

PUNJAB MINING CONCESSION RULES-2002



**Government of the Punjab
Mines & Minerals Department**

EXTRAORDINARY ISSUE

REGISTERED No. L7532



The Punjab Gazette

PUBLISHED BY AUTHORITY

LAHORE WEDNESDAY MARCH 20, 2002

GOVERNMENT OF THE PUNJAB

INDUSTRIES & MINERAL DEVELOPMENT

DEPARTMENT

Dated Lahore, the 20th March, 2002.

NOTIFICATION

No. V(I&MD)3-21/95 VOL-II. In exercise of the powers conferred upon him under section 2 of the Regulation of Mines and Oil-Fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948), the Governor of the Punjab is pleased to direct that the following rules shall be made.-

PART -I
PRELIMINARY

1. Short title and commencement.-(1) these rules may be called the *Punjab Mining concession Rules, 2002*.

(2) They shall come into force at once.

2. Definitions. - In these rules unless there is anything repugnant to the subject or context-

- (i) "assignee" means a person, a firm or a company to whom a licence or mineral title is assigned, transferred or mortgaged under these rules;
- (ii) "Authorised Officer", in relation to any provision of these rules, means a person designated under these rules'
- (iii) "Collector" shall have the same meaning as assigned to him under the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (iv) "company" means-
 - a) a company as defined in the Companies Ordinance, 1984 (XLVII of 1984); or
 - b) a body corporate formed by or under any law for the time being in force and incorporated in Pakistan;
- (v) "Department" means the Department of Industries, Mines and Minerals Government of the Punjab
- (vi) "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;
- (vii) "exploration" means search for minerals, and includes the determination of their extent and economic value;
- (viii) "exploration area" means the area of land, including its lateral limits, to which an exploration licence relates;
- (ix) "Exploration Licence for exploration issued under these rules;7
- (x) "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 and such marketability survey shall exclude commercial marketing except for mineral title allowed;
- (xi) "Financing Institution" means an institution recognized as such by the State Bank of Pakistan for the Purpose of advancing credit/loan facilities;

(xii)

(xiii) (xiv) (xv)

(xvi)

(xvii)

(xviii)

(xix) (xx)

(xxi) (xxii)

(xxiii)

"Good Reconnaissance Practices" "Good Exploration practices" or "Mining practices" means practices which are generally accepted internationally by persons involved in reconnaissance operations, exploration operations, or mining operation, as the case may be, as

safe and necessary in carrying out such operations; Government means the Government of the Punjab;

"Governor" means the Governor of the Punjab;7

"Group" in relation to minerals, means minerals declared in Schedule 3 to constitute a named group of minerals;

"Large Scale Mining Undertaking" means a project of mining involving a capital of more than Rs. 300 millions governed by part 2 of these rules;

"land" includes surface bearing any mineral, land beneath water and the subsoil of land;

"lateral limits" in relation to an area of land subject to a mineral title or a prospecting licence, means the vertical lines passing through the sides by which that area is bounded;

"lease" means a mining lease granted under these rules;7

"lessee" means a person, a firm or a company to whom a mining lease is granted under these rules and includes his successors-in-interest;

"licence" means a prospecting licence granted under these rules;7

"licensee" means a person, a firm or company to whom a prospecting licence granted under these rules, and includes his successors-in-interest;

"Licensing Authority" means-

a) in respect of major minerals the Director General, Mines and minerals, Punjab in Mining Projects involving the capital of Rs.300 millions or above and in mining projects involving a capital less than Rs.300 millions, the Director, Mines and Minerals, Punjab or an authority to whom powers have been delegated by the Government; and

b) in respect of minor minerals, the Director, Mines and Minerals. Punjab or an authority to whom powers have been delegated by Government;

(xxiv) "minor Minerals" means ordinary sand, ordinary stone, limestone, sand stone, building stone, decorative stone including eby stone but excluding marble, mill stone, dolomite, slate stone and gravel and may include any other mineral so declared by the Government, and

(xxv) "mine" means any surface or underground excavation where any operation for the purpose of searching for or obtaining a mineral has been or is being carried on, and includes all works, machinery, tramway, ropeway 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;

(xxvi) "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) nuclear substances;

- (ii) mineral oil; and
- (iii) natural gas;

(xxvii) "Mineral Authority" means the Mineral Investment Facilitation Authority notified by the Government;

(xxiii) "mineral operation" means exploration operations or mining operations or both;

(xxix) "mining area" means an area of land, including its lateral limits, to which a mining lease relates;

(xxx) "mining operation" means any operation carried out in connection with the development of a mine, or the production of minerals from the mine, or both;

(xxxi) "ordinary sand" means fluvial deposit of minute fragments resulting from wearing down of pre-dominantly siliceous rocks mainly ranging from 5 micron to 2 millimeters in size including clays and silty sand containing more than 30% sand particles commonly known as "Bhassar/Gjassar" but does not include silica sand suitable for glass making;

(xxvii) "pit-mouth" means a place above or adjacent to a mine where the mineral is collected, stored or taken charge of immediately after it has been mined;

(xxxiii) "reconnaissance operation" means any operation carried on in a general search for any mineral by means of aerial sensing techniques, including geophysical surveys,

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

(xxxiv) "retention area" means the area of land, including its lateral limits, to which a mineral deposit retention licence relates;

(xxxv) "Schedule" means a schedule appended to these rules;7 and

(xxxvi) "small scale Mining Undertaking" means a project of mining involving a capital of less than Rs. 300/- million.

3. Grant of prospecting licences and mineral titles. - (1) the licensing Authority may, in accordance with these rules, grant prospecting license, mining leases and mineral titles for minerals.

(2) The Government may, by notification delegate powers to grant a prospecting license or a mineral title in respect of any mineral or to group of minerals to any person or authority.

4. Confidentiality.- (1) information disclosed under these rules to an officer employed in the Department shall not be disclosed to any person who is not such an officer or employee of the Department without the prior written approval of the person who provided the information, 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) the person providing the information authorised its disclosure at the time of providing the information;
- d) disclosure is necessary to compile and publish official statistical information concerning geology and mineral resources of Punjab;
- e) the disclosure is made to the Mineral Authority;
- f) disclosure is for the purpose of the implementation of thses rules or a mineral agreement, the formation of mineral policy or of giving advice to other department or agencies of Government or for the purpose of any discussion or dealing with the Federal Government'
- g) disclosure is affected with the prior permission in writing of the Government granted in respect of any matter which, in the opinion of the Government, is of a general nature and may be disclosed in the public interest; or
- h) disclosure is in accordance with a relevant mineral agreement or a mineral title.

(2) An officer employed in or by the Department who uses, for the purpose of personal gain, any information disclosed under these rules that comes to him in the course of, or by reason of, that employment shall be guilty of an offence and be punishable under the efficiency & Discipline rules in force

(3) The holder of a mineral title shall not disclose information acquired by the holder as such except as provided in paragraph (b) of rule 70 and in accordance with the title.

(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 a 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.

5. immunity of officers etc.- No liability shall attach to an officer employed in or by the Department, a member of the Mineral Authority or an authorised officer in respect of the exercise or performance, or purported exercise or performance, in good faith, of any function under these rules.

PART 2 LARGE SCALE MINING I-GENERAL

6. Types of Mineral titles. - The following mineral titles may, subject to these rules, be issued for the purposes of large scale mining, namely-

- a. reconnaissance licence; b.
exploration licence;
- c. mineral deposit retention licence; or d.
mining lease.

7. Mineral agreements. - (1) The Government may, at the request of a person proposing to carry on mineral operations, enter into an agreement, relating to a mineral title, not inconsistent with these rules or any other law, with that person, if the Government is satisfied that substantial 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 the development of the mineral resources.

(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 operation to be carried on and related expenditures to be incurred for the purposes of those operation;
- c) the formation 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;
- e) the payment of enhanced royalty in specified circumstances;
- f) the payment of additional profits tax in specified circumstances;
- g) the establishment of secondary and tertiary processing facilities;
- h) the circumstances in which, and the conditions on which, rights of pre-emption of minerals may be exercised by the Government;
- i) guarantees to ensure the due and proper performance of the obligation of the holder or the mineral title;
- j) financial and insurance arrangements;
- k) the settlement of dispute which may arise in the interpretation or application of any provision of a mineral agreement by a sole expert or through international arbitration;
- l) co-ordination of exploration or mining operation to be carried on by the person concerned under an exploration licence or a mining lease with any such operation carried on by the holder of an exploration licence or a mining lease in any neighboring exploration area or mining area; and
- m) other matters relating to mineral operations 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) Nothing contained in a mineral agreement shall be constructed as absolving any party thereto from complying with any requirement laid down by law from applying for, and obtaining, any mineral title, licence, approval, permission or other document required by law.

(6) For the purpose of determining under sub-rule (1) whether substantial foreign investment is likely to be made in any 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 a commercial discovery-
 - (i) the likely scale of operation, and
 - (ii) the likely infrastructure to be required;
- d) the mineral or group of minerals to which the mining title, if granted would relate and the potential 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.

8. Application under these rules. - (1) an application under these rules shall -

- a) except where otherwise provided, be made to the licensing Authority;
- b) be in a form approved by the Licensing Authority ; and
- c) be accompanied by the fee specified in column these of schedule 1 in respect of the application in question;

(2) An application may be withdraw by the applicant giving to the licensing Authority notice in writing to the effect that the application withdraws.

(3) Where more than one application is made in respect of the same area of land, the applications shall be dealt with in the order in which they are received by the licensing Authority.

(4) The Licensing Authority may grant, on such conditions as may determined in writing by the authority, or refuse, an application.

9. Power of licensing authority in respect of application. - (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 specified in the notice with -
 - (i) in case of an applicant company such information as may be described in the notice to enable the Licensing Authority to determine who has, the controlling interest in the affairs of the company; or
 - (ii) such other information as my be described in the notice as the Licensing Authority may deem necessary for purposes of considering the application;
- (b) to publish particulars of the application in relation to -
 - (i) the full names of the applicant;
 - (ii) the area the kind of mineral title, and the mineral or group of minerals to which the application relates, in such manner as may be specified in the notice;
- (c) to give such particulars of the application to the person or persons identified, in the manner specified, in the notice.

(2) in order to enable the Licensing Authority to consider any application the licensing Authority may -

- (a) cause such investigation or negotiations to be made or undertaken as the authority may in its discretion deem necessary; or
- (b) require the applicant, by notice in writing, to furnish the authority, within such period as may be specified in the notice, with such proposals, by way of alternative to or in addition to proposals set out in the application.
- (3) In considering any application and the conditions subject to which the

application may be granted, the Licensing Authority shall take into account the need to conserve and protect the natural resources in, on or under the land to which the application relates and in, on or under adjoining or neighboring land.

(4) Where the Licensing Authority is prepared to grant an application subject to certain conditions, the Licensing Authority shall give notice to the applicant accordingly, stating in the notice those conditions and the conditions referred to in rule 11.

(5) The applicant may, within the period of one month after notice is given to him pursuant to sub-rule (4), or within such further period as the Licensing Authority may, on good cause shown, accept in writing the conditions or such other conditions as may be agreed by the Licensing Authority and the applicant.

10. Offences in relation to applications. - if an applicant fails -

- (a) to comply with the requirements of a notice referred to in rule 9 (1) or 9(2) (b); or
- (b) to agree as contemplated in rule 9 (5), within the period specified in the notice, or such further period as may be allowed by the Licensing Authority, the application in question shall lapse on the expiry of the given period.

11. General condition of mineral titles. - (1) in addition to any condition contained in the 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 reasonable and 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) in the employment of person, give preference to citizens of Pakistan who possess appropriate qualifications, expertise and experience for the purposes of the operations to be carried on under the mineral title;
- c) carry out training programmes in order to encourage and promote the development of citizens of Pakistan employed by the holder of the mineral title;
- d) with due regard to the need to ensure technical and economic efficiency, make use of products or equipment, manufactured or produced, and services available;
- e) co-operate with the persons involved in the mining industry to enable citizens of Pakistan to develop skills and technology and to render services in the interest of that industry;

- f) take measures to prevent damage to the environment, and where some adverse impact on the environment is unavoidable, take measures to minimize such impact;
- g) make good, any damage caused to the environment, as far 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;
- h) in the case of a company, give to the Licensing Authority notice of any change in its name, registered address, directors or share capital, within thirty days as from the date of the change; or
- i) in the case of a natural person, give to the Licensing Authority any change of his address within thirty days of the change.

(2) it shall be a condition of every mineral title that before the commencement of exploration operations within a reserved or protect forest, thirty days notice in writing shall be given to the Forest Officer concerned of the intention to commence the operations, and that the operations shall be conducted subject to any condition regarding the use of land that he may prescribe.

(3) A mineral title may provide for the pre-emption of minerals by the Government in such circumstances as are specified in the title, subject to the payment of the fair market price determined on the basis so specified.

(4) it shall be a condition of a mineral title that the holder of the title shall make such contributions for the benefit of the local population, to the Government to be used for such proposes, as may be provided for in the title or the mineral agreement.

(5) A mineral title may make provision with respect to any of the matters referred to in rule 7 (3), other than paragraph (f).

12. Restriction on exercise of right 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 fifty meters from the boundary of the exploration area or, as the case may be, the mining area, except with the previous permission in writing of the Licensing Authority and in accordance with the conditions, if any, that it may impose.

2. The holder of a mineral title shall not carry on exploration or mining operation at or upon any point within a distance of one hundred meters from any railway line, reservoir, canal or other public works or buildings, except with the pervious permission in writing of the Licensing Authority.

3. The holder of a mineral title shall not erect any building or carry on any surface operations upon any public pleasure ground, cremation or graveyard, or place held sacred by any class of persons, or any house or village site, or public road or on any other place, which the Licensing Authority may exclude from such operation.

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

- (a) cut or injure any tree on occupied land;
- (b) disturb the surface of any road;
- (c) enter on any public pleasure ground, cremation or graveyard, or place held sacred by any class of persons; or
- (d) interfere with any right of way, well, tank or cultivated agricultural land.

5. All surface operations 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. In the event of any disagreement between the Forest Department and the holder of a mineral title the matter shall be referred to the Secretary of the Department of Industries, Minerals whose decision shall be final.

6. Before occupying any land for surface operations or clearing any land, the holder a mineral title shall give to the Licensing Authority one month's prior notice in writing specifying by name or other sufficient designation and quantity the land proposed to be occupied and the purpose for which the same is required.

7. The Licensing Authority shall at any time within one month from the receipt of a notice given pursuant to sub-rule (1) state the objections. If any, on grounds of public interest to the proposed site and the holder of the mineral title in question shall not proceed with any of the operations mentioned in sub-rule (1) until the objections are removed.

8. The holder of a mineral title shall make and 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 over which the title has been granted, for all damage, injury or disturbance which may be done by the holder in exercise of the powers granted by the title, and the holder shall indemnify the Licensing Authority against all claims which may be made by third party in respect of any such damage, injury or disturbance. "In case of dispute" the matter shall be referred to the licensing Authority for a final decision".

9. Any person who contravenes or fails to comply with the provisions of sub-rules (1), (2), (3), (4), (6), (7), or (8) shall be guilty of an offence and be liable to pay compensation as determined by the Licensing Authority, in addition to fine as prescribed by the Government from time to time.

13. 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 given 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 such building, road, railway, structure and enclosure may be undermined;

- d) the construction, erection, maintenance operation, use or removal structures, equipment and other goods used in connection with the exploration for, or the mining or 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 arise in the course of the operations involved in exploration or mining of any mineral or after such operations have ceased;
- f) the making safe of undermined ground and of dangerous slimes, tailings, dams, waste dumps, ash dumps, shafts, holes, trenches or excavation of whatever nature made in the course of exploration or mining operation;
- g) the safety, welfare and health of persons employed in or in connection with reconnaissance operation, exploration operations and mining operations and the conveyance of minerals;
- h) the taking, preservation and furnishing to the Licensing Authority of cores, cutting or samples of minerals from mines or excavations;
- i) the submission to the Licensing Authority of reports, returns and other information;
- j) the taking of logs or directional surveys or the making of other investigations; and
- k) the creation of safety zones in relation to structures erected on land to which the mineral title relates.

2. The Licensing Authority may, if the holder of a minerals title fails to comply, within such period as may be specified in a notice given under sub-rule (1), or such further period as the Authority may on good cause shown allow in writing, with any direction given under sub-rule(1) to the satisfaction of the Authority, causes such steps to be taken as may be necessary to comply with the direction, and may recover from the holder the costs incurred in connection with the taking of any such steps, as a debt due to the Government.

3. Any holder of a mineral title who contravenes or fails to comply with a notice given to him under sub-rule (1) shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to rectification of the default within a period given by the Licensing Authority failing which the mineral title may be withdrawn.

II-RECONNAISSANCE LICENCE

14. Rights of holder of reconnaissance licence. - (1) Subject to these rules and the condition of the licence, a reconnaissance licence shall confer on the holder of the licence-

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

(2) The holder of a reconnaissance licence shall not erect or construct any of the ancillary works such as are referred to in sub-rule (1) (b) without the prior consent in writing of the Licensing Authority given, on application made in that behalf to the authority by the holder, 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) a person applying for a reconnaissance licence, grant to the applicant a reconnaissance licence; or

b) the holder of a reconnaissance licence, cause an endorsement to be made on the reconnaissance licence,

by virtue of which an exclusive right is conferred on the applicant or the holder to exercise the rights referred to in sub-rule (1) (a), if the Licensing Authority is on reasonable grounds satisfied that the extent of the reconnaissance operations to be carried out and the expenditure to be incurred in relation to the reconnaissance area justify the grant of such exclusive right.

(4) An exclusive right such as is referred to in sub-rule (3) shall not be granted in respect of any area of land-

(a) to which any other mineral title giving an exclusive right to carry reconnaissance, exploration or mining operations relates; or

(b) to which a Prospecting Licence relates,

to carry on reconnaissance, exploration or, as the case may be, mining operation for the same mineral or group of minerals as those to which the exclusive right would, if granted, relate.

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

15. Duration of reconnaissance licence.- (1) subject to these rules, a reconnaissance licence shall be valid for such period, not exceeding twelve months, as may be specified in the licence.

(2) Notwithstanding sub-rule (1), and subject to other provisions of these rules, where an application is made by the holder of a reconnaissance licence for the grant of an exploration-

a) in relation to an area of land in or which constitutes the reconnaissance area; and

(b) in respect of mineral or group of minerals in relation to which the holder of the licence has the exclusive right under rule 14 (3) to carry on reconnaissance operations,

the reconnaissance licence shall not expire in relation to that area of land and mineral or group of minerals while the application is considered until the licence

applied for is issued, or the application is refused or withdrawn or has lapsed, whichever first occurs.

16. Application for reconnaissance licence. - (1) an application for the grant of a reconnaissance licence shall -

- (a) give in respect of the person or, if there is more than one person, of each person making the application;
 - (i) in the case of an individual, the full names and nationality, date of birth and postal and residential address of the person; or
 - (ii) in the case of a company, its name and particulars of its incorporation and registration, the full name, address and nationalities of the director and, if the company has a share capital, the full names, address and nationalities of any person who is the beneficial owner of more than five per centum of the issued share capital;
- (b) be made in respect of an area of land which is up to 5,000 sq. km. except where special exemption is granted by the Government for the mega projects;
- (c) identify the mineral or group of minerals in respect of which a licence is sought;
- (d) be accompanied by a detailed topographical and geological description of the boundaries of the area of land of which the application relates, and a plan drawn to an appropriate scale of such area showing -
 - (i) its location with reference to the coordinates of the bench mark on topographic sheets;
 - (ii) the extent of the area and the boundaries by reference to identifiable physical features and co-ordinate reference points;
- (e) 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 operation shall be carried on; and
 - (ii) in the case of an application for an exclusive right such as is referred to in rule 14 (3), the reason for the application;
- (f) furnish such particulars as may be necessary to determine the applicant's technical and financial resources or, where applicable, those of any person contractually engaged to provide such resources, and copies of relevant contractual agreements;
- (g) furnish -
 - (i) particulars of all other mineral titles held or mines operated in Punjab 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 in and outside the Punjab.
 - (h) state the period, not exceeding twelve months, for which the licence is required; and
 - (i) be accompanied by such documents as the Licensing Authority may require in relation to any matter referred to in this rule.
- (2) An application for the grant of a reconnaissance licence may contain any other matter which in the opinion of the applicant ifs relevant the application.

17. Restrictions on grant of application for reconnaissance licence. - The Licensing Authority shall not grant an application for a reconnaissance licence -

- (a) unless the Licensing Authority is satisfied that the applicant is a fit and proper person to hold the licence,
- (b) if the applicant is, at the time of the application, in default unless the Licensing Authority is of opinion that special circumstances exist which justify the grant of the application notwithstanding the default;
- (c) unless the Licensing Authority, on reasonable grounds, is satisfied -
 - (i) with the programme of reconnaissance operations to be carried on and the expenditure to be incurred on reconnaissance operation; and
 - (ii) that the applicant has the technical and financial resources to carry on those reconnaissance operations and make that expenditure; or
- (d) in respect of an area of land in relation to a mineral or group of minerals in respect of which an exclusive right has, under rule 14(3), been conferred on any other holder of a reconnaissance licence.

18. Issue of reconnaissance licence. - (1) subject to these rules Licensing Authority shall, upon the granting or an application for a reconnaissance licence, issue to the applicant a reconnaissance licence on such conditions as may be agreed.

- (2) A reconnaissance licence shall -
- (a) state the full names and address of the holder of the licence;
 - (b) state the date on which and the period for which the licence is issued pursuant to rule 13(1);
 - (c) state the extent of the area granted subject to rule 16 (1) (b),
 - (d) contain a description and plan, prepared by a qualified surveyor or the reconnaissance area, as provided in rule 16(a)(d)

- containing geometrical or numerical depictions, or any combination thereof, in words or symbols of the area;
- (e) state the conditions, other than those referred to in rule 11, 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.

19. Work programme of reconnaissance operations.- (1) Where the holder of a reconnaissance licence is, by virtue of the conditions of the 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 furnish the Licensing Authority, on such date or dates as may be specified in the licence, or as may be determined by the Licensing Authority and made known by notice in writing given to the holder, with particulars of such reconnaissance operation carried out and the expenditure made.

(2) The Licensing Authority may, on application made to it by the holder of a reconnaissance licence by notice in writing to the holder, amend any work programme or expenditure referred to in sub-rule (1) in accordance with proposals contained in the application or to such extent as the Licensing Authority may deem expedient.

(3) The holder of a reconnaissance licence who fails to comply with the requirements of a work programme referred to in sub-rule (1) shall, subject to the provisions of rule 74 be liable to pay in the Provincial Fund such penalty as may be provided for in the conditions of the reconnaissance licence in question, in the event of such a failure.

