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PM DISCUSSES ECONOMIC REFORMS IN MINING SECTOR

Prime Minister Narendra Modi on Thursday held a “detailed” meeting to discuss the potential economic reforms in the mines and coal sectors to give a boost to the economy in the backdrop of the COVID-19 pandemic.

The discussions involved ensuring easy and abundant availability of mineral resources from domestic sources, upscaling exploration, attracting investment and modern technology to generate large-scale employment through transparent and efficient processes, according to an official statement.

In the meeting with top officials, the Prime Minister laid special focus on improving the country’s self-reliance in production of minerals and their in-country processing. Auctioning of additional blocks, encouraging wider participation in auctions, increasing the production of mineral resources, reducing the cost of mining and cost of transporting formed part of the discussion.

The deliberations also focused on increasing ease of doing business while also reducing carbon footprint with environmentally sustainable development.

The issues related to reforms in auction structure, efficient institutional arrangements, participation of private sector in exploration and mining, making public sector more competitive as well as broad-basing the community development activities through the Mineral Development Fund



were also deliberated.

Expanding and improving evacuation infrastructure for minerals, including use of sea-routes for domestic supplies was also considered.

Modi reviewed the contribution of mines sector in increasing employment opportunities and boosting growth.

He also said that the mineral sector should benchmark its operations to international standards and advised its representatives to prepare an action plan. He exhorted using modern technologies for efficient mining. He said the aim should be for reducing delays in obtaining clearances and partnering with states to facilitate increase in private investment to boost the economy.

The Prime Minister also held a “comprehensive” meeting to discuss strategies to attract more foreign investments into India as well as promote local investments to boost the economy.

An official statement said various strategies to bring investments into India on a fast-track mode and to promote Indian domestic sectors were discussed in the meeting.

Finance Minister Nirmala Sitharaman and Commerce Minister Piyush Goyal, besides others, attended the meeting. Detailed discussions were also held on guiding states to evolve their strategies and to be more proactive in attracting investments, the statement said.

MINERS SEEK MORATORIUM ON DUES AS LOCKDOWN CRIPPLES OPERATIONS

Experts believe Q1 will be a complete washout for the sector; assuming subdued activity during monsoons or Q2, revival is only expected towards the second half of FY21

A nationwide lockdown to tame the deadly Covid-19 pandemic has brought mining operations to its knees. Faced with immense pressure to service existing loans and incur costs towards manpower salaries, miners have asked for deferment of statutory dues like mineral royalties, District Mineral Fund (DMF), National Mineral Exploration Trust (NMET), transfer charges and other levies & cess imposed by the state government till March 2021.

Federation of Indian Mineral Industries (Fimi) has sought a slew of measures from the Union finance ministry to help the mining industry survive the unprecedented onslaught of a virulent pandemic.

“With moratorium on statutory payment, mining companies and manufacturers of commodities will be able to cope with cost at subdued production level and thereby manufacturing industry will be able to sustain in this tough time in India. Since mining is a labour-intensive industry, it is of paramount importance to ensure the safety of miners and follow the social distancing norms. Thus, it would be prudent to temporarily reduce some of the financial obligations on the mining companies so as to free up additional funds for the companies to fight the Covid menace, reduce the operational hazards and ensure the safety of miners”, R K Sharma, secretary general, Fimi said in the submission to Nirmala Sitharaman, Minister for finance.

The countrywide lockdown to curb the spread of the viral contagion has critical repercussions on mining and mineral-based industries.

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“Eighty to 85 per cent of the trucks are not plying on roads and this has impacted the loading and unloading of materials. Amid fears of the Novel Coronavirus disease, majority of the workforce has already left for their native villages. Building confidence and reengaging them would take at least three to four months to restore normal production levels. Despite being termed essential service, mineral-based industries have scaled down or suspended operations”, said an official with a mining company.

Industry observers believe Q1 would be a complete washout for the mining sector. And, assuming subdued activity during monsoons or Q2 (July-September), revival is only expected towards the second half of FY21.

Setback to mining does not bode well for the country's economy.

Nor does it spell good tidings for resource rich states. Mining generates employment for four million people. Its multiplier effect on industrial production at 1.2-1.4 times can't be trifled with. Mining contributes two per cent to the national GDP. But in mineral rich states such as Odisha, Jharkhand and Chhattis-



garh, its share exceeds 10 per cent to the respective Gross State Domestic Product (GSDP).

More, with domestic demand for iron ore flagging as steel mills take time to revert to full scale production, miners look at exports to offset losses.

Production is yet to take off from merchant mines post online auctions as new leaseholders await grant of official orders. In this phase of limbo, the stockpiled iron ore with a preponderance of baser grade fines has emerged as a vexatious issue for the miners. Though miners are keen to clear this accumulated inventory by exports, the prevailing 30 per cent duty has queered the pitch.

“The country is carrying non-moving stock of more than 162 million tonnes of iron ore majority of which is lying in Odisha and Jharkhand. Such grade of material is not required by the domestic steel industry. Withdrawal of duty will facilitate in monetising the non-moving stock and will be a major contribution of revenue in the current sagging economy”, said Sharma.

