

SHORT NARRATIVE OF THE PROPOSAL

Government of Jharkhand, in pursuance to the Mineral Auction Rules 2015 and Mines and Minerals (Development and Regulation) Act, 1957 and subsequent amendments therein, conducted auction of Parasi Gold Deposit & issued the Notice Inviting Tender (NIT) dated 12th August, 2017 to commence the auction process for grant of Mining Lease for Parasi Gold Deposit located in District Ranchi, Jharkhand. In accordance with the tender document for the said mineral block and based on the highest final price offer of M/s Rungta Mines Ltd, Rungta House, Sadar Bazar, Chaibasa-833 201, Singhbhum West District, Jharkhand, they have been declared as the "Preferred Bidder" as per Rule 9.4(b)(iii) of Mineral (Auction) Rules, 2015 after the "Forward e-auction" conducted on 01.11.2017 vide letter no. Kha.Ni. (Ranchi/Gold)-18/2016-2543/M, Ranchi dated 13.11.2017 for the Parasi Gold Deposit. Accordingly, Letter of Intent (LOI) for the grant of Mining Lease was issued on 03.01.2018 by the Director of Mines, Department of Industries, Mines and Geology, Government of Jharkhand vide letter no Kha.Ni (Ranchi/Gold)-18/2016 15M and subsequent clarification letters vide letter no. 1770 dated 09.07.2018 & letter no. Kha.Ni (Ranchi/Gold)-18/2016 - 2221 dated 27.08.2018 over an area of 75.273 Ha for the period of 50 years in village Parasi, Kutachauli and Kothadih of Tamar Taluk, Ranchi District of Jharkhand State. The 'Preferred Bidder' shall be considered to be the "Successful Bidder" on compliance of terms of LOI and shall be granted Mining Lease on making due payments and obtaining of approval of Mining Plan, Environment Clearance (EC), Forest Clearance (FC), Consent for Operate (CTO) and all the statutory Clearances /approvals as may be required under applicable law for commencement of Mining Operations.

The Land Schedule of the Lease area has been certified by the Circle Officer, Tamar, Ranchi. As per the certified Land Schedule, the detail of the village wise Classification of Land is tabulated below.

Village	Private Land(Ha)	Government Non-Forest Land (Ha)	Reserve Forest (Ha)	Protected Forest (Notified Forest) (Ha)	Revenue Forest Land (Jungle/Jungle Jharri/Jungle Paras (Ha)	Total Area(Ha)
Parasi	32.096	8.466	-	4.407	7.552	52.521
Kothadih	9.466	6.726	-	-	-	16.192
Kutachaoli	4.609	1.951	-	-	-	6.560
Total	46.171	17.143	-	4.407	7.552	75.273

The proposed area comprised of Waste, Agriculture and Forest lands. The applied area is a peneplain terrain, with undulating topography, lying between Ranchi Plateau in the north and Dalma hill ranges in the south. General elevation of the plain is 250 m. and that of the hill ranges is 300 m. Parasi (~488 m) is the highest point located to the north of the area. The area is mostly covered by soil, sometimes the soil thickness extends up to 12m.

There is no human settlement within the applied M.L. area. There is a seasonal nallah flowing from south to north between Central and East block within the applied area.

For Rungta Mines Limited



(Authorised Signatory)

B. K. JHA

ASST. VICE PRESIDENT (BD)

The main drainage is controlled by Karkari Nadi, which is a tributary of Subarnarekha River. In the area under investigation, majority of the nallahs flow in the northern direction and merges with Karkari Nadi, which is flowing towards east. The drainage pattern varies from reticulate to dendritic. No perennial nallah or streams are seen within the lease area. There are no natural springs in the area. The water table is generally about 18 m below the ground level.

The area falls in the Singhbhum Proterozoic Fold Belt (SPFB) sandwiched between Singhbhum Craton to the south and Chhotanagpur Gneissic Complex (CGC) to the north. Parasi area forms the northern part of Sonapet anticline, within the Iron Ore Series.

The Parasi prospect is bounded by Chhotanagpur Gneissic Complex (CGC) in the north and Dalma hill ranges in the south. Major rock types found in the area include magnetite-biotite-quartz-sericite schist, ferruginous quartzite, tuffaceous quartzose phyllite with intercalated schistose quartzite, carbon phyllite, ±grey quartzite, acid tuff, rhyolite, tremolite - actinolite bearing ultramafic and amphibolite, vein quartz and quartz/carbonate veins.

Gold occurs as disseminations, stringers, and specks in different host rocks. On the surface, grains and nuggets of gold are recovered at places. As such gold mineralization occurs over a wide shear zone with enrichment in patches, both along strike and dip. Within wide mineralized zone, gold concentration is selectively enriched with barren patches or low concentration in between. As the gold concentration is demarcated by assay contact, visually it is not possible to demarcate the barren or patches of low concentration.