20. Records, etc., licence to be kept, etc. by holder of reconnaissance licence.-

(1) The holder of a reconnaissance licence shall -

- (a) Keep at an address in Punjab a proper record in such form as may be determined in writing by the Licensing Authority in relation to -
 - (i) The location and nature of all photo-geological studies, imaging and geophysical and other surveys carried on by the holder in the course of the reconnaissance operations in the reconnaissance area to which the reconnaissance licence relates, and the results, interpretations and assessments of such studies and surveys;
 - (ii) the persons employed by the holder for purposes of the reconnaissance operations including the names, addresses, nationalities and ages of such persons;
 - (iii) the expenditures incurred by the holder in the course of the reconnaissance operations; and

- (iv) such other information as may be determined by the Licensing Authority and specified by notice in writing given to the holder,

and shall retain such records for a period of not less than three years from the date of expiry of the licence;

- (b) prepare or cause to be prepared and maintained at all times, plans and maps in respect of the reconnaissance areas;
- (c) prepare in respect of the period of the currency of the reconnaissance licence a statement of income and expenditure derived or incurred in connection with the reconnaissance

operations in the reconnaissance area and such other financial statements as the Licensing Authority may require in such form as the authority may determine; and

- (d) submit, within sixty days after the end of the currency of the reconnaissance licence in respect of the whole of the reconnaissance area, or together with an application for an exploration licence in respect of the whole or any portion of the reconnaissance area, to the licensing Authority -
 - (i) in such form as may be determined in writing by the Licensing Authority, a report in duplicate or, in the case where an application is made for an exploration licence in respect of a portion of the reconnaissance area, separate reports in duplicate in respect of such portion and the remainder of the reconnaissance area, setting out in relation to such period -
 - (aa) an evaluation of the prospects of the discovery of any mineral or group of minerals in the reconnaissance area;
 - (bb) all information, including photographs, tabulations, tapes and discs, in the records referred to in paragraph (a) and the plans and maps referred to in paragraph (b); and
 - (ii) the statement of income and expenditure and financial statements referred to in paragraph (c)

(2) in the event of the cancellation or surrender of a reconnaissance licence under rule 57 or rule 58, or expiry of the licence, the person who was the holder of such licence immediately before the cancellation, surrender or expiry, deliver to the Licensing Authority -

- (a) all records kept in terms of the provisions of sub-rule (1) (a);
- (b) all maps and plans referred to in sub-rule (1) (b);
- (c) all reports, photographs, tabulations, tapes and discs prepared by or on behalf of such person in the course of the reconnaissance operation; and

- (d) such other books, documents, records and reports as the Licensing Authority may require by notice in writing given to such person,

or copies of such records, maps plans, reports, photographs, tabulations, tapes discs, books and documents, unless an exploration licence is issued to such person in relation to the area to which such reconnaissance licence relates with effect from the date following on the date of the cancellation, surrender or expiry or such later date as the Licensing Authority may, on good cause shown, allow.

(3) Any person, referred to in sub-rule (1) or (2), who contravenes or fails to comply with the provisions of that sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

III - EXPLORATION LICENCE

21. Right of holder of exploration licence. - (1) Subject to these rules and the conditions of the licence, an exploration shall confer on the holder of the exploration licence -

- a. the exclusive right to carry on exploration operation in the area in question in respect of any minerals or group of minerals to which the licence relates;
- b. subject to the right of 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 divert water on or flowing through such land and use it for any purpose necessary for exploration operations subject to and in accordance with the provisions of the relevant law;
- d. with the permission in writing or the Licensing Authority previously obtained generally or in every particular case the right -
 - (i) to remove from the exploration area any mineral or group of minerals or sample thereof, for the purpose of testing, assaying or pilot plant studies, from any place where it was found or incidentally won in the course of such exploration operations to any other place whether within or outside the Punjab 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 any such mineral or group of minerals or of material 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 of the kind referred to in paragraph (a).

(2) The provisions of rule 12 (2) shall apply mutatis mutandis in relation to the holder of an exploration licence wishing to erect or construct accessory work under sub-rule (1) as they apply in relation to the holder of a reconnaissance licence.

22. Duration of exploration licence.- (1) Subject to these rules, an exploration licence shall be valid

- (a) for such period, not exceeding three years, as may be specified in the licence and;
- (b) subject to rule 27 (2) (e), for such further period, not exceeding three years, as may be determined by the Licensing Authority in relation to any renewal of the licence as from the date on which the licence would have expired if an application for its renewal had not been made, or, on the date on which the application for the renewal is granted, whichever is later.

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

- (a) an exploration licence shall not expire during any period when an application for renewal of the licence is being considered until the application is refused or withdrawn or lapses, whichever first occurs, or if the application is granted, until such time as the licence is renewed in consequence of the application; or
- (b) where the application is made by the holder of the exploration licence for the grant of a mineral deposit retention licence or a mining lease in relation to an area of land in or which constitutes the exploration area and in respect of a mineral or group of mineral to which the exploration licence relates. The exploration licence shall not expire in relation to that area of land and that mineral or group of minerals until the application is refused or withdrawn or lapses, whichever is earlier or if the application is granted, until the mineral deposit retention licence or, as the case may be the mining lease, applied for is issued.

23. Effect of issue of mining lease or mineral deposit retention licence on exploration area. - (1) Where a mining lease is issued to the holder of an exploration licence in respect of an area of land in, or which constituted, the exploration area and in respect of a mineral or group of minerals to which the exploration licence related the 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.

(2) Where a mineral deposit retention licence is issued to the holder of an exploration licence in respect of an area of land in, or which constituted, the exploration area in respect of a mineral or group of minerals to which the exploration relates the 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.

24. Application for exploration licence. - (1) an application for an exploration licence shall -

- a in the case of an individual, give such information as is referred to in rule 16 (1) a(i);

- b. in the case of a company, give such information as is referred to in rule 16 (1) a(ii)
 - c. be accompanied by a plan such as is referred to in rule 16 (1) (d),
 - d. furnish a comprehensive geological description of the area of land over which the licence is sought, identify the potential for, or the nature of, mineralization contained therein and identify and mineral or group of mineral in respect of which the licence is sought;
 - e. contain particulars of -
 - (i) the programme of exploration operation proposed to be carried on, the estimated expenditure in respect thereof and the period within which the operations shall be carried on;
 - (ii) the anticipated effect which the proposed exploration operations may have on the environment and measures to be taken to prevent or minimize any adverse effects thereon;
 - f. furnish particular such as are referred to in rules 16 (1) (f),
 - g. state the period, not exceeding three years, for which the licence is required;
 - h. be accompanied by such documents as the Licensing Authority may require in relation to any matter referred to in this rule; and
 - i. be made in respect of an area of land not exceeding 500 Square Kilometers.
- (2) The application may contain any other matter which in the opinion of

the applicant is relevant to the application.

25. Exercise of power to grant or refuse application for exploration licence. -

(1) Subject to these rules, where an application for an exploration licence -

- a. is made by the holder of a reconnaissance licence and the application -
 - (i) relates to an area of land which constitutes the reconnaissance area; and
 - (ii) is in respect of any mineral or group of minerals in relation to which the holder of the reconnaissance licence has, under rule 14 (3), the exclusive right to carry on reconnaissance operations in that area of land, the Licensing Authority shall grant the application;
- b. is made by any other person; the Licensing Authority may grant or refuse the application.

2. the Licensing Authority shall not grant an application for an exploration licence to any person in relation to any area of land in respect of any mineral or group of minerals if, at the time the application is made -

- a. the area of land is in or constitute a mining area or an area of land subject to a mining lease dealing with small scale mining;
- b. any mineral deposit retention licence is held by any person in relation to the area of land, unless the Licensing Authority deems it desirable in

the interests of the development of the mineral resources of Punjab to grant the application and, if the mineral deposit retention licence is in respect of the mineral or group of minerals to which the application relates, the holder of mineral deposit retention licence agrees to the application being granted; or

- c. any reconnaissance licence or exploration licence 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 or group of minerals to which the application relates, is held by any other person unless -
 - (i) that other person agrees to the application being granted; and
 - (ii) the Licensing Authority deems it desirable in the interest of the development of the mineral resource of Punjab to grant the application.

(3) An application for an exploration licence shall not be granted to an applicant -

- a) if the application is, at the time of the application, in default unless the Licensing Authority is of opinion that the default is not substantial and that special circumstances exist which justify the grant of the application notwithstanding the default, and
- b) unless the licensing Authority is, on reasonable grounds satisfied-
 - (i) with the proposed programme of exploration operation to be carried on and the proposed expenditure to be incurred on exploration operation; and
 - (ii) that the person concerned has the technical and financial resources to carry on the exploration operations.

4) An application for an exploration licence shall not be granted in respect of an

area of land exceeding 500 square kilometers.

26. Issue of exploration licence.- The provisions of rule 18 shall apply mutatis mutandis in relation to the issue of an exploration licence as they apply in relation to the issue of a reconnaissance licence.

27. Application for renewal of exploration licence. - (1) subject to this rule, the provisions of rules 24 and 25 shall apply mutatis mutandis in relation to an application for the renewal of an exploration licence as they apply in relation to an application for the grant of an exploration licence.

- 2) An application for the renewal of an exploration-
 - a) be made not later than ninety 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;
 - b) not be made -

- (i) in the case of an application for a first renewal of the licence, in respect of an area of land greater in extent than fifty per centum of exploration area at the date of the issue of the exploration licence;
 - (ii) in case of an application for a second renewal, in respect of an area of land greater in extent than fifty per centum of the exploration area immediately prior to the date of the application for the second renewal, or such other proportion of the exploration area as the Licensing Authority may, for good technical or other reason, grant; or
 - (iii) in the case of a second renewal unless it is shown by the holder of the expiration licence that a further renewal is necessary for the completion of a full feasibility study of the discovered deposits and that the proposed activities were not reasonably completed during the first renewal;
 - (c) be accompanied by a report in duplicate containing the particulars contemplated in rule 31(1) (d) prepared in respect of the immediately preceding period of the currency of the exploration licence;
 - (d) describe and identify the part of the exploration area to be retained and the part to be relinquished;
 - (e) be accompanied by the proposed work programme and expenditures for the period of the renewal; and
 - (f) in the case of a second renewal, shall give the reason, supported by documentary proof. For requesting the renewal.
- (3) The application may be made on not more than two occasions, and
- (4) Subject to the provisions of sub-rules (5) and (6), the Licensing Authority shall not grant an application for the renewal of an exploration licence;
- (a) if the minimum exploration operations and expenditures proposed to be carried out or expended in the renewal period in respect of the area of land to which the application relates, is not satisfactory; or
 - (b) if the applicant is, at the time of the application, in default unless the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the application notwithstanding the default.
- (5) The Licensing Authority shall not refuse under sub-rule (4) (a) to grant the application in question if the proposals in respect of exploration operations and expenditures are in accordance with the terms and conditions of a mineral title or mineral agreement relation to proposals of that kind in respect of the exploration licence in question.
- (6) The Licensing Authority shall not refuse under sub-rule (4) (b) to grant the application in question, unless the Licensing Authority has informed the holder of the licence in writing of its intention to refuse the application,
- (a) setting out particulars of the alleged default, and

- (b) requiring the holder to make representations to Licensing Authority in relation to the alleged default or to remedy that default on or before a date specified in the notice, and the holder has failed to remedy that default or make representations which, in the opinion of the Licensing Authority remove the ground for the intended refusal.

(7) The Licensing Authority shall not grant an application for a second renewal of an exploration licence unless the application has shown that the renewal sought is necessary for the completion of feasibility studies and could not have been reasonably completed during the first renewal.

28. Application for amendment of exploration licence. - (1) Subject to sub-rule (2), the holder of an exploration licence may apply for the amendment of the licence-

- (a) by the extension or reduction, or both, of the exploration area to which the licence relates; or
- (b) by the addition of any mineral or group of minerals, discovered in the exploration area, to which the licence does not relate subject to the condition that the Licensing Authority may grant or refuse such application for reasons to be recoded in writing

(2) The provisions of rules 24 and 25 shall apply mutatis mutandis in

relation to an application referred to in sub-rule (1) as these apply in relation to an application for the grant of an exploration licence.

(3) if an application under sub-rule (1) is granted by the Licensing Authority. It shall amend the exploration licence concerned accordingly.

29. Obligations of holder of exploration licence. - (1) it shall be a condition of an exploration licence that the holder of the licence shall -

- a) commence operations within three months of the issue of the licence, and carry on exploration operations in the exploration area in accordance with good exploration practices;
- b) take all reasonable steps necessary to secure the safety, welfare and health of persons employed for purpose of those operations in the exploration area 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 intended to be used in connection with the exploration operations;
- e) take reasonable steps to warn persons who may from time to time be in the vicinity of any such structures, equipment or other good of the possible hazards resulting there from;
- f) give to the Licensing Authority notice of the discovery of a deposit of any mineral or group of minerals to which the holder's licence relates within ten days after the holder determined that the deposit is of potential commercial interest;

- g) give to the Licensing Authority notice of the discovery of a deposit of any mineral or group of minerals including radioactive minerals necessary for the generation of nuclear energy, mineral oil and natural gas, other than a mineral or group of minerals to which his licence relates, within ten days after making the discovery.

(2) Any holder of an exploration licence who contravenes or fails to comply with the provisions of sub-rules (1) shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn,

30. Work programme of exploration operations. - The provisions of rule 19 shall apply mutatis mutandis in relation to the holder of an exploration licence, as they apply in relation to the holder of a reconnaissance licence, and for the purpose any reference in that rule to reconnaissance licence or reconnaissance operation shall be deemed to be a reference to exploration licence or, as the case may be, exploration operations.

31. Records, etc., to be kept, etc. by holder of exploration licence.- (1) the holder of an exploration licence shall-

- a) Keep at an address in Punjab a proper record in such form as maybe determined in writing by the licensing Authority in relation to-
- (i) the location and results of all photo geological studies. Imaging, geological mapping, geochemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling and other activities undertaken by the holder in the course of the exploration operations carried on by the holder in, or in connection with, the exploration area to which the exploration licence relates;
 - (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 sub-paragraphs (i) and (ii);
 - (iv) the nature, mass or volume and value of any mineral or group of minerals sold or otherwise disposed of and the full name and address of any person to whom such mineral or group of minerals was sold or otherwise disposed of;
 - (v) the nature, mass or volume and value of any mineral or group of minerals sold or otherwise disposed of and the full name and address of any person to whom such mineral or group of minerals was sold or otherwise disposed of;
 - (vi) the expenditures incurred by the holder in the course of such exploration operation; operations; and
 - (vii) such other information as may be determined in writing by the Licensing Authority and specified by notice in writing given to such holder;
- b) prepare or cause to be prepared and maintained at all times plans and maps in respect of the exploration area;

- c) prepare in respect of the period of the currency of the exploration licence a statement of income and expenditure derived or incurred in connection with the exploration in the exploration area and such other financial statement as the Licensing Authority may require in such form as the Licensing Authority may determine;
- d) Submit within 30 days after the end of each quarter during the currency of such exploration licence to the licensing Authority in such form as may be determined in writing by the authority a returns containing in relation to such quarter -
 - (i) A summary of the particulars and information contained in the records referred to in paragraphs (a) and (c) as may be required by the Licensing Authority and indicated in such form or requested by the authority by notice in writing given to the holder; and
 - (ii) Such other particulars as the Licensing Authority may require in relation to the exploration operations carried on by the holder; and
- (e) submit, within 60 days after the end of the currency of such exploration licence and of each period during which such exploration licence has been renewed in respect of the whole of the exploration area, or together with an application for the renewal such exploration licence or an application for a mineral deposit retention licence or mining lease in respect of the whole or any portion of the exploration area, to the Licensing Authority, in such form as may be determined in writing by the Licensing Authority, a report in duplicate or, in the case 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 in duplicate in respect of such area and the remainder of such exploration area in relation to such period -
 - (i) an estimate of the mineral reserved in the exploration area properly illustrated by way of planes and maps accordingly to an appropriate scale;
 - (ii) the nature, mass or volume and value of any mineral or group of minerals sold or otherwise disposed of and the full name and address of any person to whom such mineral or group of minerals has been sold or otherwise disposed of;
 - (iii) An evaluation of the prospects of the discovery of any mineral or group of minerals in the exploration area; and
 - (iv) Such other particulars as the Licensing Authority may require in relation to the exploration operations carried on by such holder.

2) in the even to the cancellation or surrender of an exploration licence under rule 57 or rule 58 or the expiration of an exploration licence, the person who was the holder of such licence immediately before such cancellation or surrender or expiration shall, on a date not later than on e month after the date of such cancellation, surrender or expiration deliver, to the Licensing Authority:-

- a) all records kept in terms of the provisions of sub-rule (1) (a);
- b) all maps and plans referred to in sub-rule (1) (b);
- c) all reports, photographs, tabulations, lapes and discs prepared by or on behalf of such person in the course of such exploration operation, and

- d) such other books, documents, records and reports as the Licensing Authority may require by notice in writing or copies of such records, maps, plans, reports, photographs, tabulations, tapes, discs, books and documents, unless a mineral deposit retention licence or a mining lease is issued to such person in relation to the area to which such exploration licence related, with effect from the date following the date of such cancellation, surrender or expiration or such later date as the Licensing Authority may, on good cause shown, allow.

3) Any person referred to in sub-rule (1) or (2) who contravenes or fails to comply with the provisions of that sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

IV - MINERAL DEPOSIT RETENTION LICENCE.

32. Rights of holder of mineral deposit retention licence. - (1) Subject to these rules and the conditions of the licence, a mineral deposit retention licence shall authorize the holder of the licence-

- a) to retain the retention area in question for future mining operation subject to the provisions of rule-34;
- b) to carry out a programme of operations such as is referred to in rule 42;
- c) with the permission of the Licensing Authority previously obtained whether generally or every particular case-
 - (i) to remove from the retention area any mineral or group of minerals 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 carrying out such programme of operations to any other place whether within or outside Punjab or, subject to such other permission as may be required under other law, outside Pakistan; and
 - (ii) to sell or otherwise dispose of limited amounts of any mineral or group of minerals or material excavated during operations so carried out; and
- d) subject to sub-rule (2), to do all other things, including the carrying out of investigations and operations, and the erection or construction of ancillary work, in the retention area, as may be reasonably necessary for, or in connection with any operation as contemplated in paragraph (b).

2) The provisions of rule 14 (2) shall apply mutatis mutandis in relation to the holder of a mineral deposit retention licence wishing to erect or construct accessory works under sub-rule (1) as they apply in relation to the holder of a reconnaissance licence wishing to do so under rule 14.

33. Persons who may apply for mineral deposit retention licence. - No person shall apply for the grant of a mineral deposit retention licence unless-

- a) he is the holder of an exploration licence in relation to the area of land and the mineral or group of minerals to which the application relates;

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

34. Duration of mineral deposit retention licence. - (1) Subject to these rules, a mineral deposit retention licence shall be valid:-

- a) or such period, not exceeding two years, as may be specified in the licence; and
- b) for such further period, not exceeding one year, as may be determined by the Licensing Authority at the time of the granting of any application for the renewal of the licence.

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

- a) a mineral deposit retention licence shall not expire during the period and application for renewal of the licence is being considered, until the application is refused or withdrawn or lapses, whichever is earlier or if the application is refused or withdrawn or lapses, whichever is earlier or if the application is granted, until such time as the licence is renewed in consequence of the application; or
 - b) where an application is made by the holder of a mineral deposit retention licence for 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 or group of mineral to which the licence relates. The licence shall not expire in relation to that area of land and that mineral or groups of minerals until the applications is refused or withdrawn or lapses whichever first occurs. Or if the application is granted, until such time as the mining lease applied for is issued.
- 3) Where a mining lease is issued to the holder of a mineral deposit

retention licence in respect of an area of land which forms part of the retention area and in respect of any mineral or group of minerals to which the mineral deposit retention licence relates:-

- a) that mineral deposit retention licence shall cease to have effect in relation to the area of land as from the date of the issue of the mining lease; and
- b) any other mineral deposit retention licence for the same mineral shall so cease to have effect unless the Licensing Authority has, with the concurrence of the holder to whom the mining lease is issued, determined otherwise on such conditions as may be specified in writing by the Licensing Authority.

35. Application for mineral deposit retention licence. - (1) an application for a mineral deposit retention licence shall-

- a) in the case of an individual, give such information as is referred to in rule 16 (1) (a) (i);
 - b) in the case of a company, give such information as is referred to in rule 16 (1) (a) (ii);
 - c) be accompanied by a description and plan such as is referred to in rule 16 (1) (d) of the area of land, not greater than the exploration area concerned, over which the licence is sought,;
 - d) identify the mineral or group of minerals to which the application relates and furnish full details of the proven, estimated or inferred mineral reserves contained therein, and of the mining conditions pertaining thereto;
 - e) contained particulars of:-
 - (i) the proposals for the carrying out of work in the exploration area and expenditures during the period of the retention licence in respect of which the application is made and if no further work in or in relation to the exploration area could be usefully carried out the reasons therefore;
 - (ii) the state of the environment in the area to which the application relates, the likely adverse impact the operations to be carried on may have on the environment and the measures to be taken to prevent or mitigate such impact;
 - f) furnish particulars such as are referred to in rule 16 (1) (f);
 - g) furnish particulars of the exploration licence held by the applicant;
 - h) 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 a forecast of the circumstances in which, and the earliest date on which, the mineral or group or minerals discovered might be so mined;
 - (i) state the period for which the licence is required;
 - (ii) be accompanied by relevant data, studies analyses, documents and such other information as the Licensing Authority may require in relation to the application;
- 2) An application for a mineral deposit licence may contain any other matter which in the opinion of the applicant is relevant to the application.
- 3) An application for a mineral deposit retention licence shall be made not later than one hundred and eighty days before the expiry of the exploration licence or any renewal thereof, or such later date, but not later than such expiry date, as the Licensing Authority may allow.

