

# **SINDH MINING CONCESSION**

RULES, 2002

Approved wide No.SO(Teeh)/M&MD/3-9/2002

Dated March 13 2002

GOVERNMENT OF SINDH

MINES & MINERAL DEVELOPMENT

DEPARTMENT

PART-I

**GOVERNMENT OF SINDH**

**MINES & MINERAL DEVELOPMENT**

**DEPARTMENT**

**NOTIFICATION**

Karachi, the March 18, 2002

No SC(Tech)/M&MD/3-9/2002

In exercise of the powers conferred by section 2 of the Regulation of Mines, and Oil-Fields and Mineral Development (Federal Control) Act, 1948. the Government of Sindh, are pleased to make the following Rules:

**THE SINDH MINING CONCESSION RULES, 2002**

**PART I - PRELIMINARY**

I Short title, commencement and extent— (1) These rules may be called the Sindh Mining Concession Rules, 2002;

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THE SINDH MINING CONCESSION RULES, 2002  
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## **PART-I**

### **GOVERNMENT OF SINDH**

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### **THE SINDH MINING CONCESSION RULES, 2002**

#### **PART I - PRELIMINARY**

I Short title, commencement and extent— (1) These rules may be called the Sindh Mining Concession Rules, 2002;

(2) they shall come into force at once; and

(3) they shall extend to whole province of Sindh

**2. Definitions** — In these rules unless, there is anything repugnant in the subject or context:

(a) “Assign” shall, with its grammatical variations and cognate expressions, include transfer or mortgage of a mineral title;

(b) “Assignee” means a person, a firm or a company, to whom a license, lease or permit is assigned, transferred or mortgaged under these Rules;

(c) “Associated Minerals” means a mineral, which is combined or associated with the mineral or minerals to which a mineral title relates in such circumstance that it is physically impossible to mine the mineral or

- minerals included in the mineral title without also mining the associated mineral;

(d) “Authorized Officer”, in relation to any provision of

- these rules, means a person delegated with the

- power under rule 5(1);

(e) “Collector” means the Revenue Officer (Revenue) in the district as defined in the Sindh Land Revenue Act,

1967

(f) “Company” means:

- (i) a company as defined in the Companies Ordinance, 1984;

(ii) a body corporate formed by or under any law for the time being in force in Pakistan: or

(iii) a body corporate incorporated by or under the law of a country outside Pakistan relating to the incorporation of companies;

(g) "Conditions" includes terms, limitations and stipulations;

(h) "Constitution" means the constitution of the Islamic Republic of Pakistan;

(i) "Drilling" means the perforation of the earth's surface 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;

(j) "Exploration" means intentionally to search for minerals, and includes the determination of their extent and economic value;

(k) "Exploration Area" means the area of land; including its, lateral limits, to which an exploration licence relates:

(l) "Exploration Licence" means an exploration licence issued under these rules;

(m) "Exploration Operations" means any operation carried on in connection with exploration, including any accessing, extraction or incidental winning of any mineral for the purpose of mineralogical examination, assaying, test-work or marketability surveys, but, such

- operations shall not include commercial marketing;

(n) "Financing Institution" means an institution recognized, as such, by the State Bank of Pakistan for the purpose of advancing credit and loan facilities;

(o) "Form" means form appended to these rules;

(p) "Functions" includes powers and duties;

(q) "Good Reconnaissance Practices", "Good

Exploration Practices", or "Good Mining Practices" means practices which are generally accepted internationally by persons involved in reconnaissance operations, exploration operations, or mining operations, as the case may be, as good, safe and necessary in carrying out such operations;

(r) "Government" means the Government of Sindh;

(s) "Group", in relation to minerals, means minerals declared in the Third Schedule to constitute a named group of minerals;

(t) "In Default" means in breach of any provision of these rules or of any condition of a mineral title or mineral permit;

(u) "Land" includes land beneath water and the subsoil of land;

(v) "Lateral Limits", in relation to an area of land subject to a mineral title or mineral permit, means the vertical line passing through the sides by which that area is bounded;

- (w) . “Mining Lease” means a mining lease granted under these rules;
- (x) “Lessee” means a person or a company, to whom a lease under these rules, is granted and includes his successor — in interest;
- (y) “Licensee” means a person or a company, to whom a licence under these rules is granted and includes his successor in title and interest;
- (z) “Licensing Authority” means the authority to whom applications for mineral title or mineral permit are to be submitted;
- (aa) “Mine” means —
- (I) when used as a noun, any surface or underground excavation, including quarry, where any operation for the purpose of searching for or obtaining/winning a mineral has been or is being carried on, and includes all works, machinery, tramways, rope-ways, headings and siding, whether above or below ground, in or adjacent or belonging to or appurtenant to a mine, but does not include the manufacturing or processing plant; or
  - (ii) when used as a verb, means to carry on mining operations;
- (bb) “Mineral” means all surface and sub-surface natural deposits of ores and metals and other metallic and non-metallic substances, including naturally occurring aqueous solutions, containing more than 1% mineral salt in solution, but does not include
- (i) radioactive minerals necessary for the generation of nuclear energy except Beryl;
  - (ii) mineral oil; or
  - (iii) natural gas;
- (cc) “Mineral Agreement” means an agreement referred under these rules;
- (dd) “Mines Committee” means the committee constituted under these rules;
- (ee) “Mineral Deposit Retention Licence” means a mineral deposit retention licence issued under these rules;
- (ff) “Mineral Permit” means an exploration permit or a mining permit referred to in Part IV of these rules;
- (gg) “Mineral Title” means a reconnaissance licence, an exploration licence, a mineral deposit retention licence or a mining lease; -
- (hh) “Mining Area” means an area of land, including its lateral limits, to which a mining lease relates;
- (ii) “Reconnaissance Area” means the area of land including its lateral limits, to which a reconnaissance licence relates;
- (jj) “Reconnaissance Licence” means reconnaissance licence issued under these rules;
- (kk) “Reconnaissance Operations” means operations carried on in a general search for a mineral by means of aerial sensing techniques including geophysical surveys, photo-



geological mapping or imagery carried on from the air, and reconnaissance shall: be construed accordingly;

(II) "Schedule" means (he Schedules annexed to these rules;

(mm) "Small Scale Mining" has the meaning given under Part IV of these rules.

**3- Grant of licenses and leases:** (1) Except with the previous sanction of Government no licence to prospect for minerals or quarrying of mineral and no lease of mines and minerals shall be granted, otherwise than in accordance with these rules.

(2) Government may by notification in the official gazette, delegation powers to grant a prospecting license, quarry license or mining lease to any officer under administrative control of the mine s and Mineral Development Department, Government of Sindh in respect of any mineral or Minerals.

(3) Existing license and leases to continue: Any prospecting license, or quarry license or Mining lease granted or renewed by competent Authority under the Pakistan Mining Concession rules 1949 or west Pakistan Mining Concession rules1958 or Pakistan Mining Concession rules1960 adopted and amended by Government from time to time and in force prior to the promulgation of these rules shall be deemed to have been granted or renewed in accordance with the provision of these rules were in force at the time such license or lease was granted or renewed and shall be treated accordingly.

## **PART –II ADIMISTRATION**

**4- MINES Committee;** (1) There shall be a mines Committee which shall advise the licensing Authority in relation to such matters concerning the administration of these rules with respect;

(a) To grant or renew a mineral title or a mineral permit

(b) To refuse to grant or renew a mineral permit.

© To cancel a mineral tile or mineral permit

(d) To amend the terms or conditions of any mineral title or Mineral permit.

(e) to invite the competitive bids;

(f) to grant a mineral title to a person in excess of the limit specified in rule 8 (2);

(g) To grant a mineral title in respect of area of land exceeding the maximum limit specified in these rules in relation to that title.

(2) Government may by notification in the official gazette, determines the composition of mines Committee

(3) Where any matter is referred to the mines committee or its advice and the licensing authority decides to dispose of the matter otherwise than in accordance with the advice of the mines ;committee, the licensing authority shall before disposing of the matter, furnish the committee with a statement of its reasons for so

(4) The mines committee shall meet as often as may be necessary for transaction of its business but shall meet at least once in every two months.

(5) Minutes shall be recorded of all meetings of the mines committee and shall be signed by all members of the committee.

(6) Subject to the provisions of these rules, the mines committee shall determine its own procedure.

(7) The persons, companies, interested, in development of coal mines:

(i) shall submit applications to the Sindh Coal Authority on the proforma and procedure prescribed by the Sindh Coal Authority:

(ii) Sindh Coal Authority shall scrutinize the applications and submit to the Sindh Coal Authority Board for approval;

(iii) after approval of the Board, the Sindh Coal Authority shall sign Memorandum of Understanding with the applicant and recommend his request for grant of reconnaissance licence or prospecting licence or mining lease to the licencing authority in accordance with these rules;

**5. Power of Delegation** — (1) Government may, by notification in the Official Gazette, delegate any of its powers under these rules to any officer.

**3 Confidentiality** — (1) Information disclosed under these rules to the licencing authority or the Department, shall not be disclosed to any unauthorized person without prior approval of the competent authority, except to the extent that-

(a) disclosure is authorized or required by law;

(b) disclosure is required by order of a competent court, or for the purpose of any arbitration or litigation involving the Government;

(c) disclosure relates to information contained in the register referred to in rule 10(6) or 62;

(c) disclosure is necessary to compile and publish official statistical information concerning the geology and mineral resources of Sindh;

(e) disclosure is for the purpose

(i) implementing these rules or a mineral title or mineral agreement;

(ii) the formation and implementation of policy relating to development mineral resources in the province of Sindh, mineral policy or of giving advice to other Government

Departments or agencies; or

(iii) any discussion or dealing with the Federal

• Government;

(f) disclosure is effected with the prior permission in writing of the Minister granted in respect of any matter which, in the opinion of the Minister, is of a general nature and may be disclosed in the public interest; or

(g) disclosure is in accordance with a relevant mineral agreement or a mineral title;

(h) the person providing the information authorized disclosure at the time of providing the information.

