

Executive Regulation of the Mining Act**EXECUTIVE REGULATION OF THE MINING ACT****Chapter 1: Exploration****Article 1**

Executive of any type of mineral exploration works by the public, cooperative and private (Iranian / foreign) sectors shall require obtaining exploration license from the Ministry of Mines and Metals.

Article 2

The maximum area of each exploration license shall be forty (40) square kilometres.

Note 1: The area of the exploration license must not exceed six (6) square kilometers for first category mineral substances and four (4) square kilometers for decorative stones.

Note 2: In special cases, a greater area shall be determined for exploration with the approval of the Minister of Mines and Metals.

Article 3

The period of validity of the exploration license shall be one year as of the date of issue.

Note: This period shall be extended in the case of second category mines, as the case may be, upon the discretion of the Ministry of Mines and Metals.

Article 4

All natural and juridical persons applying for exploration license must submit the applications thereof to the Ministry of Mines and Metals as per the related form which shall be placed at the disposal same by the said Ministry enclosed with the related documentation and maps against receipt.

Note 1: First category mineral substances and decorative stones exploration license applicants shall be obligated to specify the type of mineral substance applied for in the application form.

Note 2: Natural persons subject of this Article must have attained the age of maturity.

Article 5

The application received shall be registered by the Ministry of Mines and Metals specifying the hour and date of receipt, and the receipt thereof presented to the applicant.

Note: The Ministry of Mines and Metals shall be obligated to record the time and date of receipt of the application on a copy of the maps submitted by the applicant and to place same at the disposal of the applicant forthwith following seal and signature.

Article 6

Following verification of conformity of the area applied for with the related original map, should the area applied for be entirely or partially free, the free part of the area subject of application shall be recorded in the name of the applicant by the Ministry of Mines and Metals observing the purport of Article II of the Mining Act and the specifications of the registered area shall be notified to the applicant within a maximum of seven (7) work days.

Note: Free area is an area, which has not been assigned for execution of exploration or exploitation activities.

Article 7

The exploration applicant shall be obligated to undertake performance of the following within a maximum of two (2) months as of the date of notification of registration of the area and to forward them together with related documentation to the Ministry of Mines and Metals. Otherwise, the rights pertaining to acceptance and registration of the application for issuance of exploration license shall be extinguished and the area shall be again deemed free:

- A) Completion and presentation of letter of undertaking in connection with execution of exploration works in accordance with technical principles and due observance of the criteria and terms of the Ministry of Mines and Metals.
- B) Nomination of the technical expert in charge of the works.

Article 8

The Ministry of Mines and Metals shall undertake action with respect to placement of markers (in the presence of the applicant or the representative thereof and the technical expert of the works) and examination of the papers and documents presented within a maximum of two (2) months as of the date of receipt of the documents subject of Article 7 of the By-laws, with due observance of the provisions of Article 24 of the Mining Act, and issue the permit for compilation of the exploration plan in the name of the applicant in case of absence of discrepancies.

Note: The applicant shall be obligated to undertake compilation of the exploration plan within the framework of the directives provided by the Ministry of Mines and Metals within a maximum of two (2) months following placement of markers, otherwise the right of priority thereof shall be extinguished.

Article 9

The Ministry of Mines and Metals shall study the exploration plan, and in case of need for inspection the area of the plan undertake action toward dispatch of an expert to the location. Should the plan be in conformity with the criteria of the present By-laws and the related directive, exploration license shall be issued in the name of the applicant within a maximum of twenty (20) days. In case of discrepancy in the exploration plan, the applicant shall have a maximum respite of one (1) month to remedy such discrepancy.

Article 10