36. Exercise of power to grant or refuse application for mineral deposit retention licence.- The Licensing Authority shall not grant an application for a mineral deposit retention licence to a person who is, under rule 33, entitled to apply for such licence:-

- a) in respect of an area larger than an area which in the opinion of the Licensing Authority is required having regard to the minerals or groups of minerals discovered in the area to which the application relates, to carry on the mining operation;
- b) if the applicant is at the time of the application in default, unless, the Licensing Authority is of the opinion that the default is not substantial

- and that special circumstances exist which justify the grant of the application;
- c) in relation to any mineral or group of minerals, unless the Licensing Authority is on reasonable grounds satisfied-
 - i) that the deposit of the mineral or group of minerals in the area to which the application relates cannot, for the reasons set out in the application, be mined on a profitable basis at the time and can probably be mined on the expiration of the period contemplated in rule 34;
 - ii) that no further work can be usefully carried on in the exploration area which may have the effect of negating the reasons so given; and
 - iii) that it is desirable, having regard to the further utilization of the mineral resources of Punjab to grant such licence;
 - d) in relation to the area of land to which such application relates in respect of any mineral or group of minerals, if at the time of such application-
 - i) such area of land forms part of any exploration area in relation to any mineral or group of minerals, if at the time of such application-
 - (aa) the applicant has given a notice in writing, not later than on the date on which such application is made, to the holder of the exploration licence in respect of that exploration area, of his application or intended application, as the case may be for such mineral deposit retention licence;
 - bb) the Licensing Authority has afforded the holder referred to in paragraph (aa) a reasonable opportunity to make representation in relation to such application;
 - cc) the Licensing Authority, with due regard to any representation made in terms of paragraph (bb), deems it desirable to grant such licence having regard to the future utilization of the mineral resources of Punjab, or
 - ii) such area of land forms part of any retention area in relation to any mineral or group of minerals, other than the mineral or group of minerals to which the application relates, unless;-
 - dd) the Licensing Authority deems it desirable, having regard to the future utilization of the mineral resources of Punjab to grant such licence;
 - ee) the Licensing Authority is on reasonable grounds satisfied that the programme of operations referred to in paragraph (1) (b) of rule 32 and any other investigations and operations referred to in paragraph (1) (d) of that rule to be carried on by virtue of such licence, if issued, will not detrimentally affect the rights of any holder of the mineral deposit retention licence in respect of any such area; and
 - ff) the holder of the mineral deposit retention licence has consented to the application for the grant of the mineral deposit retention licence.
 - (2) The Licensing Authority shall not refuse to grant an application for a

mineral deposit retention licence on any ground contemplated in sub-rule (1)(b), unless the Licensing Authority-

- a) has by notice in writing informed such holder of its intention to refuse such application.
 - (i) setting out particulars of the grounds for the intention, and
 - (ii) requiring such holder to make representation to the Licensing Authority in relation to such grounds or to remedy any matter relating to such grounds specified in such notice, and such holder has failed to remedy such matter or to make representations; and
- b) has taken into consideration any representation made by such person.

37. Issue of mineral deposit retention licence. - The provisions of rule 18 shall apply mutatis mutandis in relation to the issue of a mineral deposit retention licence as they apply in relation to the issue of a reconnaissance licence.

38 Conditions. - it shall be a condition of every mineral deposit retention licence that the department may disclose information with respect to the retention area to a person if the department is satisfied that the person with bonafide intention seeks the information for the purpose of investigating the possibility of carrying on mining operations in the retention area

39. Application for renewal of mineral deposit retention licence. - (1) Subject to sub-rule (2). The provisions of rules 35 and 36 shall apply mutatis mutandis in relation to an application for the renewal of a mineral deposit retention licence as they apply in relation to an application for the grant of a mineral deposit retention licence.

2) An application for the renewal of a mineral deposit retention licence shall be made not later than ninety days before the date on which the licence expires if not renewed or such later date, but not later than such expiry date, as the Licensing Authority may, on good cause shown, allow.

3) Subject to the provisions of sub-rule (4), the Licensing Authority shall refuse an application for the renewal of a mineral deposit retention licence if the applicant is, at the time of the application, in default unless the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the application notwithstanding the default.

4) The Licensing Authority shall not refuse, under sub-rule (3), to grant the application in question, unless the authority has, by notice in writing informed the holder of the licence of its intention to refuse the application:-

- a) setting out particulars of the alleged default, and
- b) requiring the holder to make representation to the Licensing Authority in relation to the alleged default or to remedy that default on or before a date specified in the notice,

and the holder has failed to remedy that default or make representation, which, in the opinion of the Licensing Authority, is a ground for the intended refusal.

40. Application for amendment of mineral deposit retention licence. - (1) Subject to sub-rule (2), the holder of a mineral deposit retention licence may apply for the amendment of the licence

- a) by the reduction of the retention area to which the licence relates; or
- b) by the addition of any mineral or group of minerals discovered in the retention area, to which the licence does not relate.

2) The provisions of rules 37 and 38 shall apply mutates mutandis in relation to an application under sub-rule (1) as they apply in relation to an application for the grant of a mineral deposit retention licence.

3) if an application under sub-rule (1) is granted by the Licensing Authority, it shall amend the mineral deposit retention licence accordingly.

41. Obligations of holder of mineral deposit retention licence.- The provisions of rule 29 (1) shall apply mutatis in relation to a mineral deposit retention licence as they apply in relation to an exploration licence, and for that purpose, the reference to the holder of an exploration licence shall be deemed to be a reference to the holder of a mineral deposit retention licence,

42. Work programme under mineral deposit licence. - The holder of a mineral deposit retention licence shall carry out any programme of operations, including evaluation, from time to time, of the mineral deposit concerned, as may be specified in the licence or directed to be performed by the Licensing Authority, as a condition of any renewal of the licence.

43. Direction to apply for mining lease. - (1) Where -

- a) during the lean of a mineral deposit retention licence-
 - (i) proposal are made to the Licensing Authority, in writing, by a person, other than the holder of the licence, to mine in the retention area, under a mining lease granted to the person, the mineral or group of minerals to which the mineral deposit retention licence relates; and
 - (ii) the Licensing Authority is satisfied that the proposals-
 - (aa) would be likely to ensure the efficient, beneficial and timely use of that mineral or group of minerals; and
 - (bb) are made in good faith by a person who has the technical and financial ability and experience to carry out the proposal and is otherwise qualified to hold a mining lease; or
- b) during the term of a mineral deposit retention licence, the Licensing Authority has good reason to believe-
 - (i) that a mineral or group of minerals to which the mineral deposit retention licence relates may be mined sold or otherwise disposed of on a profitable basis.
 - (ii) that further work may indicate the existence of any such mineral or group of minerals which may be mined, sold or otherwise disposed of on a profitable basis.

The Licensing Authority, if it wishes to proceed with the development of the deposit, shall, before doing so, afford the holder of the mineral deposit retention licence, in accordance with sub-rule (2), an opportunity to apply for a mining lease,

2) in the circumstances referred to in sub-rule (1), the Licensing Authority shall, by notice in writing, given to the holder of the mineral deposit retention licence-

- a) in the case referred to in sub-rule (1) (a):-
 - (i) inform the holder that it has received proposals of the kind referred to in that sub-rule giving the name of the person making the proposals; and
 - (ii) direct the holder 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 or group of minerals to which the mineral deposits retention licence is applied or;
- b) in the case referred to in sub-rule (1) (b) direct the holder-
 - (i) to apply for a mining lease within such reasonable period as may be specified in the notice,
 - (ii) to carry on mining operations in respect of the mineral or group of minerals
 - (iii) to carry on such further exploration operations as may be specified in the notice in relaxation to the retention area within such reasonable period as may be specified in the notice; or
 - (iv) to surrender, if the holder so wishes, the retention area in accordance with these rules.
- 3) Where, in the case referred to in sub-rule (1) (a), before the expiration of the period so specified, the holder of the mineral deposit retention licence-
- a) fails to apply for the mining lease as directed; or
 - b) notifies the Licensing Authority in writing that no such application shall be made, the mineral deposit retention licence 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 57 (8) shall have effect accordingly.
- 4) where, as provided in sub rule (3), a mineral deposit retention licence is deemed to have been cancelled, the Licensing Authority shall by notice in writing given 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.
- 5) Any holder of a mineral deposit retention licence who contravenes or fails to comply with a direction given to the holder under sub-rule (2) (b) shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

44. Records, etc., to be kept, etc., by holder of mineral deposit retention licence. - (1) the holder of mineral deposit retention licence shall

- a) keep at an address in Punjab a proper record in such form as may be determined in writing by the Licensing Authority in relation to -
 - (i) the investigations and operations, including the erection or construction of ancillary works, in such retention area as may be reasonably necessary, carried on by the holder for , or in connection with, future mining operations contemplated in rule 32;
 - (ii) 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 holder in the course of the exploration operations carried on by the holder, or in connection with the retention area to which the mineral deposit retention licence relates;

- (iii) the result of all analytical, metallurgical and mineralogical work incidentals to exploration operation;
 - (iv) the interpretation of land assessment of the studies, surveys and work referred to in sub-paragraphs (ii) and (iii);
 - (v) the persons employed by the holder for purpose of such investigations and operations, including the names, addresses, nationality and ages of such person;
 - (vi) the expenditures incurred by the holder in the course of such exploration operations; and
 - (vii) such other information as maybe determined by the Licensing Authority and specified by notice in writing address and delivered to such holder,
- b) prepare or cause to be prepared and maintained at all times plans and maps in respect of the retention area,
 - c) submit within 60days after the end of the currency of such mineral deposit retention licence in respect of the whole of the retention area, or together with an application for the renewal of such mineral deposit retention licence or an application for a mining lease in respect of the whole or any portion of the retention area, to the Licensing Authority in such form as may be determined in writing by the Licensing Authority, a report in duplicate or in the case where an application is made for a mining lease in respect of a portion of the retention area, separate reports in duplicate in respect of such portion and the remainder of such retention area, setting out in relation to such period -
 - (i) an evaluation of the prospects of future mining operation in such retention area;
 - (ii) all information, including photographs, tabulations, lapes and discs, in the record referred to in paragraph (a) and the plans and maps referred to in paragraph (b); and
 - (iii) such other particulars as the Licensing Authority may require in relation to the operation carried on by such holder; and
 - (d) submit to the Licensing Authority such other reports, records and other information as the authority may from time to time require in connection with the carrying on of investigations and operations in the retention area in question.
- (2) In the even of the cancellation of a mineral deposit retention licence

under rule 57 or the surrender or expiry of a mineral deposit retention licence the person who was the holder of such licence immediately before the cancellation, surrender or expiration shall, on a date not later than 180 days after the date of the cancellation or surrender of expiry, deliver to the Licensing Authority -

- (a) all records kept in term of the provisions of sub-rule (1) (a); and
- (b) such other books, documents records and reports as the Licensing Authority may require by notice in writing.

Or copies of such records, books, documents and reports, unless a mining licence is issued to such person in relation to the area to which such mineral deposit retention licence relate with effect from the date following on the date of such cancellation,

surrender or expiry or such later date as the Licensing Authority may, on good cause shown, allow,

(3) Any person referred to in sub-rule (1) or (2) who contravenes or fails to comply with the provisions of that sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

V-MINING LEASE

45. Rights of holder of mining lease. - (1) Subject to these rules and the conditions of the lease, a mining lease shall confer on the holder of the lease-

- a) the exclusive right to carry on mining operations in the mining area in question in respect of any mineral or group of minerals to which the lease relates;
- b) the right to enter and occupy the land which comprises the mining area for the purpose of carrying on mining operations and exploration operations referred to in paragraphs (a) and (b);
- c) the right to carry on in the mining area, in conjunction with mining operations such as area referred in paragraph (a), exploration operation in relation to any such mineral or group of minerals;
- d) the right to remove from the mining area any mineral or group of minerals, from any place where it was found or mined in the course of mining operations such as are referred in paragraph (a) or found incidentally won in the course of exploration operations referred in paragraph (b), to any other place within or outside Punjab or, subject to such other permission as may be required under any relevant law, to any place outside Pakistan;
- e) the right to take and divert water on or flowing through such land and use it for any purpose necessary for mining operations subject to, and in accordance with the provisions of the relevant;
- f) the right to sell or otherwise dispose of any such mineral or group of minerals subject to any condition of the mining lease or mineral agreement relating to the satisfaction of the internal requirement of Pakistan; and
- g) 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 work, as may be reasonably necessary for, or in connection with, the mining or exploration operations, removal, selling or disposal contemplated in paragraphs (a), (b), (c), or (e).

2) the provision of rule 14(2) shall apply mutatis mutandis to the holder of a mining lease who wishes to erect or construct ancillary works under sub-rule(1) as the apply in relation to the holder of a reconnaissance licence wishing to do so under rule 14.

46. Duration of mining lease.-(1) Subject to these rules, a mining lease shall be valid-

- a) for such period, not exceeding thirty years or the period representing the life of the mine,(as determined by the Licensing Authority whichever is lease, as may be specified in the lease and
- b) subject to sub-rule(2), for such period as may be determined by the Licensing Authority in relation to any renewal of the lease, as from the date on which the lease would have expired if an application for its renewal had not been made or on the date on which the application for renewal is granted, whichever is later.

2) A mining lease may be renewed for a period not exceeding ten years, or for the period representing the estimated life of the mine by the Licensing Authority, as determined on the basis of available date, whichever is the leaser period as from the date on which the application for renewal is received by the Licensing Authority,

3) Notwithstanding the provisions of sub-rule (1), but subject to the other provisions of these rules, where an application is made for the renewal of a mining lease, the lease shall not expire during the period the application is being considered unless the application is refused or withdrawn or lapses, whichever is earlier, or if the application is granted, until such time as the lease is renewed in consequence of the application.

47. 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 the grant a mining lease shall-
 - a) give such information as is referred to in rule 16 (1) (a)(ii);
 - b) be accompanied by a description an plan such as is referred to in rule 16 (1) (d)
 - c) be made in respect of an area of land not exceeding 250 square kilometers;
 - d) furnish particulars such as are referred to in rule 16(1) (1);
 - e) be accompanied by a technological report on mining and treatment possibilities and the intention of the applicant in relation thereto;
 - f) be accompanied by the relevant feasibility studies, detailed plans for development and operation of the mine and the programme of proposed mining operation mining operations, including a forecast of -
 - (i) the date by which the applicant intends to work for profit;
 - (ii) the capacity of production and scale of operations;
 - (iii) the anticipated overall recovery of ore and mineral products; and
 - (iv) the nature of the products;
 - g) the accompanied by an environmental impact assessment in terms of the Environmental protection Act 1997 and shall 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 operation would be likely to have on the environment and on any monument or relic in the area over which the lease is required, and proposal for criminating or controlling that effect;
 - h) present 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 of any adverse effect of mining operation on the environment;

- i) identify any particular risks (whether to health or otherwise) involved in mining the mineral or group of minerals which it is proposed to mine, and proposals for their control or crimationation;
 - j) give or be accompanied by a statement giving a detailed forecast of capital investment, operating costs and revenues and the anticipated type and source and extent of financing;
 - k) be accompanied by a statement giving particulars of expected infrastructure requirements;
 - l) state the period for which the lease is required; and
 - m) be accompanied by such other documents and information as the Licensing Authority may require in relation to the application;
- 3) An application for the grant of a mining lease may contain any other

matter which in the opinion of the applicant is relevant to the application.

48. Exercise of power to grant or refuse application for mining lease.-(1)

Subject to these rules, where an application for the grant of a mining lease is made by the holder of an exploration licence or a mineral deposit retention licence, and the application.

- a) relates to an area of land in, or which constitutes, the exploration area or, as the case may be, the retention area; and
- b) is in respect of any mineral or group of minerals;
 - (i) to which such exploration licence relates;
 - (ii) to which such mineral deposit retention licence relates,

the Licensing Authority shall grant the application.

2) Subject to these rules, where an application is made for the grant of a mining lease by any person other than a person such as is referred to in sub-rule(1), the Licensing Authority may grant or refuse the application.

3) The Licensing Authority shall not grant an application for a mining lease relation to any area of land in respect of any mineral or group of mineral if, at the time the application is made -

- a) any exploration licence conferring an exclusive right to carry on exploration operations in that area of land in respect of that mineral or group of minerals;
- b) any mining concession for small scale mining in relation to that area of land in respect of that mineral or group of minerals; or
- c) may mineral deposit retention licence in relation to that area of land and in respect of that mineral or group of minerals,

is held by any person other than the applicant or the mining lease, unless-

- (i) that other person agrees to the application being granted; and
- (ii) the Licensing Authority deems it desirable in the interest of the development of the mineral resources to grant the application.

4) The Licensing Authority shall not grant an application for a mining lease in relation to any area of land in respect of any mineral or group of minerals if at the time the application is made, the period specified in an invitation, given under rule 43(4) to a person, other than the applicant, to apply for such a mining lease, has not expired.

5) Notwithstanding the provisions of sub-rule (1), but subject to the provisions of sub-rule (5), an application for the grant of a mining lease shall not be granted-

a) Unless -

- (i) the feasibility study shows that the mine can be profitably developed and operated;
- (ii) the proposed plans for development and operation of the mine and the programme of the mining operations of the applicant in question ensure the efficient, beneficial and timely use of the mineral resources in question, and
- (iv) the Director General, Mines & Mineral is satisfied in respect of environmental effect of the project and any condition or limitation prescribed by the Pakistan Environmental Protection Act, 1997 and rules and Regulations made there under;

b) if the applicant in question is, at the time of the application, in default unless the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the application; or

c) in the case of an application made in relation to any area of land and in respect of any mineral or group of minerals, to a person who does not hold an exploration licence or a mineral deposit retention licence in relation to that area of land, or in respect of that mineral or group of minerals, unless the Licensing Authority is of opinion that the mineral or the group of minerals is present in the area of land in potentially commercial quantities.

6) The Licensing Authority shall not, in the case of an application for a mining lease by the holder of a mineral title referred to in sub-rule (1), refuse to grant the application -

a) in terms of sub-rule (5) (a), unless the Licensing Authority has, by notice in writing given to the applicant, its intention to so refuse the application to so refuse the application and has -

- (i) informed the applicant of the reasons for its intention;
- (ii) afforded the applicant an opportunity to make, within such reasonable period as may be specified in the notice,

representation in relation to all matters relating to its intention and, if the applicant so desire, to make proposals in relation to any such matters; and

(iii) taken into consideration any such representation; and

- b) in terms of sub-rule (5) (b), unless the Licensing Authority has, by notice in writing given to the applicant, its intention to so refuse the application -
- (i) setting out particulars of the alleged default; and
 - (ii) requiring the applicant to make representation to the Licensing Authority in relation to the alleged default or to remedy the default on or before a date specified in the notice,

And the applicant has failed to remedy the default or made such representation as in the opinion of the authority is the ground for the intended refusal.

7) The Licensing Authority shall not refuse an application for a mining lease on the ground that any proposal in the application is 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 the proposals concerned.

49. Issue of mining lease. - The provisions of rule 18 shall apply mutatis mutandis in relation to the issued of a mining lease as they apply in relation to the issue of a reconnaissance licence.

50. Application for renewal of mining lease. - (1) Subject to sub-rule (2), the provisions of rules 47 and 48 shall apply mutatis mutandis in relation to an application for the renewal of a mining lease as they apply in relation to an application for the grant of a mining lease.

2) An application for the renewal of mining lease shall be made not later than six months before the date on which the lease expires, if not renewed or such later date but not later than such expiry date, as the Licensing Authority may, on good cause shown, allow.

3) Subject to sub-rule (4), upon an application duly made for the renewal of a mining lease, the lease may be renewed as provided in rule 46 (2) with or without a variation of the conditions of the lease

4) The Licensing Authority shall not grant an application for the renewal of a mining lease if minerals in workable quantities have been mined.

51. application for amendment of mining lease.- (1) Subject to sub-rule (2), the holder of a mining lease may apply of the amendment of the lease-

- a) by the extension or reduction, or both, of the mining area to which the lease relates; or
- b) by the addition of any mineral or group of minerals, discovered in the mining area, to which the lease does not relate.

2) The provisions of rule 47 and 48 shall apply mutatis mutandis in relation to an application under sub-rule (1) as they apply in relation to an application for grant of a mining lease.

3) if an application under sub-rule (1) is granted by the Licensing Authority, it shall amend the mining lease accordingly.

52. Obligations of holder of mining lease. - (1) Subject to sub-rule (2), provisions of rule 29 (1) shall apply mutatis mutandis in relation to a mining lease as they apply in relation to an exploration licence, and for that purpose, the reference to the holder of an exploration licence shall be deemed to be a reference to the holder of a mining lease.

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

53. Notice of cessation of mining operations. - The holder of a mining lease shall-

- a) where he intends to temporarily cease mining operation or to reduce the normal rate of production, give notice in writing of that intention to the Licensing Authority on a date not later than -
 - (i) in the case of such intended cessation of mining operation, thirty days; or
 - (ii) in the case of such intended reduction of production, seven days,

or such other period as the Licensing Authority may, on good cause shown, allow before such intended cessation or intended reduction;

- b) if, for any reason beyond his control at any time, temporarily ceases mining operation, or reduces the normal rate of production, notify the Licensing Authority of such temporary cessation or reduction as soon as possible after such cessation or reduction,

and provide reasons for such intention of cessation or reduction, as the case may be, and such particulars as the Licensing Authority may require in connection with the location, nature and extent of such mining operations.

54. Action by Licensing Authority.- On receipt of a notice referred to in rule 53, or if the Licensing Authority has otherwise reason to believe that the holder of any mining lease has ceased, whether permanently or temporarily, or reduced mining operations, the Licensing Authority may cause the matter to be investigated and -

- a) give its approval on such conditions, as the Licensing Authority may determine, to the cessation or reduction; or
- b) refuse its approval and give such directions to the holder as the authority deems appropriate.

55. Unit development. - (1) this rule applies where the Licensing Authority determines -

- a) in the interest of the effective recovery of minerals from neighboring of contiguous mining area; or
- b) in the national interest in order to secure the rational development and ultimate recovery of any mineral form neighboring or contiguous mining areas;

that it is desirable that the holders of the mining lease in respect of those areas should co-ordinate their operations or develop their deposits as a unit.

2) Subject to sub-rule (3), the Licensing Authority may, in writing direct the holders of the mining lease 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, giving in the notice the grounds for the direction, and to lodge the agreement with the Licensing Authority forthwith for approval,

3) Before giving any direction under sub-rule (2) the Licensing authority shall afford each holder of a mining lease a reasonable opportunity to make representation to the Licensing Authority in writing with regard to the proposed direction

- 4) where.-
 - a) an agreement so 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 to be prepared, in accordance with good mining practices, a plan and afford each holder of the mining lease a reasonable opportunity to make representations to the Licensing Authority in writing with regard to the plan.