PROPOSED CHANGES IN MINING POLICY TO HIT STEEL COMPANIES WITH CAPTIVE LEASES

The proposals are believed to have been submitted to the PM's Office to double the sector's contribution to GDP, from Rs 4.1 lakh crore in fiscal year 2018-19 to Rs 8 lakh crore by fiscal year 2024. Another suggestion with far-reaching consequences is that leases that are un-operationalised for more than three years be taken back from Public Sector Undertakings and auctioned off

A proposal by the Ministry of Mines to reduce the life of captive mines by five years could significantly impact the raw material security of steel companies such as Tata SteelNSE -8.28%. The ministry has also suggested that no mine should be auctioned as captive in future, doing away with the distinction between captive and merchant altogether.

It has also proposed legislative changes to deny mining rights to more than 600 pending claims left untouched by amendments to the Mines and Minerals (Development and Regulations) Act in 2015, according to those in the know. The proposals are believed to have been submitted to the Prime Minister's Office to double the sector's contribution to GDP, from Rs 4.1 lakh crore in fiscal year 2018-19 to Rs 8 lakh crore by fiscal year 2024. Another suggestion with far-reaching consequences is that leases that are un-operationalised for more than three years be taken back from Public Sector Undertakings and auctioned off. India changed its mining laws on January



12, 2015 mandating auction for any mineral grant.

The auctions of iron ore and manganese mines in Odisha in January and February fetched an average premium of about 105%. That means, in addition to taxes and cess, a lessee would also pay the state Rs 105 for every Rs 100 of ore it sold over the next fifty years. Taking prevalent iron ore prices and everything else as constant, this works out to an additional annual revenue of about Rs 7,000 crore for the state. The new regime and high premiums sit awkwardly with the arrangement that players such as Tata Steel or state-owned companies (unaffected by the amendment) continue to have, where they only pay royalty and other taxes.

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The ministry suggests reducing the period of lease of captive mines from 2030 to 2025 and also removing the first right of refusal granted to them. A Tata Steel spokesperson did not respond to ET's letter seeking comment.

The 2015 amendment made two exceptions: Under Section 10A (2b) where reconnaissance or prospecting had been carried out successfully, the lessee could move up to a prospecting or mining lease respectively. Ironically, subsection 2c offered a window of two years, or until January 12, 2017, to those that had progressed beyond and held a letter of intent. Not everyone met this deadline. Balasore Alloys, for example, missed it by two days and is contesting the state's refusal to grant it a lease in the Supreme Court.

India remains hugely under-explored geologically, preventing the state from arriving at a more realistic value of its mineral wealth. Currently, only deposits with exploration data categorised as G2 under United Nations Framework Classification

of mineral reserves are being auctioned. It has been proposed that this barrier be brought down to a more basic G4 or 'reconnaissance' level and composite leases be offered for areas with no exploration data.

Responding to the industry's complaint that it was over-taxed, the ministry has suggested royalty calculations be arrived at excluding all taxes and levies.

Changing the goalposts is now unfair to those who participated in the auctions, successfully or otherwise, taking into consideration the existing method of royalty calculations, officials said. "Royalty is charged on price inclusive of royalty because miners pass on the cost anyway. Any discounting of this would lead to a loss of revenue for the state. New lessees have offered premiums of five to six times of royalty presumably because they could afford to," said an Odisha government official asking not to be named.

MINING COMPANIES IN ODISHA YET TO PAY OVER RS 6,000 CRORE IN PENALTIES

Despite frequent reminders, mining companies in Odisha have not paid over Rs6,000 crore in fines to the Odisha government for illegal extraction of iron and manganese ores between 2000-01 and 2010-11

The State government has so far collected Rs15,326.63 crore, against the Rs 21,391.85 crore imposed on the companies for violation of the Environment Protection Act, the Forest Conservation Act, and for illegal extraction.

"While enquiring into the multi-crore mining scam in Odisha, Justice M.B Shah Commission has detected huge irregularities, including over exploitation of mineral and causing environment pollution. The commission had reported a loss of Rs 60,000 crore to the State exchequer for a number of violations



made by mining companies," said Pradip Pradhan, an activist who had obtained the information under RTI.

Mr. Pradhan said though the Supreme Court had ordered mining companies to pay penalty over Rs 21,000 crore, defaulters were yet to deposit more than Rs 6,000 crore.

As on January 31, Sarada Mines Private Limited had not paid penalty to the tune of Rs1,938 crore, while Mideast Integrated Steel was to pay Rs 924 crore, he said.

Among some big names which were yet to comply with the Supreme Court order are BPME Limited (Rs 636 crore), B.K. Mohanty (Rs 384 crore), Mala Roy and others (Rs 224 crore) and S. Pradhan (Rs 123 crore).

MINING POLICY DIFFERENCES: TATA STEEL EXITS INDIAN STEEL ASSOCIATION

Narendran quits as President of trade body before tenure ends. Tata Steel and its Managing Director TV Narendran have severed ties with the Indian Steel Association (ISA) due to disagreements over mining policy.

Narendran was the President of the Association, which has representation from leading steel producers including JSW Steel, SAIL, Rashtriya Ispat Nigam, Jindal Steel and Power, Bhushan Power and Steel, Tata Steel BSL and ArcelorMittal. His two-year tenure was to end in August.

"Tata Steel has withdrawn its membership from the Indian Steel Association owing to various considerations. Accordingly, TV Narendran, Managing Director, has stepped down from his position as its incumbent President," said a Tata Steel spokesperson.

