



**MINISTRY OF MINES
GOVERNMENT OF INDIA**

National Mineral Exploration Trust



**Scheme for Partial Reimbursement
of Exploration Expenses for Holders
of Exploration Licence**

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BACKGROUND

The National Mineral Exploration Policy (NMEP), 2016 envisages private sector participation in mineral exploration and to facilitate, encourage and incentivize private sector participation in all spheres of mineral exploration to harness the technical expertise, technological capability and the financial resources of the private sector to discover and exploit the country's vast mineral resources. It also envisages incentive for exploration agencies to mitigate their risk for exploration works.

In furtherance of the objectives in the NMEP, 2016, the Central Government has made several policy reforms to boost mineral exploration and production in the country and make the country self-reliant in mineral sector. Further, the amendment in the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) in 2023 has introduced a new mineral concession of exploration licence to be granted for exploration of critical and deep-seated minerals specified in the Seventh Schedule of the Act to encourage participation of private sector in exploration of these minerals considering their importance in national economy and need of use of the latest technology in exploration in these minerals.

During the consultations on the draft amendment of the MMDR Act as well as on the draft rules for implementation of provision of the exploration licence, the Ministry of Mines has received several suggestions from the State Governments, industry and other stakeholders for providing incentive to exploration licence holder to mitigate the risks in exploration of critical and deep-seated minerals.

Accordingly, the Ministry of Mines constituted a committee of experts to fix the norms for reimbursement of exploration expenses to exploration licence holders.

Based on the recommendations of the committee, a scheme for partial reimbursement of exploration expenses for exploration licence (EL) holders has been formulated.

OBJECTIVE

The objective of the scheme is to provide partial reimbursement of exploration expenses for exploration licence holders which are granted through auction.

ELIGIBILITY CRITERIA

EL holders granted under section 10BA of the MMDR Act shall be eligible to apply under the present scheme.

CONDITIONS

- I. Scheme is optional for EL holders which are granted EL through auction after the date of issue of the present scheme. If the EL holder wishes to avail the scheme, he shall submit a proposal for reimbursement of the exploration expenses within a period of 6 months from the grant of EL.

- II. Acceptance or rejection of a proposal under this scheme or any dispute regarding reimbursement under the scheme shall not have any bearing on discharging the obligation of the EL holders as per the terms and conditions of Exploration Licence prescribed by the State Government at the time of auction of the concession.
- III. The EL holder shall pay back to the National Mineral Exploration Trust (NMET), the amount released by NMET under this scheme within ten years (in equal annual installments) of commencement of production and dispatch of minerals and receipt of share in auction premium from any of the mining lease blocks auctioned pursuant to exploration undertaken by the EL holder. In case the EL holder receives lumpsum payment from mining lease holders in lieu of share in auction premium, he shall pay back the amount to NMET within one month of receipt of lumpsum payment.

PROCEDURE FOR SUBMISSION OF PROPOSALS

The EL holders applying under the scheme shall submit a project proposal to the NMET. The proposal shall contain –

- I. general information (in the format specified in Annexure-1 to this scheme)
- II. detailed proposal along with estimated expenditure details (in the format specified in Annexure-2 to this scheme)
- III. annual work plan (in the format specified in Annexure-3 to this scheme)
- IV. a copy of EL.

The EL holder may revise the project proposal, including annual work plan, depending upon the progress of the exploration activities already undertaken.

EVALUATION, APPROVAL AND REIMBURSEMENT

- I. After receiving the project proposal from the EL holder, TCC, NMET will evaluate the proposal on technical and cost parameters and recommend to Executive Committee (EC). Based on the recommendation of TCC, the EC will evaluate and approve the proposals. After the approval of the EC, necessary sanction order will be issued by the NMET, for reimbursement of exploration expenses as per the details provided by the EL holder (Annexure-1). The entire process from submission of proposal by EL holder to issuing of sanction order by NMET shall not take more than two months.
- II. The NMET shall monitor the progress of work from time to time. The EL holder shall provide access to all sites and records such as geological maps, drill logs, drill hole/ sample location sites etc. to the experts of the NMET during the inspection visit.

