



Islamic Republic Of Afghanistan

Ministry of mines and Petroleum

Department of mines (Badakshan)

Contract of mining professional (Tourmaline)

Between

Ministry of mines and petroleum, department of Badakshan province

And

Pamir Badakshan international mining company

Contract of mining professional

General information of the contract:

Information about contract and mine appearance	
Name	Sayed Sabahuddin
Contract number	1
Mine location	DueDara mine, Jurm district
Mine Width (in m2)	2000m2
Mine area G.P.S	
mineral type (to be extract)	Tourmaline
Contract volume (extraction volume)	
Contract coverage(extraction volume, time, price per unit)	
Ground rent (per acre)	5\$
Rate of royalty(royalties payable)	
Contract Issue date	
Contract expiry date	
Contractor Information	
Name and Father name	Sayed Sabaduddin s/o Sayed Azam
Date of birth	Two years old of 1353
Address	Esmat Muslim street, Shahr-e-now Kabul
Mobile	0700067780
Email	
T.I.N number	

Contents

Introduction:	4
Rights of mining professional permit holder:	4
Article one:.....	4
Obligations of professional mining permit holder:.....	4
Article two:.....	4
Payments:	5
Article three:	5
Discovery of new minerals:.....	5
Article four:	5
Production:	6
Article five:	6
Inspection, Supervision and capacity promotion:	6
Article six:.....	6
Restrictions of Professional mining contract:	6
Article seven:.....	6
Disaster:	6
Article eight:.....	6
Historical and cultural monuments:	7
Article nine:.....	7
Dispute resolution:.....	7
Article ten:.....	7
Notification and correction:.....	7
Article eleven:	7
Contract enforcement provisions:	7
Article twelve:	7
Reasons for termination:	8
Article thirteen:.....	8
Completion of the contract:.....	8
Article fourteen:.....	8

Introduction:

This contract, issued on the date of 30/10/1392 between, Pamir Badakshan international mining company which hereinafter known as the name of contractor, and provincial department of ministry of mines and petroleum, Islamic republic of Afghanistan that hereinafter known as department (which are collectively referred to the parties).

Hereby approved:

Due to the attention:

According to law, Badakshan mines department as the second unit, of mines and petroleum ministry, Republic of Afghanistan, has competency, ownership, control and supervision of mineral rights inside the territory of Afghanistan. And Control/appraise the performance of the contract and activities of mining professional which is located in DueDara, district of Jurm.

Therefore, in view of the agreement and mutual understanding set forth in this document, with regards to admitting good faith and in accordance with the terms of the contract. The parties include in their contract.

Person in this contract consist of natural person or legal internal person who gets the benefit of mineral rights.

Rights of mining professional permit holder:

Article one:

Permit Holder of a mining professional has the following rights:

1. Access to the area mentioned in contract (license).
2. Installation of elementary machineries, construction of buildings and roads if necessary.
3. Process (ranking) of minerals that achieve due to the operations of mining professional from the area mentioned in license (permit).
4. Extraction, transportation and sales of minerals from the area under license (permit).
5. Receive compensation in the event of termination of this contract by state (government).

Obligations of professional mining permit holder:

Article two:

Permit holder of a professional mining has the following obligations:

1. Observance of mining law and mining regulations in the implementation of mining professional activities from the area under permit.
2. Implementation of work plan as presented in the mining application form.

3. Using the best methods for extraction.
4. Compliance with health and safety procedure.
5. Fulfilment of the law and regulation of environmental protection in mining activities.
6. Rehabilitation and reconstruction of the area after completion of mining activities as much as possible.
7. Participation in job creation for the locals (residence).
8. Transfer and removal of temporary buildings, installed machinery and equipment according to the conditions of mines audit office within thirty working days from the date of expiration of the period of professional mining permit.
9. Receive the permission from NEPA (national environmental protection administration) from central or local offices.
10. Receive permits for the use of explosives from the ministry of interior affairs or its local offices.
11. Mining activity from the date of issue of permit to three months.
12. Reporting of accidents and injuries as soon as possible to the relevant authorities.
13. Payment of royalty in accordance with mining law and regulation and providing report to the department and relevant administrations or agencies in the area.
14. Payment of ground rent in accordance with mining law and regulations.