ISA members had differences over the government proposal to

drop the distinction between captive and merchant mining besides reducing the lease term of captive mines to 2025 from 2030, sources said. Tata Steel owns captive mines which were allotted before the auction regime and these will be auctioned after 2025, if the proposal goes through, they added.

Mining auctions

While amending the Mining and Minerals (Development and Regulations) Act in 2015, the government extended the validity of captive mine leases till 2030 and that of merchant mines till March 2020. These mines were to be auctioned after the leases expired.

The government was keen to remove the distinction between captive and merchant mines to attract new players in the latter and encourage steel companies to venture into further value

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addition rather than investing in captive mining.

Steel companies, which are neck-deep in debt, can move up the value chain for better margins, rather than explore mining in which they have little experience, the sources said.

Iron ore use

The proposal to allow integrated steel producers to divert a portion of iron ore from their captive mines for use by other joint venture entities was also a bone of contention, the sources further said. The government plans to permit steel producers to use an identified portion of iron ore from their captive mines allotted prior to the auction regime for use by their subsidiaries or joint venture companies.

In the case of a JV, the original lessee of the mine (the company that was originally allotted the captive mine) should hold at least 26 per cent equity in the venture, per the proposal being considered.

Tata Steel has large captive mines spread across Jharkhand and Odisha feeding its plants at Jamshedpur, Kalinganagar and Angul. It also mines ferro alloys such as chromite and manganese for captive use.

In FY19, the company mined 23.3 million tonnes of iron ore and 6.54 million tonnes of coal, meeting 100 per cent and 27 per cent of its requirements, respectively

TO KICKSTART THE ECONOMY, INDIA'S ENVIRONMENT MINISTRY IS CLEARING PROJECTS IN 10 MINUTES

Even as India is just coming out of a nationwide lockdown due to the novel coronavirus, the environment ministry is considering large scale mining, infrastructure and industrial projects for environment, forest and wildlife clearances by hosting video meetings of its expert panels. This is despite the expert panels admitting that time available for considering some of these projects is "very less" and in some cases just about 10 minutes per project.

A nod from the expert panels, the National Board for Wildlife (NBWL), the Forest Advisory Committee (FAC), and 10 Expert Appraisal Committees (EAC), is necessary for projects to get green clearances from the central government's ministry of environment, forest and climate change (MoEFCC). Once a project is recommended or rejected green clearance by these panels, the final decision is taken by the environment ministry but their decisions are rarely overturned.

Earlier, meetings of such panels were cancelled after the nationwide lockdown came into effect on March 25. But they have now been scheduled to take place in April and May over videoconferencing. According to meeting agendas posted on the environment ministry's website, 191 projects are to be considered for clearances.

In some meetings that have already taken place, these expert panels have cleared several important projects. For instance, in the meeting of EAC on infrastructure on April 22-24, the project related to the construction of India's new parliament was recommended environment clearance.

The environment ministry has said the meetings are being held to help clear proposals for seamless economic growth.

However, environmentalists and experts have criticised the urgency shown by the MoEFCC to clear projects at a time when affected people cannot send evidence or representations, and expert panellists cannot do field visits due to the lockdown. The laws governing green clearances also have no provision to allow video conferencing.

Race against time

The maximum number of projects (145) will be considered by the 10 EACs that evaluate projects for granting environment clearance under the Environmental Impact Assessment (EIA) Notification, 2006.

The projects on the agenda in videoconference meetings over April and May include a three-fold expansion of the Numaligarh oil refinery in Assam. The supreme court in Jan. 2019 had ordered its boundary wall to be demolished as it was blocking an elephant corridor.

Other projects on the agenda of the expert panels include seaplane airports at the Brahmaputra riverfront in Guwahati, at the Statue of Unity and Shatrunjay dam in Gujarat. The EAC on infrastructure during its meeting on April 22-24 cleared Terms of Reference (ToR) for these three projects related to seaplane airports. ToRs are guidelines for conducting environmental studies of projects after which the project is considered for clearance by the committee.

Also on the agenda are projects related to the new building of India's parliament, new offices and residential quarters of the ministry of defence in Delhi, a 2,400-megawatt coal power plant at Talabira, Odisha, where adivasis (tribal people) have opposed the expansion of coal mines, diamond mines in Panna, Madhya Pradesh for producing 100,000 carats of diamonds and uranium mining in a tiger reserve in Telangana.

The EAC meetings usually last through the day, and the affected people from large projects send additional documentation and evidence. But the National Informatics Center, a government agency that is coordinating the videoconferencing, has allotted only two hours for each meeting.

As a result, the EACs, like the one on industrial projects,

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have allotted just 10 minutes to each project and crammed 47 projects over three sittings. Another EAC on coal mining remarked in its agenda that the time given to it was “very less.”

The EACs would not be able to carry out site visits to verify the information presented to it, and its decisions would depend entirely on documentation and reports provided by the project developer, said Leo Saldanha, coordinator at the Environment Support Group in Bengaluru. “About 99% of such reports are known to be fraudulent,” Saldanha said.

The EACs may not have enough documentation too.

For example, the EAC on coal mining normally requires five kinds of colour-coded maps on A3 size sheets, which show forests, farms, rivers, canals, and such features near the mines, so that it can recommend appropriate safety measures.

But the EAC has now asked for just a few soft copies: one PowerPoint presentation and an online map file showing only the boundaries of the project.