SCALE FOR REIMBURSEMENT OF EXPLORATION EXPENSES

- I. The exploration expenses incurred by EL holder towards **geological mapping** and sampling will be reimbursed up to 50% of direct costs as per the SoC of NMET with a maximum ceiling of **₹1.50 Crore**.
- II. The exploration expenses incurred by EL holder towards **geophysical investigations** will be reimbursed up to 50% of direct costs as per the SoC of NMET with a maximum ceiling of **₹3.00 Crore**.
- III. The exploration expenses incurred by EL holder towards **exploratory drilling** will be reimbursed up to 50% of direct costs as per the SoC of NMET with a maximum ceiling of **₹10.00 Crore**.
- IV. The exploration expenses incurred by EL holder towards **chemical and petrological analysis/ mineral beneficiation** will be reimbursed up to 50% of direct costs as per the SoC of NMET with a maximum ceiling of **₹2.50 Crore**.
- V. The exploration expenses incurred by EL holder towards **Research collaboration/ consultancy/advisory** and not covered by other activities in the proposal will be reimbursed up to 50% of direct costs with a maximum ceiling of **₹ 1.50 Crore**.
- VI. The exploration expenses incurred by EL holder towards **logistics** including setting up camp office site, transportation arrangement, hiring of personnel, consumables, etc. and not covered by other activities in the proposal will be reimbursed up to 50% of direct costs with a maximum ceiling of **₹ 1.50 Crore**, subject to limit of Rs.30 Lakhs per year.
- VII. If the EL holder hands over any G2 block(s) for auction for grant of mining lease within **three years** from the execution of EL, and if said block(s) are successfully auctioned, then the total exploration expenses incurred by EL holder will be reimbursed up to 60% of direct costs in each of the items above, with maximum ceiling increased by 20% on each item.

OTHER CONDITIONS

- I. NMET will monitor progress of project work on its own/ by officers of Central Government/ by any other entity engaged/ decided by NMET/ Ministry of Mines. The cost towards the logistics arrangements (TA/DA, hotel stay, etc.) for the inspection visit of the experts shall be borne by the NMET.
- II. EL holder shall make the exploration expenses for carrying out exploration activities through a dedicated bank account and maintain duly audited books of accounts.

- III.** As per Rule 172 (1) Para (ii) of GFR 2017, in case the EL holder wishes to avail the mobilization advance (upto 15% of the approved cost subject to a ceiling of ₹6 Crore or 50% of the expenditure for the first three years, whichever is lower), the EL holder has to submit a Bank Guarantee (BG, including e-bank guarantee) of equal value of advance to NMET. Advance paid will be adjusted in the first bill submitted by the EL holder and a Utilization certificate of the same has to be submitted along with the bills. Further payment will be made on reimbursement basis against the bills submitted by the EL holder. The BG should remain valid for a period of 60 days beyond the date of completion of project and acceptance of geological report by NMET. The Bank guarantee will be released within 30 days after the settlement of mobilization advance.
- IV.** The EL holder shall have to share geological and geophysical data/ results of the detailed exploration campaign along with a geological report with Directorate of Geology and Mines of respective State, Indian Bureau of Mines (IBM) for National Mineral Inventory (NMI) and Geological Survey of India (GSI) for uploading the same in the NGDR for future reference or any other mechanism as specified by NMET from time to time.
- V.** The recovered cores from the exploratory drilling activities will be handed over by the EL holder to DMGs/DGMs of the concerned state/ GSI core library for future reference.
- VI.** The reimbursement shall be made on submission of half yearly expenditure bills duly certified by a chartered accountant. The half yearly bills shall be accompanied by an interim report of the progress of the work carried out during the period. The amount reimbursed in each installment will not be more than 50% of expenditure incurred. Reimbursement will be settled through Public Financial Management System (PFMS), in the dedicated bank account as furnished by the EL holder **(Annexure-1)**.
- VII.** Ministry of Mines/ NMET reserve the right to modify the scheme as may be necessary from time to time.

ANNEXURE - 1

Details required for partial reimbursement towards exploration expenses for Exploration Licence holder

S.No.	Particular	
1	Name of Exploration Licence holder	
2	Legal Status of Claimant (Power of Attorney / Affidavit / Registered Deed)	
	i. Postal Address	
	ii. Telephone Number (Office):	
	iii. Fax Number (Offi	
	iv. Mobile No.	
	v. Telephone Number (Residence)	
	vi. Email	
3	ITR Details (For the period of exploration)	
4	Details required for PFMS	
	Type of Registration	Institution / CPSE / SPSE / Private etc.
	PAN Number	
	Agency name	
	Act/ Registration No. (if available)	
	Date of Registration (if available)	
	Registering Authority (if available)	
	State of Registration	
	TIN Number	
	TAN Number	
	GST Number	
	Block No/Building/Village/Name of Premises/Road/ Street/Post Office	
	Area/Locality/City	
	District/State	
	Pin Code	
	Contact Person	
	Designation	
	Mobile No.	
	Email	
	Bank Account Number	
	Name as per bank A/C	
	IFSC Code	
	Branch & Bank Detail	
	ITR Details (for the period of exploration)	
5	Details of Exploration Licence	
	i. Block Name/ oject	
	ii. Block area (sq.	
	iii. ey of India Toposheet Number(s) along with Lat. and Long.	
	iv. District (s	
	v. Stat	
	Mineral Commodity	

Date:

Signature:

Name:

Designation:

ANNEXURE-2

Detailed description of the Proposal to be submitted by the EL holder

**Proposal for Block,
..... District, State
for Reconnaissance Survey (G4 Stage) under NMET**

**(Commodity to be mentioned here)
(to be selected from the Seventh Schedule Minerals
under MMDR Act)**

By

..... Agency

Place:

Date:

(CONTD).

