

NOTIFICATION.

No.PAB/Legis:V(13)/2025/4770. The Balochistan Mines and Minerals Bill, 2025 (Bill No. 13 of 2025), having been passed by the Provincial Assembly of Balochistan on 12th March, 2025 and assented to by the Governor Balochistan, on 14th March, 2025 is hereby published as an Act of the Balochistan Provincial Assembly.

THE BALOCHISTAN MINES AND MINERALS ACT 2025
ACT NO. XIII OF 2025.

AN

ACT

to develop an internationally competitive, stable and enabling environment for domestic and foreign investment in the mining and minerals sector in the Province of Balochistan by the establishment of efficient and transparent administrative, legal and fiscal frameworks, which are substantially consistent with the administrative, legal and fiscal frameworks implemented by each other province in the Islamic Republic of Pakistan, and for incidental and other purposes.

It is hereby enacted as follows:

PART I
PRELIMINARY

1. **Short Title:** - This Act may be cited as the Balochistan Mines and Minerals Act, 2025.
2. **Commencement:** - This Act shall come into operation at once.
3. **Application:-** (1) Subject to sub-Section (2) of Section 3 below, this Act shall extend to the whole of the Province.

(2) The provisions of this Act shall not apply to any licence, lease, permit, mineral agreement, Negotiated Agreement or Qualified Investment as specified in sub-Section (4) of Section 122.

(3) Notwithstanding anything else to the contrary, this Act shall not apply to mineral resources necessary for the generation of nuclear energy, mineral oil and

natural gas, and no Mineral Titles may be applied for, granted or awarded in respect of any such resources under this Act.

4. **Definitions:** - (1) In this Act, unless the context otherwise requires,-

- (a) **"Additional Director General"** means a qualified mining engineer or geologist duly nominated by the Department on a seniority-cum-fitness basis who occupies the position of an additional director general of the Directorate General Mines and Minerals in accordance with sub-Section (2) of Section-6 of this Act;
- (b) **"Appellate Tribunal"** means the Balochistan Appellate Tribunal for Mines and Minerals established under Section 25 (*Establishment of Appellate Tribunal*) to hear appeals against the orders made by the DMLC, the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) under this Act;
- (c) **"Auction Committee"** means the auction committee established under Section 14 (*Establishment of Auction Committee*) which may be delegated responsibilities and powers to administer the process for auctions and competitive bidding proceedings, as more particularly described in Section 15 (*Powers and Functions of Auction Committee*) and Schedule 9 (*Procedure for Bidding Proceedings*) of this Act;
- (d) **"Authorised Officer"** means as the context requires any officer delegated with power under this Act including any officer nominated by the Director General under sub-Section (2) of Section-7, or by the Licensing Authority or Minor Minerals Licensing Authority under sub-Sections 5 of section 9 and sub-section 2 of section 11;
- (e) **"Challan"** means a document, in the form of the template set out in Schedule 7 (*Template Challan*) of the Act, which may be issued in respect of the specific offences listed in Schedule 6 (*List of Mineral Offences Where Challan May be Issued*) of the Act through the process more particularly described under Section 106 (*Considerations for Determining Fines*) and 107 (*Imposition of Fine Through Challan*);
- (f) **"Company"** means a company as defined in the Companies Act, 2017 (Act No. XIX of 2017), incorporated under the laws of the Islamic Republic of Pakistan;
- (g) **"Constitution"** means the Constitution of the Islamic Republic of Pakistan, 1973;
- (h) **"Department"** means the [*Mines and Minerals Development Department Balochistan*] established for the purpose of the administration of this Act in accordance with Section 5 (*Establishment of Department*);
- (i) **"Director Exploration"** means the qualified mining engineer or geologist, duly nominated by the Department in accordance with

sub-Section 2 of section 17, who occupies the position of director of the Exploration Promotion Division of DGMM;

- (j) **"Director General"** means the qualified mining engineer or geologist, duly nominated by the Department on the basis of seniority-cum-fitness in accordance with sub-Section 2 of section 6, who occupies the position of director general of the Directorate General Mines and Minerals;
- (k) **"Director Licensing"** means a qualified mining engineer or geologist, duly nominated by the Department in accordance with sub-Section 4 of section 9, who occupies the position of director of the Licensing Division of DGMM and has all powers necessary to implement the decisions of the Licensing Authority;
- (l) **"Directorate General Mines and Minerals"** or **"DGMM"** means the Directorate General Mines and Minerals Balochistan established under the Department for the purpose of the administration of this Act;
- (m) **"Disposed"** has the meaning given to it in sub-Section 3 of section 86, and **"Dispose"** and **"Disposes"** shall be interpreted accordingly;
- (n) **"District Administration"** means District Administration of District;
- (o) **"District Mining Liaison Committee"** or **"DMLC"** means each District Mining Liaison Committee established under Section 19 (*Establishment of District Mining Liaison Committee*) in each district in the Province to assist the Licensing Authority, Minor Minerals Licensing Authority and Title Holders to resolve certain Land, forestry and environmental disputes in respect of their Mineral Titles;
- (p) **"District Police/Levies"** means Civil law enforcement agencies working in the District;
- (q) **"Security Deposit"** means the money to be deposited by a bidder in connection with an auction or competitive bidding procedure in the amount specified in accordance with Schedule 9 (*Procedure for Bidding Proceedings*), Part III (*Payment of Security Deposit*) of this Act;
- (r) **"Enforcement Officer"** means the Director Enforcement (BPS-19) forming part of the senior rank of the Mines and Minerals Force as provided for in Schedule 11 (*Mines and Mineral Force*) of this Act;
- (s) **"Environmental Management Plan"** means a plan setting out any measures which an applicant for a Mineral Title will implement to conserve and protect the environment and wildlife from potential pollution or other damage and destruction which may result from the proposed Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations delivered by the applicant pursuant to sub-Section 2 of section 49, and which has

been approved by the Environmental Protection Agency in accordance with the approval of the grant or award of the relevant Mineral Title by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) under Section 58 (*Withdrawal, Grant or Refusal of Application for Mineral Titles*);

- (t) **"Environmental Protection Agency"** means Balochistan Environmental Protection Authority, including its relevant provincial administrative department;
- (u) **"Exploration Licence"** means an exploration licence for Large-scale Mining as granted under this Act;
- (v) **"Exploration Operation"** means, as the case may be, any operation for exploration and prospecting purposes, including geological mapping and the collection of surface and subsurface samples of Minerals for the purpose of mineralogical examination, assaying and test work, geochemical analysis, geophysical surveying, trenching, drilling, resource estimation and reserve evaluation, but such work in relation to Reconnaissance Operations and/or Exploration Operations and/or Prospecting Operations shall not include any Mining Operations or commercial activity, including, but not limited to, sale of Minerals;
- (w) **"Exploration Promotion Division"** means the Balochistan Exploration Promotion Division established under Section 16 (*Establishment of Exploration Promotion Division*) to collect, analyse and publish exploration data in respect of the Province and establish and maintain the geological database contemplated in Section 18 (*Geological Database to be Established and Maintained by Exploration Promotion Division*) in accordance with this Act;
- (x) **"Federal Government"** means the government of the Islamic Republic of Pakistan, and references to **"Federal"** shall be construed accordingly;
- (y) **"Federal Mineral Wing"** means [the functional unit of the Ministry of Energy (Petroleum Division), Government of Pakistan entrusted with the responsibility of dealing with the business matters relating to mines and minerals sector in accordance with the Constitution and Rules of Business of the Government of Pakistan];
- (z) **"Firm"** means a partnership registered under the Partnership Act, 1932 (Act No. IX of 1932);
- (aa) **"Forestry Department"** means Forest & Wildlife Department Balochistan;
- (bb) **"Gazette"** means the official gazette published by the Government;
- (cc) **"Geological Survey of Pakistan"** means the national organisation of the Government of Pakistan, which, as per its charter, is primarily responsible for performing geological surveys for collection and dissemination of geological information in Pakistan;

- (dd) **“Good Mining Practices”** means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the mining and minerals sector under the same or similar circumstances, complying with applicable laws, regulations and recognised industry standards;
- (ee) **“Government”** means the government of the province of Balochistan;
- (ff) **“Guidelines”** means Guidelines made under this Act;
- (gg) **“Human Dwelling”** means a cluster of at least fifty (50) houses;
- (hh) **“Idle Mineral Title”** means any Mineral Title in respect of Large-scale Mining or Small-scale Mining (save for a Reconnaissance Licence, Mineral Deposit Retention Licence, or a Minor Mineral Title) in relation to which a Title Holder has failed to carry on Exploration Operations and/or Mining Operations (as the case may be) in accordance with the approved TEFVS delivered in accordance with sub-Section 2 of section 49, subject to any amendments approved by the Licensing Authority in accordance with this Act;
- (ii) **“Mineral Investment Facilitation Authority ”** means the Balochistan Minerals Investment Facilitation Authority constituted under Section 22 (*Establishment of Mineral Investment Facilitation Authority*) to promote investment in the mining and minerals sector in the Province and provide strategic leadership and guidance to the Department;
- (ij) **“Land”** includes any surface bearing or expected to bear any Mineral, land beneath water and the sub-soil of land or any land utilised for any such Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations as stipulated under this Act;
- (kk) **“Land User”** means an Organisation or individual who holds a legal right to use a specific area of Land, whether through an agreement, a legal easement or any other legal reason;
- (ll) **“Landowner”** means an Organisation or individual who owns a specific area of Land according to a legally valid title;
- (mm) **“Large-scale Mining”** means any process of mining with a proposed capital investment of at least Rs. Five hundred million (500,000,000), *provided that* in respect of any licence, lease or permit granted by the licensing authority or awarded as part of any auction or competitive bidding process under Balochistan Mineral Rules, 2002, which shall be considered to have been granted by the Licensing Authority awarded through an auction or competitive bidding process in accordance with Section 122 (*Repeal and Saving*), Large-scale Mining means any process of mining with a proposed capital investment of at least Rs. Three hundred million (300,000,000).

- (nn) **"Lateral Limits"** means, in relation to an area of Land pertaining to a Mineral Title, the vertical lines towards the earth passing through the sides by which that area is bounded;
- (oo) **"Licence Area"** means the area of Land, including its Lateral Limits, to which a Mineral Title relates;
- (pp) **"Licensing Authority"** means, for all minerals other than Minor Minerals, the Director General of Mines and Minerals Balochistan established under Section 8 (*Establishment of Licensing Authority*) and possessing the powers and functions more particularly described in Section 9 (*Powers and Functions of Licensing Authority*);
- (qq) **"Local Communities"** means any group or groups of people residing within the locality and vicinity of a Licence Area, and within a radius not more than 10 km from the Licence Area;
- (rr) **"Mine"** means any surface or underground excavation horizontal, inclined or vertical where any Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations have been or are being carried out, 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;
- (ss) **"Mine Closure Plan"** means a plan in the prescribed form setting out any measures which an applicant for a Mineral Title will implement to decommission each proposed Mine and rehabilitate the Land in respect of which the Mineral Title is sought, and delivered by the applicant pursuant to clause (j) of sub-Section (2) of section 49, and which has been approved by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) in accordance with the approval of the grant or award of the relevant Mineral Title by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) in accordance with Section 58 (*Withdrawal, Grant or Refusal of Application for Mineral Titles*);
- (tt) **"Mineral"** for the purpose of this Act, means all surface and sub-surface natural deposits of ores and metals and other metallic and non-metallic substances with distinctive chemical compositions and physical properties, including naturally occurring aqueous solutions containing more than one per cent. (1%) mineral salt, but does not include mineral oil, natural gas or mineral resources necessary for the generation of nuclear energy;
- (uu) **"Mineral Agreement"** means any mineral agreement entered into between a Title Holder, the Government and any other Organisation or individual, in accordance with Section 68 (*Eligibility for Mineral Agreements*);
- (vv) **"Mineral Deposit Retention Licence"** means a mineral deposit retention licence for such mineral deposit activities as granted under this Act;

- (ww) **"Mineral Dispatch Invoice"** means the invoice issued by the Director General through its Authorised Officer(s) for the purpose of transportation of minerals by the Title Holder more particularly described in Section 71 (*Weighing and Dispatch of Minerals*) of this Act;
- (xx) **"Mineral Group"** means a group of Minerals listed in Schedule 1 (*Mineral Groups*);
- (yy) **"Mineral Reserve Area"** means any Land in the Province designated by the Licensing Authority or, in respect of Minor Minerals, the Minor Minerals Licensing Authority, in accordance with Section 31 (*Mineral Reserve Areas*) as being an area which,—
- (i) contains quantities of Minerals found at mineable sites whose economic viability is geologically established or projected by the volume of mineral formations; and
 - (ii) in respect of which a Mineral Title may only be awarded by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) through an auction or competitive bidding process in accordance with this Act.
- (zz) **"Mineral Reserve Area Register"** means the Balochistan mineral reserve area register established and maintained by the DGMM through its Authorised Officer(s) in accordance with sub-section (1) of Section-13;
- (aaa) **"Mineral Testing Laboratory"** means the mineral testing laboratory established in the Exploration Promotion Division in accordance with sub-Section 1 of Section 111;
- (bbb) **"Mineral Title"** means any of the following licences, permits or leases granted or awarded under this Act:-
- (i) a Reconnaissance Licence;
 - (ii) a Prospecting Licence;
 - (iii) an Exploration Licence;
 - (iv) a Mineral Deposit Retention Licence;
 - (v) a Mining Lease (Large-scale Mining);
 - (vi) a Mining Lease (Small-scale Mining); and
 - (vii) a Temporary Permit.
- (ccc) **"Mineral Title Application Register"** means the Balochistan mineral title application register established and maintained by the DGMM through the Director Licensing and its Authorised Officer(s) in accordance with sub-Section 1 of section 13;
- (ddd) **"Mines and Minerals Force"** means the enforcement body established by the Government in accordance with Schedule 11

(Mines and Mineral Force) for the prevention of illegal and unauthorised mining, the retrieval of possession of minerals from illegal miners or stockers and the enforcement of the provisions of this Act;

- (eee) **"Mining Cadastre Register"** means the Balochistan mining cadastre register established and maintained by the DGMM through the Director Licensing and its Authorised Officer(s) in accordance with sub-Section 1 of section 13;
- (fff) **"Mining Cadastre System"** means the Balochistan Mining Cadastre System established and maintained by the DGMM in accordance with Section 12 (*Establishment and Maintenance of Mining Cadastre System*);
- (ggg) **"Mining Lease"** means a Mining Lease (Large-scale Mining) and/or a Mining Lease (Small-scale Mining), as the context requires;
- (hhh) **"Mining Operation"** means any operation carried out in connection with the development of a Mine, or the production of Minerals from a Mine, or both, including any geological and geochemical exploration or extraction and marketing, and **"mined"** shall have a corresponding meaning;
- (iii) **"Minister"** means the individual duly notified by the Government to be the minister-in-charge of a department with designation as such;
- (jjj) **"Minor Mineral Title"** means,—
 - (i) a Temporary Permit in respect of Minor Minerals; and
 - (ii) a Mining Lease (Small-scale Mining) in respect of Minor Minerals.
- (kkk) **"Minor Minerals"** means *bajri, shingle, ordinary sand, gravel, and ordinary stones* or any other Mineral prescribed by the Government as a minor mineral from time to time by notification in the official Gazette in accordance with sub-Section 1 Of section 30;
- (lll) **"Minor Minerals Licensing Authority"** means the licensing authority established in accordance with Section 10 (*Establishment of Minor Minerals Licensing Authority*) and performing duties in respect of Minor Minerals in accordance with Section 11 (*Powers and Functions of Minor Minerals Licensing Authority*);
- (mmm) **"Organisation"** means any corporate entity, company, consortium, firm or association of persons, registered under the relevant laws, for the time being in force, and includes a Public Organisation;
- (nnn) **"Negotiated Agreement"** means a commercial agreement between one or more persons and the Government, entered into through private negotiation and without public tendering, regarding the grant of a licence, lease or other rights to explore, prospect, mine, refine, develop, process, export, exploit and sell any mineral or minerals and do any and all other things in relation to mines and

mineral development; as defined in Section 7 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948).

- (ooo) **“Prescribed”** means prescribe by Rules, Regulations and Guidelines made under this Act;
- (ppp) **“Prospecting Licence”** means a prospecting licence for Prospecting Operations as granted under this Act;
- (qqq) **“Prospecting Operation”** means, as the case may be, any operation for prospecting and exploration purposes, including geological mapping and the collection of surface and subsurface samples of Minerals for the purpose of mineralogical examination, assaying and test work, and shall include Mining Operations consistent in their nature with Small-scale Mining;
- (rrr) **“Province”** means the province of Balochistan, and **“Provincial”** shall be interpreted accordingly;
- (sss) **“Public Organisation”** means such Organisation which independently, or if it is a consortium, the majority shareholders therein, is/are an entity, agency, corporation, company or other body or institution established by or under a Federal law or a law of the Province, or an entity, agency, corporation, company or other body or institution in which more than fifty per cent. (50%) of the shares are owned or controlled by the Federal Government or the Government, and also includes any state-owned enterprise, entity, agency, corporation or a company, in which more than fifty per cent. (50%) of the shares are owned or controlled, either directly or indirectly, by a foreign state;
- (ttt) **“Qualified Investment”** means the investments, sectors, industries or projects as may be chosen, approved and duly notified by the Federal Government as a qualified investment in the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 (XXXV of 2022) and specifically includes the Reko Diq project in the Province, as described in the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 (XXXV of 2022) on the commencement date of this Act;
- (uuu) **“Rare Earth Minerals”** means the minerals declared as such in Schedule 1 (*Mineral Groups*) or any other Mineral prescribed by the Government as such from time to time by notification in the official Gazette in accordance with sub-Section 2 of section 30;
- (vvv) **“Reconnaissance Licence”** means a reconnaissance licence for Reconnaissance Operations as granted under this Act;
- (www) **“Reconnaissance Operation”** means any operation carried out for a general search of any Mineral by means of aerial photographs and remote sensing techniques through satellite imageries and airborne geophysical surveys, for geological mapping and other reconnaissance stage exploration techniques;

- (xxx) **"Registered Mine Surveyor"** means a surveyor duly registered with the Directorate General Mines and Minerals under Section-113 (*Registration of Surveyors*) of this Act;
- (yyy) **"Registered Mining Consultant"** means a consultant qualified in mining engineering or geology duly registered with the Directorate General Mines and Minerals under Section 112 (*Registration of Mining Consultant*) of this Act;
- (zzz) **"Regulations"** means Regulations made under this Act;
- (aaaa) **"Risk"** means a hazard that is related to the Reconnaissance Operations, Prospecting Operations, Exploration Operations, Mining Operations and/or other related and ancillary operations of a mining project, including any work injury, Significant Accident, and any other loss, injury or harmful result arising out of the hazard;
- (bbbb) **"Rules"** means Rules made under this Act;
- (cccc) **"Secretary"** means an individual duly notified by the Government to occupy the position of administrative head of the Department and designated as such;
- (dddd) **"Significant Accident"** means:
- (i) the death of an individual; or
 - (ii) a serious injury or illness of an individual requiring them to have immediate treatment as an inpatient in a hospital for the amputation of any part of a body, a serious head or eye injury, a serious burn, the separation of skin from an underlying tissue, a spinal injury, the loss of a bodily function, serious lacerations or medical treatment within forty-eight (48) hours of exposure to a substance; or
 - (iii) a dangerous incident posing a serious Risk to an individual's health or safety;
- (eeee) **"Small-scale Mining"** means any process of mining with a proposed capital investment of at least rupees Ten Million (Rs.10,000,000);
- (ffff) **"Social Impact Management Plan"** means a plan prepared by an applicant for a Mineral Title in accordance with sub-Section 2 of section 82 and delivered pursuant to sub-Section 2 section 49, and which has been approved by the Licensing Authority in accordance with the approval of the grant or award of the relevant Mineral Title by the Licensing Authority in accordance with Section 58 (*Withdrawal, Grant or Refusal of Application for Mineral Titles*);
- (gggg) **"Social Impact Study"** means a study prepared by an applicant for a Mineral Title in accordance with sub-Section (1) of section 82 (and delivered pursuant to sub-Section 2 of section 49), and which has been approved by the Licensing Authority in accordance with the approval of the grant or award of the relevant Mineral Title by the

Licensing Authority in accordance with Section 58 (*Withdrawal, Grant or Refusal of Application for Mineral Titles*);

- (hhhh) **"Special Court"** means the existing Court of Judicial Magistrate or Additional Sessions Judge specified by the Government in accordance with Schedule 11 (*Mines and Mineral Force*), paragraph 9(1) to try offences under this Act within its respective jurisdiction;
- (iiii) **"Strategic Minerals"** means the minerals declared as such in Schedule 1 (*Mineral Groups*) or any other Mineral prescribed by the Government as such from time to time by notification in the official Gazette in accordance with sub-Section 2 of section 30.
- (iiij) **"Tailings Dam"** means any facility designed, constructed and managed to contain tailings resulting from a mining project, which are processed using dangerous chemicals and which may have an adverse impact on the environment;
- (kkkk) **"Technical, Economic & Financial Viability Scheme" or "TEFVS"** means a technical, economic and financial development and operation scheme in respect of the proposed Reconnaissance Operations, Exploration Operations, Prospecting Operations or Mining Operations for Large-scale Mining or Small-scale Mining, including the applicable details indicated in Schedule 4 (*Technical, Economic & Financial Viability Prerequisites*), duly prepared and authenticated by a Registered Mining Consultant, delivered by the applicant pursuant to paragraph (l) of sub-Section 2 of section 49 on the Mining Cadastre System, and which has been approved by the Licensing Authority in accordance with the approval of the grant or award of the relevant Mineral Title by the Licensing Authority pursuant to Section 58 (*Withdrawal, Grant or Refusal of Application for Mineral Titles*), and as may be updated from time to time with the prior written approval of the Licensing Authority;
- (llll) **"Temporary Permit"** means a permit granted to a relevant government department or Public Organisation by the Licensing Authority or Minor Minerals Licensing Authority (as applicable) for projects of national interest, which shall be valid for a period of three (3) months, during which period the relevant government department or Public Organisation shall apply for the grant of another relevant Mineral Title;
- (mmmm) **"Title Holder"** means,-
 - (i) in relation to Large-scale Mining, a Company to whom a Reconnaissance Licence, an Exploration Licence, a Mineral Deposit Retention Licence or a Mining Lease (Large-scale Mining), has been granted or awarded under this Act, or has otherwise been Transferred in accordance with this Act;
 - (ii) in relation to Small-scale Mining, other than in respect of Minor Minerals, a Company or a Firm to whom a Prospecting Licence or a Mining Lease (Small-scale Mining) has been granted or

awarded under this Act, or has otherwise been Transferred in accordance with this Act;

(iii) in relation to Small-scale Mining in respect of Minor Minerals, a Company or a Firm to whom a Mining Lease (Small-scale Mining) in respect of Minor Minerals has been granted or awarded under this Act, or has otherwise been Transferred in accordance with this Act; or

(iv) a government department or Public Organisation to whom a Temporary Permit has been granted or awarded under this Act.

(nnnn) **“Transfer”** means to transfer or assign a Mineral Title from one Company, Firm or individual to another, and **“Transferred”** shall be interpreted accordingly;

(oooo) **“Transferee”** means a Company, Firm or individual to whom a Mineral Title is Transferred in accordance with this Act.

(2) In this Act, any reference to “this Act” shall be construed to include any Rules, Regulations and Guidelines made hereunder from time to time.

(3) In this Act, any reference to “Rs.” Or “روپہ” denotes the official currency in the Islamic Republic of Pakistan.

PART II
ADMINISTRATION AND LICENSING

5. **Establishment of Department:** - The Department shall be established to assist the Government with overseeing the administration of this Act and the development of policies relating to the mining and minerals sector as directed by the Government.
6. **Establishment and Administration of Directorate General Mines and Minerals;** (1) The Directorate General Mines and Minerals shall be established as a subdivision of the Department to assist the Department with, among others, administering the implementation of and compliance with this Act in the Province. The DGMM shall comprise of, *inter alia*, a Licensing Division and an Exploration Promotion Division.
- (2) The Department shall nominate by notification in the official Gazette:
- (a) a qualified mining engineer or geologist on the basis of seniority-cum-fitness as Director General; *and*
 - (b) a qualified mining engineer or geologist on the basis of seniority-cum-fitness as the Additional Director General.
- (3) The Directorate General Mines and Minerals shall employ any such number of geologists, mining engineers, surveyors and such other officers as may be necessary for the due administration of this Act.
7. **Functions of Director General Mines and Minerals;** (1) In addition to any powers and functions which are expressly provided in this Act, the Government may from time to time, by notification in the official Gazette:
- (a) delegate any of its powers and functions to the Director General, the Additional Director General, the Director Licensing, the Director Exploration, relevant Authorised Officers and any other officer of the Department or DGMM as may be considered necessary for the due administration of this Act; *and*
 - (b) vary or revoke any delegation given by it.
- (2) The Director General shall nominate one (1) or more mining engineers or geologists with substantial experience in the mining and minerals sector employed in the DGMM as the Authorised Officer(s) in each relevant district, as applicable, in the Province to:
- (a) undertake regular inspections of Licence Areas and Reconnaissance Operations, Prospecting Operations, Exploration Operations and Mining Operations in the relevant district;
 - (b) review reports submitted by Title Holders in accordance with this Act in relation to Licence Areas located in the relevant district;
 - (c) collect (on behalf of the Government) any fees, rents, royalties and other amounts payable by the Title Holders under this Act in respect of the grant, award, renewal, conversion, amendment or Transfer of Mineral Titles, and the conduct of Reconnaissance

Operations, Prospecting Operations, Exploration Operations or Mining Operations in the Province;

- (d) issue penalty notices and notices of cancellation of Mineral Titles to Title Holders who fail to comply with the terms and conditions of Mineral Titles granted under this Act; *and*
 - (e) prepare a quarterly report on non-compliance under this Act and penalty notices and notices of cancellation of Mineral Titles issued under this Act, in respect of the relevant district.
- (3) The Director General may from time to time:
- (a) delegate any of their powers and functions to the Authorised Officers and any other officer of the DGMM as may be necessary for the due administration of this Act; *and*
 - (b) vary or revoke any delegation given by them.
- (4) The District Administration, the District Police and all other authorities, offices or agencies of the Government in the relevant district shall render all reasonable assistance to the Director General and the Authorised Officers to:
- (a) recover any unpaid fees, rents, royalties and other amounts payable by the Title Holders under this Act; *and*
 - (b) limit unauthorised Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations in the Province.
- (5) The Government shall, from time to time, by notification in the official Gazette, assign to the Director General all powers necessary to:
- (a) collect (on behalf of the Government) any fees, rents, royalties and other amounts payable by the Title Holders under this Act in respect of the grant, award, renewal, conversion, amendment or Transfer of Mineral Titles, and the conduct of Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations in the Province pursuant to Part IX of this Act;
 - (b) issue guidelines to assist compliance with this Act when undertaking any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations in the Province in order to promote sustainable mining practices, which take into account the need to conserve and protect natural resources for future generations;
 - (c) monitor compliance by the Title Holders with this Act, including the terms and conditions of Mineral Titles granted or awarded under this Act, and prevent unauthorised mining activities in the Province in accordance with Section-103 *Powers of Inspection and Reporting*), including by nominating Authorised Officers to:
 - (i) undertake regular inspections of Licence Areas and Reconnaissance Operations, Prospecting Operations,

Exploration Operations and Mining Operations in the Province; and

- (ii) review reports submitted by Title Holders in accordance with this Act and the terms and conditions of their Mineral Titles;
- (d) take enforcement action against an Organisation or individual who commits an offence under this Act and publish a periodical gazette reporting on the occurrence and outcome of any such enforcement action, including, without limitation, by way of suspension or cancellation of a licence;
- (e) resolve boundary dispute in respect of Licence Areas between Title Holders;
- (f) exercise supervision and oversight over the Authorised Officers and the performance and operation of the Licensing Authority, the Minor Minerals Licensing Authority and the Exploration Promotion Division, including implementing programmes to develop the technical, legal and administrative competencies and expertise of the officers of the DGMM;
- (g) promote the mining and minerals sector in the Province, including by implementing programmes to improve infrastructure and technical capacity;
- (h) approve, renew or revoke the registration of geologists, mining engineers and surveyors and publish standard operating procedures with regard to such approvals, renewals or revocations; *and*
- (i) implement recommendations of the Mineral Investment Facilitation Authority as per directions of the Department.

8. Establishment of Licensing Authority: - (1) The Licensing Authority shall be established within the Directorate General Mines and Minerals.

(2) The members of the Licensing Authority shall consist of the following:

- (a) Director General; Chairman
- (b) Additional Director General; Members
- (c) Chief Inspector of Mines concerned;
- (d) Commissioner Mines Labour Welfare Organisation concerned;
- (e) Representative of Provincial Forest Department;
- (f) Representative of the Provincial Environmental Protection Agency;
- (g) Director Exploration;
- (h) Director Licensing; Member-cum-Secretary

9. Powers and Functions of Licensing Authority: - (1) The Licensing Authority shall:

- (a) recommend and direct the form and procedure for:
 - (i) the application for the grant, renewal, conversion, amendment, Transfer, surrender and cancellation of Mineral Titles under this Act; *and*
 - (ii) the award of Mineral Titles through an auction or competitive bidding process in accordance with this Act:

Provided that, any such recommendations and directions shall not materially depart from the form and procedure for the same already specified in this Act;
- (b) administer the review and approval of applications for the grant, award, renewal, conversion, amendment, Transfer, surrender and cancellation of Mineral Titles under this Act, including by undertaking technical and financial evaluation of applications, considering the recommendations of the Auction Committee and such other investigations as may be deemed necessary for the due administration of this Act in accordance with Section 60 (*Withdrawal, Grant or Refusal of Application for Mineral Titles*);
- (c) administer the procedure for auctions and/or competitive bidding processes for the award of Mineral Titles in respect of Mineral Reserve Areas, including the following responsibilities and powers which it may delegate to the Auction Committee in accordance with Section 15 (*Powers and Functions of Auction Committee*) of this Act:
 - (i) to conduct auctions, competitive biddings, re-auctions and re-competitive biddings for Mineral Reserve Areas;
 - (ii) to confirm the eligibility of participants in auction and competitive bidding processes for the award of Mineral Titles (other than Minor Mineral Titles) in respect of Mineral Reserve Areas in accordance with this Act; *and*
 - (iii) to undertake technical and financial evaluation of participants in auctions and competitive bidding processes and such other investigations as may be deemed necessary for the due administration of this Act;
- (d) recommend to the Government to designate Minerals for the purposes of this Act and allocate Minerals into groups pursuant to Section 30 (*Minor Minerals; Mineral Groups*);
- (e) designate such areas in the Province as Mineral Reserve Areas pursuant to Section 31 (*Mineral Reserve Areas*) and fix reserved prices for the purposes of any auction or competitive bidding process for the award of Mineral Titles in respect of such Mineral Reserve Areas in accordance with this Act, except for Minor Minerals;

- (f) publish an annual gazette reporting on the number of Mineral Title grant, renewal, conversion, amendment, Transfer, surrender and cancellation applications received by the Licensing Authority and the number of Mineral Titles granted, renewed, converted, Transferred, amended, surrendered and cancelled by the Licensing Authority under this Act, including the number of Mineral Titles awarded through an auction or competitive bidding process;
- (g) make recommendations to the Government in respect of the eligibility of Title Holders for a Mineral Agreement under Part VII;
- (h) plan, develop and update the Mineral Title Application Register, the Mineral Reserve Area Register and the Mining Cadastre Register, including improving such registers; *and*
- (i) implement recommendations of the Mineral Investment Facilitation Authority and/or guidance of the Federal Mineral Wing in relation to the powers and functions of the Licensing Authority.

(2) In the exercise of their powers and functions under this Act, the Licensing Authority shall give due consideration to the following matters:

- (a) promoting sustainable mining practices and taking into account the need to conserve and protect the natural resources in, on or under the Land to which the application relates including adjoining or neighbouring Land;
- (b) any decision, direction or order made by the Environmental Protection Agency or the Forestry Department in respect of the Licence Area the subject of the relevant application or auction or competitive bidding process;
- (c) any relevant recommendations of the Mineral Investment Facilitation Authority and/or guidance of the Federal Mineral Wing in relation to the powers and functions of the Licensing Authority; *and*
- (d) ensuring a consistent approach to the grant, award, renewal, conversion, Transfer and amendment of Mineral Titles, including through auction and competitive bidding processes, across each province in the Islamic Republic of Pakistan.