(2) If the licensing authority or an officer employed by the Department uses, for the purpose of personal gain, information disclosed under these rules, that comes to the license authority or that officer in the course of, or by reason of, employment, that authority or officer is guilty of an offence and be punishable under the Efficiency and Discipline Rules in force the Government.

(3) The holder of a mineral title shall not disclose information acquired by the holder as provided in sub-rule ( rule 72 and in accordance with the mineral title or the mineral agreement.

(4) Where a mineral title ceases to have effect in relation to an area of land and the holder of the title does not acquire further title over that area, the Government shall have the right to disclose any information which it has received from the holder in respect of that area.

**7. Immunity of officers,** etc. — No liability shall attach to officer employed in or by the Mines and Mineral Development Department, the licensing authority or an authorized officer in respect of the exercise or performance, or purpose of exercise performance, in good faith, of any function under these rules.

### **PART III — MINERAL TITLES**

#### **Division I — General**

8. Types of Mineral Titles — (1) No person shall conduct exploration operations, mining operations or reconnaissance operations except under a mineral title or mineral permit granted the licensing authority pursuant to these rules.

(2) Subject to rule 3(3) read in conjunction with rule 117, the maximum number of mineral titles, which may be issued to an applicant in respect of any particular mineral shall not exceed two unless the Licensing Authority is satisfied, on reasonable grounds, that circumstances exist which justify the grant of a mineral title in excess of this number in the interest of the development of the mineral resources.

**9) Mineral Agreements** — (1) The Government may, at the request of a person proposing to carry on mineral operations, enter to an agreement, with that person relating to a mineral title, not consistent with these Rules, or any other law, if the Government is satisfied that substantial foreign investment is likely to be made in mineral operations and that the carrying on of the undertaking in question is desirable in the interest of development of the mineral sources of Sindh.

(2) The Federal Government may, at the request of the 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) the grant, renewal, cancellation or transfer of a mineral title;

(b) minimum exploration operations to be carried on and related expenditure to be incurred for the purposes 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 arms length basis:

(a) the payment of enhanced royalty in specified circumstances:

(f) the establishment in Sindh of secondary and tertiary processing facilities;

(g) guarantees to ensure the due and proper performance of the obligations of the holder of the mineral title;

(h) financial and insurance arrangements;

(i) the settlement of any dispute which may arise in the interpretation or application of any provision of a mineral agreement:

U) co-ordination of exploration or mining operations to be carried on by the person concerned under an exploration license or 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) other matters relating to mineral operation as the 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 these rules or any other law or the Constitution, 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 a 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 purpose of determining, under sub-rule (1), whether substantial foreign investment is likely to be made in a particular case, the 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) other factors relevant to making that determination.

10. Applications Under this Part — (1) An application under this Part—

- (a) shall, accept, where it is otherwise provided, be made to the licensing authority;
- (b) shall be in the Forms A or in such other form as may be approved by the licensing authority;
- (c) shall be accompanied by the fee specified in the First Schedule in respect of the application in question.

(2) Subject to these rules, where more than one application is- made in respect of the same area of land, the applications shall be considered in the order in which they are received by the licensing authority, unless the licensing authority in his discretion decides otherwise on merits.

(3) Applications received on the same date shall be deemed to have been received simultaneously.

(4) On receipt of an application under this Part, 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, the postal acknowledgement and the documents received.

(5) Subject to these rules, the licensing authority may it, on such conditions as may be determined in writing by the authority, or refuse, an application under this Part.

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

- (i) S. No.
- (ii) Date of receipt of the application
- (iii) Name of the applicant
- (iv) Complete address of the applicant
- (v) Whether applicant is a national of Pakistan or a company registered or incorporated in Pakistan or outside Pakistan
- (vi) Mineral or minerals for which application has been made.
- (vii) In case of mining lease, the period for which the lease is required.
- (viii) District or districts in which licence or lease, is req

- (ix) Place & total area applied for.
- (x) Application fee paid.
- (xi) Final disposal of the application, any other information as the licencing authority considers necessary.
- (xi) Remarks.

(7) An application who is not a national of Pakistan shall furnish with the application, an undertaking that the applicant will abstain from all political activity whatsoever affecting the sovereignty or security of Pakistan or which may be tantamount to interference in Pakistan's internal affairs and particular, that the applicant will eschew all espionage.

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

**11. 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, require the applicant by notice in writing-

(a) to furnish the licensing authority within such reasonable period as may be specifies in the notice with

(i) such information as may be described in the notice to enable the authority to determine who has, in the case of an applicant that is a company, the controfling interest in the affairs of the company; or

(ii) such other information as may be described in the notice, as the licencing authority may deem necessary for purposes of considering the application;

(b) to publish in such manner as may be specifies in the notice particulars of the application in relation to:

(i) the full names of the applicant;

(ii) the area, the kihd of mineral title, and the mineral to which application relates;

(c) to give to the çYerson or persons identifies, such particulars of the application as the licensing authority may specify.

(2) In order to enable the licensing authority to consider any application under these rules, the authority may:

(a) cause such investigations or negotiations to be made or undertaken as the licencing authority may in its discretion deem necessary; or

(b) require the applicant, by notice in writing, to furnish the licencing authority within such periods as may be specifies 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 licencing authority shall not giant any such title without prior consultation with the Department responsible for forests.

(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-

- (a) the land to which the application relates; and
- (b) any adjoining or neighbouring land.

(5) Where the licensing authority decides:

- (a) to grant an application under these rules subject to certain conditions, the authority shall give notice to the applicant accordingly, stating those conditions and the conditions referred to in rule 13.
- (b) to refuse an application under these Rules, the authority shall communicate that decision and reasons for the refusal to the applicant within a period of four months to the date of receipt of the application and other relevant information requested by the licensing authority.

(6) The applicant may, within the periods of one month after notice is given to him pursuant to sub-rule (5), or within such further periods 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 authority and the applicant.

**12. Lapse of Applications** — If an applicant fails-

- (a) to comply with the requirements of a notice referred to rule 11(1)01(2) (b);or
- (b) to agree pursuant rule 11(6),

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.

**13. 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 in such manner that the rights and interests of the occupier of any land to which the title 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 title relates including, but not limited to, the preparation of any accounts, maps, plans, programmes, 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 in 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 Sindh, 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 equipment manufactured or produced, and services available, within Sindh and Pakistan:

(f) co-operate with other persons involved in the mining citizens of Pakistan industry in particular, those in Sindh; to develop skill and technology to render service in the interest of that industry in Sindh.

(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 beneficiation ownership of more than five per cent of the issue share capital.

(j) carry out the mineral operation in such a manner not to encroach on any area not included in ft mineral title;

(k) in the case of a natural person, give to the licensing authority any change of the holder's address, within thirty days of the change.

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

(a) before the commencement of mineral operation within a reserved or protected forest:

(I thirty days notice in writing shall be given to the District Forest Officer of the intention to commence the Operation;

(ii) the operation shall be conducted subject to any condition that may be prescribed pursuant to rule 14(4), or specified by the officer regarding the use of fire or otherwise;

(b) the holder of the title shalt make such contributions to the 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;

( 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;

(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 paragraph (c) of rule 13(2) to restore the surface of land, in respect of which full compensation has been paid under rule 14(8).

(4) A mineral title may make provision —

(a) for the pre-emption of mineral by the 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 disputes which may be settled by arbitration; and

(c) with respect to any of the matters referred to in rule 9(3).

**14. Restriction 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;

(b) one hundred meters from any railway line, reservoir canal or other public works, or building,

except with the previous permission in writing of the licensing authority in accordance with the conditions, if any, that it may impose.

(2) 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; or

(c) any house or village site, or public road or on any other place,

which the licensing authority may exclude from such operations.

(3) 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 or cultivable agricultural land.

(4) 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.

(5) 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 Mines & Mineral Development Department for a final decision on the matter.

(6) 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's previous notice in writing specifying by name or other sufficient designation and quantity the land proposed to be occupied and the purpose for which it is required.

(7) 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

(8) 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 the Government against all claims which may be made by third parties in respect of any such damage, injury or disturbance.

(9) 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 sub-rule 8(a).

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

**(15) 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 in relation to —

(a) the carrying out, of reconnaissance operation 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 of 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 goods 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 o 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; and
  - J) the creation of safety zones in relation to structures erected on land to which the mineral title relates;
  - (k) the cessation of mineral operation to the extent of title upon 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 ( within the period so specified or such further period as the authority may in writing allow on good cause shown, the licensing authority may —
- (a) cause to be taken such steps as may be necessary to comply with the direction;
  - (b) and recover from the holder as a debt due to the Government, the costs incurred in connection with the taking of such steps.

## **Division 2 - Reconnaissance Licence**

**16- Rights of Licensee** — (1) Subject to these rules and the ion of the licence, a reconnaissance licence 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 reconnaissance area in respect of any mineral to which the licence 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 paragraph (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 -

- (a) an applicant for a reconnaissance licence, grant the licence to that applicant; or
- (b) the holder of a reconnaissance licence, cause an endorsement to be made on the licence,

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 justifies, 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-

- (a) any other mineral title has been granted, giving an exclusive right to carry on reconnaissance, exploration or mining operations; or
- (b) 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 relate.

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

**17. Duration of reconnaissance license** (1) **17. 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 exploration of license.

- (a) in relation to an area of land in which a constitute the reconnaissance area; and
- (b) in respect of a mineral in relation to which the license has the exclusive right under rule 16(3) to carry on reconnaissance license shall not expire in relation to that area of land and mineral unit the license is granted, or the application is refused, withdrawn or lapses, which ever first occurs.