Detailed description on the following titles to be made in the proposal.

1. Block Summary

- I.** Physiography
- II.** Background Geology (Regional Geology, Geology of the Block).
- III.** Mineral potentiality based on geology, geophysics, ground geochemistry etc.
- IV.** Scope for proposed exploration.
- V.** Observation and Recommendations of previous work.

2. Previous Work

- I.** Previous Exploration in adjoining area (Regional area); All the sample (bed rock/ trench/ groove/soil), borehole location should be plotted on the geological map and analytical data should be discussed briefly.
- II.** Previous Exploration in the proposed block area: All the sample (bed rock/trench/ groove/soil), borehole location should be plotted on the geological map and analytical data should be discussed briefly.

3. Block description

Block corner points/ Cardinal Points	Latitude	Longitude
A		
B		
C		
D		
E etc		

4. Planned Methodology

(To be filled by the agency)

(CONTD).

5. Nature Quantum and Target

G4 stage GR should be submitted for G3 stage proposal and G3 stage GR for G2 proposal Succinct details of the previous stage exploration

Nature and Quantum of work proposed

Components	G4 Stage
Aerial reconnaissance	Remote sensing, airborne geophysical survey etc.
Geological Survey	i) 1.25K/12.5K ii) Assessment of lithology, structure, surface mineralisation and analysis of old history of mining, if any.
Geochemical Survey	i) Regional Grab / chip / Stream Sediment / Soil Sampling ii) Recording of broad geomorphology, drainage, etc.
Geophysical Survey	Aero-geophysical/Regional ground geophysical survey (Refer another table below)
Pitting/ Trenching	Five to ten to expose mineralised zone. The location of Pitting and trenching should be judiciously planned to cover the entire mineralised body, to delineate the strike extension and also for planning scout boreholes. Sample length to be specified
Scout drilling / Systematic drilling	Few boreholes if required along the positive profiles delineated by surface sampling/pitting trenching
Grab and Chip sampling	A few samples from bed rock (few representative samples from all the exposed rocks in the area for first-hand information and more samples from rocks which host the mineralisation).
Core sample	Sample from mineralised zones as well as hanging wall/footwall side to be collected. Sample length to be specified
Petrographic and mineragraphic studies	Principal rock types, mineral assemblage, identification of minerals of interest
Synthesis of all available data	i) Integration of regional geophysical, geological and geochemical data ii) Synthesis of all available data and Report writing

* Exploration shall be carried out following the norms of The Minerals (Evidence of Mineral Contents) Rules, 2015 and amendments thereafter.

6. Estimated Expenditure details

(To be filled by the agency)

(CONTD).

**Detailed description of the Proposal to be submitted by the
EL holder**

**Proposal for Block,
..... District, State
for G3 or G2 stage of mineral exploration under
NMET**

**(Commodity to be mentioned here)
(to be selected from the Seventh Schedule Minerals
under MMDR Act)**

By

..... Agency

Place:

Date:

(CONTD).

Detailed description on the following filled to be made in the proposal

1. Block Summary

- I. Physiography
- II. Background Geology (Regional Geology & Geology of the Block)
- III. Mineral potentiality based on geology, geophysics, ground geochemistry etc
Scope for proposed exploration
- IV. Recommendations of G4 Stage Mineral Exploration Report.
- V. Objectives

2. Previous Work

- I. Attach Complete Previous Geological Report (G4 Stage); G4 and G3 stage reports for G2 stage.
- II. Previous Exploration in adjoining area (Regional area): All the sample (bed rock/ trench/ groove/soil), borehole location should be plotted on the geological map and analytical data should be discussed briefly
- III. Previous Exploration details in the proposed block area All the sample (bed rock/ trench/ groove/soil), borehole location should be plotted on the geological map and analytical data should be discussed briefly

3. Block description

Block corner points/ Cardinal Points	Latitude	Longitude
A		
B		
C		
D		
E etc		

4. Planned Methodology

(To be filled by the agency)

(CONTD).

