

GOVERNEMENT OF GILGIT BALTISTAN
DIRECTORATE OF MINES & MINERALS

Mineral Agreement for Mining Lease

Between the Directorate of Mines & Minerals GB and M/S

This mineral agreement hereinafter referred to as the "Agreement" is made on theday of the year between the Licensing Authority or Authorized Officer(s) on behalf of Licensing authority, the **First Party** and the holder of Mining Lease hereinafter referred to as the "Lessee" as described in the "**Part-A**" (the expression includes his/her heirs, executors, administrators, representatives or himself/herself), the **Second Party** (hereinafter Licensing Authority and Lessee will be called as first party and second party respectively).

WHEREAS, the **Second Party**, in accordance with the conditions laid down in the Gilgit Baltistan Mining Concession Rules (MCR), 2016 for the grant of Mining Lease, has applied to the first Party for a mineral title in respect of the land more particularly delineated and described in the "**Part-B**" of this agreement (hereinafter referred to as the said lands), for the mineral as mentioned in "**Part-C**", and on the due compliance with the terms and conditions of the agreement and the provisions of the rules there under.

AND WHEREAS, the **First Party** has found that there is no objection to grant the Mining Lease to the **Second Party**.

NOW, therefore, the parties agree as follows:

In consideration of the fees, penalties, fines, Covenants and Agreements hereinafter reserved and contained on the part of the **Second Party** to be paid and observed, the **First Party** hereby demises to the **Second Party** the mineral title for lying or being within, under or throughout the said land and hereby grants the liberties, powers and privileges to be exercised in connection with the said minerals subject, (however to the conditions and restrictions, if any) set out in the "**Part-D**" of this agreement and to any other condition and restriction which are laid down in the GB MCR, 2016 and by any other statutory provision for the time being in force.

To hold, exercise and enjoy (all and singular) the premises, liberties, powers and privileges hereby granted and demised to Second Party from theday of the (date as set out in the "**Part-E**" of this agreement) for the term of 05 (Five) years thence paying the several fee, fine and penalties, additional profits and taxes in specified circumstances and other sums of money etc. (to be mentioned and specified in "**Part-F**" of this agreement) and as assessed, determined and prescribed by the licensing authority in the "**Part-G**" of this agreement and the **Second Party** hereby covenants with the **First Party** as expressed in "**Part-H**" and the **First Party** hereby covenants with the **Second Party** as expressed in "**Part-I**" of this agreement and (the rights to be exercised by the **First Party** in specific circumstances as set out in "**Part-J**" of this agreement) and in accordance with the conditions as laid down in the GB MCR, 2016 there under.

AND it is hereby agreed and declared that unless the **Second Party**, shall at all times, duly and punctually perform and observe the covenants and conditions hereinafter contained or implied herein, this Mining Lease shall be liable to revocation and may be revoked by the **First Party** pursuant to the powers in that behalf conferred by the GB MCR, 2016 there under, provided that the **First Party** may as he/she thinks fit impose on the **Second Party** a penalty as an alternative to revocation of this Mining Lease. The covenants and conditions hereinbefore referred to are:

PART-A

1. Particular of the second Party:
- a) Name of the Lessee: M/S
 - b) Address:
 - c) CNIC No:
 - d) Contact No:

PART-B

2. Particular of the area:
- Covered Area:Sq.km Location:
- District: Topo Sheet No:

Coordinates of the area

Points	X	Y
A		
B		
C		
D		
	Total Covered Area :.....	

PART-C

3. Name of Mineral or group of Minerals, Lead Ore.

PART-D

4. CONDITIONS OF SECOND PARTY:
- 4.1 It shall be a condition of a Mining Lease that the Second Party thereof shall-
- a) exercise any right granted to him reasonably and in such manner that the rights and interests of the occupier of the land to which the title relates are not adversely affected except to the extent that the occupier is compensated;
 - b) Give preference to citizens of Pakistan and in particular the residents of the region for employment of persons, who possess appropriate qualifications, expertise and experience for the purposes of the operations to be carried on under the lease;
 - c) Carry out training program in order to encourage and promote the development of citizens of Pakistan and in particular residents of the region employed by the Second Party;
 - d) Ensure technical and economic efficiency and make use of the products or equipment's locally manufactured or produced, and all services locally available;
 - e) Co-operate with the persons involved in the mining industry to enable citizens of Pakistan and in particular the residents of the region to develop skills and
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technology and to render services in the interest of that industry;

