



*Islamic Republic of Iran*  
*Ministry of Industry, Mine and Trade*

# ***Mining Act***





انتشارات سازمان نظام مهندسی معدن  
(شماره مجوز ۹۹۶۶)

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## Mining Act

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## **In The Name Of God**

**The Mining Act, which includes thirty six articles, was passed in the public session held on Sunday- May 17, 1998 in the Islamic Consultative Assembly of Iran. It was approved on June 13, 1998 along with its amendments by the Expediency Discernment Council. And it was imparted by presidential letter no. 25299 of July 20, 1998 to the Ministry of Mines and Metals.**

**The Amendment to Mining Act, which includes fifty five articles, was passed on Sunday-November 13, 2011 by the Islamic Consultative Assembly of Iran. It was also approved on November 23, 2011 by the Guardian Council. And it was imparted by presidential letter no. 178414 of December 10, 2011 to the Ministry of Industry, Mine and Trade.**

**The amendment act to the Mining Act and its subsequent modifications, which include a single article, were passed in the public session held on Tuesday-November 5, 2013 by the Islamic Consultative Assembly of Iran. It was also approved by the Guardian Council on November 11, 2013. And it was imparted by presidential letter no. 140105 of December 1, 2013 to the Ministry of Industry, Mine and Trade.**

### **Description:**

**According to directive no. 46/197/13176 of September 25, 2011 by the Cabinet and due to the renamed titles of the Ministry of Mines and Metals and Ministry of Industries and Mines, in all articles that referred to the names of these two ministries, the names were replaced with “Ministry of Industry, Mine and Trade”.**

- Indicates items of the act that were modified, omitted or replaced in the amendment act of the mining act.**
- Indicates modifications that were applied to the act by the single article of the amendment act of the mining act and its subsequent modifications.**

**Iraninan mining engineering organization**

# I

## *Chapter 1*

### *Definitions & General Provisions*

## Chapter 1

# Definitions & General Provisions

● *Article 1-* The definitions of the terms used in this Act are as follows:

**A) Mineral substance:** Any natural substance or compound in form of solid, gas, liquid or solution in water formed due to geological processes.

**B) Mine:** an area with mineral deposit.

Mine: a mineral reserve which is economical to utilize.

**C) Mineral resource:** Concentration or accumulation of one or more mineral substances occurring underground or in the surface or soluble form.

**D) Mining activity:** An activity comprising exploration, equipping, extraction, ore dressing and processing.

**E) Mining industries:** industries which use mineral substances as part of their raw materials.

**F) Ore Mineral:** Substances of minerals existing in the deposits, bearing economic value.

**G) Mineral reserve (deposit):** a mineral resource whose exploitation is economical.

**H) Reserve:** Available mineral (ore) weight or volume in the mineral reserve (deposit).

**I) Exploration:** Voluntary search and investigation with the purpose of finding mineral deposits. It includes such works as the following:

1. Sampling and qualitative and quantitative tests
- 2. Geological, geophysical, geochemical and remote sensing studies and such
3. Surface and underground excavations.
- 4. Borehole drilling and well logging.

5. Determination of shape, quality and quantity of the mineral deposit and preparation of related maps.

**J) Extraction:** The series of activities undertaken for the purpose of separation of ore from the deposit and transferring it to the mineral dump.

**K) Dump:** Area outside extraction workshops, tunnels and pits wherein extracted minerals are tipped.

**L) Ore Dressing:** All physical, chemical or physicochemical processes undertaken with the aim of purification of the extracted ore.

**M) Processing:** Includes all the operations and modifications carried out on the mineral raw materials in order to produce industrial minerals.

**N) Gangue:** Undesired materials separated from ore as a result of extraction of dressing.

**O) Industrial Soil:** Soil with various industrial uses due to specific physical or chemical properties.

**P) Decorative Stone:** Crystalline and non -crystalline sedimentary, igneous and metamorphic rocks, not containing ores separable under the present conditions and the processing of which, such as section and burnish, is common and economical, such as marble, marmoreal, travertine, granite and the likes thereof.

● **Q) Crushed & Construction Stone:** Various stones existing in nature which do not contain ores separable under the present conditions, the processing of which is not common or economical, is not considered as decorative stone by the Ministry of Industry, Mine and Trade and generally used in building foundations, stone walls, road constructions, parapets and the likes thereof.

