



Rungta Mines Limited

MAIN ROAD, BARBIL - 758 035, DIST. - KENDUJHAR, ODISHA, INDIA

Telefax : 06767 - 276651, E-mail : bbloffice@runtamines.com

Short Narrative of the Proposal

Government of Odisha, pursuant to the Mines and Minerals (Development and Regulation) Act, 1957 and the Mineral (Auction) Rules, 2015 as amended from time to time, issued the notice inviting tender dated 07.07.2021 to commence the auction process for grant of mining lease for Chandiposhi Iron ore block over an area of 131.580 Hectare for Iron Ore located in Koira Mining circle, district Sundergarh, Odisha. The e-auction process was conducted in accordance with the tender document for the said mineral block on 26.09.2021 and Rungta Mines Ltd. was declared as the 'Preferred Bidder' under Rule 9(9)(iii) or Rule 10 (1A) of Auction Rules, having quoted highest Final Price Offer vide letter No. MXIII(b) 48/2021/7741/DM Dated 05.10.2021 issued by Director of Mines Government of Odisha.

As required under Rule 10(1) of the Auction Rules and the tender document for the said mineral block, Rungta Mines Ltd. has made payment of the first installment, being 20% (twenty percent) of the upfront payment of Rs.12,90,68,460/- (Twelve Crore Ninety Lakh Sixty Eight Thousand Four Hundred Sixty) only through Treasury Challan vide e- Challan no. 0853/1870 dated 08.10.2021 at Cyber Treasury, Dist- Sundergarh.

Accordingly, pursuant to Rule 10(2) of the Auction Rules and the terms of the Tender Document, the Government of Odisha is pleased to issue Letter of Intent (LOI) bearing no. IV(B)SM-50/2021/8719/SM, Bhubaneswar dated 28.10.2021 for grant of Mining Lease for Chandiposhi Iron ore block for Iron ore located in 8 km from Koira village, Koira tahasil, Sundergarh district on 131.580 Hectare Area to Rungta Mines Ltd. for a period of 50 (fifty) years. Out of 131.580 Ha DGPS surveyed lease area, 83.601 Ha area is forest land (DLC forest-57.215 Ha + Revenue forest- 26.386 Ha) and remaining 47.979 Ha is non- forest land.

Rungta Mines Ltd. shall be considered to be the "successful bidder" upon continuing to be in compliance with all the terms and conditions of eligibility; payment of the second installment being 20% (twenty per cent.) of the upfront payment; furnishing



Rungta Mines Limited

MAIN ROAD, BARBIL - 758 035, DIST. - KENDUJHAR, ODISHA, INDIA

Telefax : 06767 - 276651, E-mail : bbloffice@runtamines.com

an irrevocable and unconditional performance security to the State Government from an Acceptable Bank and payable at Bhubaneswar, Odisha, pursuant to the Auction Rules; satisfying the conditions specified in clause (b) of sub-section (2) of Section 5 of the Act with respect to a mining plan; and signing of the Mine Development and Production Agreement upon obtaining all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of mining operations.

The Validity of LOI is for a period of 3 (three) years from the date of its issuance, within which time all the above conditions must be fulfilled and the Mining Lease deed must be executed between the Rungta Mines Ltd. and the Government of Odisha. In case there is a delay in execution of Mining Lease Deed due to reasons beyond the control of the Preferred Bidder, then it may submit an application to Government of Odisha, requesting for further extension. If the Government of Odisha is satisfied that there is a delay in execution of Mining Lease Deed due to reasons beyond the control of the Preferred Bidder and a longer period is required to enable the Preferred Bidder to satisfy all or any of the above conditions, it may extend the validity of this letter of intent for such period or periods as the Government of Odisha may specify. Provided that: (a) this letter of intent shall be extended for a maximum period of 2 (two) years; and (b) the total period for which this letter of intent would remain valid must not exceed 5 (five) years from the date of issuance.

Thus, on issuance of LOI, process for grant mining lease has been started. According to this process calendar for grant of mining lease the last date of execution of mining lease deed will be 27.10.2024 i.e. 3 years from date of issuance of letter of intent (LOI). Accordingly M/s Rungta Mines Limited, only on execution of mining lessee deed will be entitled to start the mining operation. Here, it is pertinent to refer the clause 10 of the Format of Mine Development and Production Agreement (MDPA) as a part of tender document of Chandiposhi Iron ore block, the provisions of which are quoted below:



Rungta Mines Limited

MAIN ROAD, BARBIL - 758 035, DIST. - KENDUJHAR, ODISHA, INDIA

Telefax : 06767 - 276651, E-mail : bboffice@runtamines.com

" 10. MINING PLAN AND COMPLIANCE WITH APPLICABLE LAW

- 10.1 The Mining Plan applicable pursuant to clause (b) of sub-section (2) of the Section 5 of the Act shall be complied with by the Successful Bidder at all times. The Successful Bidder shall also comply with Applicable Law in relation to conduct of mining operations.
- 10.2 The Successful Bidder shall implement an annual production and dispatch plan to ensure that the estimated quantity of mineral resources in the Mineral Block are fully exploited during the period of the Mining Lease, failing which appropriate actions in accordance with this Agreement shall be initiated. In this regard, the Successful Bidder shall make an application for approval of a Mining Plan to the competent authority contemplating an annual production and dispatch in each year commencing from year 3 (three), which should be equal to or more than the quantity arrived at by dividing the estimated quantity of resources of the Mineral Block by 48 (forty eight)."

In view of the above, during 1st two years of mining lease period which will start from the date of execution of lease deed; we are assuming the last date of execution of mining lease deed to be 27.10.2024 i.e. 3 years from date of issuance of letter of intent (LOI), there will be no production during first 2 years i.e. from 27.10.2024 of financial year 2024-25 upto 26.10.2026 of financial year 2026-27. Thus, Production may start from 27.10.2026 of financial Year 2026-27. Accordingly, the production proposal for this Mining Plan of 1st Five years will be as follows:-

Year	Production proposal(MTPA)
1st year 2024-25	0
2nd year 2025-26	0
3rd year 2026-27 (From 27.10.2026 to 31.03.2027)	0.427 (for 156 days/five months only)
4th year 2027-28	1.0
5th year 2028-29	1.0

During proposed period of mining operation the mining operation will be fully mechanized opencast with development of benches of height upto 9m and width upto 20m. The conventional opencast method with utilization of excavator of capacity upto 4.2m³, dumpers of capacity upto 40 MT, rock-breakers, deep-hole drilling



Rungta Mines Limited

MAIN ROAD, BARBIL - 758 035, DIST. - KENDUJHAR, ODISHA, INDIA

Telefax : 06767 - 276651, E-mail : bbloffice@runtamines.com

blasting will be adopted. During mining operation period from 2026-27(27.10.2026 to 31.03.2027) to 2028-29, mining operation will be done in only one quarry. The proposed mining area and other area of the lease is already proved mineralized at G2 level by 25 no. of boreholes completed by GSI, MECL as per G.R. provided with the Tender Document.

Now for grant of Mining lease of Chandiposhi Iron Ore Block and use of 83.601 Ha of forest land for the mining and ancillary purpose, we need to apply for diversion of the forest land under section 2(ii) of the Forest Conservation Act, 1980, for approval of the Central Government.

Rungta Mines Limited

Director.