- f) Take measures to prevent damage to the environment, and where some adverse impact on the environment is unavoidable, take measures to minimize such impact;
- g) Make good any damage caused to the environment, as far as possible, during the course of mining operations and on the cessation of such operations due to expiry or cancellation of the lease or otherwise;
- h) Give to the Directorate, if the holder is a Company, notice of any change in its name, registered address, Director or Share capital, within thirty days as from the date of change;
- i) Make prescribed contributions to Government for the benefits of the local population.
- j) Use the land only for the purpose in respect of which the lease is granted in accordance with GB MCR, 2016 and amended rules.
- k) Comply with the prescribed expenditure conditions required for carrying out operations;
- l) A Lessee shall, within sixty days of the issue of the lease, cause the granted area to be demarcated on ground according to the survey data and submit a certificate on the prescribed form signed by a Registered Surveyor/Departmental Surveyor of having carried out the said boundary demarcation.
- m) The Lessee shall, at his own expense, erect and at all times maintain boundary marks and pillars standing not less than one meter above the surface of the ground and being not less than one meter square in diameter at the base at every angle or corner of boundary lines to be fixed according to the demarcation.
- n) Not transfer the liberties, powers, privileges and obligations in the form of subletting under the lease to the third party in respect of the area demised under the lease or mortgage a legal interest in such land or any part thereof without the prior written consent of the First Party;
- o) Submit such periodical reports and returns as may be prescribed by the First Party;
- p) Promptly report in writing to the First Party details of all minerals discovered in, on or under the land, the Lessee shall have no right over the mineral so discovered, under the lease unless a fresh lease in respect of the mineral so discovered is granted under the GB MCR, 2016;
- q) Duly and punctually observe and perform all other provisions of the GB MCR, 2016 and of any other Rules for the time being in force applicable or related to the Second Party or this lease or the land that is the subject of this lease;
- r) Work in accordance with the Rules, approved work plan and directions of the First Party.
- s) Make and pay such reasonable compensation as may be assessed by a lawful authority in accordance with the law in force on the subject applying to the lands over which the lease has been granted, for all damage, injury or disturbance which may be done by the Second Party in exercise of the rights all claims which may be made by the third party in respect of any such damage, injury or disturbance.



- t) In case of any dispute between the Lessee and Directorate of Mines & Mineral Gilgit Baltistan, the matter shall be referred to Licensing Authority for decision. Provided that any party aggrieved by the decision of the Licensing Authority, may file an appeal before appellate authority after deposit of fee, the decision of Appellate Authority shall be final.

4.2 If a Second Party fails to comply with the directions, the First Party May:

- a) Cause such steps to be taken as may be necessary to comply with the direction; and
- b) Recover from the Lessee the costs incurred in connection with the taking of any such steps, as a debt due to the Government.
- c) When a person is convicted of an offence under these rules, the court or Licensing authority as the case may be, in addition to any penalty imposed or other forfeiture ordered, order that any mineral or group of minerals won or mined in the course of the commission of the offence, be forfeited to Government or, in the event of any such mineral or group of minerals having been sold or otherwise disposed of, that an amount equal to the proceeds of the sale or the market value of the mineral or group of mineral, as determined by the court or the Licensing Authority, be paid by such person.
- d) Any holder of an Mining Lease who contravenes or fails to comply with the provisions of sub-rule (1) of rule 28 of GB MCR, 2016 shall be guilty of an offence and be punishable with a fine which shall not be less than twenty thousand rupees or more than two hundred thousand rupees, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn

5. RESTRICITONS ON THE LICNESEE:

5.1 The Lessee shall not-

- a) Carry on mining operations at or upon any point within a distance of fifty meters from the boundary of the mining area;
- b) A Lessee shall not carry on or permit to be carried on any prospecting or mining operations at or up to any point within a distance of one hundred meters from any railway line, reservoir, canal, power line, gas pipeline or other public works or airport boundary, or building or place of archaeological importance expect with the previous permission of the concerned authority and in accordance with such conditions as may be imposed. The same distance demarcation shall apply for underground operations
- c) Shall not erect any building or carry on any surface operations upon any public playground, crematory or graveyard, or place held sacred by any class of persons, or any house or village site, or public road or on any other place;
- d) Cut or injure any tree on occupied land;
- e) Disturb the surface of any road;
- f) Enter upon any public playground, crematory or graveyard, or place held sacred by any class of persons; or
- g) Interfere with any right of way, well, tank or cultivated agricultural land without written permission of the Competent Authority.

PART-E



6. Date of Commencement of the Mining Lease-

This Agreement shall commence onday of the year

PART-F

7. The Second Party shall pay Call Deposit, Annual Dead Rent and Bank Saving Certificate Fees and others as per relevant Schedule and submit all outstanding Government dues including fines, penalties etc. as per relevant sections of the Rules.

PART-G

8. The Second Party shall pay royalty/enhanced royalty, fee, fines and penalties etc. as notified by the Competent Authority from time to time under the proper head of account as provided by the Government of Gilgit Baltistan.