● **R) Exploration License:** Permit issued by the Ministry of Industry, Mine and Trade for undertaking mineral substance

exploration works within a specific area.

**S) Discovery Certificate:** A confirmation letter issued by the Ministry of Industry, Mine and Trade under the name of the holder of exploration license following completion of exploration work and discovery of ore.

● **T) Holder of Discovery Certificate:** a person in whose name discovery certificate is issued.

**V) Exploitation:** The series of activities undertaken for the purpose of extracting and hence providing marketable mineral substances.

**U) Exploitation License:** Permit issued by the Ministry of Industry, Mine and Trade of mine exploitation within specific boundaries.

**W) Holder of Exploitation License:** Natural or juridical person, including governmental, cooperative and private, holding exploitation license from the Ministry of Industry, Mine and Trade.

**X) Short Term Exploitation Permit:** Permit issued by the Ministry of Industry, Mine and Trade for the supply of construction materials, required for construction purposes, short-term exploitation of colluviums, limited and minimal deposits and laboratory processes.

**Y) Unclaimed Mines:** Mines without holders of exploitation license, the assignment which is permissible by virtue of Act.

**Z) Royalty:** Government revenue based on any form of exploitation per extracted ore unit.

*Article 2-* According to Articles 44 and 45 of the Constitution, the responsibility to assume the right of eminent domain of the state over the mines of the country and protection of mineral reserves as well as issuance of permit for mining activities in this Act, supervision of the aforesaid affairs

and provision of means for development of mining activities, facilitating the achievement of added value to mineral raw materials, development of export of ore minerals with added value creation of employment opportunities in this sector and enhancing the share of mining sector in the economic and social development of the country is vested in the Ministry of Industry, Mine and Trade.

● Exercising the aforesaid eminent domain doesn't prevent exercise of ownership of natural and juridical persons within the framework of the regulations.

*Article 3-* Mineral substances are categorized as follows: A) The First Category of mineral substances consists of: Limestone, gypsum, ordinary sand and gravel, ordinary clay, marine shells, mineral pozzolan, aqua and rock salt, marl, crushed and construction stone, and the likes thereof.

B) The Second Category of mineral substances consists of:

1) Iron, gold, chromium, tin, mercury, zincs, copper, titanium, antimony, molybdenum, cobalt, tungsten, cadmium and other metals.

2) Nitrates, phosphates, borates, alkali salts, sulfates, carbonates, chlorides (except for those named in the first category), and the likes thereof.

3) Mica, graphite, talc, fire clays, feldspar, siliceous rock and sand, perlite, diatomite, zeilite, bauxite, red oxide, yellow earth, industrial soils, and the likes thereof.

4) Precious and semi-precious stones, such as diamond, emerald, ruby, jade, turquoise, various types of agate, and the likes thereof.

5) Various kinds of decorative and facade stones.

6) Various kinds of coals and shales, bitumen and natural asphalt rock



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7) Mineral substances extractable from waters as well as mineral gases, except hydrocarbon gasses

8) Mineral substances occurring in continental shelf

● C) The Third category of mineral substances consists of:  
● all hydrocarbons except for coal including crude oil, natural gas, oil shales, oil coated sands, and the likes thereof.

D) The Fourth Category of mineral substances consists of:  
all primary and secondary radioactive substances.

**Note 1:** The category of such mineral substances related to the first and second categories that are not specified in the above categorization or which may be doubtful, as well as the category of substances consisting of different minerals that belong to different categories, shall be determined by the Ministry of Industry, Mine and Trade, on the basis of type, importance and the economic value of such mineral substances.

● **Note 2:** The executive by-laws of this Act regarding mixing cases of substances of categories 1 to 3 with substances of category 4, method of exploitation and continuance of activity prepared by the Ministry of Industry, Mine and Trade in coordination with Atomic Energy Organization of Iran shall be approved by the Council of Ministers within three months from approval date of this Act.

● **Article 4-** Executive policy-making and coordination regarding mineral substance categories shall be within the jurisdiction of Ministry of Industry, Mine and Trade with consideration of the Amendment Act of the Articles of the fourth Economic, Social and Cultural development plan Law of Islamic Republic of Iran and general policies the forty four (44) Principle of the Constitution and the framework of this Act except for cases related to the Ministry of Petroleum, the Ministry of Energy and the Atomic Energy Organization of Iran.

