules and the title, in respect of any breach thereof, shall be joint and several, but without prejudice to any right of contribution, which a particular holder may have against any other holder in respect of the breach.

65. **Competitive Bids.**- The licensing authority may invite competitive bids through open auction-

- (a) for the issue of an exploration license, mining lease and mining permit in respect of any area of land which is not subject to -
  - (i) a reconnaissance license which give the holder an exclusive right referred to in sub-rule (3) of rule 13;
  - (ii) an exploration license, a mining lease or a mineral deposit retention license or mining permit; or
  - (iii) litigation or arbitration;
- (b) where several applications has been received in respect of the same area for same mineral;
- (c) on an area of land has become available for the issue of an exploration license or mining lease as a result of the relinquishment, surrender; termination or, subject to clause (a)(iii) the cancellation of a license or lease with respect to that area of land,

and may, in accordance with these rules, issue the appropriate mineral title or permit to the successful bidder.

66. **Auction of area with mineral reserves.**- (1) For the areas referred to in clause (b) of rule 65, the Licensing Authority may grant such areas through open auctions on prescribed terms and conditions. If there is single bidder the Mines Committee may examine and recommend for consideration the licensing authority if the single bid is according to reserve price of that particular mineral per unit area and in case of no bid, then the auction process may be repeated at least three times and if there is no response on account of escalated reserve price, the matter may be referred for consideration to the revisit the reserve price to a rationale and the process of auction shall be initiated.

(2) To ensure the transparency, the public notice for auction or competitive bidding shall be published in the three leading newspapers such as Urdu, Sindhi and English languages. The public notice may also be uploaded in the official website of the Department for all concerned and intending applicants accordingly.

(3) The public notice shall contain the following information: -

- (a) The location and extent of the area to be auctioned.
- (b) The details of the auction schedule specifying the date, time and venue, where the auction has to take place; and
- (c) The terms and conditions of the auction.

(4) Save as otherwise provided hereinafter, all auctions shall be held in the first place through competitive bids under the following procedures:-

- (a) the interested parties shall submit application on a standard form to be approved by the Licensing Authority alongwith requisite documents mentioned in the application Form-C at least three days before the date of auction.
  - (b) the auction shall be open for participation of the bidders in person or through their representatives duly authorized in writing.
  - (c) the highest bidder shall be announced on the fall of hammer.
  - (d) the Mines Committee shall submit its recommendations to the Licensing Authority for approval.
  - (e) the Licensing Authority may accept the recommendations of the Mines Committee or may reject the auction on the grounds to be recorded in writing; and
  - (f) if the Licensing Authority approves the recommendation of the Mines Committee the successful bidder shall be issued the offer letter by the Licensing Authority or officer authorized by the Licensing Authority:
- (5) The amount of security provided in the shape of call deposits of all participants shall be refunded immediately after the auction except to three highest bidders.
- (6) The call deposits of 2<sup>nd</sup> and 3<sup>rd</sup> highest bidders shall be retained for at least thirty days for the reason that if the 1<sup>st</sup> highest bidder undergoes default to fulfil the terms and conditions of the agreement. The next highest bidder shall be considered for the offer and execution of the agreement and in case of failure by the 2<sup>nd</sup> bidder, the same will be offered to the 3<sup>rd</sup> highest bidder.
- (7) If all three highest bidders fail to comply with the bid agreement, then the process of auction or bidding shall stand cancelled and the fresh auction shall be initiated as per rules.
- (8) The defaulter(s) who fail to comply the terms and condition of the bid agreement willfully, the licensing authority may bar the party or parties for appearing in any auction process for the lease, permit, license and royalty collection for the period not less than three years.
- (9) On receipt Of Offer Letter-
- (a) the successful bidder shall be required to deposit one-tenth of his bid amount. In such case, the amount already deposited shall be adjusted towards the 1<sup>st</sup> installment in respect of the highest bidder, if the highest bidder fails to comply with the directions, such amount in shape of call deposit shall be forfeited;
  - (b) the successful bidder shall deposit within seven working days, under the proper Head of Account, twenty five percent of the bid amount as first installment, the withholding tax, the professional tax, the security deposit, annual rental in advance, the demarcation fee, the cost of plan and the mineral title or permit application fee as mentioned in the Schedules; and

(c) if the successful bidder fails to comply with the terms and conditions of the offer letter within fifteen (15) days, the call deposit shall be forfeited to Government;

(d) in case the highest bidder fails to comply with any directions and terms and conditions of the offer letter due to which his call deposit amount is forfeited at any stage of the proceeding. The Auction Committee shall recommend to the Licensing Authority for the next highest bid as the successful bidder, subject to the condition that the next highest bid is not less than ten percent of the first highest bid.

(10) Subject to preceding sub-rule, the second highest bidder shall deposit one-tenth of the bid amount for processing of his bid for approval.

(11) The successful bidder shall deposit the remaining bid amount in twelve quarterly equal installments from the date of issuance of work order, failing which the Mineral Title or Mineral Permit shall be processed for cancellation subject to thirty days' notice served upon him.

(12) The holder of a Mineral Title or Permit shall submit judicial stamp papers at the rates as prescribed, subject to revision of stamp duties and rates by the Government, for execution of an agreement within the Licensing Authority before the issuance of Work order.

(13) The lessee shall pay usual rents, royalty and other Government dues as determined from time to time by Government.

67. **Performance Guarantees.**- A person shall, at the time of the grant of a mineral title other than a reconnaissance license, submit performance guarantee to the Licensing Authority by way of bank guarantee as specified in the First Schedule.

68. **Indemnity.**- The holder of a mineral title shall indemnify Government against all claims, demands, injury or damage of any kind including but not limited to claims for loss or damage to property or injury or death to persons, resulting from any act or omission by the holder in the conduct of mineral operations.

69. **Access of Government to mining data.** Government shall have right over the mining data which is in possession of public and private entities regardless of the fact that they were/are not lease permit holders.

#### PART IV-SMALL SCALE MINING ACTIVITIES

##### Division-1 (General)

70. **Small Scale Mining:** For the purposes of these rules "small scale mining" shall be granted as exploration permit or mining permit and -

(a) the likely scale of capital investment being less than three hundred (300) million rupees;

(b) the expenditure, work programme proposed by the applicant, the nature of the techniques to be used in mineral operations, the likely scale of the operations and infrastructure to be required, the

mineral to be mined and such other factor as may be relevant will make the determination:

Provided that the area granted for small scale mining shall not be more than five hundred (500) acres.

71. **Persons who may hold Mineral Permits-** A person may not hold a mineral permit unless the person –

- (a) is a citizen of Pakistan and preference shall be given to the residents of the Province;
- (b) is a company formed by or under any law for the time being in force in Pakistan whose articles of association contain a provision providing that –
  - (i) only citizens of Pakistan may own shares in the company;
  - (ii) only another company whose articles of association contain such a provision may own shares in the company; or
  - (iii) only a citizen of Pakistan and a company referred to in clause(ii) may own share in the company.

72. **Application for mineral permits-** (1) An application for the grant of mineral permit –

- (a) shall be made to the licensing authority;
- (b) shall be in a Form-A approved by the licensing authority;
- (c) shall be accompanied by the fee specified in the First Schedule in respect of that application; and
- (d) may be withdrawn by the applicant by notice in writing to the licensing authority.

(2) The provision of rule 9 shall apply with necessary modification in relation to an application for a mineral permit.

#### Division-2

##### Exploration Permit

73. **Rights of Holder of Exploration Permit-** (1) Subject to sub-rules (2) and (3), the holder of an exploration permit shall be entitled –

- (a) to carry on exploration operations on any land for any mineral;
- (b) with the permission of the licensing authority, to sell or dispose of any mineral found or incidentally won in the course of carrying on exploration operations; and
- (c) to do all such other acts and things as are necessary for, or reasonably incidental to, the carrying of exploration operations.

(2) The holder of an exploration permit shall not exercise the rights conferred in sub-rule (1) –

- (a) in respect of any mineral on land forming part of reconnaissance area in relation to which an exclusive right referred to in sub-rule

(3) of rule 13 has been conferred upon any person in respect of that mineral;

(b) on the land in an exploration area, a mining area; a retention area or in an area subject to a mining permit; or

(c) on land in relation to which an application is pending for an exploration license, a mineral deposit retention license, a mining lease or mining permit.

(3) The provisions of rule 11 shall apply with necessary modifications in relation to an exploration permit.

(4) Except for the purpose of –

(a) conducting a mineral analysis;

(b) conducting test on a mineral; or

(c) determining the value of a mineral,

the holder of an exploration permit shall not remove a mineral from the land where it was found in the course of carrying operations referred to in sub-rule (1) without the written permission of the licensing authority and shall, when so removing any mineral comply with such conditions as the licensing authority may specify in that permission.

(5) The provisions of rule 10 shall apply with necessary modification in relation to an exploration permit.

74. **Application for Exploration Permit-** An application for the grant of an exploration permit –

(a) shall contain –

(i) in the case of an individual, the full names nationality, date of birth and the postal and residential address of the person;

(ii) in the case of a company, its name, particular of its incorporation and registration, its registered address and its principal place of business in the Province and the names, address and nationalities of directors and shareholders of the company;

(b) shall be accompanied by such documents as the licensing authority may require in relation to any matter referred to in this rule;

(c) shall be made in respect of an area of land which does not exceed five hundred (500) acres;

(d) shall identify the minerals to which the application relates;

(e) may contain any other matter which, in the opinion of the applicant, is relevant to the application.