**18. Application for reconnaissance license** (1) application for grant of reconnaissance license-

(a) shall contain is respect of the each application, the name of the company and particulars of its in corporation and registration, the full name and address of the directors and officer and if the company has a share capital the authorized subscribed and paid up capital and full name and addresses 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 per cent of the issued capital.

(b) shall be made in respect of an area of land which is not more than 100 Sq Km are commensurate with size of the project to be decided by the government of Sindh.

(c) shall identify the mineral in respect of which a license is sought.

(d) 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 —

(i) its location with reference to [ magisterial districts] and

(ii) the extent of the area and the boundaries by reference to identifiable physical features and co-ordinate reference points;

(e) shall contain particulars of —

(i) 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;

(ii) in the case of an application for an exclusive right referred to in rule 16(3), the reason for the application;

(f) shall contain

(i) such particulars as may be necessary to determine the applicant's technical and financial resources including, but not limited to, the companies audited financial statements, and, where applicable, those of any person contractually agreements;

(g) shall contain —

(i) particulars of all other mineral titles held or mines operated in Sindh by the applicant, whether alone or jointly, currently or during the ten years immediately preceding the date of the application; or

(ii) 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 Sindh;

(h) shall state the period, not exceeding twelve months for which the licence is required;

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

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

**19. Restrictions on Grant of Reconnaissance Licence** – (1) The licensing authority shall not grant a reconnaissance licence

(a) unless the licensing authority is satisfied that the applicant possess the required resources, expertise and experience to hold the licence;

(b) if, at the time of the application, the applicant is in default;

(c) unless the licensing authority is satisfied, on reasonable grounds —

(i) with the programme of the proposal reconnaissance operations and the estimate related expenditure: and

(ii) that the applicant has the technical and financial resources to carry on those reconnaissance operations and make expenditure; or

(d) in respect of an area of land in relation to a mineral in respect of which an exclusive right has, under rule 16(3), been conferred on any other holder of a reconnaissance licence.

**20. Issue of Reconnaissance Licence** — (1) Subject to sub-rules (4) and (5) of rule 11, where the licensing authority decides to grant a reconnaissance licence, it shall issue the licence to the applicant upon payment of the fee specified in the First Schedule.

(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 licence is issued pursuant rule 17(1);

(c) state the extent of the reconnaissance area;

(d) contain a map and plan of the reconnaissance area, prepared by a qualified surveyor, as provided in sub 18(1) (d) containing geometrical or numerical depictions, or any combination thereof, in words or symbols;

(e) state the conditions, other than those specified in rule 13, subject to which the licence is issued;

(f) state the mineral or group of minerals in respect of which the licence 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.

**21. Work Programme of Reconnaissance Operations** — (1) Where the license, is by virtue of the conditions of licence, required to carry out or to make within a particular period, in accordance with a work programme, certain minimum reconnaissance operations and expenditure, he shall furnished the licensing authority, on such date or dates as may be specified in the licence, or as may be determined by the licensing authority by notice in writing to the licensee, with particulars 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 expenditure referred to in sub-rule (1) in accordance with proposals contained in the application to such extent as the licensing authority may deem expedient.

(3) A licensee who fail to comply with the requirements of a work programme referred to in sub-rule (1) shall, subject to the provisions of rule 66, be liable to pay for the Benefit of the Provincial Fund such penalty as may be specified in the licence in question.

**22. Records, and Reporting by Licensee** — (1) The licensee shall prepare and keep at an address in Sindh, 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, interpretations and assessments of such studies and surveys;

(b) the persons employed by the licensee for purposes of the reconnaissance operations including the names, addresses, nationality and ages of such persons:

(c) the expenditure incurred by the licensee in the course of the reconnaissance operations and

(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 licensee shall also cause to be prepared by a registered mine surveyor and kept at all times at an office in Sindh, accurate plans and maps in respect of the reconnaissance area.

(3) The licensee shall submit to the licensing authority, within sixty (60) days after the end of the period of the licence, 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 licence whether in respect of the whole or any portion of the reconnaissance area;

(c) where an application is made for an exploration licence 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) cash report shall set out, in relation to the period of the licence —

(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, tapes and discs, 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 sub-rule (1) (d).

(4) In the event of the cancellation or surrender of reconnaissance license under rule 59 or 60, or the expiration of the licence, 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, tapes and discs 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, tapes, discs person in relation to the reconnaissance area with effect from the date immediately following the date o' the cancellation, surrender or expiration or such later date as the licensing authority may, on good cause shown, allow.

### **Division 3 — Exploration License**

**23. Right of Licensee** — ‘(1) Subject to these rules and the conditions of the licence, an exploration license shall confer on the licensee —

- (a) the exclusive right to carry on exploration operations in the exploration area in respect of any to which the licence 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 following 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 purposes 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 of any such mineral or groups of minerals or 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 paragraph (a).
- (2) The provisions of rule 16(2) shall apply with necessary modifications in relation to a licensee wishing to do so under rule 16.

**24. Duration of Exploration Licence** — (1) Subject to the rules, an exploration licence

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

(b) may be renewed —

(i) for such period, not exceeding three years may be determined by the licensing authority and specified in the instrument of renewal;

(ii) if the conditions specified in rule 29(2) (c) are satisfied, for a further period, not exceeding one year, as may be determined by licensing authority and specified in instrument of renewal, as from the date which the licence would have expired if application for its renewal had not been made or on the date which the renewal is granted whichever is later.

(2) Notwithstanding the provisions of sub-rule (1) subject to these Rules—

(a) where an application is made for the renewal of exploration licence, the existing licence shall expire until the application is refused, withdrawn lapses, whichever first occurs; or

(b) where the application is made by the holder of exploration licence for the grant of a mineral deposit retention licence or a mining lease, as the case may be, in relation to —

(i) an area of land in or which constitutes exploration area; and

(ii) a mineral to which the exploration licence relates, the exploration licence shall not extend in relation to that area of land that mineral until the application is refused or withdrawn or lapses, whichever first occurs, or if the application is granted, until the mineral deposit retention licence or, as the case may be, the mining lease, is granted.

**25- Effect of Issue of Mining Lease or Mineral Deposit retention Licence on Exploration Area** — (1) Where a mining licence is issued to the holder of an exploration licence in respect of an area of land in, or which constitutes, the exploration area and in respect of a mineral or included in the exploration licence—

(a) that exploration licence shall cease to have effect in relation to that area of land as from the date on which the mining lease is issued; and

(b) any other exploration licence held by any other person shall so cease to have effect in relation to that area of land unless the licensing authority deems it desirable in the interests of the development, of the mineral resources to so cease to have effect and, with the agreement of the applicant for the mining lease, so orders in writing on such conditions as the licensing authority may determine.

(2) Where a mineral deposit retention licence is issued to holder of an exploration licence in respect of an area of land in, which constitutes, the exploration area in respect of a mineral or mentioned in the exploration licence —

(a) that exploration licence shall cease to have effect in relation to that area of land on the date on which the mineral deposit retention licence is issued; and

(b) any other exploration licence held by any other person shall so cease to

have effect in relation to that area of land only if the licensing authority deems it of the development of the desirable in the interest of the development of the mineral resources of Sindh that it should cease to have effect and so orders in writing.

**26. Application for Exploration Licence** — An application for an exploration licence-

(a) shall in the case of an individual contain the full names and nationality date of birth and postal and residential address; or

(b) shall in the case of company, contain the information referred to in rule 18 (a);

(c) shall be accompanied by a plan referred to in rule 18(1)(d);

(d) shall be accompanied by a comprehensive geological description of the area of land over which the licence is required and, identify

(i) the potential for, or the nature of, mineralisation contained therein; and

(ii) any mineral in respect of which the licence is required;

(e) 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 state 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;

(f) shall contain the particulars referred to in rule 18(1)(f) (technical and financial resources);

(g) shall state the period, not exceeding three years, for which the licence is required

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

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

(j) shall be made in respect of an area of land not exceeding 1000 square kilometers;

(k) may be made in respect of an area of land less than 100 square kilometers, which will be decided by the Government.

**27. Grant or Refusal of Exploration Licence** — (1) Subject to these rules, where an application for an exploration licence-

(a) is made by the holder of reconnaissance licence in respect of

(i) an area of land in or which constitutes the reconnaissance area; and

(ii) any mineral in relation to which the holder of the reconnaissance licence has, under rule 16 (3), the exclusive right to carry on reconnaissance operations in that area of land, the licensing authority shall grant the exploration licence; or

(b) is made by any other person, the licensing authority may grant or refuse to grant the exploration license.

(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 Sindh 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 Sindh.

(3) An exploration license shall not be granted to an applicant -

(a) who is in default at the time of the application

(b) unless the licensing authority is satisfied on reasonable grounds -

(i) with The proposed programme 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.

(c) for a period not exceeding three years.

**28. Issue of Exploration License** — The provisions of rule 20 shall apply with necessary modifications in relation to the issue of an exploration license.

**29. Application for Renewal of Exploration License** - (1) Subject to this rule, the provision of rules 26 and 27 shall apply, with necessary modifications! in relation to an Application for the renewal of an exploration license,

(2) An app for the renewal of an exploration licence shall-

(a) be made not later than [ days before the expiry date of the licence 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 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 ha' 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 50% 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 report in duplicate containing the particulars described in rule 33(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 expe for the period of the renewal: and

(g) in the case of a second renewal, give the reason, supported by documentary proof, for requesting the renewal

(3) Subject to the provision of sub-rules (4), the licensing shall not grant a renewal of an exploration licence -

(a) unless the licensing authority is satisfied on reasonable grounds

(i) with the minimum exploration operations and expenditure proposed to be carried out or expended in the renewal period in respect of the areas of land to which the application relates! and

(ii) of the matter specified in sub-rule (3) (b) (ii) and (iii): of rule 27: or

(b) if, at the time of 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 exists which justify the grant of the renewal.