Payments:

Article three:

1. The person required to pay 10% royalty of Gross product, made after the start of commercial production.
2. Payment of Rent per acre, 7\$ for precious, semi-precious and gold and 5\$ for other minerals through agency (relevant office) to the bank account of ministry of mines and petroleum.
3. If the person delay on the required payments identified in this contract more than a month to the department, according to volunteering proposal the person needs to pay the fine of (%0.06) in addition to the responsibilities mentioned in the contract, on the first month and with each passing month, this amount will be doubled.
4. The person is liable to pay the compensation of damages caused by mining activities that effect on financial and physical losses of individuals (persons).

Discovery of new minerals:

Article four:

1. When the person discovers the minerals which have economical values beside the minerals mentioned in contracts, with no delay, required to report to the department. Then department will decide according to the law and regulation of mining on royalty rights of new mine from the area under contract.
2. If the person not inform the department about the discovery of new minerals without good cause within one week, department can subject the issue to prosecution.

Production:

Article five:

The person should produce the anticipated amount in regard to the plan and proposals determined by department and extract the maximum. Also person is required to submit the report (monthly, quarterly or annually) of produced minerals to the department.

Department can assign his authorized representative, permanently or temporarily to the area.

Inspection, Supervision and capacity promotion:

Article six:

1. Ministry of mines and petroleum and department of mines have the rights of inspection and supervision in order to search technical, financial, environmental, health and safety issues from all the areas under this contract, according to the decree of the ministry or department.
2. Due to the law of mining, implementation of the provisions of the contract are the responsibilities of mine department audit or its provincial unit. Therefore the person is required to provide relevant information about mining activities to the inspectors and supervisors who regularly visit the area.

Restrictions of Professional mining contract:

Article seven:

1. The term of this contract should not exceed two years.
2. The maximum size of professional mining area limit to 2000 square meters. Permit holders required maintain the area sign of mine at the beginning of execution of this contract.
3. Depth of professional mining area cannot exceed 30 meters from common ground level.

Disaster:

Article eight:

1. In case of any failure occur in unexpected events from government, ministries and other government administration or person in performing the obligations under the contract is not a violation of the terms of the contract.
2. When unexpected events caused delay, reduction and non-compliance with the terms and conditions and responsibilities under this contract. Contract in proportion to the

time lost due to disaster, will be extended. Provided that the defects, injuries and damages are prevented by appropriate measures and adequate care.

3. If the person is effected by disaster and fails to perform the obligations, the issue should be reported to the department within 24 hours by phone or under three days through letter. After the determination of circumstance, the time as the problem is resolved, it will be determined.
4. If the minerals produced by person, damage by disaster. The amount of minerals lost, is not subject to royalty after approval of supervisory board of department.

Historical and cultural monuments:

Article nine:

When the historical and cultural monuments discovered during operation, it is the property of government according to the Afghanistan government applicable law. And when the person aware of such monuments during operation, he has to report to the department within 48 hours. The person is obliged to maintain the historical and cultural monuments discovered in mining activities until delivery for the period of 60 days, and pay from his budget and more than that from the relevant administrations.

Dispute resolution:

Article ten:

The parties trying to resolve the conflicts caused by differences in the implementation of this contract, through negotiations and other peaceful basic ways within 60 days from the date of receipt of written notification. When they did not resolve the disputes through negotiations, the parties agree to settle the matter through the courts in Afghanistan.

Notification and correction:

Article eleven:

If government decided to terminate this contract, Adopt because of violation of contract materials.

Contract enforcement provisions:

Article twelve:

This contract and other agreed agreements, lawfully applicable on both the parties and under the responsibilities, heirs and representatives of both sides shall apply.

Reasons for termination:

Article thirteen:

This contract is revocable in the following states:

1. Agreement of parties.
2. Failure to observe the content of this contract by one of the parties.
3. When the department, classified the professional mining area to small and middle size, large or very large.
4. When the mine area consolidated as areas of cultural values and monuments.
5. If the area is closed due to security.

Completion of the contract:

Article fourteen:

This contract with 14 articles and other attached document constitutes a complete contract between parties. The contract is made in two original versions (Dari and Pashto) and both sides will have one original copy with themselves.

Date of approval and adoption of the contract: 31/04/1392

Signatures:

Head of Badakshan mines

contractor