# 2

*Chapter 2*  
*Exploration*

## Chapter 2 – Exploration

● *Article 5*-Exploration of mineral deposits may be undertaken by qualified natural and juridical persons. The Ministry of Industry, Mine and Trade is obliged to prepare required ground for natural and juridical persons to explore the mineral deposits throughout the country.

● **Note 1:** The government is obliged to supply required credit in annual budget bill to prepare appropriate ground for exploration of the mineral deposits throughout the country.

● **Note 2:** In the case of lacking any non-governmental applicant, the Ministry of Industry, Mine and Trade with consideration of relevant regulations and provisions may act to explore mining resources in less developed regions through developmental organizations.

● **Note 3:** In order to aggregate and promote synergy of their basic geological and exploration activities, all Ministries, organizations and related agencies such as the Ministry of Petroleum are obliged to share their data constantly with the Ministry of Industry, Mine and Trade for the benefit of users.

*Article 6*-Three Notes as Notes 2, 3 and 4 are appended to this Article and its following Note is renamed to Note 1.

Exploration of mineral deposits shall be undertaken after the exploration license is issued by the Ministry of Industry, Mine and Trade. The procedures of obtaining such license, exploration criteria, period of validity of the license, assignment of the appendant rights of such license, and any other appropriate issues shall be stipulated in the executive by-laws in

accordance with the provisions of this Act.

● **Note 1:** Exploration during exploitation shall not require issuance of exploration license. However, in case of exploration of a new mineral deposit or mineral substance, the discovery certificate of the holder of exploitation license shall be amended accordingly • with regard to the provisions of this Act, or a new certificate is issued.

● **Note 2:** Applicants for exploration license are obliged to make a payment upon determination and delivery of unclaimed district based on tariff proposed annually by the Ministry of Industry, Mine and Trade and approved by the High Mine Council.

● **Note 3:** Holders of exploration license, except for personal owner or owners in their own properties or endowed properties, are obliged to pay the government annually for each square kilometer of the discovery district since the issuance of Discovery Certificate, whose amount is proposed annually by the Ministry of Industry, Mine and Trade and approved by the High Mine Council.

● **Note 4:** Revenues due to the execution of Notes (2) and (3) of this Article are settled in to Treasury General and its equivalent is assigned in the annual budget of the Ministry of Industry, Mine and Trade for development of mines with priority for exploration.

*Article 7-* The Ministry of Industry, Mine and Trade is obliged to issue the discovery certificate in the name of the exploration license holder following investigation and confirmation of exploration works. The type or types of mineral

substances explored, the quality, quantity, limits, area and cost of exploration activities must be stated in the discovery certificate. This certificate shall be assignable to third parties within one year period as of the date of issue, subjected to the approval of the Ministry of Industry, Mine and Trade.

● **Note:** In case no valuable mineral is found following exploration works, no rights shall be created for the holder of the exploration license.

*Article 8-* Holders of discovery certificate may apply for the exploitation license of the reserves they explored, to the Ministry of Industry, Mine and Trade within one year following issuance of the discovery certificate.

Non-submission of said application within the respite provided, shall result in the lapse of the said right of priority.

**Note:** In case of non-submission of the aforesaid application within the respite provided the exploration costs stated in the discovery certificate shall be paid by the holder of exploitation license of the mineral deposit explored, to the holder of the discovery certificate, in the manner which shall be stipulated in executive by-laws of this Act.



# 3

## *Chapter 3 Exploitation*

## Chapter 3 – Exploitation

● *Article 9-* Exploitation of mineral deposits shall require an exploitation license from the Ministry of Industry, Mine and Trade except for cases related to the Ministry of Energy, Ministry of Petroleum and the Atomic Energy Organization of Iran. The exploitation license is a an official and enforceable document that can be transacted, extended and mortgaged entailing usufruct of the mineral deposit by the license holder and also including the obligations thereof in execution of the contents of same. Maximum duration of an exploitation license is 25 years.

● **Note 1:** Financial institution such as banks are obliged to accept mines having exploitation license as mortgage and warranty for awarding and repayment of financial facilities.