75. **Disposal of Application for Exploration Permits-** (1) On application made for the grant of an exploration permit, the licensing authority may, subject to these

rules, grant the permit on such condition as the licensing authority may determine, or refuse to grant the permit.

(2) The licensing authority shall not grant an exploration permit under sub-rule (1) unless –

- (a) the applicant is a person referred to in rule 71; and
- (b) the licensing authority is satisfied that the applicant is a fit and proper person to carry on exploration operations.

(3) Where the licensing authority grants an application under sub-rule (1) and the applicant accepts the conditions on which the application is granted, the licensing authority shall, upon payment of the fee specified in the First Schedule, issue the exploration permit which shall –

- (a) contain the full names and address of the holder of the permit;
- (b) state the date on which it is issued;
- (c) state the conditions on which it is issued;
- (d) contain the description and plan of the area in respect of which it is granted.
- (e) identify the minerals in respect of which the permit is granted; and
- (f) contain such other matter as the licensing authority may determine either generally or in any particulars case.

76. **Duration of Exploration Permit.**– Subject to this rules, an exploration permit shall be valid for the period of not less than one year or more than two years from the date on which it is issued.

77. **Exploration Permit may not be transferred.**– An exploration permit shall not be transferred or renewed and the holder of an exploration permit shall not grant, or assign any interest in or right to any such permit to any other person.

78. **Records and Reporting by Holder of Exploration Permit.**– (1) The holder of an exploration permit–

- (a) shall keep at an address in the Province and submit in triplicate through field officer, a proper record in a form as acceptable to the licensing authority in relation to –
  - (i) the nature and mass or volume of any mineral found or incidentally won in the course of carrying on exploration operations; and
  - (ii) the nature and mass or volume and value of any mineral sold or otherwise disposed of the amount or money received and the full names and address of any person to whom the mineral has been sold or otherwise disposed of;
  - (iii) all maps, geological reports, including interpretations, mineral analysis, photographs, ore logs, analyses and test and all other data obtained by the holder in respect of land subject to the permit; and
  - (iv) such other information as may be determined by the licensing authority and specified notice in writing given to the holder.

and shall retain such records and copies for a period of not less than three years from the date of expiration of the permit; and

- (b) shall, upon the request of the licensing authority or an authorized officer, produce the record referred to in clause (a) or copies thereof, to the licensing authority or authorized officer for inspection.

(2) The provisions of sub-rule (2) of rule 30 shall apply with necessary modifications to the holder of an exploration permit, and for that purpose any reference in that sub-rule to the licensee shall be construed to the holder of an exploration permit.

### **Division-3 Mining Permit**

79. **Rights of Holder of Mining Permit.**- (1) The provisions of rule 44 shall apply with necessary modification in relation to a mining permit and, for that purpose, any reference in that rule to the "mining area" shall be deemed to be a reference to the area of land subject to mining permit."

(2) The provisions of rule 11 shall apply with necessary modifications in relation to a mining permit.

80. **Application for mining permit.**- An application for the grant of a mining permit -

- (a) shall, in the case of an application by an individual, contain the particulars referred to in clause (a) (i) of rule 74;
- (b) shall in the case of an application by a company contain the particulars those referred to in clause (a) (ii) of rule 74;
- (c) shall contain particulars of -
  - (i) any mineral title or mineral permit held by the applicant alone or with other person; and
  - (ii) any exploration and mining operations carried on by the applicant alone or jointly with any other person within or outside the Province, on the date of the application and during the period of ten years immediately preceding that date;
- (d) shall state the period not exceeding ten years for which the permit is required and the mineral to which the application relates;
- (e) shall describe the area not exceeding five hundred (500) acres over which the permit is sought and contain a sketch plan in sufficient detail to enable the area to be identified;
- (f) shall contain particulars of -
  - (i) the condition of, and any existing damage to, the operations on the environment in the area to which the application relates; and

- (ii) the anticipated effect of the proposed mining operations on the environment and the proposed steps to be taken in order to minimize or prevent any such effect; and
- (iii) the manner in which it is intended to prevent pollution, to deal with any waste, to safeguard the mineral resources, to reclaim and rehabilitate land disturbed by way of the exploration and mining operations and to minimize the effect of those operations on land adjoining the land subject to the permit;
- (g) shall describe the mineral deposit in the area of land over which the permit is sought;
- (h) shall contain particulars of the programme of mining operations, the estimated expenditure in respect thereof, the period within which the operations will be carried on and the expenditure made;
- (i) shall be accompanied by such documents as the licensing authority may require in relation to any particulars referred to in this rule; and
- (j) may contain any other matter which, in the opinion of the applicant, is relevant to the application.

81. **Disposal of Application for Mining Permits.**— (1) Subject to these rules, on an application made for the grant of a mining permit, the licensing authority may grant the mining permit subject to such conditions as the licensing authority may determine, or refuse to grant the permit.

(2) The licensing authority shall not grant a mining permit under sub-rule (1) —

- (a) if the applicant has been required under rule 82 to apply for a mining lease;
- (b) unless the applicant is a person referred to in rule 71;
- (c) in respect of any mineral on land forming part of a reconnaissance area in relation to which an exclusive right referred to in sub-rule (3) of rule 13 has been conferred on any person in respect of that mineral;
- (d) in respect of an exploration area, a mining area, a retention area or an area subject to a mining permit;
- (e) if the licensing authority has reasonable grounds to believe that deposits of mineral in respect of which the application is made have not been discovered in potentially commercial quantities within the area of land in respect of which the permit is sought.

(3) Where the licensing authority grants a mining permit under sub-rule (1) and the applicant accepts the conditions on which the application is granted, the licensing authority shall, upon payment of the fee specified in the First Schedule, issue the mining permit which shall —

- (a) contain the full names and address of the holder of the permit;
- (b) state the date on which and the period for which it is issued;
- (c) contain a description and plan of the area for which the permit relates giving sufficient detail to enable the area to be clearly identified;

- (d) state the conditions subject to which the permit is issued;
- (e) state the mineral or group of minerals in respect of which the permit is issued;
- (f) contain such other particulars as the licensing authority may determine either generally or in particular case; and
- (g) contain a statement of the program of the operations to be carried out and expenditure to be made by the holder of the permit, and the period within which the operations will be carried out.

82. **Requirement to Apply for Mining Lease.**- (1) Where a person applies for a mining permit, the licensing authority may, subject to this rule, require the applicant to apply for a mining lease instead of a mining permit if the authority determines, having regard to rule 70, that the application is not in respect of small-scale mining.

(2) Before requiring an applicant to apply for a mining lease the licensing authority shall -

- (a) give notice in writing to the applicant of the licensing authority's intention stating the reason therefore;
- (b) afford the applicant an opportunity within such reasonable period as is stated in the notice to make representations with to that intention; and
- (c) consider any representations so made, may allow or refuse for the cogent reason to be made in writing.

(3) Subject to clause of sub-rule (2) of rule 81, an applicant for mining permit shall not incur any liability under these rules if he fails to comply with the requirement of sub-rule (1).

83. **Duration of Mining Permit.**- (1) Subject to these rules, a mining permit -

- (a) shall be valid for the period not exceeding ten years or the period representing the estimated life of the mine, whichever is the lesser, as determined by the licensing authority on the basis of available data and specified in the permit and for the period of any renewal thereof; and
- (b) may be renewed for such further period(s) not exceeding ten years on each occasion or the period representing the estimated life of the mine, whichever is the lesser as may be determined by the licensing authority on the basis of available data and specified in the instrument of renewal.

(2) Notwithstanding the provision of sub-rule (1) but subject to these rules, where an application is made by the holder of a mining permit for the renewal of the permit in relation to an area of land in or which constitutes the area subject to the permit and in respect of mineral to which the permit relates, the permit shall not expire in relation to that area of land the mineral while application is being considered until the application is refused, withdrawn or lapses whichever first occurs.

(3) Subject to sub-rule (2), the mining permit holder may carry out mining operation under terms and conditions in his area till the disposal of his renewal application. During the intervening period, the permit holder shall pay rent of the area.

84. **Application for Renewal of Mining Permit.**- (1) Subject to sub-rule (2), the provisions of rules 80 and 81 shall apply with necessary modification in relation to an application for the renewal of a mining permit.
- (2) An application for the renewal of a mining permit shall be made not later than two months before the date of expiration of the permit or such later date, but not later than such date of expiration as the licensing authority may allow on good cause shown.
85. **Directions to Holders of Mining Permit.**- The provision of rule 12 shall apply with necessary modification in relation to a mining permit.
86. **General Conditions of Mining Permit.**- The provision of rule 10 shall apply with necessary modifications in relation to mining permit.
87. **Application for Amendment of Mining Permit.**- The provision of rule 51, 80 and 81 shall apply with necessary modifications in relation to mining permit.
88. **Cancellation of Mining Permit.**- The provisions of rule 57 other than sub-rule (4) thereof, shall apply with necessary modification in relation to the cancellation of a mining permit.
89. **Surrender of Mining Permit.**- The provisions of rule 58 and 59 shall apply with necessary modifications in relation to the surrender of a mining permit.
90. **Approval of Transfer of Mining Permit.**- The provisions of rule 63 shall apply with necessary modifications in relation to the transfer of, or assignment of rights or interest to or in a permit.
91. **Records and Reporting by Holder of Mining Permit.**- (1) The holder of a mining permit -
- (a) shall keep at an address in the Province and submit in triplicate through field officer, complete and accurate records of the holder's operation in the area of land subject to the permit, in form acceptable to the licensing authority, in relation to -
    - (i) the nature and mass or volume of any mineral found or incidentally won in the course of carrying on operations in the area of land subject to the permit;
    - (ii) the nature and mass or volume and value of any mineral sold or otherwise disposed of, the amount of money received, and the full names and address of any person to whom the mineral has been sold or otherwise disposed of;
    - (iii) all maps, geological reports, including interpretations, mineral analysis, photographs, ore logs, analysis and tests and all other data obtained by the holder in respect of the area of land subject to the permit;
    - (iv) the expenditure incurred by the holder in the course of such operations in the area of land subject to the permit;

- (v) accurate and systematic financial records of the holder's operations in the area of land subject to the permit and such other books of account and financial records as the licensing authority may in writing require; and
  - (vi) such other information as may be determined by the licensing authority by notice in writing to the holder; and
- (b) shall submit to the licensing authority through Regional Officer, such reports, records and other information as the licensing authority may, from time to time, in writing, require concerning the conduct of operations in the area of land subject to the permit.