(3) The Licensing Authority shall decide, implement and take decisions, *provided that* a quorum of a minimum of two thirds ($\frac{2}{3}$) of the members described hereinabove in sub-Section (2) of section 8 are present in the meeting of the Licensing Authority, and that two thirds ($\frac{2}{3}$) of such present members decide in favour or against any such matter which is placed before them.

(4) The Department shall nominate, by notification in the official Gazette, a qualified mining engineer or geologist on the basis of seniority-cum-fitness as Director Licensing, who occupies the position of director of the Licensing Division of DGMM and shall have all powers necessary to implement the decisions of the Licensing Authority and the Minor Minerals Licensing Authority under this Act.

(5) The Licensing Authority shall nominate one (1) or more officers of the DGMM, including any such number of mining engineers or geologists with substantial experience in the mining and minerals sector, as Authorised Officer(s) in the Province for performance of specific task(s) relating to powers and functions of the Licensing Authority as it deems appropriate to assign to such Authorised Officer(s).

10. Establishment of Minor Minerals Licensing Authority:- The Minor Minerals Licensing Authority shall be established within the Directorate General Mines and Minerals by nomination of an Additional Director General through notification in the official gazette by the Department.

11. Powers and Functions of Minor Minerals Licensing Authority:- (1) The Minor Minerals Licensing Authority shall:

- (a) recommend the form and procedure for the award of Minor Mineral Titles through an auction process in accordance with this Act;
- (b) administer the review and approval of applications for the grant, suspension and cancellation of Minor Mineral Titles under this Act upon the recommendations of the relevant Authorised Officer;
- (c) administer the procedure for auctions of Minor Mineral Titles in respect of Mineral Reserve Areas, including the following responsibilities and powers which it may delegate to the Auction Committee in accordance with Section 15 (*Powers and Functions of Auction Committee*) of this Act:
 - (i) to conduct auctions and re-auctions for Mineral Reserve Areas in respect of Minor Minerals; *and*
 - (ii) to undertake technical and financial evaluation of participants in auction processes and such other investigations as may be deemed necessary for the due administration of this Act;
- (d) make recommendations to the Government to designate Minerals as Minor Minerals for the purposes of this Act and to allocate Minor Minerals into groups;
- (e) designate such areas in the Province as Mineral Reserve Areas in respect of Minor Minerals pursuant to Section 31 (*Mineral Reserve Areas*) and fix reserved prices for the purposes of any auction for the award of Minor Mineral Titles in respect of such Mineral Reserve Areas in accordance with this Act; *and*
- (f) publish an annual gazette reporting on the number of applications received by the Minor Minerals Licensing Authority for award, surrender, Transfer, assignment or cancellation of Minor Mineral Titles and the number of Minor Mineral Titles awarded, approved for surrender, Transfer or assignment, or cancelled by the Minor Minerals Licensing Authority under this Act.

(2) The Minor Minerals Licensing Authority shall nominate one (1) or more officers of DGMM, including any such number of mining engineers or geologists with substantial experience in the mining and minerals sector, as Authorised Officer(s) in the Province for performance of specific task(s) relating to powers and functions of the Minor Minerals Licensing Authority as it deems appropriate to assign to such Authorised Officer(s).

12. Establishment and Maintenance of Mining Cadastre System: - (1) The DGMM shall establish the Mining Cadastre System, the administration, development and enforcement of which shall be overseen by the Director Geoinformatics.

(2) This Mining Cadastre System shall provide various services, including those relating to:

- (a) submitting applications for the grant, renewal, conversion, amendment, Transfer, surrender and cancellation of Mineral Titles under this Act and notifying applicants of the outcome of such applications;
- (b) submitting applications to participate in auctions for the award of Mineral Titles under this Act and conducting online auctions;
- (c) submitting and responding to bids for the award of Mineral Titles through competitive bidding processes under this Act;
- (d) submitting periodic reports which are required to be submitted by Title Holders in accordance with their reporting obligations under the Mineral Title and this Act;
- (e) tracking of payment of government dues;
- (f) monitoring of fulfilment of various obligations by the Title Holders;
- (g) complaints lodged against the Title Holders;
- (h) appeals and court cases instituted by the Title Holders;
- (i) tracking of decisions of the DMLC, the Appellate Tribunal and courts of law;
- (j) publication of information in respect of Mineral Reserve Areas;
- (k) access to the Mining Cadastre Register;
- (l) sending and receiving other notifications in accordance with this Act; *and*
- (m) any other services which the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) may be required to provide from time to time in accordance with its powers and functions under this Act.

(3) The Mining Cadastre System shall stipulate the information required to access the services provided by the DGMM, as well as the processes that should be followed to access them.

(4) This Act and any rules and guidelines prescribed by the Government, Mineral Investment Facilitation Authority, Licensing Authority, Minor Minerals Licensing Authority or the Director General from time to time shall be published on the Mining Cadastre System.

(5) A summary of the annual report prepared by the Mineral Investment Facilitation Authority under sub-section (3) of Section 23 shall be published on the Mining Cadastre System.

(6) The Mining Cadastre System shall provide clearly accessible links to the Mineral Title Application Register, the Mineral Reserve Area Register and the Mining Cadastre Register along with any related guidelines published by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) from time to time.

(7) The Mining Cadastre System shall provide clearly accessible links to the geological database established and maintained under Section 18 (*Geological Database to be Established and Maintained by Exploration Promotion Division*) and any guidelines or other information or reports published by the Exploration Promotion Division from time to time.

(8) The Director General, Director Geoinformatics, Licensing Authority and the Minor Minerals Licensing Authority (as applicable) shall ensure the Mining Cadastre System is established and maintained in accordance with any guidance received from the Mineral Investment Facilitation Authority for the purposes of ensuring consistent access to information and licensing services in each province in the Islamic Republic of Pakistan.

13. Registers to be Established and Maintained on Mining Cadastre System: -

(1) The DGMM shall, through its Authorised Officer(s), establish the following searchable, digital, online registers to be accessed on the Mining Cadastre System:

- (a) the Mineral Title Application Register two (2) years from the commencement date of the Act, which shall:
 - (i) provide information on new Mineral Title applications in the Province; *and*
 - (ii) provide information on applications to amend or convert a Mineral Title, or partially or totally surrender any Mineral Title in the Province;
- (b) the Mineral Reserve Area Register within two (2) years from the commencement date of the Act; *and*
- (c) the Mining Cadastre Register within two (2) years from the commencement date of the Act, which shall provide data in respect of all types of Mineral Titles granted and awarded by the Licensing Authority in the Province, including:
 - (i) information on a Mineral Title, including whether such Mineral Title is granted or awarded in respect of Large-scale Mining, Small-scale Mining and Temporary Permits;
 - (ii) information on a Mineral Agreement entered into in respect of such Mineral Title, *provided that* such

information will be limited to the existence and the term of any such Mineral Agreement;

- (iii) information on Licence Areas;
- (iv) information on the Minerals regulated under a Mineral Title, including whether such Minerals are Minor Minerals;
- (v) information on any security interests granted by a Title Holder over a Mineral Title in accordance with Section-60 (*Security Interests for Financing of Mining Operation*);
- (vi) a summary of the data in respect of the Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations (as applicable) permitted to be conducted under a Mineral Title;
- (vii) information on applications submitted for conversion, renewal and Transfer of Mineral Titles;
- (viii) information on rents and royalty dues payable and amount paid by a Title Holder on each account;
- (ix) complaints lodged against Title Holders;
- (x) appeals and court cases instituted by Title Holders; and
- (xi) tracking of decisions of DMLC, Appellate Tribunal and courts of law.

(2) Any Organisation or individual may, upon payment of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette, search and obtain copies of records from the Mineral Title Application Register or the Mining Cadastre Register.

(3) The Mineral Reserve Area Register shall be freely available to be searched by the public by applying to the Licensing Authority.

(4) The Licensing Authority may delete, correct or otherwise amend any entry made in the Mineral Title Application Register, the Mineral Reserve Area Register or the Mining Cadastre Register if such entry was made in error, or otherwise does not comply with this Act.

(5) If the Licensing Authority deletes, corrects or amends any entry in the Mineral Title Application Register or the Mining Cadastre Register, the Licensing Authority or its Authorised Officer must give written notice to any affected Organisation or individual within ten (10) days.

(6) If there is a difference between electronic information in the Mineral Title Application Register, the Mineral Reserve Area Register or the Mining Cadastre Register and any other information or another document, the information in the relevant register shall prevail, whether or not the other information or the other document contains an original signature.

(7) The Licensing Authority shall ensure that each of the Mineral Title Application Register, the Mineral Reserve Area Register and the Mining Cadastre Register is established and maintained in a proper manner,

including in accordance with any guidance received from the Federal Mineral Wing and/or the Mineral Investment Facilitation Authority, for the purposes of ensuring:

- (a) consistent application processes for the grant, award, renewal, conversion, Transfer and amendment of Mineral Titles, including through auction and competitive bidding processes, across the Province; *and*
- (b) consistent reporting of data in respect of Mineral Titles in the Province.

(8) It shall be an offence to:

- (a) produce or tender in evidence a document resulting in a false entry to; or
- (b) present a false copy of an extract from,

the Mineral Title Application Register, the Mineral Reserve Area Register or the Mining Cadastre Register.

14. **Establishment of Auction Committee:-** The Auction Committee shall be established within the Directorate General Mines and Minerals as notified by the Department in the official Gazette
15. **Powers and Functions of Auction Committee:-** The Licensing Authority and the Minor Minerals Licensing Authority (as applicable) may delegate the responsibilities and powers specified in clause (c) sub-Section (1) of Section 9 and clause (c) of sub-Section 1 of Section 11 respectively to the Auction Committee so that the Auction Committee may administer the procedure for auctions and competitive bidding proceedings specified in Schedule 9 (*Procedure for Bidding Proceedings*).
16. **Establishment of Exploration Promotion Division:-** The Exploration Promotion Division shall be established within the Directorate General Mines and Minerals.
17. **Powers and Functions of Exploration Promotion Division:-** (1) The Exploration Promotion Division shall plan, develop, establish, maintain and update a geological database accessible online in accordance with Section 18 (*Geological Database to be Established and Maintained by Exploration Promotion Division*), including improving such database.

(2) The Department shall nominate, by notification in the official Gazette, the Director Exploration who shall have all powers necessary to supervise and exercise oversight over the performance and operation of the Exploration Promotion Division.
18. **Geological Database to be Established and Maintained by Exploration Promotion Division:-** (1) The Exploration Promotion Division shall establish and maintain an online database of:
 - (a) nonconfidential geological data collected from the exploration programmes undertaken by the Exploration Promotion Division under this Act; *and*

- (b) subject to the confidentiality undertakings in Section-116 (*Confidentiality and Intellectual Property Rights*), geological data provided by Title Holders in accordance with their reporting obligations under this Act.
- (2) Any Organisation or individual may, upon payment of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette, search and obtain copies of the records of the geological database.
- (3) Geological data published on the geological database shall be in line with international best practices as updated from time to time.
- (4) The Exploration Promotion Division shall ensure the geological database is established and maintained in accordance with any guidance received from the Mineral Investment Facilitation Authority and/or Geological Survey of Pakistan for the purposes of ensuring consistent reporting of geological data in each province in the Islamic Republic of Pakistan.
- 19. Establishment of District Mining Liaison Committee:** - (1) Upon commencement of this Act, a District Mining Liaison Committee shall be established in each district consisting of the following:
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| (a) | <i>Concerned Deputy Commissioner of the District</i> | Chairman |
| (b) | <i>District Police Officer</i> | Members |
| (c) | <i>District Officer of Provincial Forestry Department</i> | Member |
| (d) | <i>A representative of the local mining association nominated by the Licensing Authority</i> | Member |
| (e) | <i>An Authorised Officer of the Directorate General Mines and Minerals in respect of the relevant District.</i> | Member-cum-Secretary |
- (2) A duly appointed Authorised Officer shall provide secretariat support to each DMLC.
- 20. Powers and Functions of District Mining Liaison Committee:-** (1) Each DMLC shall:
- (a) upon application by a Title Holder or Landowner or Land User, resolve Land compensation and surface rent disputes amongst a Title Holder and a Landowner or Land User in respect of that Title Holder's Licence Area;
- (b) upon application by an affected Title Holder, issue orders to Landowners and/or Land Users to remove any obstruction or other hindrance on their Land that unreasonably limits the Title Holder's ability to access its Licence Area or undertake Reconnaissance Operations, Prospecting Operations,

Exploration Operations or Mining Operations (as applicable) in accordance with the terms and conditions of its Mineral Title;

- (c) upon application by an affected Title Holder, issue orders to another Title Holder to remove any obstruction or other hindrance on their Licence Area that unreasonably limits the affected Title Holder's ability to access its Licence Area or undertake Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations (as applicable) in accordance with the terms and conditions of its Mineral Title;
- (d) upon application by an aggrieved Title Holder, mediate disputes between the Title Holder and the Forestry Department in respect of any decision, direction or order made by the Forestry Department or any of its authorised officers that unreasonably limits the Title Holder's ability to access its Licence Area or undertake Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations (as applicable) in accordance with the terms and conditions of its Mineral Title;
- (e) upon application by an aggrieved Title Holder, mediate disputes between the Title Holder and the Environmental Protection Agency in respect of any decision, direction or order made by the Environmental Protection Agency or any of its authorised officers that unreasonably limits the Title Holder's ability to access its Licence Area or undertake Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations (as applicable) in accordance with the terms and conditions of its Mineral Title;
- (f) upon referral by the Licensing Authority or Minor Minerals Licensing Authority, exercise the powers and functions listed in this sub-Section 1 of Section 20, in the circumstances listed in this sub-Section 1 of Section 20;
- (g) issue a no-objection certificate from the Local Community for the grant or operation of a Mineral Title where required under the procedure for grant or renewal of a Mineral Title or Minor Mineral Title (as applicable); and
- (h) attend to any other matter assigned by the Government from time to time by notification in the official Gazette for the administration of this Act.

(2) If a Landowner or Land User persistently fails to comply with any order issued by a DMLC pursuant to sub-Section 1 of Section 20 above to remove any obstruction or other hindrance on their Land that unreasonably limits the Title Holder's ability to access its Licence Area or undertake Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations (as applicable) in accordance with the terms and conditions of its Mineral Title:

- (a) that Landowner or Land User commits an offence;

- (b) a Title Holder may request that the DMLC issues a compulsory acquisition order for the Government to acquire the relevant Land under the Land Acquisition Act 1894; *and*
 - (c) the DMLC shall issue such order to acquire the relevant Land to provide the Title Holder with access to its Licence Area and enable the Title Holder to undertake the relevant Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations in accordance with the terms and conditions of its Mineral Title, *provided that* before issuing any such order, the DMLC shall give the Landowner or Land User an opportunity to be heard.
- (3) The cost of any Land acquired under sub-Section 2 of Section 20 above shall be borne by the Title Holder, and ownership of the acquired Land shall vest with the Government.
- (4) Any application to a DMLC shall be accompanied by payment by the applicant of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette.
- (5) Each DMLC shall provide an annual report to the Licensing Authority and the Minor Minerals Licensing Authority, providing details relating to,-
- (a) all applications and referrals made to it;
 - (b) all disputes resolved or mediated by it; *and*
 - (c) all orders issued by it,

during the course of the preceding year.

- 21. Procedure of District Mining Liaison Committee:-** (1) Subject to this Act, meetings of a DMLC shall be conducted in accordance with any practices and procedures prescribed by the Government from time to time by notification in the official Gazette.
- (2) Meetings of a DMLC shall be held monthly or as more frequently as may be required, as determined by the relevant Secretary of DMLC.
- (3) The presence of three (3) members including the chairman shall constitute the quorum of a DMLC. The chairman may invite any other individual(s) to attend the meetings of the DMLC for expert views; *provided that* the individual(s) so invited shall have no right of vote or a conflict of interest.
- (4) Each DMLC shall ensure that evidence produced before it is recorded in writing and made available to any affected party upon payment of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette.
- (5) A DMLC shall not, merely by reason of a change in its composition between sittings, or the absence of any member from any sitting, be bound to recall or rehear any witness who has given evidence and may act on the evidence already recorded by or produced before it.
- (6) The decisions of a DMLC shall be made by majority of its members present; *provided that* in case of a tie the chairman shall have a casting vote.

(7) All decisions of a DMLC, including the reasons for the decision given, shall be reduced to writing, and signed by the chairman and each member of the DMLC.

(8) The Secretary of the DMLC shall communicate decisions of the DMLC to the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) for appropriate orders.

(9) Any affected party may, upon payment of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette, obtain a copy of any such decisions of the DMLC.

22. Establishment of Mineral Investment Facilitation Authority: - (1) Soon after the commencement of this Act, the Government shall, by notification in the official Gazette, establish the Mineral Investment Facilitation Authority.

(2) The Mineral Investment Facilitation Authority shall consist of:

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| (a) | <i>The Minister for [Mines and Minerals Development Department] of Balochistan</i> | Chairperson |
| (b) | <i>Provincial Minister for [Finance Department] or his nominee not below the rank of Secretary</i> | Members |
| (c) | <i>Provincial Minister for [Environmental Protection Department] or his nominee not below the rank of Secretary</i> | |
| (d) | <i>Provincial Minister for [Forestry Department] or his nominee not below the rank of Secretary</i> | |
| (e) | <i>Provincial Minister for [Law Department] or his nominee not below the rank of Secretary</i> | |
| (f) | <i>Provincial Minister for [Industries Department] or his nominee not below the rank of Secretary</i> | |
| (g) | <i>Secretary to Government, [Mines and Minerals Development Department]</i> | |
| (h) | <i>Provincial Representative of the Federal Board of Revenue (Chief Commissioner)</i> | |
| (i) | <i>Director General of Federal Mineral Wing</i> | |
| (j) | <i>Nominee of Mine Owners' Association</i> | |
| (k) | <i>Director General, DGMM.</i> | Member-cum-Secretary |

(3) The Mineral Investment Facilitation Authority may delegate any of its powers to a committee of members.

(4) The DGMM shall provide secretariat support to the Mineral Investment Facilitation Authority.

23. Powers and Functions of Mineral Investment Facilitation Authority: - (1) The Mineral Investment Facilitation Authority shall promote and make recommendations to the Government in relation to the development of the

mining and minerals sector in the Province and the development of a consistent approach to the administrative, legal and fiscal frameworks across each province in the Islamic Republic of Pakistan, including with respect to:

- (a) the promotion of the mining and minerals sector in the Province;
- (b) the exploration programmes and mineral exploration activities undertaken by the Exploration Promotion Division and providing directions thereto;
- (c) the provision of services by the Department for the development and facilitation of investment in the mining and minerals sector, including providing incentives to Title Holders to encourage local development and export of minerals and finished products;
- (d) the prevention of unsafe mining practices, which pose a threat to the public health, safety or welfare or danger to life and property;
- (e) the promotion of sustainable mining practices, which take into account the need to conserve and protect natural resources for future generations;
- (f) reviewing the fees, rents and royalties suggested by the Federal Mineral Wing and making recommendations to the Government;
- (g) reviewing the formulae for the fixing of reserve prices and Security Deposit for auctions and competitive bidding processes suggested by the Federal Mineral Wing and providing recommendations to the Licensing Authority and the Minor Minerals Licensing Authority;
- (h) reviewing the amounts suggested by the Federal Mineral Wing for financial guarantees required to be delivered by a Title Holder under this Act and providing recommendations to the Government;
- (i) reviewing the model Mineral Agreement suggested by the Federal Mineral Wing and making recommendations to the Government in respect of the eligibility of Title Holders for a Mineral Agreement under Part VII;
- (j) developing financial and tax incentives, including minimum price supports and subsidised rates for import and purchase of machinery;
- (k) reviewing the guidance of the Federal Mineral Wing for development of the provincial mines and minerals sector, including the powers and functions of Licensing Authority, and the function and operation of the Mining Cadastre System, the Mineral Title Application Register, the Mineral Reserve Area Register and the Mining Cadastre Register, and providing recommendations to the Licensing Authority and the Government (as applicable);
- (l) the improvement of infrastructure and technical capacity in the mining and minerals sector in the Province;

- (m) developing the technical, legal and administrative competencies and expertise of the officers of the Directorate General Mines and Minerals and other functional units of Provincial Government dealing with the mines and minerals sector; *and*
- (n) ensuring a consistent approach to the establishment and maintenance of administrative, legal and fiscal frameworks across each province in the Islamic Republic of Pakistan.

(2) The Mineral Investment Facilitation Authority shall conduct an annual performance review of:

- (a) the implementation and operation of this Act;
- (b) the productivity and decision-making of the Department, the DGMM, the Licensing Authority, the Minor Minerals Licensing Authority, each DMLC and the Appellate Tribunal;
- (c) the exploration programmes and mineral exploration activities undertaken by the Exploration Promotion Division;
- (d) the function and operation of the Mining Cadastre System, the Mineral Title Application Register, the Mineral Reserve Area Register, the Mining Cadastre Register and the geological database established and maintained in accordance with Section 18 (*Geological Database to be Established and Maintained by Exploration Promotion Division*); *and*
- (e) the development of the mining and minerals sector in the Province, including with regards to social, economic and environmental indicators.

(3) The Mineral Investment Facilitation Authority shall publish an annual report on the state of the mining and minerals sector in the Province and present the findings and recommendations of the report for the consideration of the Government and the Federal Mineral Wing by 15 July of each year. A summary of such report shall be made publicly available by publication on the Mining Cadastre System.

(4) The Mineral Investment Facilitation Authority may:

- (a) undertake policy research and advisory services in matters connected with or ancillary to the mining and minerals sector, including engaging professional advisors; *and*
- (b) perform any other function that the Government deems appropriate to be undertaken for the purposes of this Act.

24. Procedure of Mineral Investment Facilitation Authority: - (1) The Mineral Investment Facilitation Authority shall meet at least four (4) times each year, with one such meeting being an annual review meeting.

(2) In addition to the mandatory meetings, the chairman may convene meetings of the Mineral Investment Facilitation Authority on such date, time and place as the chairman may deem appropriate.

- (3) The quorum of the meeting shall be two-thirds ($\frac{2}{3}$) of its members, and all the decisions shall be taken by majority of votes. In case of a tie, the chairman shall have a casting vote.
- (4) No proceedings or decisions of the Mineral Investment Facilitation Authority shall be invalid only by reason of the existence of a vacancy or defect in the membership of the Mineral Investment Facilitation Authority.
- (5) Subject to this Act, the business of the Mineral Investment Facilitation Authority shall be conducted in such manner, and in accordance with such procedure, as may be determined by the Mineral Investment Facilitation Authority.
- (6) At each quarterly meeting, the Mineral Investment Facilitation Authority shall consider the matters listed in sub-Section (1) of Section 23 and:
- (a) review any updates to the fees, rents and royalties suggested by the Federal Mineral Wing since the last quarterly meeting of the Mineral Investment Facilitation Authority and provide recommendations to the Government in respect of the same;
 - (b) review any updates to the formulae for the fixing of reserve prices and Security Deposit for auctions and competitive bidding processes suggested by the Federal Mineral Wing since the last quarterly meeting of the Mineral Investment Facilitation Authority and provide recommendations to the Licensing Authority and the Minor Minerals Licensing Authority in respect of the same;
 - (c) review any updates to the amounts for financial guarantees required to be delivered by a Title Holder under this Act suggested by the Federal Mineral Wing since the last quarterly meeting of the Mineral Investment Facilitation Authority and provide recommendations to the Government in respect of the same;
 - (d) review any updates to the form of model Mineral Agreement suggested by the Federal Mineral Wing since the last quarterly meeting of the Mineral Investment Facilitation Authority and make recommendations to the Government in respect of the eligibility of Title Holders for a Mineral Agreement under Part VII;
 - (e) review any updates to the powers and functions of the Licensing Authority suggested by the Federal Mineral Wing since the last quarterly meeting of the Mineral Investment Facilitation Authority and provide recommendations to the Licensing Authority and the Minor Minerals Licensing Authority in respect of the same;
 - (f) review any updates to the function and operation of the Mining Cadastre System, the Mineral Title Application Register, the Mineral Reserve Area Register and the Mining Cadastre Register, suggested by the Federal Mineral Wing since the last quarterly meeting of the Mineral Investment Facilitation Authority and provide recommendations to the Licensing Authority and the Minor Minerals Licensing Authority in respect of the same; *and*

- (g) make recommendations as to:
 - (i) policies to be adopted by the Government, the Department, the Licensing Authority, the Minor Minerals Licensing Authority and their Authorised Officers; *and*
 - (ii) development targets and programmes to be undertaken by the Department, DGMM and other related attached divisions and public sector organisations of the Department.
- (7) At each annual review meeting, the Mineral Investment Facilitation Authority shall, in addition to the matters listed in sub-Section (1) of Section 23 above:
 - (a) set the programme for mineral exploration and mining activities for the DGMM and other related attached divisions and public sector organisations of the Department for the following year in accordance with the annual development plan;
 - (b) review the findings of the annual report prepared pursuant to sub-Section 23.3; *and*
 - (c) review the implementation status of its recommendations and make any required revisions to such policies, targets and programmes.
- (8) The proceedings of each meeting of the Mineral Investment Facilitation Authority shall be recorded in the meeting minutes of the Mineral Investment Facilitation Authority and signed by the chairman.
- 25. Establishment of Appellate Tribunal:** - (1) Upon commencement of this Act, the Government shall, by notification in the official Gazette, establish the Appellate Tribunal, with its seat located in Quetta.
 - (2) The Department may maintain a panel of one (1) former judge of the High Court or a Lawyer qualified for the position of Judge of High court, Advocate General/ Assistant Advocate General and/or A member from Balochistan Bar Council and two (2) qualified mining engineers or geologists as technical members, from which a quorum will be formed at each sitting of the Appellate Tribunal pursuant to sub-Section (2) of section 27.
 - (3) The chairman for the Appellate Tribunal shall be appointed by the Government for a period of three (3) years, unless they resign or are removed from office in accordance with the provisions of this Act.
 - (4) The technical member shall be a mining engineer or geologist with substantial experience in the mining and minerals sector and shall be appointed by the Department for a period of three (3) years, unless they resign or are removed from office in accordance with the provisions of this Act.
 - (5) The qualification and terms and conditions of service of the chairman, legal member, technical member and other staff of the Appellate Tribunal shall be such as may be prescribed by the Government from time to time by notification in the official Gazette.
 - (6) The chairman and members of the Appellate Tribunal shall not:

- (a) have any direct or indirect financial interest; nor
- (b) have business dealings with any Organisation or individual holding a direct or indirect controlling interest,

in any Organisation that renders mineral exploration, mining or processing services in Pakistan or abroad. Any chairman or member of the Appellate Tribunal found to have such an interest shall promptly be removed from office.

(7) The Department shall provide secretariat support to the Appellate Tribunal.

26. Powers and Functions of Appellate Tribunal: - (1) If,-

- (a) a Title Holder is aggrieved by any decision made, direction, notification or order issued, proceedings taken or other act or action done by the Licensing Authority, the Minor Minerals Licensing Authority, the Director General or an Authorised Officer (or any of their delegates from time to time);
- (b) an applicant for a Mineral Title is aggrieved by any decision made, notification or order issued or other act or action done by the Licensing Authority or the Minor Minerals Licensing Authority, the Director General or an Authorised Officer (or any of their delegates from time to time); or
- (c) a Title Holder, Landowner, Land User or any other affected Organisation or individual is aggrieved by any decision made, direction or order issued, proceedings taken or other act or action done by the DMLC,

they may, within thirty (30) days of the communication of the relevant decision, direction, notification, order issued, or other act or action, on payment of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette, make an appeal to the Appellate Tribunal.

(2) The Appellate Tribunal, while hearing an appeal under sub-Section (1) of Section 26 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 any fees, rents and royalties or other amounts which the Director General has sought payment of by the appellant under this Act, unless the appellant deposits twenty-five per cent. (25%) of the disputed amount with the Department.

(3) If the appeal in which a stay order has been granted is finally rejected and the Appellate Tribunal is of the view that the appeal was made 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 as prescribed by the Government through notification in the official Gazette. The amount deposited under sub-Section (2) of Section 26 shall first be adjusted towards the penalty imposed under this sub-Section (3) of Section 26 and the remaining amount, if any, may be adjusted towards the recovery of the fees, rents and royalties or other amounts payable by the appellant under this Act.

(4) The Appellate Tribunal, while hearing an appeal in respect of the issuance of a Challan under Section 107 (*Imposition of Fine Through Challan*),

may rescind or affirm the imposition of the fine or may make a fresh decision, direction or order.

(5) The Appellate Tribunal shall hear and dispose of any appeal in respect of any decision, direction or order made by the DMLC, the Licensing Authority, the Minor Minerals Licensing Authority, the Director General, any Authorised Officer (or any of their delegates from time to time) pursuant to Sections 9 (*Powers and Functions of Licensing Authority*), 11 (*Powers and Functions of Minor Minerals Licensing Authority*), 15 (*Powers and Functions of Auction Committee*), 20 (*Powers and Functions of District Mining Liaison Committee*), 21 (*Procedure of District Mining Liaison Committee*), 73 (*Under-Reporting of Mineral Production*), 103 (*Powers of Inspection and Reporting*) or 106 (*Considerations for Determining Fines*) within forty-five (45) days.

27. Procedure of Appellate Tribunal: - (1) Subject to this Act, sittings of the Appellate Tribunal shall:

- (a) be conducted in accordance with any practices and procedures prescribed by the Government from time to time by notification in the official Gazette;
- (b) be bound by the Code of Civil Procedure 1908; and
- (c) be bound by the rules of evidence.

(2) Each sitting of the Appellate Tribunal shall be attended by a quorum of,-

- | | | |
|-----|--|------------------|
| (a) | Former Judge of the High Court | Chairman |
| (b) | One (1) representative of the Law & Parliamentary Affairs, Department, Government of Balochistan | Legal Member |
| (c) | One (1) qualified mining engineer or geologist | Technical Member |

(3) The Appellate Tribunal shall ensure that evidence produced before it is recorded in writing and made available to the relevant appellant and any other Organisation or individual concerned upon payment of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette.

(4) The Appellate Tribunal shall not, merely by reason of a change in its composition between sittings, or the absence of any member from any sitting, be bound to recall or rehear any witness who has given evidence and may act on the evidence already recorded by or produced before it.

(5) All the decisions of the Appellate Tribunal shall be expressed in terms of the opinion of the majority of its members.

(6) All decisions of the Appellate Tribunal, including the reasons for the decision given, shall be reduced to writing, and signed by the chairman and by each member of the Appellate Tribunal. Any applicant may, upon payment of an administrative fee as may be prescribed by the Government from time to time by notification in the official Gazette, obtain a copy of any such decisions.

(7) Any Organisation or individual aggrieved by the final judgment and order of the Appellate Tribunal under this Act may within thirty (30) days of the final judgment and order of the Appellate Tribunal make an appeal to the High Court of the Province where the Appellate Tribunal is situated, *provided that*, no appeal shall lie against an interlocutory order of the Appellate Tribunal. The High Court shall decide the appeal within sixty (60) days of the filing of the same.

(8) All appeals against a final judgment of the High Court shall be filed within thirty (30) days before the Supreme Court of Pakistan.

- 28. Immunity of Authorities, Offices etc:** -No liability shall attach to the Government, the Department, the Secretary, the Directorate General Mines and Minerals, the Director General, the Licensing Authority, the Minor Minerals Licensing Authority, the Director Licensing, the Exploration Promotion Division, the Director Exploration, the Director Geoinformatics, the Mineral Investment Facilitation Authority (including the chairman or any member thereof), any DMLC (including the chairman or any member thereof), the Appellate Tribunal (including the chairman or any member thereof), any Authorised Officer, or any other officer of the Department, in respect of the exercise or performance, or purported exercise or performance, in good faith, of any powers or functions under this Act.