People affected by projects, who don't have ready access to the internet would be unable to send representations or documents to the EACs. “In the past, these submissions have been crucial for the EACs to ask for critical studies and ensure safeguards even if a project is approved,” said Kanchi Kohli, a senior researcher at the Centre for Policy Research in New Delhi.

“Very few people will now be able to send in substantial and evidence-based submissions,” she said.

No provision for video conferences

On April 7, India's environment minister Prakash Javadekar tweeted that he chaired the meeting of the standing committee of the National Board on Wildlife, which cleared 36 projects in protected wildlife areas, including in the Western Ghats.

But the Wildlife (Protection) Act, 1972, under which the Board functions, does not provide for meetings over video. In fact,

none of the laws governing environment clearances has provisions for video conferencing, and some like the EIA Notification even make hard copies of project reports and maps mandatory.

“The rules only say that the committee shall meet, but there is no specific exemption that you need not meet or they can take decisions by video,” Biswajit Mohanty of the Wildlife Society of Odisha said.

On April 23, the FAC met over video conferencing to consider 10 projects that aim to come up over 10,000 hectares of forests, including exploration for uranium mining in the Amrabad Tiger Reserve in Telangana, and dams in the Dibang Valley in Assam. The Forest (Conservation) Act, 1980, too does not say if decisions can be taken in videoconferencing.

Such projects require detailed deliberations and often face-to-face interactions with affected people and scientists, said Nandini Velho, an independent researcher who has written to the ministry about the rich biodiversity at the Dibang Valley project sites. “Maybe we cannot decide what the government wants to do politically, but at least it can continue to have rigour in the scrutiny of projects.”

The environment ministry has not responded to a questionnaire sent by Mongabay-India on April 23. On Twitter, it has said that the meetings are being held to help “clear proposals” for “seamless economic growth.”

But expert panel decisions are irreversible and it was better to delay them than to rush through, Saldanha pointed out. “The Union Commerce Ministry is not rushing decisions through without holding consultations with industries. So, what's the hurry for the environment ministry?” he questioned.

There is perhaps a motive to clearing projects during a health emergency, Mohanty said. “People are busy, and not in a position to file objections.”

This post first appeared on Mongabay-India. By: Nihar Gokhale

POST COVID-19 INDIAN MINING SCENARIO:

Unshackling Mining may pave way for Mining as Engine of Growth

- Jijo George, CEO & Director, GemcoKati Exploration P Ltd

Overview of Indian Mining

Every Mining Seminar in India normally begins with this opening line “India is very rich in Mineral resources“. This quote is buzzing more frequently since first NMP 1993 during Shri Nar-simha Rao Regime. This line seems to be a good opening line and seen in many PPT presentations, Research papers, articles etc. also reiterating geological richness of Gondwana Land (Australia & South Africa). With a lapse of 27 years, nothing has changed, we are unable to discover world class deposits. Government blaming private and private blaming government, nothing has changed. Still those buzzing words are used in many Intercontinental Geological Conferences and big meetings with precious little changing overtime.

India with Mining of more than 95 Major Energy, Ferrous, Non-Ferrous, Industrial Minerals, Atomic Minerals & Gold is considered as a major Mining Nation ranking 5th in volume with Mineral production standing at 10 Billion USD FY 18-19. India holds a fair advantage in production of some metallic minerals like Iron ore & Non ferrous mineral like Bauxite etc. As per estimate only 5% of India's resources have been explored whereas world mining leaders like Canada, Australia or even Chile are almost 100% explored. Indian Mining was primarily focussed by Central & State PSUs like Coal India, SAIL, NMDC, NALCO etc. with focus on Energy minerals and Metals while Exploration was led again by PSUs

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like GSI, MECL, CMPDIL etc focussing on resource security for National Economy. While Cement Industry is dominated by Private players who hold almost nearly all Limestone leases. Out of total mining lease PSUs for their captive needs hold around 5% area while private mining companies hold 95% like TATA Steel Ltd, Jindal Group, etc. hold leases for captive use and rest are held by Merchant miners, small individual lease owners as well as Minor mineral leases. Mining sector as on today provides employment to around 1 crore people both directly & indirectly. Though contribution of Mining towards India's GDP is 2% but it also keeps power plants running, keeps steel mills alive and contributes Limestone to build your houses.

Laws Governing Mining in India

India's Pro-Socialist Mindset was visible from very beginning. The Industrial Policy Resolution (IPR) of 1956 gave away exclusive right of Strategic, Energy & Industrial minerals like Atomic Minerals, Coal, Iron ore, Lignite, Manganese, Chromite, Copper, Lead, and Zinc to Government PSUs. Oil fared no better.

The MMDR Act of 1957, Mineral Concession Rules (MCR) of 1960 and Mineral Concession & Development Rules (MCDR) of 1988 were supposed to further enhance Control of Govt in Mining sector. Of course there were private sector operating in these times too but most of them were allotted under FCFS under section 5(1) of MMRD Act while some of them included pre-Independence leases by British or on lease from local Rajah or as in Goa, the Portuguese era leases.

Foreign Exchange crisis in 1991 necessitated the Economic liberalization and opening up of trade and investment policy under pressure from IMF & WTO. This changed scenario culminated in National Mineral Policy of 1993, which culminated with opening up of Mining sector to foreign companies for Exploration & Mining. Also this resulted in almost all major minerals except Fuel minerals & Atomic Minerals opening up for private sector. Reconnaissance Permit system were also opened up for Exploration of Minerals which will have exclusive right for Prospecting License and eventually culminating to Mining License. In 2005 planning commission set up a Task force to study the Mining laws & policies and suggest best way forward to attract large FDI in Mining Sector. The Report Submitted in 2006 recommended some practical changes in Forest & Environment clearances Act as well implementing some of best mining as well as mineral conservation practices followed across the world.