- a) That within one month of the receipt of this agreement the lease shall have to deposit below mentioned fesses for the issuance of work order, failing which, the approval shall be liable to cancellation/withdrawn, however, the period may be extended for furtherdays upon the licensee citing cogent reason for the delay. Bank saving Certificate/Security Deposit **Rs. in the name of Director of the Company and shall deposit Rs. against granting fee in A/C NO. C0 3508 or any other account provided and shall deposit RS.against yearly dead rent in account No. C-03808 or any other account provided.** And shall furnish a call deposit of **Rs.....**in the name of Director Mines & Minerals GB.
- b) All Fees, Royalties, Rents Markups, Fines, Securities, Taxes etc. (except call deposit) shall be deposited in the Consolidated Fund of GB Government under the head respective head of account and the Lessee shall be liable to provide a copy of challan to this office.

PART-H

1. ADDITIONAL CONDITIONS

- 9.1 in addition of clause 4 of this Agreement, it shall be a condition of a Mining Lease that the Second Party shall:

- a) If the lease starts mining activities including infrastructure development, acquisition and transportation of mines related machineries, equipment's, and marketing plan analysis via the relevant professionals, and submit a compressive progress report covering the prescribed areas within 06 months of issuance of work order and start mining production or extraction and transportation of minerals to the market by obtaining route permit (Rahadari) up to the benchmark of production mentioned in the relevant work program of lease within the time period of 18 months after issuance of work order and issue a recommendation/satisfactory report by the constituted committee by the Director Mines & Minerals GB, to Secretary Minerals for release or return of call deposit, failing upon, the call deposit will be forfeited automatically without any notice after the expiry of prescribed time period. .
- b) After forfeiting the call deposit 1st party will issue 1st notice to 2nd party to start mining activities within 6th month, if failed the final notice will be issued to start mining activities within another six months, failing that the Mining Lease shall be cancelled and there shall no right of appeal in any court of law.



- c) Take all reasonable steps necessary to secure the safety, welfare and health of persons employed for the purpose of those operations in the mining area and to protect the environment;
 - d) Maintain in good condition and repair all structures, equipment and other goods not used or not intended to be used in connection with the mining operations;
 - e) Remove from the mining area all structures, equipment and other goods not used or not intended to be used in connection with the mining operation;
 - f) Take reasonable steps to warn persons who may, from time to time, be in the vicinity of any such structures, equipment or other goods of the possible hazards resulting there from;
 - g) Give to the first Party notice of the discovery of a deposit of any mineral or group of minerals including radioactive minerals necessary for the generation of nuclear energy, mineral oil and natural gas, other than a mineral or group of minerals to which his/her lease relates, within two weeks after discovery.
 - h) A Lessee shall report immediately to the Licensing Authority any incident of fire, explosion inundation or roof-fall causing damage to mineral property or loss of human life. The Licensing Authority may direct an inquiry to assess the loss caused to mineral property and reasons thereof. In case, it is proved to the satisfaction of the Licensing Authority that the accident had taken place due to the negligence of the Lessee, appropriate action against the defaulter shall be taken under these rules or any law for the time being in force.
 - i) If found any fake information/documents submitted by 2nd party at any stage, the 1st party have right to cancel/withdraw the granted lease without any notice.
- 9.2 The Second Party shall keep at (an address in the Gilgit Baltistan province a proper record of the:
- a) Location and results of all photo geological studies, imaging, geological mapping, geochemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling and other activities undertaken in the course of the mining operations carried out by the holder, in or in connection with the mining area to which the Mining Lease relates;
 - b) Results of all analytical, metallurgical and mineralogical work incidental to such mining operations;
 - c) Interpretation and assessment of the studies, surveys and work referred to in sub-clauses (a) and (b);
 - d) Persons employed for the purpose of such mining operations, including the names, address, nationality and ages of such persons;
 - e) The expenditures incurred by the holder in the course of such mining operations; and
 - f) Such other information as may be determined in writing by the First Party and specified by notice in writing given to such holder.
- 9.3 The Second Party shall prepare or cause to be prepared and maintained all time plans and maps in respect of the mining area.
- 9.4 The Second Party shall prepare in respect of the period of the currency of the Mining Lease a statement of income and expenditure derived or incurred in



connection with the explorations in the mining area and such other financial statement as the First Party may require.