PART III
MINERAL OWNERSHIP AND DESIGNATIONS

29. Mineral Ownership: - (1) Subject to this Act, but notwithstanding anything to the contrary contained in any other law, or in any order or decree of court or other authority, or in any rule of custom or usage, or in any contract, instrument, deed or other document, all Minerals existing in their natural condition on or below the surface of any Land in the Province shall be and shall always be deemed to have been the property of the Government, and the Government shall have all powers necessary for the proper enjoyment of its right thereto.

(2) A Title Holder shall have the right to use (but not to own) the Minerals obtained during any Reconnaissance Operations, Exploration Operations or Prospecting Operations to achieve the purposes of the relevant Mineral Title, subject to the requirements imposed under this Act.

(3) The ownership of Minerals obtained during any Mining Operations shall only Transfer from the Government to a Title Holder that holds a Mining Lease, a Temporary Permit in accordance with the provisions of this Act, provided that:

- (a) the Minerals are those identified and regulated under the relevant Mineral Title;
- (b) the Minerals are extracted from the Licence Area; *and*
- (c) the Title Holder has complied with all the requirements imposed under this Act and the terms and conditions of the relevant Mineral Title, and if applicable the Mineral Agreement.

30. Minor Minerals; Mineral Groups: - (1) The Government may, as deemed appropriate from time to time, by notification in the official Gazette, designate a new Mineral as a Minor Mineral, or remove a Mineral as a Minor Mineral, for the purpose of this Act.

(2) The Government may, as deemed appropriate from time to time, by notification in the official Gazette, include or exclude a Mineral from a group set out in Schedule 1 (*Mineral Groups*), or prescribe a new group of Minerals, for the purpose of this Act.

31. Mineral Reserve Areas: - (1) Subject to sub-Section 2 of Section 31 below, the Licensing Authority or, in respect of Minor Minerals, the Minor Minerals Licensing Authority, may, as deemed appropriate from time to time, designate any lands in the Province, in respect of which there are no current granted or awarded Mineral Title as a Mineral Reserve Area under this Act.

(2) The Licensing Authority or the Minor Minerals Licensing Authority (as appropriate) shall make any decision to designate an area as a Mineral Reserve Area:

- (a) upon the recommendation of the relevant Authorised Officer; *and*
- (b) taking into account any decision, direction or order made by the Environmental Protection Agency, the Forestry Department or

any other relevant department in the Province in respect of the relevant area.

(3) A Mineral Title in respect of any area designated as a Mineral Reserve Area may only be awarded by the Licensing Authority or the Minor Minerals Licensing Authority (as appropriate) through an auction or competitive bidding process in accordance with this Act.

(4) Following the designation of an area as a Mineral Reserve Area, the Licensing Authority or the Minor Minerals Licensing Authority (as appropriate), upon the recommendation of Auction Committee, shall fix a reserved price for such Mineral Reserve Area within sixty (60) days, taking into account:

- (a) the information on the economic viability of the area, including, the available mineral resource estimates, mineralogical and geochemical analysis, geology of the area, market potential and demand of the Mineral(s);
- (b) the infrastructure available at or near the area, including access roads, electricity and water availability, etc.;
- (c) the development in the area including mines, quarries and haulage roads, etc.;
- (d) any production reports from the area; *and*
- (e) any other factor which may reasonably be considered to determine the reserve price in accordance with the due administration of this Act.

(5) Following the fixing of a reserve price for a Mineral Reserve Area, the Licensing Authority or the Minor Minerals Licensing Authority (as appropriate) shall promptly include the relevant Mineral Reserve Area and the corresponding reserved price in the Mineral Reserve Area Register.

32. Land Open for Mining; Protection of Certain Land:- (1) Subject to this Act (and any other relevant law, order or decree of court or other authority, rule of custom or usage, contract, instrument, deed or other document), Reconnaissance Operations, Prospecting Operations, Exploration Operations and Mining Operations may be carried out on Government-owned or privately owned Lands, or on Lands part of which is owned by the Government and the other part is privately owned.

(2) The following Land shall be excluded from sub-Section (1) of Section 32 above:

- (a) Land upon which a graveyard, holy site or building or place of touristic, historical or archaeological importance is located or which is situated adjacent to the Land within [two hundred and fifty (250) meters thereof;
- (b) Land upon which any Human Dwelling is located or is within five hundred (500) meters thereof in urban areas and two hundred and fifty (250) meters thereof in rural areas, unless the Government issues a written decision to lift the restriction in respect of a specific area;

- (c) Land upon which any railway line, public road, water reservoir, canal, high transmission power line of 132 kV and above, gas pipeline or other public works or Human Dwelling is located or is within five hundred (500) meters thereof in urban areas and three hundred (300) meters thereof in rural areas, unless the Government issues a written decision to lift the restriction in respect of a specific area;
 - (d) Land upon which any military installation is located;
 - (e) Land reserved by the Federal Government for Reconnaissance Operations, Prospecting Operations, Exploration Operations and Mining Operations in respect of mineral resources necessary for the generation of nuclear energy, mineral oil and/or natural gas;
 - (f) Land reserved for national parks or wildlife or forestry conservation by the Environmental Protection Agency, the Forestry Department or any other relevant department in the Province, except where a no-objection certificate (conditional or otherwise) is granted by the relevant department in the Province; and
 - (g) any other Land reasonably specified by the Government from time to time by notification in the official Gazette.
- (3) Any Company, Firm or individual who undertakes any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations on Land falling within sub-Section 32.2 commits an offence.
- 33. Distance from Boundaries:** - (1) No Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations may be carried out by or on behalf of a Title Holder in or under its Licence Area within a distance of twenty (20) meters from the boundaries of that Licence Area, except with permission of the Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority.
- (2) A Company, Firm or individual who undertakes Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations in contravention of this Section 33 commits an offence.
- 34. Taking Possession for Public Purposes and in Emergencies:** - (1) If the Government determines that a Licence Area or a portion thereof is required at any time for any public purpose, the Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority, shall deliver an order to the Title Holder instructing the Title Holder to release such area to the Government on such terms and conditions as may be determined by the Government and disclosed in the order, and the Title Holder shall promptly comply with any such order.
- (2) The Government shall pay compensation to a Title Holder who is required to release all or part of its Licence Area to the Government, calculated by reference to the proportionate investment made by that Title Holder in respect of such Licence Area, as evidenced by the Title Holder to the Licensing Authority or the Minor Minerals Licensing Authority (as applicable).
- (3) Where any area excluded under this Section 34 becomes subsequently available for the purpose of the grant of a Mineral Title, the previous Title

Holder shall have a priority right over such area or a first right of refusal (if applicable) if his original Mineral Title would have still subsisted at the time *but for* the operation of this Section 34.

(4) In the event of a declared state of war or national emergency in the Province, the Government may take control of works, plants and premises on or under a Licence Area upon delivery by the Licensing Authority to the relevant Title Holder of an order instructing the same, and the Title Holder shall promptly comply with any such order.

(5) A Title Holder who fails to comply with an order as contemplated by sub-Section 4 of Section 34 commits an offence.

PART IV
MINERAL TITLES, RIGHTS AND OBLIGATIONS

35. Mineral Title Categories and Types: - (1) For the purpose of Large-scale Mining, the following Mineral Titles may be granted by the Licensing Authority in accordance with this Act:

- (a) Reconnaissance Licence;
- (b) Exploration Licence;
- (c) Mineral Deposit Retention Licence; *and*
- (d) Mining Lease (Large-scale Mining).

(2) For the purpose of Small-scale Mining (other than in respect of Minor Minerals), the following Mineral Titles may be granted by the Licensing Authority in accordance with this Act:

- (a) Prospecting Licence; *and*
- (b) Mining Lease (Small-scale Mining).

(3) For Minor Minerals, a Mining Lease (Small-scale Mining) may be granted by the Minor Minerals Licensing Authority in accordance with this Act.

(4) For the purpose of projects of national interest, a Temporary Permit may also be granted to a relevant government department or Public Organisation by the Licensing Authority or, in relation to Minor Minerals, the Minor Minerals Licensing Authority in accordance with this Act.

36. Mineral Title Duration: - (1) Under this Act, the Licensing Authority may grant or award Mineral Titles for a period not exceeding the following maximum permitted durations (as applicable):

<i>Category</i>	<i>Mineral Title</i>	<i>Duration</i>	<i>Option to extend or renew?</i>
Large-scale Mining	Reconnaissance Licence	One (1) year	No
	Exploration Licence	Four (4) years	Yes – one additional period not exceeding four (4) years
	Mineral Deposit Retention Licence	Two (2) years	No
	Mining Lease (Large-scale Mining)	Thirty (30) years	Yes – for one or more renewals for periods which do not exceed thirty (30) years at a time

Category	Mineral Title	Duration	Option to extend or renew?
Small-scale Mining (other than in respect of Minor Minerals and other than minerals described in Schedule 2 (<i>Minerals for Which Mining Lease Shall Not be Renewed</i>))	Prospecting Licence	Three (3) years	No
	Mining Lease (Small-scale Mining)	Twenty (20) years	Yes – for one or more renewals for periods which do not exceed ten Twenty (20) years at a time (other than in respect of any Minerals described in Schedule 2 (<i>Minerals for Which Mining Lease Shall Not be Renewed</i>), which are not renewable)
Temporary Permit	Temporary Permit	Three (3) months	Yes – one additional period not exceeding three (3) months

Under this Act, the Minor Minerals Licensing Authority may grant or award Mineral Titles for a period not exceeding the following maximum permitted durations (as applicable):

Category	Mineral Title	Duration	Option to extend or renew?
Small-scale Mining in respect of Minor Minerals	Mining Lease	One (1) to three (3) years	No
Temporary Permit	Temporary Permit	Three (3) months	Yes – one additional period not exceeding three (3) months

37. Delineation of Licence Area: - (1) An applicant for a Mineral Title must specify the location of the proposed Licence Area by identifying the horizontal and vertical location of the site according to geodesic datum references and coordinate system datum references.

(2) Each Licence Area in respect of which a Mineral Title is granted shall be in the form of a rectangle, *provided that*, if the presence of boundaries of adjacent Licence Areas, other property boundaries or natural features make it necessary or desirable to vary this shape, the Licence Area shall nonetheless

be a compact shape and each side of the Licence Area shall be a straight line and where possible at right angles to an adjacent side or parallel to an opposite side.

38. **Maximum Licence Area: - (1)** Under this Act, the Licensing Authority may grant or award Mineral Titles in respect of a Licence Area not exceeding the following maximum permitted areas (as applicable):

Category	Mineral Title	Licence Area (sq. km)
Large-scale Mining	Reconnaissance Licence	1,000
	Exploration Licence	400
	Mineral Deposit Retention Licence	200
	Mining Lease	100
Small-scale Mining (other than in respect of Minor Minerals)	Prospecting Licence	As prescribed in Part I of Schedule 3 (<i>Area Limitation for Small-scale Mining Based on Mineral Groups</i>)
	Mining Lease	
	Mining Permit	
Temporary Permit	Temporary Permit	Determined on a case-by-case basis by the Licensing Authority in light of the relevant national interest considerations, but no greater than the maximum permitted area in respect of a Mining Lease (Large-scale Mining)

- (2) Under this Act, the Minor Minerals Licensing Authority may grant or award Mineral Titles in respect of a Licence Area, not exceeding the following maximum permitted areas (as applicable):

Category	Mineral Title	Licence (acres)	Area
Small-scale Mining in respect of Minor Minerals	Mining Lease	As prescribed in Part I of Schedule 3 (<i>Area Limitation for Small-scale Mining Based on Mineral Groups</i>), provided that a Minor Mineral Title for gravel or ordinary sand may be granted for larger area with prior permission of the Department	
Temporary Permit	Temporary Permit	Determined on a case-by-case basis by the Minor Minerals Licensing Authority (as applicable) in light of the relevant national interest considerations, but no greater than the maximum permitted area in respect of a Mining Lease (Small-scale Mining)	

(3) Notwithstanding sub-Sections 1 of Section 38 and Sub-section 2 of Section 38 above, the Licensing Authority and the Minor Minerals Licensing Authority (as applicable) shall not grant or award a Mining Lease in respect of a Licence Area which extends more than five hundred (500) meters beyond the estimated Lateral Limits of the relevant ore body, as determined based on geological data provided by the applicant and, if available, the Authorised Officer.

39. General Obligations of a Title Holder: - (1) A Title Holder shall comply with the terms and conditions of each of its Mineral Titles granted or awarded under this Act, and if applicable, any Mineral Agreement. A Title Holder who violates any such terms and conditions commits an offence.

(2) A Title Holder who submits, or causes to be submitted, any document, information or particulars which are false or misleading, knowing those to be false or misleading, in connection with any notice, report, return or statement issued or given under the terms and conditions of any Mineral Title, commits an offence.

(3) A Title Holder shall employ the services of a suitably qualified mining engineer, geologist, mining surveyor and other relevant professionals for the

purposes of supervising Reconnaissance Operations, Prospecting Operations, Exploration Operations and Mining Operations.

(4) A Title Holder shall not utilise mercury, it being a safety hazard, as part of any Mining Operation, Prospecting Operation, Exploration Operation or as part of any extraction, winning or related operation in the Province.

(5) A Title Holder shall give to the Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority, within thirty (30) days from the date of the change:

(a) if it is a Company or Firm, notice of any change in:

- (i) its name;
- (ii) its registered address;
- (iii) revised articles and memorandum of association, revised partnership deed and certificate of registration issued by the incorporation authority (SECP, Registrar of Firms etc.), as applicable;
- (iv) its directors or partners;
- (v) its share capital, where such change affects at least ten per cent. (10%) of its total issued share capital as calculated prior to the change; *and*
- (vi) the ultimate beneficial ownership, whether direct or indirect, legal or beneficial, of its issued share capital;

(b) if they are an individual, notice of any change in their address.

40. Rights and Obligations of Title Holder – Reconnaissance Licence: - (1) A Reconnaissance Licence shall confer on the Title Holder:

(a) the exclusive right to carry out Reconnaissance Operations in relation to the Licence Area in question in respect of any Mineral or group of Minerals to which the Reconnaissance Licence relates; *and*

(b) the right to erect or construct ancillary works in the Licence Area as may be reasonably necessary for, or in connection with, any Reconnaissance Operations, unless expressly prohibited under the terms of the Reconnaissance Licence or this Act.

(2) A Title Holder shall have a right in priority to all other applicants to apply to convert a Reconnaissance Licence to an Exploration Licence if the Title Holder applies in the prescribed form before the expiry of such Reconnaissance Licence; *provided that*, if the Title Holder fails to make such application at least three (3) months before the expiry of such Reconnaissance Licence, the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed timeframe or pay any applicable late penalty, the Title Holder shall cease to have a priority right in respect of the grant or award of an Exploration Licence in respect of the relevant Licence Area.

(3) It shall be a condition of a Reconnaissance Licence that the Title Holder shall:

- (a) commence Reconnaissance Operations within one (1) month of the grant of the Reconnaissance Licence and carry out Reconnaissance Operations in the Licence Area in accordance with the approved TEFVS delivered in accordance with sub-Section 51.2(l) and Good Mining Practices, subject to any amendments approved by the Licensing Authority;
- (b) take all steps reasonably necessary to conserve and protect the environment and wildlife from pollution or other damage and destruction as a result of such Reconnaissance Operations in the Licence Area in accordance with Section-77 (*Environmental Management; Environmental Accidents and Pollution*) to Section-79 (*Rehabilitation and Closure*), inclusive;
- (c) take all steps reasonably necessary to conduct such Reconnaissance Operations in the Licence Area in accordance with Section-85 (*Employment of Local Communities*) and Section-84 (*Procurement from Local Communities*);
- (d) maintain in good condition and repair all structures, plants, equipment and other goods and materials in the Licence Area used in connection with the Reconnaissance Operations;
- (e) remove from the Licence Area all structures, plants, equipment and other goods and materials not used or not intended to be used in connection with the Reconnaissance Operations;
- (f) give to the Licensing Authority notice of the discovery of a deposit of any Rare Earth Mineral, Strategic Mineral, and/or other Mineral or group of Minerals to which his Mineral Title or Minor Mineral Title (as applicable) does not relate in the relevant Licence Area in accordance with sub-Section (1) of Section 74; and
- (g) give to the Licensing Authority notice of the discovery of a deposit of any mineral resources necessary for the generation of nuclear energy, mineral oil or natural gas, in the Licence Area in accordance with sub-Section (3) of Section 74.

(4) A Title Holder who, without authorisation, Disposes of any Minerals or group of Minerals or samples thereof, from any place where they were found or incidentally won in the course of Reconnaissance Operations, commits an offence.

41. Rights and Obligations of Title Holder – Exploration Licence: - (1) An Exploration Licence shall confer on the Title Holder:

- (a) the exclusive right to carry out Exploration Operations in relation to the Licence Area in question in respect of any Mineral or group of Minerals to which the Exploration Licence relates;
- (b) the right to enter and occupy the Land which comprises the Licence Area for the purpose of carrying out Exploration Operations, subject to the surface rights of any Landowner or Land User and payment of surface rent and/or compensation in

accordance with Section-51 (*Protection of Rights of Landowners and Land Users*) and Section-76 (*Surface Rent and Compensation*);

- (c) the right to take and use water on or flowing through such Land for any purpose necessary for Exploration Operations, subject to and in accordance with the applicable law; *provided that*, in the exercise of such right, the Title Holder shall not deprive any lands, villages or houses or watering places for wildlife of a reasonable supply of water;
- (d) the right to remove from the Licence Area a required quantity of Mineral or group of Minerals to which the Exploration Licence relates, or sample thereof, for the purpose of respective 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 Province, subject to payment of any royalties in accordance with sub-Section (2) of Section 88.
- (e) the right to Dispose, subject to payment of any royalties in accordance with sub-section (1) of Section 86, of any Mineral or group of Minerals to which the Exploration Licence relates which was found, won or mined in the course of Exploration Operations, *provided that* the total quantity of Mineral or group of Minerals so extracted during the period for which the Exploration Licence relates does not exceed the limit prescribed by the Licensing Authority from time to time by notification in the official Gazette; *and*
- (f) the right to erect or construct ancillary works in the Licence Area as may be reasonably necessary for, or in connection with, any Exploration Operations, unless expressly prohibited under the terms of the Exploration Licence or this Act.

(2) A Title Holder shall have a right to renewal of the Exploration Licence for an area no greater than fifty per cent. (50%) of the initial Licence Area if the Title Holder applies in the prescribed form before the expiry of such Exploration Licence; *provided that*, if the Title Holder fails to make such application at least six (6) months before expiry of the Exploration Licence, the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed timeframe, or pay any applicable late penalty, the Title Holder shall be required to apply for a new Exploration Licence in respect of the relevant Licence Area.

(3) A Title Holder shall have a right in priority to all other applicants to apply to convert the Exploration Licence to a Mining Lease (Large-scale Mining) if the Title Holder applies in the prescribed form before the expiry of such Exploration Licence; *provided that*, if the Title Holder fails to make such applications at least six (6) months before the expiry of such Exploration Licence, the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed time frame or pay any applicable late penalty, the Title Holder shall cease to have a priority right in

respect of the grant or award of a Mining Lease (Large-scale Mining) in respect of the relevant Licence Area.

(4) A Title Holder may apply to convert the Exploration Licence to a Mineral Deposit Retention Licence if the Title Holder applies in the prescribed form before the expiry of such Exploration Licence; *provided that*, if the Title Holder fails to make such applications at least six (6) months before the expiry of such Exploration Licence, the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed timeframe or pay any applicable late penalty, the Title Holder shall be required to apply for a new Exploration Licence in respect of the relevant Licence Area.

(5) It shall be a condition of an Exploration Licence that the Title Holder shall:

- (a) commence Exploration Operations within three (3) months of the grant of the Exploration Licence, and carry out Exploration Operations in the Licence Area in accordance with the approved TEFVS delivered in accordance with clause (i) of sub-section of Section-49 and Good Mining Practices, subject to any amendments approved by the Licensing Authority in accordance with paragraph (b) below;
- (b) obtain the Licensing Authority's prior written approval in respect of any change in the approved TEFVS after the grant or award of the Exploration Licence;
- (c) duly implement the approved Environmental Management Plan delivered in accordance with clause (i) of sub-section (2) of Section-49 and take all steps reasonably necessary to conserve and protect the environment and wildlife from pollution or other damage and destruction as a result of such Exploration Operations in the Licence Area in accordance with Section-77 (*Environmental Management; Environmental Accidents and Pollution*) to Section-79 (*Rehabilitation and Closure*), inclusive;
- (d) take all steps reasonably necessary to conduct such Exploration Operations in the Licence Area in accordance with Section-83 (*Employment of Local Communities*) and Section-84 (*Procurement from Local Communities*);
- (e) maintain in good condition and repair all structures, plants, equipment and other goods and materials in the Licence Area used in connection with the Exploration Operations;
- (f) remove from the Licence Area all structures, plants, equipment and other goods and materials not used or not intended to be used in connection with the Exploration Operations;
- (g) give to the Licensing Authority notice of the discovery of a deposit of any Rare Earth Mineral, Strategic Mineral and/or other Mineral or group of Minerals in the Licence Area to which their Mineral Title or Minor Mineral Title (as applicable) does not relate in accordance with sub-Section (1) of Section 74; and

- (h) give to the Licensing Authority notice of the discovery of a deposit of any mineral resources necessary for the generation of nuclear energy, mineral oil or natural gas, in the Licence Area in accordance with sub-Section (3) of Section 74.

(6) It shall be a condition of an Exploration Licence that the Title Holder shall duly implement the approved Mine Closure Plan delivered in accordance with Clause (j) of sub-section (2) of Section 49.

(7) A Title Holder who, without authorisation, extracts a quantity of Minerals in excess of the amount permitted under clause (e) of sub-Section (1) of section 41, commits an offence.

(8) Subject to clauses (d) and (e) of sub-section (1) of Section 41, a Title Holder who without authorisation removes or sells any Minerals or group of Minerals or samples thereof from any place where they were found or incidentally won in the course of Exploration Operations, commits an offence.

42. Rights and Obligations of Title Holder – Mineral Deposit Retention Licence: - (1) A Mineral Deposit Retention Licence shall confer on the Title Holder:

- (a) the exclusive right to retain the Licence Area to which the Mineral Deposit Retention Licence relates to carry out:
 - (i) further Exploration Operations for two (2) years in respect of any Mineral or group of Minerals to which the Mineral Deposit Retention Licence relates; *and*
 - (ii) any other activities, including evaluation of the mineral deposit concerned, as may be specified in the Mineral Deposit Retention Licence; *provided that* such operations shall not include any Mining Operations;
- (b) the right to enter and occupy the Land which comprises the Licence Area for the purpose of carrying out Exploration Operations and any other activities permitted under paragraph (a) above, subject to the surface rights of any Landowner or Land User and payment of surface rent and/or compensation in accordance with Sections 51 (*Protection of Rights of Landowners and Land Users*) and 76 (*Surface Rent and Compensation*);
- (c) the right to take and use water on or flowing through such Land for any purpose necessary for Exploration Operations and any other activities permitted under paragraph (a) above, subject to and in accordance with the applicable law; provided that, in the exercise of such right, the Title Holder shall not deprive any lands, villages or houses or watering places for wildlife of a reasonable supply of water;
- (d) the right to remove from the Licence Area a required quantity of Mineral or group of Minerals to which the Mineral Deposit Retention Licence relates, or sample thereof, for the purpose of respective testing, assaying or pilot plant studies, from any place where it was found or incidentally won in the course of such operations to any other place whether within or outside the

Province, subject to payment of any royalties in accordance with sub-Section (2) of Section-86;

- (e) the right to Dispose, subject to payment of any royalties in accordance with sub-Section (1) of Section 86, of any Mineral or group of Minerals to which the Mineral Deposit Retention License relates which was found, won or mined in the course of Exploration Operations, *provided that* the total quantity of Mineral or group of Minerals so extracted during the total period for which the prior Exploration Licence and the Mineral Deposit Retention Licence relate does not exceed the limit prescribed by the Licensing Authority from time to time by notification in the official Gazette; *and*
- (f) the right to do all other things, including the carrying out of investigations and the erection or construction of ancillary works in the Licence Area, as may be reasonably necessary for, or in connection with, any Exploration Operations and other activities permitted under paragraph (a) above, unless expressly prohibited under the terms of the Mineral Deposit Retention Licence or this Act.

(2) A Title Holder shall have a right to all other applicants to apply to convert the Mineral Deposit Retention Licence to a Mining Lease (Large-scale Mining) if the Title Holder applies in the prescribed form, before the expiry of such Mineral Deposit Retention Licence; *provided that*, if the Title Holder fails to make such applications at least six (6) months before the expiry of such Mineral Deposit Retention Licence, the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed timeframe or pay any applicable late penalty, the Title Holder shall cease to have a priority right in respect of the grant of a Mining Lease (Large-scale Mining) in respect of the relevant Licence Area.

(3) The provisions of sub-Section (5) of section 41 and sub-Section (6) of section 41 shall apply *mutatis mutandis* in relation to a Mineral Deposit Retention Licence as they apply in relation to an Exploration Licence, and for that purpose, the reference to an Exploration Licence shall be deemed to be a reference to a Mineral Deposit Retention Licence.

(4) A Title Holder who, without authorisation, extracts a quantity of Minerals in excess of the amount permitted under clause (e) of sub-Section (1) of Section-42, commits an offence.

(5) A Title Holder who holds a Mineral Deposit Retention Licence and who without authorisation Disposes of any Minerals or group of Minerals or samples thereof from any place where they were found or incidentally won in the course of Exploration Operations, commits an offence.

43. Rights and Obligations of Title Holder – Mining Lease (Large-scale Mining): - (1) A Mining Lease (Large-scale Mining) shall confer on the Title Holder:

- (a) the exclusive right to carry on Exploration Operations and Mining Operations in relation to the Licence Area in question in respect

of any Mineral or group of Minerals to which the Mining Lease (Large-scale Mining) relates;

- (b) the right to enter and occupy the Land which comprises the Licence Area for the purpose of carrying on Exploration Operations and Mining Operations, subject to the surface rights of any Landowner or Land User and payment of surface rent and/or compensation in accordance with Sections-51 (*Protection of Rights of Landowners and Land Users*) and Section-76 (*Surface Rent and Compensation*);
- (c) the right to take and use water on or flowing through such Land for any purpose necessary for Exploration Operations and Mining Operations subject to and in accordance with the applicable law; *provided that*, in the exercise of such right, the Title Holder shall not deprive any lands, villages or houses or watering places for wildlife of a reasonable supply of water;
- (d) the right to remove from the Licence Area a required quantity of Mineral or group of Minerals to which the Mining Lease (Large-scale Mining) relates, or sample thereof, for the purpose of respective testing, assaying, feasibility 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 Province, subject to payment of any royalties in accordance with sub-Section (2) of section 86;
- (e) the right to Dispose, subject to payment of any royalties, in accordance with sub-Section (1) of section 86, of any Mineral or group of Minerals to which the Mining Lease (Large-scale Mining) relates which was found, won or mined in the course of Exploration Operations or Mining Operations; *and*
- (f) the right to erect or construct ancillary works in the Licence Area as may be reasonably necessary for, or in connection with, any Exploration Operations or Mining Operations, unless expressly prohibited under the terms of the Mining Lease (Large-scale Mining) or this Act.

(2) A Title Holder shall have a right to renewal of the Mining Lease (Large-scale Mining) if the Title Holder applies in the prescribed form before the expiry of such Mining Lease; *provided that*, if the Title Holder fails to make such application no earlier than two (2) years prior to, but at least one (1) year before, expiry of the Mining Lease (Large-scale Mining), the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed timeframe or pay any applicable late penalty, the Title Holder shall be required to apply for a new Mining Lease (Large-scale Mining) in respect of the relevant Licence Area, which shall be considered in accordance with the provisions of this Act as a new application.

(3) It shall be a condition of a Mining Lease (Large-scale Mining) that the Title Holder shall:

- (a) commence Mining Operations within six (6) months of the grant of the Mining Lease (Large-scale Mining), and carry out Mining

Operations and Exploration Operations in the Licence Area in accordance with the approved TEFVS delivered in accordance with clause (l) of sub-Section (2) of section 49 and Good Mining Practices, subject to any amendments approved by the Licensing Authority in accordance with paragraph (b) below;

- (b) obtain the Licensing Authority's prior written approval in respect of any change in the approved TEFVS after the grant or award of the Mining Lease (Large-scale Mining);
- (c) give notice in writing to the Director General of any intention to temporarily cease Mining Operations, or to reduce the normal rate of production, on a date not later than thirty (30) days prior in the case of an intended cessation of Mining Operations;
- (d) duly implement the approved Environmental Management Plan delivered in accordance with clause (i) of sub-Section (2) of section 49 and take all steps reasonably necessary to conserve and protect the environment and wildlife from pollution or other damage and destruction as a result of such Mining Operations and Exploration Operations in the Licence Area in accordance with Section 77 (*Environnemental Management; Environnemental Accidents and Pollution*) to Section 79 (*Rehabilitation and Closure*), inclusive, including by duly implementing the approved Mine Closure Plan delivered in accordance with clause (j) of sub-Section (2) of section 49;
- (e) duly implement the approved Social Impact Management Plan delivered in accordance with clause (k) of sub-Section (2) of section 49 and take all steps reasonably necessary to conduct such Mining Operations and Exploration Operations in the Licence Area in accordance with Sections 83 (*Employment of Local Communities*) to 85 (*Social Impact Reporting*), inclusive;
- (f) maintain in good condition and repair all structures, plants, equipment and other goods and materials in the Licence Area used in connection with the Mining Operations and Exploration Operations;
- (g) remove from the Licence Area all structures, plants, equipment and other goods and materials not used or not intended to be used in connection with the Mining Operations or Exploration Operations;
- (h) give to the Licensing Authority notice of the discovery of a deposit of any Rare Earth Mineral, Strategic Mineral and/or other Mineral or group of Minerals in the Licence Area to which his Mineral Title or Minor Mineral Title (as applicable) does not relate in accordance with sub-Section (1) of section 74; and
- (i) give to the Licensing Authority notice of the discovery of a deposit of any mineral resources necessary for the generation of nuclear energy, mineral oil or natural gas, in the Licence Area in accordance with sub-Section (3) of section 74.

(4) Subject to clauses (d) and (e) of sub-Section (1) of section 43, a Title Holder who, without authorisation, Disposes of any Minerals or group of Minerals or samples thereof from any place where they were found, won or mined in the course of Exploration Operations or Mining Operations, commits an offence.

44. Rights and Obligations of Title Holder – Prospecting Licence: - (1) A Prospecting Licence shall confer on the Title Holder:

- (a) an exclusive right to carry out Prospecting Operations in relation to the Licence Area in question in respect of any Mineral to which the Prospecting Licence relates;
- (b) the right to enter and occupy the Land which comprises the Licence Area for the purpose of carrying out Prospecting Operations, subject to the surface rights of any Landowner or Land User and payment of surface rent and/or compensation in accordance with Sections 51 (*Protection of Rights of Landowners and Land Users*) and 76 (*Surface Rent and Compensation*);
- (c) the right to take and use water on or flowing through such Land for any purpose necessary for Prospecting Operations, subject to and in accordance with the applicable law; *provided that*, in the exercise of such right, the Title Holder shall not deprive any lands, villages or houses or watering places for wildlife of a reasonable supply of water;
- (d) the right to remove from the Licence Area a required quantity of Mineral to which the Prospecting Licence relates, or sample thereof, for the purpose of respective testing, assaying or pilot plant studies, from any place where it was found, won or mined in the course of such Prospecting Operations to any other place whether within or outside the Province, subject to payment of any royalties in accordance with sub-Section (2) of Section 86;
- (e) the right to Dispose, subject to payment of any royalties in accordance with sub-section of Section-86, of any Mineral or group of Minerals to which the Prospecting Licence relates which was found, won or mined in the course of Prospecting Operations; *and*
- (f) the right to erect or construct ancillary works in the Licence Area as may be reasonably necessary for, or in connection with, any Prospecting Operation unless expressly prohibited under the terms of the Prospecting Licence or this Act.

(2) A Title Holder shall have a priority right to apply to convert the Prospecting Licence to a Mining Lease (Small-scale Mining) if the Title Holder applies in the prescribed form before the expiry of such Prospecting Licence; *provided that*, if the Title Holder fails to make such application at least three (3) months before the expiry of such Prospecting Licence, the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed timeframe or pay any applicable late penalty, the Title Holder shall cease to have a priority right in respect of the grant or award of a Mining Lease (Small-scale Mining) in respect of the relevant Licence Area.