Huda Committee recommendation became basis for National Mineral policy (NMP) 2008 which covered extensively on exploration, Mining, Research & Development. It recommended that Mining be treated as a independent industry not as a supporting industry to Power or Manufacturing sector. It also highlighted role of state in granting the leases for Exploration & Mining. Huda committee also laid a bigger thrust on environment friendly policies to be adopted in Mining. After this,

government initiated MMRD bill to incorporate these recommendations in 2011 but by then Coal scam & Iron ore scam broke out taking with it whole Mining Industry to tailspin.

In 2014 the new government led by Shri Narendra Modi amended the old MMRD Act of 1957 and this replaced all other Acts in 2015. Subsequently Coal Mines (Special Provision) Act 2015 also came for Coal Sector.

The Thrust was now on treating all Mineral resources as National resources to be used for benefit of public and nation at large. This gave way to Competitive bidding through electronic e-auction. It also brought in Non-Exclusive Reconnaissance Permit ending older Worldwide followed system of Reconnaissance (Exclusive Exploration) Permit and bringing e-auction process as a standard practice and creating National Mineral Exploration Trust (NMET) to promote exploration with stress on carrying out exploration by Government Agencies up to G3 level before being put on e-auction on Composite License for Minerals like Copper/ Zinc. Private sector was also asked to join in Exploration by providing cost plus incentives but within existing legal framework. But unfortunately it didn't work out as planned.

Green Activism and PIL affecting Mining In India:

No other sector attracts attention of Green Brigade and NGOs like Mining. Reason is most of India's resources are held by Natural Forest areas and protected wildlife belt that has a delicate ecological balance and are protecting lots of endangered Flora and Fauna. Though laws and regulations are there for protection of ecology and conservation of Environment still due to poor implementation of these rules in letter and spirit causing large scale Environment degradation. When the violation of these Mining, Forest conservation and environmental rules and regulations become rampant and greed overtakes regard for laws and mine owners engages in unethical practices then Court has to step in. A good example is "Republic of Bellary" and Meghalaya's rat-hole mining.

Green activism and PILs were mainly focussed on conservation of Western Ghats and also virtual stoppage of Iron ore Mines in Goa and even closure of Govt PSU KIOCL operating in Kudremukh Wildlife area. Similarly NGOs played a great part in halting Bauxite production in Mineral rich Eastern Ghats. While NGOs and Green Brigade and be accused to sensationalising the matter but at same time Mining Companies themselves are to be blamed for creating this issues in first place. Instead of creating an atmosphere of sustainable & eco-friendly mining, the over enthusiasm of NGOs has virtually stopped mining creating, loss of revenue to govt, destruction of local economy, destruction of local area development, Job loss in Rural areas.

Forest & Environmental Policy affecting Mining

The National Mineral Policy for first time talked about Conservation of Environment in NMP (1998). It also laid down rules and provided framework for Exploration & Mining making it stricter and empowering Forest Dept to take strict action and

even cancellation of Mining licenses for polluting the environment. MoEF came into limelight in last decade when it started to look into alleged non-compliances of environmental issues in mining Sector. The government has under its disposal vast array of Laws & Regulations for Upkeep of Environment in Mining Areas and for controlling its affects. Each law creates its Institutional mechanism, Bureaucracy and procedures bringing in redtapism into effect. Indian Bureaucrats are famous for being slow and lacking transparencies. India was famous for its average time for Environmental Clearance being around two years some time back. Though Govt had brought in change in EIA and introduced stringent conditions and riders delegating more powers to State pollution control Boards, making CSR activities inbuilt in EC proposals. MMRD Act of 1957 as well as subsequent amendment acts provide enough teeth for Laws to ensure mining while conserving environment and reducing pollution. But still much has to be done to ensure Environmental integrity in Mining Areas

Lacklustre attitude towards Proper Exploration

India has a mining history of 70 years but only 10 % of OGP areas could be explored so far. Worldwide every countries with significant resource gives significant thrust in Mineral Exploration to discover newer deposit or enhance resources of existing deposit. But India with all its resources and Exploration Companies at its disposal could spend little on exploration and hence the result is negligible discovery. From the beginning, exploration was State sponsored activity. Though NMP 1993 encouraged Private sector participation in Exploration but it was negligible. India's exploration spend is around Rs 400/- per sq km while Canada & Australia spends around Rs 5,500/- per sq km. The government agencies in Indian exploration industry are typically risk averse having to explain about expense incurred ("Remember CAG"). Millions of metre drilling has to be carried out every year to convert mineral resources to mineable reserve especially for Base metals, REE & Gold.

Moving away from auction regime

Captive Mining is a term unique to India. In 2008, State government started giving importance to value addition to mineral produced in state giving birth to concept of captive mining where end users is given preference to Merchant miners. The high voltage bidding in Coal blocks and subsequent Iron ore blocks expiring in March 2020 resulted in 150% premium over IBM prices. This may result in Distortion or bending the rules, a major blow to what was it supposed to bring in Mining sector –Transparency.