Exploration in Parasi Gold Deposit is almost complete and is of G-1 level up to 155m RL from Section SW1 to SW 6A, Section S-1 to S12 and Section SE1 to SE-6 covering the West, Central and Eastern Blocks. In all GSI has drilled 25 holes with 4025.95 (data is for 13 holes only) meters and MECL has drilled 54 holes with 9525.90 meters in more or less 56m X 50m grid considering GSI holes in between with a total of 13551.85 meters. Thus, total 79 boreholes were drilled by GSI and MECL to cover the whole leasehold area in a 50m x 50m grid. The Western Block has been well covered with drilling and has been proved to be barren with negligible mineable resource.

In the following Table, the Reserves/Resources as estimated by MECL & GSI is Summarized:

Proved Resources (G1 category)		Indicated Resources (G2 category)		Inferred Resources (G3 category)		Total Resources (G1+G2+G3 category)	
Million Tonnes	Average Grade (g/t)	Million Tonnes	Average Grade (g/t)	Million Tonnes	Average Grade (g/t)	Million Tonnes	Average Grade (g/t)
4.619	1.106	4.045	1.022	1.23	0.969	9.894	1.055

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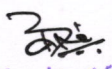
The reserve estimation for Gold ore in total has been done afresh in terms of detailed Exploration carried out by both GSI & MECL. Gold occurs as disseminations, stringers, and specks in different host rocks. On the surface, grains and nuggets of gold are recovered at places. As such gold mineralization occurs over a wide shear zone with enrichment in patches, both along strike and dip. Within wide mineralized zone, gold concentration is selectively enriched with barren patches or low concentration in between. As the gold concentration is demarcated by assay contact, visually it is not possible to demarcate the barren or patches of low concentration. While mining, only auriferous lode cannot be mined and in between waste has to be considered as ore. Hence, Mineable reserves are calculated including the intercalated waste. Resources and Reserves within the lease are arrived after applying results of economic evaluation of deposit based on various factors such as:

- Mining method, Recovery factor, mining losses, processing loss etc.
- Cut off grade, Ultimate pit depth proposed.
- Mineral/ ore blocked due to benches, barriers, pillars, road, nallah, and other statutory barriers etc, under forest, sanctuaries etc. where necessary permissions are not available.

	UNFC Code	Quantity in tons	Grade (g/t)
A. Total Mineral Reserve			
Proved Mineral Reserve 111	111	45,89,932.00	1.01
Probable mineral Reserve 121 and 122	--	--	--
B. Total Remaining Resources	--	--	--
Feasibility mineral Resource 211	--	--	--
Prefeasibility mineral resource 221 & 222	221	2,59,809.00	1.01
Prefeasibility mineral resource 221 & 222	222	50,89,332.94	1.09
Measured mineral resource 331	--	--	--
Indicated mineral resource 332	--	--	--
Inferred mineral resource 333	--	--	--
Reconnaissance mineral resource 334	--	--	--
Total Reserves + Resources		99,39,073.94	1.051

An Open Cast Fully Mechanized Mining Method will be adopted to operate the area during the plan period. Necessary clearances will be taken, like Consent to Establish and Consent to Operate from State Pollution Control Board, Forest Clearance & EC Clearances after the approval of Mining Plan. 10 tonne capacity Tippers, 1.2cum capacity Excavators / front end loaders are used for mining; for blast holes, Wagon/percussion drill machine with compressor will be deployed. Rock breakers will be used for breaking of oversize boulders. Thus mining operation has become Fully Mechanized Mining Category A.

For Rungta Mines Limited


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The annual production is 60,006.18 tonnes of Gold ore (maximum in 5th Year of Plan Period) with a total production of 1,20,023.65 MT during this first 5 years plan period. The mining of ore is proposed to be carried out during the 5 years plan period in the eastern block of the Mining lease. Ancillary activities like dumping of OB waste, setting up of beneficiation plant, tailing pond, tailing dump, mineral storage yard etc. has been proposed in the Western Block and temporary soil dump at SW part of Central Block.

At the end of the conceptual period of the mine about 31.6 Ha of pit will be formed with 100 m of maximum depth. At the beginning of 16th year the matured pit in the Eastern Block will be back filled by the waste dump and the same will be reclaimed by spreading the topsoil on it. The same process will be continued to reclaim 13.63 Ha of the pit and remaining 17.97Ha of the pit will be properly fenced and protected.

It is proposed to operate the mine with a well established set up of beneficiation plant to recover the Metal Gold within/close to the Mining Lease area. The project will providedirect and indirect employments/engagements in the mine, beneficiation plant and ancillary activities of the mine to the local people mostly of Tribal Community. It will generate direct employment of around 109 persons.

The lease area of Parasi Gold Mine involves 11.959 Ha of Forest Land which attracts the Provisions of Forest (Conservation) Act, 1980 for which the Diversion Proposal of the said Forest Land is submitted under section 2 of F.C. Act, 1980.

For RUNGTA MINES LTD



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