(4) The licensing authority shall not refuse under sub-rule of (b) to grant the renewal of an exploration license, unless the licensing authority has, by notice in writing informed the applicant of intention to refuse to grant the renewal.

(5) The licensing authority shall not grant a second renewal of an exploration license unless the applicant — (a') 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

(b) satisfies the conditions for renewal 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;

**30- Application for amendment of Exploration license-** (1) Subject to sub-rule (2), a licensee may apply for an amendment of license-

(a) by the extension or reduction; or both, of the \$ exploration area to which the license relates; or

(b) by the additions of any mineral, discovered in the exploration area, and not included in the license.

(2) The provisions of rules 26 and 27 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) upon payment of the fee specified in the first Schedule. The licensing authority, shall amend the exploration license accordingly.

**31. Obligation of licensee-** (1) The holder of an exploration license shall-

(a) commence operations within (three months) 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 safety, welfare and health of persons employed for the purposes of those operations in the exploration and 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 intend to be used in connection with the exploration operation

(e) take reasonable steps to warn persons who may from time to time be in the vicinity of any such structure, equipment or other goods of the possible hazard resulting therefrom:

(f) notify the licensing authority of the discovery of 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 a discovery of a deposit of any mineral other than a mineral included in the license:

(i) where the notification referred to in paragraph (h) relates to minerals necessary for the generation of nuclear energy as defined in sub-rule (7), notify also the Pakistan Energy Commission and the Pakistan Atomic Agency.

(2) Where, pursuant to -

(a) sub-rule(1)(f), the licensee notifies the discovery of associated minerals; or

(b) sub-rule(1)(h), 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 a separate license in respect of that mineral;

(b) shall, in the case of an application relating to associated minerals, grant the amendment of the license if it is satisfied on reasonable grounds that the licensee will -

(i) make such alterations in its work programme of exploration operations as are necessary in relation to the associated minerals; or

(ii) 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 license.

(5) Subject to sub-rule(6), the licensee shall have rights in respect of a 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 sub-rule(2)(i) without the agreement of Pakistan Atomic Agency.

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

**32. Work Programme of Exploration Operations** : the provisions of rule 21 shall apply, with necessary modifications in relation to a license and for that purpose, any reference in that rule to “reconnaissance license” or “reconnaissance operations” shall be deemed to be a reference “exploration license” or “exploration operations”, respectively.

**33. Records and Reporting by Licensee:** (1) The licensee shall prepare and keep at an address in Sindh in a form prescribed by the licensing authority, proper records of -

(a) the location and results of all photo-geological studies, imaging, geological mapping, geo-chemical sampling, geo-physical surveying, drilling, pitting, trenching, sampling and bulk sampling and activities undertaken by the licensee in the course of the exploration operations in or in connection with, exploration area covered by the exploration license

(b) the results of all analytical, metallurgical, mineralogical work incidental to such exploration operations;

(c) the interpretation and assessment of the studies, surveys and work referred to in paragraphs (a) and (b)

(d) the persons employed by the licensee for purposes 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;

(g) the capital and operating expenditure incurred by the licensee in the course of such exploration operations.

(h) 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;

(i) 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, in accordance with the Sixth Schedule, accurate maps and plans in respect of the exploration area.

(3) The licensee shall submit to the licensing authority, within 15 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 curtaining in relation to such quarter -

(a) 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

(b) 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 60 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 licence 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 licence or mining lease in respect of a portion of the exploration area, separate reports shall be submitted 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)-
- (i) an estimate of the mineral reserves in the exploration area properly illustrated by way of plans and maps according to an appropriate scale:
  - (ii) such other particular as the licensing authority may . require in relation to the exploration operations carried on by the license.
- 5) .in the event of the cancellation or an exploration license under rule 59 or rule 60 or the expiration of any exploration license the person who was holder of license 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) a maps and plans referred to in sub-rule (2):
  - c) all reports, photographs tabulations, tapes and discs prepared by or on behalf of such person in the 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 there of
- 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 date as the licensing authority may allow, on good cause shown.

#### **Division 4 — Mineral Deposit Retention License**

**34. Rights of Licence** — (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 44
  - (c) with the permission of the licensing authority 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 Sindh 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 carrying 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 paragraph (b).
- (2) the provision of rule 16(2) (consent of authority to erection or constructon) shall apply with necessary modifications in relation to a license wishing to erect or construct ancillary works under sub-rule (1) of this rule.



**35. 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 reftftton 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 non a profitable basis;
- (C) the applicant wishes to retain the exploration area or a part there of for future development of the mineral deposit d;scovered 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.

**36. Duration of mineral deposit retention licence** — (1) Subject to these rules, a mineral deposit retention licence -

- (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 - -
    - (i) the applicant is refused or withdrawn or lapses, whichever first occurs;
    - or
    - (ii) 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 so cease to have effect un 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.

**37. 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 rule 260) (a);
  - (b) shall in the case of a company contain the information referred to in rule 18(1)(a);
  - (c) shall be accompanied by the description and plan referred to in rule 18(1) (d) 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, estimates 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 the exploration area could be usefully carried out, the reasons therefore;
    - (ii) 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 be taken to prevent or mitigate such impact:
  - (f) shall contain -
    - (i) the particulars referred to in rule 18(1) (f) (technical and financial resources); and
    - (ii) particulars of the exploration license held by the applicant;
  - (g) shall-
    - (i) 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
    - (ii) 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 and 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 therefore, or such later date, but not later than such expiration date, as the licensing authority may allow, on good cause shown.

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

- (a) to carry out the proposal future mining operations in respect of an area larger than an area which in the opinion of the licensing authority would be required, having regard to the minerals discovered in the area to which the application relates;
  - (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 mined on the expiration of the period referrer rule 36;
    - (ii) that no further work can be usefully carried or 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 mine resources of Sindh;
    - (iv) that the applicant has the technical and financial resources to carry out any programme operations such as is referred to in rule 44; and
    - (v) That the applicant continues to be a fit and proper person to hold a license.
- (2) The licensing authority shall not grant a mineral retention licence 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 licensing authority has .

- (a) by notice in writing informed the applicant of intention to refuse the application-
  - (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 so remedy such matter or to make representation; and
- (b) has taken into consideration any representations made by the applicant.

**39. Issue of Mineral Deposit Retention License-** The provision of rule 20 shall apply with necessary modifications in relation to the issue of a mineral deposit retention license.

**40. 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 bona fide seeks the information for the purpose of Investigating the possibility of carrying on mining operations in the retention area.

**41. Application for Renewal of mineral Deposit Retention License-** (1) Subject to sub-rule (2) the provisions of rules 37 and 38 Shall apply with necessary modifications. in relation to an application [ the renewal of a mineral deposit retention licence.:

(2) An application for the renewal of a mineral deposit retention license shall be made not to 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 circumstance exist which justify the grant of the application: or

(b) in relation to a mineral unless the licensing authority is or reasonable grounds satisfied of the matters referred to in rule 38(1) (c) (I) to (v) or in respect of an area larger than that referred to in rule 38 (1) (a).

(4) the licensing authority shall not: under sub-rule (3), refuse to grant a renewal of the mineral deposit retention license unless the authority has informed the applicant, by notice in writing 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 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 remedy that default or other grounds for the proposal refusal or make representation which, in the opinion of the authority would remove the ground for e proposed refusal.

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

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

(a) by the reduction of the retention area or 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.

(2) The provisions of rules 37 and 38 shall apply with necessary modification in Relation to an application under sub-rule I) of this rule.

(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.

**43. Obligations of License-** The provision of rule 31(obligation) shall apply with necessary modification in relations to a mineral deposit retention license.

**44. Work Program under Mineral Deposit Retention License** he license 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.

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

(a) proposal are made in writing to the licensing authority by a person other than the license 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 mineral; and

(ii) are made in good faith by a person who has the technical and financial 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 licence 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 wishes to proceed with the development of the de shall before doing so, afford 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 license-

(a) in the case referred to in sub-rule (1) (a) and (b)

(i) inform the license that it has received the proposal refer 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 is specified in the notice, for a mining lease over land in or which constitutes the retention area, 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 wishes 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 licence -

(a) fails to apply for the mining lease as directed; or

(b) 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 is so notified, and rule 59(8) 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)-

(a) inform the person accordingly, and

(b) 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.

**46. Records and Reporting by Licensee-** (1) The license shall prepare and keep at an address in Sindh, in a form acceptable to the licensing authority proper records of -

(a) the investigations and operations, including the erection or construction of ancillary works carried on by the holder for, or in connection with, future mining operations described in rule 34:

(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 exploration operations carried on by the holder in the retention area of future mining operations described in rule 34;

(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 paragraphs (b) and (c);

(e) the persons employed by the licensee for purpose 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 30 days after the end of the period of the mineral deposit retention licence, 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 required 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 60 days after the end of the period of the mineral deposit retention licence, 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 licence 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 licence -

(j) an evaluation of the prospects and economic viability of future mining operations in the retention area;

(ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in sub-rule (1) and the plans and maps referred to in sub-rule (2);

(iii) such other particulars 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 licence under Rule 59 or 60 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 [ ] 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 licence 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**

**47. 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 exclusive 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 paragraph (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 paragraph (a) and exploration operations referred to in sub paragraph (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 paragraph (a), to any other place within or outside Sindh 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 lease 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 relation to the satisfaction of the internal 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 paragraph (a), (b), (c), or (e).

(2) The provisions of rule 16(2) (consent to erection or construction) shall apply with necessary modifications in relation to the lessee who wishes to erect or construct ancillary works under sub-rule (1) of this rule.