“Mining should always be a standalone industry “

“Don't be fixated only with Energy & Ferrous Minerals“

India has been blessed with surface deposits of Coal, Iron ore, Manganese, Limestone and lot of other Industrial minerals our Exploration has also been centred on these deposits. our import in minerals is on higher side especially on Gold and others

base metals. A proper policy on exploration-mining-smelting on gold & other base metals like copper, zinc, lead, silver etc would save precious dollars in trade deficit as well as provide employment to millions

Open up High Value deep seated Base metal Exploration to save precious Dollars arising out of Current Account Deficit for Private exploration

NMP 2019 states: “There is a need to understand that natural resources, including minerals, are a shared inheritance where the state is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance”. Opening up Mining sector could ensure an increase in revenue of 900 thousand crores or increase in 6% GDP by year 2025. Mineral exploration for concealed or deep-seated minerals requires substantial multidisciplinary expertise that can only be built up over time. The Biggest Chunk in Global Mineral Exploration spends goes on Base metal deposit like Gold, Copper, Zinc as they are difficult to find and also being deep seated. It's better to open up sector and start now.

History teaches us India has been rich in Gold since ancient times also in Base metals.

Stop Post Stamp sized Deposit Auction

Block size of the current Mineral Block Auctions are limited by its extent of explored resources, but not on the potential to add resources in its strike and dip extensions. As a result future resources are locked forever if miners are only focused on shallow resources. Other than proved deposits of Bauxite, Limestone, Iron ore, Manganese etc., it's preferred to follow best industry practice of Large Area Prospecting License which will allow finders to have seamless transition from reconnaissance to Mining and will allow International Companies to venture into Indian Mining bringing necessary Investment into the sector.

Need for reorientation of focus with local communities

Mine owners or Mining Companies never had an easy or comfortable relationship with local communities creating a legacy of abuse of right and paving way to mistrust in long run. Land grabbing or buying land in lease area through third party at throwaway price is a common practice followed and should be done away with now. Time has come for discontinuation of this practice. Unless Local community is involved and their concerns are addressed in a mature and dignified way there won't be much success in long run. This should be long term practice Across life cycle of mines by undertaking Community development, Preference to local community for jobs etc. DMF may play a big role in this scenario but again depends how the money utilisation is prioritised. The intent of the legislature shall be followed in spirit for upliftment of local community.

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Stop Needless meddling - Prioritize healthy investment & Business Climate

The mining sector Contributed to 1.2% of India's GDP over last decade while in Canada & Australia it was hovering at around 7%. Such success stories cannot be build overnight. It requires consistent Stability, Predictability in Mining Laws well as investor friendly Mining policies. A prime success stories has been countries in South America who were able to successfully woo Investors due to friendly mining & Exploration policies. The Exploration as a standalone business is a High-Risk High-Reward game where juniors source funds from Stock exchanges or Mining focussed Venture Capital funds .The government provides these juniors with friendly policies in terms of rules & regulations as well as friendly Tax regimes. At above 50% mining is one of highest taxed activities in India and one of the highest in the world.

Potential of Mining to be a game changer

Mineral resources of any country belongs to its people but if poor Exploration and eventual Mining does not take place then its nations poor will remain poor. Resource of the country can definitely help in reducing the poverty of Rural India to great extent through direct and indirect job creation. Leave alone mining, large scale Exploration activities can alone bring in lot of job opportunities for rural areas. Mining can alone provide 25 million direct and indirect Job opportunities by 2030 especially in rural areas increasing rural India spending also encouraging reverse migration

Future Outlook

Post COVID-19, a boom in Industrial sector is expected and also supports revival of our Prime Ministers Dream "Make in India".

Some suggestions include:

1. A new mining law is to be introduced in place of post independence MMRD Act and subsequent amendments and confusing MMRD/MCR/MCDR/NMP etc with incorporation of best international mining / exploration practices, best environmental laws conducive to mining , Involvement of local communities etc.
2. One regulatory body overseeing Mining/Exploration activities across India providing concessions /Tenement and also Statutory /Regulatory Services& Safety. The idea is on efficient administration and preventing of duplicity of regulatory bodies.
3. Forest, Environmental& Wildlife issues to be solved in time bound manner if we have to attract International Companies. Issues pertaining to Forest/Environment can't drag on indefinitely. There has to be a time bound grievance redressal system to address the same as per International practice.
4. Promote mining as a standalone Industry to solve some of India's biggest problems like rural migration to cities, jobs in rural areas, and end dependency of rural people only on agriculture. Exploration should be incentivised in order to encourage discoveries.
5. As far as possible Mining Regulatory body should be able to address all issues pertaining to mining and disputes arising should be able to handle. Ensure no more "one man Commissions" and lengthy Court battles. It doesn't argue well for India as a mining destination abroad. Unpredictive law change in middle of game has to go
6. Time has come for "Maximum Government and Minimum Governance" in mining sector. Make mining companies practice self regulatory policies and ethical conduct.
7. Hefty Taxation on mining should end. If government wants best mining / exploration practices, encourage ethical conduct by mining companies and regulate over taxing issues. Habit of additional cess out of nowhere has to go.

WITH TOURISM DOWN, CLAMOUR TO RESTART MINING IN GOA GETS LOUDER

With Covid-19 bringing the country to a halt and the tourism sector to its knees, a clamour has started for the resumption of mining -- the other industry that is considered the backbone of the Goan economy.

