



GOVERNMENT OF THE PUNJAB
MINES AND MINERALS DEPARTMENT

3rd January, 2025.

NOTIFICATION

No. SOT (M&M)5-4/2021 (Vol-II)/_____ : In exercise of powers conferred under Rule 76 of the Punjab Mining Concession Rules, 2002, the Government of the Punjab is pleased to approve the following terms & conditions for precious metals auctions:

TERMS & CONDITIONS

Open Bids are invited for grant of mining leases of precious metals under Large Scale Mining for a maximum period of three years on non-renewable basis. The potential of blocks/ zones, so offered, are based on the mineral evaluation study titled "Potential Evaluation of Placer Gold in River Indus at District Attock", conducted by the Geological Survey of Pakistan (GSP). First round of Auction will commence on at 11:00 AM in the office of DG Mines and Minerals at Poonch House, Multan Road, Lahore. In case, the auction is not conducted on the scheduled date due to any reason, the auction will be held on the next scheduled date subject to the provisions of Punjab Mining Concession Rules, 2002 on following Terms and Conditions:

1. Interested individuals, firms, companies, desirous of taking part in an auction shall submit, by hand, an application completes in all respects to the Secretary auction committee or to an officer authorised by him in this behalf in Form as may be prescribed by the Licensing Authority, at least five days prior to the auction, during the office hours. Auction will be held in the office of Directorate General Mines and Minerals, Punjab at Poonch House, Multan Road, Lahore under a committee constituted by the Government.
2. Following documents shall be attached with the application for registration:
 - a. A copy of:
 - I. Computerized National Identity Card of the applicant, individual, partners, or directors, whichever is applicable.
 - II. Income Tax Registration Certificate.
 - III. For partnership firms: Authenticated Partnership Deed and registration certificate. For companies: Articles and Memorandum of Association and a certificate of incorporation verified by the Registrar of Companies under relevant companies' law.
 - IV. Proof of financial health and technical capability of the individual, firm, company.

- b. Registration fee Challan of Rs. 100,000/- (non-refundable) deposited into Head of Account, CO 3808 through Challan BM-32 (available on the website of Mines & Minerals Department, Punjab) at any National Bank branch. The original receipt must be submitted to the office of the Director General Mines & Minerals Punjab at least one five days prior to the date of auction, during the office hours for completion of registration process.
 - c. Earnest money (Refundable) equivalent to 5% of the reserve price for each block/zone must be submitted in the form of a CDR in favour of the Director General Mines & Minerals Punjab at least five days prior to date of auction, during the office hours.
 - d. Undertaking on stamp paper that the applicant, firm, company, or any partner is not a defaulter or blacklisted by any Government Department, including the Mines & Minerals Department at least five days prior to date of auction, during the office hours.
3. Only those applicants shall be allowed to participate in auction who have submitted registration form complete in all respect at least five days before the auction date and registration of applicants must be approved/ratified by the Department representative/ secretary of the auction committee before the start of auction after due verification process of documents as far as possible.
 4. Before start of auction, terms and conditions of auction will be announced in the presence of all bidders and all bidders shall affix signatures as a token of acceptance and acknowledgement.
 5. Mining blocks/zones will be offered on an "as is where is" basis. Interested parties are advised to visit the blocks/zones site and obtain information regarding exploration activities, access paths, and land from the Licensing Authority/DG Mines and Minerals, Punjab and Assistant Director Mines & Minerals, Attock. All auction plans, sketches, and preliminary study reports can be downloaded from the department's official website <https://mnm.punjab.gov.pk>. No subsequent objections regarding these factors will be entertained.
 6. Bids of the blocks/zones will start from the reserve price fixed by the Technical Expert Committee notified by the Government of Punjab for this purpose.
 7. Upon finalization of the auction, the highest bidder will deposit 25% of the offered bid money to the Secretary auction committee, in the shape of CDRs in favour of Director General Mines & Minerals, Punjab, within two working days. The bid money also includes royalty. No separate royalty will be paid.



8. The Licensing Authority/ DG Mines and Minerals shall accept or reject any bid with cogent reasons to be recorded in writing, while deciding the offered bids against any block/zone.
9. During the auction, the Auction Committee may ask the participating bidders to submit up to 25% of the bid money in the form of CDRs in order to maintain the seriousness of auction process. The same will be returned to all other registered bidders, except to the 1st and 2nd highest bidder, at the end of auction.
10. In case of acceptance of bid, the successful bidder will be required to submit the security deposit equal to 10% of the bid amount in shape of CDRs, in 07 working days, in favour of Director General Mines & Minerals Punjab. Additionally, the successful bidder must pay advance Income Tax under Section 236-A of the Income Tax Ordinance, 2001, at the rate and in the manner prescribed by the Government from time to time. The security shall be refunded only upon the successful completion of the contract.
11. The successful bidder/lessee must submit a rehabilitation plan along with detailed plans for the development and mining operations. All these documents must be submitted within 07 working days. The Licensing Authority/ DG Mines and Minerals will review and approve the plans within 15 working days. If, no decision is made within this period, the plans shall be deemed to have been approved and accordingly licensing authority will issue work order forthwith.
12. If the highest bidder fails to comply with the terms & conditions of the offer letter within the prescribed time periods, his earnest money/ bid money deposited at the time of auction and security amount deposited, if any, shall be forfeited in favour of the Government and 2nd highest bidder will be considered as the highest bidder and will be issued offer letter immediately, subject to the condition that the difference between the 1st and 2nd highest bid is not more than 5% of the highest bid. If, 2nd highest bidder fails to comply with the terms & conditions of offer letter within the prescribed time periods, his earnest money/ bid money and security amount deposited, if any, shall also be forfeited in favour of the Government and the block/zone will be re-auctioned. The defaulting bidder shall be blacklisted also.
13. The lessee will pay the remaining 75 % of bid money in three equal advance instalments within 270 days from the date of grant of area. No reductions, modifications, adjustments or extensions shall be granted for any reason.
14. It is underlined that the bid amount is non-refundable. There shall be no provisions for adjustments, refunds, or extensions related to the bid amount or the terms of the contract.