(3) The provisions of sub-Section (5) of section 41 and sub-Section (6) of Section 41 shall apply *mutatis mutandis* in relation to a Prospecting Licence as they apply in relation to an Exploration Licence, and for that purpose, the references to exploration and an Exploration Licence shall be deemed to be references to prospecting and a Prospecting Licence respectively.

(4) Subject to clauses (d) and (e) of sub-Section (1) of section 44, a Title Holder who, without authorisation, Disposes of any Minerals or group of Minerals or samples thereof from any place where those were found, won or mined in the course of Prospecting Operations, commits an offence.

45. Rights and Obligations of Title Holder – Mining Lease (Small-scale Mining): - (1) A Mining Lease (Small-scale Mining) shall confer on the Title Holder:

- (a) the exclusive right to carry on Prospecting Operations and Mining Operations in relation to the Licence Area in question in respect of any Mineral to which the Mining Lease (Small-scale Mining) relates;
- (b) the right to enter and occupy the Land which comprises the Licence Area for the purpose of carrying on Prospecting Operations and Mining Operations, subject to the surface rights of any Landowner or Land User and payment of surface rent and/or compensation in accordance with Sections 51 (*Protection of Rights of Landowners and Land Users*) and 76 (*Surface Rent and Compensation*);
- (c) the right to take and use water on or flowing through such Land for any purpose necessary for Prospecting Operations and Mining Operations, subject to and in accordance with the applicable law; *provided that*, in the exercise of such right, the Title Holder shall not deprive any lands, villages or houses or watering places for wildlife of a reasonable supply of water;
- (d) the right to remove from the Licence Area a required quantity of Mineral to which the Mining Lease (Small-scale Mining) relates, or sample thereof, for the purpose of respective testing, assaying or pilot plant studies, from any place where it was found or incidentally won in the course of such Prospecting Operations or Mining Operations to any other place whether within or outside the Province, subject to payment of any royalties in accordance with sub-Section (2) of Section 86;
- (e) the right to Dispose, subject to payment of any royalties in accordance with sub-Section (1) of Section 86, of any Mineral to which the Mining Lease (Small-scale Mining) relates which was found, won or mined in the course of Prospecting Operations or Mining Operations; *and*
- (f) the right to erect or construct ancillary works, in the Licence Area as may be reasonably necessary for, or in connection with, any Prospecting Operations or Mining Operations, unless expressly prohibited under the terms of the Mining Lease (Small-scale Mining) or this Act.

(2) A Title Holder shall have a right to renewal of the Mining Lease (Small-scale Mining) (other than in respect of Minor Minerals and Minerals described in Schedule 2 (*Minerals for Which Mining Lease Shall Not be Renewed*)) if the Title Holder applies in the prescribed form before the expiry of the Mining Lease (Small-scale Mining); *provided that*, if the Title Holder fails to make such application no earlier than one (1) year prior to, but at least six (6) months before, the expiry of the Mining Lease (Small-scale Mining), the Title Holder shall be required to pay a late penalty in the amount prescribed by the Government from time to time by notification in the official Gazette. In case of failure to apply in the prescribed timeframe or pay any applicable late penalty, the Title Holder shall be required to apply for a new Mining Lease (Small-scale Mining) in respect of the relevant Licence Area, which shall be considered in accordance with the provisions of this Act as a new application.

(3) Subject to sub-Section (4) of Section 45, the provisions of sub-Section (3) of Section 43 shall apply *mutatis mutandis* in relation to a Mining Lease (Small-scale Mining) as they apply in relation to a Mining Lease (Large-scale Mining), and for that purpose, the reference to a Mining Lease (Large-scale Mining) shall be deemed to be a reference to a Mining Lease (Small-scale Mining) and the reference to Exploration Operations shall be deemed to be a reference to Prospecting Operations.

(4) For the purposes of sub-Section (3) of Section 45, in respect of Minor Mineral Titles, the reference to the Licensing Authority shall be deemed to be a reference to the Minor Minerals Licensing Authority but no TEFVS shall be required in case of a Minor Mineral Title.

(5) Subject to clauses (d) and (e) of sub-Section (1) of section 45, a Title Holder who, without authorisation, Disposes of any Mineral or samples thereof from any place where those were found, won or mined in the course of Prospecting Operations or Mining Operations, commits an offence.

46. Rights and Obligations of Title Holder – Temporary Permit: - (1) A Temporary Permit shall confer on the Title Holder:

- (a) the exclusive right to carry on Exploration Operations and Mining Operations in relation to the Licence Area in question in respect of any Mineral listed in the Construction Minerals Group described in Schedule 1 (*Mineral Groups*) and/or Minor Minerals to which the Temporary Permit relates;
- (b) the right to enter and occupy the Land which comprises the Licence Area for the purpose of carrying on Exploration Operations and Mining Operations, subject to the surface rights of any Landowner or Land User and payment of surface rent and/or compensation in accordance with Sections 51 (*Protection of Rights of Landowners and Land Users*) and 76 (*Surface Rent and Compensation*);
- (c) the right to take and use water on or flowing through such Land for any purpose necessary for Exploration Operations or Mining Operations subject to and in accordance with the applicable law, *provided that*, in the exercise of such right, the Title Holder shall not deprive any lands, villages or houses or watering places for wildlife of a reasonable supply of water;

- (d) the right to remove from the Licence Area a required quantity of Mineral to which the Temporary Permit relates, or sample thereof, for the purpose of respective testing, assaying or pilot plant studies, from any place where it was found, won or mined in the course of such Exploration Operations or Mining Operations to any other place whether within or outside the Province, subject to payment of the fair market value determined by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable);
- (e) the right to Dispose, subject to payment of the fair market value determined by the Licensing Authority or, in respect of Minor Minerals, the Minor Minerals Licensing Authority, of any Mineral listed in the Construction Minerals Group described in Schedule 1 (*Mineral Groups*) and/or Minor Minerals to which the Mineral Title relates; and
- (f) the right to erect or construct ancillary works, in the Licence Area as may be reasonably necessary for, or in connection with, any Mining Operations or Exploration Operations, unless expressly prohibited under the terms of the Temporary Permit or this Act.

(2) Subject to sub-section (1) of Section 46, the provisions of sub-section (3) of Section 43 (other than paragraph (e)) shall apply *mutatis mutandis* in relation to a Temporary Permit as they apply in relation to a Mining Lease (Large-scale Mining), and for that purpose, the reference to a Mining Lease (Large-scale Mining) shall be deemed to be a reference to a Temporary Permit.

(3) For the purposes of sub-Section (2) of Section 46, in respect of Minor Minerals, the reference to the Licensing Authority shall be deemed to be a reference to the Minor Minerals Licensing Authority.

(4) A Title Holder shall have a right to renewal of the Temporary Permit for one (1) term if the Title Holder applies in the prescribed form before the expiry of the Temporary Permit pending grant of other relevant mineral title;

(5) Subject to clauses (d) and (e) of sub-Section (1) of section 46, a Title Holder who, without authorisation, Disposes of any Mineral or samples thereof from any place where it was found, won or mined in the course of Exploration Operations or Mining Operations, commits an offence.

(6) No remedy either by way of a suit or damages shall accrue in favour of the Title Holder on the basis of a Temporary Permit in the event that the Government decides to recall or withdraw such Temporary Permit.

47. Security of Tenure: - (1) The Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority, shall ensure the tenure security of a Mineral Title and shall only cancel a Mineral Title in accordance with its powers in Section 98 (*Cancellation of Mineral Titles*) after having given the Title Holder an opportunity to be heard in accordance with sub-Section (4) of Section 98, if required, and having conducted proper diligence in accordance with the due administration of the Act.

(2) The terms and conditions of a Mineral Title may not be unilaterally amended by the Licensing Authority during its term and may only be amended

upon a request by the relevant Title Holder and the approval of the Licensing Authority.

(3) The terms and conditions of a Minor Mineral Title may not be amended.

(4) If this Act is amended so as to incorporate any additional terms and conditions in Mineral Titles granted or awarded under this Act, or any rules are prescribed which have such effect, then such additional terms and conditions shall be taken to not apply to any Mineral Titles granted or awarded prior to the date of such amendments or rules, unless:

(a) such additional terms and conditions relate to national security, defence capability, environmental protection, healthcare, taxation, customs regulation or competition protection; and

(b) the notification in the official Gazette in respect of such amendments or rules provides that such additional terms and conditions shall have retrospective effect.

48. Obligations on Existing Title Holders:- (1) Save and except in the case of any licence, lease or permit as specified in sub-section (4) of Section-122 below,-

(a) The holder of any licence, lease or permit granted by the licensing authority or awarded as part of any auction or competitive bidding process under The Balochistan Mineral Rules, 2002 and whose licence, lease or permit was deemed to have been granted by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable), or awarded through an auction or competitive bidding process (as applicable) under this Act in accordance with Section 122 (*Repeal and Saving*) shall be granted a grace period of one (1) year from the commencement date of the Act to comply with any obligations set out in Part IV of this Act to the extent that such obligations exceed the scope of the obligations which were imposed on the Title Holder under the aforementioned repealed laws and rules.

(b) Any applicant who applied for the grant, conversion, assignment, amendment, surrender, renewal or cancellation of a licence, lease or permit, as the case may be, before the licensing authority under The Balochistan Mineral Rules, 2002 and whose application was deemed to have been made under this Act in accordance with Section 122 (*Repeal and Saving*) shall be granted a grace period of six (6) months from the commencement date of the Act to comply with any obligations set out in Part IV of this Act to the extent that such obligations exceed the scope of the obligations which would have been imposed on the Title Holder if such application have been approved under the aforementioned repealed laws and rules.

(c) Any successful bidder of an auction or competitive bidding process commenced by the licensing authority under The Balochistan Mineral Rules, 2002 and which was deemed to have been commenced under this Act in accordance with Section 122 (*Repeal and Saving*) shall be granted a grace period of one (1) month from the commencement date of the Act to comply with any obligations set out in Part IV of this Act to the extent that such obligations exceed the scope of the obligations which would have been imposed on the Title Holder if such auction or

competitive bidding process had been completed under the
aforementioned repealed laws and rules.

PART V
APPLICATION, GRANT AND MANAGEMENT OF MINERAL TITLES

49. Financial, Technical and Legal Capacity of Applicant: - (1) An application for the grant or award of a Mineral Title, or to renew, convert, amend or transfer an existing Mineral Title may only be made by active and up-to-date tax-registered entity:

- (a) in relation to Large-scale Mining, a Company;
- (b) in relation to Small-scale Mining, a Company or Firm; *and*
- (c) in relation to a Temporary Permit, a Government department or Public Organisation.

(2) Subject to the remainder of this Section 49, an application for the grant or award of a Mineral Title or to renew, convert, amend or Transfer an existing Mineral Title shall be approved by the Licensing Authority or, in respect of a Minor Mineral Title, the Minor Minerals Licensing Authority, if the applicant satisfies each of the following conditions to the reasonable satisfaction of the Licensing Authority or the Minor Minerals Licensing Authority (as applicable):

- (a) the application is made in the prescribed form;
- (b) the applicant has paid the application fee in accordance with Section 56 (*Payment of Application Fee*);
- (c) the applicant provides evidence, in a form reasonably satisfactory to the Licensing Authority or the Minor Minerals Licensing Authority (as applicable), that the applicant has the technical expertise and financial capacity to conduct the proposed Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations efficiently and proficiently in accordance with the requirements imposed under this Act;
- (d) in addition to, and in no way reducing, the conditions of paragraph (c) above, the applicant provides its annual financial statements in respect of the previous year, audited by a qualified and registered auditor, or its latest one month's bank statements, evidencing the applicant's investment capability in respect of the proposed Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations of:
 - (i) in respect of Large-scale Mining, Rs. Five hundred million (500,000,000); *and*
 - (ii) in respect of Small-scale Mining, Rs. ten million (10,000,000);
- (e) in addition to, and in no way reducing the conditions of paragraph (c) above:
 - (i) in relation to an application made in respect of Large-scale Mining, the applicant has employed at least three (3) registered geologists and three (3) registered mining engineers and mining diploma holders to devote a substantial proportion of their working hours to performance

of the proposed Reconnaissance Operations, Exploration Operations or Mining Operations; *and*

- (iii) in relation to an application made in respect of Small-scale Mining, the applicant has employed at least one (1) registered geologist and one (1) registered mining engineer and mining diploma holder to devote a substantial proportion of their working hours to performance of the proposed Prospecting Operations or Mining Operations;
- (f) other than in respect of an application for the amendment of a Mineral Title, satisfactory completion of any inspection required to be conducted by the Licensing Authority in accordance with Section 50 (*Inspections of Mineral Titles*);
- (g) the applicant has complied with all requirements and conditions of this Act, including the terms and conditions of any Mineral Title granted or awarded to it under this Act and, if applicable, any Mineral Agreement entered into by it, and has not otherwise been blacklisted in accordance with Section 110 (*Restricted List*);
- (h) in relation to an application made by a Company, the applicant's executive officers each provides a statutory declaration confirming that it has not been convicted of any criminal offence in the last three (3) years;
- (i) other than in respect of an application for a Reconnaissance Licence, the applicant provides an Environmental Management Plan in respect of the performance of the proposed Prospecting Operations, Exploration Operations or Mining Operations, in a form reasonably satisfactory to the Environmental Protection Agency;
- (j) in respect of an application for a Prospecting Licence, Exploration License, Mineral Deposit Retention License, Mining Lease, the applicant provides a Mine Closure Plan in a form reasonably satisfactory to the Licensing Authority or the Minor Minerals Licensing Authority (as applicable);
- (k) in respect of an application for a Mining Lease (Large-scale Mining) or a Mining Lease (Small-scale Mining), the applicant provides a Social Impact Study and a Social Impact Management Plan in forms reasonably satisfactory to the Licensing Authority and in accordance with the requirements of Section 82 (*Social Impact Study and Social Impact Management Plan*);
- (l) other than in respect of an application for a Minor Mineral Title the applicant provides a TEFVS in respect of the performance of the proposed Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations, in a form reasonably satisfactory to the Licensing Authority;
- (m) other than in respect of an application for a Reconnaissance Licence, the applicant provides the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) with:

- (i) copies of all governmental approvals, consents and no-objection certifications required to be obtained by the applicant to commence the performance of the proposed Prospecting Operations, Exploration Operations or Mining Operations under applicable law, including Provincial laws, rules and regulations relating to Environment, Forest and, land, for the time being in force; or
- (ii) to the extent any of the above-mentioned governmental approvals, consents or no-objection certifications cannot reasonably be obtained before the date on which the Title Holder wishes the relevant Mineral Title to take effect, evidence, in a form reasonably satisfactory to the Licensing Authority or the Minor Minerals Licensing Authority (as applicable), that such governmental approvals, consents or no-objection certifications (as applicable) are reasonably expected to be obtained prior to the date on which the applicant would be required to commence the proposed Prospecting Operations, Exploration Operations or Mining Operations if the Mineral Title were granted or awarded in accordance with this Act, in which circumstances the applicant may seek the requisite assistance from DMLC;
- (n) in relation to a proposed Licence Area in respect of which one or more Mineral Titles have already been granted or awarded for other Mineral(s) to another Company, Firm or individual who is not the applicant, the applicant provides copies of the consent of such other Title Holders to the grant or award of the Mineral Title, such consent not to be unreasonably withheld;
- (o) in relation to an application made by an individual, such individual has not been adjudged bankrupt or entered into any agreement or scheme of composition with creditors or taken advantage of any law for the benefit of debtors (a declaration to this effect to be submitted by the applicant accordingly);
- (p) in relation to an application made by a Company, no order has been made or resolution has been passed for winding up the affairs of the Company under the Companies Act 2017;
- (q) in relation to an application for the Transfer of a Mineral Title, the Licence Area and the Mineral Title are free of any encumbrances;
- (r) in respect of a Company, the applicant has submitted the certificate of incorporation, the articles and memorandum of association of the Company;
- (s) the applicant has an active registered national tax number (NTN), and has provided details of the same to the Licensing Authority or the Minor Minerals Licensing Authority (as applicable); and
- (t) any other conditions as may be prescribed by the Government from time to time by notification in the official Gazette in accordance with the due administration of this Act.

- (2) If an application is granted for a Mineral Title in respect of any privately owned lands, or lands part of which is owned by the Government and the other part is privately owned, the Title Holder shall provide evidence, in a form reasonably satisfactory to the Licensing Authority or the Minor Minerals Licensing Authority (as applicable), of compliance with Section 51 (*Protection of Rights of Landowners and Land Users*) within thirty (30) days of the grant of such title and at least two (2) weeks prior to the commencement of any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations on the relevant Licence Area.
- (3) Subject to sub-Section (5) of Section 49, an applicant (other than an applicant in respect of a Minor Mineral Title or other Temporary Permit) may only apply for and hold one (1) Exploration Licence, Prospecting Licence or Mining Lease at any one time if:
- (a) it has not previously held such Mineral Title (or equivalent) and engaged in the relevant Exploration Operations, Prospecting Operations or Mining Operations in the Islamic Republic of Pakistan or elsewhere; and
 - (b) in respect of a Company, it is not a shareholder in a Company that previously held such a Mineral Title and engaged in the relevant Exploration Operations, Prospecting Operations or Mining Operations in the Islamic Republic of Pakistan or elsewhere.
- (4) A Title Holder who holds only one (1) Exploration Licence, Prospecting Licence or Mining Lease in accordance with sub-Section (4) of section 49, and who wishes to apply for a second Mineral Title of the same type (other than a Minor Mineral Title or other Temporary Permit) shall, in addition to the requirements imposed under the remainder of this Section-49:
- (a) have previously held a Mineral Title of the same type for at least one (1) year; and
 - (b) complied with all requirements and conditions of this Act, including the terms and conditions of any Mineral Title granted or awarded to it under this Act and, if applicable, any Mineral Agreement entered into by it.
- (6) No Title Holder may hold more than five (5) Mineral Titles for the purposes of Small-scale Mining (other than in respect of Minor Minerals) at any one time, *provided that*, if a Title Holder held more than five (5) Mineral Titles for the purposes of Small-scale Mining (other than in respect of Minor Minerals) before the commencement of this Act, the Title Holder may only retain five (5) of such Mineral Titles and shall surrender the remaining Mineral Titles to the Licensing Authority for further grants under this Act, unless otherwise authorised by the Licensing Authority to Transfer the remaining Mineral Titles to any other Company or Firm in accordance with Section 55 (*Transfers and Sub-letting of Mineral Titles*) who is eligible under sub-Section (1) of Section 49 in respect of the relevant Mineral Title and satisfies each of the conditions set out in sub-Section (2) of Section 49:

Provided that in case of discovery of another mineral in the same Mineral Title and the said discovered mineral is also considered for grant to the same Title Holder in accordance with sub-section 93) of Section-52 then Mineral Title shall be counted as one Mineral title.

(7) A title for small-scale mining or minor minerals shall not be granted unless local residents of the district where the applied area is situated are partners or owners in the application

50. Inspections of Mineral Titles: - (1) After the grant or award of a Mineral Title or a Minor Mineral Title, or before the renewal or conversion or Transfer of an existing Mineral Title, the Licensing Authority or the Minor Minerals Licensing Authority shall:

- (a) conduct a geological inspection of the proposed Licence Area for the purpose of verification of mineral extracted or found;
- (b) in the event an application is made in relation to Rare Earth Minerals or Strategic Minerals as more particularly described in Schedule 1 (*Mineral Groups*), collect geological samples which shall be tested by the Pakistan Atomic Energy Commission for which the applicable fee shall be paid by the applicant in respect of such testing; and
- (c) in respect of an application for the conversion or renewal of an existing Mineral Title, conduct a development inspection.

(2) The inspection referred to in clause (a) of sub-Section (1) of section 50 above shall be conducted by a geologist and a surveyor.

(3) The inspection referred to in clause (c) of sub-Section (1) of section 50 above shall be conducted by a mining engineer, a geologist and a surveyor.

(4) The team conducting the inspection shall prepare an inspection report for the Licensing Authority within thirty (30) working days of completion of such inspection.

51. Protection of Rights of Landowners and Land Users: - (1) Where a Mineral Title is granted, awarded or Transferred in respect of any privately owned lands, or lands part of which is owned by the Government and part of which is privately owned, the Title Holder shall conclude an agreement with the Landowner(s) and/or Land User(s) of the relevant lands who manage(s) the property in connection with the area of the Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations, which includes the following minimum terms:

- (a) the Title Holder may proceed with the proposed Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations in accordance with the agreement;
- (b) in respect of any agreement with a Landowner, the Title Holder shall pay surface rent to the Landowner in an amount agreed by the parties as clearly set out in the agreement;
- (c) the Title Holder shall take all steps reasonably necessary to ensure the health, safety and welfare of any individuals or livestock on the Land from time to time and avoid damage and destruction to property or any structures, plant, equipment or other goods and materials located thereon; and
- (d) the Title Holder shall otherwise compensate the Landowner or Land User where the proposed Reconnaissance Operations,

Prospecting Operations, Exploration Operations and/or Mining Operations cause the death or injury of any individual or livestock or damage or destruction to property or any structure, plant, equipment or other goods and materials located thereon.

(2) Each agreement for surface rent shall be registered with the revenue authority of the relevant district.

(3) (Any dispute between a Title Holder and a Landowner or Land User in respect of the calculation of surface rent may be referred to the relevant DMLC for resolution in accordance with Section 20 (*Powers and Functions of District Mining Liaison Committee*)).

(4) In respect of a Transfer of a Mineral Title, sub-Section (1) of Section 51 shall be deemed to have been satisfied if the applicant provides evidence that any existing agreements will be Transferred from the existing Title Holder to the proposed Transferee on or before the date on which the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) approves such Transfer.

52. Availability of Licence Area, Priority and Overlapping Licence Areas in Respect of Different Minerals: - (1) On receipt of an application for the grant of a Mineral Title, the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) shall, before granting the Mineral Title, confirm whether the relevant Licence Area applied for overlaps with an area already covered by a Mineral Title.

(2) Subject to sub-Section (3) of Section 52 below, the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) may grant Mineral Titles to different Companies or Firms who are eligible under sub-Section(1) of Section 49 in respect of the same Licence Area, *provided that*:

(a) each Mineral Title is in respect of a different Mineral;

(b) the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) is reasonably satisfied that it is practically possible for both the applicant and all existing Title Holders to conduct the relevant proposed Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations in respect of the same Licence Area in accordance with good reconnaissance, prospecting, exploration and mining practices; *and*

(c) to the extent that the proposed operations of the applicant are reasonably likely to impact the current or proposed operations of any existing Title Holder, such existing Title Holder has consented (acting reasonably) to such additional Mineral Titles being granted in respect of the same Licence Area.

(3) In case of discovery of another Mineral in an area the subject of an existing Mineral Title:

(a) the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) shall promptly notify the relevant Title Holder on becoming aware of the same; *and*

- (b) the relevant Title Holder shall have a right in priority for thirty (30) days from the earlier of the date such Title Holder became aware of the discovery and when it was notified of the same by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) to apply for a Mineral Title in respect of such Mineral in the relevant manner, *provided that* such applicant is otherwise eligible under this Act.

53. Conversion of Mineral Titles: - (1) A Title Holder may apply to convert:

- (a) a Reconnaissance Licence held by it into an Exploration Licence in accordance with sub-Section (2) of Section 40;
- (b) an Exploration Licence held by it into, either:
 - (i) a Mining Lease (Large-scale Mining) in accordance with sub-Section (3) of Section 41; or
 - (ii) a Mineral Deposit Retention Licence in accordance with sub-Section (4) of Section 41;
- (c) a Mineral Deposit Retention Licence held by it into a Mining Lease (Large-scale Mining) in accordance with sub-Section (2) of Section 42; *and*
- (d) a Prospecting Licence held by it into a Mining Lease (Small-scale Mining) in accordance with sub-Section (2) of Section 44; *and*

(2) A Title Holder shall be entitled to continue any Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations in the Licence Area on expiry of the relevant Mineral Title until any conversion requested in accordance with sub-Section 53 has been approved by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) in accordance with this Part V.

54. Renewal of Mineral Titles: - (1) A Title Holder may apply to renew:

- (a) an Exploration Licence held by it in accordance with sub-Section (20) of Section-41;
- (b) a Mining Lease (Large-scale Mining) held by it in accordance with sub-Section (20) of Section-43;
- (c) a Mining Lease (Small-scale Mining) (other than in respect of Minor Minerals or any Mineral described in Schedule 2 (*Minerals for Which Mining Lease Shall Not be Renewed*)) held by it in accordance with sub-Section (2) of Section 45; or
- (d) a Temporary permit held by it in accordance with sub-Section (4) of Section 46

(2) A Title Holder shall suspend any Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations forthwith in the Licence Area on expiry of the relevant Mineral Title until any renewal requested in accordance with sub-Section (1) of Section 54 has been approved by the Licensing Authority in accordance with this Part V.

- 55. Transfers and Sub-letting of Mineral Titles:** - (1) Other than in respect of a Reconnaissance Licence, a Minor Mineral Title, or other Temporary Permit, a Title Holder may apply to the Licensing Authority for the Transfer of all or part of its interest in a Mineral Title to a Transferee who is a Company or Firm who is eligible under sub-Section (1) of Section-49 in respect of the relevant Mineral Title and satisfies each of the conditions set out in sub-Section (2) of Section 49.
- (2) For the purposes of an application for the Transfer of a Mineral Title:
- (a) each reference to applicant in sub-sections (1) and (2) of Section-49 shall be deemed to be a reference to the proposed Transferee;
 - (b) any conditions set out in sub-Section (2) of Section 49 which require delivery of evidence in a form reasonably satisfactory to the Licensing Authority shall be deemed to have been satisfied if the proposed Transferee provides equivalent evidence to that which was provided by the existing Title Holder; *and*
 - (c) in respect of the Transfer of a partial interest in a Mineral Title, Section 59 (*Applications by Joint Ventures, Partnerships, Consortia*) shall also apply.
- (3) In case the Title Holder is a deceased individual, the Licensing Authority shall upon delivery of certificate of succession approve the Transfer of the Mineral Title in accordance with the Succession Act of 1925.
- (4) Subject to the remainder of this Act, a Transfer of a Mineral Title shall only enter into force and effect once approved by the Licensing Authority in accordance with this Act.
- (5) No Title Holder shall Transfer the obligations or rights under its Mineral Title, as the case may be, by means of sub-letting or by any other means, to a third party in respect of the area demised under the Mineral Title. Any Title Holder who Transfers the obligations or rights under its Mineral Title in contravention of this sub-Section (5) of Section 55 commits an offence.
- 56. Payment of Application Fee:** - (1) Every applicant shall pay an application fee in such amount as may be prescribed by the Government from time to time by notification in the official Gazette, on the recommendation of the Mineral Investment Facilitation Authority made after review of any guidance of the [Federal Mineral Wing]. The application fee shall be non-refundable.
- (2) Application fees payable under this Act shall be deposited into the Government treasury or into any bank authorised by the Government for the purpose, under the specified head of account and the receipt shall, in the original, be provided to the Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority.
- (3) Any applicant who provides a defective or false receipt in respect of the payment of an application fee under this Section 56 commits an offence.
- 57. Procedure for Application for Mineral Titles:** - (1) An application for the grant or award, amendment, surrender or Transfer of a Mineral Title, or to renew or convert an existing Mineral Title shall be made via the Mining Cadastre System in the prescribed form and accompanied by such documents

and other information as is required to satisfy the conditions set out in sub-Section (2) of Section 49.

(2) A separate application shall be made in respect of each Mineral Title, Licence Area, Mineral and Mineral Group (as applicable).

(3) In case there is more than one (1) application for the grant of a Mineral Title in respect of the same Mineral in the Licence Area, the principle of first-come, first-served shall apply.

(4) The Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority, shall approve or reject an application within ninety (90) days of receipt of such application, unless the Licensing Authority or Minor Minerals Licensing Authority (as applicable) has provided the applicant with written reasons for the delay and provided the applicant with a reasonable estimate of when the application will be finalised.

(5) Any Company or Firm who submits or causes to be submitted any document, information or particulars which are false or misleading, knowing them to be false or misleading, with any application in connection with any Mineral Title, commits an offence.

58. Withdrawal, Grant or Refusal of Application for Mineral Titles: - (1) An applicant may withdraw an application at any time by written notice to the Licensing Authority via the Mining Cadastre System.

(2) If an application is made by a Company or Firm who is not eligible to apply for the relevant Mineral Title under sub-Section (1) of Section 49, the application shall be rejected and communicated to such Company or Firm .

(3) Where the Licensing Authority proposes to approve the grant, award, renewal, conversion, amendment or Transfer of a Mineral Title other than a Minor Mineral Title, subject to certain additional conditions, the Licensing Authority shall communicate the conditions to the applicant in writing for acceptance by the applicant. If the applicant fails to accept such conditions by returning a countersigned copy of such conditions within Thirty (30) days, such application shall be deemed to have been rejected by the Licensing Authority.

(4) Upon approving the grant, award, renewal, conversion, amendment or Transfer (as applicable) of the relevant Mineral Title, and subject to any conditions to such approval having been accepted by the applicant in accordance with sub-Section (3) of Section 58, the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) shall:

(a) issue a written notice to the applicant confirming the grant, award, renewal, conversion, amendment or Transfer of such Mineral Title (as applicable); and

(b) cause the grant, award, renewal, conversion, amendment or Transfer of the relevant Mineral Title (as applicable) to be registered in the Mining Cadastre Register.

(5) If the Licensing Authority or Minor Minerals Licensing Authority (as applicable) is of the opinion, acting reasonably, that the applicant has failed to satisfy all conditions set out in sub-Section (2) of Section 49 for the grant or award of a Mineral Title, or the renewal, conversion, amendment or Transfer

of an existing Mineral Title (as applicable), the Licensing Authority or Minor Minerals Licensing Authority (as applicable) shall issue a written notice to the applicant advising of the rejection of the application for the grant, award, renewal, conversion, amendment or Transfer of such Mineral Title, and provide written reasons for such rejection.

(6) If an application is rejected on the grounds that the Mine Closure Plan, the Social Impact Study, the Social Impact Management Plan, the TEFVS or any other document or information required to be provided by the applicant in accordance with sub-Section (2) of Section 49 is not in the prescribed form, or otherwise not in a form reasonably satisfactory to the Licensing Authority or Minor Minerals Licensing Authority (as applicable), the Licensing Authority or Minor Minerals Licensing Authority (as applicable) shall provide the applicant with written reasons for such rejection, and shall provide the applicant with an opportunity to resubmit the Mine Closure Plan, the Social Impact Study, the Social Impact Management Plan, the TEFVS or other document or information within one (1) month of such notice for review by the Licensing Authority or Minor Minerals Licensing Authority (as applicable) for approval in accordance with this Act. An applicant shall only be given one (1) opportunity to re-submit any such Mine Closure Plan, Social Impact Study, Social Impact Management Plan, TEFVS or other document or information.

(7) If an application is rejected on the grounds that the Environmental Management Plan required to be provided by the applicant in accordance with clause (i) of sub-Section (2) of section 49 is not in a form reasonably satisfactory to the Environmental Protection Agency, the Environmental Protection Agency shall provide the applicant with written reasons for such rejection, and shall provide the applicant with an opportunity to resubmit the Environmental Management Plan within one (1) month of such notice for review by the Environmental Protection Agency for approval in accordance with this Act. An applicant shall only be given one (1) opportunity to re-submit any such Environmental Management Plan.

59. Applications by Joint Ventures, Partnerships, Consortia: - (1) In addition to the conditions of the grant, award, renewal, conversion, amendment or Transfer of a Mineral Title or a Minor Mineral Title (as applicable) set out in this Part V, if a joint venture, partnership, or consortium submits an application, the application shall also include the following additional information:

- (a) the names of all the members of the joint venture, partnership or consortium and confirmation that each member is eligible to hold the relevant Mineral Title in accordance with sub-Section (1) of Section 49;
- (b) the percentage interest which each member holds in the joint venture, partnership or consortium (as applicable);
- (c) a copy of the signed agreement constituting the joint venture, partnership, or consortium (as applicable); *and*
- (d) the identity of the legal representative of the joint venture, partnership or consortium (as applicable) who is instructed to complete the application and send and receive correspondence and notices on its behalf.