The Goa Mineral Ore Exporters Association (GMOEA) has pitched itself as the potential saviour of Goa's 'debt-ridden-economy' and promised that the government coffers will be full if mining restarts.

In a letter to the state government, Ambar Timblo, the president of the GMOEA, has said that in the time of lockdown, the mining industry was a safe bet for the revival of Goa's economy.

"At present, it is not possible to restart the tourism industry unless the contagion is overcome globally. However, in so far

as mining is concerned, the same can be undertaken even during the present period of lockdown with certain safety procedures and practices. Goa is uniquely positioned for the immediate resumption of operations as all workforce, infrastructure, and relevant statutory clearances are in place," Timblo said.

Mining in Goa came to a halt in March 2018 after the Supreme Court ruled that the Goa government's decision to renew mining leases in 2015 was 'unduly hasty' and was contrary to its earlier directions for the grant of fresh leases instead of renewals.

However, rather than granting fresh leases -- a process that now involves an auction after the Government of India amended the

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MMDR Act in 2015 -- the Goa government has been hoping to get the Supreme Court to change its mind.

Parallely, Vedanta Ltd which acquired Sesa Goa, the largest mining company operating in Goa, has filed a petition in the Supreme Court arguing that its request for a 50-year extension of its lease with effect from the year 1987 should be allowed.

The Goa government had disallowed Vedanta's request claiming that its hands were tied as the Supreme Court clearly mandated that all mining operations in the State of Goa be stopped until fresh mining leases or other renewals and fresh environmental clearances are granted.

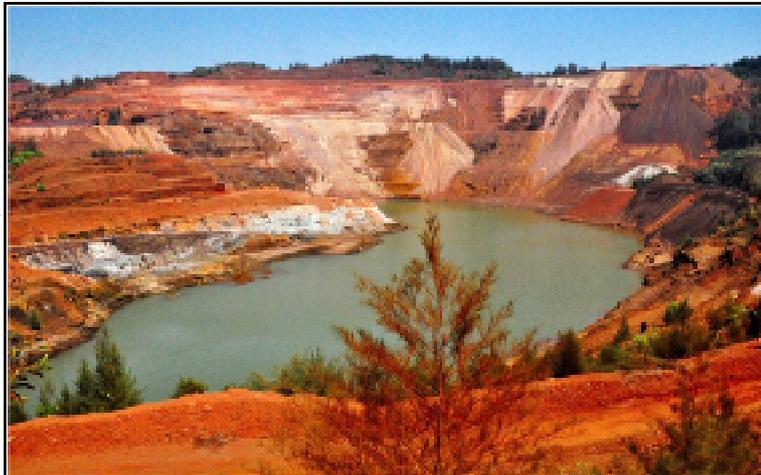
Vedanta's plea before the High Court against the State Government's decision was also rejected and is now pending before the Supreme Court.

Apart from the revenue loss due to the suspension of mining operations, the Goa government has seen its debt mount over the last one year owing to slashing of the GST rates for the hospitality sector including on hotels and restaurants.

In a bid to shore up revenues, the Goa Government hiked excise duty on liquor as well as VAT on fuel but has still seen debt balloon to Rs 20,000 crore.

Chief Minister Pramod Sawant has expressed his inability to run to the aid of business sectors that were facing losses on account of the shutdown.

"Right now we are not in a position to declare any kind of package for everyone. The state itself is going through a bad position; we should all understand that the government itself is going through an economic crisis. At this stage, it is wrong to expect a relief package from the state government," Sawant said.



A mining body is proposing resumption of mining as the solution to Goa's economic woes during the lockdown.

"This sharp increase in debt levels can be attributed to shutdown of mining activities which has led to revenue loss of Rs 7000 crores in the last 2 years. The state tourism sector, which is already reeling under huge losses, is expected to witness a major fall in the number of tourists coming to the state over the next 3 quarters. The contraction in tourism will lead to additional losses for the State as well as an increase in unemployment to the tune of almost 75,000 jobs," said Timblo,

who has now been appointed on the Goa government's economic revival committee.

Despite the clamour to revive mining, voices against the resumption of mining persist. The transportation of ore mined before March 2018 has been allowed by the Supreme Court for six months, leading to vocal protests by those affected by it.

"We are observing about 200 laden trucks plying per hour on the village roads. This makes the mockery of lockdown. We all are aware that COVID-19 positive cases in our neighbouring states are increasing day by day, especially in Belgaum district of Karnataka State. We were expecting the authorities to be very cautious about the movement of people," Rupesh Velip from Caurem village in South Goa which has seen the movement of ore, said.

Goa Foundation's executive director Claude Alvares, too, questioned the move during the lockdown.

"Lakhs of Goans have been told to stay at home by the Prime Minister of India and to wear masks. However, heavy and uncontrolled movement of mining trucks on open roads through human settlements makes nonsense of these directions. This is sheer hypocrisy," he said.

MINING & MINERAL BASED BUSINESS IN A POTENTIAL SOURCE IN THE NEW WORLD ORDER POST COVID -19

Global recession subsequent to the unleashing of the biological warfare by China is bound to hit multiple industries, as it did in 2008. Experts say that there will be a shift of balance of power: scale will tip heavily towards China, & the Asian countries with perhaps South Korea, Tiwan, Australia & Newzeland countries will recover before the U.S. The western world faces mounting fatal casualties while the Dragon, as usual, with its stupendous military and economic might, will continue to flex muscles particularly in South China Sea. But one thing that look probable is that a new economic

world order may emerge under the umbrella an U.S led developing countries. Some of the developing countries as listed by experts, include India, Thailand, Indonesia, Malaysia. And I would like to add Myanmar to the list because this unchartered but resource rich country has been a pariah for a large part of the 20th Century. China took advantage of this and made a considerable grip on its resources.