● **Note 2:** Exploiter of mining reserves of second category except for discoverer exploiters and/or holders of discovery certificate are obliged to pay the discoverer with his option, up to half percent (0.5%) of extracted product in the pithead or its price with daily rate from the starting date of extraction up to the amount of reserve indicated in the discovery certificate to up to twenty five years as discovery right.

● **Note 3:** Exploitation license conditions, state of its issuance, validity duration of each exploitation duration and provisions for the determination of the percent mentioned in the Note 2 are determined in the executive by-laws of this Act.

● *Article 10-* Exploiters of mineral deposits with the exclusion of discoverers are chosen only in usance stated in Article 7 among natural and juridical persons allowed for

economic activity in Iran according to the laws of the country based on bidding which its conditions shall be articulated in the executive by-laws of this Act.

● **Note 1:** According to the executive by-laws of this Act, producers of processed minerals, industrial units consuming minerals, natural and juridical expert persons holding mining occupational license, relevant mine explorers who have not succeeded to submit application for exploitation license and mining cooperative companies comprising of mine employees provided having technical and financial competence, are in order of priority in the time of assignment.

● **Note 2:** After execution of this Article and legal formalities and in absence of any applicant, the Ministry of Industry, Mine and Trade, independently act for exploitation of mineral deposits with approval of High Mine Council.

*Article 11-* The Ministry of Industry, Mine and Trade shall be obligated to grant priority to the families of martyrs, war veterans, cooperative and joint stock companies and local qualified individuals in issuing mine exploration and exploitation license with due regard to the provisions of this Act.

● *Article 12-* For unity of direction and coordination in performing stated duties and authorities in this Act and preservation of the right of government holders of mining activity licenses and also provision of investment security in this sector, High Mine Council is comprised of the following members:

- 1-Minister of Industry, Mine and Trade (Head)
- 2-One of high-rank judges upon the decision of the head of



the judiciary

3- Head of Environmental Protection Organization

4-Mining deputy of Minister of Industry, Mine and Trade (secretary)

5-Head of Forests, Range and Watershed Management Organization

6-A lawyer familiar with codes in the field of mine and industry appointed by Minister of Industry, Mine and Trade

7-Head of Geological Survey

8-One of mining managers of the Ministry of Industry, Mine and Trade appointed by Minister of Industry, Mine and Trade

9-One of mining experts upon the decision of the Central Council of Iranian Mining Engineering Organization

10-One of experienced and proficient mining exploiter upon the decision of Iran Mine House

11-One of experienced and proficient mining exploiter upon the decision of Iran Chamber of Commerce, Industries and Mines

● **Note 1:** The High Mine Council can invite natural and juridical persons as without-vote knowledgeable, shareholder or expert person to its meeting

● **Note 2:** Selected members of the High Mine Council are appointed for duration of four hours and their further selection is allowed.

● **Note 3:** Duties and authorities of the High Mine Council are as follows:

A-Making decision regarding disagreement of holders of mining activity licenses should they agree to accept the decision of the High Mine Council.

●● B-Identification, modification and changing the quantity

and quality of mineral deposit and increment or decrement of exploration and mining districts in proportion with amount of reserve and extraction

C-Discretion about cases out of the authority of holders of mining activity license

- D- Making decision regarding computation of royalty for actual extraction less than the amount cited in the exploitation license

- E-Other contents of this Act

- **Note 4:** The decisions of the High Mine Council are definite and enforceable with a minimum of four votes but this is not bar objection in Administrative Justice Tribunal.

- **Note 5:** The secretariat of the High Mine Council is established in the office of the Ministry of Industry, Mine and Trade.

- **Note 6:** One member of the Islamic Consultative Assembly of Iran shall be present as an observer in the meetings of the High Mine Council that is proposed by the Commission of Industry and Mine and selected by the Islamic Consultative Assembly of Iran.

- **Note 7:** Approvals of the High Mine Council are enforceable after confirmation of the Minister of Industry, Mine and Trade.

- *Article 13-* The Ministry of Industry, Mine and Trade may issue at its own discretion, limited short term exploitation permits based on definitions of this Act.