(2) If the application for a Mineral Title or a Minor Mineral Title is granted, the Mineral Title or Minor Mineral Title (as applicable) shall reflect the names of the members of the joint venture, partnership or consortium (as applicable), as well as their undivided interest in the Mineral Title or Minor Mineral Title (as applicable).

(3) Where a Mineral Title or Minor Mineral Title (as applicable) is held by a joint venture, partnership or consortium, the members, irrespective of their percentage interest in the joint venture, partnership or consortium, shall be jointly and severally liable for any failure to comply with this Act, the terms and conditions of any Mineral Title or Minor Mineral Title (as applicable) granted or awarded under this Act and, if applicable, any Mineral Agreement.

60. Security Interests for Financing of Mining Operations: - (1) Notwithstanding Section-55 (*Transfers and Sub-letting of Mineral Titles*) and Section-61 (*Change of Control*), a Title Holder may, in order to secure financing for Mining Operations other than in respect of Minor Minerals and Permits, grant a security interest in favour of the relevant finance parties (or any trustee or agent acting on their behalf) over the rights conferred by any Mining Lease held by it or any Mineral Agreement to which it is a party, *provided that* the Title Holder notifies the Licensing Authority of the grant of such security interest at least thirty (30) days before the effective date of the relevant security document in the prescribed form via the Mining Cadastre System or otherwise complies with the requirements of any applicable Mineral Agreement with respect to such security interest. The notice referred to in this sub-Section (1) of Section-60 shall include the following:-

- (a) details of the relevant Mineral Title and/or Mineral Agreement;
- (b) details of the security beneficiary and secured obligations; *and*
- (c) a copy of the security document.

(2) Following delivery of a notice of a security interest from a Title Holder in accordance with sub-Section (1) of section 60, the Licensing Authority shall issue and sign a notice of acknowledgement of the security interest and cause such security interest to be registered in the Mining Cadastre Register within thirty (30) days of receipt of the relevant notice of security.

(3) For purposes of this Section 60, a security interest over a Mineral Title:

- (a) may only be a security interest given to secure the obligation to repay financing for the relevant Mining Operations;
- (b) may not have the effect of an absolute assignment of the relevant Mineral Title;
- (c) may cover all buildings, improvements, machinery and appliances in or upon the Land that are permitted under the relevant Mineral Title; *and*
- (d) shall not by virtue only of being granted, affect or modify the rights and obligations of the Title Holder under this Act or otherwise.

(4) Subject to sub-Section (5) of Section 60, a finance party (or any trustee or agent acting on its or their behalf) may enforce and transfer any Mineral

Title secured in its favour or their favour (as applicable) in accordance with the provisions of this Act and applicable law.

(5) Following any enforcement taken or transfer made under sub-Section (4) of Section 60, any subsequent transfer of a Mineral Title shall require the prior written consent of the Licensing Authority, such consent not to be unreasonably withheld or denied, and shall be done in accordance with and applicable law.

61. Change of Control: - (1) Without prejudice to Section 55 (*Transfers and Sub-letting of Mineral Titles*), no Organisation or individual may acquire or dispose of a Controlling Interest in a Title Holder without the prior approval of the Licensing Authority or the Licensing Authority Minor Minerals (as applicable) in accordance with this Act.

(2) An application for approval of an acquisition or disposal of a Controlling Interest in a Title Holder, shall include:

- (a) details of the Title Holder and Mineral Title(s) held by that Title Holder;
- (b) details of the ultimate beneficial ownership, whether direct or indirect, legal or beneficial, of the issued share capital of the Title Holder following the proposed acquisition or disposal of the Controlling Interest;
- (c) a copy of the agreement(s) regulating the acquisition or disposal of the Controlling Interest, with any commercially sensitive or confidential information redacted;
- (d) evidence in a form reasonably satisfactory to the Licensing Authority or the Licensing Authority Minor Minerals (as applicable) that following completion of the proposed acquisition or disposal of the Controlling Interest the Title Holder shall continue to satisfy all conditions set out in sub-sections (1) and (2) of Section-49 in respect of the grant or award of each Mineral Title held by the Title Holder; *and*
- (e) any other information reasonably required by the Licensing Authority or the Licensing Authority Minor Minerals (as applicable) to assess the application.

(3) The Licensing Authority or the Licensing Authority Minor Minerals (as applicable) shall approve an acquisition or disposal of a Controlling Interest in a Title Holder by an Organisation or individual if it is satisfied, acting reasonably, that the Title Holder shall continue to satisfy all conditions set out in sub-sections (1) and (2) of Section-49 in respect of the grant or award of each Mineral Title held by the Title Holder following completion of the proposed acquisition.

(4) For the purposes of this Section-61 only:

- (a) a "**Controlling Interest**" interest means fifty per cent. (50%) or more of the ultimate beneficial ownership, whether direct or indirect, legal or beneficial, of the issued share capital of the Title Holder;

- (b) an Organisation or individual "**acquires**" a Controlling Interest in a Title Holder if that Organisation or individual, either:
 - (i) acquires a Controlling Interest in a single transaction; or
 - (ii) acquires such smaller percentage of the ultimate beneficial ownership, whether direct or indirect, legal or beneficial, of the issued share capital, in a Title Holder, such that following the acquisition, that Organisation or individual holds a Controlling Interest,

and an "**acquisition**" shall be interpreted accordingly;

- (c) an Organisation or individual "**disposes**" of a Controlling Interest in a Title Holder if that Organisation or individual, either:
 - (i) disposes a Controlling Interest in a single transaction; or
 - (ii) disposes of such smaller percentage of the ultimate beneficial ownership, whether direct or indirect, legal or beneficial, of the issued share capital, in a Title Holder, such that following the disposal, that Organisation or individual ceases to hold a Controlling Interest,

and a "**disposal**" shall be interpreted accordingly.

(5) For the avoidance of doubt, the grant of a security interest over the share capital of a Title Holder shall not constitute an acquisition for the purposes of this Section-61 by the relevant finance parties (or any trustee or agent acting on their behalf); *provided that* any disposal of a Controlling Interest in a Title Holder by such finance parties (or any trustee or agent acting on their behalf) pursuant to the exercise of any right of enforcement (or similar) shall require the prior written consent of the Licensing Authority or the Licensing Authority Minor Minerals (as applicable) in accordance with this Section-61.

62. Force Majeure Events: - (1) A Title Holder who is affected by a force majeure event which prevents that Title Holder from performing its obligations under this Act, including the terms and conditions of any Mineral Titles granted or awarded under this Act, and if applicable, any Mineral Agreements, may apply to the Director General or in respect of Minor Minerals, the Minor Minerals Licensing Authority for a waiver of any such non-compliance to the extent of such force majeure event in the prescribed form, together with:

- (a) details of the force majeure event, including its expected duration;
and
- (b) evidence of the effect of such force majeure event on the performance of its obligations under this Act, including the terms and conditions of any Mineral Title granted or awarded under this Act, and if applicable, any Mineral Agreement or any Minor Mineral Title granted or awarded (as applicable).

(2) If the Director General accepts an application for relief (other than in respect of Minor Minerals) in accordance with this Section-62, the Director General may recommend to the Licensing Authority to:

- (a) extend the term of the relevant Mineral Title for a period no greater than the duration of any such force majeure event; *and*
- (b) grant the Title Holder with a waiver of such obligations under of this Act, including the terms and conditions of any Mineral Title granted or awarded under this Act, and if applicable, any Mineral Agreement, to the extent performance of such obligations is affected by such force majeure event.

(3) If in respect of Minor Minerals, the Minor Minerals Licensing Authority accepts an application for relief in accordance with this Section-63, the Minor Minerals Licensing Authority may:

- (a) extend the term of the relevant Minor Mineral Title for a period no greater than the duration of any such force majeure event; *and*
- (b) grant the Title Holder with a waiver of such obligations under of this Act, including the terms and conditions of any Minor Mineral Title granted or awarded under this Act, to the extent performance of such obligations is affected by such force majeure event.

(4) In this Section-62, “**force majeure event**” means acts of God, accidents, wars, acts of war, invasions, acts of public enemies, hostilities (whether war is declared or not), embargoes, blockades, revolutions, riots, acts of terrorism, sabotage, nationwide strikes, fires, explosions, earthquakes or any other natural disasters, pandemics, epidemics, public health emergencies and any similar cause, *provided that*:

- (a) any such cause was not within the reasonable control, directly or indirectly, of the Title Holder and could not have been prevented, avoided or removed by such Title Holder through the exercise of reasonable diligence;
- (b) any such cause prevents such Title Holder from performing its obligations under this Act, including the terms and conditions of any Mineral Title granted or awarded under this Act, and if applicable, any Mineral Agreements, or any Minor Mineral Title granted or awarded (as applicable) and such Title Holder has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on such Title Holder’s ability to perform its obligations and to mitigate the consequences thereof; *and*
- (c) any such cause is not the direct or indirect result of the breach by such Title Holder of any of its obligations under this Act, including the terms and conditions of any Mineral Title granted or awarded under this Act, and if applicable, any Mineral Agreements or any Minor Mineral Title granted or awarded (as applicable).

(5) The Licensing Authority or in respect of Minor Minerals, the Minor Minerals Licensing Authority shall within seven (7) days of the receipt of such application, notify the Title Holder in writing:

- (a) of the application’s approval or rejection (including the reasons for such rejection, if applicable); or

- (b) of a required additional period of no more than thirty (30) days to consider the application, and the reasons for that requirement.

PART VI
AUCTIONS AND COMPETITIVE BIDDING

- 63. Areas Eligible for Auctions and Competitive Bidding:** - (1) The Licensing Authority or the Minor Minerals Licensing Authority (as applicable) may only award a Mineral Title or a Minor Mineral Title (as applicable) through an auction or competitive bidding process:
- (a) in respect of:
 - (i) a Mineral Reserve Area; or
 - (ii) a Licence Area in respect of which a Mineral Title has previously been granted or awarded and prior to such Mineral Title being cancelled or otherwise expiring the Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations conducted by the previous Title Holder have identified mineral formations; *and*
 - (b) to an applicant who:
 - (i) would be eligible to hold the relevant Mineral Title or Minor Mineral Title (as applicable) in accordance with sub-Section (1) of section 49; and
 - (ii) has satisfied all conditions set out in sub-Section (2) of Section-49 for the grant of that Mineral Title or Minor Mineral Title (as applicable).
- 64. Procedure for Auction and Competitive Bidding Proceedings:** - Procedures for auctions or competitive bidding proceedings shall be conducted in accordance with Schedule 9 (*Procedure for Bidding Proceedings*), Part I (*Procedure for Auctions and Competitive Bidding Proceedings*).
- 65. Payment of Application Fee and Payment of Security Deposit:** - (1) Every applicant for participation in an auction or competitive bidding shall pay an application fee in such amount and in such manner as described in Schedule 9 (*Procedure for Bidding Proceedings*), Part II (*Payment of Application Fee*).
- (2) Participation in an auction or competitive bidding conducted under this Act shall also be subject to payment of Security Deposit in such amount and in such manner as described in Schedule 9 (*Procedure for Bidding Proceedings*), Part III (*Payment of Security Deposit*).
- (3) Any applicant who provides a defective or false evidence in respect of an application fee payable under Schedule 9 (*Procedure for Bidding Proceedings*), Part II (*Payment of Application Fee*) or Security Deposit payable under Schedule 9 (*Procedure for Bidding Proceedings*), Part III (*Payment of Security Deposit*) commits an offence.
- 66. Payment of Bid Price:** - (1) A Title Holder who is awarded a Mineral Title or a Minor Mineral Title (as applicable) through an auction or competitive bidding process under this Act shall pay the bid price in the manner as described in Schedule 9 (*Procedure for Bidding Proceedings*), Part IV (*Payment of Bid Price*);

(2) Any Title Holder who provides a defective or false receipt in respect of the bid price payable under Schedule 9 (*Procedure for Bidding Proceedings*), Part IV (*Payment of Bid Price*) commits an offence.

67. Powers of Recovery of Director General: - (1) If a Title Holder fails to deposit the bid price instalments as scheduled in accordance with Schedule 9 (*Procedure for Bidding Proceedings*), Part IV (*Payment of Bid Price*), the Director General, any Authorised Officer or any other officer to whom the Director General may delegate his powers to collect fees, rents, royalties and other amounts payable under this Act, may by delivery of written notice prohibit:

- (a) the removal of any Mineral or group of Minerals from the Licence Area; or
- (b) any dealing in connection with any Mineral or group of Minerals found, won or mined from any such Licence Area,

in each case, until such time as such amount, and any associated fines or penalties, has been paid in full by the Title Holder or otherwise recovered under and in accordance with this Act. The Title Holder shall not be entitled to any compensation for the period of such prohibition or consequences thereof.

(2) A Title Holder who contravenes such written notice as contemplated by sub-Section (1) of section 67 commits an offence.

(3) Any unpaid bid price instalments payable by the Title Holders under this Act may be recovered by the Director General on behalf of the Government by action as a debt due to the Government in any court of competent jurisdiction.

(4) In any proceedings to recover any unpaid bid price instalments payable under this Act, a certificate of the Director General showing that the specified amount of money is payable under this Act by any Title Holder named therein, shall be received in evidence as a *prima facie* proof of the facts stated in the certificate.

MINERAL AGREEMENTS

- 68. Eligibility for Mineral Agreements:** - (1) The Government may, on the recommendations of the Licensing Authority, enter into a Mineral Agreement with a Title Holder in respect of a Mining Lease (Large-scale Mining) *provided that*:
- (a) such Mining Lease is in respect of Mineral(s) listed in the Precious Metals Group, the Base and Alkali Metals Group or the Energy Mineral Group described in Schedule 1 (*Mineral Groups*) or any other relevant group prescribed by the Licensing Authority from time to time by notification in the official Gazette;
 - (b) it is satisfied that substantial foreign investment is likely to be made in the mining and minerals sector in the Province in connection with the proposed Mining Operations and that the carrying out of such Mining Operations is desirable in the interest of the development of the mineral resources and the mining and minerals sector in the Province; *and*
 - (c) such agreement is substantially in the form of the model Mineral Agreement suggested by the Federal Mineral Wing and approved by the Government, from time to time, after the review and comment of the Mineral Investment Facilitation Authority.
- (2) For the purpose of determining under sub-section (1) of Section-68, whether substantial foreign investment is likely to be made in any particular case, the Licensing Authority shall have regard to:
- (a) the scale of the capital investment to be made and the expenditure and work programme proposed by the Title Holder;
 - (b) the scale of the Mining Operations;
 - (c) the infrastructure proposed to be constructed by the Title Holder;
 - (d) the Mineral or group of Minerals to which the Mineral Title relates and the potential export of that Mineral or group of Minerals;
 - (e) the techniques to be used for the recovery of that Mineral or group of Minerals;
 - (f) local value-addition and mineral processing envisaged to be undertaken;
 - (g) the technical and financial capabilities of the Title Holder; *and*
 - (h) any other factor which may reasonably be considered to determine whether substantial foreign investment is likely to be made in accordance with the due administration of this Act.
- 69. Minimum Conditions of Mineral Agreements:** - (1) Each Mineral Agreement shall make provision with respect to, *inter alia*, the matters specified in Schedule 10 (*Contents of Mineral Agreement*).

(2) Where the Federal Government is a party to a Mineral Agreement, the Mineral Agreement may contain provision with respect to any matter for which the Federal Government has executive authority under the Constitution

REPORTING AND ENVIRONMENTAL & SOCIAL MATTERS

70. Record Keeping: - (1) A Title Holder shall keep or cause to be kept such records in respect of the Mineral(s) found, won or mined and Disposed of by it, as are necessary:

- (a) to give a true and complete indication of:
 - (i) the quantity of such Mineral(s); *and*
 - (ii) each disposal of such Mineral(s), including time, destination, value and quantity of the disposal; *and*
- (b) to substantiate the details and calculations on all royalty returns submitted to the Director General or its authorised officer in accordance with sub-sections (1) and (2) of Section-89 in respect of the Mineral(s).

(2) Records required to be kept in accordance with sub-Section (1) of Section 70 above shall be kept at the premises of the Licence Area and retained for a period of ten (10) years after the completion of the disposal of the Mineral or group of Minerals, or of the payment of the royalty, whichever is the later date.

(3) A Title Holder shall, at all times, keep comprehensive accounting records in respect of all Reconnaissance Operations, Prospecting Operations, Exploration Operations and Mining Operations conducted under each Mineral Title or Minor Mineral Title (as applicable) held by it. Where applicable, these records shall also include information in respect of all commercial activities which are related to Reconnaissance Operations, Prospecting Operations, Exploration Operations and Mining Operations carried out under a Mineral Title or a Minor Mineral Title (as applicable).

(4) The Director General, any Authorised Officer or any other officer to whom the Director General may delegate his powers to undertake inspections under this Act from time to time, may at all reasonable times inspect and request copies of the reports listed in this Section 70.

(5) A Title Holder who fails to comply with the record-keeping obligations under this Section 70 commits an offence.

71. Weighing and Dispatch of Minerals: - (1) Save in respect of a Reconnaissance Licence, a Title Holder shall install and maintain in its Licence Area a properly constructed and correct weighing machine or other suitable means for determining the weight of any Mineral or group of Minerals found, won or mined in the exercise of the rights under its Mineral Title or Minor Mineral Title (as applicable).

(2) Any Mineral or group of Minerals found, won or mined from any Licence Area shall be dispatched from the Licence Area on prescribed Mineral Dispatch Invoices:

- (a) duly authenticated by the Director General, any Authorised Officer or any other officer to whom the Director General may delegate his powers to undertake inspections under this Act from

time to time, and also by the authorised representative of Title Holder by affixing his/her name and signatures; and

(b) clearly indicating the following in the form and substance identified in Schedule 8 (*Mineral Dispatch Invoice*):

- (i) the date and time of dispatch;
- (ii) the name of the dispatch recipient and dispatch destination;
- (iii) the registration number of any vehicle carrying the Mineral or group of Minerals;
- (iv) the quantity and type of any Mineral or group of Minerals dispatched; *and*
- (v) the Mineral Title number or Minor Mineral Title number (as applicable) under which any such Mineral or group of Minerals was found, won or mined.

(3) If any Mineral is found in vehicles or carriers without Mineral Dispatch Invoices complying with the requirements of this Section-71, the Director General, any Authorised Officer or any other officer to whom the Director General may delegate his powers to undertake inspections under this Act, may order such Minerals, vehicles, or carriers be impounded. Any Organisation or individual found to be involved in the transport or dispatch of such Mineral commits an offence under this Act.

72. Submission of Production and Periodical Returns: - (1) A Title Holder must submit to the Director General:

- (a) a monthly report on the results of Reconnaissance Operations, Prospecting Operations, Exploration Operations and Mining Operations (as applicable), including monthly production returns (where applicable), in the prescribed form;
- (b) a monthly record of any Mineral Dispatch Invoices issued in respect of Minerals found, won or mined from its Licence Area in the prescribed form; *and*
- (c) a record indicating payment and clearance of any fees, rents, royalties and other amounts payable by the Title Holder under this Act,

on or before the fourteenth (14th) day of each month following the date on which his/her Mineral Title or Minor Mineral Title (as applicable) was granted, or where his Mineral Title or Minor Mineral Title (as applicable) has been Transferred or expired, or has otherwise been surrendered, forfeited or cancelled, within fourteen (14) days of the date of such Transfer, expiry, surrender, forfeiture or cancellation.

(2) A Title Holder must submit to the Licensing Authority a report in the prescribed form detailing:

- (a) statistical data;

- (b) geological information, including geological and geochemical interpretation;
- (c) Mineral analysis;
- (d) ore logs;
- (e) photographs; *and*
- (f) such other similar information as may be required by the Licensing Authority and communicated to the Title Holder in writing at least thirty (30) days prior to the submission date for such report,

within thirty (30) days after each anniversary date of the commencement of the term of their Mineral Title, and, where different, within thirty (30) days of the date of any Transfer, expiry, surrender, forfeiture or cancellation of their Mineral Title.

(3) A Title Holder (other than in respect of Minor Minerals) shall submit to the Director General all samples collected from and studies done for the Licence Area upon the expiry, surrender, Transfer, forfeiture or cancellation of their Mineral Title.

(4) A Company or Firm who:

- (a) fails to comply with the reporting requirements of this Section 72; *and/or*
- (b) in a document or report required under this Section 72, gives information that the Company or Firm knows is false or misleading in a material respect, commits an offence.

73. Under-Reporting of Mineral Production:- (1) A Title Holder who has been found to have materially under-reported the quantity of any Mineral found, won or mined on its Licence Area in breach of the requirements of Section 72 (*Submission of Production and Periodical Returns*), Section 89 (*Payment of Royalty*) and Section 91 (*Submission of Balance Sheets*), has committed an offence and shall be liable to pay a fine calculated at up to five (5) times the amount of royalties which would have been payable in respect of the under-reported Minerals in accordance with Section 89 (*Payment of Royalty*), *provided that* such fine may otherwise be recovered by the Director General in accordance with Section 96 (*Powers of Recovery of Director General*).

(2) Where any Authorised Officer, the Director General, or any other officer to whom the Director General may delegate his powers to undertake inspections under this Act suspects a Title Holder of materially under-reporting the quantity of any Mineral found, won or mined within the meaning of sub-Section (1) of Section 73, they must notify the Title Holder in writing of:

- (a) their observation;
- (b) the grounds for their suspicion;
- (c) the penalties which they consider appropriate in the circumstances; *and*

- (d) a period of no less than fifteen (15) days within which the Title Holder may provide written evidence that the Title Holder has not materially under-reported the quantity of any Mineral found, won or mined.
- (3) The Director General, any Authorised Officer or any other officer authorised to do so for these purposes, must issue a decision within fourteen (14) days of the expiry of the period notified under clause (d) of sub-Section (2) of section 73 specifying:
- (a) whether, in his opinion, the Title Holder has materially under-reported the quantity of any Mineral found, won or mined;
 - (b) the reasons for his decision, including the consideration attached to any written evidence provided by the Title Holder that it has not materially under-reported the quantity of any Mineral found, won or mined; *and*
 - (c) the fine, if any, to be imposed on the Title Holder pursuant to sub-section (1) of Section-73.
- (4) Any Title Holder who is aggrieved by a decision, direction or order of the Director General, any Authorised Officer or any other authorised officer made under this Section 73 may appeal in writing to the Appellate Tribunal.

74. Discovery of Other Minerals, Rare Earth Minerals, Strategic Minerals, Mineral Oil, Natural Gas: - (1) A Title Holder who discovers any deposit of Mineral or group of Minerals to which his Mineral Title or Minor Mineral Title (as applicable) does not relate in the relevant Licence Area, must:

- (a) without delay, and in any event within ten (10) days of the discovery, notify the Licensing Authority or Minor Minerals Licensing Authority (as applicable) of the discovery of such deposit, including details of the Mineral or group of Minerals discovered, as well as the location thereof and the methods used in such discovery; *and*
 - (b) in the case of the discovery of any deposit of Rare Earth Minerals and/or Strategic Minerals, immediately suspend all activities in the Licence Area in the vicinity of such deposit, and not recommence such activity unless an appropriate authorisation is granted by the Licensing Authority or Minor Mineral Licensing Authority as prescribed in the Rules.
- (2) A Title Holder who discovers any Mineral or group of Minerals to which his existing Mineral Title or Minor Mineral Title (as applicable) does not relate shall not have any rights to such Mineral or group of Minerals unless a fresh Mineral Title in respect of such Mineral or group of Minerals is granted to it under this Act.
- (3) A Title Holder who discovers any deposit of any mineral resources necessary for the generation of nuclear energy, mineral oil or natural gas in the Licence Area to which his Mineral Title or Minor Mineral Title (as applicable) relates must:

- (a) without delay and in any event within five (5) days of the discovery, notify the Licensing Authority or Minor Minerals Licensing Authority (as applicable) of the discovery; *and*
 - (b) immediately suspend all activities in the Licence Area in the vicinity of such discovered mineral resources necessary for the generation of nuclear energy, mineral oil and natural gas, and not recommence such activity unless an appropriate authorisation or concession is granted by the Licensing Authority or Minor Minerals Licensing Authority (as applicable) in accordance with the applicable Law.
- (4) A Title Holder shall have no claim in relation to any mineral resources necessary for the generation of nuclear energy, mineral oil or natural gas.
- (5) A Title Holder who fails to comply with this Section 74 commits an offence.

75. Demarcation of Area and Erection of Boundary Marks: - (1) A Title Holder shall, within thirty (30) days of the issue of the Mineral Title, in respect of Minor Minerals, within seven (7) days of the issue of the Minor Mineral Title:

- (a) obtain an official demarcation certificate and submit the same to the Licensing Authority or Minor Minerals Licensing Authority (as applicable) for inclusion on the Mining Cadastre Register; *and*
 - (b) demarcate the Licence Area under his/her Mineral Title or Minor Mineral Title (as applicable) by (at his own expense) erecting and maintaining boundary marks and pillars:
 - (i) projecting at least one (1) meter above the ground;
 - (ii) being not less than one (1) square meter in diameter at the base; *and*
 - (iii) at every angle or corner of boundary lines as fixed by the official demarcation certificate.
- (2) For the purposes of sub-Section (1) of section 75, an official demarcation certificate may be obtained from the Licensing Authority or Minor Minerals Licensing Authority (as applicable) upon payment of the prescribed fee and such certificate shall specify:
- (a) the geographical coordinates of the Licence Area;
 - (b) grid coordinates of the Survey of Pakistan topographic sheet;
 - (c) shape and size of the Licence Area;
 - (d) scale of the map;
 - (e) departmental surveyor name and signature;
 - (f) authorising/approving officer name and signature; *and*
 - (g) title of the certificate.
- (3) Prior to obtaining an official demarcation certificate in accordance with sub-Section (1) of Section 75, a Title Holder shall not:

- (a) commence any Reconnaissance Operations, Exploration Operations, Prospecting Operations or Mining Operations in the Licence Area; or
- (b) dispatch any Minerals from the Licence Area.

(4) A boundary dispute in respect of Licence Areas between Title Holders shall be referred for resolution to the Director General, whose decision shall be final.

76. Surface Rent and Compensation: - (1) A Title Holder shall pay surface rent in the amount and at the time as mutually agreed in an agreement entered into between the Title Holder and any Landowner(s) or Land User(s) of any privately owned lands which are subject of the Mineral Title(s) or Minor Mineral Title (as applicable) held by that Title Holder.

(2) A Title Holder shall pay the Government the Land compensation in respect of any Government-owned lands which are the subject of the Mineral Title(s) or Minor Mineral Title(s) (as applicable) held by that Title Holder, at the rates as may be prescribed by the Government from time to time by notification in the official Gazette.

(3) In determining the rates of Land compensation, the Government shall pay due regard to the nature of the area, location and Land value.

(4) Payment of surface rent or Land compensation of Government-owned Land shall be made through the relevant district Land collector.

(5) A Title Holder shall pay such compensation as may be assessed in accordance with the law for the time being in force for all damage, injury or disturbance which may be done by, or on its behalf, in exercise of the rights granted by the Mineral Title or Minor Mineral Title (as applicable). A Title Holder who fails to pay such compensation or indemnity commits an offence.

(6) A Title Holder shall indemnify the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) and the Government against all claims which may be made by third parties in respect of any such damage, injury or disturbance which may be done by, or on its behalf, in exercise of the rights granted by the Mineral Title or Minor Mineral Title (as applicable).

(7) In the event of any dispute in relation to the above, DMLC shall resolve the same within a period of sixty (60) days (in accordance with Section 20 (*Powers and Functions of District Mining Liaison Committee*)).

77. Environnemental Management ; Environnemental Accidents and Pollution: - (1) Save in respect of a Reconnaissance Licence, a Title Holder shall submit an annual report to the Director General on the status of compliance with the Environmental Management Plan approved by Environmental Protection Agency in accordance with clause (i) of sub-Section (2) of Section 49.

(2) A Title Holder shall comply with the requirements of laws , rules and regulations relating to Environment and Forestry for the time being in force in the course of any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations, and non-compliance with those requirements will be deemed non-compliance with this Act for the purposes of this Act.

(3) Any Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations (as applicable) conducted in a Licence Area designated as a reserved or protected forest shall be subject to such precautions regarding the prevention of fire and conservation of forest as the Forestry Department and the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) may impose from time to time.

(4) A Title Holder shall provide the Director General with copies of reports on any environmental accidents related to any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations, within seven (7) days of occurrence of such accident.

(5) A Title Holder shall take all necessary measures to address any environmental accidents and or prevent the recurrence of similar accidents.

(6) A Title Holder who fails to comply with the requirements of this Section 77 commits an offence.

78. Management of Tailings Dams: - (1) A Title Holder shall manage any Tailings Dams in accordance with the requirements of the relevant Department of Provincial Government, any applicable legislation as listed at sub-Section (2) of Section 77, and the Environmental Management Plan approved by the Environmental Protection Agency in accordance with paragraph (i) of sub-Section (2) of Section 49 (as applicable).

(2) A Title Holder shall comply with the following minimum requirements in respect of any Tailings Dams:

- (a) all Tailings Dams must be managed safely during their use, including in relation to their closure;
- (b) all decisions relating to Tailings Dams shall take into account all social, environmental, local economy and technical factors during their use, including in relation to their closure;
- (c) all plans and standards of Tailings Dams shall be designed in a way that minimises potential Risks during all stages of their expected life span, including closure and post-closure;
- (d) the design of Tailings Dams shall be based on good knowledge and scientific foundations with the object of minimising potential Risks during all stages of their expected life span, including closure and post-closure;
- (e) the design, implementation and operation of monitoring systems at all Tailings Dams shall be managed in a way that minimises potential Risks during all stages of their expected life span, including closure and post-closure;
- (f) all policies, systems and allocations of responsibility in relation to Tailings Dams shall be directed towards ensuring the safety and integrity of such Tailings Dams;
- (g) quality and Risk management systems shall be implemented throughout the life span of Tailings Dams, including closure;

- (h) reporting mechanisms and mechanisms to address Risks and Local Community concerns shall be established;
- (i) plans to prepare for and respond to emergencies in case of a malfunction which may result from accidents at any Tailings Dam shall be developed;
- (j) independent review of the tailing storage facility shall be arranged through neutral external relevant experts;
- (k) a long-term plan to remedy any impacts that may result from accidents or damages to any Tailings Dam shall be prepared; *and*
- (l) a Title Holder shall engage with the Environmental Protection Agency and any other relevant Government authorities to reduce Risks and prevent the collapse of any Tailings Dam.

79. Rehabilitation and Closure:- (1) The Title Holder of a Mining Lease shall,-

- (a) ensure that the relevant Mine Closure Plan is reviewed and updated by:
 - (i) no later than three (3) years after the Mining Lease is granted and subsequently, no later than three (3) years after its most recent review; or
 - (ii) such other deadlines as are approved in writing by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) at the time the relevant Mineral Title or Minor Mineral Title (as applicable) is approved in accordance with Section 58 (*Withdrawal, Grant or Refusal of Application for Mineral Titles*); *and*
- (b) ensure that each updated Mine Closure Plan is lodged, for the approval of the Licensing Authority or the Minor Minerals Licensing Authority (as applicable), within thirty (30) days of the relevant deadline to complete such review and update the Mine Closure Plan.

(2) On the expiry, surrender, forfeiture or cancellation of a Mineral Title or a Minor Mineral Title (as applicable), the Title Holder shall carry out such rehabilitation and closure works specified in the Mine Closure Plan to ensure that any material environmental impacts have been remediated and the Licence Area is stable from a geotechnical standpoint and does not pose a threat to the safety of any individuals, property, wildlife or livestock.