**48. Duration of Mining Lease** —(1) Subject to these Rules, a mining lease —

(a) 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.

**49. 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 for a mining lease —

(a) shall contain the information referred to in rule 18(1) (a);

(b) shall be accompanied by the description, maps and plans is referred to in rule 18(1) (d);

(c) shall be made in respect of an area, of land not exceeding 250 square kilometers and identify the mineral or group of mineral in respect of which the least is sought;

(d) shall contain the particulars referred to in rule 18 (1) (1) (technical and financial resources):

(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 50 (1), the statement of expenditure referred to in rule 33 (1) ( duly certified [ a [ firm of auditors or chartered accountants [ registered under — (name of 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 Environmental Protection Act;

(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 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 rule 13(c), (d), (e), (f), (g) and (h)

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

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

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

#### **50. Grant or Refusal of Application for Mining lease — (1)**

Subject to these rules, where the holder of an exploration licence or a mineral deposit retention licence, makes an application for a mining lease in respect of—

(a) an area of land in, or which constitutes, the exploration area or, as the case may be, the retention area; and

(b) any mineral included in such exploration licence or such mineral deposit retention licence, 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 licence 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 licence 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 Sindh.

(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 rule 45(4) to a person, other than the applicant, to apply for such a mining lease, has not expired.

(5) Subject to sub-rules (6) and (7), 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 mining operations of the applicant will ensure the efficient, beneficial and timely use of the mineral resources; and

(iii) the applicant in question has or can obtain the technical and financial resources and experience to carry out mining operation effectively;

(iv) The applicant is a fit and proper person to hold the lease:

(v) the proposals submitted with the application are satisfactory;

(vi) it is in the interest of the development of the mineral resources of Sindh 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 licence or a mineral deposit retention licence in relation to that area of land or that mineral, unless the licensing authority is satisfied on reasonable grounds that the requirements of paragraph (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 therefor;

(ii) afforded 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 application to make representations 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 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.

**51. Issue of Mining Lease** (1) The provisions of the rule 20 shall apply with necessary modifications to the issue of a mining lease.

(2) A mining lease shall be substantially in the form set one in the Fifth Schedule and may include such additional clauses, not inconsistent with these rules and not repugnant to the Act, as the licencing authority may consider necessary.

(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 in accordance with the relevant laws.

**52. Application for Renewal of Mining Lease** - (1) Subject to sub-rule (2), the provisions of rules 49 and 50 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 tease shall be made not later than [ months] [ months] before the date of expiration of the lease or such later date, but not later than such date of expiration, as the licencing 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 rule 48(1) (b) 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 if minerals in workable quantities do not remain to be mined and cannot be mined on a profitable basis.

**53. 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 49 and 50 shall apply with necessary modifications in relation to an application under sub-rule

(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.

**54. Obligations of Lessee** - (1) Subject to sub-rule (2), the provisions of the rule 31 (obligations) 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

(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.

**55. Notice of Cessation of Mining Operations** - The lessee shall -

(a) give notice in writing to the licensing authority of any intention for temporary is continuation 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;

**56. Action by Licensing Authority** - On receipt of a notice referred. to in rule 55, 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.

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

(a) in the interest of the effective recovery of minerals from neighbouring or contiguous mining areas; or

(b) in the national interest in order to secure the rational development and ultimate recovery of any minerals from neighbouring or contiguous mining areas,

it is desirable that the lessee in those areas should co-ordinate 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, starting 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 censoring 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 lodged as required by sub- rule (2); or

(b) an agreement so lodged 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.

**58. Records and Reporting by Lessee** - (1) The lessee shall prepare and keep at an address in Sindh, in a form acceptable to

(a) the mining operations referred to in rule 47 (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;

(v) 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;

the exploration operations referred to in rule 47(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 subparagraphs (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 be prepared, 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 15 days after the end of each quarter in a form acceptable to the licensing authority, a return containing in relation to such quarter -

(i) such details 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 photograph tabulations, tapes and discs, in the record 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 statement referred to in sub-rule (1)(a)(vii);

(iv) an estimate of the remaining mineral reserves in such mining area properly illustrated by way of plans and maps according to and appropriate scale;

(v) particulars of any proposed mining operation and exploration operations during the succeeding year, together with a forecast of the source of such mining operations in terms of delineated mineral reserves; and

(vi) such other reports, records and information 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 60 days after December 31 in each year, returns or reports as follows -

(a) the returns or reports shall be 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, tapes and discs, 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-rule (1)(a)(vii);

(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 59 or rule 60 or the expiration of a mining lease, the person who was the lessee immediately before such cancellation, surrender or expiration shall, on a date not later than 180 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);

(h) all maps and plans referred to in sub-rule (2):

(c) all reports, photographs, tabulations, tapes and discs 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 paragraphs (a) to (d).

## **Division 6 - Cancellation and surrender of mineral title**

**59. Cancellation of Mineral Titles** - (1) Subject to this rule and to rule a66, 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 at 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 so 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 wishes 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 paragraph (b).

(3) The licensing authority shall not cancel a title under sub-rule (1) on a ground referred to in paragraph (f), of that 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 rule 98 (2) (failure to pay royalty).

(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 rule 45 (2).

(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; 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 65 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 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 some only of the persons on the occurrence of an event entitling the licensing authority to so 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 there under 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.

**60. Surrender of Mineral Title-** (1) The holder of a mineral who wishes 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 party of the land only subject to the title is to be surrender, identify the land to be surrender 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.

61. Effect of certificate of surrender (I) Where pursuant to rule 60(3) a certificate of surrender is issued the licensing authority.

- a) Shall a part only of the land subject to a mineral title to be amended accordingly or
- b) Shall a any other case caused the mineral title to be cancelled.

Such ;in other case the 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 d as having been surrendered with effect from the date on which notice of the surrender is given to the applicant pursuant under sub-rule(1)

3) The surrendered any land doest not effect 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 confused against the holder or as the case may be the former holder may be commenced or continued against the former holder.

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may be, the former holder may be commenced or continued against the former holder.

### **Division 7- Registration and transfer of mineral titles**

**62. 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 and 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
- U) the date of any surrender, amendment or cancellation of the title;
- (k) any security or deposit given;
- (I) such other information as the easing authority may be considered necessary.

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

**64. Titles Register may be Rectified** - 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.

**65. 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 in writing approves the transfer or, assignment; 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 sub-rule (1) (a) the licensing authority may, subject to sub-rules (3) and (4) give its approval, subject to such conditions as it deems necessary in the circumstances.

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

- (a) a reconnaissance licence;
- (b) an exploration licence 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 a fit and proper person to hold the mineral title;

(iii) the proposed assignment or transfer will not adversely affect operations under the mineral

(4) An application under this rule shall —

- (a) be in the Form G 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 18(1 )(a) and (f) and all other relevant information required in respect of an applicant for a mineral; and

© 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 re any applicant for any approval referred to in sub (1) to furnish to it such information as it may reasonably require to enable it to dispose of the application and applicant shall comply with the requirement.

## **Division 8 - Miscellaneous provisions**

**66-Forces Majeure** (1) Any failure on the part of the holder of mineral title to fulfil any of the conditions of the title, or to meet

any requirement of these rules, shall not be treated as a breach of holder's mineral title or these rules in so far as the failure arises from an act of war, hostility, insurrection, or an act of God, or from any other cause specified in the conditions of the mineral title as constituting force majeure for the purpose of this rule.

(2) where the holder of a mineral title fails to fulfil any of the conditions of the mineral title as a result of the occurrence of any circumstance referred to in sub-rule (1), the holder shall forthwith give notice to the licensing authority giving particular of the failure and its causes

(3) the licensing authority may, on application made to it by the holder of a mineral title referred to in sub-rule (2) who has been prevented from exercising any rights under the mineral title for the period in the circumstances referred to in sub-rule(1), extended by in notice in writing, the period for which the mineral title in the question has been issued by such reasonable period and on such as may be determined by the authority.

(4) The licensing authority may refuse any application referred to in sub-rule (3) if the holder of the mineral title in question, could by taking an responsible steps, which were available to the holder, have exercised the rights concerned during the period of the mineral title.

(5) The provisions of the rule shall not be constructed as exempting any holder of a mineral title from complying with

obligation under the mineral title or these Rules to pay royalties, annual charges rent or fees.

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

**68. Competitive Bids-** The licensing authority may on such conditions as it thinks fit, invite competitive bids on an open or basis-

(a) for the issue of an exploration licence or a mining ease in respect of any area of land which is not subject to -

(i) a reconnaissance licence which give the holder an exclusive right referred to in rule 16(3);

(ii) an exploration licence, a mining ease or a mineral deposit retention licence or a mining permit or

(iii) litigation or arbitration;

(b) where several applications have been received in respect of the same area for same the mineral;

(c) on an area of land which has been proven mineral reserves and has become available for the issue of an exploration licence or mining lease as a result of the relinquishment, surrender; termination or, subject to paragraph (a)(iii) the cancellation o licence or lease with respect to that area of land.

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

**69. Performance Guarantees** — (1) A person shall at the time of the grant of a mineral title, other than a reconnaissance licence, lodge with the licensing authority security for compliance with the holder's obligations under these Rules and the title.

(2) A security under sub-rule (1) shall be by way of bank guarantee, parent company guarantee or otherwise as may be determined by the licensing authority.

**70. Indemnity** — The holder of a mineral title shall indemnify the 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.

**71. Appeal** — (1) Any person aggrieved by a decision of the licensing authority in respect of any matter or dispute regarding the mineral title may, within thirty days of the date of that decision, appeal against that decision to the Secretary, Mines & Mineral Development for a review of that decision, but the bringing of the appeal will not affect the operation of the decision, pending disposition of the appeal.