- *Article 14-* A percentage of the pithead value of the mineral substance which is the subject of the exploita-

tion license must be paid annually as royalty to the Ministry of Industry, Mine and Trade by the holder of the exploitation license at current prices as extracted or ore dressed or processed form in the approved budget framework upon the discretion of the said Ministry. The provisions for determination of time and amount of mentioned percentage shall be stated in the executive by-laws of this Act regarding prominent factors such as location and situation of mine, conditions and position of district, amount and type of ore dressing, situation of mineral deposit, method of extraction, commitments and preferential profit of exploiter. Incomes generated through implementation of this Article shall be deposited to the account of Treasury General.

● **Note 1:** The basis of base value of mineral substances assigned through bidding subject of Article 10 of this Act for determination of royalty shall be stated in the executive by-laws of this Act.

● **Note 2:** The mentioned percent for amount processed or ore dressed mineral substances are determined only for holders of mine exploitation license that perform processing or ore dressing. Otherwise, the price of extracted mineral in pithead is the basis of the determination mentioned percentage.

● **Note 3:** Royalty for holders of short-term exploitation permits shall be the average loyalty of mines adjacent to the short-term exploitation mines Laboratory and applicability studies shall be exempted from payment of said duties up to amount of one ton.

● **Note 4:** Government is obliged to account revenues due to execution of this Article in annual budget of which minimum sixty five percent (65%) to be spent by the Ministry of

Industry, Mine and Trade in the framework of financial laws and regulation of the country and in line with optimal execution of tasks and duties for development of mines and mining industries of the country.

● **Note 5:** Holders of exploitation permits who endeavor for optimal exploitation and conservation of mineral deposits, enhancing productivity, research, development and exploration and preservation of environment in their mines shall be exempted up to twenty percent (20%) from payment of royalty upon confirmation of the High Mine Council.

● **Note 6:** Government is obliged to add fifteen percent (15%) of received royalty to credits of that province in a manner that all of said credit to be assigned for building infrastructure and enhancing welfare and development of county with priority for parish of mine location.

● **Note 7:** The amount of extraction mentioned in the license may be increased or decreased upon request of the holder of exploitation license and confirmation of the Ministry of Industry, Mine and Trade. In the cases that extraction to the amount mentioned in license is beyond the will and capability of the holder of exploitation license, this amount may be calculated equal to actual extraction upon confirmation of the High Mine Council.

*Article 15-* Gangue materials produced as a result of mining activities if not used by the holder of exploitation license or holder of short-term exploitation permit during the validity of the license, shall belong to the Government and shall be utilized in the manner deemed appropriate by the Ministry of Industry, Mine and Trade.

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*Article 16-* In order to encourage investment in production of processed mineral substances, the Ministry of Industry, Mine and Trade shall be obligated to place these units under its supervisory protection and guidance, and protect private sector investments in such affairs and to undertake feasibility studies and prepare typical plans in this connection. The manner of implementation of the foregoing shall be stipulated in the executive by-laws.

*Article 17-* In order to enhance the processing and to encourage export of mineral substances of greater added value, as well as expansion of exploration and exploitation activities, the Government shall study proposals of the Ministry of Industry, Mine and Trade in connection with related production, commercial, financial and monetary policies and in case of approval, include same in development plans and also make the necessary projections in the annual general budget bills for the realization thereof.

**Note:** The Ministry of Industry, Mine and Trade shall be obliged to grant priority to the development of mineral processing and to their export in the executive plans thereof.



# 4

*Chapter 4*  
*General Regulations*

## Chapter 4 – General Regulations

*Article 18-* The Ministry of Industry, Mine and Trade shall be obliged to gradually conform the status of the exploitation permits and licenses previously issued with the provisions of this Act, prior to expiration of their validity, and to issue new exploitation licenses, therefore subject to fulfillment of related obligations. The said actions must not in any case, vitiate the acquired rights of the said licenses.

*Article 19-* Anyone undertaking exploration, excavation, extraction or exploitation of mineral substances without obtaining exploration or exploitation license or short-term exploitation permit, shall be deemed usurper of public and state property and shall be penalized in accordance with related laws and regulations. In such cases, disciplinary officer shall be obliged, upon the request of the Ministry of Industry, Mine and Trade, to repress such activities forthwith and to report the accused to juridical authorities for trial.

● **Note 1:** These activities are extensions of evident offence and Police is obliged to perform its lawful duties regarding thereof.

