

SCHEDULE V  
[Refer rules 5(11) and 9(1)]  
FORMAT OF PROSPECTING LICENCE

This deed for grant of a prospecting licence ("Licence") is made by and between the following:

**PARTIES:**

1. The Governor of [State], acting through [Department of Mines and Geology of the State] (the "State Government").

AND

2. [Name of the licensee] [incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] [OR] an individual who is citizen of India, having income tax permanent account number [number], residing at [address] [OR] persons listed in SCHEDULE A organised as a [firm/association of persons] in the name of [name of the firm or association of individuals], all of whom are Indian citizens and resident in India] (the "Licensee").

**BACKGROUND:**

- A. The Licensee [had participated in an electronic auction for grant of a prospecting licence-cum-mining lease, pursuant to which the Licensee has become eligible for grant of a prospecting licence as a first stage of the prospecting licence-cum-mining lease concession] OR [had been granted a reconnaissance permit on [date] with respect to which the Licensee has completed the requirements under the Mines and Minerals (Development and Regulation) Act, 1957 ("Act") and the rules made thereunder for grant of a prospecting licence].

- B. Accordingly, the State Government is now executing this Licence for grant of a Licence to the licensee in consideration of the fee, royalties, covenants and agreements hereinafter reserved and contained on the part of the Licence to be paid, observed and performed.

**1. DEFINITIONS**

The expressions used in this Licence shall have the same meaning as ascribed to them under the Act and the rules made thereunder.

**2. GRANT OF LICENCE**

The State Government hereby grants the Licence to the licensee over an area described in Schedule B ("Licence Area") for conducting prospecting operations for a period of [time period], commencing from date of the

execution of the prospecting licence with respect to following mineral(s),  
[name of the minerals].

### 3. RIGHTS AND OBLIGATIONS

1. The rights and obligations of the State Government and the Licensee shall be as specified in the Act and the rules made thereunder, including without limitation the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015.
2. Without prejudice to the generality of the foregoing,-
  - (a) the Licensee shall-
    - (i) at all times comply with the provisions of the Act and the rules made thereunder and any other applicable law;
    - (ii) make prompt payment of royalty and any other payment required to be made by the Licensee;
    - (iii) pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury, or disturbance which may be done by the Licensee in exercise of the powers granted by this Licence and to indemnify and keep indemnified fully and completely the State Government against all claims which may be by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;
    - (iv) take measures, at his own expense, for the protection of environment like planting of trees, reclamation of mined land, use of pollution-control devices, and such other measures as may be prescribed by the Central or State Government from time to time;
    - (v) without delay send to the Deputy Commissioner/Collector a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of the operations under this Licence;
    - (vi) weigh or cause to be measured or weighed upon some part of the Licence Area all minerals from time to time won from the Licence Area, with [number of days] prior notice being given to the Deputy Commissioner/Collector every such measuring or weighing in order that he or some person on his behalf may be present thereat;
    - (vii) submit to the State Government a full report of the work done by the Licensee and disclose all information acquired by the

Licensee in the course of the operations carried on under this Licence regarding the geology and mineral resources of the area covered by the Licence; and

(viii) pay stamp duty and registration charges as may be applicable in respect of this Licence.

(b) the State Government shall:

(i) have the right to, at all times to enter into and upon and to grant or demise to any person or persons whomsoever liberty to enter into and upon the Licence Area for all or any purposes other than those for which sole rights and Licence are hereby expressly conferred upon the Licensee, including without limitation, to make on, over or through the said lands such roads, tramways and ropeways as shall be considered necessary or expedient for any purposes and to obtain from and out of the said lands such stone, earth or other materials as may be necessary or requisite for making, repairing or maintaining such roads, tramways, railways and ropeways to pass and repass at all times over and along such roads, tramways, railways and ropeways for all purposes and as occasion shall require;

(ii) have the right to appropriate any performance security provided by the Licensee in accordance with terms of such performance security and require the Licensee to replenish the performance security. In case the performance security has been provided through a security deposit after termination of the Licence and fulfilment of all obligations of the Licensee, such security deposit shall be returned to the Licensee after appropriate deductions. It is clarified that the security deposit shall not carry any interest; and

(iii) have the right to carry out or perform any work or matters which in accordance with the covenants in that behalf are to be carried out or performed by the Licensee, but have not been so carried out or performed within the time specified In that behalf, and the Licensee shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same.

3. If the State Government is desirous of exercising its right of pre-emption with respect to any mineral(s) the State Government shall pay the average sale price of such minerals as published by IBM prevailing at the time of pre-emption.

4. In the event of the existence of a state of war or emergency (of which existence the President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof) the State Government with the consent of the Central Government shall from time to time and at all times during the said term have the right (to be exercised by a notice in writing to the licensee/licensees) forthwith take possession and control of the works, plant, machinery and premises of the licensee on or in connection with the Licence Area or the operations under this Licence and during such possession or control, the licensee shall conform to and obey all directions given by or on behalf of the Central or State Government regarding the use of employment of such works, plants, premises and minerals, provided that fair compensation, which shall be determined in default of agreement by the State Government shall be paid to the Licensee for all loss or damage sustained by him/ them by reason or in consequence of the exercise of the powers conferred by this clause and provided also that the exercise of such power shall not determine the said term hereby granted or affect the terms and provisions of this clause.
5. If after the receipt of an offer of compensation for any damage which is likely to arise from the proposed operation of the Licensee, the occupier of the surface of any part of the said lands shall refuse his consent to the exercise of the rights and powers reserved to the State Government and granted by this Licence, the Licensee shall report the matter to the State Government and shall deposit with it the amount offered as compensation is reasonable or if it is not so satisfied and the licensee shall have deposited with it such if further amount as the State Government may consider reasonable, the State Government shall order the occupier to allow the Licensee to enter upon the said land and carry out such operations as may be necessary for the purpose of the Licence. In assessing the amount of such compensation the State Government shall be guided by the principles of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.
6. Every notice required to be given to the Licensee shall be given in writing to such person as may be nominated by the Licensee and such nomination shall be informed to the State Government in writing. If no such nomination is made then the notice shall be sent to the Licensee by registered post/speed post addressed to the Licensee at the address shown in the application for the Licence or at such other address in India as the Licensee may designate from time to time and every such service shall be

deemed to be proper and valid service upon the Licensee and shall not be questioned or challenged by him.

7. If in any event the orders of the State Government are revised, reviewed or cancelled by the Central Government in pursuance of proceedings under the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015, the licensee shall not be entitled to compensation for any loss sustained by the licensee in exercise of the powers and privileges conferred upon the licensee by these presents.

## 2. GOVERNING LAW

This Licence and all questions of its interpretation shall be construed in accordance with the laws of India. In the event of any dispute in relation to the this Licence and in respect of all matters touching the relationship of the licensee and the State Government, suits of petitions shall be filed in civil courts at [name of the city] and it is hereby expressly agreed that neither party shall file a suit or appeal or bring any actions at any place other than the courts named above.

In witness whereof there presents have been executed at the [name of place] on [date].

## SCHEDULE A – LIST OF PERSONS

S. No	Name	PAN Number	Address

## SCHEDULE B: AREA OF PROSPECTING LICENCE

(Description of area, including Geo-coordinates, to be provided.)