- 5) The holder of each mining lease 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 representation made pursuant to sub-rule (4),

56. Records, etc. to kept, by the holder of mining lease. - (1) the holder of a mining lease shall -

- a) keep at an address in Punjab a proper record in such form as may be determined in writing by the Licensing Authority in relation to -
 - (i) any mining operations referred to in rule 45 (1) (a) -
- aa) 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,

- bb) the nature and mass or volume of any mineral or group of minerals won or mined in such mining area and treated or stockpiled in such mining area or elsewhere;
- cc) the nature, mass or volume and value of any mineral or group of minerals so won or mined, sold or otherwise disposed of and the full names and addresses of any person to whom such mineral or group of minerals was disposed of;
- dd) the nature and mass or volume of any waste removed from such mining area and the manner in which it was disposed of;
- ee) the persons employed by the holder for purposes of such mining operation, including the names, addresses, nationalities and ages of such persons;
- ff) the expenditures incurred by the holder in the course of such mining operation; and
- gg) such other information as may be determined by the Licensing Authority and specified by notice in writing, addressed and delivered to such holder;
 - (ii) any exploration operation referred to in rule 45 (1) (b):-
 - aa) the nature location and result of all photo geological studies, imaging, geological mapping, agrochemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling, and all other activities undertaken by such holder in the course of such exploration operation;
 - bb) the results of all analytical, metallurgical and mineralogical work incidentals to such exploration operation:
 - cc) the interpretation and assessment of the studies, surveys and works referred to in (aa) and (bb);
 - dd) the nature and mass or volume of any mineral or group of minerals found or incidentally won in the course of such exploration operation;
 - ee) the persons employed by the holder for purposes of such exploration operations, including the names, addresses, nationalities and gees of such persons;
 - ff) the expenditures incurred by such holder in the course of such exploration operations; and
 - gg) such other information as may be determined by the Licensing Authority and specified by notice in writing given to the holder;
- (b) prepare or cause to be prepared and maintained at all times plans and maps in respect of the mining area;
- bb) prepare in respect of each quarter of the mining lease, a statement of income and expenditure derived or incurred in connection with the mining operations in the mining lease area and such other financial statements as the Licensing Authority may require in such from as the authority may determine;

- c) submit within 15 days after the end of each month and 30 days after the end of each quarter of the Licensing Authority, returns in relation to such month or quarter containing-
 - (i) summary of the particulars and information contained in the records referred to in paragraph (a) and (bb) as may be required by the Licensing Authority and indicated in such form or required by the Licensing Authority by notice in writing given to the holder; and
 - (ii) such other particulars as the Licensing Authority may require in relation to the mining operations and exploration operation carried on by the holder in such mining area;
- d) submit, within 60 days after 31st December of each year, to the Licensing Authority, in such form as may be determined in writing by the Licensing Authority, returns or reports in duplicate containing in relation to such year -
 - (i) a summary of the particulars and information contained in the records referred to in paragraph (a) (i) as may be required by the Licensing Authority and indicated in such form or required by the Licensing Authority by notice in writing given to the holder;
 - (ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in paragraph (a) (ii) and the plans and maps referred to in paragraph (b);
 - (iii) the statement of income and expenditure and financial statements referred to in paragraph (bb);
 - (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 operation and exploration operation during the succeeding year, together with a forecast of delineated mineral reserves; and
 - (vi) such other reports, records and information as the Licensing Authority may require in relation to the mining operation and exploration operations carried on by the holder in such mining area;

2) in the event of the cancellation or surrender of a mining lease under rule 57 or the expiration of mining lease, the person who was the holder of such a lease immediately before such cancellation, or surrender or expiration shall, on a date not later than 180 days after the date of such cancellation or surrender or expiration, deliver to the Licensing Authority -

- a) all records kept in terms of the provisions of sub-rule(1) (a);
- b) all maps and plans referred to in sub-rule (1) (b);
- 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 books, documents, records and reports as the Licensing Authority may require by notice in writing given to such person, or

copies of such records, maps, plans reports, photographs, tabulations, tapes discs, books and documents.

3) Any person referred to in sub-rules (1) or (2) who contravenes or fails to comply with the provisions of any such sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

IV - CANCELLATION AND SURRENDER OF MINERAL TITLES.

57. cancellation of mineral title. - (1) Subject to this rule and to rule 65, where the holder of a mineral title.

- a) fails to use in good faith the land subject to the title for the 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, on that ground, by notice in writing, cancel the title

2) The Licensing Authority shall not, under sub-rule (1), cancel a title on a ground referred to in that sub-rule unless-

- a) it has, by notice in writing served on the holder of the title, given not less than thirty days notice of its intention to so cancel the title on that ground;
- b) it has, in the notice, specified a date before which holder of the title may, in writing, submit any matter which he wishes the Licensing authority to consider; and
- c) the Licensing Authority has taken in to 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 Licensing Authority by the holder of the title pursuant to paragraph (b)

3) The Licensing Authority shall not, under sub-rule (1), cancel a title on the ground referred to in paragraph (f), if, before the date specified in the 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 68 (2).

4) The Licensing Authority may, by notice in writing served on the holder of a mineral deposit retention licence, cancel the licence if the holder fails to make application for a mining lease in accordance with a notice given to him under rule 43 (1)

5) The Licensing Authority may, by notice in writing 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 creditor or takes advantage of any law for the benefit of debtors;

b) if, in 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 61 for the

transmission 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 application.

7) Where two or more persons are holding a mineral title the Licensing Authority shall not under sub-rule (5), cancel the title 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 holding the mineral title are unwilling, or would be unable, to carry out the duties and obligation of the holder of the mineral title.

8) on the cancellation of a mineral title the right of the holder of the title there under shall cease, and the cancellation shall not affect any liability incurred before the cancellation and any legal proceeding that might have commenced against the former holder of the title may or continue against him

58. Surrender of mineral titles. - (1) The holder of a mineral title who wishes to surrender all or a part of the land subject to the mineral title shall apply to the Licensing Authority for a certificate of surrender, in respect of the land, not less than three months before the date on which he wishes the surrender to have effect

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

a) state the date on which the applicant wishes the surrender to have effect;

- b) if part only of the land subject to the title is to be surrendered, identify the land to be surrendered by a description and the inclusion of a map identifying that part
 - c) give particulars of reconnaissance, 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 operations 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, either unconditionally or subject to such conditions as are specified in the certificate, in respect of the land to which the application relates.

- 4) The Licensing Authority shall not issue a certificate of surrender-
- a) to an applicant who is in default;
 - b) to an applicant who fails to comply with any reasonable requirement of the Licensing Authority for the purposes of sub-rule (2) (d), or
 - c) if the authority is not satisfied that the applicant will leave land to be surrendered and on which reconnaissance, exploration or mining operation have been carried on in a condition which is safe and which accords with good reconnaissance, exploration or mining practices.

59. Effect of certificate of surrender. - (1) where, pursuant to rule 59 (3), a certificate of surrender is issued, the Licensing Authority shall-

- a) if part only of the land subject to title is surrendered, cause the title to be amended accordingly; and
- b) in any other case, cause the mining title to be cancelled

and, in either case, the Authority, shall give notice in writing to the applicant for the certificate of surrender of the amendment, or as the case may be, the cancellation, and of the issue of the certificate of surrender.

2) Land in respect of which a certificate of surrender is issued shall be treated as having been surrendered with effect from the date on which notice of the surrender is given.

3) The surrender of any land shall not affect any liability incurred before the date on which the surrender has effect in respect of the land, and legal proceeding that might have commenced against the holder or, may continue against him.

VII - Registration and transfer of Mineral titles

60. Titles Register. - (1) The Licensing Authority shall cause a record to be made in a Titles Register, kept for the purpose, of every mineral title issued and dealings with, or affecting, a mineral title.

2) Where a mineral title is issued the Licensing Authority shall cause the name of the person to whom the mineral title is issued to be recoded in the Titles Register as the holder of the mineral title.

61. Approval of transfer, etc. of mineral title. - (1) Unless -

- (a) The Licensing Authority approves a transfer of, or a cession or assignment of rights of interest to or in, a mineral title, or the joining of a person as a jointing of a person as a joint holder of a mineral title or of right or interests to or in a mineral title, and
- b) the transfer, cession or assignment is to a person, or the person joined is a person, capable under these rules of holding the mineral title,

the purported transfer, cession, assignment or joining shall have no effect.

2) Where an application is made to the Licensing Authority for any approval such as is referred to in sub-rule (1) (a) the Licensing Authority may, subject to sub-rule (3) and (4), give its approval, subject to such conditions as it deems necessary in the circumstances to impose but the Licensing Authority shall not unreasonably withhold its consent.

3) The Licensing Authority shall not give it approval to any of the dealings such as are referred to in sub-rule(1) with a reconnaissance licence, or, subject to Sub-rule (4), to any dealing with an exploration licence during the first two years of its term unless the authority considers that there are special reasons for giving such approval.

4) An application under this rule shall give in respect of the person to whom the licence is to be transferred, ceded or assigned or who is to be joined the information required in rule 16 (1) (a) in respect of an applicant and all other relevant information.

5) The Licensing Authority may require any person making an application for any approvals such as is referred to in sub-rule (1) to furnish to it such information as it may reasonably require to enable it to dispose of the application and the applicant shall comply with the requirement.

62. Inspection of Titles Register. - (1) on application made, a copy of any entry in the Titles Register may be obtained on payment of the appropriate fee as notified by the Government.

2) On application made, the Tiles Register shall be open for inspection by the applicant and the applicant may copies of any licence or entry in the Register.

63. Titles Register may be rectified. - Where the Licensing Authority is satisfied that a mistake has been made in, or that some matter has been incorrectly entered in, or omitted from, the Titles Register, it shall rectify the Register by recording reasons thereof.

64. Offence in relation to registration in Titles Register. - A person who willfully -

- a) makes, or causes to be made or concurs in making, a false entry in the Titles Register, or
 - b) produces or tenders in evidence a document falsely purporting to be a copy of an extract from an entry in the Titles Register,
- shall be guilty of an offence and be punishable with; a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

VIII - FINANCIAL

65. Royalties payable on minerals. - (1) Subject to these rules, the holder of

- a) a mining lease who has won or mined any mineral or group of minerals in the course of any exploration or mining operations carried on by the holder; or
- b) an exploration licence or a mineral deposit retention licence, which has found or incidentally won any mineral or group of minerals in the course of any exploration operations carried on by the holder,

shall be liable to pay to the Government, in respect of any such mineral or group of minerals disposed of by the holder, royalty determined in accordance with these rules.

- 2) For the purpose of these rules any mineral or group of minerals shall be disposed of 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 Punjab without having been dealt with as provided in paragraph (a) or (b) prior to export.

66. Rate of royalties.- (1) Subject to these rules, royalty shall be charged, in respect of any mineral referred to in sub-rule (1) (a) or (b) of rule 65 which is disposed of, on the following basis-

- a) in the case of coal, and the construction and industrial minerals group as specified in Schedule 3, at such rates as may be notified by the Government from time to time;
- b) in case of the precious stones group as so specified, ten per cent;
- c) in the case of the precious metals group and semi-precious stones group as so specified, three per cent;
- d) in the case of base metals group as so specified, two per cent;

- e) in the case of the rare metals as so specified, ten per cent; and
- f) in the case of any other mineral, one per cent,

on the fair market value of the mineral or group of minerals as provided in this rule.

- 2) For the purposes of sub-rule (1), the fair market value of a mineral or group of minerals is -
 - a) where the mineral or group of minerals is disposed of in a sale at arm's length, the sale price;
 - b) where the mineral or group of minerals is not so disposed of, the value established, in relation to the kind of disposal concerned, by reference to criteria for the determination of that value, in the mineral agreement or mineral title or under which or pursuant to which the mineral or group of minerals or group of minerals was won or mined; or
 - c) Where the minerals or group of minerals is not disposed of as provided in paragraph (a) and there are no such criteria as provided in paragraph (b) the amount, determined by the Licensing Authority, at the date of the disposal, which would in the opinion of the Licensing Authority, be paid on international markets or, in the case may be, domestic markets for such mineral or group of minerals in a sale at arm's length by a willing seller to a willing buyer.
- 3) For the purposes of sub-rule (2), a sale is a sale at arm's length if, the following conditions are satisfied with respect to the contract of sale, that is to say-
 - a) the contract price is the sole consideration for the sale;
 - b) the terms of the sale are not affected by any commercial relationship other than that created by the contract of sale between the seller or any other person associated with the seller and the buyer or any person associated with the buyer; and
 - c) neither the seller nor any person associated with the holder of the mineral title has, directly or indirectly, any interest in the subsequent resale or disposal of the mineral or group of minerals or any product derived there from.
- 4) For the purpose of this rule, the fair market value, in respect of any

mineral or group of minerals which has been disposed of, shall be determined by reference to the first point at which it was disposed of, without allowing for any deductions from the gross amount so determined.

67. Enhanced royalty:-Where pursuant to rule 7 a mineral agreement makes provision for the payment of royalty, by the holder of mineral title, at an enhanced rate or rate in respect of any mineral or group of minerals won, mined or found as provided in rule 65, the enhanced rate of royalty shall be determined and payable in accordance with the terms of the agreement provided that the rate of royalty payable at any time shall not be less than the rate notified pursuant to rule 66.

68. Payment of royalty. - (1) Royalty in respect of any mineral or group of minerals won, mined or found as provided in rule 65 and disposed of shall payable not later than 30 days after the end of the calendar month in which the mineral or group of minerals is disposed of.

2) Where any person has failed to pay any amount of royalty as required by sub-rule (1), mark up calculated at the rate of one per centum per day 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 amount is paid.

3) The holder of a mineral title shall submit, in respect of each month and in such form and detail as the Licensing Authority may determine, a return showing the amount of royalty to be paid in respect of any mineral or group of mineral disposed of in the month.

69. Deferment of royalty. - (1) Subject to sub-rule (2), the Government, on the advice of the Department and with the concurrence of the Finance Department, on application made in writing by the holder of a mining lease, may, by notice in writing to the holder defer payment of such royalty or mark up for such period and on such conditions as may be determined by the Government and specified in the notice, or may refuse to so defer the royalty or mark-up payable.

2) The Government shall defer the royalty or mark-up payable in accordance with sub-rule (1) only when the holder of the mining lease has demonstrated to the satisfaction of the Department and the Finance Department that in the absence of the deferral, the mining operations, for economic reasons, otherwise permanently cease or be suspended for an indefinite period.

70. Powers of government in case of failure to pay royalty. - If the holder of mineral title referred to in rule 6 fails pay any royalty payable by him in accordance with rule 68 or, if applicable, on or before such date to which the payment of the royalty has been deferred under rule 69, the Government may, by notice in writing given to the holder, prohibit-

- a) the removal of any mineral or group of minerals from the exploration area, mining area, retention area, the land subject to the mining lease or, in the case of the holder of prospecting licence, from the place where the mineral or group of minerals is found, won or mined
- b) any dealing in connection with any mineral or group of minerals 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 deferred under rule 69.

71. Contravention of rule 70.- Any person who contravenes or fails to comply with a notice given to the person under rule 70 shall be guilty of an offence and be punishable with a penalty as prescribed by the Government besides, rectification of default.

72. Proof of amounts payable under these rules. - in any proceedings to recover in a competent court any amount payable under these rules, a certificate purporting to be a certificate under the hand of the Government certifying that the amount of money specified in such certificate is payable under these rules by any

holder such as is referred to in rule 65 named in such certificate shall be received in evidence as prima facie proof of the facts stated in the certificate.

73. Rentals and renewals. - (1) Annual rent in respect of a mineral title shall be paid in respect of the category of mineral title in accordance with Schedule 2 and sub-rule(2).

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

3) Where any person has failed to pay any amount of annual rental mark-up calculated at the rate of one per centum per day 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 amount is paid.

4) A renewal fee in respect of the mineral title shall be paid in accordance with column 3 or schedule 1.

IX - MISCELLANEOUS PROVISIONS

74. Force majeure. - (1) Any failure on the part of the holder of a mineral title to fulfill any of the conditions of the licence, or meet any requirement of these rules, shall not be treated as a breach of the holder's mineral title 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.

2) Where the holder of a mineral title fails to fulfill any of the conditions of the mineral title as a result of the occurrence of any circumstance of a kind referred to in or specified in sub-rule (1) the holder shall forthwith give notice to the Licensing Authority, giving particulars of the failure and its cause.

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 righty under the mineral title for any period in the circumstances contemplated in sub rue (1), extend by notice in writing, on such conditions as may be determined by the Licensing Authority, the period for which the mineral utile in question has been issued, by such reasonable period 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 could, by taking reasonable steps which were available to the holder, have exercised the rights concerned during that period.

5) The provisions of this rule shall not be construed as absolving any holder of a mineral title from complying with any obligation under the mineral title of these rules to pay royalties, annual charges, rent or fees.

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

76. Competitive bids.- The Licensing Authority may, when required by the Government to do so, invite competitive bids for the issue of an exploration licence or a mining lease in respect of any area of land which is not subject to :-

- a) a reconnaissance licence which gives the holder an exclusive right such as is referred to in rule 14 (3).
 - b) an exploration licence, a mining lease or a mineral deposit retention licence or a prospecting licence or a mining lease under small scale mining, or
 - c) an application for any such licence or lease,
- and may, in accordance with these rules, issue the appropriate mineral title to the successful bidder

77. 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 approved by the Licensing Authority.

78. Arbitration.-(1) Subject to sub-rule (2) and (3), any dispute arising between the holder of a mineral title and Licensing Authority or the Government out of or in connection with a mineral title shall, if it cannot be settled amicable within a reasonable period, be submitted to the Mineral Investment Facilitation Board or such other body or tribunal as the parties may agree, for arbitration or settlement.

2) Sub-rule (1) shall not apply where the holder of a mineral title is a citizen of Pakistan, or a company formed by or under a law for the time being in force in Pakistan whose entire share capital is beneficially owned by citizen of Pakistan.

3) Sub-rule (1) shall not apply in relation to a dispute connecting any matter-

a) where any such dispute is, under the mineral title or a relevant mineral agreement, to be resolved by a sole expert; or

b) if the dispute concerns the alleged commission by the holder of the mineral title of a criminal offence.

79. Rights over data, - (1) The Government shall have the exclusive right to all data including geological, geophysical, geochemical, petrochemical, engineering, pit logs, maps, magnetic tapes, cores and production data, as well as all interpretative and derivative data including reports, studies, analyses, interpretations, bulk sampling results, assaying results, evaluations and other information in respect of exploration or mining operation, subject to sub-rule (2).

2) 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 subject to sub-rule (3).

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.

80. Compliance with other laws.- Nothing in these rules shall be constructed as authorizing the holder of a mineral title or a prospecting licence to do any thing -

- a) which the holder is prohibited from doing under any law for the time being in force; or
- b) otherwise than in accordance with any such law regulating the doing of that thing, and for that purpose obtaining any prospective licence, mineral title, approval, permission or other document required under any such law.

81. 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.

82. Notice of application made and titles issued, etc.- (1) The Licensing Authority shall give notice of any application for a mineral title received by it by posting a notice, not later than seven days after the date on which the application was received in which-

- (a) it is made known for general information that the application has been made; and
- (b) is issued -
 - (i) the name of applicant;
 - (ii) the nature of the title and the area of land and the mineral or group of minerals to which the applicant relates;
 - (iii) the date on which the application was received; and
 - (iv) such other particulars as the Licensing Authority may determine,

and shall keep the notice so posted until such date as the application has been finally disposed do

2 where a mineral title is issued, the Licensing Authority shall cause notice o that fact to be published in the Official Gazette stating in notice

- a) the name of the holder of the title,
- b) the nature of the title and the area of land and the mineral or group of mineral to which the title relates; and
- c) such other particulars as the Licensing Authority may determine.

3) Where a mineral title is renewed, transferred, surrendered or cancelled, or any land subject to title or prospecting licence 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 deems necessary to identify the title and, where applicable, the land surrendered.

83. Order in which application to be considered.- (1), applications so received on the same date shall be deemed to have been received simultaneously and priority shall be determined by the Licensing Authority by drawing lots in presence of the parties.

84. Removal and sale of property, etc, - (1), Where a mineral title has been cancelled or surrendered, or has expired, or if any area of land has ceased for any reason to be part of the area of land subject to the title, the Licensing Authority may,

by notice in writing given to the person who is or was holder of the tile, direct him to do all or any of the following, namely-

a) to demolish any building, structure or other things erected or constructed by the person in that area and to remove all debris and any other object brought into that area, except in so far as any owner of land in that area retains any such buildings, structures or other

Things on such conditions as may be mutually agreed upon between such occupier and person;

- b) to take all steps as may be necessary to remedy to the satisfaction of the Licensing Authority any damage caused by any exploration or mining operations carried on by such person to the surface of, and the environment in, that area of land; or
- c) to take such other steps as may be specified in the notice as the Licensing Authority deems necessary or expedient to give effect to any direction such as is referred to in paragraph (a).
- 2) Where a direction under sub-rule (1) has not been complied with, the Licensing Authority may-
- a) do or cause to be done all or any of the things required by the direction to be done;
- b) remove or cause to be removed, in such manner as it thinks fit, all or any of the property from the area that was, but is no longer, subject to the title;
- c) dispose of in such manner as it think fir, all or any of the property referred to in paragraph (b); and
- d) if it has served a copy of the notice by which the direction was given on a person whom the Licensing Authority believed to be an owner of the property or part of the property, sell or cause to be sold by public auction, or otherwise as the authority thinks fir, all or any of the property referred to in paragraph (b) that belongs, or that it believes to belong to that person.
- 3) The Government may deduct form the proceeds of a sale of property under sub-rule (2) that belongs, or that the Licensing Authority believes to belong, to a particular person-
- a) all or any part of any costs and expenses incurred by the Licensing Authority under that sub-rule in relation to that property;
- b) all or any part of costs and expenses incurred by the Licensing Authority under that sub-rule in relation to the doing of anything required a direction under sub-rule (1) to be done by the person;
- c) all or any part of any fees or amounts due and payable under these rules by the person
- 4) The costs and expense incurred by the Licensing Authority under this rule

- a) if incurred in relation to the removal, disposal or sale of property, are a debt due by the owner of the property to the Government; and
- b) if incurred in relation to the doing of anything required by a direction under sub-rule (1) to be done by a person who is or was a holder of a mineral title are debts due by that person to the Government,

and to the extent to which they are not recovered under sub-rule (3) are recoverable in a court of competent jurisdiction as a debt due to the Government.

5) Any person referred to in sub-rule (1) who contravenes or fails to comply with a direction given to him under that sub-rule is guilty of an offence shall be punishable with a penalty prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

85. Weighing of minerals. - The holder of an exploration licence, a mineral deposit retention licence, a mining lease shall provide in the exploration area, retention area, a properly constructed and correct weighing machine or other suitable means for determining the weight of any mineral or group of minerals won or mined in the exercise of the rights such as are referred to in rules 21, 32 or 45.

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

2) A person shall not be 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 lend 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 proceedings other than proceeding for an offence against this rule.