● **Note 2:** Any seizure of natural or juridical persons without verdict from judicial references in a district of having mining activity license is accounted as forcible possession, in which police is obliged to remove seizure and trouble and present offender (s) to judicial references upon request of license holders or the Ministry of Industry, Mine and Trade.

● **Note 3:** Any inconvenience caused by natural or juridical persons that inhibit mining activity is accounted as offence and offender plus compensation shall be sentenced to jail from one to six months or payment cash fine equal to double of inflicted that damage.

● *Article 20-* The Ministry of Industry, Mine and Trade shall give notice, providing appropriate respite to those holders of the exploration license, exploitation license and short-term exploitation permit, who fail. In the event the said respite has expired and no action has been taken by the obligor, or the action taken deemed insufficient, the said obligor shall be compelled to payment of damage arising from non-fulfillment of related obligations and may be deemed incompetent for continuation of related operations. Such action shall not affect the validity of the exploitation license or the rights of third parties.

● **Note 1:** Cases beyond will and capability of holders of said licenses are excluded from this Article.

● **Note 2:** Cases involving damage of lacking competence and beyond will and capability of holder of exploration and exploitation license shall be articulated in the executive by-law of this Act.

*Article 21-* The former holder of exploitation license and holder of short-term exploitation permit shall be obligated to assign to the new holder of exploitation license such property and equipment associated with the mine, the removal of which shall, at the discretion of the Ministry of Industry, Mine and Trade, cause loss or damage to the mine, at the current price determined on the basis of valuation by the official experts of the Justice Administration. In case of non-assignment of the property and equipment related to the mine in accordance with the said conditions, the former holder of exploitation license or holder of short-term exploitation permit, shall bear the responsibility for compensation of the damage caused.

*Article 22-* In cases where mining activities are re-



quired to be performed within cultivated land or properties with record of cultivation by individuals and there should be need for possession of same, following confirmation of the Minister of Industry, Mine and Trade, the executor of works shall be obligated to pay the rental or the price thereof to the owner of the property, without calculation of the value of the mineral deposits therein and in accordance with the current price valuation by the official experts of the Justice Administration. In case of refusal of the property owner from receiving these payments, to deposit same with the fund of the State Organization for Registration of Deeds and Properties, and therefore necessary arrangements for execution of mining activities shall be provided by the Ministry of Industry, Mine and Trade in coordination with authorities in charge.

Cultivation or the existence of record of cultivation of properties and the status of ownership of the owner or owners shall be established by appropriate authorities.

**Note1:** In case execution or continuation of exploration or exploitation activities and extraction of mines situated outside the above-said properties needs excavations into canals or underground drifts, within customary depth of the said properties, the provisions of the above Article shall be applied, otherwise it shall be unrelated to the property. The customary depth criterion of this Note shall be established by an expert of the Justices Administration with due regard to the type of usage of the lands of the mining operation region.

**Note2:** The owner or owners of the aforesaid properties or the legal representative thereof, shall have right of priority for obtaining exploration license for deposits of construction stones and decorative and facade stones, located in the customary depth of their cultivated properties or properties with record of cultivation thereof, which shall be determined in the

manner provided in the latter part of the above Note, subject to submission of application to the Ministry of Industry, Mine and Trade prior to issuance of exploration license for other applicants, in which the mineral substance explored up to the customary depth shall belong to the property owned by same, and in addition to exemption from payments of royalty, they shall be treated on the basis of the provisions of Article 10 and sub-paragraph 1 of paragraph A of the said Articles.

**Note3:** In the event the property owner represses execution of mining activities subject of this Article, upon the request of the Ministry of Industry, Mine and Trade, disciplinary officers shall be obligated to forthwith abate the impedance and hindrance in accordance with regulations.

● *Article 23-* Any action within and in the boundaries of areas permitted for mining activities by executive agencies, including Ministries, governmental companies and organizations, non-profit public institution, foundations of the revolution and subsidiary units thereof shall be subjects to obtain permission from the Ministry of Industry, Mine and Trade.

● **Note:** Should the execution necessity for governmental civil plans breach the rights of mining activity license holders, relevant executive agencies shall be obliged to pay the inflicted damages on invested assets on day price unless pay it to the state organization for Registration of Deeds and Properties if the license holder refuses to receive it, before execution of approved plan according to verdict of official expert or mining engineering organization expert.