15. In case of violation of any terms and conditions of the contract, the Licensing Authority may, subject to notice and after cancelling the lease, resume the area under the lease and forfeit the amount of security deposited by the lessee.
16. The mining lease shall be granted for a maximum period of 03 years (non-renewable) and it shall take effect from the date of issuance of work order.
17. Excavation/mining operation shall be done in accordance with the approved excavation and rehabilitation plan. Excavation Monitoring Committee constituted by Secretary Mines & Minerals, Punjab shall oversee and monitor the working in accordance with approved mining plan.
18. In case of non-compliance, the Licencing Authority may direct the lessee to rehabilitate the excavated area as per approved plan, may impose fine, recover the cost of rehabilitation and deploy machinery for rehabilitation during or after the mining operation.
19. The lessee shall pay surface rent to the landowner for the use of his land for mining operations under provisions of rule 73-A of Punjab Mining Concession Rules, 2002.
20. The Lessee shall also pay rents or any other Government dues and taxes as determined by the Government from time to time and shall abide by all the terms & conditions of the environmental approval issued by EPA Punjab, provision of Mines Act 1923 for excavation of minerals to ensure safe mining operations, provisions of the Punjab Mining Concession Rules, 2002, as well as directions issued by the Licensing Authority or its Authorized Officer as per Rules from time to time.
21. The lessee has to pay complete bid money as per schedule specified in allotment letter / work order even if he carries out excavations in a smaller area within the allotted block/ zone or for any time period less than the maximum tenure of 03 years.
22. The Lessee acknowledges that all earth moving machinery utilized in the project may be equipped with tracking devices and drones may also be used to be monitored through a centralized management system accessible to the Chief Minister, Chief Secretary, Minister Mines, Secretary Mines, Directors General, Deputy Commissioner, Deputy Director, Assistant Director and any other authority/ officer.
23. In case of any theft or illegal excavation of precious metals from other zones or from outside the granted area, or removal of precious metals without getting valid mining lease, the offence shall be punishable by a court of competent jurisdiction with imprisonment for a term which may extend to ten years or with fine not exceeding Rs. 50,00,000/- or with both besides recovery of twenty times the market value of the excavated



precious metals. Furthermore, such actions shall also lead to confiscation of the stolen precious metals, machinery used and termination of the contract.

24. The lessee shall under no circumstances create hindrance or diversion in natural flow of river water during mining / processing operations.
25. The successful bidder/lessee shall extract/process only those precious metals for which lease is being granted and shall have no legal right over any other mineral including minor minerals.
26. The lessee shall strictly carry out the precious metals mining and processing as per the standards defined in the "Minamata Convention" and "International Cyanide Management Code" to protect the environment and aquatic/marine ecosystem.
27. If, at any stage, the documents/ CDRs etc submitted by the applicants/ successful bidder are found bogus/ forged/ invalid, or the bidder/ lessee is found involved in corrupt practices, the mining lease will be cancelled forthwith and already deposited bid amount and security etc. will be forfeited in favour of Government and the bidder/ lessee will be black listed in addition to criminal proceedings.
28. Any baseless litigation or mis-representation of facts on the part of bidder/ lessee may result in blacklisting proceedings against the bidder/ lessee, forfeiture of already deposited bid amount and security etc and termination of contract.

-50-

**SECRETARY
GOVERNMENT OF THE PUNJAB
MINES AND MINERALS DEPARTMENT**

Endst. No. & date even:

A copy is forwarded for information and necessary action to:

1. Principal Secretary to Governor, Punjab
2. Principal Secretary to Chief Minister, Punjab
3. The Secretary Law & Parliamentary Affairs Department, Government of the Punjab.
4. Additional Secretary (Staff) to Chief Secretary, Punjab
5. The Director General, Mines & Minerals, Punjab, Lahore.
6. The Chief Inspector of Mines, Punjab
7. Mines Labour Welfare Commissioner, Punjab
8. Managing Director, Punjab Mineral Development Corporation (PUNJMIN)
9. PS to Secretary, Mines & Minerals Department


Section Officer (Technical)