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

- 4) any person who-
 - a) refuses or fails to comply with the requirement in a notice under sub-rule (1) to the extent to which he is capable of doing so;
 - b) in purported compliance with a requirement referred to in sub rule (1) (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) or furnishing any data to any person under a requirement referred to in sub-rule (1) (c),

Knowing or recklessly makes statements that is, or furnishes any data that are, false or misleading in a material particular, shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

5) in this section, "data" includes books, documents, interpretations, tapes, diagrams, profiles and charts, photographs, lines or negatives and includes data recorded or stored by means of and tape recorder, computer or other device and any material subsequently derived from data so recorded

87. Liability for pollution.- (1) Where in the course of reconnaissance, exploration or mining operations carried on under a mineral title, any mineral is spilled on land or in any water on or under the surface of any land, or any land or any such water is otherwise polluted or damaged, or any plant or animal life, whether in water or on, in or under land, is endangered or destroyed, or any damage or loss is caused to any person, including the Government, by such spilling, pollution or damage, the holder of the mineral title or prospecting licence shall forthwith-

- a) report such spilling, pollution, loss or damage to the Licensing Authority; and
 - b) take at his own cost all such steps as may be necessary in accordance with good reconnaissance, exploration or mining practices or otherwise as may be necessary to remedy the spilling, pollution, loss or damage
- 2) if the holder of mineral title or prospecting licence 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 the Licensing Authority may order the holder, by notice in writing given to him, to take, within such period as may be specified in such notice, such steps as may be specified in order to remedy the spilling, pollution, damage or loss; and the Licensing Authority may, 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, cause such steps to be taken as may be necessary to remedy the spilling, pollution damage or loss and recover in a competent court the costs incurred thereby from such holder.

88. Service of documents.- (1) Any document, notice or other communication required or authorised 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 given 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 as is 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;⁷

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;⁷

d) in the case of a company -

(i) if delivered to the public officer of the company;

(ii) if left with some adult person apparently residing at or occupying or employed at its registered address;

(iii) if dispatched by registered post addressed to the company or its public officer at its or the officer's last known address;⁷ or

(iv) if 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 in sub-rule(1) which has been given or served in the manner contemplated 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.

89. Powers of authorised officer. - (1) for the purposes of these rules, the Licensing Authority, through an authorised officer, at all reasonable times-

a) may 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, prospecting or mining operations;

b) may 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 the operation referred to in paragraph (a),

c) may 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) may inspect, take extracts from, and make copies of any data as defined in rule 86 (d), relating to any of the operations referred to in paragraph (a);
- e) may, with respect to the health and safety of persons employed by a holder of a mineral title or prospecting licence in connection with any of the operations referred to in paragraph (a), issue in writing directions to, and impose restrictions on, the holder or any person so employed;
- f) may in writing order -
 - (i) the cessation of operations on or in, and the withdrawal of all persons from, any structure or building that is being used in connection with any of the operations referred to in paragraph (a); or
 - (ii) The discontinuance of the use of any machinery or equipment, which he considers unsafe, unless and until such action as is necessary for safety and specified in the order is taken and completed; or

- g) may make such examinations and inquiries as are necessary to ensure that the provisions of these rules, and any directions issued, conditions imposed or orders made under these rules, are being complied with.

2) Before exercising any of his powers under sub-rule (1), if there is any person who is or appears to be in charge of the area, structure, vehicle, vessel, aircraft, building, machinery, equipment or matter or any other thing in respect of which the power is about to be exercised, an authorised officer shall show identification to that person and to any person to whom he is about to give an order or a direction.

3) Any person who is aggrieved by a decision, direction or order of an authorised officer made under this rule may appeal in writing to the Government which shall, as soon as practicable hear and dispose of the appeal.

4) On an appeal under sub-rule (3), the Government may rescind or affirm the decision, direction or order appealed from or may make a new decision, direction or order in substitution therefore, and that decision, direction or order shall be final

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

6) 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 authorised officer with all reasonable facilities and assistance including the provision of necessary means of transport, for the effective exercise of the authorised officer's powers under this rule.

- 7) Any person who-

- a) without reasonable excuse obstructs, molests or hinders an authorised officer in carrying out his function under this rule; or
- b) knowingly or recklessly makes a statement or produce document that is false or misleading in a material particular to an authorised officer carrying out his functions under this rule, shall be guilty of an offence and punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

90. Further powers of authorised officers,- (1) if a person who was the holder of a mineral title, such as is referred to in sub-rule (2) of rules 20,31,44 or 56, fails to comply with the requirement of that sub-rule, an authorised officer may -

- a) at all reasonable times, enter upon any premises whatsoever and search for the records, maps and plans reports, photographs, tabulations, tapes, discs, books and documents referred to in paragraphs (a) to (d) of that sub-rule; and
 - b) seize any such records, maps and plans, reports, photographs, tabulations, tapes, discs, books and documents.
- 2) The provisions of rule 89 (5), (6) and (7) shall apply mutatis mutandis in relation to an authorised officer and the carrying out of his function under this rule as they so apply under rule 89.

91. Offences. - (1) Any person who carries on reconnaissance, exploration or mining operation in Punjab except under and in accordance with a mineral title or prospecting licence shall be guilty of an offence and punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn-

- 2) Any person who-
 - a) makes or cause 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 any such application or any notice, report, return or statement issued or given under any provision of these rules or the conditions of any title, or prospecting licence any document, information or particulars which are false or misleading knowing them to be false or misleading;
 - c) fraudulently and with the intent to deceive mingles or causes to be mingled with any sample of ore any substance which may increase the value or nature of the ore, shall be guilty of an offence and punishable with a penalty as prescribed by the Government from time to time, and shall rectify the default within the time given by Licensing Authority failing which the mineral title may be with-drawn.

92. 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 authorised officer certifying whether or not on a date specified in the certificate that-

- a) mineral title or prospecting licence was issued, renewed or transferred to a person so specified;
 - b) any interest in such title or licence has been granted, ceded or assigned to a person so specified;
 - c) any person has been joined as a joint holder of a title or licence so specified;
 - d) any condition so specified is or was a condition of title or licence; or
 - e) a person mentioned in the certificate is or was the holder of a title;
 - f) title or licence has been issued in respect of an area of land so specified shall-
- g) 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 60, certified by an authorised officer 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.

93. Forfeiture order.- 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 any mineral or group of minerals won or mined in the course of the commission of the offence, be forfeited to the government or, in the event of any such mineral or group of minerals having been sold or otherwise disposed of, that an amount equal to the proceeds of the sale or the market value of the mineral or group of minerals, as determined by the court, be paid by such person for the benefit of the Government.

94. Appeal.- (1) if a person is aggrieved by an order of the Licensing Authority passed under these rules, he may, within thirty days of the communication of the impugned order and payment of such fee as may from time to time be prescribed by the Government, prefer an appeal to the Government in the Department.

2) The decision of the Government on such appeal shall be final.

3) The Government while hearing the appeal under sub-rule (1) may, if it so considers necessary in the interest of justice, grant a stay order,

Provided that no such order shall be passed in respect of Government dues unless the appellant deposit 25% of the disputed amount with the Licensing Authority

4) If the appeal in which a stay order has been granted is finally rejected and the Appellate Authority is of the view that the appeal was preferred on frivolous grounds or the stay order was obtained by deceit or fraud on the part of the appellant, it may while deciding the appeal, impose a penalty up to 5% of the disputed amount.

5) The amount deposited under sub-rule (3) shall first be adjusted towards the penalty imposed under sub-rule (4). The remaining amount, if any, may be adjusted towards the satisfaction of the Government dues, and the balance, if any, may be refunded to the appellant.

No. V(IM&M)6-1/96 In exercise of the powers conferred upon him under the provisions of the Punjab Mining Concession Rules, 2002 and in suppression of this Department's Notification No.V(IM&MD)6-1/86 dated 28.03.2002, the Governor of the Punjab is pleased to prescribe the following rates of fee/rent under the rule indicated against each:

PART-3

SMALL SCALE MINING

1- GENERAL

95- Manner in which application may be made.-(1) An application for a licence or a lease shall be in the form set out by the licensing Authority.

(2) The application shall be handed over along with the requisite documents to the officer authorized in this behalf, by the Licensing authority.

(3) The application if complete in all respects shall forthwith be allotted a registration number.

(4) The incomplete application shall be returned along with the objection duly signed by the authorized officer.

96. Documents to be annexed.-(1) An application for a licence or a lease under rule 95 shall be accompanied by:-

- (a) the original copy of the Treasury Challan pertaining to the deposit of such application fee as is notified by the Government from time to time;
 - (b) in the case of a partnership firm, an authenticated copy of the partnership deed duly register with the Registrar of Firms concerned;
 - (c) in the case of a company, a verified copy each of the Memorandum and Articles of Association and Certificate of Incorporation;
 - (d) Fifteen copies of the map duly signed by the applicant, showing the boundaries of the area in respect of which the licence or lease is applied for. The map shall be prepared from the Survey of Pakistan Maps of Scale 1:50,000 or nearest scale available. It will be sufficient compliance of this sub-rule if only one copy of the map or sketch plan showing area and grid lines is attached with the application and such fee for preparing 15 copies of the plan, as is notified by the Government from time to time, is paid in advance; and
 - (e) Evidence of financial status of the applicant in the manner as may be prescribed by the Licensing Authority from time to time.
- (2) An applicant shall also furnish of the manner as may be required by the Licensing Authority. If the requisite information is not furnished within two months, the application shall be liable to be rejected.

(3) the information contained in the application or furnished to the Licensing Authority in pursuance of an application made in accordance with these rules, other than that incorporated in the register referred to in rule 100 shall be treated as confidential by the Licensing Authority.

97. Acknowledgement of application.- The officer receiving the application under these rules shall record thereon the date and time of its receipt and shall deliver to the applicant an acknowledgement stating the date and time of its receipt.

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

99. Application by an alien or a company incorporated outside Pakistan.- In the case of an application for a licence or lease by an alien or a company incorporated outside Pakistan or in the case of an application by a licensee or a lessee for the government's consent to the assignment of a licence or a lease to an alien or a company incorporated outside Pakistan, such licence or lease shall only be granted or assigned to a company incorporated in Pakistan for the purpose of receiving and working any such licence or lease.

100. Register of applications. (1) The Licensing Authority shall maintain a register of applications for licenses and leases containing the following columns:-

- (a) Serial No.
- (b) Date and time of the receipt of application. (c) Particulars of the applicant.
- (d) Mineral for which a licence or a lease is required. (e) Period for which a licence or a lease is required. (f) Full particulars of the area applied for. (g) Application fee paid.
- (h) Final orders regarding disposal of the application. (i) Remarks, if any.

(2) The register maintained under sub-rule (1) and the Master plan showing the area in respect of which a lease or a licence has been applied for a granted shall be open to public for inspection on payment of such fee as is notified by the Government from time to time.

Explanation. Master plan would mean such survey of Pakistan map on which the areas applied for and the areas granted under licenses and leases are marked by the Licensing Authority for record.

101. Separate application to be made for each area and each mineral. - separate application shall be made in respect of each area and for each mineral.

A

102. Grant of more than one licence or lease to the same person. - More than one licence or lease may be granted to the same person.

103. Availability of area. - On receipt of the application, the Authority shall, before granting the concession, ascertain that the applied for does not overlap with an area already covered by a licence or a lease or an application for such a licence or a lease.

Provided that the licensing Authority may fix the maximum limits of area for grant of concession for different minerals to an individual, firm or a limited company.

104. Priority.- in case there are more application than one for the grant of licence or a lease in respect of the same mineral or area, unless the licensing Authority in its discretion decides otherwise, by recording reasons therefore, the principle of first come first served shall apply.

105. Refusal to grant licence or lease.- If, in the opinion of the Licensing Authority it is not expending to grant licence or a lease, it shall the acceptance of the application.

106. Lapse of right to licence or lease.-If a Licensee or a lessee fails to submit the accepted copy of the plan of the granted area, demarcation certificate and prospecting/development scheme in the manner as prescribed under the rules, within the time period fixed in the allotment letter, the Licensing Authority, after providing an opportunity to explain the delay, may terminate the concession. Provided that the Licensing Authority may condone the delay in submission of the said issuance of after imposing penalty under rule 177.

107. Terms and conditions of licence and lease.- A licence and a lease shall stand granted on the issuance of Allotment Letter by the Licensing Authority and may include such closes relating to ancillary matters as the Licensing Authority may deem fit to insert.

108. Assignment. A licensee or a lessee shall not transfer and right or interest in the licence or the lease, not part with the possession of the area any part thereof, without prior approval in writing of the licensing Authority:

Provided that a licensee or a lessee shall not transfer my right of interest area between the partner and the partners, as the case may be, without the prior approval of Licensing Authority.

109. Method of making application for assignment.- (1) An application for assignment under these rules, shall be submitted at least three months before the expiry of the lease in the form set out by the Licensing Authority and shall be accompanied by such fee as is notified by the Government from time to time.

(2). The applicant shall furnished in the application all such particulars in respect of the proposed assignee as are required in case of an application for a licence or a lease under these rules and shall annex the requisite documents.

- (3) The application shall be presented in person and signed both by the assignee in the presence of the Licensing Authority or the officer authorized in this behalf.

110. Security deposit.-(1) Every applicant shall, before a licence or a lease is granted or assigned to him deposit a security in respect of such licence or lease at the rate and in the form notified by the government from time to time; provided that no security shall be payable where the licence or lease has been assigned to a financing institution.

- (2) Subject to the provision of these rules, if a licence is cooperated in to a lease the security deposited under sub-rule (1) shall towards security for the lease.

111. Right of surrender.- A licensee or a lessee desirous of surrendering the area under licence or lease, in whole or in part, shall give at least one month's prior notice in writing to the licensing Authority:

Provided that where the licence or the lease has been assigned to or charged in favor of a lease in whole or in part, except with the prior consent in writing of the financing institution concerned:

Provided further that in the case of partial surrender, the area to be retained shall not be less than the economic limit fixed by the Licensing Authority and the shape of the area shall be subject to provision of rule 114.

Provided further that on the partial surrender of the area, the licensee or the lessee as the case may be, shall become entitled to proportionate reduction in annual fee or the dead rent that has already become due from or paid by the licensee, the lessee or the assignee and a brief description of the area concerned.

112. Publication.—As soon as may be after the grant renewal assignment surrender determination or laps of any licence or lease under these rules the Licensing Authority shall publish noticed of such grant assignment surrender determination or lapse in the official Gazette stating the name of the licensee the lessee or the assignee and a brief description of the area concerned.

113. Refund of security deposit. - If the Licensing Authority is satisfied that the provisions of these rules have been duly complied with on the expiry, surrender, lapse or determination of a licence or a lease the amount of the security deposit may be refunded to the licensee or the lessee, as the case may be after making deduction towards rents, royalties penalties, or any other amount outstanding against him under the rules.

114. Shape of area.-Each area in respect of which a licence or a lease is granted shall, as far as practicable, be in a compact shape and shall either be limited by well-marked permanent physical boundaries to be bounded by straight lines:

Provided that where a gap of 100 meters or less exists between the licensed or leased area it shall not be granted to an applicant other than the licensee or the lessee of the adjoining area:

Provided further that on a request made in writing by the licensee or lessee, the LA may order the merger of his contiguous areas under a license or lease subject to provision of these rules.

115. Release of lands included by inadvertence.- In the event inclusion, by inadvertence, of the area under a licence or a lease in respect of which it may subsequently transpire that the rights for the same minerals have already been granted to another individual, firm or company or part of the area has been included through typographical or clerical mistake, the licensee or the lessee shall immediately release to the Licensing Authority any such or area when required to do so by the Licensing Authority without any claim of compensation.

116. Grant of same area to different parties.—The Licensing Authority may grant the same area to different persons for different minerals.

117. Mode of payments.-(1) All amounts payable under these rules, unless otherwise prescribed by Licensing Authority, shall be deposited in to a Government Treasury or in to any bank authority by the Government for the purpose, under the Head of Account specified by the Licensing Authority, from time to time.

(2) The receipt or the challan shall in original be submitted to the Licensing Authority.

II- Prospecting licenses

118. Licensee's right under a licence. - A licence shall subject to these rules and conditions contained in the licence, confer on the licensee the rights give in the Allotment letter.

119. Grant of prospecting licence.- The licensing Authority may in accordance with these rules grant a prospecting licence for a mineral over the area specified therein provided the applicant is considered fit.

120. Area.- Except as otherwise determined by the Government a licence shall not be granted in aspect of any area of more than 25 square kilometers.

121. Register of licence.- The licensing Authority shall maintain a register of licence granted by it, specifying:-

- (1) Number of the prospecting licence;
- (2) Mineral for which the licence is granted;
- (3) Name and address of the licensee;
- (4) Particulars of the licensee whether individual, firm or company;
- (5) Date of grant of the licence;
- (6) Total area;
- (7) Situation and boundaries of the area;
- (8) Amount of Security deposit;
- (9) Particulars of disposal or refund of security deposit;
- (10) Dates of renewals;
- (11) Date of assignment of the licence;
- (12) Particulars of the assignee;
- (13) Date of application for mining lease;
- (14) Date of conversion of licence in to lease; and
- (15) Remarks, if any.

122. Period of licence. -- The licence shall in the first instance, be valid for of two years.

123. Renewal.- Subject to the licensee having carried out the working obligation under rule 125, the Licensing Authority may grant renewal of the licence for a period of twelve months at any one time to enable the licensee to complete the prospecting work to the satisfaction of the Licensing Authority:

Provided that the total period of the licence including the initial period shall not exceed 5 years:

Provided further that the period of 5 years shall be in addition to the grace provided in rule 124.

Provided further that the licensee shall apply in writing to the Licensing Authority for renewal at least one month before the licence expires. The Licensing Authority may, however, condone the delay in the submission of the application.

Explanation. -- The period of a licence shall be reckoned from the initial date of grant of the licence irrespective of any assignment made during the currency of the licence.

124. Right of a licensee for renewal of his prospecting licence, on applying for mining lease.-The licenses having applied for the grant of a lease over the area specified in the licence before the expiry of the licence shall have the right to renewal of the licence until the lease applied for has been granted or refused.

125. Working obligations.—

- (1) The licensee shall in respect of the areas covered by each licence, prepare and submit, within three months of the licence, a scheme of

prospecting for the approval of the Licensing Authority and shall not commence the operation unless the scheme has been approved.

- (2) The Scheme shall inter alia include (1) location of the area (ii) nature of deposits; (iii) methods of prospecting including machinery and equipment to be used; (4) phasing of prospecting operation; (5) technical personnel to be employed; (6) details of roads, residential accommodation for staff and laborers to be constructed; and (7) phase-wise estimated expending on the scheme.
- (3) The scheme shall be accompanied by necessary geological maps, plans, etc.
- (4) The Licensing Authority shall communicate the approval of the scheme to the licensee within three months of its receipt.
- (5) If, in the opinion of the Licensing Authority the licensee fails to fulfill the working obligation as required by the scheme, the licensee shall forfeit the right to renewal of the licence or the grant of lease over any part of the area covered by the licence.

126. Annual fee.-(1) the licensee shall pay such annual fee as is notified by the Government from time to time for the land licence. The fee shall be enhanced by 50 per cent over the last fee paid each time the licence is renewed. The fee shall also be payable for the period of renewal granted under rule 124, as a single renewal or term, as the case may be.

- (2) The fee shall be payable for each mineral separately even if the area under licence for different minerals is the same.

127. To plug boreholes, etc. -- Save in the case of land which the licensee has granted a lease on or before the determination of the licence, he shall within one month after the determination of the licence or the date of abandonment of the under-taking, whichever may occur earlier, securely plug all mines and fill up or fence any holes or excavation that he may in the made in the land to such extent as the Licensing Authority may require and shall to the like extent restore the surface of the land and all building thereon which he may have damaged in the course of prospecting.

Provided that the licensee shall be required to restore the surface of the land or any building in respect of which compensation has been paid under these rules.

128. Right of the licensee to a mining lease.- Subject to the provisions of these rules, the licensee shall have a right to lease:

Provided he has carried on prospecting operations to the satisfaction of the Licensing Authority, proved mineral reserves and has been paying all Government dues regularly and has paid such compensation, if any as is provided in these rules:

Provided further that the licensee shall apply in the prescribed form along with documents as laid down under rule 96, by hand, for the grant of a lease one month before the expiry of the License. The Licensing Authority may, condone the delay up to a maximum period of three months in the submission of such an application after imposing penalty under rule 177.

129. Disclosing the information acquired by the licensee during the course of his operations. - If so required by the Licensing Authority the licensee shall before the security is returned to him under rule.113, disclose to the Licensing Authority all information acquired in the course of the operations carried on under the licence regarding the minerals contained therein and geological formation of any area not taken or granted under a mining lease.

III- MINING LEASES

130. Lessee's right under a lease.—A lease shall subject to these rules and the condition contained in the lease, confer on the lessee the rights as envisaged these rules.

131. Grant of mining lease.—The Licensing Authority may grant a mining lease in accordance with these lease rules, for a minerals over the land specified therein provided the applicant considered fit.

132. Comprehensive mining lease. - Except where special exemption is granted by the Government no lease shall be granted in respect of an area of more than 12.5 square Kilo meters.

133. Register of mining lease.- The Licensing Authority shall maintain a register of lease grant by it, specifying-

- (1) Number of the mining lease;
- (2) Mineral for which lease is granted;
- (3) Name and address of the lessee;
- (4) Particulars of lessee, whether individual, firm or company;
- (5) Date of grant of lease;
- (6) Period for which granted;
- (7) Total area;
- (8) Situation and boundaries of the land;
- (9) Amount of security deposit;
- (10) Particulars of disposal or refund of deposit;
- (11) Dates of renewals with periods. Date of
- (12) assignment of the lease; Particulars of the
- (13) assignee; and
- (14) Remarks

Provided that the Licensing Authority may renew the lease for the whole area or only a part thereof.

134. Period of lease.-(1) the initial term of a lease shall not exceed thirty years.

- (2) If a lessee has carried out all the working obligation under these and implemented the exploitation scheme to the satisfaction of the licensing authority and if he has paid all the dues on account of rents, royalty, penalties damages and surface rent as required under these rules the Licensing Authority may grant further renewal of the lease for a period not exceeding 30 years at a time, on such term and in such from as it may determine:

Provided that the lessee shall apply the Licensing Authority in writing in the prescribed form for renewal not more than two years and not less than one year before the expiry of the term already granted to him:

Provided further that the Licensing Authority may condone the delay in submission of the application in appropriate cases up to a period of six months after imposing penalty under rule 177.

Provided further that a lease having applied for the grant of renewal of the lease under these rules shall have a right to work in the area till the request has been accepted or refused.

Provided further that the Licensing Authority may renew the lease for the whole area or only a part thereof. In case of renewal over part of the area, the balance area shall be leased out under rule 187.

135. Yearly dead rent.—The lessee shall pay a fixed half yearly rent in advance on the first day of January and the July each year and a proportionate advance dead rent for the broken period, if any at the commencement or termination of the lease, at such rate as is noticed by the Government from time to time:

Provided that the lessee shall pay either royalty or the rent, whichever is higher.

136. Submission of development scheme.—(1) An application for grant of a lease or its renewal shall also submit, along with application, a development scheme for the approval of the Licensing Authority. The scheme shall be prepared and authenticated by a qualified Mining Engineer.

