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STEEL & MINES DEPARTMENT
RESOLUTION

The 17th August, 2016

SUBJECT: Establishment of Odisha Mineral Exploration Corporation Ltd.

1. Introduction: The State Government had notified Odisha Mineral Exploration policy, 2015 to strengthen the institutional set up for the mineral exploration in the State and to upscale the mineral exploration activities in the State so that the potential of mining sector is achieved through scientific exploration of mineral resources vide Resolution No-6065, dated the 4th July, 2015.

Para. 5.1.5 of Odisha Mineral Exploration Policy, 2015 provides that the possibility of setting up an Odisha Mineral Exploration Corporation Limited (OMECL) with participation of OMC, MECL and mineral resource based industries will be explored in order to intensify the mineral exploration in the State.

2. Formation of Odisha Mineral Exploration Corporation Ltd.

Now, therefore, State Government have been pleased to approve for setting up of Odisha Mineral Exploration Corporation Ltd. (OMECL) with participation of OMC as 100% subsidiary of the Odisha Mining Corporation Ltd. in pursuance of Para. 5.1.5 of Odisha Mineral Exploration Policy, 2015, in order to intensify the Mineral Exploration in the State with the following objective:

3. Objectives of the OMECL

OMECL will undertake scientific Mineral Exploration to prove the mineralized / Ore bearing virgin area of the State to at least G-2 Level of UNFC for facilitating auction of mineral blocks by Govt. The corporation may also take up sponsored exploration work from various mining lease holders & other organizations.

4. The workload for the proposed OMECL

- (i) About 700 Sq. kms. of virgin/free hold area in the State is required to be proved up to G-2 Level of UNFC.
- (ii) The relinquished, determined and lapsed MLs need to be covered under exploration.
- (iii) Considering the average depths of core drilling in different minerals i.e. Iron, Manganese, Bauxite, Chromite, Limestone etc., the projected quantum of core drilling is required to the tune of 50 lakh meters taking a target of 1.5 lakh meters of core drilling per annum.
- (iv) Besides, 50 lakh meters of core drilling, other exploration activities like remote sensing study, geological mapping, geophysical investigation, core logging, preservation and recording of basic data, sampling & analysis, data interpretation and co-relation, 3D modeling, preparation of plans and sections, reserve/resource estimation etc. is required.
- (v) Preparation and publication of Geological Report to be made based on the exploration.

5. Odisha Mineral Exploration Corporation Ltd. as a 100% subsidiary company of the OMC and Capital Investment:—

The OMC is allowed to set up the “Odisha Mineral Exploration Corporation Ltd.” as a 100% subsidiary company of the OMC as follows:-

The authorized capital of OMC may be Rs.20 crore which may be paid up as per requirement. Initial paid up capital may be Rs.5 crore or such other amount as may be decided by the OMC.

6. The Board of Directors

The Board of Directors of the proposed OMECL may consist of Chairman, OMC (Chairman), MD, OMC, Director of Mines, Director of Geology and three to eleven other Directors nominated by the Government/OMC including Independent Directors, subject to provisions of the Companies Act.

7. MoU with the State Government

The proposed OMECL will take up exploration in such areas as may be decided by the Government or the OMC. The OMECL will enter into an MoU with the State Government for exploration.

8. Funding pattern

The cost of exploration of mineral blocks entrusted to OMECL by Government will be reimbursed to the OMECL by the Government, either by way of subsidy or by recovering the cost of exploration from the bidder at the time of auction, as and when the lease is auctioned. A reasonable return on investment, as may be decided by the Government from time to time may be assured for such exploration work by the Government to the OMECL. The OMECL may also make efforts to access funding from the National Mineral Exploration Trust.

9. State Level Empowered Committee

A State Level Empowered Committee will be constituted under the Chairmanship of the Chief Secretary and with Secretaries of Finance, Steel & Mines, Public Enterprises Departments, Director of Mines, Director of Geology, Chairman, OMC, MD, OMC as members to make recommendations to State Government on various matters relating to the OMECL such as operational details, blocks to be explored by the company, rate of assured return on investment to the company and the organization structure/manpower of the company.

10. Reimbursement of cost of exploration

The State Level Empowered Committee will recommend reimbursement of cost of exploration to OMECL within a ceiling of 10% towards overhead charges and up to 10% per annum towards return on investment.

11. Commencement of Activities of OMECL

The OMECL will commence its activities during the financial year, 2016-17.

ORDER

Ordered that the Resolution be published in an Extraordinary issue of *Odisha Gazette*.

By Order of the Governor

R. K. SHARMA

Principal Secretary to Government