

Government of India  
Ministry of Mines

No.37 (3)/2009-M.I

New Delhi, the 8.12.2009

To

All State Governments  
(Secretary of Mining & Geology)

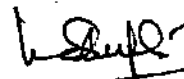
Sub: Revised pricing policy for exploration reports of Mineral Exploration Corporation Limited (MECL) and modalities for its dissemination.

Sir,

I am directed to refer to this Ministry's letter No.37/1/2004-M.I dated 5.4.2005 vide which rates/charges/modalities for MECL's exploration reports/data etc. were approved w.e.f. 5.4.2005. It is stated that in order to make the pricing policy for exploration reports of MECL more flexible and buyer friendly and to generate sufficient interest among prospective investors, Government of India have decided to levy revised charges for MECL's exploration reports/data etc. as per the attached statement from the concerned exploiting agencies/PSUs/State Govts./Private parties.

2. This issues with the concurrence of IF Division of this Ministry vide their Dy.No.62/IF/2009 dated 8.12.2009.

Yours faithfully




(Neeta Gupta)

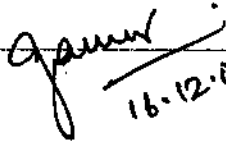
Under Secretary to the Govt. of India

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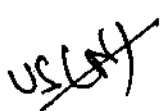
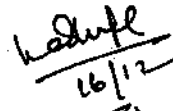
1. The CMD, Mineral Exploration Corporation Ltd., Nagpur-440006.
2. The Director General, GSI, 27, J.L.Nehru Road, Calcutta-700016.
3. The CG, Indian Bureau of Mines, Civil Lines, Nagpur-440001
4. The Secretary General, Federation of Indian Mineral Industries, Nehru Place, New Delhi
5. The CMD, Central Mine Planning & Design Institute Ltd. (CMPDIL), Gondwana Place, Kanke Road, Ranchi.
6. Shri A.D. Baijal, Chairman, National Committee on Mining, 23, Institutional Area, Lodi Road, New Delhi-110003.
7. The Director, Ministry of Coal, Shastri Bhavan, New Delhi
8. The Director(Finance), Mineral Exploration Corporation Ltd., Nagpur-440006
9. The PAO, Principal Accounts Office, Ministry of Mines, Lok Nayak Bhawan, New Delhi
10. IF Division, Ministry of Mines w.r.t. their UO mentioned above
11. PS to MOM
12. PPS to Secretary (Mines)
13. PPs to AS(Mines)/PS to JS(M)
14. Dir(T)
15. Adviser, TPPC
16. DS(BN)/DS(G) ✓
17. All Sections in the Ministry of Mines

  
(Neeta Gupta)


Under Secretary to the Govt. of India

  
16.12.07

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Mines

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STATEMENT SHOWING CLASSIFICATION OF MINERAL EXPLORATION CORPORATION LIMITED (MECL) REPORT/PRICING OF THE DATA/REPORTS AND MODALITIES FOR ITS DISSEMINATION.

CATEGORIES OF EXPLORATION REPORTS

The exploration reports are classified into 221, 331, 332 & 333 corresponding to UNFC system which are as follows:-

- |                                   |                                                                                                                                   |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| (i) Category(A)<br>UNFC-221       | Prospects which can be prima-facie considered for immediate exploitation on account of techno-economic viability ascertained      |
| (ii) Category (A)<br>UNFC-331     | Prospects which hold good promise for immediate exploitation after ascertaining techno-economic viability                         |
| (iii) Category(B)&(C)<br>UNFC-332 | Prospects which hold promise for development through added inputs by further exploration to attract the attention of the investor |
| (iv) Category(D)<br>UNFC-333      | Prospects not considered viable at present level of technology/<br>exploration inputs                                             |

PRICING OF REPORTS

The following is the pricing structure for the exploration reports of MECL

- |                                           |                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category (A) Prospects:<br>UNFC-221 & 331 | 5% of the total exploration cost (TEC) should be charged as initial cost at the time of procurement of the report. 50% of the total cost will be recovered through IBM at the time of approval of the mining plan. The balance amount may be charged by IBM at the time of approval of Mining Scheme. |
| Category-(B)Prospects<br>UNFC-332         | 3% of the total exploration cost (TEC) should be charged as initial cost at the time of procurement of the report. 50% of the total cost will be recovered through IBM at the time of approval of the mining plan. The balance amount may be charged by IBM at the time of approval of Mining Scheme. |
| Category-(C)Prospects<br>UNFC-332         | 2% of the total exploration cost (TEC) should be charged as initial cost at the time of procurement of the report. 50% of the total cost will be recovered through IBM at the time of approval of the mining plan. The balance amount may be charged by IBM at the time of approval of Mining Scheme. |
| Category-(D) Prospects<br>UNFC-333        | These prospects will be given free of cost to investors.                                                                                                                                                                                                                                              |

## MODALITIES FOR DISSEMINATION OF MECL DATA/REPORTS

The modus operandi for dissemination of MECL data/reports.

1. Executive Summary of exploration reports will be put up on website of MECL for access to the investors.
  2. Exploration report will be given to investor by MECL under intimation to concerned State Government and Indian Bureau of Mines at the initial cost of the report according to their category. The balance amount of Total Exploration Cost (TEC) (in phases) will be realized by IBM at the time of approval of Mine plan in respect of Mining lease as well as at the time of approval of Mining Scheme .
  3. The buyers of the exploration report will be allowed to examine the core samples wherever they are available.
  4. MECL may set up a core library for preservation of borehole cores and samples as the same would be of vital importance and value for marketing of the future reports.
  5. MECL can sale exploration report/ data to more than one agency. However, an investor has to furnish an undertaking of confidentiality of report/ data.
  6. The review of pricing of MECL data /reports will be done again after a period of one year.
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