- 9.5 The Second Party shall submit within seven days after the end of each quarter during the currency of such Mining Lease to the first Party such other particulars as the First Party may require in relation to the mining operations.
- 9.6 The Second Party shall submit, within thirty days after the expiry of the Mining Lease, to the first Party, reports relating to:
- a) An estimate of the mineral reserved in the mining area properly illustrated by way of plans and maps according to an appropriate scale;
 - b) An evaluation of the prospects of the discovery of any mineral or group of minerals; and
 - c) Particulars of the mining operations carried during the currency of the Mining Lease.
- 9.7 Where Second Party is, by virtue of the conditions of the lease, required to carry out or to make within a particular period, in accordance with a work program, certain minimum mining operations and expenditure, he/she shall furnish the First Party, on such date or dates as may be specified in the lease, with particulars of such mining operations carried out and the expenditure made.
- 9.8 If the land belongs to a private person, a Lessee shall pay compensation to the owner of the land for the area actually used or occupied superficially land and, in such manner, as may be mutually agreed upon between the lessee and the land owner.
- 9.9 If an area or a portion thereof held under a mineral title is required at any time for any public purpose, the Second Party shall forthwith release to the First Party such area and to such extent as is required by the Government under such terms and conditions as may be determined by the First Party. Where any area excluded becomes subsequently available for the purpose of a mineral grant, the previous second Party shall have prior right over such area if his/her original lease subsists.
- 9.10 On the expiry, surrender or determination of a lease, the Second Party shall deliver to the First Party the demised premises and all mines, if any, in a proper and workable state.
- 9.11 The Second Party may be black listed by the First Party on account of serious and repeated violations of the GB MCR, 2016.
- 9.12 in case of blacklisting the mineral title held by the Second Party shall stand terminated and he/she shall be debarred from obtaining any mineral title.
- 9.13 In case of blacklisted person or any partner of such firm or a director of such company forms a new firm or becomes a director of another company, it shall render such other firm or company ineligible for the grant of mineral title.
- 9.14 if any machinery, building structure, mineral or other property belonging to the lessee is not removed by him from the leased out area within three months after the date of expiry or determination of the lease, the First Party, or any officer authorized by it, may enter upon the said land, take possession of all the machinery, building structures, minerals or any other property belonging to the Second Party and may dispose it off in any manner as it may deem fit.
- 9.15 Where, any person has failed to pay any amount of annual rent, markup calculated at the rate of one per centum per day on the amount or any part thereof, from time to time remaining unpaid, shall be payable from the due date of payment until all



outstanding amount is paid.

- 9.16 In the event of the cancellation or surrender of and Mining Lease, the holder of such lease immediately before such cancellation or surrender shall, within thirty days after the date of such cancellation or surrender, deliver to the First Party:
- a) All records, maps and plans kept and prepared in terms of provisions relating to environmental protection and compensation under the Rules;
 - b) All reports, photographs, tabulations, tapes and discs prepared by or on behalf of such person in the course of mining operation; and
 - c) Such other books, documents, records and reports as the First Party may require by notice in writing.

PART-I

10.

- 10.1 The First Party shall give the Second Party the right to enjoy the liberties, powers and privileges hereby granted under the lease.
- 10.2 The First Party may, on application made to it by the Second Party through notice in writing to the holder, amend any work program or lease or expenditure in accordance with the proposals contained in the application or to such extent as the First Party may deem expedient.

PART-J

11. VIOLATION OF THE TERMS OF THIS AGREEMENT

- 11.1 In case of any violation of the terms of agreement, threat to the public health, safety or welfare or danger to life and property, or where violation of any rule/section is being committed, the First Party or, an officer authorized by it specifically in this behalf may, in addition to imposition of fine or initiating prosecution under the rules:
- a) Suspend any work;
 - b) Seal the premises;
 - c) Seize and impound implements, equipment and machinery;
 - d) Demolish or remove any work;
 - e) Dismantle or remove any machinery;
 - f) Issue directions for taking corrective measures within a specified time; or
 - g) Revoke the lease.
- 11.2 The First Party, or an officer authorized by it in this behalf may, in relation to the offences in the Rules.
- a) Issue notices in writing;
 - b) Initiate legal proceedings in court; and
 - c) Assist in defending legal proceedings against the Government.
 - d) Any Lessee starts mining and mineral outside the area granted to him under a lease in any area for which he has not obtained a lease he shall be punishable by a court of competent jurisdiction, with imprisonment for a term not less



than three (3) months, which may extend to three years and/or with a minimum fine of Rs.which may extend Rs.or with both.

e) The Lessee shall comply all other rules of GB MCR, 2016.

PART-K

Any further endorsements/conditions or stipulations.

In witness whereof the First Party and Second Party have affixed their seal and set their hand here to this day ofthe year,

First Party

Second Party

(.....)
Director

.....
M/S

Witness No. 1

Witness No. 2

Signature_____

Signature_____

Name:

Name:

Address:

Address:

CNIC NO.....

CNIC NO.

(Attach copy of the CNIC of the witnesses)