(2) The Secretary, Mines & Mineral Development shall review the decision referred to in sub-rule (1) and —

(a) shall consult with the mines committee on the matter;

(b) may rescind or affirm the decision appealed from or may make a new decision in substitution therefor; and

(c) shall give a decision within thirty days after the date on which the appeal is brought.

(3) Any person who is aggrieved by a decision of the Mines & Mineral Development under sub-rule (2)(b)

(a) apply to the court for a judicial review of that decision; or

(b) refer the matter provided in that mineral agreement.

**72. Rights Over Data** — (1) Subject to sub-rule (2), the Government shall have the exclusive right to all data including geological, geo-chemical, petrophysical, engineering, pit logs, magnetic tapes, cores and production data, as well as all interpretative and derivative data including reports, studies, analyze, interpretations, bulk sampling results,

assaying results, evaluations and other information in respect of exploration or mining operations.

(2) Subject to sub-rule (3), the holder of a mineral title shall have the right to make use of the data referred to in sub-rule (1), free of cost, for the purpose of exploration or mining operations and to retain copies or samples of material or information constituting the data.

(3) Data permitted to be used or retained as provided in sub-rule (2) which is not in the public domain, shall not be disclosed to any person without the prior consent of the licensing authority, except as may be necessary for the purpose of or in connection with exploration and mining operations or as required by law or for the purpose of arbitration or litigation.

## **PART IV-SMALL SCALE MINING ACTIVITIES**

### **Division 1 — General**

**73, Small Scale Mining:** For the purposes of these rules “small scale mining” means mining determined by the licensing authority to be small scale mining by reason of -

- (a) the likely scale of capital investment being less than 300 million rupees;
- (b) the expenditure and work programme proposed by the applicant;
- (c) the nature of the techniques to be used in mineral operations;
- (d) the likely scale of the operations and infrastructure to be required;
- (e) the mineral to be mined: and
- (f) such other factor as may be relevant to making the determination.

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

- (a) is a citizen of Pakistan; or
- (b) is a company formed by or under a 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 sub-paragraph (ii) may own share in the company.

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

- (a) shall be made to the licensing authority; and
- (b) shall be in a form 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 12 shall apply with necessary modification in relation to an application for a mineral permit.

### **Division 2 — Exploration permit**

**76. 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 and 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 and rights conferred sub-rule (1)-

- (a) in respect of any mineral on (and forming part of reconnaissance area in relation to which an exclusive right referred to in rule 16(3) has been conferred upon any person in respect of that mineral;
- (b) on land in and exploration area, a mining area, a retention area or in and area subject to a mining permit; or
- (c) on land in relation to which an application is pending for an exploration licence, a mineral deposit retention licence, a mining lease or mining permit.

(3) The provisions of rule 14 (restriction on exercise of holder's rights) shall apply with necessary modifications in relation to an exploration permit.

(4) Expect 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 and mineral from the land where it was found in the course of carrying operations referred to in sub-rule(1) with the written permission licensing authority and shall, when so removing any mineral comply with such conditions as the licensing authority any specify in that permission.

(5) The provisions of rule 13 shall apply, with necessary modification on relation to an exploration permit.

**77. Application for Exploration Permit-** An application I 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, particulars of its incorporation and registration, its registered address and principal place of business of the company in Sindh 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; and

(c) shall be made in respect of an area of land which does not exceed 50 square kilometers;

(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.

**78- 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 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 74; 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 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 a 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 particular case.

**79. Duration of Exploration Permit** — Subject to these rules, an exploration permit shall be valid for the period of less than one year or more than two years from and including the date on which it is issued.

**80. 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.

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

(a) shall keep at an address in Sindh a proper record in a form as acceptable to by the licensing authority in relation to

(i) the nature and mass or volume of any m found or incidentally won in the course 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 in 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 [ years] as 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 paragraph (a) or copies thereof, to the licensing authority or authorized officer for inspection.

(2) The provisions of sub-rule(2) of rule 33 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 he construed to the holder of an exploration permit.

### **Division 3 — Mining permit**

**82. Rights of Holder of Mining Permit-** (1) The provisions of rule 47 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 14 (restrictions on exercise of rights) shall apply with necessary modifications in relation to a mining permit.

**83. 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 rule 77 (a) (i);

(b) shall in the case of an application by a company contain the particulars those referred to in rule 77 (a) (ii)

(c) shall contain particulars of

(i) any mineral title or mineral permit held by the applicant alone or jointly with other person; and

- (ii) any exploration and mining operations carded on by the applicant alone or jointly with any other person outside Sindh, on the date of the application and during a period of [ years] immediately preceding that date.
- (d) shall state the period [ exceeding ten years for which the permit is required and the mineral to which the application relates;
- (e) shall describe the area [ exceeding 50 sq. km.] over which the permits is sought and contain a sketch plan in sufficient detail to enable the area to 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 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 required in relation to any particulars referred to in this rule; and
  - (j) nay contain any other matter which, in the opinion of the applicant, is relevant to the application.

**84. 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 such conditions as 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 85 to apply for a mining lease;
- (b) unless the applicant is a person referred to in rule 74;
- (c) in respect of any mineral on land forming part of a reconnaissance area in relation to which an exclusive right referred to in rule 16(3) has been conferred on any person in respect of that mineral;
- (d) in respect of any in an exploration area, a mining area, a retention area or an area subject to a mining permit;

(e) in respect of any land in relation to which a [ application is pending for an exploration licence, a mineral deposit retention licence, a mining lease or a mining permit unless any such [ application is rejected, withdrawn or lapses;

(f) 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;

(g) if the licensing authority has reasonable ground to believe that the applicant does not intend to carry on in good faith, within the limits of his competence and resources, mining operations in that area of land; or

(h) if at the time of the application the applicant is in default unless the licensing authority is satisfied on reasonable grounds that notwithstanding the default, special circumstances exist which justify the grant of the permit.

(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 to 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 the particular case; and

(g) contain a statement of the programme 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.

**85- 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 73, 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 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) take into account any representations so made.

(3) subject to rule 84(2)(a), an applicant for mining permit shall not incur and liability under these Rules if he fails to comply with a requirement under sub-rule(1).

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

(a) shall be valid for the period [ 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 periods [ exceeding ten years on each occasion or the period representing the estimated life of the mine, whichever is the less 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 in 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 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.

**87. Application for Renewal of Mining Permit-** (1) Subject sub-rule (2), the provisions of rule 83 and 84 shall apply where necessary modification in relation to an application for the of a mining permit.

(2) An application for the renewal of a mining permit shall be made not later than [ months] [ 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 aft good cause shown.

**88. Directions to Holders of Mining Permit-** The provision of rule 15 shall apply with necessary modification in relation to a mining permit.

**89. General Conditions of Mining Permit-** The provision of rule 13 hall apply with necessary modifications in relation to mining permit.

**90. Cancellation of Mining Permit-** The provisions of rule(5) other than sub-rule(4), shall apply with necessary modification relation to the cancellation of a mining permit.

**91. Surrender of Mining Permit-** The provisions of rule 60 and 61 shall apply with necessary modifications in relation to the surrender of a mining permit

**92. Approval of Transfer of Mining permit-** The provision of rule 65 shall apply with necessary modifications in relation to the transfer of, or assignment of rights or interest to or in a permit.

**93- Records and Reporting by Holder of Mining Permit-** (1) the holder of a mining permit-

(a) shall keep at an address in Sindh complete and accurate records of the holder's operation in the area of land subject to the permit ,in from 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, serial 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) submit to the licensing authority 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 sub-rule(1)(a).
- (3) The provisions of sub-rule(2) of rule 58 shall apply with necessary modification to the holder of a mining permit and that purpose any reference in that sub-rule to the lessee shall be construed as reference to the holder of a mining permit.

#### **Division 4— Records in respect of mineral permit**

**94. 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
  - (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 63 shall apply with necessary modifications in relation to the inspection of the Permit Register.
- (3) The provision rule 64 shall apply with necessary modification in relation to the rectification of the Permits Register.

## **PART V- FINANCIAL**

**95- Royalties Payable on Minerals** — (1) Subject to this Part, the holder of a mineral title or mineral permit who has won or mined any mineral in the course of any exploration or mining operations carried in by the holder; shall be liable to pay to the Government, in respect of any such mineral disposed of by the holder, royalty determined in accordance with this Part.

-

- (2) For the purpose of this Part any mineral is disposed if it is
  - (a) sold, donated or bartered;
  - (b) appropriated to treatment or other processing without having been dealt with as provided in paragraph(a) prior to appropriation; or
  - (c) exported from as provided in Sindh without having been dealt with paragraph (a) or (b) prior to export.

**96. Rate of Royalties-** (1) Subject to this Part, royalty shall be charged on any mineral specified by the Government from time to time

(2) The existing rate of royalty on specified minerals in Sindh province is appended as Third Schedule.

**97. Enhanced Royalty-** Where pursuant to rule 9, 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 95, 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 the rate specified in rule.96.

**98. Payment of Royalty-**(1) Royalty in respect of any mineral won, mine or found as provided in rule 95 and disposed of shall be payable not later than [6][10] 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. .

(2) Where the holder of a mineral title has failed to pay any, amount or royalty as required by sub-rule (1), a penalty calculated at the rate of [6][10] 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 amounts 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 shall

pay a further penalty of [two] per cent on the outstanding amount of the royalty and the applicable penalty.

(4) The holder of mineral title shall submit, in respect of each month in such form and detail as the licensing authority may determine a return showing the quantity and value of minerals produced and disposed of and the amount of royalty to be paid in "respect thereof for that month.

**99. Reduction, Waiver or Deferment of Royalty.** (I) Subject to sub-rule (20) the Government on the advice of the Department and with the concurrence of the Department of Finance on application made in writing by the holder of a mining lease may by notice in writing reduce or defer the royalty or interest payable in the holder.