(2) In the event of the expiration, surrender or cancellation of a mining permit, the person who was the holder of such permit immediately before the expiration, surrender or cancellation shall, on a date not later than thirty days thereafter deliver to the licensing authority all times kept by the holder pursuant to clause (a) of sub-rule (1).

(3) The provisions of sub-rule (2) of rule 56 shall apply with necessary modification to the holder of a mining permit and for that purpose any reference in that sub-rule to the lessee shall be construed as reference to the holder of a mining permit.

92. **Permits Register-** (1) The licensing authority shall cause a record to be made in a Permits Register kept for the purpose of every mineral permit issued specifying -

- (a) the number of the permit;
- (b) the name and address of the holder;
- (c) the date of issue and the period for which it is issued;
- (d) the mineral for which it is granted;
- (e) the total area;
- (f) the dates of renewal;
- (g) annual rental and rate of royalty;
- (h) the date of any surrender, amendment or cancellation of the permit;
- (i) such other information as the licensing authority considers necessary.

(2) The provisions of rule 61 shall apply with necessary modifications in relation to the inspection of the Permit Register.

(3) The provision rule 62 shall apply with necessary modification in relation to the rectification of the Permits Register.

#### Division-- 4

#### Temporary Permits for leveling of land and stock

93. **Application for grant of Temporary permits.** (1) Any person desirous to obtain a temporary permit for leveling of land and stock shall submit application in the Form-B, to the licensing authority.

(2) The application Form, shall be accompanied by -

- (a) the application fee specified in the First Schedule.
- (b) sketch of the area;
- (c) Computerized National Identity Card of the individual, Directors of the Company or, Partners of the Firm, as the case may be;
- (d) Income Tax registration certificate.
- (e) partnership deed duly registered in case of firm and the Articles and Memorandum of Association.
- (f) the revenue documents showing ownership title of land including the work authorized or awarded by any Government agency, photo copy of contract with terms and conditions duly attested by such agency.

(3) The incomplete applications received shall not be entertained by the Licensing Authority.

(4) Applications so received shall be scrutinized by the Licensing Authority or its authorized officer and the availability of the area applied for, shall be confirmed by the licensing Authority before the grant of the permit.

(5) In case of approval of the application, the person shall be informed through an offer letter with terms and conditions as specified in rule 10 with necessary modification duly conveyed through registered mail on an address given in the application Form.

(6) In case the person accepts the offer, he shall deposit the fees as determined by the Licensing Authority within seven days from the date of the issuance of the offer letter and thereafter the Licensing Authority or officer authorized by it, shall issue the allotment letter.

(8) In case of non-compliance of the offer letter within specified period the offer letter shall stand withdrawn.

94. **Period for temporary permit.** The mining permit shall be valid for one year and shall be renewed for such period not exceeding the period of two years on payment of renewal fee.

#### Division- 5

#### License For Dressing Units (Crush Plant)

95. **Installation or operation of stone crushers / mineral dressing units.** (1) No person shall install or operate a crusher and dressing unit unless he has a valid license granted by the Licensing Authority under these rules.

(2) Where an application is made to the licensing authority for any approval for installation of crusher and dressing unit, the licensing authority may subject to recommendations of the Mines Committee grant a license for crusher and dressing units:

Provided that a person who is already operating a crusher or dressing unit without a license shall, on commencement of these rules, apply to the Licensing Authority within thirty days from the date of commencement of these rules, for the grant of license and in case of noncompliance, such person shall be dealt with in accordance with the provisions of the Act.

(3) The Licensing Authority may, after making such inquiry as it may deem appropriate, grant license to person in the manner and on such terms and conditions hereinafter appearing.

(4) An application for renewal of license shall be made within thirty days before expiry of the license. In case the person fails to apply for renewal within the stipulated period, he shall be liable to pay fine of rupees one thousand per day as penalty.

96. **Application for grant of license.** (1) Any person desirous to obtain a license for establishing mineral dressing unit or crusher, shall submit application in Form-B, to the licensing Authority.

(2) The application Form shall be accompanied by –

- (a) the application fee specified in the First Schedule.
- (b) sketch of the area;
- (c) Computerized National Identity Card of the individual, Directors of the company or Partners of the firm, as the case maybe;
- (d) Income Tax registration certificate;
- (e) partnership deed duly registered in case of Firm and the Articles and Memorandum of Association thereof;
- (f) the revenue documents showing ownership title of land including the work authorized or awarded by any Government agency, photo copy of contract with terms and conditions duly attested by such agency;
- (g) NOC from Environmental Protection Agency;

(3) In case of establishment of crush plant, the applicant shall submit a copy of valid mining permit issued by the Department.

(4) Incomplete applications received shall not be entertained by the Licensing Authority.

(5) Applications so received shall be scrutinized by the Licensing Authority or its authorized officer and the availability of the area applied for shall be confirmed by the licensing Authority before the grant of the permit.

(6) In case of approval of the application, the person shall be informed through an offer letter with the terms and conditions as specified in rule 10 duly conveyed through registered mail on an address given in the application Form.

(7) In case the person accepts the offer, he shall deposit the fees as determined by the Licensing Authority within seven days from the date of the issuance of the offer letter and thereafter the Licensing Authority or officer authorized by it shall issue allotment letter.

(8) In case of non-compliance of the offer letter within specified period, the offer letter shall stand withdrawn.

(9) The license issued under this rule shall be valid for five years and shall be renewed on payment of renewal fee specified in the First Schedule.

97. **Safe distance.** No license shall be granted for installation and operation of crusher or dressing unit without maintaining a safe distance as may be determined by the licensing authority on the advice of the Mines Committee, such as mosque, school, hospital, transmission line, orchard, forest, major road, bridge, human dwelling, railway line, water distribution line, any vital installation and any other such like location and other strategic locations.

(2) If any person has installed or intending to install or is operating crusher or dressing unit without maintaining the safe distance or the crusher or dressing unit was found causing hazard, the Licensing Authority or Regional Officer, in consultation with the Mines Committee, may pass an order directing such person to shift such crusher or dressing unit to a safe distance from such a location or may seal the premises.

98. **Responsibility of licensee.-** It shall be the responsibility of the licensee to make arrangement for -

- (a) cleanliness of the premises where crusher and dressing unit is installed, and provide for safety equipment, personal protection equipment like helmets, gloves, glasses, masks, latrines and urinals for workers;
- (b) ventilation, lighting, drinking water;
- (c) compulsory vaccination and inoculation of workers, disposal of dust fumes, noise reduction.
- (d) water and solid waste management plans for the disposal of special focus on its treatment, recycling and re-use in line with best practices in vogue in the Industrial Sector.
- (e) fencing of machinery and fire safety equipment;
- (f) Control of air, water, solid waste and noise pollution, effects of blasting and dust.

99. **Inspections:** The Licensing Authority or Regional Officer may inspect on regular intervals, any crusher or dressing unit for compliance of the provisions of these rules.

100. **Fine, sealing and cancellation of the license.** (1) If, during inspection, a licensee is found in contravention of the provisions of these rules, the Licensing Authority or Regional Officer shall impose a fine which may extend to five hundred thousand rupees or seal the premises or both.

(2) In case of subsequent contravention of these rules, the Licensing Authority may, after giving an opportunity of being heard to the licensee, cancel the license.

101. **Refraining or sealing of installation or operation of crusher or dressing unit without license.** Any person involved in installation or operation of a crusher or dressing unit without license, the Licensing Authority or authorized officer may, either pass an order directing such person to stop such installation or operation of such crusher or dressing unit or seal the premises, as the case may be.

(2) Any person who contravenes any order passed under sub-rule (1), shall be punished in accordance with the provisions of the Act.

102. **Power of obtaining information and entry.** (1) The Licensing Authority or Region Officer officer may, by order in writing, require any person to furnish such

information in his possession relating to installation or operation of a crusher or dressing unit as may be specified in the order, or enter or search the premises and take action as may be necessary for achieving the objects of the Act and these rules.

(2) Any person who obstructs the Licensing Authority or Regional Officer, while conducting duties under these rules, as the case may be, shall be punishable under section 186 of Pakistan Penal Code 1860, (Act XLV of 1860).

#### PART-V FINANCIAL

103. **Royalties Payable on Minerals.**- (1) Subject to this Part, the holder of a mineral title or mineral permit or temporary permit other than holder of reconnaissance license who has won the bid of any mineral in the course of any exploration or mining operations carried by him, shall pay the royalty to Government, in respect of any such mineral disposed of by him.