(2) The development scheme shall inter alia include:-

- I) in case the applicant already holds a licence for the area for which he makes an application for a lease, detailed account of the work done during the prospecting period, geological description of the major deposits along with a detailed geological plan of the area on a scale as prescribed by the Licensing Authority from time to time;
- II) A detailed plan of the area on a scale as prescribed by the Licensing Authority from time to time showing its location, outcrop, topography, existing/ proposed mines and other infrastructures;
- III) Location and description of the major deposits;
- IV) Proved and probable reserves;
- V) Planned minimum rate of production;
- VI) Method of mining, including machinery and equipment to be used;
- VII) Technical personnel to be employed at various stages of development;
- VIII) Details of the roads and other surface as well as underground construction such as stores and lamp rooms, workshops, beneficiation and mineral dressing plants, office and residential accommodation and facilities for staff and labor to be provided;
- IX) Time schedule for all the work involved; and

- X) Estimated phased expenditure on the scheme with detailed break up of cost.
- (3) The applicant shall, where necessary furnish plan or section to illustrate, justify and amplify the development scheme.

137. Approval of development scheme.-(1) The Licensing Authority may subject to such modifications as may be deemed necessary approve the development scheme provisionally, within a period of three months from the date of submission of the development scheme. The development scheme shall be implemented through a phase-wise programme of development approved by the Licensing Authority.

(2). If the Development Scheme is rejected, the Licensing Authority shall communicate to the applicant the reason for such rejection. The applicant shall within two months of the receipt of such communication, submit a revised scheme to the Licensing Authority failing which the right of the applicant for the grant of the lease shall lapse.

(3). On a request to be made in writing by the lessee, the development scheme may be prepared by the Licensing Authority itself or through a Mining Consultant and charge a fee as determined by the Licensing Authority from the lessee for preparation of the scheme.

Provided that the Licensing Authority may register mining consultant for a period of five years on the payment of fee and further renew in the manner prescribed by it. On proof of misconduct of Mining consultant the Licensing Authority may impose penalty under rule 177 and on persistent violation may cancel the registration of that Mining Consultant.

Provided further that before such cancellation, the Mining Consultant shall be given an opportunity to explain his position and will be heard in person, if so desires.

138. Failure to act according to the development scheme.- If at any time but not less than six months after the grant of the lease, or its renewal it is found that the lessee is not working in accordance with the approved development scheme, the Licensing Authority may impose penalty under rule 177 and shall direct the lessee in writing to remedy the violations within six months:

Provided that if a lessee fails to remedy the violations without cogent reasons within the time limit fixed by the Licensing Authority, the lease may be cancelled:

Provided further that before such cancellation, the lessee shall be given an opportunity to approved development scheme and latest working plans desires.

139. Keeping development scheme at mines.- The lessee shall at all times keep a copy of the approval development scheme and latest working plans at the site.

140. Commencement of operation. - (1) unless the Licensing Authority, for sufficient reasons otherwise directs, the lessee shall commence operation from the date of the communication of the approval of the development scheme to him.

(2).The lessee shall carry out operations in a skilful and workmanlike manner and in accordance with the approved development scheme.

Explanation.- It shall amount to non-fulfillment of working obligations and a breach of this condition, if the lessee without sufficient causes, fails to produce enough minerals so as to earn royalty at least equal to the dead rent within one year of the commencement of the operations.

IV-MISCELLANEOUS

141. Royalty.- (1) A Licensee or a lessee shall on the first day of the month of January and July each year pay royalty at such rate any manner as prescribed by the Government from time to time on all minerals produced and carried away

(2). In case of non payment of rent and royalty dues within the grace period of two months, a penalty at the rate of one percent of the outstanding dues for the delay of every month or part thereof shall be charged from the date the payment became due.

142. Compensation. - A licensee or a lessee shall pay such compensation as may be assessed by the authority concerned in accordance with the law for the time being in force for all damage, injury or disturbance which may be done by him in exercise of the powers granted by the licence or the lease and shall indemnify the Licensing Authority against all claims which may be third parties in respect of any such damages, injury or disturbance. In case of dispute the matter shall be referred to the Licensing Authority for a final decision.

143. Surface rent.- (1) A licensee pay for all Government land which he may use or occupy superficially for the purposes of the operation conducted under the licence or the lease a surface rent and water-rates at the rate assessable under or any other law or rules in the district in which the land is situated:

Provided that if no such is assessable under the existing law, the rent and the water rate may be fixed by the Licensing Authority.

(2).If the land belongs to a private person, a lessee or a licensee shall pay surface rent to the owner of the area for the land actually used or occupied superficially at such rate and in such manner as may be mutually agree upon between the lessee and the land owner and in case of disagreement between them, at such rate and in such manner as may be determined by the licensing Authority:

Provided that proceeding under this rule, the licensing Authority shall give the parties reasonable opportunity of being heard,

144. Not to cut or injure any tree. -- A licensee or a lessee shall not cut or injure any tree on Government land or on reserved forests without the prior permission in writing of the licensing Authority or of such officer or officers as the Government may authorize in this behalf.

145. Operation in the reserved any protected forests.- (1) All operations conducted under these rules within a reserved or protected forest shall be subject to such condition as the Government may from time to time ,by a general or a special order, prescribe.

(2).It shall be a condition of every licence or lease granted under these rules that before the commencement of prospecting or mining operations within a reserved or protected forest, 30 days notice shall be given to the forest officer concerned of the intention to commence operations.

(3). The operation shall be conducted subject to such precautions regarding prevention of fire and conservation of forest as the licensee or the lessee may be required, from time to time.

146. Limits of boundaries.- The boundaries of the area covered by a licence or a lease shall run vertically down- wards below the surface towards the centre of the earth.

147. Demarcation of area.- (1) A licensee or a lessee shall within sixty days of the issue of the licence or a lease, cause the granted area to be demarcated on ground according to the survey data and submit a certificate on the prescribed form signed by a Registered Surveyor of having carried out the said boundary demarcation.

(2).On receipt of the certificate referred in sub-rule (1), the licensing Authority may cause boundary demarcation to be checked and corrected.

(3). A licensee or a lessee may get his area demarcated officially, after paying such fee as may be notified by the licensing Authority from time to time.

(4). A licensee or a lessee shall not commence prospecting or mining operation unless he has submitted the demarcation certificate to the Licensing Authority.

(5). A boundary dispute in respect of the licensed or leased area shall be referred to Licensing Authority whose decision shall be final.

(148). Boundary marks. - The licensee or the lessee shall at his own expense, erect and at all times maintain boundary marks and pillars standing not less than one metre above the surface of the ground and being not less than one metre square or in diameter at the base at every angle or corner of boundary lines to be fixed according to the demarcation under rule 147.

(149). Not to construct building upon any public place etc. - A Licensee or a lessee shall not erect any building or carry on any surface operation upon any public recreation grounds, grave yards or place held sacred by any class of persons or any house, village site or public road or any other place which the Government or the Licensing Authority may specify in this behalf.

150. Not to work within 100 meters from railway line etc. - A licensee or a lessee shall not carry on or permit to be carried on any on or permit to be carried on any prospecting or mining operation at or upto any point within a distance of 100 meters from any railway line, reservoir canal power line gas pipeline or other public works, or building or place of archeological importance except with the previous permission of the Government and in according with such condition as may be imposed.

151. Distance from boundaries.- No prospecting or mining operation shall except with the prior consent in writing of the Licensing Authority, be carried on by the license or the lessee in or under the licensed or leased area at or any point within a distance of 50 metres from the boundaries of the area.

152. Weighing Machine.-A Licensee or a lessee or a shall provide at or near the mine or quarry a properly constructed and correct weighing machine or other suitable means for determining the weight or quantity the minerals produced.

153. Keeping of record.- (1) A licensee or a lessee shall at all times, keep in the from prescribed by the Licensing Authority, complete record at the mine premises showing the quantity of the minerals obtained and dispatched from the mines on the authenticated register issued by it or its authorized representative. The licensee shall also maintain the record showing the number of mines and persons employed therein and complete plans of the mines. The minerals excavated from any licensed or leased area shall be dispatched from the area on the prescribed dispatch slips duly Authenticated by the Licensing Authority or its authorized representative:

Provided that dispatch slips shall clearly indicate the data licence /lease No., name of buyer, vehicle No., quantity of mineral and its destination:

Provided further that any vehicle/ carried carrying mineral without prescribed dispatch slip duly authenticated by the Licensing Authority or its authorized representative shall be considered as under reported production and shall be dealt with accordingly.

(2). A licensee or a lessee shall allow the officer so authorized by the Licensing Authority in that behalf to examine such record and plans, to take extract, or if necessary, collect record for scrutiny on giving a receipt.

(3). If a licensee or a lessee fails to produce the record at the mine premises at the time of premises he shall render himself liable to a penalty under rule 177 to be imposed by the Licensing Authority:

Provided that the licensing Authority before imposing penalty shall afford the licensee or the lessee an opportunity of being heard.

154. Submission of production returns. - A licensee or a lessee shall send monthly returns of production and dispatch of mineral to the Licensing Authority in the prescribed form on or before the 15th day of each succeeding month. In case there is no production of mineral in any month, a 'NIL' report shall be submitted with reasons therefore.

155. Submission of periodical returns. - A licensee or a lessee shall be required to abide by all instructions issued by the Licensing Authority from time to time regarding the maintenance of record of production and system of dispatch of mineral from the licensed or leased area, and -

- (a) submit at the end of every year balance sheet account audited by a qualified and registered auditor and such other information and periodical returns as may from time to time be prescribed by the Licensing Authority;
- (b) submit statistical data geological reports including interpretation mineral analysis photographs, ore logs tests and such information as may be required by the Licensing Authority or a statistical organization in such form as may be prescribed; and
- (c) meet any target of production fixed by the Licensing Authority based on the off-take of mineral.

156. Inspection. - A licensee or a lessee shall provide the Licensing Authority, or an officer authorized by the Licensing Authority in this behalf, all reasonable facilities to enter upon the mine premises including underground workings for purposes of inspection of mines and shall also make available all records at the mines and elsewhere for carrying out survey, measurement, examination enquiry about any matter, ancillary or incidental to the matters set out in these rules.

157. Strengthening and supporting mines. - A licensee or a lessee or a lessee shall strengthen and support to satisfaction of the Licensing Authority, whole or any part of the mine when in its opinion such strengthening or support is needed for the conservation of the mine, in its opinion such railway reservoir canal or any other public work or any building.

158. Power to assess and claim compensation for damage to mineral property. - (1) In the event of any damage caused to the mineral property due to unscientific or a lessee, the Licensing Authority shall assess the extent of the damage and the compensation payable therefore by the licensee or the lessee:

Provided that before so doing the Licensing Authority shall afford the licensee or the lessee a fair opportunity of being heard explain his position.

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

(3). The licensee or the lessee shall be liable to pay the compensation so assessed in the same manner as arrears of rents and royalties are payable.

159. Non-conservational mining activities. - (1) If on inspection or there wise, the Licensing Authority is of the opinion that a licensee or a lessee is working in a manner contrary to the conservation of mineral property, the Licensing Authority may require the licensee or the lessee in writing to remove the defect5s or amend the method of mining or prospecting within a period to be determination by the Authority subject to the condition that the period shall not exceed two months in any case.

(2). If the licensee or the lessee fails to comply with the specified period, the Licensing Authority shall have the4 work of the extraction of mineral in whole or in any part of the area demised under licence or lease till such time the defects are removed to the satisfaction of the Licensing Authority.

(3).If the licensee or the lease fails to comply with the in structure with the specified period, the Licensing Authority shall have the work of the extraction of mineral in whole or in any part of the area demised under licence or lease till such time the defects are removed to9 the satisfaction or the lease may by cancelled.

(4). If prior approval of the Licensing Authority is not obtained, a licensee of a lessee shall not depillar or abandon mines unless depillaring is the part of the approval scheme.

160. Under reporting of mineral production.- (1) If as a result of inspection of the mines or areas demised under the licence or the lease has under reported mineral production the licensing Authority or discovered to the shall charge royalty up to ten times the notified rate, on the quantity of mineral under reported by the licensee or the lessee forfeit the security deposit and may also cancel the licence or lease on the merits of the case:

Provided that no action under this shall be taken without giving the licensee or the lessee an opportunity of being heard.

(2). An entry in the record of the licensee or lessee shall be made regarding under-reporting and shall be exhibited at the time of the renewal of the licence or the lease.

161. Employment of technical personnel. - A licensee or a lessee shall employ such technical personnel as is required by Licensing Authority.

162. Training. - A licensee or a lessee shall when asked to do so by the Licensing Authority arrange and provide facilities for training to students of any mining. Engineering Institution or to any other person associated with the professional of Engineering Geology or other related science.

163. Access to other licensee or lessee both on surface and underground.- A licensee or a lease shall allow existing and future licence or lease holders of any area which is comprised in or adjoins or is reached by the land held by the licensee or the lessee all responsible facilities of surface or underground access thereto, on the terms and conditions as may be determined by the Licensing Authority.

164. Discovery of other minerals. - A licensee or a lessee shall without delay, report to the Licensing Authority the discovery on or within any of the lands or mines demised under the licence or the lease of any mineral not specified in the licence or

the lease, but he shall not unless a fresh licence or lease of in respect of the minerals so discovered is granted to him under these rules, have any right to that mineral.

165. Pre-emption:- The government shall at all times have the right of pre-emption of the minerals lying upon the land in respect of which a licence or a lease has been granted, or elsewhere under the control of the licensee or the lessee:

Provided that a fair price as determined by the Licensing Authority for all minerals taken in pre-emption shall be paid to the licensee or the lessee.

166. Meeting the internal requirements of Pakistan: - The Government shall have the right to require a licensee or a lessee:-

- (a) to meet the internal requirements of Pakistan to the satisfaction of the Government before exporting any minerals or its products to other countries.
- (b) to associate Pakistan capital subject to any law for the time being in force to the extent of 51% of all classes of capital and debentures issued by him from time to time; and
- (c) to employ nationals of Pakistan in his organization in all grades and in all branches including technical and administrative personnel and to arrange for the training in Pakistan or abroad of the nationals of Pakistan to fill up these aforesaid appointments. The number of Pakistan nationals to be employed or trained will be determined in consultation with the Government.

167. To ascertain and verify the value of precious stones, etc: - The Licensing Authority may from time to time ascertain and verify in such manner as it may deem fit, the value of all precious stones and other minerals, ore and metals dressed or extracted by a Licensee or a Lessee for the purpose of ascertaining the royalty payable under these rules.

168. Change in the constitution of the licensee or lessee:- A licensee or a lessee may issue any fresh capital or make any change in its constitution which shall be intimated in writing within 30 days to the Licensing Authority, which may finally confirm it:

Provided that if more than 50% transfer of capital/share is involved, the case shall be dealt in accordance with rule 108 of these rules.

169. Exclusion of lands for public purposes:- If an area or a portion thereof held under a licence or a lease is required at any time for any public purpose, the licensee or the lessee shall forthwith release to the Licensing Authority such area and to such extent as is required by the Government under such terms and conditions as may be determined by the Licensing Authority:

Provided that where any area excluded as above becomes subsequently available for the purpose of grant under licence or lease, the previous licensee or the lessee shall have prior right over such area if his original licence or lease subsists.

170. Report of accident, etc: - A licensee or a lessee shall report immediately to the Licensing Authority any incident of fire, explosion, inundation or roof-fall causing damage to minerals property or loss of human life. The Licensing Authority may direct an enquiry to assess the loss caused to mineral property and reasons thereof. In case, it is proved to the satisfaction of the Licensing Authority that the accident had taken place due to the negligence of the licensee or the lessee, action may be taken under these rules.

171. Sub-letting:- (1) No licensee or lessee shall subject the mine for the purpose of extraction of the mineral.

(2) The licence or the lease shall be cancelled by the Licensing Authority, if the provision of sub-rule (1) is violated:

Provided that before proceeding under sub-rule (1) the licensee or the lessee shall be given an opportunity of being heard.

Explanation: - Sub-letting includes such act on the part of a licensee or a lessee whereby the liberties, powers, privileges and obligations under the licence or lease as the case may be are transferred to a third party in respect of the area demised under the licence.

172. Taking possession of works, etc, in time of war or national emergency: - (1) In the event of a state of war or national emergency, the Government may take control of works, plant and premises under the licence or the lease.

(2) In such an even, the licensee or the lessee shall conform to and obey all directions issued by the Licensing Authority or the Government in this behalf.

(3) A fair compensation as determined by the Licensing Authority shall be paid to the licensee or the lessee.

173. Licensee or lessee ceasing to be national of Pakistan: - (1) If a licensee or a lessee ceases to be a national of Pakistan or if a company ceases to be incorporated in Pakistan, he shall within a period of one month inform the Licensing Authority and apply to him for its consent to assignment of the rights granted by the licence or the lease under these rules.

(2) In the even of the licensee or the lessee failing to obtain such consent, the Licensing Authority may without prejudice to any obligation or liability imposed by, or incurred under these rules, revoke the licence or the lease.

174. Unauthorized mining:- (1) If any person starts prospecting or mining any mineral outside the area granted to him under a licence or a lease or in any area for

which he has not obtained a licence or a lease or if any person obstructs free access of a licensee or a lessee to the licensed or leased area or directly or indirectly tries to interfere with the prospecting or mining operations by a licensee or a lessee, he shall be punishable by a court of competent jurisdiction, with imprisonment for a term which may extend to three years or with fine upto Rs.50,000 or with both.

(2) Notwithstanding anything contained in sub-rule (1) the Licensing Authority shall have the power to stop unauthorized work in such manner as it may deem fit and recover in addition to the penalty, the pit-mouth value of the mineral so excavated from the person responsible for such unauthorized work.

175. Registration of Surveyors:- (1) The Licensing Authority shall register and maintain a list of suitably qualified Mine Surveyors who, in its opinion, are competent to carry out boundary demarcation, survey both underground and above-ground and to prepare plans as are required under these rules on the rates of fee fixed by the Licensing Authority from time to time:

Provided that the Licensing Authority may register such Mine surveyors initially for a period of 5 years on the payment of fee any further renew it in the manner prescribed by it.

(2). A boundary demarcation certificate required under rule 147 shall be accepted by the Licensing Authority only if the demarcation has been carried out by a registered Mines surveyor and the prescribed certificate is signed by him.

(3). If at any time the Licensing Authority has reasons to believe that the registered Surveyor has committed gross negligence or misconduct in the discharge of his duty under these rules, it may imposed a penalty under rule 177 and may also, subject to notice cancel the registration of the Surveyor:

Provided that before such cancellation the mining surveyor shall be given an opportunity to explain his position and shall be heard in person, if he so desires.

(4). A surveyor referred to in sub rule (1) shall have such qualifications, as may from time to time be prescribed by the Licensing Authority by Notification.

(5). A surveyor who wishes to be registered under this rule shall make application to the Licensing Authority and shall also pay such registration fee as is prescribed by it.

176. Persistent violation of rules and conditions.- If a licensee or a lessee persists in violating any of the terms and conditions of the licence or the lease or the provision of these rules, and fails to remedy the violation within such period as may be fixed by the Licensing Authority the licence or the lease may, subject to notice be cancelled.

177. Penalties.- Notwithstanding any other penalty provided by these rules, the Licensing Authority or an officer so authorized by the Government may impose

penalty on a licensee or a lessee for violation of these rules as notified by the Government from time to time.

178. power of distress.- If any dues payable under a licence or a lease are not paid within six months next after so authority may subject to notice determination the licence or lease violation of these rules as notified by the comprised therein.

179. Delivery of mines, etc. in good condition.- On the expiry surrender or determination of a licence or a lease the licensee or the lessee as the case may be shall deliver to the licensing Authority the demised premises and all mines if any in a proper and workable state save in respect of any working as to which the licensing Authority may have earlier sanctioned abandonment in which case he shall securely plug any bores and fill up or fence any holes or excavations that he may have made in the land to such extent as the Licensing Authority may required. The lessee or the licensee shall also to like extent restore the surface of the land and buildings and other structures not belonging to him which he may have damaged in the course of prospecting or mining.

180. Force majeure. - Failure on the part of a licensee or a lessee to fulfill any of the term and conditions of these rules shall not give the licensing Authority or the Government any claim against the licensee or the lessee or be deemed a breach of the condition of the licence or the lease in so far as such failure arises from force majeure.

Explanation.- In this rule the expression force Majeure means the act of God, war insurrection riot, civil commotion tide storm tidal wave hood, lightening explosion fire earthquake³ and any other happening which the licensee or the lessee could not reasonable prevent or control.

181. Black listing.- (1) a person a firm or a company may be black listed by the Licensing Authority on account of serious and repeated violations of these rules.

(2) The licence or lease held by such person firm or company shall stand terminated and such person, firm or company shall be debarred from obtaining any further concession.

(3). in case such person of any partner of such firm or a Director of such other firm or company ineligible to receive a mining concession.

182.- Establishment of check posts.- (1) The licensing Authority may for the purpose of verification or collection of royalty on minerals dispatched from the licensed or leased areas, establish check posts at suitable places, authorize any official to check the mineral in transit and take such other measures with regard to recovery of royalty as it may deem fit.

(2) Notwithstanding the provision of the rule 141 the Licensing Authority may order the collection of royalty on mineral dispatched from the licensed or leased areas, establish check posts at suitable places, authorize any official to check the mineral in transit and take such other measures with regard to recovery of royalty as it may deem fit.

183. Forfeiture of plants etc. If any machinery building mineral or other property belonging to the cense or the lessee is not removed by him from the licensed or leased area within six months after the date of expiry or determination of the licence or the lease the licensing Authority may enter upon the said land, take possession of all the machinery building structures, mineral or any other property belonging to the lessee any may dispose it off in any manner as it may deem fit.

184. Unit development and beneficiation of the minerals.-The Licensing Authority shall have the right to require the licensee or the lessee to:-

(a) merge his uneconomic holding under a licence or a lease with the holding of an other licensee or lessee as the case may be, for the purpose of joint exploitation on the terms and conditions Licensing Authority may decide; and

(b) grade, beneficiate, refine concentrate the mineral to a marketable standard.

185 Appeal.- (1) If a person is aggrieved by an order of the Licensing authority passed under the rules he may, within thirty days of the communication of the impugned order and payment of such rules, he may, within thirty days of the communication of the impugned order and payment of such fee as may from time to time be prescribed by the Government prefer an appeal to the Government in the appropriate department.

(2) The decision of the Government on such appeal shall be final.

(3) The Government while hearing the appeal under sub-rule (1) may, if it so considers necessary in the interest of justice, grant a stay order:

Provided that no such order shall be passed in respect of Government dues unless the appellant deposits 25% of the disputed amount with the Licensing Authority.