- a) reduce the rate of royalty or interest payable in terms of this rule
- b) defer payment of any such royalty or interest

for such payment and in such conditions as may be determined by the Government and the specified in the notice or any refusal to so reduce or defer the royalty or interest payable.

The Government may reduce or defer the royalty or interest payable in accordance with sub-rule (I) 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 for economic reasons otherwise permanently cease or be suspended for an indefinite period.

**100. Powers of licensing authority in case of failure to pay royalty.**

If the holder of a mineral title or a mineral permit referred to in rule 96 fails to pay any royalty payable by him in accordance with rule 98 or if applicable on or before such date to which the payment of the royalty has been deferred under rule 99 the Licensing Authority may by notice in writing to the holder prohibit

a) the removal of any mineral from the exploration area or mining area or retention area title and subject to the mining permit or in the case of the holder of an exploration permit from the place when 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, waived or deferred under rule 99



**101. 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 95 named in such certificate shall be received in evidence as prima facie proof of the facts stated in the certificate.

**102 Rental and Renewal Fees-** (1) The holder of a mineral title or a mineral permit shall pay an annual rental in respect of the area to which the mineral title or permit relates —

(a) in the case of the lands belonging to the government in accordance with the second schedule and sub rule

(2);

(b) in the case of private lands to the owner or occupier of such lands as the case may be at a rate assessable under the revenue and rent la in the district which the land is situated or no such assessment can be made at such rate is licensing authority may determine.

(2) Payment of the annual surface rental pursuant to sub rule (1) in respect of a mineral title shall be made within thirty days after date of the issue of the mineral title and thereafter shall be made on each anniversary of that date.

(3) Where any person has failed to pay any amount of annual surface rental as required by this rule [a penalty], [a payment] calculated at the rate of the [ [ percent per months [ or ten percent or that amount or a6d part thereof, from time to time remaining unpaid, shall be made from the date on which payment of the rental is due until all outstanding amounts are paid.

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

(5) The holder of a minerals title or mineral permit shall also pay to the Government, in respect of private lands occupied or used by that holder for the purpose of mineral operation, water rates, if any, assessable under any irrigation rules which would have applied to the land if it had not been occupied for that purpose

(6) A renewal fee in respect of the renewal of a mineral title shall be paid in accordance with First Schedule.

## **PART VI — MISCELLENCUS**

**103. Compliance with Other Laws -** Nothing in these rules shall be construed as authorizing the holder of a mineral title or a mineral permit to do any thing —

(a) which the holder is prohibited from doing under any law for the time being in force;

(b) otherwise than in accordance with any such law regulating the doing of that thing, and for that purpose obtaining any permit, License, approval Permission or other document required under any such law.

**104. 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.

**105. Notice of applications made and Titles and Permits Issued** — (1) The licensing authority shall, not later than [fifteen days after the date of receipt by it of an application for mineral title or mineral permit, publish a notice of such application in daily newspaper or post such a notice in a conspicuous place on the land to which the application relates or in a public building stating -

- (a) the name of the applicant;
- (b) the nature of the title or permit applied for and the area of land and the mineral to which the application relates;
- (c) the date on which the application was received; and
- (d) such other particulars as the licensing authority may determine.

(2) Where a notice is published or posted in accordance with sub-rule (1), any person who holds mining permit, may make representations in writing to Authority within [twenty-one days] of the publication or posting of the notice.

(3) The licensing authority may, in deciding whether or not to grant a mineral title [mining permit], take into account any representations made pursuant to sub-rule (4).]

(4) Where a mineral title [ or mineral permit] is issued, the licensing authority shall cause notice of that fact to be published in the Official Gazette stating in the notice —

- (a) the name of the holder of the title or permit;
- (b) the nature of the title [ permit] and the area of land and the mineral or group of minerals to which the title relates; or
- (c) such other particulars as the licensing authority may determine.

(5) Where a mineral title or [ mineral permit] is renewed, transferred, surrendered or cancelled, or any law subject to title [ permit] is surrendered, the licensing authority shall cause notice of that fact to be published in the official Gazette stating in the notice

such particulars as the licensing authority deem necessary to identify the title or permit, and where applicable, the land surrendered.

**106. 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 [ permit] and the holder thereof has failed to comply with the requirement of these rules or the title [ 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 [ 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 authority deems necessary.

(3) Where a person referred to in sub-rule (2) fails to comply with a direction given under paragraph (a) of sub-rule (2) the property referred to in that paragraph [ be deemed to be the property of the 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 the Government.

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

(5) A certificate signed by the [ authority] or [ Mines & Mineral Development] 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 the 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 sub-rule (2) (a).

**107. Weighing of Minerals-** The holder of any exploration licence, a mineral deposit retention licence, a mining lease [ a mining permit] shall provide-

(a) in the exploration area, retention area, mining area [ 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 23, 34, and 47 or, as the case may be, rule 82];

(b) weight sample and test any such mineral or group minerals, in accordance with mining practices

**108. 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 information or data, giving particulars, within period and in the manner specified in the notice; identified in the notice so specified and there to those operations, or otherwise disposed

(b) to attend before a person identified in the notice at such time and place as is so specified and there to answer questions relating to those operations 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 is so 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 this rule.

(3) Where data are furnished, pursuant to requirement under sub-rule (1)(c), 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, tapes, maps, diagrams, profiles and charts, photographs, lines or negatives and includes data recorded or stored by means of any tape recorder, computer or other device and any material subsequently derived from data so recorded.

**109. 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 the [ by such spilling, pollution or damage,

if the holder of the mineral title [ mineral permit] shall forthwith

- (i) report such spilling, pollution, loss or damage to the licensing authority; and
- (ii) take at 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.

(2) if the holder of mineral title [ mineral permit], referred to in sub-rule (1) fails to comply with the provisions of paragraph (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 order to remedy the spilling, pollution, damage or loss; and
- (b) if the holder fails to comply with the order to the satisfaction of the 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 there by from such holder in a competent court.

**110. 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 paragraph (c) or the person's last known post office box number or private bag number or that of the person's employer;
- (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 he company or its public officer at its or the officer's last know address; or
  - (iv) transmitted by means of a facsimile transmission to the person concerned at the registered office of the company.

(2) Any document, notice or other communication referred to sub (1) which has been given or served in the manner specified in paragraph (b) or (d) (iii) 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.

**111- 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 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 paragraph (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 or other substances from a mine or any area where any of the operations referred to in paragraph (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 108(4)

(ii) any maps or plans relating to any of the operations referred to in paragraph (1); 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 shall be responsible for any violation of measures referred to in sub-rule (2) by the carrier who transports minerals on behalf of that holder.

(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 until the 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) A person aggrieved by a decision of the licensing authority may appeal against that decision to the Secretary, Mines & Mineral Development and the provision of rule 71 shall apply in relation to that appeal.

(8) In exercising his powers under sub-rule (1), and 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.

**112. 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 22, 33 46 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, tapes, disease, books and documents referred to in paragraph (a) to (d) of the sub-rule and

(b) seize and such records, maps and plans, reports, photographs, tabulation, taps, discs, books and documents.

(2) The provisions of rule 111(5), and (6) shall apply with necessary modification in relation to an authorized officer and the carrying out of this functions under this rule.

**113. Offences** — (1) Any person who carries on reconnaissance, exploration or mining operations in Sindh except under and in accordance with a mineral title or a mineral permit is guilty of an offence and is liable on conviction to a penalty as prescribed under Fifth Schedule.

(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;

any document, information or particulars which is 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: places or deposits or causes to be so place or 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 in Fifth Schedule.

(3) A person who —

(a) contravenes or fails to comply with —

(i) any conditions of a mineral title;

(ii) the provisions of sub-rule (2) (3) (4) (6) (7). 46 (1) or (8) of rule 14, (relating to restriction on exercise of rights);

- (iii) any notice given pursuant to rule 15;
- (iv) any provision of rule 22 (1) or (2), 33 (1) or (2), 46 (1) or (2) 58 (1) or (2) or 93 (1) or (2) relating to the keeping of record and other documents, the submission of reports to the licensing authority within an specifies time and the delivery of documents and records to the licensing authority on the termination expiration or cancellation of mineral permit or mineral title;
- (v) any obligation imposed pursuant rule 33;

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

(4) Any person who willfully-

- (a) makes or cause to be made or concurs in making a false entry in the Titles Register or the permits Register;
- (b) 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 100 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 106 (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 prescribed 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 108 to the extent to which he is capable of doing so;
- (b) in purported compliance with a requirement referred to in paragraph (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 108 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 prescribed 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 prescribed in Fifth Schedule.

(9) If any person starts reconnaissance, exploration or mining of any mineral for which the mineral title or mineral permit has not been granted to him by the licensing authority, he shall be punishable with imprisonment for a term, which may extend to six months, or with fine which may extend to Rs.10,000 (Rupees ten thousand only), or with both.

**114. Evidence** — (1) The production in any criminal or civil proceedings in any court of law of any certificate purporting to have been signed by an authorized officer certifying whether or not on a date specified in the certificate that—

(a) a mineral title was issued renewed or transferred to a person so specified;

(b) any interest in such a title has been granted, transferred or assigned to person so specified;

(c) any conditions so specified is or was a condition of a title;

(d) a person mentioned in the certificate is or the holder of a mineral title.

(e) a title has been in respect of an area of and so specified,

shall, unless the contrary is proved, be received in evidence as conclusive proof of the fact so certified.

(2) The production in any civil or criminal proceedings in any court of an extract of an entry in the Titles Register kept pursuant to rule 62 or the Permit Register kept pursuant to rule 94, certified by the licensing authority to be a true and correct extract of such an entry shall unless the contrary is proved be received in evidence as conclusive proof of the entry.