(2) For the purpose of this Part, any mineral is considered disposed of, if it is -

- (a) sold, donated or bartered;
- (b) appropriated to treatment or other processing unit under clause (a) prior to appropriation; or
- (c) exported from the Province.

104. **Rate of Royalties.** Subject to this Part, the rates of royalty shall be charged as specified in the Third and Fourth and shall be reviewed and determined by the Mines Committee, from time to time, under clause (h) of section 5.

105. **Enhanced Royalty.** Where pursuant to rule 6, a mineral agreement makes provision for the payment of royalty by the holder of a mineral title, at an enhanced rate or rates in respect of any mineral or group of minerals won, mined or found as provided in rule 104, the enhanced rate of royalty shall be determined and payable in accordance with the terms of the agreement; provided that the rate of royalty payable at any time shall not be less than the rate specified in the Third and Fourth Schedule.

106. **Payment of Royalty on Minerals mentioned in Third Schedule.** (1) The royalty in respect of any mineral won, mined or found as provided in rule 104 and disposed of shall be payable not later than thirty days after the end of the calendar month in which the mineral is disposed of.

(2) Where the holder of a mineral title or mineral permit, as the case may be, has failed to pay any amount of royalty as required by sub-rule (1), a penalty calculated at the rate which shall not be less than six percent and shall not exceed ten percent per month on the amount or any part thereof from time to time remaining unpaid, shall be payable from the due date of payment until all outstanding amounts are paid.

(3) Where any outstanding amount of royalty and applicable penalty remain unpaid for a period of four months from the due date of payment, the holder of the mineral title or, mineral permit, as the case may be, shall pay further penalty of two percent on the outstanding amount of the royalty and the applicable penalty.

(4) The holder of mineral title, mining permit or temporary permit shall submit, in respect of each month and in such form and detail as the licensing authority may determine, a production report or return showing the quantity and value of the

minerals mined out or produced and disposed of and the amount of royalty to be paid in respect thereof for that month.

**107. Payment of Royalty on minerals mentioned in Fourth Schedule (Through auction or bidding).** (1) The royalty on minerals mentioned in the Fourth Schedule will be realized through public auction. In case auction does not materialize, the Licensing Authority on recommendations of the Auction Committee, authorize any officer to collect the royalty through any procedure as deemed fit by it, from the permit holder through the person who carrying the mineral via transport.

**108. Constitution and duties of Auction Committee.** (1) There shall be an Auction Committee which shall consist of the following :-

Sr. No.	Designation	Title
1.	Director General, Mines & Mineral Development	Chairman
2.	Additional Secretary, M&MDD	Member
3.	Additional Secretary, Finance Department	Member
4.	Director (A&F)/ Deputy Director (A & A), M&MD	Secretary/ Member
5.	Deputy Commissioner concerned	Member
6.	District Forest Officer Concerned	Member

(2) The Committee may coopt any person as Expert Member but such person shall not have right to vote.

(3) In case any member of the Committee is unable to attend the meetings of the Committee due to any cause, the officer sub-ordinate to him shall represent and sit as member in his place.

(4) The Auction Committee shall have the following functions:-

- to conduct auctions for collection of royalty on minerals mentioned in the Fourth Schedule;
- to submit to the Licensing Authority the highest bid for approval; and
- submits its recommendations to the Licensing Authority for final decision.

**109. Public Notice of Auction.** (1) Subject to the provisions of these rules, the Auction Committee shall conduct open auction of the royalty on minerals on Divisional or District basis by the publication through website of the Department and in the leading newspapers.

(2) The public notice shall contain the following information:-

- the details of the auction schedule specifying the date, time and venue of the auction.
- the terms and conditions of the auction.
- details of reserve price for the financial year to be auctioned with earnest money.

(3) The following documents shall be submitted to the Licensing Authority with the application in Form-E, for participation:-

- (a) Pay order / Demand draft/paid up Bank challan in the relevant "Head of account", as earnest money in favour of Director General, Mines and Mineral Development, at the rate of five percent (5%) of the reserve price, separately for the each auction area, for all auctions of surface minerals;
- (b) Valid solvency certificate duly signed by concerned Mukhtiarkar Revenue and verified by the concerned Deputy Commissioner of the District of the Province;
- (c) Current bank statement with the last two years bank transactions;
- (d) In case of limited companies and partnership firms, attested copy of Memorandum and Articles of Association and registered Partnership Deed duly registered from the concerned registrar office;
- (e) Attested copies of the National Identity Card of partners or directors, as the case may be.
- (f) Attested copies of valid Income tax certificate with statement of last two years, of the bidder with National Income Tax Number.

110. **Terms and Conditions of Auction.** (1) Save as otherwise provided hereinafter, all auctions will be held in the first place through open auction in accordance with the following procedure:-

- (a) the advertisement shall indicate a date, time and venue for auction;
- (b) the interested persons shall submit application on a Form-C, along with requisite documents as mentioned in the preceding rule, three days before the date of auction;
- (c) the auction shall be open for participation by the bidders in person or through their representatives duly authorized in writing;
- (d) the highest bidder shall be announced on the fall of hammer;
- (e) the Auction Committee shall submit its recommendations to the Licensing Authority for approval.
- (f) the Licensing Authority may accept the recommendations of the Auction Committee or may reject it on grounds to be recorded in writing;
- (g) The successful bidder shall be issued the Offer Letter by the Licensing Authority or officer authorized by him.
- (h) The earnest money shall be refunded after fall of the hammer to the unsuccessful bidders except first, second and third highest bidders. The earnest money of second and third highest bidder will however be refunded after acceptance of bid of first highest bidder and issue of final contract award to him (the highest bidder). In case, the contract is not awarded to first highest bidder the earnest money of third highest bidder will be refunded after the issuance of final

contract award to second highest bidder. Otherwise the contract will be offered to the third highest bidder.

(2) If the successful bidder(s) back out from the bid offered by him or them, the earnest money will be forfeited and the royalty collection rights will be re-auctioned and loss, if any, sustained by Government by such re-auction shall be recoverable from the defaulting bidder(s).

(3) The defaulting bidder(s) shall be black listed by the licensing authority for all Government contracts and the same shall be notified in the departmental website and in the official gazette.

(4) On receipt of offer letter, the successful bidder shall be required to deposit twenty five percent (25%) of the bid amount as security within seven working days, ten percent (10%) advance of the bid amount under the proper "Head of Account" through treasury challan or pay order, withholding tax, stamp duty or any other tax in accordance with the relevant laws of Pakistan, from time to time.

(5) If the successful bidder fails to comply with the offer letter within the prescribed time, the call deposit shall be forfeited.

(6) The successful bidder shall deposit the remaining bid amount in nine monthly equal installments from the date of issuance of the work order, failing which the royalty contract shall be processed for cancellation subject to thirty days' notice served upon him.

(7) Where the contractor has failed to pay the royalty installments as required in the preceding sub-rule, a penalty calculated at the rate of four percent per month on the amount or any part thereof, from time to time, remaining unpaid, shall be payable from the due date of payment until all outstanding amounts are paid.

(8) The contractor shall execute an agreement with the Licensing Authority before the issuance of award letter.

(9) The successful bidder, auction holder or royalty contractor after issuance of award letter, shall be authorized to collect the royalty on the excavated minerals mentioned in the Fourth Schedule, from the permit holders through the transported vehicles assuming that they are the representative of permit holders in the respective district.

(10) In case where the Licensing Authority rejects the recommendations of the Auction Committee in the cases of open auction or failure of the bidder to comply with the terms and conditions of the auction or in case of non-auction, as the case may be, the procedure given in this rule shall be followed.

(11) No person shall be eligible to take part in the auction, if found to be defaulter or black listed with any government agency.

(12) The amount of security provided in the shape of call deposits of all participants shall be refunded immediately after the auction, except to the three highest bidders.

(13) In case the Contractor is aggrieved by any order of Licensing Authority or his authorized representative, he may prefer an appeal to the Appellate Authority within thirty days from the issuance of such order. The decision of the Appellate Authority on appeal shall be final and binding by all concerned.

**111. Reduction, Waiver or Deferment of Royalty.-** (1) Subject to sub-rule (2), Government on the advice of the Department and with the concurrence of the Finance Department on application made in writing by the holder of the mining lease or mining permits may, by notice in writing to the holder, reduce the rate of royalty or penalty payable in terms of this part; or defer payment of any such royalty or penalty, for such period and on such conditions as may be determined by Government and are specified in the notice, or may refuse to reduce or defer the royalty or penalty payable.

(2) Government may reduce or defer the royalty or penalty payable in accordance with sub rule (1) only when the holder of the mining lease has demonstrated to the satisfaction of the Department and the Department of Finance that, in the absence of the reduction or deferment the mining operation would be permanently ceased or suspended for an indefinite period, for economic reasons.

**112. Powers of licensing authority in case of failure to pay royalty.** If the holder of a mineral title or a mineral permit fails to pay any royalty payable by him in accordance with rule 106 and 107 or if applicable on or before such date to which the payment of the royalty has been deferred under rule 111, the Licensing Authority may, by notice in writing to the holder prohibit –

(a) the removal of any mineral from the exploration area, mining area, retention area (the land subject to the mining permit or in the case of the holder of exploration permit from the place where the mineral is found won or mined);

(b) any dealing in connection with any mineral found, won or mined from any such area land or place

until such time as the royalty has been paid or the payment has been reduced, waved or deferred under rule 111.