(4) If the appeal in which a stay order had been granted is finally rejected and the Appellate authority is of the view that the appeal was preferred on frivolous grounds or the stay order was obtained by deceit or fraud on the part of the appellant, it may while deciding the appeal, impose a penalty on the appellant upto 5% of the disputed amount.

(5) The amount deposited under sub-rule (3) would first be adjusted towards the penalty imposed under sub-rule (4). The remaining amount, if any, may be adjusted towards the satisfaction of the Government dues, and the balance, if any, may be refunded to the appellant.

185-A. Revision: - The Government may, at any time, call for the record or proceedings under these rules to examine the validity and legality of any action and may pass such orders as it may deem necessary:

Provided that if a person is to be adversely affected no such order shall be passed without giving that person an opportunity of being heard.

186. Outstanding dues payable even after expiry of a licence or lease:- On the surrender, expiry or determination of a licence or a lease, the licensee or the lessee, as the case may be, shall be responsible for payment of all outstanding dues and other charges which, in the event of non-payment, shall be recoverable as arrears of land revenue.

187. Auction of area with proved mineral reserves:- In case of cancellation of licence or lease in respect of an area containing proved mineral reserves the Licensing Authority may lease out the area by inviting sealed tender on such terms and conditions as may be prescribed by it:

Provided that if an area does not fetch a reasonable bid in five consecutive tenders or auctions the area may be deleted from the list of tender or auction.

Explanation. The entire area covered by a previous license or a lease shall be treated as proved, in case the ex-licensee or lessee had reported production of the minerals through mining or proved the area through drilling of borehole or boreholes, as the case may be.

188. Membership of an association: - The Licensing Authority may require a Licensee or a lessee to become a member of an association recognized by it as representing the interests of the Private Section of Mining Industry as a whole.

189. Constitution of Board:- Government may, by a notification constitute a Board comprising official and non-official members and assign the functions and duties regarding the development of mining areas, provisions of infrastructure facilities and other ancillary matters connected therewith.

190.Exemption:- The Government may, by notification declare that any area of minerals or any class or description thereof shall be exempted from all or any of the provisions of these rules or that such provisions shall apply thereto with such modifications or subject to such conditions as may be specified in the order.

PART - 4

MINOR MINERALS

191. Mining of minor minerals:- There shall be no mining of minor minerals except under a lease granted in accordance with these rules. Notwithstanding anything contained in these rules a lease for minor minerals to a Government Department or a public sector organization and for limestone and dolomite to a large size Industrial Undertaking manufacturing cement or sodium carbonate or sodium bicarbonate or other product as may be specified by the Government, shall be granted and governed by rules relating to Small Scale Mining under these rules.

192. Period of lease:- The period of a lease shall not exceed five years.

193. Mode of grant:- A lease shall be granted on "as is, where is basis" through open auction conducting by a committee constituted under these rules. The area granted under a mining lease shall not be substituted in any case.

194. Constitution of an Auction Committee:- (1) Government may, by notification, constitute an Auction Committee in each District, to conduct auction of leases for minor minerals.

(2) An officer of BS-17 or above of the Directorate General, Mines and Minerals, Punjab shall act as Secretary of the Auction Committee, hereinafter called "Secretary".

(3) Three members including the Chairman or his authorized representative shall constitute the quorum of the Committee.

195. Schedule of auction:- The Secretary shall, for the purpose of general information, cause to be prepared and maintained a schedule, along with necessary plans based on Survey of Pakistan maps of the area in a district where minor minerals are situated and shall also cause a tentative programme for auction formulated and maintained in his office.

196. Shape of the area:- Each area in respect of which a lease is granted shall, as far as practicable, be in a compact shape and shall be identified by well marked permanent physical boundaries or by straight lines.

197. Size of the area:- No lease shall be granted in respect of an area exceeding 500 acres; provided that a lease for gravel or ordinary sand may be granted for larger area with prior permission of the Government.

198. Public notice of auction:- For the general information of the public, the Licensing Authority shall, through a public notice, advertise at least 15 days prior to the date of auction:-

i) the location of the area in respect of which the lease is proposed to be granted.

ii) the details of the auction programme specifying the date, time and place where the auction is to take place; and

iii) the terms and conditions of the auction.

199. Registration of applicant. - (1) A person desirous of taking part in an auction shall submit, by hand, an application complete in all respects to the Secretary or to an officer authorized by him in this behalf in form as may be prescribed by the Licensing Authority, at one day prior to the auction.

(2) Every application under sub-rule (1) A person desirous of taking part in an auction shall submit, by hand an application complete in all respects to the Sectary or to an offices authority by him in this behalf in form as may be prescribed by the Licensing Authority at least one day prior to the auction.

(2) Every application under sub-rule (1) shall accompanied by-

i. earnest money as prescribed by the Government; and

ii. a copy of-

(a) the National Identity Card of the applicant;

(b) Income tax registration certificate;

(c) the duly registered partnership deed where the applicant is a partnership firm; and

(d) the Articles and Memorandum of Association along with evidence of paid up capital, if the applicant is a company.

(3) If an application is not submitted in accordance with provisions of sub-rules (1) and (2) it shall be rejected and the applicant shall not be eligible to take part in the auction.

200. Acknowledgement of applications.- The officer receiving the application shall record thereon the date and time of its receipt and deliver to the applicant a registration slip stating the date and time of the auction.

201. Power to accept or reject a bid.- The licensing Authority shall have the discretion to accept or reject the highest bid received in an auction with out assigning any reason.

202. Refund of earnest money.- The earnest money deposited under rule 199 may be refunded after the auction exception or rejection of the bid by the Licensing Authority:

Provided that the earnest money deposited by the highest bidder shall be forfeited if he fails to deposit the required part of the bid at the time of auction

203.Payment of bid money. - The highest bidder shall be deposit the balance of the bid money in the manner and within the time prescribed by the Government failing which the earnest money shall stand forfeited and the next highest bid may be treated as the highest bid.

204.Refund of bid money. - In case the highest bid is rejected by the Licensing Authority the bid money deposited by the bidder shall be refunded.

205.Security deposit.- (1) on approval of the bid the higher bidder shall deposit 25% of the bid money as security within a period of fifteen days from the date of issue of the letter of approval in the manner prescribed by the Licensing Authority.

(2) If the highest bidder fails to deposit the security amount within the time limit given under sub rule(1) the bid money and the earnest money already deposited by him shall be forfeited, his bid rejected and next highest did may be treated as the highest bid.

(3) On the expiry or termination of the lease, as the case may be the security deposit shall be refunded to the lessee after making such deductions on account of outstanding dues, compensation for surface damage penalty or otherwise as the Licensing Authority may order.

206. Grant of lease. - (1) After the security deposit is made the secretary shall issue an allotment letter whereupon the lease shall stand granted to the highest bidder.

(2) The allotment letter shall state the terms and conditions of the lease.

207. Payment of installments. - (1) The lessee shall pay the installments, if any of the bid money in advance on the dates stated in the allotment letter and submit to original Treasury Challan to the Secretary.

(2) In case the lessee fails to pay any installment by the due date, the Licensing Authority may cancel the lease and through its agent resume the possession of the area.

208. Surface rent.- (1) A lessee shall pay for all Government land which he may use or occupy superficially for the purpose of the operations conducted under the lease, a surface rent at the rate assessable under the revenue law of rules applicable in the district in which the land is situated:

Provided that if no such rent is assessable under the existing law, the rent may be fixed by the Licensing Authority.

(2) If the land belongs to a private person, a lessee shall pay surface rent to the owner of the land actually used or occupied superficially at such rate and in such manner as may be mutually agreed upon between the lessee and the land owner and in case of disagreement between them, at such rate and in such manner as may be determined by the Licensing Authority whose decision shall be final.

209. Acquisition of land.- If in the opinion of the licensing Authority, it is necessary to acquire land to provide access to the leased area, it may acquire it under the Land Acquisition Act, 1894.

210. Compensation.- A lessee shall pay such compensation as may be assessed by the authority concerned in accordance with law for the time being in force for such laws, which may be caused as a result of the operations carried on by him under the lease and shall indemnify the Licensing Authority or any office working on its behalf against all claims which may be made by third parties in respect of any such damage, injury or disturbance and in case of dispute the matter shall be referred to the Licensing Authority, whose decision shall be final:

Provided that before proceeding under this rule, the Licensing Authority shall give the parties reasonable opportunity of being heard.

211. Operation in the reserved and protected forests.- (1) All operations conducted under these rules within a reserved or protected forest shall be subject to such conditions as the licensing Authority may by a general or a special order, prescribe.

(2) It shall be a condition of every lease granted under these rules that before the commencement of mining operations within a reserved or protected forest, a notice shall be given to the forest officer concerned of the intention to commence operations.

212. Demarcation of area.- (1) the lessee at his own expense shall within fifteen days of issue of allotment letter, cause the granted according to the survey data and erect and maintain at all times correct/ permanent boundary marks and pillars standing not less than 1 meter above the surface of the ground and being not less than ½ meter square or in diameter at the base at every angle or corner of boundary line in case, the lessee fails to erect or maintain the boundary pillar the Licensing Authority or its authorized agent may impose penalty at such rate as prescribed by Government.

(2) The Licensing Authority may demarcate the area officially on payment of such fee by the lessee as prescribed by the Government.

(3) Any boundary dispute in respect of the leased area shall be referred to the Licensing Authority, whose decision shall be final.

213. No work within 100 meters from any railway line, etc.- A lessee shall not carry on or permit to be carried on any mining operation at or upto any point within a distance of 100 meters from any Railway line, water reservoir power line gas pipeline or other public works or building or place of archaeological importance except with the prior permission, in writing of the Licensing Authority and in accordance with such conditions as it may impose.

214. Inspection.- A lessee shall provide the Licensing Authority or an officer authorized by it in this behalf, all reasonable facilities to enter upon the leased area for purpose of inspection survey, measurement or inquiry about any matter relating to the lease and shall make available all records pertaining there to for examination.

215. access to other lessee,- (1) A lessee shall allow lease holders of any area adjoining or accessible through the land held by the lessee all reasonable facilities of access there to on the terms and conditions as may be determined by the Licensing Authority.

(2) failure on the part of the lessee to comply with the terms and conditions determined by the Licensing Authority under sub-rule (1) shall render him liable to penalty as may be prescribed by the Government.

216. Change in the constitution of the lessee. - A lessee shall not make any change in its constitution without prior consent in writing of the Licensing Authority.

217. Exclusion of lands for public purposes.- If an area or a portion thereof held under a lease is required at any times by the Government for any public purpose, the Licensing Authority shall have the powers to with draw such area without notice and the bid money shall be reduced proportionately.

218. Unauthorized mining.- (1) If any person carries out mining of minor minerals outside the area granted to him under a lease or in any area for which he has not obtained a lease or obstructs free access of a lessee to the leased area or directly or indirectly tries to interfere with the mining operation by a lessee he shall be punishable by a court of competent jurisdiction with imprisonment for term may extend to three years or with fine not exceeding Rs.50,000/- or with both.

Notwithstanding sub-rule (1) the licensing Authority shall have the power to stop unauthorized work in such manner as it may deem fit and recover upto three times the sale price of mineral so excavated from the person responsible for such unauthorized work:

Provided that before proceeding, the person shall be given a reasonable opportunity of being heard.

219. Right of surrender.- A lessee may surrender the mining lease at any time after four months from the date of its grant by giving either two months prior notice in writing the Licensing Authority or pay propionate bid money in lien thereof:

Provided that in case of partial surrender of the lease area, the lessee shall not be entitled to any reduction in the bid money.

220. Assignment.- A lessee shall neither transfer any right of interest under the lease, nor part with the possession of the area or any part thereof, without prior permission in writing of the licensing Authority.

221. Method of making application for assignment.- (1) An application for assignment shall be submitted at least three months before the expiry of lease and shall be accompanied by the fee as prescribed by the Government.

(2) The application shall be presented in person and shall be signed by both the assignee and the assignor before the Licensing Authority or an officer authorized by it in this behalf.

(3) The security deposited by the assignor shall be refunded after receiving fresh security deposit from the assignor on approval of the assignment by the Licensing Authority.

222. Refund of propitiate bid money.- In case a lessee fails to assume possession of the area of the are of work therein due to circumstanced beyond his control and informs within a period of fifteen days from the date he first faced the hindrance in this respect and proves it to the satisfaction of the Licensing Authority it may refund the proportionate to that extent:

Provided that no relief under this rule shall be admissible due to rains or floods in the rivers, streams or of dangerous quarry operations

223. Removal of buildings, structures etc. on expiry of lease.- (1) On expiry or termination of a lease, the lessee shall hand over the possession of the area to the licensing Authority or its authorized representative clear of all buildings, structures machinery excavated minerals and other things.

(2) In case such buildings, structures, machinery minerals or other things are not removed within one month from the date of expiry or termination of lease, it shall vest in the licensing Authority without any right of the lessee for compensation and Licensing Authority may dispose them off in such manner as it may deem fit

224. Violation of rules or lease agreement.(1) Except as otherwise provided in these rules, in case of violation or breach of any rule or any term or condition of the grant of lease, the Licensing Authority shall give a notice to the lessee providing him with an opportunity to remedy the breach within the time specified in the notice.

(2) If the lessee fails to remedy such violation or breach within the specified time, the Licensing Authority may terminate the lease and forfeit the bid money already paid by the lessee.

225. Erection of buildings, etc.- Nobody other than a lessee shall erect any building, structure, machinery or plan within a distance 100 meters from the foot of a hill in the leased area except with the prior permission, in writing of the Licensing Authority.

226. Service of letters and notices.- Any letter or notice issued to the lessee or to any person at his postal address by registered post shall, for purpose of these rules, be considered sufficient service.

227. Safe working.- (1) If on inspection or otherwise the Licensing Authority is of the opinion that a lessee is working in a manner contrary to the conservation of mineral property or safety of workers or other people the licensing Authority may required the lessee in writing to remove the defects or amend the method of mining within a period, not exceeding two months, as is determined by the Licensing Authority.

(2) If the lessee fails to comply with the instruction within the specified period, the Licensing Authority shall have the powder to stop the work of extraction of minerals in whole or in any part of the area demised under the lease till such time that the defects are removed to the satisfaction of the Licensing Authority and the lessee shall not be entitled to any relief whatsoever on this account.

(3) If the defects are not removed or the method of mining is not amended to the satisfaction of the method of mining is not amended to the satisfaction of the Licensing Authority within two months from the date of stoppage of work, the lease shall be cancelled and the dib money already paid, shall be forfeited.

228. Re-auction of leased area. - A leased area may be re-auctioned within three months before its expiry but if the auction or the grant of lease is delayed due to certain reasons, the Licensing Authority may extend the period of previous of previous lease upto the date of next grant on payment of proportionate bid money in advance for the extended period:

Provided that any extension beyond a period of six months on this account shall be subject to the approval of Director General, Mines and Minerals, Punjab.

Provide further that extension beyond a total period of one year shall be subject to the approval of the Government.

229. Issuance of dispatch slips.-(1) The lessee shall not dispatch any mineral from the leased out area without issuing a dispatch slip duly signed by him or his authorized representative in the form prescribed by the Licensing Authority.

(2) If a lessee fails to issue proper dispatch slips the licensing Authority or an officer authorized by it in this behalf may impose a penalty as may be prescribed by the Government.

(3) If a lessee commits repeated violations of this rule, the Licensing Authority may terminate the lease and forfeit the installment or bid money already paid.

230. Mode of payment.- All amounts payable under these rules shall be deposited in to a Government Treasury or into any bank authorized by the Government for the purpose under the Head of Account specified by the Government.

231. Taking over possession of area. (1) On expiry or earlier termination of a lease, the possession of the area shall be assumed by the Licensing Authority or its authorized representative and entry in this respect shall be made in the record of the Licensing authority.

(2) Possession of the area shall be considered as validly assumed if entry to this effect is available in the record of the Secretary or the licensing Authority and an intimation has been sent to the concerned revenue officer of the district.

232. Outstanding dues payable even after expiry of a lease. (1) The lessee shall be responsible for payment of all outstanding dues and other charges even after the surrender, expiry or termination of the lease.

(2) In the event of non payment of dues by the lessee or any other person under these rules, the same shall be recovered as arrears of land revenue.

233. Black listing.- (1) A person may be black listed by the Licensing Authority on account of serious or repeated violations of these rules.

(2) The lease held by such person shall stand terminated and he shall be debarred from taking part in all future auctions.

234. Appeal.- (1) If a person is aggrieved by an order of the Licensing Authority passed under these rules; he may within thirty days of the communication of the impugned order and on payment of such fee as may be prescribed by the Government, prefer an appeal to the Director General, Mines and Minerals, Punjab.

(2) The Director General, Mines and Minerals, Punjab may, pending the decision of the appeal, grant a stay order:

Provided that an application for stay order in respect of Government dues shall be accompanied by a pay order of one fourth of the disputed amount in favor of the Director General, Mines and Minerals, Punjab in his official capacity, failing which the application shall stand dismissed.

(3).If the appeal in which a stay order had been granted is finally rejected and the Director General Mines and Minerals, Punjab is of the view that the appeal was

preferred on frivolous grounds of the stay order was obtained by deceit or fraud on the part of the appellant, it may, while deciding the appeal, impose a penalty on the appellant upto 10 % of the disputed amount as the case may be.

(4) The amount deposited under sub-rule(2) shall first be adjusted towards the penalty imposed under sub-rule (3) and the remaining amount, if any may be adjusted towards the satisfaction of the Government dues, and the balance, if any shall be refunded to the appellant.

235. Revision.- (1) Any person aggrieved by an order of the Director General Mines and Minerals Punjab may on payment of such fee as prescribed by the Government file a revision petition with the Government within a period of 30 days from the communication to him of the impugned order:

Provided that the Government may in its discretion condone the delay in filing the revision petition upto two months in deserving cases.

(2) The Government may at any time call for the record of any proceedings under these rules to examine the validity and the legality of the order or action and may pass such orders as it may deem necessary.

(3) The Government may pending the decision of revision petition grant a stay order.

Provided that an application for stay order in respect of Government dues shall be accompanied by a pay order of one fourth of the disputed amount in favor of the Director General Mines and Minerals, Punjab in his official capacity, failing which applicant shall stand dismissed.

236. Bar of jurisdiction.- (1) Notwithstanding anything provided in any other law for the time being in force no court of other authority whatsoever shall have jurisdiction to entertain or to adjudicate upon any matter which the Government the Director General, Mines and Minerals, Punjab or the Licensing Authority or any other person is empowered by or under these rules to dispose of or to determine.

(2) The validity of anything done or an order passed by the Government the Licensing Authority the Director General, Mines and Minerals or any other person empowered by or under these rules shall not be called in question in any manner whatsoever before or by any court or other authority whatsoever.

(3) All proceedings in respect of any matter referred to in sub-rules (1) and (2) which may be pending before such court or other authority shall abate at once.

PART-5
REPEALS AND SAVINGS

237. Repeals.- The following laws are hereby repealed:-

- i) The Punjab Mining Concession Rules, 1960.
- ii) The Punjab Mining Concession Rules, 1986.
- iii) The Punjab Minor Minerals concession Rules, 1990.

238. Savings.- Any prospecting Licence or mineral title 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 provision of these rules as if these rules were in force at the time such prospecting licence or mineral title was granted renewed or saved and shall be treated accordingly.

(SHAHID RASHID)
SECRETARY TO GOVERNMENT OF THE PUNJAB
INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

SCHEDULES

SCHEDULE 1

APPLICATION FEE

(APPLICABLE TO LARGE SCALE MINING)

No.	Category	Application Fee	Renewal Fee
		Rs.	Rs.
1	Reconnaissance Licence	15,000	Not Renewable
2	Exploration Licence	25,000	
	- First Renewal		50,000 -
	- Second Renewal		50,000
	- Amendment	25,000	
3	Mineral Deposit Retention Licence	100,000	
	- Renewal	15,000	
	- Amendment	25,000	
4	Mining Lease	100,000	
	- Renewal	-	100,000
	- Amendment	50,000	-

SCHEDULE 2
(APPLICABLE TO LARGE SCALE MINING)

No.	Category	Rent	period
		Rs.per Sq.Km.	Year
1	Reconnaissance Licence	100/-	1 year
2	Exploration Licence	250	1-3
		750	4
	- First Renewal	1,000	5
		1,250	6
	- Second Renewal	2,000	7
		2,500	8
		3,000	9
3	Mineral Deposit	3,000	2+1
	Retention Licence		
4	Mining Lease	3,000	30 + 10

SCHEDULE 3

(APPLICABLE TO LARGE SCALE MINING)

GROUPS OF MINERALS

A. CONSTRUCTION AND INDUSTRIAL MINERALS GROUPS

Alunite, andalusite-sillimanite-kyanite, anhydrite, apatite, asbestos barite, beryl, boron minerals, calcium carbonate, celestite, clay (including bentonitic and Fuller's Earth (Palygorsite and attapulgite), ball clay hallosite, hectorite, kaolin, refractory clay), corundum diatomite epsomite, feldspar minerals, garnet (for industrial purposes), graphite, gypsum, heavy mineral sands, iodine minerals leucosphen, mineral minerals, limestone and marble magnesite, mica nepheline nitrate, olivine, perlite, phosphate, fossil guano, quartz (for industrial purposes), picture-stone, potash, pumice, pyrophyllite, salt, sepiolite, silica sand, soapstone, soda-ash and other sodium compounds, strotianite, sulphur and pyrite, talc, vermiculite, wollastonite and any other mineral as declared by the Government.

B. PRECIOUS STONES GROUP

Diamonds, Emeralds, rubies and sapphires.

C. PRECIOUS METALS GROUP

Gold, silver, platinum, palladium, osmium, rhodium and ruthenium.

D. SEMI-PRECIOUS STONES GROUP

AMAZONITE, AVENTURINE, BERYL (INCLUDING AQUAMARINE, HELODOR ANAD MORGANITE, BUT EXCLUDING BERYL AS A SOURCE OF BERYLLIUM METAL OR AS AN INDUSTRIAL MINERAL), CHRYSOBERYL, CHRYSOCOLLA, cordierite, diopside, dumortierite, garnet, malachite, quartz (including amethyst, citrine, rock crystal, rose and strawberry quartz, agate, carnelian, chalcedony, chrysoprase, jasper, mosagite, hyalite, opal, pectolite and tiger's eye), sodalite, topaz, tourmaline and turquoise.

E. BASE METALS GROUP

Aluminum,antimony,arsenic,beryllium,cadmium,cesium,chromium,cobalt,copper,gallium,geranium,hafnium,indium,iron,lead,manganese,mercury,molybdenum,nickel,rhodium,radium,radium,"Rare Earth " or lanthanides, including the actinides, scandium and yttrium,rhenium,ruthenium,selenium,tantalum,thallium,tin,tungsten,vanadium,zinc or zinc-cadmium,but does not include any such minerals if such mineral is incidentally included in a mineral falling in any other group of minerals.