(3) Where applicable, and to the extent provided in the Mine Closure Plan, the Title Holder shall:

- (a) replace the top layer of soil in the Licence Area, if this was required to be removed and stored prior to the commencement of any Mining Operations as advised in the relevant Mineral Title;
- (b) trim the sharp or unstable edges of pits and slopes, create drainage channels and ensure that water does not accumulate;

- (c) close the openings of subsurface mines according to the appropriate engineering designs also preserving the workability of and access to the Mine;
- (d) cause to be filled in or made safe all holes, pits, trenches and other disturbances on the surface of the Land which:
 - (i) were made in the course of the Title Holder's exercise or purported exercise of his/her rights under the Mineral Title or Minor Mineral Title (as applicable); *and*
 - (ii) in the opinion of the Licensing Authority or the Minor Minerals Licensing Authority (as applicable), are likely to endanger the safety of any individuals, property, wildlife or livestock;
- (e) remove structures, plant, equipment and other goods and materials from the Licence Area, unless these are required to be retained by any Local Communities or may otherwise reasonably be utilised by such Local Communities post-closure;
- (f) backfill infrastructure debris and remaining foundations to a thickness of at least one (1) meter of backfill material that can be penetrated by plant roots, *provided* this does not affect the flow of surface water;
- (g) rehabilitate slopes and terrain to be sufficiently safe, stable from a geo-technical standpoint, and capable of resisting the Risk of collapse;
- (h) restrict access to dangerous sites on the Licence Area through appropriate means, fencing, stopping or others and install appropriate warning signs;
- (i) take such measures and apply such engineering standards as necessary to ensure the smooth flow of water from the Licence Area and the prevention of impediments to that flow; *and*
- (j) take such other measures as are reasonably necessary to fully implement the relevant Mine Closure Plan.

(4) Any costs provided for under the Mine Closure Plan shall be proportionately reduced to make allowance for any existing infrastructure which is required to be retained by any Local Communities or may otherwise reasonably be utilised by such Local Communities post-closure.

(5) A Title Holder who fails to discharge its obligations under this Section-79 commits an offence may be subject to, a fine of no less than Rs. One million (1,000,000) and up to Rs. Three million (3,000,000).

80. Unauthorised Mining and Obstruction: - (1) An Organisation or individual who undertakes any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations which are not permitted under a relevant Mineral Title or Minor Mineral Title (as applicable) commits an offence and may be subject to:

- (a) cancellation of his/her Mineral Title or Minor Mineral Title (as applicable) pursuant to Section-98 (*Cancellation of Mineral Titles*) of this Act;
- (b) punishment by way of imprisonment for a term of no less than six (6) months and up to five (5) years;
- (c) a fine of no less than Rs. Five hundred thousand (500,000) and up to Rs. Two million (2,000,000); *and/or*
- (d) any other applicable penalties as provided for under this Act, including recovery of the subject matter of the offence pursuant to Section-105 (*Recovery of the Subject Matter of a Violation*):

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

(2) An Organisation or individual who directly or indirectly obstructs the free access of a Title Holder to the Licence Area to which his/her Mineral Title or Minor Mineral Title (as applicable) relates, or directly or indirectly tries to interfere with the Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations of a Title Holder, commits an offence under this Act and may be subject to:

- (a) punishment by way of imprisonment for a term of no less than six (6) months and up to five (5) years;
- (b) a fine of no less than Rs. Five hundred thousand (500,000) and up to Rs. Two million (2,000,000);
- (c) an order to pay compensation for losses incurred by the Title Holder due to the said obstruction or interference of the Organisation or individual, as assessed by a technical committee nominated by the Director General from time to time; *and/or*
- (d) any other applicable penalties as provided for under this Act:

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

(3) The Director General, any Authorised Officer or any other officer to whom the Director General may delegate his powers to undertake inspections under this Act from time to time shall take all necessary steps to stop the offences specified in sub-sections (1) and (2) of Section 80 above, *provided that* before proceeding, the Organisation or individual shall be given a reasonable opportunity of being heard.

(4) The offences specified in sub-sections (1) and (2) of Section 80 shall be cognisable and, subject to the application of the Code of Criminal Procedure, 1898 and any other applicable law, non-bailable and information in this regard shall be reported to the District Administration and the District Police in the relevant district, by the Director General, the relevant Authorised Officer or any other officer to whom the Director General may delegate his powers to undertake inspections under this Act, for registration of a case against the accused.

(5) The DGMM may establish a dedicated Mines and Minerals Force for enforcement of the provisions of this Act in accordance with Schedule 11 (*Mines and Mineral Force*)

81. Misleading Acts in Relation to Mineral Deposits or Samples:- (1) It is an offence for any Organisation or individual to:

- (a) fraudulently and intentionally mislead the Government, the Secretary, the Director General, the Director Licensing, the Director Exploration, any Authorised Officer, or any other officer of the Department to believe that a Mineral or group of Minerals exists at any place or deposit, or cause any Mineral or group of Minerals to be so placed or deposited in or at any such place; or
- (b) fraudulently and with intention to deceive, mingle or cause to be mingled with any sample of Mineral or ore, any substance which may increase the value or nature of the Mineral or ore.

82. Social Impact Study and Social Impact Management Plan:- (1) The Social Impact Study which is required to be submitted with an application for a Mining Lease (Large-scale Mining) or a Mining Lease (Small-scale Mining) in accordance with clause (k) of sub-Section (2) of Section 49 shall include details of:

- (a) the main needs of Local Communities, with higher priority given to the needs of Local Communities residing closer to the Licence Area;
- (b) the qualitative and quantitative methodology used by the applicant to collect such information, including a description of the involvement of Local Communities or stakeholders who participated in the Social Impact Study; *and*
- (c) the potential direct social impacts of the proposed Prospecting Operations, Exploration Operations or Mining Operations (as the case may be) on Local Communities, including their materiality, duration and scope.

(2) The Social Impact Management Plan which is required to be submitted with an application for a Mining Lease (Large-scale Mining) or a Mining Lease (Small-scale Mining) in accordance with clause (k) of sub-Section (2) of Section 49 shall include details of:

- (a) the applicant's community performance management processes, including information on:
 - (i) the potential expectations of the Local Communities;
 - (ii) the applicant's planned measures for managing such expectations, *and*
 - (iii) the applicant's planned measures to enhance the positive impacts of the contemplated Prospecting Operations, Exploration Operations or Mining Operations (as the case may be);

- (b) the mechanism by which the applicant will address Local Communities' needs and avoid, mitigate or reduce any negative impacts to them of the contemplated Prospecting Operations, Exploration Operations or Mining Operations (as the case may be);
- (c) a plan for continuous and regular engagement with Local Communities;
- (d) the process through which the applicant will address any complaints from Local Communities for the duration of the Mineral Title applied for;
- (e) a plan for the employment of members from Local Communities;
- (f) a plan for procurement from Local Communities;
- (g) a plan to support local content in its operations; *and*
- (h) the applicable laws and policies (if any) relating to the mitigation of social impacts that are specific to the applicable Mineral Title.

83. Employment of Local Communities:- (1) In addition to complying with any applicable labour laws for the time being in force, a Title Holder shall:

- (a) afford preference to Pakistani nationals from Local Communities in its employment decisions;
- (b) provide adequate training opportunities, and promote the skills and development of such Pakistani nationals from Local Communities; *and*
- (c) in the case of Exploration Operations and Mining Operations conducted in respect of Large-scale Mining, finance the training, and promote the skills and development, of Pakistani nationals from Local Communities in the amount of:
 - (i) at least one per cent. (1%) of total costs incurred for the year, in the first year of operations; *and*
 - (ii) at least one per cent. (1%) of total costs incurred for the previous year, in each subsequent year of operations based on audited accounts of the Title Holder.

(2) For the purposes of sub-Section (1) of section 83, a Title Holder must ensure that any training opportunities or programmes for promoting the skills and development of Pakistani nationals in Local Communities are appropriate to their social and living conditions.

84. Procurement from Local Communities:- (1) Subject to sub-Section (2) of Section 84, a Title Holder who holds a Mining Lease shall allocate the following minimum percentages of the total amount spent on goods and services each year to procurement from Organisations, institutions, and individuals, preferably from Local Communities, and in case of non-availability therein, from within Pakistan:

Category	Mineral Title	Minimum Percentage
Large-scale Mining	Mining Lease	[50]
Small-scale Mining	Mining Lease	[75]

(2) For the purposes of sub-section (1) of Section-84, the amount spent on the wages of workers from Local Communities shall be excluded from the calculation of any amounts allocated to procurement from Local Communities.

(3) If a Title Holder is unable to comply with the requirements imposed under sub-Section (1) of Section 84 due to the inadequate quantity, insufficient quality, or non-competitive prices of goods and services supplied by Local Communities, the Title Holder shall implement social development programmes to address this deficit in the Local Communities. Such social development programmes shall be developed and implemented in conjunction with the relevant local authorities and the amount spent on such social development programmes shall be equal to the amounts allocated to procurement from Local Communities under sub-section (1) of Section-84.

85. Social Impact Reporting: - (1) The Title Holder of a Mining Lease (Large-scale Mining) shall submit an annual report to the Director General by 31st January of each year, setting out the following:

- (a) evidence of compliance with the plans and requirements imposed under the relevant Social Impact Management Plan;
- (b) copies of the queries and complaints received from Local Communities and records of how these queries and complaints were addressed; *and*
- (c) records of contributions made to the development of Local Communities pursuant to Section-84 (*Employment of Local Communities*) and Section 86 (*Procurement from Local Communities*).

**PART VII
FINANCIAL MATTERS**

86. Royalty Payable on Minerals: - (1) A Title Holder who has found, won or mined any Mineral or group of Minerals (other than Minor Minerals) in the course of any Prospecting Operations, Exploration Operations or Mining Operations carried out by it, shall pay a royalty to the Government as determined under this Act in respect of any such Mineral or group of Minerals Disposed of by it.

(2) A Title Holder shall pay to the Government, in respect of any Mineral or group of Minerals (other than Minor Minerals), or sample thereof, removed from the Licence Area for the purpose of testing, assaying or pilot plant studies, royalties as determined under this Act.

(3) Any Mineral or group of Minerals shall be deemed to have been "**Disposed**" of for the purposes of this Act, if it is:

- (a) sold, donated or bartered;
- (b) appropriated for treatment or other processing; or
- (c) exported from the Province without any royalty having been paid in accordance with sub-sections (1) and (2) of Section-86 prior to export.

87. Rate of Royalty: - (1) Royalties shall be charged based on,-

- (a) a fixed rate for Minerals listed in the Construction Minerals Group (other than Minor Minerals), the Industrial Minerals Group, Energy Mineral Group and Dimension Stone described in Schedule 1 (*Mineral Groups*) and any other relevant group prescribed by the Government from time to time by notification in the official Gazette; and
- (b) an *ad valorem* rate for Minerals listed in the Precious Gemstones Group, the Semi-Precious Gemstones Group, the Precious Metals Group and the Base and Alkali Metals Group described in Schedule 1 (*Mineral Groups*) and any other relevant group prescribed by the Government from time to time by notification in the official Gazette,-

and at such rates as may be prescribed by the Government from time to time by notification in the official Gazette, on the recommendation of Mineral Investment Facilitation Authority made after considering any guidance of the Federal Mineral Wing.

88. Enhanced or Reduced Royalty: - Where a Mineral Agreement makes provision for the payment of royalties by the Title Holder, at an enhanced rate or a reduced rate (as applicable) in respect of any Mineral or group of Minerals, that enhanced rate or reduced rate shall be determined and payable in accordance with the terms of that Mineral Agreement.

89. Payment of Royalty: - (1) Royalties payable under sub-section (1) of Section-86 in respect of any Mineral or group of Minerals found, won or mined and Disposed of shall be payable no later than fourteen (14) days after the last day

of the calendar month in which the Mineral or group of Minerals is Disposed of and in such other manner as may be prescribed by the Government from time to time by notification in the official Gazette, on the recommendation of the Mineral Investment Facilitation Authority made after considering any suggestion of the Federal Mineral Wing.

(2) Royalties payable under sub-Section (2) of Section 86 in respect of any Minerals, or sample thereof, removed from the Licence Area for the purpose of respective testing, assaying or pilot plant studies, shall be payable no later than thirty (30) days after the last day of the calendar month in which the Mineral, or sample thereof, is removed from the Licence Area and in such other manner as may be prescribed by the Government from time to time by notification in the official Gazette, on the recommendation of the Mineral Investment Facilitation Authority made after considering any guidance of the Federal Mineral Wing.

(3) In the event of the Transfer, expiry, surrender, forfeiture or cancellation of a Mineral Title, the Title Holder shall pay any accrued royalties payable by the Title Holder under this Act in respect of such Mineral Title at the time of such Transfer, expiry, surrender, forfeiture or cancellation.

(4) A Title Holder who fails to comply with this Section 89 commits an offence.

90. Establishment of Checkposts : - (1) Within a period of two (2) years of commencement of this Act, the Director General shall, for the purpose of verification or collection of royalty on Minerals dispatched from Licence Areas, establish checkposts with the requisite infrastructure and framework, including weighbridges connected with and linked to the Mining Cadastre System at suitable places in the Province to be manned by the relevant Authorised Officer (or his delegates). In the interim period, the appropriate arrangements shall be made for the said purpose by the Director General through an efficient system in the public interest.

(2) The Authorised Officers (and each of their delegates from time to time) shall be authorised to check Minerals in transit in their respective district in the Province and recover royalties on behalf of the Government.

91. Submission of Balance Sheets: - (1) A Title Holder shall by no later than 31 January of each year, submit to the Directorate General Mines and Minerals a balance sheet account of all Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations carried out in the previous year, audited by a qualified and registered auditor.

(2) The annual balance sheet account required to be provided in accordance with sub-Section (1) of Section 91 above, shall include the following information in respect of the relevant prior year:

- (a) the Minerals or groups of Minerals found, won or mined in respect of each Mineral Title or Minor Mineral Title (as applicable) held by the Title Holder;
- (b) the quantity of such Minerals found, won or mined in respect of each Mineral Title or Minor Mineral Title (as applicable) held by the Title Holder;

- (c) every disposal of such Minerals, including time, destination, value and quantity of each disposal; and
 - (d) any other information prescribed by the Government from time to time by notification in the official Gazette.
- (3) A Title Holder shall retain copies of any annual balance sheet accounts submitted under this Act for a period of ten (10) years.
- 92. Annual Rent :** - (1) A Title Holder shall pay annual rent in respect of each Mineral Title held by it.
- (2) Annual rent shall be charged based on the category of Mineral Title and the Licence Area, at such rates as may be prescribed by the Government from time to time by notification in the official Gazette, on the recommendation of the Mineral Investment Facilitation Authority made after considering any guidance of the Federal Mineral Wing.
- (3) The annual rent shall be payable in advance within thirty (30) days after the date of the grant, award, renewal, conversion or Transfer of the Mineral Title and thereafter shall be payable on the same date of each subsequent year.
- (4) In the event of the Transfer, expiry, surrender, forfeiture or cancellation of a Mineral Title, the Title Holder shall pay any outstanding annual rent payable by the Title Holder under this Act in respect of such Mineral Title at the time of such Transfer, expiry, surrender, forfeiture or cancellation.
- (5) A Title Holder who fails to pay annual rent in respect of any Mineral Title held by it in contravention of this Section 92, commits an offence.
- 93. Dead Rent:** - (1) A Title Holder shall pay dead rent in respect of any Mineral Title, which is an Idle Mineral Title for a period of six (6) or more consecutive months or for an aggregated period of nine (9) months or more over a twelve (12)-month period in an amount equal to ten (10) times the annual rent for the relevant Mineral Title for each month (to be determined by the Licensing Authority upon the commencement of such period) until the earlier of the date on which Exploration Operations or Mining Operations are resumed or the expiry, surrender, forfeiture or cancellation of the Mineral Title.
- (2) Dead rent shall be payable not later than fourteen (14) days after the last day of each calendar month.
- (3) In the event of the Transfer, expiry, surrender, forfeiture or cancellation of a Mineral Title, the Title Holder shall pay any outstanding dead rent payable by the Title Holder under this Act in respect of such Mineral Title at the time of such Transfer, expiry, surrender, forfeiture or cancellation.
- 94. Mode of Payments:** - (1) All amounts payable under this Act shall be deposited into the Government treasury or into any bank authorised by the Government for that purpose, under the specified head of account and the receipt shall, in original, be provided to the Director General or an Authorised Officer.
- 95. Fines and Penalties for Non-Payment:** - (1) If a Title Holder fails to pay any amount of royalties in accordance with Section-89 (Payment of Royalty), a fine calculated at the rate of one per cent. (1%) per month on the amount or any

part thereof from time to time remaining unpaid, shall be payable from the due date of payment until such time as such amount has been paid in full by the Title Holder or otherwise recovered under and in accordance with this Act.

(2) If a Title Holder fails to pay any amount of annual rent in accordance with Section-92 or dead rent in accordance with Section-93, a fine amounting to Rs. Ten thousand (10,000) per month shall be payable for each month, until such time as such amount has been paid in full by the Title Holder or otherwise recovered under and in accordance with this Act.

96. Powers of Recovery of Director General:- (1) If a Title Holder fails to pay any fees, rents, royalties or other amounts payable by the Title Holder under this Act, the Director General, any Authorised Officer or any other officer to whom the Director General may delegate his powers to collect fees, rents, royalties and other amounts under this Act, may by delivery of written notice prohibit:

- (a) the removal of any Mineral or group of Minerals from the Licence Area; or
- (b) any dealing in connection with any Mineral or group of Minerals found, won or mined from any such Licence Area,

in each case, until such time as such amount, and any associated fines or penalties, has been paid in full by the Title Holder or otherwise recovered under and in accordance with this Act. The Title Holder shall not be entitled to any compensation for the period of such prohibition or consequences thereof.

(2) A Title Holder who contravenes such written notice as contemplated by sub-section (1) of Section-96 commits an offence.

(3) Any fees, rents, royalties or other amounts payable by the Title Holders under this Act and unpaid may be recovered by the Director General on behalf of the Government by action as a debt due to the Government in any court of competent jurisdiction.

(4) In any proceedings to recover any amount payable under this Act, a certificate of the Director General showing that the specified amount of money is payable under this Act by any Title Holder named therein, shall be received in evidence as a *prima facie* proof of the facts stated in the certificate.

97. Financial Guarantees: - (1) A Title Holder of an Exploration Licence, Mineral Deposit Retention Licence or Mining Lease (Large-scale Mining) shall if its obligations thereunder exceed an amount to be determined pursuant to sub-Section (2) of Section 97, within thirty (30) days of the grant or award of that Mineral Title, deliver an on-demand, irrevocable financial guarantee in favour of the Government as security for compliance with the Title Holder's obligations under this Act and the terms and conditions of such Mineral Title and, if applicable, any Mineral Agreement. The failure of the Title Holder to furnish such financial guarantee within the aforementioned period shall render the relevant Title liable to be withdrawn or cancelled.

(2) A financial guarantee delivered by a Title Holder in accordance with sub-Section (1) of Section 97 shall be for an amount not less than the amount prescribed by the Government from time to time by notification in the official Gazette for the category of Mineral Title and Mineral or group of Minerals.

(3) Save as otherwise required by the terms of any applicable Mineral Agreement, a financial guarantee delivered by a Title Holder in accordance with sub-Section 1 of Section 97 may be in any of the following forms:

- (a) a bank guarantee issued by a bank or other financial institution operating in the Islamic Republic of Pakistan;
- (b) an escrow account from a bank or other financial institution operating in the Islamic Republic of Pakistan;
- (c) government bonds that can be pledged;
- (d) insurance and sponsorship instruments and products; or
- (e) such other form as may be prescribed by the Government from time to time by notification in the official Gazette.

(4) The Government may make a demand on any financial guarantee delivered by a Title Holder under this Act in respect of any amount of unpaid fees, rents, royalties or other amounts payable by the Title Holder under this Act in accordance with the terms of such financial guarantee.

CANCELLATION, SURRENDER AND EXPIRY OF MINERAL TITLES

98. Cancellation of Mineral Titles: - (1) The Director General or any of its Authorised Officers may issue a written notice of intention to cancel a Mineral Title, and temporarily suspend such Mineral Title as an intermediary step during such determination, if the relevant Title Holder:

- (a) uses the relevant Licence Area for any purpose other than the purpose for which the Mineral Title was granted, including:
 - (i) undertaking any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations which are not permitted under the relevant Mineral Title; or
 - (ii) undertaking any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations in respect of any Mineral or group of Minerals other than the Mineral or group of Minerals to which the Mineral Title relates;
 - (b) fails to comply with this Act, including the terms and conditions of any Mineral Title granted or awarded under this Act or, if applicable, any Mineral Agreement entered into by it;
 - (c) fails to comply with: (i) any direction, notification or order lawfully made, taken, done or issued under and in accordance with this Act; (ii) the terms and conditions of a certificate of surrender under Section (4) of section 100; or (iii) any terms and conditions attaching to any exemption or consent given under this Act;
 - (d) fails to pay any fees, rents, royalties and other amounts payable by the Title Holder under this Act (other than any bid price instalments as scheduled in accordance with Schedule 9 (*Procedure for Bidding Proceedings*), paragraph 19) within one (1) month after they become due;
 - (e) fails to deposit any bid price instalment as scheduled in accordance with Schedule 9 (*Procedure for Bidding Proceedings*), paragraph 19 within one (1) month after the same becomes due;
 - (f) fails to deliver any financial guarantee by the deadline provided for in Section 97, in the form and for the amount provided thereunder;
 - (g) being an individual, is adjudged bankrupt, or enters into any agreement or scheme of composition with creditors or takes advantage of any law for the benefit of debtors; or
 - (h) is a Company against which an order is made or a resolution is passed for winding up the affairs of the Company.
- (2) References to the purpose for which a Mineral Title was granted under clause (a) of sub-Section (1) of Section 98 above are to be construed as references to, as the case may be, undertaking Reconnaissance Operations,

Prospecting Operations, Exploration Operations and/or Mining Operations permitted under the relevant Mineral Title in respect of the Mineral or group of Minerals to which the Mineral Title relates.

(3) A notice of intention to cancel issued pursuant to sub-Section (1) of Section 98 shall be in writing and addressed to the Title Holder and shall:

- (a) include the reasons for the cancellation of the Mineral Title;
- (b) stipulate a period of not less than thirty (30) days to remedy the reasons for the cancellation of the Mineral Title; *and*
- (c) if the reasons provided in accordance with clause (a) of sub-Section (1) of Section 98 cannot be remedied within the thirty (30) days, stipulate a period of not less than fourteen (14) days within which the Title Holder shall explain,-
 - (i) the necessity to proceed with the relevant Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations under the Mineral Title, *and*
 - (ii) the reasons for failure to remedy the reasons for cancellation of the Mineral Title.

(4) If the Title Holder does not remedy the reasons for the cancellation of the Mineral Title or provide a satisfactory written explanation in accordance with the relevant time periods specified in sub-Section (3) of Section-98 above, the Director General or any of its Authorised Officers may recommend cancellation of the Mineral Title to the Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority, *provided that* before such recommendation is made, the Title Holder shall be given a reasonable opportunity of being heard if it so desires.

(5) On receipt of a recommendation from the Director General or one of its Authorised Officers pursuant to sub-Section (4) of Section 98, the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) shall:

- (a) cancel the Mineral Title forthwith by way of a notification signed by the Director Licensing or an Authorised Officer, which shall be addressed to the Title Holder confirming the cancellation of the relevant Mineral Title; *and*
- (b) cause the cancellation of the relevant Mineral Title to be registered in the Mining Cadastre System.

(6) On the cancellation of a Mineral Title, the rights of the Title Holder thereunder shall cease, and the Licensing Authority or Minor Minerals Licensing Authority (as applicable) shall have the right to take possession of the Licence Area.

(7) The cancellation of a Mineral Title shall not affect any liability incurred by the Title Holder before the cancellation and any legal proceedings that might have commenced against the Title Holder shall continue against it.

99. Idle Mineral Titles: - (1) Where a Mineral Title is an Idle Mineral Title for a period of twelve (12) or more consecutive months, the Director General or any

of its Authorised Officers may issue a notice of intention to cancel to the Title Holder in accordance with sub-section (3) of Section 98.

(2) If the Title Holder does not resume Reconnaissance Operations, Prospecting Operations, Exploration Operations, and/or Mining Operations (as the case may be) in respect of the Mineral Title or provide a satisfactory written explanation within thirty (30) days of the Director General or any of its Authorised Officers issuing that notice of intention to cancel, the Director General may recommend cancellation of the Mineral Title to the Licensing Authority.

(3) On receipt of a recommendation from the Director General or any of its Authorised Officers pursuant to sub-Section (2) of Section 99, the Licensing Authority shall:

- (a) issue a notice of cancellation in writing, and addressed to the Title Holder confirming the cancellation of the relevant Mineral Title; *and*
- (b) cause the cancellation of the relevant Mineral Title to be registered in the Mining Cadastre Register.

(4) On the cancellation of a Mineral Title, the rights of the Title Holder thereunder shall cease, and the Licensing Authority shall have the right to take possession of the Licence Area.

(5) The cancellation of a Mineral Title shall not affect any liability incurred by the Title Holder before the cancellation and any legal proceedings that might have commenced against the Title Holder shall continue against it.

100. Surrender of Mineral Titles: - (1) Subject to sub-Section (2) of Section 100 and save in respect of Minor Mineral Titles, a Title Holder may apply to surrender all or part of a Licence Area prior to the expiry of the relevant Mineral Title.

(2) An application to surrender all or part of a Licence Area shall:

- (a) be made in the prescribed form;
- (b) be submitted alongside all samples and studies in respect of the Licence Area or Minerals which a Title Holder wishes to surrender; *and*
- (c) be submitted in the prescribed manner to the Licensing Authority not less than three (3) months before the date on which the Title Holder wishes the surrender to take effect.

(3) Subject to the requirements imposed under the Act and *provided that* the Title Holder complies with the rehabilitation and closure obligations under Section 79 (*Rehabilitation and Closure*), the Licensing Authority shall issue a certificate of surrender within two (2) months from the date it receives an application under this Section 100.

(4) A certificate of surrender may be issued either unconditionally or subject to such terms and conditions as the Licensing Authority may stipulate in the certificate.

(5) The Licensing Authority shall not issue a certificate of surrender where:

- (a) the relevant Title Holder has failed to comply with requirements or conditions of this Act, including the terms and conditions of any Mineral Title granted or awarded to it under this Act or, if applicable, any Mineral Agreement entered by it; or
 - (b) the Licensing Authority is not satisfied that the applicant will surrender the Licence Area (or relevant part thereof) in a safe and good condition in accordance with this Act.
- (6) Where a certificate of surrender is issued,
 - (a) the Licensing Authority shall:
 - (i) cause the surrender of the relevant Licence Area (or part thereof) to be registered in the Mining Cadastre Register; and
 - (ii) where the entire Licence Area under a Mineral Title has been surrendered, cause the cancellation of the relevant Mineral Title to be registered in the Mining Cadastre Register.
- (7) A Licence Area to which a certificate of surrender relates shall be treated as having been surrendered with effect from the date on which the certificate of surrender is issued.
- (8) The surrender of any Licence Area or part thereof shall not affect any liability incurred before the date on which the surrender has taken effect, and legal proceedings that might have been commenced against the Title Holder in respect of the relevant area shall continue against it.
- (9) The surrender of a Mineral Title shall be subject to the provisions, conditions, and requirements applicable to the expiry of Mineral Titles under the Act.
- 101. Expiry of Mineral Titles:** - (1) For the purposes of this Act, a Mineral Title will be deemed to have expired:
 - (a) when it has been surrendered or forfeited or cancelled by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable); or
 - (b) on the expiry date stipulated in the grant of that Mineral Title.
- (2) On the expiry of a Mineral Title:
 - (a) the Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority, shall cause any information relating to that Mineral Title to be removed from the Mining Cadastre Register;
 - (b) the Title Holder shall no longer be permitted to undertake Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations on the Licence Area and/or in respect of the relevant Mineral or group of Mineral, as the case may be;
 - (c) the Title Holder shall:

- (i) submit such documents, reports, samples and studies as specified under Section-72 (*Submission of Production and Periodical Returns*);
 - (ii) perform its rehabilitation and closure obligations in accordance with Section-79 (*Rehabilitation and Closure*);
 - (iii) pay any accrued royalties payable by the Title Holder under this Act in respect of the Mineral Title or Minor Mineral Title (as applicable) in accordance with sub-Section (3) of Section 89;
 - (iv) pay any outstanding annual rent payable by the Title Holder under this Act in respect of the Mineral Title in accordance with sub-Section (4) of Section 92; and
 - (v) pay any outstanding dead rent payable by the Title Holder under this Act in respect of the Mineral Title in accordance with sub-Section (3) of Section 93; and
- (d) the Director General, any of its Authorised Officers or any other officer authorised by the Director General for these purposes shall collect any unused Mineral Dispatch Invoices from the Title Holder and those shall stand invalid.

102. Forfeiture of Plants, Machinery, Minerals, etc.: - (1) If any structures, plant, equipment, Minerals and other goods and materials belonging to a Title Holder are not removed by it from the area to which a Mineral Title or Minor Mineral Title (as applicable) related within three (3) months of the expiry, surrender, forfeiture or cancellation of the Mineral Title or Minor Mineral Title (as applicable), an Authorised Officer, the Director General, and any other officer to whom the Director General may delegate his powers to undertake inspections under this Act from time to time, may enter upon that area, take possession of all structures, plant, equipment, Minerals and other goods and materials belonging to the Title Holder and may dispose of such machinery, building structures, Minerals or other property in any manner as it may deem fit.

PART VIII
INSPECTIONS, OFFENCES AND ENFORCEMENT

103. Powers of Inspection and Reporting: - (1) The Director General, any of its Authorised Officers and any other officer to whom the Director General may delegate his powers to undertake inspections under this Act from time to time, may, at all reasonable times:

- (a) enter any area, structure, vehicle, vessel, aircraft or building that, in his opinion, has been, is being or is to be used in connection with Reconnaissance Operations, Exploration Operations, Prospecting Operations or Mining Operations;
- (b) inspect and test any machinery or equipment that, in his opinion, has been, is being or is to be used in connection with any of the operations referred to in paragraph (a);
- (c) take or remove for the purpose of analysis or testing, or for use in evidence in connection with an offence against this Act, samples of Minerals or other substances, records, maps or reports from a Mine or any area where any of the operations referred to in paragraph (a) is being carried out or other premises of the Title Holder;
- (d) inspect, take extracts from, and make copies of, any data, relating to any of the operations referred to in paragraph (a);
- (e) make such examinations and inquiries as are necessary to ensure that the provisions of this Act, and any directions issued, conditions imposed or orders made under this Act, are being complied with; *and*
- (f) for reasons to be recorded in writing and signed by the Director General, order:
 - (i) the cessation of operations on or in, and the withdrawal of all individuals from, any structure or building that is being used in connection with any of the operations referred to in paragraph (a);
 - (ii) to conserve the Mineral deposit or any railway, reservoir, canal or any other public work or any building affected by any of the operations referred to in paragraph (a); *and*
 - (iii) such acts as reasonably necessary to rectify any non-compliance with the requirements of this Act, including the terms and conditions of Mineral Titles or Minor Mineral Titles (as applicable) granted or awarded under this Act, and if applicable, any Mineral Agreement.

(2) Before exercising any of the powers under sub-Section (1) of Section 103, if there is any individual who is or appears to be in charge of the area, structure, vehicle, vessel, aircraft, building, machinery, equipment or material or any other thing in respect of which the power is about to be exercised, the Director General or the relevant Authorised Officer or other authorised officer

shall show identification to that individual and to any individual to whom they are about to give an order or a direction.

(3) Any Organisation or individual who is aggrieved by a decision, direction or order of the Director General or any of its Authorised Officers or other authorised officer made under this Section-103 may appeal in writing to the Appellate Tribunal.

(4) A Title Holder shall provide the relevant Authorised Officer, Director General or other authorised officers with all reasonable facilities and assistance, for the effective exercise of his powers under this Section 103.

(5) A Title Holder who fails to comply with any orders as contemplated under clause (f) of sub-Section (1) of Section 103 commits an offence.

(6) A Title Holder who obstructs, molests or hinders an Authorised Officer, the Director General or any other authorised officer in carrying out his functions under this Act commits an offence.

104. Offences and Penalties: - (1) The offences specified in Schedule 5 (*List of Mineral Offences Requiring Court Trial*) and Schedule 6 (*List of Mineral Offences Where Challan May be Issued*) shall be liable to punishment by way of imprisonment, fine, seizure, forfeiture, confiscation, impounding and such other penalties as are provided in this Act.