**113. Proof of Amount Payable Under this part.-** In accordance to recover in a competent court any amount payable under this Part, a certificate to be a certificate under the hand of the Licensing Authority certifying that the amount of money specified in such certificate is payable under this Part by any holder referred to in rule 106 named in such certificate shall be received in evidence as prima facie proof of the facts stated in the certificate.

**114. Rental and Renewal Fees.-** (1) The rental and renewal fees as provided under section 16 shall be paid by the holder of mineral title or mineral permit as specified in the Schedule.

(2) A renewal fee in respect of the renewal of a mineral title, mineral permit, temporary permit, license for installation of dressing unit, crush plant, shall be paid in accordance with First Schedule.

(3) Where the holder of mineral title or mineral permit surrenders a part of the title, which entitled to a proportionate reduction of rent, such reduction shall not take effect during the half year in which the surrender takes place.

**PART-VIII  
MISCELLENOUS**

115. **Retention of Fees.**- Where any application under these rules is refused, the application fee, which was paid at the time of the application, shall be retained to defer administrative costs.

116. **Removal and Sale of Property.**- (1) Where a mineral title or mineral permit has been cancelled or surrendered, or has expired, or as the case may be, any area of land has ceased to be subject to the title or permit and the holder thereof has failed to comply with the requirement of these rules or the title or permit in relation to the removal of equipment installation or structure, the licensing authority may act in accordance with sub-rule (2).

(2) The Licensing Authority may by notice in writing, direct the person who was the holder of the title or permit immediately prior to the cancellation, surrender, expiration or cessation, to do any or all of the following:-

- (a) to demolish or remove any building or structures or to remove any equipment debris or other things specified in the notice;
- (b) to take such steps as may be necessary to remedy any damages to the land by any exploration or mining operations caused out by that person;
- (c) to take such other steps as the licensing authority deems necessary.

(3) Where a person referred to in sub-rule (2) fails to comply with a direction given under clause (a) of sub-rule (2), the property referred to in that clause shall be deemed to be the property of Government and the licensing authority may -

- (a) do cause to be done, all or any of the things required by the direction;
- (b) dispose of all or any of that property, in such manner as it thinks fit, including sale by public auction or public tender, and the proceeds of any such disposal, shall be retained by Government.

(4) The costs and expenses incurred by the licensing authority under this rule shall be a debt due to Government and shall be recoverable as such in court of competent jurisdiction.

(5) A certificate signed by the licensing authority stating that a specified amount is the amount of the debt so due shall be admissible in evidence in any court.

(6) A debt due to Government under this rule is recoverable whether or not the person from whom it is due is liable to any penalties for failure to comply with direction under clause (a) of sub-rule.

117. **Demarcation of area and erection of boundary marks.**- (1) A mineral title holder or a mineral permit holder shall, within thirty days of the issue of the license or a lease or permit, get the granted area demarcated officially, after paying such fee as notified by the Licensing Authority.

(2) A mineral title holder or a mineral permit shall not commence prospecting or exploration or mining operations unless he obtained the demarcation certificate referred to in sub-rule (1).

(3) A boundary dispute in respect of the licensed or lease or permit areas between the mineral title or permit holders shall be referred to the Licensing Authority whose decision shall be final.

(4) The holder of a mineral title or permit shall, at his own expense, erect and at all times maintain boundary marks and pillars standing not less than one meter above the surface of the ground and being not less than one meter square in diameter at the base at every angle or corner of boundary lines to be fixed according to the demarcation.

(5) The boundary pillars at corners as well as at each sides of the boundary of mineral title or mineral permit area at a distance of thirty meters from each other.

118. **Publication.**- As soon as may be after the grant, surrender, determination, or lapse of any mineral title or mineral permit under these rules, the Licensing Authority shall publish notice of such grant, surrender, determination, or lapse stating the name of the title holder or permit holder and a brief description of the area concerned.

119. **Grant of other minerals over the already granted area for a mineral.**- (1) The Licensing Authority may grant one mineral over one area to a person. However, in case of discovery of another mineral over the same area, the right of acceptance or refusal for the grant of second mineral would be offered to the licensee or lessee or permit holder within a specified period.

(2) In case of no response or refusal of the licensee or lessee or permit holder for the grant of second mineral located apart separately, the Licensing Authority may delete any viable portion of the area containing the other mineral for grant to the other person, or grant a mineral title or mineral permit over the same area for the other mineral or mines in favor in any other person.

(3) In case two different minerals are inter-bedded or closely located, the Licensing Authority shall direct the licensee or lessee or permit holder to get the grant of second mineral for systematic mining operation and utilization of mineral resource, within thirty days, failing which the main lease or license or permit may be cancelled.

(4) The second applicant shall deposit application fee as specified in the First Schedule, for grant of the applied mineral.

120. **Reciprocity.**- A license or a lease shall not be granted to, or held by, any person who is or becomes controlled directly or indirectly by a national of, or by a Company incorporated in, any country the laws and customs of which do not permit subjects of Pakistan or companies incorporated in Pakistan to acquire, hold and operate mining concessions on conditions which, in the opinion of Government, are reasonably comparable with conditions upon which such rights are granted to nationals of that country in Pakistan.

121. **Submission of production and periodical returns.**- (1) A holder of a mineral title, permit holder except reconnaissance license shall send monthly production returns and dispatch of mineral along with photograph (hard copy/soft copy) of Geo-Tag

with time stamp printed on it to the Licensing Authority in the prescribed form on or before the fourteen days of each succeeding month. The monthly production returns shall be accompanied with a challan indicating payment and clearance of royalty and other dues thereof or the licensing authority may from time to time convey the new methods of reporting supported by the technological advancement.

(2) In case of "Nil" report, the declaration of "Nil" production shall carry sufficient information stating therein the reason, for the particular period with all circumstantial evidences.

(3) The licensing authority may authorize officers of the Department to verify all production reports and the authorized officers shall submit verification reports within fifteen days to the licensing authority.

**122. Power to assess and claim of compensation for damage to mineral property.-** (1) In the event of any damage caused to the mineral property due to unscientific working, lack of supervision, negligence or any other omission or commission on the part of holder of a mineral title or permit, the Licensing Authority shall assess by reasonable means the extent of the damage and the compensation thereof shall be payable by the holder of the mineral title and permit; provided that before doing so, the Licensing Authority shall offer a fair opportunity of hearing to the holder of the title.

(2) The decision of the Licensing Authority under this section shall be final.

(3) The holder of mineral title shall be liable to pay the compensation so assessed in the same manner as arrears of land revenue Act.

**123. Exclusion of lands for public purposes and taking possession in emergencies.-** (1) If an area or a portion thereof held under mineral title or mineral permit is required at any time for any public purpose, the holder of a mineral title shall forthwith release to the Licensing Authority such area and to such extent as is required by Government under such terms and conditions as may be determined by the Licensing Authority.

(2) Where any area excluded under this rule becomes subsequently available for the purpose of a mineral grant, the previous holder of the mineral grant shall have prior right over such area if his original mineral title subsists.

(3) In the event of a state of war or national emergency, Government may take control of works, plants and premises under the mineral title or permit, and the holder of mineral title or permit shall conform to and obey all directions issued by the Licensing Authority or Government in this behalf.

(4) The holder of the mineral title or permit shall be paid a fair compensation of the investment made in the said area or part thereof to be assessed by the Licensing Authority.

**124. Sub-letting.-** (1) No holder of a mineral title or permit shall transfer the liberties, powers, privileges and obligations in the form of sub-letting under the license or lease or permit as the case may be, to a third party in respect of the area demised under the mineral title or permit.

(2) The mineral title or permit shall be cancelled by the Licensing Authority, if the provisions of sub-rule (1) are violated; provided that before doing so, the Licensing Authority shall afford a fair opportunity of hearing to the holder of mineral title or permit.

125. **Weighing of Minerals.**- The holder of any exploration license, a mineral deposit retention license, a mining lease or a mining permit shall provide in the exploration area, retention area, mining area or, as the case may be, the area subject to the mining permit, a property constructed and correct weight of any mineral won or mined in the exercise of the rights referred to in rule 20, 31, and 44 or, as the case may be, rule 79 and shall provide the weight sample and test any such mineral or group of minerals, in accordance with mining practices;

(2) The holder of mineral title or permit or royalty contractor shall install the weighing machines at every check posts and weight the mineral in transit before collection of royalty.

126. **Power of Licensing Authority to Obtain Information.**- (1) Where the licensing authority has reason to believe that a person is capable of furnishing information or data relating to reconnaissance, exploration or mining operations, or to minerals won, mined, found or sold or otherwise disposed of, or the value thereof, it may, by notice in writing served on that person, require that person -

- (a) to furnish the licensing authority in writing that information or data, giving particulars, within the period and in the manner specified in the notice;
- (b) to attend before a person identified in the notice at such time and place as specified and thereto answer questions relating to those operations to minerals won, mined, sold or otherwise disposed of or to that information or data; or
- (c) to furnish a person identified in the notice, at such time and place as specified, with such data as may be in his custody or power relating to those operations, or to minerals won, mined or sold or otherwise disposed of, or the value thereof.

(2) A person is not, excused from furnishing information or data, or answering a question when required to do so under this rule, on the ground that the information or data so furnished, or the answer to the question, might tend to incriminate him or make him liable to a penalty, but the information or data so furnished or his answer to the question shall not be admissible in evidence against him in any proceeding other than proceedings for an offence against these rules.