● *Article 24-* To accelerate the exploration and exploitation of mineral deposits, when contacted, the related executive agencies and lawful proctor shall be obligated to announce

their opinion within maximum of two months with respect to the inquiry of the Ministry of Industry, Mine and Trade in connection with issuance of exploration license in following cases:

- A-Legal boundaries of roads and railways
- B-Interior of cities and their legal boundaries
- C-Legal boundaries of dams and water distribution networks and pools of dams and qanats
- D-Interior of forests and ranges
- E-Sanctum of holy shrines and historical buildings
- F-Boundaries of garrisons and stations of armed forces
- G-Regions declared as national parks, national natural monuments, wildlife refuge and preserved regions
- H-Fields with radioactivity higher than allowable limit

Inquiry of related executive agencies by the Ministry of Industry, Mine and Trade shall be performed only one time for issuance of exploration license. Exploration license is issued by the Ministry of Industry, Mine and Trade for maximum three months after inquiry. Response must be given for total demanded area and no response shall be considered as approval of said agencies.

● **Note 1:** Executive agencies shall be obliged to announce situation of legal boundaries to the Ministry of Industry, Mine and Trade within three months after official communication of this Act.

● **Note 2:** The Atomic Energy Organization of Iran is obliged to announce exploration areas with radioactivity more than allowable limit to the Ministry of Industry, Mine and Trade within three months after official communication of this Act. Also, the Atomic Energy Organization of Iran shall announce new areas annually at first and the Ministry of Industry, Mine and Trade is obliged to inquire the Atomic Energy Organization of Iran in the said areas with observation of this Article.

● **Note 3:** The Ministry of Industry, Mine and Trade and Environmental Protection Organization are obliged to examine and decide about abandoned and precedent mines located in areas subjected on paragraph (G) of this Article and in the case of disagreement, if exploitation of these mine is expedient considering type of mineral substance and amount of reserve regarding national expediency, the Ministry of Industry, Mine and Trade shall act to restore and launch them with approval of Council of Ministers.

● **Note 4:** The Ministry of Industry, Mine and Trade is tasked with integrate management, coordination and managing license taking, completion and issuance and through erecting single window with cooperation of other related agencies act in a manner that while observing simultaneity principle to response inquires, intended time ceiling for license issuance shall not exceed predicted time in the Act. In establishment of single window, other subordinate agencies are obliged to deliver due services through appointment of authorized agent in single windows or in cyberspace and do required assistance.

●● **Note 5:** If the provincial Industry, Mine and Trade Organization has objections to the inquiries by the relevant administrations, the issue is referred to the dispute board for Article 24 (recurrent) in order to be addressed within a maximum of fifteen days. Sessions held by this board are recognized with the presence of five members and the board judgment is binding and definite with absolute majority. This does not prevent objection to the Administrative Court.

●● **Article 24 (recurrent)**- Members of the dispute board are as follows:

- 1- The governor or his/her relevant assistant as the head
- 2- The head of the provincial Industry, Mine and Trade as the

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secretary

3- An expert of mining delegated by the provincial Mining Engineering Organization

4- The head of the provincial Jihad-e Agriculture Organization

5- Representative of the objected relevant organization

6- One experienced benefiter expert at mining affairs delegated by the provincial House of Mining (if there is not provincial House of Mining, the representative is selected by the National House of Mining)

7- A lawyer familiar with mining issues that is selected and delegated by the head of the provincial Department of Justice

● *Article 25-* Should the necessary mining activities for exploitation of a deposit be situated within national and natural resources area, action shall be taken in accordance with Note 4 of Article 3 of the state Forest and Pasture Protection and Exploitation Law enacted in 1346 {1967}, and approved amendments thereof, however in substitution of the royalty and land rights provided in the aforesaid Note to compensate damages due to exploration or exploitation of mineral substances, expenditures due to exploration or exploitation of mineral substances on the basis of fifteen percent (15%) royalty due to exploration subject to Note 3 of Article 6 of this Act and also twelve percent (12%) of total royalty subject of Article 14 of this Act and its following Notes shall be collected by the Ministry of Industry, Mine and Trade and shall be deposited in account of Treasury General determined by The Ministry of Jihad-e-Agriculture in order to spent appropriately during mining operation for reclamation and restoration of mining operation site.