**115. 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 commission of the offence, be forfeited to the Government; or

(b) in the event of any such mineral having been sold or otherwise disposed 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 the Government.

[ (2) The offence shall be cognizable under the criminal Procedure Code]

## PART VII — REPEALS AND SAVINGS

**116. Repeals** — The following laws are hereby repealed -

- (a) The Pakistan ‘Mining Concession Rule, 1960,
- (b) All amendments made to those rules; and
- (c) All notifications made pursuant to those rules.

**117. Saving** — Any licence or lease granted renewed or saved under any law for the time being in force and existing immediately before the coming into force of these rules shall be deemed to have been granted, renewed or saved for the subsisting period in accordance with the provisions of these rules as if these rules were in force at the time such licence or lease was granted, renewed or saved and shall be treated accordingly.

# SCHEDULES

## FIRST SCHEDULE

(Rule 10(1) (c))

### APPLICATION FEES RELATING TO MINERAL TITLE AND MINERAL CONCESSIONS

Title/Concession	Rupees
	<u>Titles</u>
Reconnaissance Licence	15,000
Exploration Licence	25,000
- First Renewal	50,000
- Second Renewal	50,000
Amendment	10,000
Mineral Deposit Retention Licence	100000

-Renewal	100000
- Amendment	20,000
Mining Lease	100,000
- Renewal	100,000
- Amendment	20,000
<u>Concessions</u>	
• Prospecting Licence	10,000
- Amendment	10,000
Mining Lease (SSM)	10,000
- Amendment	10,000
<u>Other Fee</u>	
Appeal Fee (Rule 70, 118(5) and 118(7)	5,000
Application under Rule 64	
- Transfer of mineral title (Rule 64(5) (b)	200,000
- Transfer of mining lease (Rule 64(5) (b)	20,000
Demarcation Fee (Rule 13(8))	20,000
Checking of boundary demarcation 20 (Rule 13(10)	
Inspection of Titles Register an concession Register (Rule 61)	6,000
Surveyor's Registration Fee (Rule 65(2))	2,000
<u>Security Deposit (Rule 68(2))</u>	
1. For mineral title other than Reconnaissance	100,000
2. For prospecting licence at acre subject to a minimum of -	5,000
3. For mining lease at Rs.10/- per acre subject to a minimum of	10,000

## **SECOND SECHDULE**

(Rule 110)

### **ANNUAL RENTALS**

<u>Category</u>	<u>Rentals</u>	<u>Period</u>
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(Rupees per Square Kilometer)

(Years)

MINERAL TITLE		Term of Licence
Reconnaissance License	10,000	Years 1-3
Exploration License	15000	Years 1-3
First Renewal	1500	Year 1
	2000	Year 2
	2500	Year 3
Second Renewal	4000	Year I
	5000	Year2
	6000	Year3
Mineral Deposit		
Retention- Licence	10000	Year 1-2
- Renewal	6000	Year 1
Mining Lease	10000	Term of ease
- Renewal	6000	Renewal Period

#### **Small Scale Mining**

Prospecting License	i) Rs.50/- per acre for First two years of P/L term.
	ii) Rs.701- per acre per annum Beyond the two years of term of Pit Mining Lease Rs.20/- per acre per annum

### **THIRD SCHEDULE**

#### **ROYALTIES**

#### **Minerals**

#### **Rates of royalty per ton**

(1000 kg)

#### **Construction and Industrial minerals specified below —**

<b>Bentonite</b>	Seven and half percent on the value at the Pit's mouth subject to minimum of Rs4/-
<b>Ball Clay</b>	Seven and half percent on the value at the Pit's mouth subject to minimum of Rs.4/-

<b>Calcite</b>	Seven and half percent on the value at the Pit's mouth subject to minimum of Rs.41-
<b>Coal</b>	Seven and half percent on the value at the Pit's mouth subject to a minimum of sixty rupees.
<b>China Clay</b>	Five percent on the value at the Pit's mouth subject to a minimum of twelve rupees.
<b>Clay Shale</b>	Five percent oh the value at the Pit's mouth subject to a minimum of four rupees,
<b>Celestite</b>	Five percent on the value at The Pit's mouth subject to a minimum of fifteen rupees.
<b>Chalk</b>	Five percent On the value at the Pit's mouth subject to a minimum of eight rupees.
<b>Dolomite</b>	Five percent on the value at the Pit's mouth subject to a minimum of twenty rupees.
<b>Flint Stone</b>	Five percent on the value at the Pit's mouth subject to a minimum of forty rupees.
<b>Fuller's Earth</b>	Five percent on the value at the Pit's mouth subject to a minimum of eight rupees.
<b>Fire Clay</b>	Five percent on the value at the Pit's mouth subject to a minimum of six rupees.
<b>Gravel</b>	Five percent on the value at the Pit's mouth subject to a minimum of four rupees.
<b>Granite</b>	Five percent on the value at the Pits mouth subject to a minimum of seventy rupees.
<b>Gypsum</b>	Five percent on the value at the Pit's mouth subject to a minimum of four rupees.
<b>Lake Salt</b>	Five percent on the value at the Pit's mouth subject to a minimum of six rupees.
<b>Laterite</b>	Five percent on the value at the Pit's mouth subject to a minimum of six rupees.
<b>Limestone</b>	Five percent on the value at the Pit's mouth subject to a minimum of four rupees except used for industrial purpose, which is nine rupees,

<b>Marble</b>	Five percent on the value at the Pit's mouth subject to a minimum of twenty rupees.
<b>Ochre</b>	Five percent on the value at the Pit's mouth subject to a minimum of six rupees.
<b>Silica Sand</b>	Five percent on the value at the Pit's mouth subject to a minimum of three rupees. :
<b>Trona</b>	Five percent on the value at the Pit's mouth subject to a minimum of fifteen rupees.
<b>Quartzite Sand Stone</b>	Five percent on the value at the Pit's mouth subject to a minimum of twenty rupees.
<b>Quarry fee</b>	Rs.100 per acre per annum.

## FOURTH SCHEDULE

### Royalty through Public Auction

Aggregate stone Reti/Bajri/Gravel/Limestone	Five percent on the value at the Pit's mouth subject to a minimum of four rupees.
Ordinary Stone Ordinary Sand Morum	[provided that the rate of royalty on surface minerals disposed of through auction shall be as under:  1. Rs.24/ (pickup) per trip 2. Rs.40/ (Tractor Trolley) per trip 3. Rs.40/ per truck if the mineral load does not exceed 10 ton and if the load exceeds 10 tons an additional amount at the rate of Rs.4/- per ton shall also be charged]
Coal	Rs.60/- per tonne.
Marble	Rs.20/- per tonne.
Silica Sand	Rs.3/- per tonne.

## **FIFTH SCHEDULE**

### **PENALTIES FOR CONTRAVENTION OF RULES SPECIFIED IN THIS SCHEDULE**

The holder of a mineral title or mineral permit, as the case may be, shall be liable to a penalty not exceeding Rs.5,000/- (Rupees five thousand only) in respect of the contravention of any provision of these rules, except the holder of a mineral title or mineral permit, as the case may be, shall be liable to a penalty not exceeding Rs.10000/- (Rupees ten thousand only) in respect of the contravention of the provisions of rules 13, 15, 88, 108 and 112 of these rules.

**FORM A**

**DRAFT**

**SINDH- PAKISTAN**

**APPLICATION FORM FOR A RECONNAISSANCE LICENCE BY A COMPANY**

NB: The content of this Form will need to be revised and amended in the context of the finalized Rules of Sindh.

TO: (The licensing Authority)

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Information to be supplied by applicant. Where information can not be fitted on form, to be included as attachment

1. Particulars of the company _____ -
(a) Name of the company _____
(b) Principal place of business
(c) If principal place of business is outside Pakistan, name and address of office and representative agent in Pakistan.
(d) Nature of business
(e) Authorized, subscribed and paid up capital
(f) If the company has a share capital, state the full names, addresses and nationalities of any person who is beneficial owner of more than five per cent of the issued share capital
(g) Nationality Amount of shareholder Nationality amount of share holding
1,
2.
3.
4.
(h) Past experience of the company
(i) Director_(s) .
Full Name (s) Nationality Address (s)
1.
2.
3



(j) Officer(s)	
Full Name (s)	Address (a)
Nationality	
1	
2	
3	
4	
3. State location and description of the area in terms required under Enclosure (i)	
4 State the mineral or group of minerals in respect of which licence is sought:	
5. Include particulars of another mineral titles held or mines operated in Pakistan by the applicant. (or any affiliate or subsidiary of the applicant) whether alone or jointly. currently or during the ten years immediately preceding the date of application, or where no such titles or mines are or were held or operated, particulars of any current or previous involvement by the applicant or any affiliate or subsidiary of the applicant in reconnaissance, exploration or mining operations outside Pakistan	
6. State the period, not exceeding twelve months, for which the licence is sought	
7. State any other relevant information or any special remarks	

Enclosures to be attached:

(i) A detailed topographical and geological description of the area of and to which the applicant related, and a plan of such area drawn to a scale of [ or nearest scale available] showing: (a) its location with reference to magisterial districts, and(h) the extent of area and the boundaries by reference U identifiable physical features and co-ordinate reference points. (Refer Draft Rule 18 (d)).

(ii) 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 case of and application for an exclusive right referred to in [ 16 (3)], the reason for the application: (Refer Draft Rule 18 (c) (i) and (H)).

(iii) Particulars of the applicant's technical and financial resources and those of any person to be engaged to provide such resources, together with supporting documentary evidence and copies of relevant contractual agreements. (Refer Draft Rule 18 (f) and 19 (c) (ii))

(iv) Copy of articles of association along with an attested copy of the certificate of to corporation registration of the company in Pakistan.