(3) Where data are furnished, pursuant to requirement under clause (c) of sub-rule (1), the person to whom the data are furnished may make copies of or take extracts from the data.

(4) In this rule, "data" includes books, documents, interpretations, diagrams, profiles and charts, photographs and includes data recorded or stored by means of any digital data or other devices and any material subsequently derived from data so recorded.

127. **Liability for Pollution.**— (1) Where in the course of reconnaissance, exploration or mining operations carried on under a mineral title or mineral permit —

- (a) any mineral is spilled on land, or in any water on or under the surface of any land; or
- (b) any land or any such water is otherwise polluted or damaged; or
- (c) any plant or animal life, whether in water or on, in or under land is endangered or destroyed; or
- (d) any damage or loss is caused to any person, including Government, by such spilling, pollution or damage, the holder of the mineral title or mineral permit shall forthwith —
  - (i) report such spilling pollution, loss or damage to the licensing authority; and
  - (ii) takes his own cost, all such steps as may be necessary in accordance with good reconnaissance, exploration mining practices or otherwise as may be necessary to remedy the spilling, pollution, loss or damages as directed by the licensing authority.

(2) If the holder of mineral title or mineral permit, referred to in sub-rule (1), fails to comply with the provisions of clause (b) of that sub-rule within such period as the licensing authority may deem in the circumstances to be reasonable —

- (a) the licensing authority may, by notice in writing, order the holder to take within such period as may be specified in such notice, such steps as may be so specified in the order to remedy the spilling pollution, damage or loss; and
- (b) if the holder fails to comply with the order to the satisfaction of licensing authority within the period specified in the notice or such further period as the licensing authority may, on good cause shown allow in writing, the licensing authority may cause such steps to be taken as may be necessary to remedy the spilling, pollution, damage or loss and recover the cost incurred thereby from such holder, the licensing authority may cancel the license, lease or permit and black list him and forfeit the security and confiscate the machinery available there for recovery of damages.

128. **Service of Documents.**— (1) Any document, notice or other communication required or authorized under these rules to be given to or served on any person by the licensing authority or any other person shall be deemed to have been give or served —

- (a) if given to or served on such person personally;
- (b) if dispatched by registered or any other kind of post addressed to such person at his last known address which may be any such place or office referred to in clause (c) or the person's last known post office box number or place of business;

- (c) if left with some adult person apparently residing at or occupying or employed at the person's last known abode or office or place of business;
- (d) in the case of a company –
  - (i) if delivered to the public officer of the company;
  - (ii) if left with some adult person apparently residing at or occupying or employed at its registered address;
  - (iii) if dispatched by registered post addressed to the company or its public officer at its or the officer's last known address; or
  - (iv) conveyed by electronic or by any other means to the person.

(2) Any document, notice or other communication referred to in sub-rule (1) which has been given or served in the manner specified in clause (b) or clause (d) (iii) and (iv) of that sub-rule, shall, unless the contrary is proved, be deemed to have been received by the person to whom it was addressed at the time when it would, in the ordinary course of post, have arrived at the place to which it was addressed.

129. **Inspection by Authorized Officers.**— (1) For the purposes of these rules, an authorized officer may on behalf of the licensing authority, at all reasonable times –

- (a) enter any area, structure, vehicle, vessel, aircraft or building that, in his opinion has been or is being or is to be used in connection with reconnaissance, exploration or mining operations;
- (b) inspect and test any machinery or equipment that, in his opinion, has been, is being or is to be used in connection with any of operations referred to in clause (a);
- (c) take or remove for the purpose of analysis or testing, or for use in evidence in connection with an offence against these rules, samples of minerals, photographs or other substances from a mine or any area where any of the operations referred to in clause (a), are being carried on;
- (d) inspect all books, record and accounts, contracts and other documents relating to mineral operations;
- (e) inspect, take extracts from, and make copies of –
  - (i) any data, as defined rule 126 (4);
  - (ii) any maps or plans relating to any of the operations referred to in clause (i); or
- (f) may make such examinations and inquiries and issue such orders or directions as are necessary to ensure compliance with the provision of these rules, and any directions issued, conditions imposed or orders made, by licensing authority under these rules.

(2) Before exercising any of his powers under sub rule (1), and authorized officer shall show identification to –

- (a) any person who is or appears to be in-charge of the area, structure vehicle, vessel, aircraft, building, machinery, equipment or matter

or thing in respect of which the power is about to be exercised; and

(b) any person to whom he is about to give an order or a direction.

(3) The licensing authority -

(a) may implement measures to check the production and transportation of minerals, including the installation of barriers;

(b) shall notify the holder of a mineral title of such measures;

(4) The holder of mineral title or mineral permit as well as the carrier who transport mineral on behalf of that holder shall be responsible for any violation of measures referred to in sub-rule (3).

(5) Any person who is aggrieved by a decision, direction or order of an authorized officer made under this rule may appeal in writing to the licensing authority who shall, as soon as practicable hear and dispose of the appeal, but the bringing of the appeal will not affect the operation of the decision, direction or order appealed from pending disposition of the appeal.

(6) On an appeal under sub-rule (5), the licensing authority may rescind or affirm the decision, direction or order appealed from or may make a new decision, direction or order in substitution therefor, and the decision, direction or order shall be final.

(7) Any person aggrieved by a decision of the licensing authority under this rule may appeal to the Appellate Authority and the provision of section 48 shall apply in relation to that appeal.

(8) In exercising his powers under sub-rule (1), an authorized officer may be accompanied by any person whom the authorized officer believes has special or expert knowledge of any matter being inspected, tested or examined.

(9) A person who is an occupier or person in charge of any building structure or place, or the person in charge of any vehicle, vessel, aircraft, machinery or equipment referred to in sub-rule (1), shall provide an authorized officer with all reasonable facilities and assistance including the provision of necessary means of transport for the effective exercise of the authorized officers powers under this rule.

130. **Further powers of Authorized Officer.**- (1) If a person who was the holder of a mineral title referred to in sub-rule (2) of rules 19, 30, 43 or 56, fails to comply with the requirements of that sub-rule, an authorized officer may -

(a) at all reasonable time, enter upon any premises whatsoever and search for the records, maps and plans, photographs, tabulations in hard and soft copies, books and documents referred to in clauses (a) to (d) of that sub-rule; and

(b) seize such records, maps and plans, reports, photographs, tabulation in hard and soft copies, books and documents.

(2) The provisions of rule 129 (5), and (6) shall apply, with necessary modification in relation to an authorized officer and the carrying out of these functions under this rule.

**131. Contravention of these rules.-** (1) Any person who carries on reconnaissance, exploration or mining operations in the Province except in accordance with a mineral title or a mineral permit, shall be guilty of an offence and shall be liable, on conviction, to a penalty as described under the Act.

(2) Any person who -

- (a) makes or causes to be made in connection with any application under these rules, any statement knowing it to be false or misleading;
- (b) submits or causes to be submitted in connection with -
  - (i) any such application; or
  - (ii) any notice, report return or statement issued or given under any provision of these rules; or
  - (iii) the conditions of any title or permit;
  - (iv) any document, information or particulars which are false or misleading knowing it to be false or misleading;
- (c) fraudulently and with the intent to mislead any other person to believe that a mineral exists at any place or places or deposits or causes to be deposited any mineral or group of minerals in or at any such place; or
- (d) fraudulently and with intent to deceive mingles or causes to be mingled with any sample of ore any substance which will increase the value or nature of the ore,

is guilty of an offence and is liable on conviction to a penalty as prescribed Fifth Schedule.

(3) A person who contravenes or fails to comply with -

- (a) any conditions of a mineral title or mineral permit;
- (b) the provisions relating to restriction on exercise of rights;
- (c) any notice given pursuant to rule 12;
- (d) any provision of rule 19 (1) or (2), 30 (1) or (2), 43 (1) or (2), 56 (1) or (2), 80(1) or (2), 91 (1) or (2) relating to the keeping of record and other documents, the submission of reports to the licensing authority within specified time and the delivery of documents and records to the licensing authority on the termination, expiration or cancellation of mineral permit or mineral title,

is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.

(4) Any person who willfully makes or cause to be made or concurs in making a false entry in the Titles Register or the permits Register, produces or tenders in evidence, a document falsely purporting to be copy of an extract from an entry in the Tiles Register or Permits Register, is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.

(5) A person who contravenes or fails to comply with a notice given under rule 128, requirement that person to take certain action in the event of that person's failure to pay royalty, is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.

(6) A person who contravenes or fails to comply with a direction given to that person under rule 130 (2), requiring that person to demolish or remove a building or structure, to remove equipment or any other thing or to remedy any damages, is guilty of an offence and is liable, on conviction, to a penalty as described in Fifth Schedule.

(7) Any person who-

- (a) refuses or fails to comply with the requirement in a notice under sub-rule (1) (a) of rule 126 to the extent to which he is capable of doing so;
- (b) in purported compliance with a requirement referred to in clause (a), knowingly or recklessly, furnishes information that is false or misleading in a material particular; or

- (c) when attending before any person under a requirement referred to in sub rule (1) (b) of rule 126 or furnishing any data to any person under a requirement referred to in sub-rule (1)(c) of that rule, knowingly or recklessly makes a statement that is, or furnishes any data that are, false or misleading in a material particular,

is guilty of an offence and liable on conviction to a penalty as described in Fifth Schedule.