● *Article 26-* Based on the request of Ministry of In-

dustry, Mine and Trade, areas required for various mining activities comprising exploration, extraction, accumulation and exploitation of mineral substances or dumping the mine wastes shall be registered by Forests, Range and Watershed Management Organization. The area of which is stated in the license issued, shall be the operational territory of the related mine and shall be at the disposal of the Ministry of Industry, Mine and Trade in the form of public property to the end of the life-span of the mine, and any work beyond those stated in the license issued, shall be deemed usurpation of public property.

*Article 27-* For the purpose of appropriate utilization of the services offered by the experts in mining, geology and the related mining subjects, the Ministry of Industry, Mine and Trade shall be obligated to organize these groups in the framework of technical and engineering offices.

The Government shall be obligated to draw up register of mining and geological experts and to present same to the Assembly within six months as of the approval date of this Act.

*Article 28-* With due regard to the geographical location of mines and the necessity of development of the mining sector, executive agencies shall be obligated to include mine location regions in the development plans and include these projects in their list of priorities and apply preferential rate tariffs to these projects.

*Article 29-* In order to maintain stability in economic considerations of projects related to mineral substance production, regulations resulting in imposition of unrelated and burdensome costs for production of the aforesaid substances shall be deemed unacceptable and void, as of the date of con-

firmation of this Act.

● *Article 30-* All financial claims of the Ministry of Industry, Mine and Trade from person, including natural or juridical, Iranian or foreign, after ascertainment, subject of the provisions of Note 4 of Article 6 Article 14 and its Notes and Articles 20 and 25 of this Act shall be deemed as claims supported by execution prescribed instruments and on the basis of the provisions of Article 48 of the State National Audit Law enacted by the Islamic Consultative Assembly on 01.06.1366 [23.08.1987], shall be collectable and procedure of its execution shall be stated in the executive by-laws of this Act.

*Article 31-* To achieve sustainable development in the mining sector, the Government shall be obliged to establish Investment Insurance Fund at the Ministry of Industry, Mine and Trade, for full or partial provisions of contingent damages arising from non-discovery of valuable minerals and existing investments, in accordance with a charter which shall be approved by the Cabinet, and in case of exigency, make proposals in annual budget laws for the allocation of necessary budget for the share of the Government, according to their production policy.

● **Note:** To assist activities of Mining Investment Insurance Corporation, the Government shall be obliged to assign with proposal of the Ministry of Industry, Mine and Trade, maximum five percent (5%) of total collected royalty subject of Article 14 of this Act and its Note thereof to the said Corporation.

*Article 32-* This article is omitted.

● *Article 33-* All of the staff of the Ministry of Industry,

Mine and Trade along with its relevant firms and organizations in operation or one year after operation are not obliged to whether directly or indirectly benefit from the transactions and privileges referred to this act. In case of any violations, the violator is deprived of public services and the right to sign any mining act from five years to ten years. The violator is also deprived from winning the license of any mining operation.

- *Article 34-* The Ministry of Industry, Mine and Trade is obliged to review and control the by-laws of this act in order to prevent destruction and spoilage of mining reserves, ensure fulfillment of obligations of explorers and benefiteres, and respect safety measures to protect mine workers.

- **Note:** The Ministry of Industry, Mine and Trade may get assistance from members of Iranian Mining Engineering Organization to do specialized jobs, supervision and inspection and assign some of non-governmental authorities in this field to that organization.

- *Article 35-* Regulations included in this act including articles (5), (6), (7), (8), (9), (10), (13), (14), (20), (30), and (34) are prepared by the Ministry of Industry, Mine and Trade and cooperation of other relevant administrations within three months. The regulations are thereafter approved by the Cabinet.

- *Article 36-* As of the date of enactment of this Act, Mining Acts enacted in 1317 {1938}, 1336 {1957}, remediation of Article 16 enacted in 1344 {1965} and 1362 {1983}, remediation of Mine Act enacted in 1364 {1985} and Article 9 of the Act for removing some burdens of production and industrial investment enacted on 7.5.1386 {29.7.2007} shall be nullified.