(2) Whoever commits any of the offences specified in:

(a) Schedule 5 (*List of Mineral Offences Requiring Court Trial*), Part I shall be punishable with imprisonment for a term of minimum six (6) months which may extend up to five (5) years and with a fine of minimum Rs. Five-hundred thousand (500,000) which may extend up to Rs. Two million (2,000,000), and, where an accused was directed by the Licensing Authority or Minor Minerals Licensing Authority (as applicable) or an officer authorised by it for immediate discontinuance of the offence, the court may impose a further fine of Rs. five thousand (5,000) for every day for the period the accused has persisted in the offence from the date of its commission; and

(b) Schedule 5 (*List of Mineral Offences Requiring Court Trial*), Part II shall be punishable with imprisonment for a term of minimum one (1) month which may extend to six (6) months or fine of minimum Rs. Twenty thousand (20,000) which may extend to Rs. One hundred thousand (100,000), or with both and, where an accused was directed by the Licensing Authority or Minor Minerals Licensing Authority (as applicable) or an officer authorised by it for immediate discontinuance of the offence, the court may impose a further fine which may extend to Rs. Five hundred (500) for every day for the period the accused has persisted in the offence from the date of its commission; and

(c) Schedule 6 (*List of Mineral Offences Where Challan May be Issued*), shall in the first instance, be liable to fine by issuing a Challan specified in that Schedule 6 (*List of Mineral Offences Where Challan May be Issued*) and, where an accused repeats the offence within a period of two (2) months for which such

Organisation or individual was fined, such Organisation or individual shall be liable to the same punishment as provided in paragraph (b).

(3) The offences specified in Schedule 5 (*List of Mineral Offences Requiring Court Trial*), Part I shall be cognisable and non-bailable and information in this regard shall be reported to the respective police station, by the Licensing Authority or Minor Minerals Licensing Authority (as applicable) or an officer authorised by it in this behalf, for registration of a case against the accused.

(4) A court of Judicial Magistrate shall take cognisance of the offences specified in Schedule 5 (*List of Mineral Offences Requiring Court Trial*), Part II on a complaint made in writing by Licensing Authority or Minor Minerals Licensing Authority (as applicable) or an officer authorised by it in this behalf.

(5) The offences specified in Schedule 5 (*List of Mineral Offences Requiring Court Trial*), Part II and Schedule 6 (*List of Mineral Offences Where Challan May be Issued*) shall be tried in a manner provided in the Code of Criminal Procedure, 1898.

(6) Unless any specific provision is provided in this Act, the relevant provisions of the Code of Criminal Procedure 1898 shall apply to all proceedings under this Act.

105. Recovery of the Subject Matter of a Violation: - (1) The Director General or his/her delegated authority may recover all Minerals, their derivatives and associated funds resulting from activities conducted in violation of this Act, the terms and conditions of any Mineral Title or Minor Mineral Title (as applicable) granted or awarded under this Act or, if applicable, any Mineral Agreement. The Director General may also collect any royalties in accordance with Part IX in respect of any Mineral found, won or mined in connection with such activities.

(2) The funds resulting from any activities referred to in sub-Section (1) of Section 105 shall be determined by the Director General or his/her delegated authority, as the amount which would, in the opinion of the Director General, be paid on international markets or, as 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.

106. Considerations for Determining Fines: - (1) When determining the amount of a fine payable for failure to comply with this Act, the terms and conditions of any Mineral Title or Minor Mineral Title (as applicable) granted or awarded under this Act or, if applicable, any Mineral Agreement, the following considerations shall be taken into account by the Director General, the Authorised Officers and any other officer to whom the Director General may delegate his powers to monitor compliance under this Act from time to time:

- (a) the severity of the non-compliance;
- (b) the recurrence of the non-compliance;
- (c) the number of instances of non-compliance;
- (d) whether the non-compliance causes damage to safety, security, health of people, the environment, or other properties;

- (c) whether the non-compliance is associated with an attempt to obstruct inspections or failure to cooperate with an Authorised Officer or any other officer to whom the Director General may delegate his/her powers to undertake inspections under this Act from time to time;
- (f) the surface area of the site where the non-compliance occurred;
and
- (g) the scale of equipment and quantities used in the non-compliance.

107. Imposition of Fine Through Challan: - (1) Where any Organisation or individual, in the opinion of the Director General, any Authorised Officer or any officer (other than an Authorised Officer) to whom the Director General may delegate his/her powers to monitor compliance under this Act from time to time, has contravened any provision of the law relating to the offences specified in Schedule 6 (*List of Mineral Offences Where Challan May be Issued*), the latter may charge the accused by issuing a Challan in the form specified in Schedule 7 (*Template Challan*) for payment of a fine, if such offence has been committed for the first time in two (2) months.

(2) The Challan shall be issued in quadruplicate by delivering three (3) copies to the accused after obtaining his/her signatures or thumb impression on the fourth copy to be retained by the Department to retain records of all Challans issued.

(3) The Organisation or individual to whom a Challan has been issued under this Section-107 may either:

- (a) appeal in writing to the Appellate Tribunal within ten (10) days of the date of the issuance of the Challan, following which they shall be deemed to have waived their right to objection; or
- (b) deposit the fine within that period and provide a copy of the paid Challan to the Department to retain such copies.

108. Authorisation of Officers for Imposition of Fines: - (1) For the purposes of Schedule 6 (*List of Mineral Offences Where Challan May be Issued*) of this Act, the following officers are authorised to impose fines for individual offences in the range provided against each category of officers:

- | | | |
|-----|---|---|
| (a) | Director General | No upper limit, save as provided under Schedule 6 (<i>List of Mineral Offences Where Challan May be Issued</i>) |
| (b) | an Authorised Officer | Rs. Fifty thousand (50,000) |
| (c) | an officer (other than an Authorised Officer) to whom the Director General may delegate his/her powers to monitor compliance under this Act from time to time | Rs. Twenty-five thousand (25,000) |

- 109. Procedure for Failure to Deposit Fines:** - (1) Save where the validity of a Challan is subject to an appeal in writing to the Appellate Tribunal which has yet to be determined, the Director General shall, on a monthly basis, provide particulars of all Challans which remain unpaid after a period of ten (10) days from the date of issuance thereof to the court having jurisdiction in the cases.
- (2) The court receiving those particulars shall issue summons to the Organisation or individual to whom those Challans were issued, stating the date of hearing for trial as enumerated in the Code of Criminal Procedure 1898.
- (3) Where on the first date of a hearing an Organisation or individual summoned:
- (a) produces proof of having paid the fine within ten (10) days of the date of the issuance of the Challan; or
 - (b) deposits the fine, along with a penalty which shall not be less than ten per cent. (10%) and not more than twenty-five per cent. (25%) of the amount of fine as determined by the court in accordance with the procedure provided in the Code of Criminal Procedure 1898, to the Department,
- further proceedings against that Organisation or individual may be dispensed with and no conviction shall be recorded against it.
- (4) Upon failure of the Organisation or individual summoned to appear before the court in response to the summons, the court shall issue warrants for that individual's arrest (or in the case of an Organisation, its partners or directors) and upon issuance of such warrants the accused will be liable to punishment under the relevant laws for the time being in force.
- (5) The fines imposed by a court for an offence specified in Schedule 6 (*List of Mineral Offences Where Challan May be Issued*) shall on collection be deposited in the Government treasury or into any bank authorised by the Government for that purpose, under the specified head of account and the receipt shall, in original, be provided to the Director General or an Authorised Officer.
- 110. Restricted List:** - (1) An Organisation may be added to the restricted list by the Licensing Authority or, in respect of Minor Mineral Titles, the Minor Minerals Licensing Authority, or the Director General on account of serious violations of this Act, the terms and conditions of any Mineral Title or Minor Mineral Title (as applicable) granted or awarded under this Act or, if applicable, any Mineral Agreement.
- (2) Where an Organisation is on the restricted list, and in the case of an Organisation, an individual who is a partner or director of such an Organisation, forms a new Organisation or becomes a director or partner of another Organisation, that other Organisation connected with such individual, shall similarly be added to the restricted list.
- (3) Any Organisation who is on a restricted list shall, for so long as such remains on the restricted list, not be entitled to seek the award or grant of any Mineral Title or Minor Mineral Title (as applicable) under this Act.

PART IX
MISCELLANEOUS PROVISIONS AND RULES

- 111. Establishment of Mineral Testing Laboratory:** - (1) The Government shall establish for the purpose of, prompt and accurate chemical analysis, identification and processing and up gradation of minerals, a reliable and well-equipped Mineral Testing Laboratory in the Exploration Promotion Division of DGMM.
- (2) The Mineral Testing Laboratory established under sub-Section (1) of Section 111 shall be manned with qualified and experienced staff for prompt and accurate chemical analysis of minerals, rock and ore and shall, on payment of prescribed fees, facilitate Mine owners, lease holders and all other parties interested in testing or analysis of rock, ore and mineral samples, mineral processing studies, including research and development studies for up-gradation, processing or value addition.
- 112. Registration of Mining Consultant:** - (1) The Directorate General Mines and Minerals shall maintain a register of Registered Mining Consultants, who,-
- (a) possess such qualifications in mining engineering or geology from a recognised university;
 - (b) apply to the Directorate General Mines and Minerals for entry of its name in the register; *and*
 - (c) in the opinion of the Directorate General Mines and Minerals, is competent to prepare feasibility study report, exploitation scheme, development plan, exploration plan, prospecting scheme, mineral occurrence certificate or such other technical documents necessary for obtaining a Mineral Title or carrying out Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations.
- (2) The aforementioned register of Registered Mining Consultants shall be available on the Mining Cadastre System.
- (3) The Directorate General Mines and Minerals may register such Registered Mining Consultant initially for a such period and further renew it in the manner on submission of an application accompanied by the payment of fee as prescribed by it through notification in the official Gazette.
- (4) Where it appears to the Directorate General Mines and Minerals that a Registered Mining Consultant has committed gross negligence or misconduct in the discharge of any duties under this Act, the Director General shall:
- (a) afford the Registered Mining Consultant a reasonable opportunity to explain its position and also personal hearing on the matter if the latter so desires; *and*
 - (b) if satisfied, after considering the explanation given by the Registered Mining Consultant, that gross negligence or misconduct was committed, impose penalty as prescribed by the Government under this Act, and on persistent violation, may cancel the registration and remove the name of that Registered Mining Consultant from the register.

- 113. Registration of Surveyors:** - (1) The Directorate General Mines and Minerals shall maintain a register of Registered Mine Surveyors with such qualifications as may from time to time be prescribed by it by notification 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 this Act, *provided that* the Directorate General Mines and Minerals may register such Registered Mine Surveyors initially for a such period on the payment of the fee and further renew it in the manner as prescribed by it.
- (2) A boundary demarcation certificate required under this Act shall be accepted by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) only if the demarcation has been carried out by a Registered Mine Surveyor and the prescribed certificate is signed by the Registered Mine Surveyor.
- (3) If at any time the Directorate General Mines and Minerals has reasons to believe that the Registered Mine Surveyor has committed gross negligence or misconduct in the discharge of his duty under this Act, it may impose a penalty provided under this Act and may also, subject to notice, cancel the registration of the Registered Mine Surveyor, *provided that* before such cancellation, the Registered Mine Surveyor shall be given an opportunity to explain his position and shall be heard in person, if they so desire.
- (4) A surveyor desirous of registration or renewal of his registration as a Registered Mine Surveyor shall make application to the Directorate General Mines and Minerals and shall also pay such registration fee as is prescribed by it.
- 114. Language of Documents and Correspondence:-** Any correspondence and documents issued or delivered under this Act, including Mineral Titles or Minor Mineral Title (as applicable) granted or awarded under this Act, shall be issued in English.
- 115. Calculation of Time Periods:** - (1) In this Act, time periods are calculated according to the calendar year of the Islamic Republic of Pakistan.
- (2) Any reference to a time of day in this Act or included in any correspondence or document issued or delivered under this Act shall be a reference to Islamabad time in Islamic Republic of Pakistan.
- 116. Confidentiality and Intellectual Property Rights:** - (1) In this Section-116, "Mining Information" means:
- (a) information contained in any periodic reports submitted by a Title Holder in accordance with its reporting obligations under this Act, irrespective of when the report was filed, furnished or otherwise given; *and*
 - (b) any other information relating to Reconnaissance Operations, Prospecting Operations, Exploration Operations and/or Mining Operations supplied to the Government, the Director General, any Authorised Officer, the Licensing Authority, the Minor Minerals Licensing Authority, the Mineral Investment Facilitation Authority, or any other officer of the Directorate General Mines and Minerals,-

(i) but does not include information of the kind described in paragraphs (a) or (b) if,-

(a) it is included in the list of information which the Licensing Authority is authorised to publish on the Mineral Title Application Register, the Mineral Reserve Area Register and the Mining Cadastre Register, (as applicable) in accordance with sub-Section (1) of Section-13 or as otherwise prescribed by the Government from time to time by notification in the official Gazette; or

(b) it is otherwise in the form of statistics compiled and published by the Government, the Licensing Authority, the Minor Minerals Licensing Authority, the Exploration Promotion Division or the Mineral Investment Facilitation Authority in accordance with this Act, provided that any commercially sensitive information is redacted.

(2) The Government and any officer of the Department, including the Director General, the Director Licensing, and the Director Exploration, may only disclose Mining Information:

(a) for the purposes of implementing this Act, a Mineral Title or Minor Mineral Title (as applicable) or a Mineral Agreement:

(i) to any of the Government, the Secretary, the Director General, the Licensing Authority, the Minor Minerals Licensing Authority, the Director Licensing, the Director Exploration, the Mineral Investment Facilitation Authority, any Authorised Officer or any other officer of the Department; *and*

(ii) to any of the Federal Government, any other provincial government in the Islamic Republic of Pakistan, or any of their ministers, directors or other officers,

and any of their professional advisors, to the extent such professional advisors are under an equivalent duty of confidentiality in relation to such Mining Information;

(b) if such disclosure is in accordance with the relevant Mineral Title or Minor Mineral Title (as applicable) or any relevant Mineral Agreement or otherwise with the prior written consent of the Title Holder or applicant of the Mineral Title the subject of the Mining Information;

(c) if such disclosure is authorised or required by law;

(d) if disclosure is required by order of a competent court, or for the purpose of any hearing before the Appellate Tribunal or a DMLC or any other arbitration or litigation involving the Government;

(e) after the expiry of the period of three (3) months immediately following the expiry, surrender, forfeiture or cancellation of the Mineral Title the subject of the Mining Information, unless such

Mineral Title has been renewed or amended or the relevant Title Holder has been granted or awarded a subsequent Mineral Title in respect of all or part of the same Licence Area; or

- (f) after the expiry of the period of ten (10) years from receipt of the relevant Mining Information, except in respect of any Mining Information that consists of information as to sales value.

(3) If the intellectual property rights in any Mining Information contained in any report submitted by a Title Holder in accordance with their reporting obligations under this Act are owned by an Organisation or individual other than the Title Holder of the Mineral Title or Minor Mineral Title (as applicable) the subject of the Mining Information, the Title Holder shall, before submitting such report, take all reasonable steps to obtain the consent of the owner of the relevant intellectual property rights to the release of such Mining Information in accordance with this Section 116.

(4) When submitting a report under this Act, the Title Holder shall:

- (a) if the Title Holder is the owner of any intellectual property rights in the report or a part of the report, authorise in writing the release of any Mining Information contained in the report or the relevant part of the report in accordance with this Section-116;
- (b) if the intellectual property rights in the report or a part of the report are owned by an Organisation or individual other than the Title Holder, state in writing whether or not the consent of the owner of the intellectual property rights to the release of any Mining Information in the report or the relevant part of the report has been obtained and, if not, state in writing what steps have been taken to obtain that consent; *and*
- (c) if the intellectual property rights in a part of the report are owned by an Organisation or individual other than the Title Holder, ensure that the report is clearly marked to enable that part to be identified.

(5) A Title Holder shall not be regarded as having complied with any reporting requirements under this Act, unless the Title Holder has complied with this sub-section (4) of Section-116 in relation to the relevant report.

117. Compliance with Other Laws: - (1) Nothing in this Act shall be construed as authorising a Title Holder to do anything:

- (a) which the Title Holder is prohibited from doing under any law for the time being in force; or
- (b) otherwise, then in accordance with any such law regulating the doing of that thing, and for that purpose obtaining any approval, permission or other document required under any such law.

118. Rules, Regulations and Guidelines: - (1) The Government may within six months, by notification in the official Gazette, make such Rules, Regulations and Guidelines as are contemplated by this Act, or are otherwise deemed necessary or expedient for carrying out the purposes of this Act, including in respect of:

- (a) provision for the regulation of plant, equipment and materials used during Reconnaissance Operations, Prospecting Operations, Exploration Operations, Mining Operations, mineral stocks, crushers and mineral processing/dressing units; *and*
 - (b) provisions for the membership of Title Holders in any applicable industry association.
- (2) The Rules, Regulations, and Guidelines made under sub-Section (1) of Section-118 shall be subject to previous publication in the official Gazette and shall meet the following considerations
- (a) consistency with the provisions of this Act;
 - (b) fairness, efficiency and clarity;
 - (c) facilitation of investment in, and good governance of, the mining and minerals sector; *and*
 - (d) natural justice, transparency, due process of law and effective dispute resolution.
- (3) The Department may issue such guidelines which further explain and clarify the conditions, requirements, and procedures imposed under this Act.
- 119. Bar of Jurisdiction:** - No suit shall lie against any order, judgment or decision of the Director General, the Licensing Authority, the Minor Minerals Licensing Authority or any Authorised Officer, except by way of the procedure prescribed under this Act.
- 120. Review of Act:** - (1) The Mineral Investment Facilitation Authority shall carry out a review of the operation and effectiveness of this Act within six (6) months after the third (3rd) anniversary of the day on which this Act comes into operation.
- (2) The Mineral Investment Facilitation Authority in collaboration with the Federal Mineral Wing shall prepare a report based on the review and present the findings of the report to the Government in line with the requirements of the Government but in any event no later than ten (10) years from the date of enactment of this Act.
- 121. Act to Override Other Laws:** - Save as otherwise expressly provided herein, the provisions of this Act shall have effect, and shall override, notwithstanding anything contained in any other law for the time being in force.
- 122. Repeal and Saving:** - (1) This Act shall supersede the Balochistan Mineral Rules, 2002, and shall repeal, any provisions conflicting therewith, save and except in relation to any license, lease, permit, mineral agreement or Negotiated Agreement (including any conversion, assignment, amendment or renewal of such license, lease, permit, mineral agreement or Negotiated Agreement in accordance with its terms) granted or entered into as specified in sub-section (3) of Section-122 and, as applicable, sub-section (4) of Section-122 below.
- (2) The *Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948* (XXIV of 1948) in application to the Province shall stand repealed, save and except,-

- (a) Section 7 of the said Act which shall remain in force and effect, notwithstanding anything contained in this Act; *and*
- (b) in relation to any license, lease or permit specified in sub-Section (3) of Section 122 and, as applicable, sub-Section (4) of Section-122 below.

(3) Notwithstanding sub-Sections (1) and (2) of Section 122 above, all orders made, proceedings taken, acts and actions done, rules made or notifications issued by the Government, any licensing authority, appellate authority or tribunal or any of their authorised officers, which were and, in the case of any license, lease or permit as specified in sub-section (4) of Section-122, which will be, made, taken, done or issued by the Government or such licensing authority, appellate authority or tribunal or their authorised officers in exercise of the powers derived or conferred from or under the aforementioned repealed laws and rules, shall be deemed to have been made, taken, done or issued, by the Government, the Secretary, the Director General, the Licensing Authority, the Minor Minerals Licensing Authority, the Mineral Investment Facilitation Authority, any DMLC, the Appellate Tribunal, any Authorised Officer, or any other officer of the Department or Directorate General Mines and Minerals under this Act, and shall continue to and shall have force and effect. Accordingly:

- (a) save and except in the case of any licence, lease or permit as specified in sub-Section (4) of Section 122, any licence, lease or permit granted by the licensing authority or awarded as part of any auction or competitive bidding process under the aforementioned repealed laws and rules shall be considered to have been granted by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable), or awarded through an auction or competitive bidding process, (as applicable) under this Act for such period, and subject to such terms and conditions, as determined under this Act from the date of issuance of such licence, lease or permit; with respect to any licence, lease or permit as specified in sub-Section (4) of Section 122, such licence, lease or permit shall be deemed to have been granted by the Licensing Authority under this Act and shall continue to remain in force and effect in accordance with its terms and the terms of the mineral agreement and Negotiated Agreement relating thereto for the duration specified in such licence, lease or permit and the mineral agreement and Negotiated Agreement relating thereto (including any conversion, assignment, amendment or renewal in accordance with its terms whether arising prior to the commencement date of this Act or at any time thereafter), and shall be governed solely by the terms and conditions as specified in such licence, lease or permit and the mineral agreement and Negotiated Agreement relating thereto;
- (b) save and except in the case of any mineral agreement or Negotiated Agreement as specified in sub-Section (4) of Section-122, any agreement entered into by the Government or the Licensing Authority under which a party is authorised or required to carry out any Reconnaissance Operations, Prospecting Operations, Exploration Operations or Mining Operations pursuant to the terms and conditions of that agreement and which

was approved or ratified under the aforementioned repealed laws and rules, shall continue to remain in full force and effect in accordance with its terms; with respect to any mineral agreement or Negotiated Agreement as specified in sub-section (4) of Section-122, such mineral agreement or Negotiated Agreement shall continue to remain in full force and effect in accordance with its terms;

- (c) save and except in the case of any licence, lease or permit as specified in sub-section (4) of Section -22, any application for the grant, conversion, assignment, amendment, surrender, renewal or cancellation of a licence, lease or permit, as the case may be, pending before the licensing authority, under the aforementioned repealed laws and rules, shall be considered by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) in accordance with the provisions of this Act; with respect to any licence, lease or permit as specified in sub-section (4) of Section-122, any such application, whether pending immediately before the commencement of this Act or made at any time thereafter, shall be considered in accordance with the provisions of such licence, lease or permit and the mineral agreement and Negotiated Agreement relating thereto;
- (d) any auction or competitive bidding process commenced by the licensing authority under the aforementioned repealed laws and rules, shall be considered to have been commenced by the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) under and in accordance with the provisions of this Act;
- (e) save and except in the case of any licence, lease or permit as specified in sub-section (4) of Section-122, any appeal pending immediately before the commencement of this Act, before any appellate authority or tribunal constituted under the aforementioned repealed laws and rules, shall be considered in accordance with the provisions of this Act, by the relevant DMLC or the Appellate Tribunal (as applicable) empowered under this Act; with respect to any licence, lease or permit as specified in sub-section (4) of Section-122, any such appeal, whether pending immediately before the commencement of this Act or arising at any time thereafter, shall be considered in accordance with the provisions of such licence, lease or permit and the mineral agreement and Negotiated Agreement relating thereto; *and*
- (f) save and except in the case of any licence, lease or permit as specified in sub-section (4) of Section-122, all proceedings pending immediately before the commencement of this Act before any court shall be examined by the court of competent jurisdiction in accordance with the provisions of this Act and the applicable law in the Province; with respect to any licence, lease or permit as specified in sub-Section (4) of Section 122, all proceedings, whether pending immediately before the commencement of this Act or arising at any time thereafter, shall be considered in accordance with the provisions of such licence, lease or permit

and the mineral agreement and Negotiated Agreement relating thereto.

(4) Any licence, lease or permit, mineral agreement or Negotiated Agreement, in each case, granted or entered into by the Government under Section 7 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948), prior to the commencement date of this Act, or any action taken or order issued or other licence, lease, permit or concession granted or any authorisation issued by the relevant authority in furtherance thereof, or in respect of a Qualified Investment as so specified prior to the commencement date of this Act (including any conversion, assignment, amendment or renewal of such licence, lease, permit, concession or authorization, or amendment or restatement of such mineral agreement or Negotiated Agreement, whether arising prior to the commencement date of this Act or at any time thereafter), shall remain unaffected by this Act in all respects and shall continue to be governed by, subject to and construed by reference to, the existing terms and conditions of such licence, lease, permit, concession, authorization, mineral agreement or Negotiated Agreement, as applicable, together with the necessary enabling provisions of the aforementioned legislation, the applicable provisions of the Balochistan Mineral Rules, 2002 and the terms of the applicable mineral agreement or Negotiated Agreement entered into by *inter alia* the Government and/or the Federal Government.

Schedule 1 Mineral Groups

(see sub-section (20 of Section 30)

- 1. Construction Minerals Group**

Limestone, sandstone, dolomite, siltstone, slates, clays, shales and Minor Minerals.
- 2. Industrial Minerals Group**

Alunite, andalusite-sillimanite-kyanite, anhydrite, aplite, asbestos, barite, beryl, boron minerals, calcium carbonate, celestite, bentonite, dolomite, Fuller's Earth (palygorskite and attapulgite), ball clay, halloysite, hectorite, kaolin, fireclay, china clay, argillaceous clay, refractory clay, corundum, diatomite, epsomite, feldspar, garnet (for industrial purposes), garnet mica schist, graphite, gypsum, quartzite, laterite, red oxide, heavy mineral sands, iodine minerals, leucoxene, marble, magnesite, mica, nepheline syenite, nitrate, olivine, perlite, phosphate, fossil guano, quartz, picture-stone, potash, pumice, pyrophyllite, rock salt, sepiolite, silica sand, soapstone, soda-ash and other sodium compounds, stratianite, sulphur and pyrite, talc, vermiculite and wollastonite.
- 3. Precious Gemstones Group**

Diamonds, emeralds, rubies, sapphires and peridot.
- 4. Semi-Precious Gemstones Group**

Amozone, aventurine, beryl (including aquamarine, heliodor and morganite, but excluding beryl as a source of beryllium metal or as an industrial mineral), chrysoberyl, chrysocolla, cordierite, diopside, dumortierite, garnet, milarite, quartz (including amethyst, citrine, rock crystal, rose and strawberry quartz, agate, carnelian, chalcedony, chrysoprase, jasper, moss agate, hyalite, opal, pietersite and tiger's eye), sodalite, topaz, tourmaline and turquoise.
- 5. Precious Metals Group**

Gold, silver, platinum, palladium, osmium, rhodium, iridium and ruthenium.
- 6. Base and Alkali Metals Group**

Aluminium, antimony, arsenic, beryllium, bismuth, cadmium, caesium, chromium, cobalt, copper, gallium, germanium, hafnium, indium, iron, lead, lithium, manganese, mercury, molybdenum, nickel, rhenium, radium, or lanthanides, including the actinides, scandium and yttrium, rhodium, rubidium, selenium, tantalum, tellurium, thallium, tin, tungsten, vanadium, zinc and zirconium.
- 7. Energy Mineral Group**

Coal.
- 8. Dimension Stone**

Granite, granitic schist, gneisses, marble, dolomite, limestone and serpentine. Any rock material capable of cutting and polishing and saleable as decorative/ornamental stone may be treated as a dimension stone.

9. Strategic Minerals

To be notified by the Government from time to time on guidance of the Federal Mineral Wing.

10. Rare Earth Minerals

To be notified by the Government from time to time on guidance of the Federal Mineral Wing.

Note: The Government may include or exclude any Mineral or group of Minerals in the above said groups as deemed appropriate from time to time by notification in the official Gazette.

Schedule 2

Minerals for Which Mining Lease Shall Not be Renewed

(see sub-section (1) of Section 36)

Mineral Titles granted through auctions or competitive bidding processes under this Act for Minor Minerals or those Minerals listed in Schedule 1 (*Mineral Groups*) under Precious Gemstones Group and Semi-Precious Gemstones Group.

Schedule 3

Area Limitation for Small-scale Mining Based on Mineral Groups

(see sub-sections (1) and (2) of Section 38)

Part I *Small-scale Mining*

Mineral Group	Maximum (acres)	Licence	Area
Construction Minerals Group (other than Minor Minerals)		100	
Minor Minerals		3,000	
Industrial Minerals Group		200	
Precious Gemstones Group		50	
Semi-Precious Gemstones Group		50	
Precious Metal Group		500	
Base and Alkali Metal Group		500	
Energy Mineral Group		1,000	
Dimension Stone		200	

Schedule 4

Technical, Economic & Financial Viability Prerequisites

(see clause (kkkk) of sub-Section (1) of Section 4)

1. Prerequisites for Reconnaissance Licence

(1) Company Profile

- (a) Provide a detailed profile of the Company, including its history, mission, key personnel, and previous projects or achievements in the mining sector' *and*
- (b) Provide proof of incorporation of the Company under the laws of the Islamic Republic of Pakistan and active tax registration in Pakistan.

(2) Area of Licence

Specify the area of Land for which the licence is being sought, using standard coordinates with a geometric shape of the area, not exceeding the Licence Area limitation.

(3) Geological Description

Furnish a general geological description of the area, detailing the potential for or nature of mineralisation, and identifying the specific minerals or groups of minerals for which the licence is sought.

(4) Reconnaissance Programme

Outline a detailed reconnaissance programme, including a time-bound work plan indicating the proposed operations, estimated expenditure, and the timeframe within which the operations will be completed.

(5) Technical and Financial Capacity

Provide detailed information about the technical capacity (manpower and equipment etc.) and financial resources of the applicant. If applicable, include details of any external partners or contractors and copies of relevant contractual agreements.

(6) Licence Duration

Specify the desired duration of the licence, not exceeding the limitation provided in the Act.

(7) Existing Mineral Titles and Operations

Furnish details of any other mineral titles held or mines operated by the applicant, whether alone or in joint venture or partnership, both currently and in the ten (10) years immediately preceding the date of application.

(8) Occupational Safety and Health Management Plan

Provide details of an occupational safety and health management plan.

(9) Additional Information

Include any other information that the applicant considers relevant to support the application.

2. Prerequisites for Exploration Licence

(1) Company Profile

- (a) Provide a detailed profile of the Company, including its history, mission, key personnel, and previous projects or achievements in the mining sector; *and*
- (b) Provide proof of incorporation of the Company under the laws of the Islamic Republic of Pakistan and active tax registration in Pakistan.

(2) Area of Licence

Specify the area of Land for which the licence is being sought, using standard coordinates with a geometric shape of the area, not exceeding the Licence Area limitation.

(3) Geological Description

Furnish a comprehensive geological description of the area, detailing the potential for or nature of mineralisation, and identifying the specific minerals or groups of minerals for which the licence is sought.

(4) Exploration Programme

Outline a detailed exploration programme, including a time-bound work plan indicating the proposed operations, estimated expenditure, and the timeframe within which the operations will be completed.

(5) Environmental Impact

Highlight the anticipated environmental impact of the proposed operations and describe the measures that will be taken to prevent or minimise any adverse effects.

(6) Technical and Financial Capacity

Provide detailed information about the technical capacity (manpower and equipment etc.) and financial resources of the applicant. If applicable, include details of any external partners or contractors and copies of relevant contractual agreements.

(7) Licence Duration

Specify the desired duration of the Exploration Licence, not exceeding the limitation provided in the Act.

(8) Existing Mineral Titles and Operations

Furnish details of any other mineral titles held or mines operated by the applicant, whether alone or in joint venture or partnership, both currently and in the ten (10) years immediately preceding the date of application.

(9) Occupational Safety and Health Management Plan

Provide details of an occupational safety and health management plan.

- (10) **Additional Information**
Include any other information that the applicant considers relevant to support the application.
3. **Prerequisites for Mineral Deposit Retention Licence**
- (1) **Company Profile**
- (a) Provide a detailed profile of the Company, including its history, mission, key personnel, and previous projects or achievements in the mining sector; *and*
 - (b) Provide proof of incorporation of the Company under the laws of the Islamic Republic of Pakistan and active tax registration in Pakistan.
- (2) **Area of Licence**
Specify the area of Land for which the licence is being sought, using standard coordinates with a geometric shape of the area, not exceeding the Licence Area limitation.
- (3) **Exploration Licence Details**
Furnish complete particulars of the Exploration Licence currently held by the applicant for this application, including the licence number, duration, and any conditions attached.
- (4) **Detailed Exploration Report**
- (a) Furnish a comprehensive exploration report, describing proven, estimated, or inferred mineral reserves contained within the exploration licensed area; *and*
 - (b) Furnish detailed geological, geo-chemical & geo-physical maps, drilling and core logs, 3D resource model etc.
- (5) **Pre-Feasibility Report**
Furnish a pre-feasibility report assessing engineering requirements, implementation options for extracting and processing minerals and related capital and operational cost.
- (6) **Mineral Deposit Retention Licence Programme**
Outline a detailed programme, including a time-bound work plan indicating the proposed operations, estimated expenditure, and the timeframe within which the operations will be completed after the completion of the Mineral Deposit Retention Licence period.
- (7) **Environmental Impact**
Highlight the anticipated environmental impact of the proposed operations and describe the measures that will be taken to prevent or minimise any adverse effects.
- (8) **Technical and Financial Capacity**
Provide detailed information about the technical capacity (manpower and equipment etc.) and financial resources of the applicant. If applicable, include

details of any external partners or contractors and copies of relevant contractual agreements.