(8) Any person who -

- (a) without reasonable excuse obstructs or hinders an authorized officer in carrying out his functions under these rules; or
- (b) knowingly or recklessly makes a statement or produces a document that is false or misleading in a material particular to an authorized officer carrying out his function under this rule,

is guilty of an offence and is liable on conviction to a penalty as described in Fifth Schedule.

(9) If any person obstruct free access of holder of mineral title or permit to the licensed or leased area or area under mineral permit, directly or indirectly tries to interfere with the prospecting or exploration or mining operations by a holder of a mineral title or mineral permit, he shall be punished in accordance with the provisions of the Act.

132. **Forfeiture Order.**- (1) Where a person is convicted of an offence under these rules, the court before which he is convicted, may, in addition to any penalty imposed or other forfeiture ordered, order that -

- (a) any mineral won or mined in the course of the commissions of the offence, be forfeited to Government; or
- (b) in the event of any such mineral having been sold or otherwise disposes of that an amount equal to the proceeds of the sale or the

market value of the mineral whichever is the greater as determined by the court, be paid by such person for the benefit of Government.

(2) The offence shall be tried in accordance with the procedure laid down in the Code of Criminal Procedure, 1898.

133. **Corporate Social Responsibilities (CSR).**- (1) All the large and small scale mineral title or permit holders shall be responsible to pay prescribed amount of CSR Fund in the mining area for the welfare of local inhabitants, which include infrastructure development, education, health, social services, environmental upgradation, beautification, uplifting socio-economic conditions in order to improve quality life and make the mineral title holders responsible to the rights of local inhabitants in the prescribed manner the Government of Sindh may determine from time to time by crafting a CSR policy accordingly.

(2) The Mining companies and mineral title holders or permit holders would contribute an amount as determined by Government, annually, towards the social uplift of the local population through establishment and self-sustained maintenance of community improvement projects and would participate in Government efforts to sustain the development level of mineral bearing areas on depletion of the mineral resource. Government will collect this contribution and expend upon the welfare projects prepared in consultation with local representatives of the area or region. Out of such contributions, training and employment opportunities shall be provided to the local employees by foreign and national mineral exploration and production companies in the Province.

(3) There shall be some arrangements (production bonus) out of the production slab of minerals to be determined through the policy mechanism for the welfare of inhabitants of the mining areas or the proximity areas of the district concerned to be levied by Government through the Department.

134. **Restriction on grant of area for Mining purpose and Stone Crushing activity.**- (1) There shall be a complete ban on the mining and stone crushing activity in any historical, religious, heritage, cultural and public places including old archeological, historical hills and mountains having historical identity, irrespective of sites of specified areas or locations.

(2) Subject to sub-rule (1) the mineral title and mineral permits already granted shall stand cancelled.

(3) Any person who shall carry out illegal mining directly or indirectly which is detrimental to any historical, religious, heritage, cultural and public places shall be punished in accordance with the provisions of the Act.

135. **Security of record.**- (1) It shall be responsibility of the Licensing Authority to scan, index, preserve (in the local and remote server and/or backup drives) along all digital security features such as QR Code or any other document authentication mechanism updated from time to time whichever method to make document safe and secured.

136. **Mineral Pricing.**- The Licensing Authority, after consultation with the stakeholders in the field of mines and minerals and with the approval of Government,

determine the manner for mineral excavated and to be sold, for which the pricing mechanism of each mineral be made preferably annually or biannually.

137. **Establishment of Provincial Mineral Development Companies.-** Government may enter into agreement in joint venture (JV) with the public and private organizations, for the purposes of mineral development activities in the minerals and mineral areas along with the technical expertise that may support the exploration, mineral excavation, mineral dressing and marketing in order to increase the profitability of minerals resource of the Province. Government may, in this behalf, establish mining companies with a reasonable proportion of its directors and support staff to run the affairs of mineral development companies of province.

(2) Government will encourage joint ventures between foreign and local private investors. Government will be entitled to participate in the projects in the form of a negotiated equity, participating interest, enhanced royalty rate or such other structure as agreed to by the Government and the mining companies.

#### **PART-VII REPEALS AND SAVINGS**

138. **Repeals.-** On coming into force of these rules, the following instruments shall stand repealed to the extent of Province of Sindh:-

- (i) The Sindh Mining Concession Rules, 2002;
- (ii) The Sindh Mining Concession Granite Order, 2007.
- (iii) All notifications and orders made pursuant to those rules.

139. **Saving.-** Notwithstanding the repeal under the preceding rule, any license or lease granted or renewed issued under the instruments referred to in the preceding rule and existing immediately before the coming into force of these rules, shall be deemed to have been granted or renewed or issued, until modified, rescinded or amended to by the competent authority.

**FIRST SCHEDULE**  
**Application Fees Relating To Mineral Titles, Mineral Permits, Temporary**  
**Permits For Leveling & Dressing Licenses**

Sr. #	Mineral Titles & Permits, Temporary Permit & Dressing Units	Fees in Rupees
1.	Reconnaissance License	500,000/-
2.	Exploration License	2,000,000/-
	First Renewal	2,000,000/-
	Second Renewal	1,000,000/-
	Amendment	500,000/-
3.	Mineral Deposit Retention License	1,500,000/-
	Renewal	3,000,000/-
	Amendment	25,00,000/-
4.	Mining Lease	3,000,000/-
	Renewal	10,000,000/-
	Amendment	500,000/-
5.	Mining Permit	100,000/-
	Renewal	100,000/-
	Amendment	100,000/-
6.	Temporary permit for levelling/crushing/dressing Unit	200,000/- per acre
	Renewal	200,000/- per acre
<b>Other fees</b>		
	Transfer of Mining Lease	2500,000/-
	Transfer of Mining Permit	200,000/-
	Demarcation Fee (Large Scale) Mineral Title	1000/- per acre
	Demarcation Fee (Small Scale) Mineral Permit	300/- per acre

	Checking of boundary Demarcation (Large scale)	500/- per acre
	Checking of boundary Demarcation (small scale)	250/- per acre
	Inspection of Mineral Title registration	100,000/-
	Inspection of Mineral Permit registration	10,000/-
	Appeal fees	5000/-
	Copy of gazette Sindh Mines & Mineral Governance Rules 2023	1000/-
7.	Surveyor's Registration Fee	10,000/-
	Surveyor's Registration renewal fee	10,000/-
<b>Security Deposit under the Rules</b>		
8.	For Mineral Title other than reconnaissance (Large Scale), Rs.2,000/- per acre only, subject to minimum of	5,000,000/-
9.	For Mineral Permit Rs.1,000/- per acre only, subject to minimum of	100,000/-
<b>Performance Guarantee</b>		
10.	For Mining Lease (Large Scale) Rs.10,000/- per acre only, subject to minimum of	30,000,000/-

**SECOND SCHEDULE**  
**Annual Rental**

Sr.#	Category	Rentals (Rupees)
1.	Reconnaissance License	20,000/- per acre
2.	Exploration License	20,000/- per acre
3.	Mineral Deposit Retention License	20,000/- per acre
4.	Mining Lease	2,000/- per acre
5.	Exploration Permit	500/- per acre
6.	Mining Permit	500/- per acre
7.	Crush plant and dressing unit	100,000/- per unit

**THIRD SCHEDULE**  
**Royalties**

Sr.#	Mineral	Rates of Royalty Rupees per ton (1000 kg)
1.	Ball Clay	60/-
2.	Bauxite Clay	135/-
3.	Bentonite	50/-
4.	Calcite	125/-
5.	Celestite	130/-
6.	Chalk	110/-
7.	Dolomite	100/-
8.	Fire Clay	80/-
9.	Flint Stone	80/-
10.	Fuller's Earth	60/-
11.	Iron Ore	235/-
12.	Laterite	100/-
13.	Limestone (Large Scale)	126/-
14.	Shale Clay (Large Scale)	100/-
15.	Quartzite Stone	90/-
16.	Red Ocher	115/-
18.	Granite	2000/-

**FOURTH SCHEDULE**  
**Royalty through Public Auction**

Sr.#	Mineral	Rates of Royalty Rupees per ton (1000 kg)
1.	Limestone	40/-
2.	Reti /Bajri	40/-
3.	Aggregate Stone	40/-
4.	Gravel	40/-
5.	Mouram	40/-
6.	Ordinary Sand	40/-
7.	Ordinary Stone	40/-
8.	Silica Sand	100/-
9.	Marble	40/-
10.	Shale Clay / Clay	60/-
11.	Lake Salt	60/-
12.	China Clay	40/-
13.	Materials under levelling permit	60/-
14.	Trona	

**FIFTH SCHEDULE**  
**Fine for violation of the Rules**

The holder of a mineral title shall be liable to penalty of fine which shall not exceed rupees fifty thousand in respect of the contravention of any provision of these rules for each violation.

The mineral permit holder shall be liable to penalty of fine which shall not exceed rupees ten thousand in respect of the contravention of any provision of these rules for each violation.

On subsequent / repeated violation of the provisions of these rules by the holder of mineral title or mineral permit, as the case may be, he shall be liable to pay rupees one thousand per day for each violation.

**FORM-A**  
**Mineral Title and Mineral Permit**

To,

The Licensing Authority

(The Director General, Mines and  
Mineral Development) Government of  
Sindh, Karachi.

**Subject: Request for.....**  
.....

I/we, the undersigned, am/are interested in investment in the mining industry of Sindh, to contribute whereby to the province's economic growth, mineral sector development, Government exchequer and local welfare and development. I/we, therefore, request you kindly to consider granting to me/us, as per the relevant rules, regulations, policies and procedures, the mining concession requested as above in view of the following facts and figures and the documents enclosed herewith, please.

