



Subject: Assessment report of Exploitation license granting process to Stana Baba Mining Company.

Introduction:

This assessment report is prepared in the subject to evaluates the Exploitaion licensing process to the Stana Baba Mining company which were applied for contract of Chromite mine of Sarkonjak, Baboos and Moghol khil areas of Logar province to ensure that the mining licensing process to the mentioned company has been carried out in accordance with applicable laws and regulations.

Legal Procedures:

The Exploitation license allocation process is held base on Mineral law 1387 and Mining regulation 1387.

Legal Procedures in the practice:

Based on the bidding process in accordance with Article No. 15 of Mineral Law 1387, the mining contract has been signed with **Stana Baba Mining company** on 21/4/1393 for 10 years. Subsequently, the exploration license has granted to **Stana Baba Mining company** on 17/8/1393 for 3 years.

After conducting exploration activities, the company submitted its final exploration report to the Ministry of Mines and Petroleum on (20/10/1396), via which the company applied for an exploitation license. The Exploration report of the company evaluated and approved on (11/12/1397).

The company submitted its Exploitation plan to the Ministry of Mines and Petroleum, the Exploitation plan of the mentioned company had been evaluated in accordance with Article (30) of the Mining Law of 1387. A series of technical and financial shortcomings and deficiencies in the plan were noted, therefor the technical and financial representatives of the company were invited. The problems in the plan were noted by the company's representatives. In the meeting dated (1/2/1398), the major shortcomings and problems in the plan were addressed by the company, and the modified extraction plan of the company was presented again.

In general, the above-mentioned extraction plan for the above-mentioned mine, which has been designed open pit, was approved in principle.

Based on the above mentioned decision the company paid AFN 155,281 for exploitation license fee and exploitation license has been granted to **Stanah Baba Mining company** on 17/02/1398 until the end of the contract period.

Conclusion:

Based on the above clarifications, the D.G.Cadaster hereby couldn't find any deviations according to the Minerals law 1387 in Exploitation license granting process.