(9) Licence Duration

Specify the desired duration of the licence, not exceeding the limitation provided in the Act.

(10) Existing Mineral Titles and Operations

Furnish details of any other mineral titles held or mines operated by the applicant, whether alone or in joint venture or partnership, both currently and in the ten (10) years immediately preceding the date of application.

(11) Occupational Safety and Health Management Plan

Provide details of an occupational safety and health management plan.

(12) Additional Information

Include any other information that the applicant considers relevant to support the application.

4. Prerequisites for Mining Lease (Large-scale Mining)

(1) Company Profile

- (a) Provide a detailed profile of the Company, including its history, mission, key personnel, and previous projects or achievements in the mining sector; *and*
- (b) Provide proof of incorporation of the Company under the laws of the Islamic Republic of Pakistan and active tax registration in Pakistan.

(2) Area of Lease

Specify the area of Land for which the lease is being sought, using standard coordinates with a geometric shape of the area, not exceeding the Licence Area limitation.

(3) Exploration and/or Mineral Deposit Retention Licence Details

Furnish complete particulars of the exploration and/or Mineral Deposit Retention Licence currently held by the applicant for this application, including the licence number, duration, and any conditions attached.

(4) Detail Exploration Report

- (a) Furnish a comprehensive exploration report, describing proven, estimated, or inferred mineral reserves contained within the exploration licensed area; *and*
- (b) Furnish detailed geological (scale: 1:10,000), geo-chemical & geo-physical maps, drilling/core logs and 3D resource model of the mineral deposit.

(5) Feasibility Report

- (a) Furnish feasibility report detailing assessment regarding engineering requirements, implementation options for extracting and processing

minerals and related capital and operational cost for the construction and production operation period, including detailed Mining-plan;

- (b) Furnish feasibility report detailing development and operation of the Mine; *and*
- (c) Programme of proposed Mining Operations, including forecasts for:
 - (i) The intended date to commence profitable operations;
 - (ii) Projected production capacity and scale of operations;
 - (iii) Anticipated overall recovery of ore and mineral products; *and*
 - (iv) Nature of the products to be extracted and disposal thereof.

(6) Mining Lease Programme

Outline a detailed programme, including a time-bound work plan indicating the proposed period of construction and production operations, estimated expenditure, and the timeframe within which the operations will be completed.

(7) Environmental Impact Assessment

- (a) Furnish an environmental impact assessment report approved by the Balochistan Environmental Protection Agency;
- (b) Identification of potential adverse effects of the Mining Operations on the environment, community and any monuments or relics in the area;
- (c) Proposals for mitigating or controlling these effects: strategies for pollution prevention, plans for treatment and disposal of wastes, safeguarding, reclamation, rehabilitation of Land disturbed by mining and protection of rivers and water sources; *and*
- (d) Monitor and manage any adverse environmental effects of Mining Operations.

(8) Technical and Financial Capacity

- (a) Provide detailed information about the technical capacity (manpower and equipment etc.) and financial resources of the applicant. If applicable, include details of any external partners or contractors and copies of relevant contractual agreements;
- (b) Projections of capital investment and operating costs;
- (c) Revenue forecasts; *and*
- (d) Anticipated type and source of financing.

(9) Lease Duration

Specify the desired duration of the lease, not exceeding the limitation provided in the Act.

(10) **Existing Mineral Titles and Operations**

Furnish details of any other mineral titles held or mines operated by the applicant, whether alone or in joint venture or partnership, both currently and in the ten (10) years immediately preceding the date of application.

(11) **Occupational Safety and Health Management Plan**

Provide details of an occupational safety and health management plan.

(12) **Additional Information**

Include any other information that the applicant considers relevant to support the application.

5. **Prerequisites for Prospecting Licence**

(1) **Company/Firm Profile**

(a) Provide a detailed profile of the Company/**Firm**, including its history, mission, key personnel, and previous projects or achievements in the mining sector; *and*

(b) Provide proof of incorporation of the Company **or registration of Firm (as applicable)** under the laws of the Islamic Republic of Pakistan and active tax registration in Pakistan.

(2) **Area of Licence**

Specify the area of Land for which the licence is being sought, using standard coordinates with a geometric shape of the area, not exceeding the Licence Area limitation.

(3) **Geological Description**

Furnish a general geological description of the area, detailing the potential for or nature of mineralisation, and identifying the specific mineral for which the licence is sought.

(4) **Prospecting Programme**

Outline a detailed prospecting programme, including a time-bound work plan indicating the proposed operations, estimated expenditure, and the timeframe within which the operations will be completed.

(5) **Technical and Financial Capacity**

Provide detailed information about the technical capacity (manpower and equipment etc.) and financial resources of the applicant. If applicable, include details of any external partners or contractors and copies of relevant contractual agreements.

(6) **Licence Duration**

Specify the desired duration of the licence, not exceeding the limitation provided in the Act.

(7) Existing Mineral Titles and Operations

Furnish details of any other mineral titles held or mines operated by the applicant, whether alone or in joint venture or partnership, both currently and in the ten (10) years immediately preceding the date of application.

(8) Occupational Safety and Health Management Plan

Provide details of an occupational safety and health management plan.

(9) Additional Information

Include any other information that the applicant considers relevant to support the application.

6. Prerequisites for Mining Lease (Small Scale)

(1) Company/Firm Profile

(a) Provide a detailed profile of the Company/Firm, including its history, mission, key personnel, and previous projects or achievements in the mining sector; *and*

(b) Provide proof of incorporation of the Company or registration of Firm (as applicable) under the laws of the Islamic Republic of Pakistan and active tax registration in Pakistan.

(2) Area of Lease

Specify the area of Land for which the lease is being sought using standard coordinates with a geometric shape of the area not exceeding the lease area limitation.

(3) Geological Description

Furnish a detailed geological description of the area, detailing the nature of mineralisation and identifying the specific mineral for which the lease is sought.

(4) Prospecting Report

(a) Furnish a comprehensive prospecting report describing the proven, estimated, or inferred mineral reserves contained within the prospecting area; *and*

(b) Furnish detailed geological (scale: 1:10,000), and if any geo-chemical & geo-physical maps, drilling/core logs and 3D resource model of the mineral deposit.

(5) Mining Lease Programme

Outline a detailed programme, including a time-bound work plan indicating the proposed operations, estimated expenditure, and the timeframe within which the operations will be completed. Include an assessment regarding engineering requirements, implementation options for extracting and processing minerals and related capital and operational cost for the construction and production period.

(6) Environmental Impact Assessment

- (a) Furnish an environmental impact assessment report approved by the Balochistan Environmental Protection Agency;
- (b) Identification of potential adverse effects of the Mining Operations on the environment, community and any monuments or relics in the area;
- (c) Proposals for mitigating or controlling these effects: strategies for pollution prevention, plans for treatment and disposal of wastes, safeguarding, reclamation, rehabilitation of Land disturbed by mining and protection of rivers and water sources; *and*
- (d) Monitor and manage any adverse environmental effects of Mining Operations.

(7) Technical and Financial Capacity

- (a) Provide detailed information about the technical capacity (manpower and equipment etc.) and financial resources of the applicant. If applicable, include details of any external partners or contractors and copies of relevant contractual agreements;
- (b) Projections of capital investment and operating costs;
- (c) Revenue forecasts; *and*
- (d) Anticipated type and source of financing.

(8) Lease Duration

Specify the desired duration of the lease, not exceeding the limitation provided in the Act.

(9) Existing Mineral Titles and Operations

Furnish details of any other mineral titles held or mines operated by the applicant, whether alone or in joint venture or partnership, both currently and in the ten (10) years immediately preceding the date of application.

(10) Occupational Safety and Health Management Plan

Provide details of an occupational safety and health management plan.

(11) Additional Information

Include any other information that the applicant considers relevant to support the application.

Schedule 5
List of Mineral Offences Requiring Court Trial
(see Section-104)

Part I

The penalties specified in clause (a) of sub-section of Section-104 shall apply in respect of the offences under the following sub-Sections of the Act:

1. sub-Section (3) of Section 32;
2. sub-Section (5) of Section 34;
3. sub-Section (3) of Section 56;
4. sub-Section (5) of Section 57;
5. sub-Section (3) of Section 65;
6. sub-Section (2) of Section 66;
7. sub-Section (3) of Section 71;
8. sub-Section (4) of Section 72; *and*
9. sub-Section (1) of Section 80;

Part II

The penalties specified in clause (b) of sub-section (2) of Section-104 shall apply in respect of the offences under the following sub-Sections of the Act:

1. sub-Section (8) of Section 13;
2. sub-Section (2) of Section 33;
3. sub-Section (2) of Section 39;
4. sub-Section (4) of Section 40;
5. sub-Section (7) of Section 41;
6. sub-Section (8) of Section 41;
7. sub-Section (4) of Section 42;
8. sub-Section (5) of Section 42;
9. sub-Section (4) of Section 43;
10. sub-Section (4) of Section 44;
11. sub-Section (5) of Section 45;
12. sub-Section (5) of Section 46;
13. sub-Section (1) of Section 73;

14. sub-Section (5) of Section 74;
15. sub-Section (5) of Section 76;
16. sub-Section (5) of Section 79;
17. sub-Section (2) of Section 80;
18. sub-Section (1) of Section 81;
19. sub-Section (5) of Section 92; *and*
20. sub-Section (2) of Section 96.

Schedule 6

List of Mineral Offences Where Challan May be Issued

(See Section-104)

The penalties specified in clause (c) of sub-Section (2) of Section 104 shall apply in respect of the offences under the following paragraphs and sub-Sections of this Act:

1. clause (a) of sub-Section (2) of Section 20;
1. sub-Section (1) of Section 39;
2. sub-Section (5) of Section 55;
3. sub-Section (2) of Section 67;
4. sub-Section (5) of Section 70;
5. sub-Section (6) of Section 77;
6. sub-Section (4) of Section 89;
7. sub-Section (5) of Section 103; *and*
8. sub-Section (6) of Section 103.

Schedule 7

Template Challan (See Section-107)

FORM NO. ____

CHARGE SHEET

District _____ Charge Sheet No. _____, dated _____ 25 _____,

Police station _____ in First Intimation No. _____ dated _____

1	2	3	4	5	6	7
		NAME AND ADDRESS OF ACCUSED PERSONS SENT FOR TRIAL				
Name, address and occupation of complainant or information	Name and addresses of accused persons not sent up for trial, whether arrested or not arrested, including absconder, (show absconders in red ink)	In custody	On bail or recognizance	Property (including weapons) found, with particulars of where, when and by whom, found and whether forwarded to Magistrate	Name and addresses of witnesses	Charge of information : Name and offence and circumstance connected with it, in concise detail, and under what section of the law charged

Dispatched at ____am/pm on _____ 2025.

Signature of Investigating Officer

Schedule 8

Mineral Dispatch Invoice

(See clause (b) of sub-Section (2) of Section-71)

Mineral Title No.	MDI No. _____
Mineral Title Holder Name:	
Mineral District:	Mineral:
Mineral Weight:	Dispatch Date with Time:
Vehicle Type:	Vehicle No.:
Authorised Officer Name:	
Signature:	
Stamp:	
Name and Address of the Mineral Dispatch Recipient:	
MDI issued by: <i>(Name & Signature of authorised representative of Title Holder)</i>	

Schedule 9
Procedure for Bidding Proceedings
(See Sections 15, 64, 65 and 66)

Part I

Procedure for Auctions and Competitive Bidding Proceedings

1. The Licensing Authority or Minor Mineral Licensing Authority (as applicable) shall invite applications for the area reserved for online or in-person auctions or competitive bidding through a notice published on the Mining Cadastre System and in public advertisements published in not less than two (2) leading newspapers (one in Urdu and one in English).
2. A notice of auction or competitive bidding shall be published not less than:
 - (a) in respect of an auction, fifteen (15) days prior to the date of the auction;
and
 - (b) in respect of a competitive bidding process, one (1) month prior to the deadline to submit bids.
3. The public notice to be published under paragraphs 1 and 2 shall contain the following information:
 - (a) details of the size and location of the proposed Licence Area;
 - (b) details of the Mineral or group of Minerals which have been found at mineable sites within the proposed Licence Area;
 - (c) the reserve price and amount of Security Deposit
 - (d) in respect of an auction, the date, time and place where the auction is to take place, and in case of electronic auction, the date, time and details of web portal;
 - (e) in respect of a competitive bidding process, the deadline by which bids must be submitted;
 - (f) the terms and conditions of the auction or competitive bidding process;
and
 - (g) if the Licensing Authority or the Minor Minerals Licensing Authority (as applicable) proposes to award the relevant Mineral Title subject to any additional conditions, the details of such conditions.
4. An applicant for an auction, shall submit the following documents to the Licensing Authority or Minor Mineral Licensing Authority (as applicable) via the Mining Cadastre System at least five (5) days before the date of the auction:
 - (a) auction application filled by the applicant in the prescribed form;
 - (b) in respect of a Company, the articles and memorandum of association and incorporation certificate of the Company;
 - (c) in respect of a Firm, the applicant has submitted the partnership agreement and registration certificate of the Firm;
 - (d) active registered national tax number (NTN) of the applicant;

- (e) receipt of payment of the application fee in accordance with Schedule 9 (*Procedure for Bidding Proceedings*), Part II (*Payment of Application Fee*) below; *and*
 - (f) evidence of deposit of Security Deposit with the Licensing Authority or Minor Mineral Licensing Authority (as applicable) in the amount required pursuant to Schedule 9 (*Procedure for Bidding Proceedings*), Part III (*Payment of Security Deposit*) below.
- 5. An applicant for a competitive bidding process, shall submit the following documents to the Licensing Authority or Minor Mineral Licensing Authority (as applicable) via the Mining Cadastre System, along with his bid, before the deadline to submit bids:
 - (a) competitive bidding application form filled by the applicant in the prescribed form;
 - (b) in respect of a Company, the articles and memorandum of association and incorporation certificate of the Company;
 - (c) active registered national tax number (NTN) of the applicant;
 - (d) receipt of payment of the application fee in accordance with Schedule 9 (*Procedure for Bidding Proceedings*), Part II (*Payment of Application Fee*) below; *and*
 - (e) evidence of deposit of Security Deposit with the Licensing Authority or Minor Mineral Licensing Authority (as applicable) in the amount required pursuant to Schedule 9 (*Procedure for Bidding Proceedings*), Part III (*Payment of*) below.
- 6. For the purposes of sub-paragraph (g) of paragraph 4 and sub-paragraph (g) of paragraph 5, an applicant who makes payment of a Security Deposit in the form of a call deposit must submit an original copy of such call deposit to the Licensing Authority or Minor Mineral Licensing Authority (as applicable).
- 7. The highest bidder in an auction shall be announced at the fall of hammer. the Licensing Authority or Minor Mineral Licensing Authority (as applicable) shall notify the highest bidder in a competitive bidding process within five (5) days of the deadline to submit bids.
- 8. An application for an auction or competitive bidding, shall be awarded to the highest bidder above the reserve price who:
 - (a) is eligible to hold the relevant Mineral Title or Minor Mineral Title (as applicable) in accordance with sub-Section (1) of Section 49 of the Act; *and*
 - (b) satisfies all conditions set out in sub-Section(2) of Section 49 for the grant of that Mineral Title or Minor Mineral Title (as applicable) within the time period specified in paragraph 9 below.
- 9. The first highest bidder in an auction or competitive bidding above the reserve price shall be required to pay a quarter of the bid price to the Government and satisfy each of the conditions set out in sub-Section (2) of Section 49 for the grant of that Mineral Title or Minor Mineral Title (as applicable), within fourteen (14) days from conclusion of the auction or notice from the Licensing

Authority or Minor Mineral Licensing Authority (as applicable) that the applicant is the first highest bidder.

10. If the first highest bidder in an auction or competitive bidding process fails to satisfy each of the conditions set out in sub-Sections (2) of Section 49 and paragraph 9 above for the grant of that Mineral Title or Minor Mineral Title (as applicable) within the applicable time period specified in paragraph 9 above:
 - (a) the Licensing Authority or Minor Mineral Licensing Authority (as applicable) may in their discretion notify the second highest bidder in an auction or competitive bidding above the reserve price (if there is such a bidder); *and*
 - (b) the second highest bidder shall have a priority right to satisfy each of the conditions set out in sub-Sections (2) of Section 49 and paragraph 9 for the grant of that Mineral Title or Minor Mineral Title (as applicable) in accordance with this Act.
11. If an auction or competitive bidding process fails to award the relevant Mineral Title or Minor Mineral Title (as applicable) in three auctions, the Licensing Authority or Minor Mineral Licensing Authority (as applicable) may reduce the reserve price for such auction or competitive bidding process if reasonable in the circumstances for the due administration of this Act.
12. If the Licensing Authority or Minor Mineral Licensing Authority (as applicable) reduces the reserve price for an auction or competitive bidding process pursuant to paragraph 11, the Licensing Authority or Minor Mineral Licensing Authority (as applicable) shall publish a notice of such reduction on the Mining Cadastre System and in public advertisements published in not less than two (2) leading newspapers (one in Urdu and one in English), and the procedure for the award of a Mineral Title or Minor Mineral Title (as applicable) through auction or competitive bidding process set out hereinbefore shall apply again *mutatis mutandis*.

Part II

Payment of Application Fee

13. Every applicant for an auction or competitive bidding shall pay an application fee in such amount as may be prescribed by the Department from time to time by notification in the official Gazette. The application fee shall be non-refundable.
14. Application fees payable under this Act shall be deposited into the Government treasury or into any bank authorised by the Government for the purpose, under the specified head of account and the receipt shall, in original, be provided to the Licensing Authority or Minor Mineral Licensing Authority (as applicable).

Part III

Payment of Security Deposit

15. Security Deposit for the purpose of an auction or competitive bidding process conducted under this Act shall be calculated as:
 - (a) in respect of Large-scale Mining, ten per cent. (10%) of the relevant reserved price; *and*

- (b) in respect of Small-scale Mining (including for Minor Mineral Title) twenty per cent. (20%) of the relevant reserved price.
- 16. Subject to paragraph 18 below, Security Deposit shall be immediately released by the Licensing Authority or Minor Mineral Licensing Authority (as applicable) to the unsuccessful bidder(s).
- 17. Security Deposit of the successful bidder shall be retained by the Licensing Authority or Minor Mineral Licensing Authority (as applicable) and applied to set off payment of the bid price, or in case of non-compliance with the offer letter and/or upon cancellation of the Mineral Title or Minor Mineral Title (as applicable), shall be forfeited in the favour of the Government.
- 18. Security Deposit of the second highest bidder in an auction or competitive bidding above the reserve price shall be retained by the Licensing Authority or Minor Mineral Licensing Authority (as applicable), *provided that*, if the first highest bidder satisfies each of the conditions set out in sub-Sections (2) of Section 49 and paragraph 9 above for the grant of the relevant Mineral Title or Minor Mineral Title (as applicable) within the applicable time period specified in paragraph 9 above, Security Deposit shall be immediately released by the Licensing Authority or Minor Mineral Licensing Authority (as applicable) to the second highest bidder and in all other cases the relevant Security Deposit shall be forfeited in the favour of the Government.

Part IV

Payment of Bid Price

- 19. A Title Holder who is awarded a Mineral Title other than a Minor Mineral Title through an auction or competitive bidding process pursuant to Part VI of the Act shall pay the portion of the bid price remaining after compliance with paragraph 9 above to the Government in six (6)-monthly instalments following the award of the Mineral Title as follows:
 - (a) if the royalty payable by the Title Holder is exclusive of the bid price, within:
 - (i) one (1) year of the award if the bid price is less than Rs. Fifteen million (15,000,000);
 - (ii) two (2) years of the award if the bid price is less than Rs. Two hundred million (200,000,000);
 - (iii) three (3) years of the award if the bid price is less than Rs. Five hundred million (500,000,000);
 - (iv) four (4) years of the award if the bid price is less than Rs. One billion (1,000,000,000); *and*
 - (v) five (5) years of the award if the bid price is more than Rs. One billion (1,000,000,000).
 - (b) if the royalty payable by the Title Holder is inclusive of the bid price, within:
 - (i) one (1) year of the award if the bid price is less than Rs. Two hundred million (200,000,000);

- (ii) two (2) years of the award if the bid price is less than Rs. Five hundred million (500,000,000);
 - (iii) three (3) years of the award if the bid price is less than Rs. One billion (1,000,000,000); *and*
 - (iv) four (4) years of the award if the bid price is more than Rs. One billion (1,000,000,000).
20. A Title Holder who is awarded a Minor Mineral Title through an auction or competitive bidding process pursuant to Part VI of the Act shall pay the portion of the bid price remaining after compliance with paragraph 9 above to the Government in equal quarterly instalments following the award of the relevant Minor Mineral Title over the term of that Minor Mineral Title.
21. In case of failure of the Title Holder to deposit the bid price instalments as scheduled in accordance with paragraphs 19 and 20 above, a fine at the rate of one per cent. (1%) of the due amount per month shall be imposed until all outstanding dues are cleared.

Schedule 10
Contents of Mineral Agreement
(See sub-section (1) of Section 69)

Each Mineral Agreement shall make provision with respect to, inter alia, all or any of the following matters:

- (a) the renewal, cancellation or Transfer of the relevant Mineral Title;
- (b) security clearance;
- (c) minimum Mining Operation to be carried on and related expenditures to be incurred for the purposes of those operations;
- (d) the formation of joint ventures;
- (e) the applicable requirements in respect of a non-contributory minimum (not to exceed ten per cent. (10%)) free-carried interest to be vested in an entity wholly owned and controlled by the Province;
- (f) the basis on which the fair market value of any Mineral or group of Minerals may, from time to time, be determined on an arm's length basis;
- (g) the payment of enhanced royalty in specified circumstances;
- (h) the payment of additional profits tax in specified circumstances;
- (i) the establishment of secondary and tertiary processing facilities;
- (j) the circumstances in which, and the conditions on which, rights of pre-emption of Mineral(s) may be exercised by the Government;
- (k) minimum local content requirements;
- (l) guarantees to ensure the due and proper performance of the obligations of the Title Holder;
- (m) financial and insurance arrangements;
- (n) the settlement of any dispute which may arise in the interpretation or application of any provision of the Mineral Agreement by a sole expert or through arbitration; *and*
- (o) other matters as the Government may determine or as the parties to the Mineral Agreement may consider necessary.

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Schedule 11
Mines and Mineral Force
(See sub-section (5) of Section 80)

1. Establishment of Mines and Minerals Force

(1) The Government may, for the prevention of illegal and unauthorised mining, the retrieval of possession of minerals from illegal miners or stockers and the enforcement of the provisions of this Act, establish the Mines and Minerals Force which shall comprise the following senior and junior ranks officers and members, notified by the Government:

Senior Rank

- (i) Director General
- (ii) Enforcement Officer

Junior Rank in each District

- (i) Inspector of Mines and Minerals Force
- (ii) Sub-Inspector(s), Assistant Sub-Inspector(s) of Mines and Minerals Force
- (iii) Head Constables and Constables of Mines and Minerals Force

(2) The Government may establish as many Mines and Minerals Force stations as are required for the efficient functioning for carrying out the purpose of this Act and rules made thereunder.

(3) The members of the staff shall be governed by the provisions of the Balochistan Civil Servants Act and rules made thereunder.

2. Functions of the Mines and Minerals Force

(1) The Mines and Minerals Force shall have the following functions:

- (a) to lodge a first information report, inquiring into, investigating and prosecuting all offenders relating to illegal and unauthorised mining or stock, including an attempt or conspiracy to commit, or an abetment of any such offence or any offence committed under this Act or rules;
- (b) to retrieve possession from the illegal and unauthorised mining and stock;
- (c) to use such arms, ammunition and equipment as are supplied to them by the Government through the Director General or Enforcement Officer; *and*
- (d) to perform any other related functions which may be assigned to it by Government.

3. Powers of Mines and Minerals Force.

(1) The officers of the Mines and Minerals Force shall for the purpose of any inquiry or investigation under this Act, have within his jurisdiction, such powers, including the powers relating to search, arrest of individuals, seizures of property and such duties, privileges and liabilities as a police officer has in respect of offences under the Code of Criminal Procedure, 1898 (Act V of 1898) or any other law for the time being in force.

(2) Save when the Director General otherwise directs, an officer of the Mines and Minerals Force not below the rank of an Inspector may, for the purpose of any inquiry or investigation under this Act, exercise all the powers of an officer-in-charge of the Police station in any area in which they are for the time being and, when so exercising such powers, shall be deemed to be the officer-in-charge of police station discharging his functions as such within the limits of his station including the lodging of the first information report.

(3) Without prejudice to the generality of the provisions of paragraph 3.1 and paragraph 3.2 above, any officer of the Mines and Minerals Force not below the rank of Sub-Inspector authorised by the Director General in this behalf, may arrest, any individual who has committed or against whom a reasonable suspicion exists that they have committed any of the offences relating to the illegal or unauthorised mining referred to in this Act, no individual shall be kept in police custody for more than twenty-four (24) hours, unless a remand is obtained from a judicial magistrate.

(4) An officer of the Mines and Minerals Force not below the rank of Sub-Inspector authorised by the Director General may inquire and investigate and trace the Organisation or individuals responsible for the illegal or unauthorised mining.

(5) The Government may, in respect of any case registered by, or under investigation, of police or any other investigation agency or authority, by order in writing, entrust inquiry or such investigation to the Mines and Minerals Force, and thereupon the police or other investigation agency or authority shall transfer the record of the case to the Mines and Minerals Force.

(6) Any member of the Mines and Minerals Force not below the rank of Sub-Inspector may in performance of his functions, powers and duties, seek assistance from the concerned police and the concerned police shall render all possible assistance.

4. Wearing of Uniform

(1) All officers and members, excluding the Director General and Enforcement Officer and ministerial staff of the Mines and Minerals Force, employed on enforcement duties shall wear such uniform as may be prescribed.

5. Training

(1) The Balochistan Police shall arrange training to the members of the Mines and Minerals Force on any charges as may be notified by the Government.

6. Public Servant

- (1) Every officer and member of the Mines and Minerals Force in discharging its functions, powers and duties shall be a public servant within the meaning of section 21 of the Pakistan Penal Code (Act No. XLV of 1860).

7. Liabilities of Officers and Members

- (1) It shall be the duty of every officer and member of the Mines and Minerals Force to obey and execute all orders and instructions issued to them by the Director General.
- (2) Every officer and member of the Mines and Minerals Force shall be liable to serve wherever they are required to serve by the Director General.
- (3) Every officer or member who is guilty of any violation of duty or wilful breach or neglect of any of the provision of this Act or rules or an order made by the Director General, or who withdraws from his duties without permission, or who, being absent on leave, fails, without reasonable cause, to report himself for duty on the expiration of such leave, or on being recalled to duty earlier or who is engaged without authority in any employment other than his duty under this Act, or who is guilty of cowardice, or who applies any unwarrantable personal violence to any individual in his custody, shall be liable to be proceeded against departmentally, or, on conviction before a judicial magistrate, to imprisonment for a term which may extend to six (6) months, or with fine which may extend to Rs. ten thousand (10,000), or with both.

8. Cognisance of Offences

- (1) No court other than the Special Court established under Schedule 11 (*Mines and Mineral Force*), paragraph 9.1 below shall try offences under this Act.
- (2) Notwithstanding anything contained in the [*Code of Criminal Procedure, 1989*], every offence under this Act shall, for the purposes of the [*Code of Criminal Procedure, 1989*], be deemed to be non-cognisable.
- (3) No prosecution under this Act shall be lodged without the previous sanction of the Director General or any officer authorised by the Directorate General Mines and Minerals, which shall not be given, except after serving a notice on the party concerned and giving such party a reasonable opportunity of being heard.

9. Special Court for Mines and Minerals

- (1) For the purpose of speedy justice, Government shall in consultation with High Court of Balochistan, by notification, specify an existing Court of Judicial magistrate / Additional Sessions Judge to be a "Special Court for Mines and Minerals" (the "**Special Court**") to try the offences under this Act within its respective jurisdiction.
- (2) On establishment of the Special Court under paragraph 9.1 above, the cases falling within the purview of this Act pending in any court shall be transferred to the Special Court for trial, *provided that* until the Special Courts are established under paragraph 9.1 above, the cases pending before any court shall continue to trial.

(3) The Special Court established under paragraph 9.1 above, on taking cognisance of a case, shall proceed with the trial from day-to-day and shall decide the case within one hundred and twenty (120) days.

10. Appeal Against Order of Special Court

(1) An appeal against the order passed by a Special Court shall lie to the District and Sessions Court of the concerned district.

11. Establishment of Police Stations for Mines and Minerals

(1) There shall be established as many police stations of Mines and Minerals Force in the Province as may be considered necessary for achieving the objectives of this Act.

(2) The jurisdiction of the police stations established under paragraph 11.1 above shall be determined on the basis of administrative boundary and shall be notified by Government from time to time.

(3) The police stations established under paragraph 11.1 above shall comprise the officer and staff of the Mines and Minerals Force as provided under the heading "Junior Rank" of Schedule 11 (*Mines and Mineral Force*), paragraph 1.1.

12. Evidence

(1) The production in any criminal or civil proceedings in any court of law of any certificate purporting to have been signed by the Director General or an authorised officer certifying whether or not on a date specified in the certificate that:

- (a) a Mineral Title or mineral permit was issued renewed or Transferred to a Company or Firm so specified;
- (b) any interest in such a Mineral Title or permit has been granted, Transferred or assigned to a Company or Firm so specified;
- (c) any conditions so specified is or was a condition of a title or permit;
- (d) a Company or Firm [or individual] mentioned in the certificate is the holder of a Mineral Title or mineral permit; *and*
- (e) a Mineral Title or a mineral permit has been in respect of an area of Land so specified, shall, unless the contrary is proved, be received in evidence as conclusive proof of the fact so certified.

(2) The production in any civil or criminal proceedings in any court, an extract of an entry in the registers maintained under sub-Section (1) of Section 13, certified by an authorised officer to be a true and correct extract of such an entry shall, unless the contrary is proved, be taken as conclusive proof of the entry.

13. Execution of the Orders

- (1) The orders passed under Sections 82 (*Unauthorised Mining and Obstruction*), 104 (*Forfeiture of Plants, Machinery, Minerals, etc.*) and 107 (*Recovery of the Subject Matter of a Violation*) of this Act shall, if necessary, be executed through the Mines and Minerals Force.


(TAHIR SHAH KAKAR)
Secretary.

No.PAB/Legis:V(13)/2025/4770

Dated: Quetta, the 17th March, 2025.

A copy is forwarded to the Chief Controller, Government Printing Press, Balochistan, Quetta for favour of publication in the next issue of Balochistan Gazette. Before final printing, a copy thereof be sent to this Secretariat for proof reading. Fifty copies of the Act may please be supplied to this Secretariat for record.


(ABDUL REHMAN)
Special Secretary (Legis:)

No.PAB/Legis:V(13)/2025/4770.

Dated: Quetta, the 17th March, 2025.

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

1. The Principal Secretary to Governor Balochistan, Quetta.
2. The Principal Secretary to Chief Minister Balochistan, Quetta.
3. The Secretary Government of Balochistan, Mines and Minerals Development Department.
4. The Secretary, Government of Balochistan, Law and Parliamentary Affairs Department, Quetta.
5. The Secretary to Speaker, Balochistan Provincial Assembly.
6. The Director General, Public Relations, Balochistan, Quetta.
7. The System Analyst, Balochistan Provincial Assembly.
8. P.S. to Secretary, Balochistan Provincial Assembly.


Special Secretary (Legis:)