Required Information Details	
1. Name (in full) with father's/husband's name and surname/caste:	
2. Place and date of birth:	
3. Address:	
Business/Office:	
Home:	
Email:	
4. Occupation Details:	
5. Education Details:	
6. Experience Details:	
8. Business Idea/Plan/Model of the applicant (individual/firm/company):	
9. Net Worth (in Pakistani rupees) of the applicant individual/firm/company):	
10. Details of Mining Concessions, already presently and/or previously held by the applicant:	
11. Details of the applying Business Organisation (i.e., the applicant entity: proprietorship/firm/company) including its registration data and other profile aspects:	
12. Contact Telephone (Landline and Mobile) Numbers:	
i. Business/Office:	
ii. Residence:	iii. Cellular:
iv. Fax:	
v. Whatsapp:	
13. CNIC Number and Validity Date:	
14. Passport Number and Validity Date:	
15. Health Profile:	
16. Details of the Mining Concession, now required:	
17. Details of Relevant Trade Association Membership:	
18. Details of the Documents, etc., out of those Required to be Attached with this Application for Mining Concession:	
19. Details of Financial, Human, Technical and Other Resources:	
20. Status and History of Payment of Income and Sales Tax and Other Levies:	
21. Status and Details of Fulfilment of Codal Formalities with respect to this Application:	
22. Details of Application Processing Fee deposited in advance of submission of application:	

<b>23. Details of qualification and trainings acquired by the signatory/signatories in the subjects, fields and programmes related to the mining/mineral industry/sector:</b>
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<b>24. Signatory(s) as per CNIC with the name and position of the signatory in the applicant entity:</b>
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**Enclosures with application:**

- (1) An applicant may be an individual (or proprietor), a firm (or partnership) or an association and a company or a society.
- (2) The applicant shall furnish the above details in clear writing. The required details shall, as per their applicability, pertain to (i) the individual when the applicant is an individual, (ii) the firm or association and its partners or members, as the case may be, and the members of its governing body and top management when the applicant is a firm or association, (iii) the company or society and the members of its Board of Directors and /or Governing Body and top management when the applicant is a company or a society.
- (3) Some information required relates to the business organization (*i.e.*, the applicant entity) and other concerns the persons concerned with it—*viz.*, owner(s), partners, board members/directors and top executives/managers. What information concerns whom may accordingly be discerned and provided.
- (4) The applicant may get a softcopy of this format from the Licensing Authority.
- (5) The required information is to be provided in the blank row following the required item of information.
- (6) The applicants may, on their own, compose their application in the above format / pattern. The resultant application may be hand-written or typed or made on computer and printed.
- (7) The Application may go on any number of pages as per need of the information details, required and provided.

## FORM-B

FOR TEMPORARY PERMITS FOR LEVELLING OR STOCK OR CRUSH  
PLANT OR DRESSING UNITS

To,

The Licensing Authority

(The Director General, Mines and  
Mineral Development) Government of  
Sindh, Karachi.

Subject: Request for.....

I/we, the undersigned, am/are

1. Name (in full) with father's/husband's name and surname/caste:	
2. Address:	
Business/Office:	
Home:	
Email:	
3. CNIC Number and Validity Date:	
4. Pasport Number and Validity Date (in case of foreign national)	
5. Contact Telephone (Landline and Mobile) Numbers:	
i.	Business/Office:
ii.	Residence:
iii.	Cellular:
iv.	Fax:
v.	WhatsApp:
6. Occupation Details:	
7. Business Idea/Plan/Model of the applicant (individual/firm/company):	
8. Details of Relevant Trade Association Membership (in case of residential project)	
9. Details of the Documents, agreements etc., (in case work awarded by Government organizations / agencies)	
10. Details of NOCs (in case of public project)	
11. Status and Details of Fulfilment of Codal Formalities with respect to this Application:	
12. NTN No:	
13. Details of the area	
14. Details of Application Processing Fee deposited in advance of submission of application:	

15. Signatory(s) as per CNIC with the name and position of the signatory in the applicant entity:

**Enclosures with application:**

- (1) Original treasury challan as application Fee as mentioned in the First Schedule.
- (2) Attested copy of CNIC.
- (3) Attested copy of Passport (in case of foreigner).
- (4) Income Tax / FBR Registration Certificate.
- (5) A copy of Memorandum of Articles (in case of firm / company).
- (6) Authenticated copy of partnership deed (in case of firm only).

**FORM-C**

**FOR PARTICIPATION IN BIDDING OF MINERAL TITLE & PERMIT**

To,

The Licensing Authority

(The Director General, Mines and  
Mineral Development) Government of  
Sindh, Karachi.

Subject: Request for.....

I/we, the undersigned, am/are

1. Name (in full) with father's/husband's name and surname/caste:	
2. Address:	
3. CNIC Number and Validity Date:	
4. Pasport Number and Validity Date (in case of foreign national)	
5. Contact Telephone (Landline and Mobile) Numbers:	
i.	Business/Office:
ii.	Residence: iii. Cellular: iv. Fax:
v.	WhatsApp:
6. Occupation Details:	
9. Details of the Documents, etc.	
12. NTN No:	
14. Details of Application Processing Fee deposited in advance of submission of application:	
15. Signatory(s) as per CNIC with the name and position of the signatory in the applicant entity:	

**Enclosures:**

- (1) Original treasury challan as application Fee as mentioned in the First Schedule.

- (2) Attested copy of CNIC.
- (3) Attested copy of Passport (in case of foreigner).
- (4) Income Tax / FBR Registration Certificate.
- (5) A copy of Memorandum of Articles (in case of firm / company).
- (6) Authenticated copy of partnership deed (in case of firm only).

## FORM-D

## APPLICATION FORM FOR ASSIGNMENT / TRANSFER OF A MINERAL TITLE OR PERMIT

NB: The content to be reviewed and amended in the context of the finalized Rules of SINDH.

TO: (Licensing Authority)

Information to be supplied by applicant, where information cannot conveniently fit in this Form, it should be included as attachment.

1. Name of Applicant (Assignor / Transfer etc.)	
2. Type of Mineral Title held.	
3. Date Mineral Title granted or became vested in Applicant	
4. Registered No. of Mineral Title.	
5. Nature and amount of interest being assigned, transferred, ceded etc.	
6. Name and particulars of assignee ( to be the same as that required of applicant for grant of the relevant mineral title:	
7. Name and particulars of any other mineral title or interest held by assignee directly or indirectly in Pakistan.	

**Attachments to application:**

Copy of contract / agreement of assign / transfer between applicant and assignee / transferee etc.

In the case of a corporate applicant, evidence confirming compliance with all corporate requirements for entering into the contract / agreement of assign / transfer.

Evidence of assignee / transferee's financial and technical resources, to carry out mineral operations contemplated after the assignment / transfer etc., including evidence of mining related experience. **Declaration by Applicant:**

I/We sincerely declare that the foregoing particulars are to the best of my / our knowledge correct and that there are no Government dues or fees outstanding in respect of this or any other mineral title against me / our company or any firm of which I / we have an interest.

Signed: \_\_\_\_\_

Full Name: \_\_\_\_\_

----- CNIC: \_\_\_\_\_

----- Position: \_\_\_\_\_

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## FORM-E

FORM FOR ROYALTY OF OPEN AUCTION FOR MINERALS MENTIONED IN  
FOURTH SCHEDULE

## UNDER RULE-

1. Name of Division/District: \_\_\_\_\_
2. Name of applicant; \_\_\_\_\_
3. FBR Registration No: \_\_\_\_\_
4. Address: \_\_\_\_\_  
\_\_\_\_\_
5. Contact/Cell No.: \_\_\_\_\_
6. Email Address: \_\_\_\_\_
7. Details of application fee for participation in auction:  
  
Original copy of Treasury Receipt / Bank Draft / Banker's Check etc of  
Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_)  
dated \_\_\_\_\_, under the given head of account Deposited in State Bank  
of Pakistan / National Bank of Pakistan or any other schedule bank /  
Government Treasury.
8. Reserve Price: Amount in figure \_\_\_\_\_  
  
Amount in words \_\_\_\_\_
9. Detail of earnest money:
  - a. Name of Bank: \_\_\_\_\_
  - b. Pay order No: \_\_\_\_\_
  - c. Amount in figure \_\_\_\_\_
  - d. Amount in words: \_\_\_\_\_

SIGNATURE OF APPLICANT

CNIC NO. \_\_\_\_\_ DATED \_\_\_\_\_

Enclosures with the application:

- (a) Pay order / Demand draft/paid up Bank challan in the relevant head of account, as earnest money in favour of Director General, Mines & Mineral Development, separately for **Each District**, for all auctions of surface minerals.
- (b) Solvency certificate to the extent of reserve price on the prescribed proforma from concerned Mukhtiarkar / Deputy Commissioner of the District, where the property is situated. The solvency certificate shall be got renewed by the successful contractor from time to time up to the date of expiry of the contract period.
- (c) Bank statement of the last two years.
- (d) In case of limited companies and partnership firms, attested copy of Memorandum and article of association and registered partnership deed (authenticated by the competent authority according to the relevant law).
- (e) Attested copies of the National Identity Card or passport of the individual, partners or directors, as the case may be.
- (f) Attested copies of Income tax certificate with statement last two (02) years of the bidder with National Income Tax Number.