But owing to its unique strategic geographic location, the

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Indian corporate would do well to join the mining companies from Japan, Australia, South Korea, Singapore in their ongoing fairly positive hunt for strategic minerals like Titanium, Tin, Tungsten, Tantalum, REE & Lithium apart from the more conventional ones like Gold, Copper, Lead, Zinc Silver, High Grade Limestone etc.

As the world limps back to normalcy, businesses will pull out of China. Most, if not all, major western multinational companies manufacturing in China, will either move back home or will relocate themselves in other non-threatening countries or not very high on Resource Nationalism Index (RNI). Defiant China will start bullying smaller resource rich countries but it may be tough going for the Dragon, if the new world order remain united and set up business in some countries of SE Asia and South Asia.

In the light of above stated scenario, it looks that what is loss for the Dragon will be a gain for India. But a more realistic look does show the impeding factors in India are the land acquisition, labour laws, bureaucratic delays and the greed of the Indian corporate. However, some corporate houses and smaller players in India may look for these strategic metals in the lap of its eastern neighbor viz Myanmar with some local partner. I am giving below an outline of the steps that will be needed to take up for venturing into Myanmar.

According to the Ministry of Mines, (Under Ministry of Natural Resources & Environmental Conservation) Myanmar, there are several steps required for initiating investment in mining.

The foreign investor must first send a letter of request for a courtesy call with the Union Minister of Mines. This is done through the respective embassy of the foreign investor in Myanmar, which will send the letter to the Ministry of Foreign Affairs, which will then officially forward it to the Ministry of Mine.

A meeting will be arranged between the investor and the Union Minister of Mines or responsible personnel from the Ministry. Discussions will include

opportunities for investment, minerals of interest, and possible locations for prospecting, exploration, feasibility study, and production.

If the investor wishes to pursue an investment opportunity, a field visit request can be made by submitting the required documents.

After the field visit, the investor who has decided to conduct prospecting, exploration, or a feasibility study must submit a proposal with accompanying documents to the Ministry of Natural Resources & Environmental Conservation (MONREC), with a copy sent to the Department of Geological Survey and Mineral Exploration (DGSE). Once approved, the investor and DGSE will negotiate on an Agreement Draft including the technical and financial details. The DGSE will forward the Draft to relevant authorities for approval.

Concurrently, the investor must seek approval from relevant

state or regional governments and township level departments for administrative, environmental, and land matter.

After all required documents have been obtained; the proposal and the Agreement Draft will be sent to the MIC. In accordance with its procedures, the MIC will seek approval from the Union Cabinet and once approved, will issue an Investment Permit.

During this time, the investor should already have undertaken the company registration process with DICA.

In the final step, the Ministry will issue the respective prospecting, exploration, feasibility study, or integrated (combination of more than one of the aforementioned) permit. For further steps towards production, the investor and the local partner must contact and negotiate with the relevant Mining Enterprise – there are six – under the Ministry of Mine.

MINERAL RESOURCES OF MYANMAR

Myanmar hosts a large reserves of mineral ores, many yet to be thoroughly explored. According to DGSE, the country boasts in addition to Gem stones, Oil Shale, & natural gas; Tin, Ta, Tungsten, Base Metals, Molybdenum, Cr, Ni, Sb, Ag, Au, Fluorite, Gypsum, Limestone, Fuel mineral like Coal.

Myanmar was not known to be on the Titanium Mineral map of the world but recent survey has revealed the presence Ilmenite (Ti mineral), and other Heavy minerals sand in the Beach Sand deposits as well as in fluvial placer deposits associated with some Rare Earth Metals like Y & Tb.

MINING ACTIVITIES ALLOWED FOR FOREIGN INVESTMENT

Exploration, Exploitation, Production, value addition and Marketing of metallic, non-metallic industrial minerals, such as Base Metals, Tin, W, Ta, Ti, Mo, Sb, coal, limestone, gypsum, etc.

Marble quarrying and production and marketing of marble blocks and slabs.

A part of Myanmar allows its local artisans to quarry out small lease hold areas for Pb, W, Tin, Sb, Mo. There is scope to set up beneficiation plants because the land resource is available in plenty.

FOCAL AGENCIES

Department of Geological Survey and Mineral Exploration • Mining Enterprises • Regional and State Administrative Authorities • Ministries concerning with use of Land, Forest Department, Department of Environment, etc.

LOGISTICS; Myanmar has well developed nearly half a dozen sea ports including Deep water ports. One of which is developed by India at Sittwe close to Bangladesh border and 540km from Haldia. The Sittwe port is comes under Kaladine Multi Modal Transit Transport Project. Apart from the sea port there is a 160km long river transport system extending up stream up

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to Paletwa and from there to Zorinpui (109km) on Mizoram border in India. This transport system gives access to the market of North East India and Bangladesh. Plus ,there are 7 Inland

Water Transport route on all the 5 major rivers of Myanmar, including Irrawaddy ,Chindwin, Thanlwin , Sit- taug ,Mekong .Kaladine etc.

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