NOTE:-

The Government may include or exclude any mineral or group of minerals in the above said groups through notification as deemed appropriate.

GOVERNMENT OF THE PUNJAB

MINES & MINERALS DEPARTMENT

Dated Lahore, the 27th October, 2004.

Notification.

No. SOT (M&MD) 8-15/90(Voll). The Government of the Punjab is pleased to lay down the following financial qualifications and other terms and conditions for grant of six mining leases for rock salt exclusively for export purposes through open auction in pursuance of the provision of Rule 187 of the Punjab Mining Concession Rules, 2002.

I Terms and conditions for registration:

The intending bidders shall get themselves registered with the Directorate General of Mines & Mineral, Punjab at least one week prior to the date of open auction and only the registered bidder who fulfills the following financial qualifications will be participate in the open auction.

Financial Qualifications:

A non-refundable fee of Rs.20,000/- shall be charge for registration applicant shall provide attested copy of national identity card and income Tax Registration Certificate for registration.

Individual Applicants:

(I). Attested copies of fixed deposits for Rs.5 million or more in the name of the applicant.

Or

Attested copies of Defence Savings Certificates or N.I.T Shares in the name of the applicant for the same amount.

Or

Statement of Bank transactions for a period of 12 months (not older than a month on the date of filling of application) showing a minimum closing balance of Rs.5 million and a reasonable number of transactions of the same amount during the year.

(ii) Additional evidence of immovable property to the satisfaction of the Licensing Authority to the tune of Rs.15 million or certificate from a scheduled Bank to the effect that the applicant has the financial capacity to invest upto Rs 15 million.

Firms:

In case of firm the evidence of financial capacity of individual partners taken together, on the scale laid down for individual applicants.

Public and private limited companies:

In cases of public and private limited Companies they must have a minimum paid-up capital of Rs.20.00 million.

2. Terms and conditions for grant/auction:

The open auction will be held in office of Director General, Mines & Minerals, Punjab on the date & time stated in the press notice and under the supervision of the following committee.

- | | | |
|------|---|-----------|
| i) | Director General Mines and Minerals | Chairman. |
| ii) | A representative of the finance Department. | Member. |
| iii) | Director Administration,
Office of the D.G Mines & Minerals, | Member. |
| iv) | Deputy Secretary,
Mines & Minerals Department. | Member. |

- b) The committee will sign each and every bid sheet in the presence of bidders and will also announce the highest bid received in the auction for each area.
- c) 25% of the total bid shall be deposited at the fall of hammer in the form of pay order/draft drawn in favor of the Director General, Mines & Minerals, Punjab. The successful bidder will have to deposit the remaining bid money/first installment within 15 days of the issue of bid acceptance letter unless the time is duly extended by the Licensing Authority. Provide that in case the bid of an area exceeds Rs.2.00 million, the successful bidder will be required to pay the balance amount in six equal yearly installments. Provided further that in case the bid of an area exceeds Rs.5.00 million, the successful bidder will be required to pay the balance amount in fifteen equal yearly installments.
- d) The initial period of the lessee will be 20 years and lease shall be renewable as per usual terms and conditions under the Punjab Mining Concession Rule, 2002.
- e) The area have been declared proved on the basis of reports made by Geological Survey of Pakistan and survey data available in the record for which the Directorate does not take any responsibility regarding quantum of

reserves. The interested parties may visit the area to verify the position on the spot before giving bids. No claim would be entertained by the Licensing Authority in this respect after offering the bid.

- f) Defaulters in the payment of dues in respect of previous mining concessions and the parties who have been blacklisted by the Directorate and not eligible for the grant of leases even if their bids are highest.
- g) The Licensing Authority reserves the right to reject any bid without assigning any reason.
- h) If aggrieved by the order of Licensing Authority the bidders/concessionaires may file an appeal before the Director General, mines and minerals Punjab under rule 185 of the Punjab mining concession 2002.
- i) No bid in respect of an area for which there is any stay order from a court of law of Appellate Authority shall be entertained.

1. Terms and conditions of concession:

- a) **Performance Guarantee.**
The successful bidder shall submit a performance guarantee amounting to Rs.5, 00,000/- in the form of Bank guarantee from a schedule bank for compliance with the lessee's obligations under schedule bank for compliance with the lessee's obligations under the Punjab Mining concession rules 2002. Alternately they may submit Defense saving certificates of equal amount duly endorsed in the name of Director General, Mine & minerals, Punjab.

Period of installation of equipment:

- b) **The lessee will install basic machinery and equipment required for**
mining operations as per details given in Annex-A within a period of two years, extendable by another period of one year by the Licensing Authority on cogent reasons.

- c) **Forfeiture of guarantee:**
Failure of lessee to install machinery and equipment as envisaged in the approval development scheme within the time frame approved by the Licensing Authority will render the performance guarantee liable to forfeiture in full or a part as determined by the Licensing Authority.

- d) **Refund of guarantee:**
On complete deployment of equipment/machinery as envisaged in approved development scheme and compliance of other terms and conditions regarding environmental rehabilitation, the licensing Authority may refund performance security/Guarantee to the lessee. On surrender or termination of the lessee, the Licensing Authority may refund the guarantee after applying suitable deduction as per merits of the case.

e) Use of Rock Salt:

The lessee shall be entitled only to use the rock salt excavated by him from the leased area exclusively for export in raw form or its value added products and it shall in no way be put to any other use or direct sale locally. In case of any violation of this condition, the lease shall be liable to cancellation and the above said performance guarantee shall be confiscated by the licensing Authority.

- f) The lessee shall ensure the compliance of the following in accordance with rule 138 ibid.
- i) The lessee shall work in accordance with the approved development scheme, based on room and pillar method of underground mining.
- ii) The lessee shall deploy an approved magnitude of mine machinery and equipment to ensure scientific development of rock salt deposits.
- iii) The lessee shall employ technical staff as approved by the Licensing Authority and chief inspector to mines, Punjab under the Punjab Mining concession rules 2002 and the mines act1923.

Annex-"A"

DETAILS OF MACHINERY &EQUIPMENT

Compressors	Two Nos.
Drill Machines	Six Nos.
Pneumatic Picks	Six Nos.
Transportation equipments like Tub/Track, etc.	
Hoists.	
Miscellaneous equipment like rubber hose pipe,	

Undercutting machine, pumps, etc.

THE PUNJAB GAZETTE

PUBLISHED BY AUTHORITY

LAHORE TUESDAY, MAY 06, 2003

GOVERNMENT OF THE PUNJAB

INDUSTRIES, MINES AND MINERALS

DEPARTMENT

Dated Lahore, the 30th April, 2003.

NOTIFICATION

No.V(I&MD)3-21/95Vol-III. In exercise of the powers conferred upon him under section 2 of the Regulation of Mines & Oil-fields and Mineral Development (Government Control) Act, 1948 (XXXIV of 1948), the Governor

of the Punjab is pleased to direct that in the Punjab Mining Concession Rules, 2002 the following amendments shall be made:-

AMENDMENTS

In rule 2 -

- (i) clause (xxiv) shall be substituted by the following:-
(xxiv) "minor minerals" mean ordinary sand, sand stone, silt stone, slate stone and gravel and may include any other mineral so declared by the Government;7" and
- (ii) after clause (xxix), the following new clause (xxix-a) shall be added:-
"(xxix-a) "Mining Consultant" means a legal or natural person qualified in Mining Engineering or Geology duly registered with Director General, Mines & Minerals;7"

2. In rule 7 sub rule (1), after the word "investment" and before the word "is" occurring for the section time, the following shall be inserted:-

3. In rule 12, the word "previous", wherever occurring, shall be substituted by the word "prior".

4. In rule 16 sub rule (1) clause (e) sub clause (i), after the word "operations" and before the word "proposed", the words "prepared by a Mining Consultant and" shall be inserted.

5. In rule 17, in the heading, the words "application for" and before clause (a), the words "an application for" shall be deleted.

6. In rule 18 sub rule (1), the word "granting" shall be substituted by the word "grant" and the words "an application for" shall be deleted.

7. In rule 27 sub rule (7), the words "an application for a" shall be deleted. 8. In rule 34 sub rule (1) clause (a), the word "or" shall be substituted by the word "for".

9. In rule 56 sub rule (1) clause (a) sub clause (ii), in paragraph (a), the word "agrochemical" shall be substituted by the word "geo-chemical".

10. After rule 73, the following new rule 73-A shall be added:-

"73-A. Surface Rent:- (1) A licensee or lessee shall pay, for all Government land which he may use or occupy superficially for the purposes of the operations conducted under the licence or the lease, a surface rent and water rates assessable under the revenue or any other law or rules in the district in which the land is situated:

Provided that if no such rent is assessable under the existing law, the rent and the water rate may be fixed by the Licensing Authority.

(2) If the land belongs to a private person, a lessee or a licensee shall pay surface rent to the owner of the area for the land actually used or occupied superficially at such rate and in such manner as may be mutually agreed upon between the lessee and the land owner and in case of disagreement between them, at such rate and in such manner as may be determined by the Licensing Authority by taking into account produce unit of the area:

(3) If no such rent is available under the laws of the district in which the land is situated, the rent may be fixed by Licensing Authority subject to a minimum of Rs.200/- per acre."

11. In rule 78:-

- i) in sub rule(1), the words, brackets and figures "sub-rules (2) and (3)" shall be substituted by the words, brackets and figure "sub rule (2)"
- ii) sub rule (2) shall be omitted, and
- iii) sub rule (3) shall be re-numbered as (2).

12. In rule 94 sub rule (1), after the brackets and figure "(1)" and before the word "a" in the beginning, the word "if" shall be omitted and the following shall be inserted:-

"In case of large scale mining, if'.

13. In rule 105, after the word "application" and before the full stop at the end, the words "giving reasons thereof in a well defined manner" shall be inserted.

14. In rule 109 sub rule (3), the words "presented in person and" shall be omitted and after the word "behalf" and before the full stop at the end, the words "and shall be deemed to be accepted" shall be inserted.

15. In rule 111, in the third proviso, the word "referred" shall be substituted by the word "refunded".

16. In rule 120, the figure "25" shall be substituted by the figure "12.5". 17. In rule 122, the word "two" shall be substituted by the word "three". 18. In rule 123, the words "twelve months" shall be substituted by the words "two years".

19. In rule 125, sub rule (1), the word "approved" shall be substituted by the word "submitted".

20. In rule 133, the proviso at the end shall be deleted. 21.

In rule 134 sub rule (2):-

- (i) after the word "Authority" occurring for the second time and before the word "grant", the word "may" shall be substituted by the word "shall",
- (ii) in the first proviso, after the word "him" and before the colon at the end, a full stop and the following shall be inserted:-
"The Licensing Authority shall also issue a registered notice to the concessionaire about the date of expiry of concession at least one year prior to the date of expiry".
- (iii) in the second proviso, after the figure "177" and before the full stop at the end the following shall be inserted:-
"and the Appellate Authority may condone the delay upto one year".

- (iv) third and fourth provisos shall be deleted.
22. In rule 138-
- (i) after the word "months" and colon and before the first proviso, the following new proviso shall be added:-
 'Provided that if lessee seeks revision of Development Scheme giving cogent reasons, the Licensing Authority may revise the Phased Programme of Development', and
- (ii) after the proviso so added, in the second proviso, the word "further" shall be inserted after the word "provided" and before the word "that".
23. In rule 143-
- (i) in sub rule (1), the words "at the rate" shall be omitted,
- (ii) in sub rule (2), after the word "Authority" and before the colon, the words "by taking into account produce unit of the area" shall be inserted: ;and
- (iii) after the proviso of sub rule (2), the following new sub rule (3) shall be added:-
 "(3) If no such rent is available under the laws of the district in which the land is situated, the rent may be fixed by the Licensing Authority subject to a minimum of Rs.200/- per acre".
24. In rule 158, sub rule (2) shall be omitted and sub rule (3) shall be re-numbered as (2).
25. In rule 159:-
- (i) in sub rule (1), the word "two" shall be substituted by the word 'six',
- (ii) in sub rule (2), after the word 'have' and before the word 'the', occurring for the sixth time, the words "the power to stop" shall be inserted:
- (iii) in sub rule (3), after the word "cancelled" and before the full stop at the end, the words "after providing an opportunity of personal hearing to the licensee or the lessee" shall be inserted, and
- (iv) sub rule (4) shall be deleted.
26. Rule 185 shall be substituted by the following:
 "185. Appeal:- (1) In case of small scales mining, if a person is aggrieved by an order of the Licensing Authority passed under these rules he may, within thirty days of the communication of the impugned order and payment of such fee as may, from time to time, be prescribed by the Government prefer an appeal to the Director General, Mines & Minerals, Punjab.

(2) The Director General, Mines & Minerals, Punjab may, pending the decision of the appeal grant a stay order:

Provided that an application for stay order in respect of Government dues shall be accompanied by pay order of 10% of the disputed amount in favor of the Director General, Mines & Minerals, Punjab in his official capacity, failing which the application shall stand dismissed.

(3) If the appeal in which a stay order had been granted is finally rejected and the Director General, Mines & Minerals, Punjab is of the view that the appeal was preferred on frivolous grounds or the stay order was obtained by deceit or fraud on the part of the appellant, if may, while deciding the appeal, impose a penalty on the appellant up to 10% of the bid money or the disputed amount, as the case may be.

(4) The amount deposited under sub rule (2) shall be adjusted towards the penalty imposed under sub rule (3) and the remaining amount, if any, may be adjusted towards the satisfaction of the Government dues and the balance, if any, shall be refunded to the appellant.

27. Rule 185-A shall be substituted by the following:-

"185-A, Revision:- (1) Any person aggrieved by an order of the Director General, Mines & Minerals, Punjab may, on payment of such fee as may be prescribed by the Government, file a revision petition with the Government within a period of thirty days from the communication to his of the impugned order:

Provided that the Government may condone the delay in filing the revision petition up to two months in deserving cases.

(2) The Government may, at any time, call for the record of any proceedings under, these rules to examine the validity and legality of the order or action and may pass such orders as it may deem necessary.

(3) The Government may pending the decision of revision petition grant a stay order:

Provided that an application for stay order in respect of Government dues shall be accompanied by pay order of 10% of the disputed amount in favor of the Director General, Mines & Minerals, Punjab in his official capacity failing which the application shall stand dismissed.

28. In rule 191, after the word "to" occurring for the third time and before

the word "Small" the words "Large and" shall be inserted.

29. In rule 210, the word "laws" and in the proviso, the word "parties" shall respectively be substituted by the words "loss" and "parties".

30. In rule 234 sub rule(1), after the brackets and figure "(1)" and before the word "a" in the beginning, the word "if" shall be omitted and the following shall be inserted:-

"In case of minor minerals, if"

Sd/-
(MUHAMMAD IQBAL)
ASSISTANT DIRECTOR (P&C)
FOR DIRECTOR GENERAL OF MINES & MINERALS
PUNJAB, LAHORE.

Endst.No. & Date Even

A copy is forwarded for information and necessary action to:-

1. The Deputy Director (SMA/T), Rawalpindi Region, Islamabad.
2. The Deputy Director (M&M), Rawalpindi Region, Islamabad.
3. The Deputy Director (SMA/T), Sargodha Region, Sargodha.
4. The Deputy Director (M&M), Sargodha Region, Sargodha.
5. The Deputy Director (M&M), D.G. Khan Region, Dera Ghazi Khan.
6. The Deputy Director (M&M), Lahore Region, Lahore.
7. The Deputy Director Environment Facilitation, Headquarter's Office, Lahore.
8. The Assistant Director Mines & Minerals, Chakwal.
9. The Assistant Director Mines & Minerals, Mianwali.
10. The Assistant Director Mines & Minerals, Chiniot.
11. The Assistant Director Mines & Minerals,, Bahawalpur.
12. The Assistant Director Mines & Minerals, Sialkot.
13. The Assistant Director Mines & Minerals, Sahiwal.
14. The Assistant Director Mines & Minerals, Attock.
15. The Deputy Director (Accounts) Headquarter's Office, Lahore.
16. The Deputy Director (Major Minerals) Headquarter's Office, Lahore.
17. The Mineral Development Officer (MC Branch), Hqr's Office, Lahore.
18. The Mineral Development Officer (ML-I Branch), Hqr's Office, Lahore.
19. The Accounts Officer (Minor Minerals) Hqr's Office, Lahore.
20. The Accounts Officer (Major Minerals) Hqr's Office, Lahore.

21. The Superintendent (ML-I Branch), Hqr's Office, Lahore.
22. The Superintendent (ML-II Branch), Hqr's Office, Lahore.
23. The Superintendent (Admn. Branch), Hqr's Office, Lahore.
24. The Superintendent (Appeal Branch), Hqr's Office, Lahore.
25. The Superintendent (PL Branch), Hqr's Office, Lahore.
26. The Survey and Drawing Officer, Hqr's Office, Lahore.
27. The Assistant Director (Major Minerals), Hqr's Office, Lahore.

(MUHAMMAD IQBAL)
ASSISTANT DIRECTOR (P&C)
FOR DIRECTOR GENERAL OF MINES & MINERALS
PUNJAB, LAHORE.

NO.PA
DIRECTORATE OF MINES & MINERALS
PUNJAB, LAHORE.

DATED Lahore the 17 March, 2003.

To

1. The Deputy Director (Small Scale Mining) 51-Civil Lines Kutchary Road, Sargodha.
2. The Deputy Director (Mines & Minerals)
51-Civil Lines Kutchary Road, Sargodha.
3. The Deputy Director (Small Scale Mining)
Industrial Area I/9 Sector, Rawalpindi Region,
Islamabad.

4. The Deputy Director (Mines & Minerals)
Industrial Area I/9 Sector, Rawalpindi Region,
Islamabad.
5. The Deputy Director (Small Scale Mining),
Plot No.9 Divisional Complex, D.G Khan.
6. The Assistant Director (Mines & Minerals),
District Complex, Chakwal.
7. The Assistant Director (Mines & Minerals),
7/8-A Muslim Colony, Mianwali.
8. The Assistant Director (Mines & Minerals),
Bahawalpur.
9. The Assistant Director (Mines & Minerals),
Chiniot.
10. The Assistant Director (Mines & Minerals),
Sialkot.
11. The Assistant Director (Mines & Minerals),
Sahiwal.
12. The Assistant Director (Mines & Minerals),
Attock.

SUBJECT: **RATIONAL DISTRIBUTION OF WORK LOAD RELATING SMALL MINING ASSISTANCE DIVISION AMONGST FIELD OFFICES AND HEADQUARTER OFFICE.**

The Small Scale Mining chapter of the Punjab Mining Concession Rules, 2002 broadly classify working/functions of Small Mines Assistance Division into two categories i.e. technical and regulatory. In order to introduce a rational distribution of workload amongst the field offices and the headquarter office to develop an efficient mechanism utilizing existing resources and to augment public convenience at the local level, I have been directed to advise you that in future as a policy matter all matters relating to rule 127, 129, 136,137, 138, 139, 140, 147, 148, 149, 150,151, 152, 153, 157, 158, 169, 161, 164, 167, 170, 171, 174 and 184 of Punjab Mining Concession Rules, 2002 shall be processed by the field offices independently on their files for the orders of Licensing Authority. The field Offices shall send a copy of the

decision made by the Licensing Authority to the relevant section of the Headquarter Office to be placed in the main record of the Headquarter Office. The above instruction small scale mining.

(IRSHAD ALI KHOKHAR)

DIRECTOR (SMALL MINES ASSISTANCE)

PUNJAB.

Copy to:

1. PA to Director General of Mines & Minerals, Punjab with reference to orders dated 15.03.2003 (copy enclosed).
2. Assistant Director (P&C) Headquarters' Office, Lahore for information and record.

(IRSHAD ALI KHOKHAR)

DIRECTOR (SMALL MINES ASSISTANCE)

PUNJAB.

GOVERNMENT OF THE PUNJAB

INDUSTRIES, MINES & MINERALS

DEPARTMENT

DATED Lahore, the 9th May, 2003.

NOTIFICATION

No. V(IM&M)6-1/96 In exercise of the powers conferred upon him under the provisions of the Punjab Mining Concession Rules, 2002 and in suppression of this Department's Notification No.V(IM&MD)6-1/86 dated 28.03.2002, the Governor of the Punjab is pleased to prescribe the following rates of fee/rent under the rule indicated against each:

Rue No.	Description of Fee/Rent	Prescribed Rate
96(1)(a)	Application Fee	Rs.2000/- (Rupees two thousand only) both for a mining lease or a prospecting licence.
96(1)(d)	Cost of Plans	Rs.500/- (Rupees five hundred only).
100(2)	Inspection Fee	Rs.100/- (Rupees hundred only).
109(1)	Assignment Fee	Rs.5, 000/- (Rupees five thousand only) for coal and Rs.2000/- (Rupees two thousand only) for other minerals.
110(1)	Security	d) Rs.1000/- (Rupees one thousand only) for prospecting licence. e) Rs.10/- (Rupees ten only) per acre subject to minimum of Rs.5000/- (Rupees five thousand only) for mining lease of coal. f) Rs.3000/- (Rupees three thousand only) for mining lease of other minerals.
126(1)	Annual Fee	Rs.3/- (Rupees three only) per acre per annum. The fee shall be enhanced by 50% over the last fee paid each time the license renewed. The fee shall be paid in advance for each year of renewal of prospecting license.
135	Dead Rent	Rs.10/- (Rupees ten only) per acre per annum for coal and limestone and Rs.4/- (Rupees four only) per acre per annum for other minerals.
185(1)	Appeal Fee	1000/- (Rupees one thousand only).
185-(A)	Revision Fee	1500/- (Rupees one thousand five hundred only).

(SHAHID RASHID)
Secretary,
Industries, Mines & Minerals Department

Endst. No. & Date even.

A copy is forwarded to:

- 6) All Administrative Secretaries to the Government of the Punjab.
- 7) All District Coordination Officers in the Punjab.
- 8) All Executive District Officers (Revenue) in the Punjab.
- 9) All Heads of Attached Departments in the Punjab.
- 10) The Director General, Mines & Minerals, Punjab, Lahore for information and necessary action

Sd/-

(ATTA ULLAH KHALID)

SECTION OFFICER (MINES & MINERALS)-I

Endst. No. & Date Even.

A copy is forwarded to the Superintendent, Government Printing Press, Lahore for publication of the above notification in the Extra Ordinary issue of the Punjab gazette immediately. 200 copies of the aforesaid issued of the Gazette may please be supplied for official use.

Sd/-

(ATTA ULLAH KHALID)

SECTION OFFICER (MINES & MINERALS)-I