5. Nature Quantum and Target

G4 stage GR should be submitted for G3 stage proposal and G3 stage GR for G2 proposal Succinct details of the previous stage exploration

Nature and Quantum of work proposed

Components	G3	G2
Aerial reconnaissance	Required if not covered in previous stage	Use G3 stage work
Geological	RF 1:5,000/2,000/1000/500	Use G3 stage maps
Geochemical Survey	Geochemical sampling (Chip/Channel/Pit/Trench/Core/Soil)	Detailed Geochemical sampling Channel/Pit/Trench/Core/Soil) in systematic manner
Geophysical Survey	Detailed ground geophysical work, borehole geophysical logging (Refer another table below)	Borehole geophysical logging Special geophysical traverses for problem solving, if required (Refer another table below)
Pitting/Trenching	Pitting/trenching to expose mineralized zone	Refine: Systematic pitting and trenching at regular interval along each borehole profile for surface/subsurface correlation, resource calculation and also to define the ore body in soil covered area
Scout drilling/Systematic drilling Only Systematic drilling	boreholes along the positive profiles delineated by surface sampling/pitting trenching.	boreholes along the positive profiles delineated by surface sampling/pitting trenching.
Grab and Chip sampling	Systematic sampling of few representative samples	Refine sampling: Systematic sampling
Petrographic and mineragraphic studies	Rocks of the deposit (host rock for mineralisation), alterations connected with mineralisation, target mineral phases (ore and gangue metal/mineral), paragenesis, primary secondary zones	Petrographic character of rocks Including grain size, texture, controls of mineralisation etc.
Synthesis of all available data Not required in the quantum of work	i) Integration of regional/ detailed geophysical, geological and geochemical data, if not done earlier. (should be given in soft copy in shape file) ii) Synthesis of all available data and Report Writing	i) Integration of detailed geophysical, geological and geochemical data, if not done earlier. (should be given in soft copy in shape file) ii) Synthesis of all available data and report writing

* Exploration shall be carried out following the norms of The Minerals (Evidence of Mineral Contents) Rules, 2015 and amendments thereafter.

6. Estimated Expenditure details

(To be filled by the agency)

(CONTD).

ANNEXURE-3

Format for submitting Annual Work Plan

(to be submitted at the onset of every field season)

Block Name

Block Area

Field Season Year

Stage of Exploration: G4		
Sl. No.	Geological Parameters	Quantum of Work
A. Geological Mapping & Sampling		
1.	Large Scale Mapping (1:12,500 scale) (LSM)	(in sq.km)
2.	Bed Rock Sampling (BRS)	(in nos.)
3.	Pitting/ Trenching (PT)	(in nos.)
4.	Stream Sediment samples (SSS)	(in nos.)
5.	Soil Samples (SS)	(in nos.)
B. Geophysical Survey		
6.	Type of geophysical survey (including aerogeophysical survey) to be executed during each year	(in Lkm)
C. Exploratory Drilling		
7.	Core drilling (specifying the number of boreholes and borehole distance while drilling proposal formulation)	(in meters)
D. Chemical and Petrological Analysis/ Mineral Beneficiation		
8.	BRS+PTS+SSS+SS (the type of analytical method to be implemented based on commodity)	(in nos.)
9.	Petrological Samples (PS)	(in nos.)
10.	Petrochemical Samples (PCS)	(in nos.)
11.	Ore Microscopy (OM)	(in nos.)
12.	EPMA/ SEM/ LAICPMS Studies	(in nos.)
13.	Any other analysis	(in nos.)
E. Research collaboration/consultancy/advisory		
Tentative research collaborations, consultancies, or advisories may be indicated at the onset of each field season. Additional consultancy or collaboration opportunities may be added during the execution of the field project, subject to approval by the TCC NMET.		
F. Justification for taking up the project		
Details should be furnished with surface/ subsurface (pits/old work) geological, geochemical, Geophysical data. In case of exploration proposed near the active mine area, sufficient justification should be given by collecting surface samples in suitable location which represent the mineralization from the area proposed for current exploration work along with the analytical data.		
G. Justification for Borehole Plans		
Details should be furnished with surface/ subsurface (pits/old work) geological, geochemical, Geophysical data providing proper justification for placing of the boreholes. Due justification may also be given for the depth of drilling along with the levels of drilling required.		

(CONTD).

**Format for submitting Annual Work Plan
(to be submitted at the onset of every field season)**

Block Name

Block Area

Field Season Year

Stage of Exploration: G3/G2		
Sl. No.	Geological Parameters	Quantum of Work
A. Geological Mapping & Sampling		
1.	Detailed Mapping (1:2000/1:1000/1:500) (DM)	(in sq.km)
2.	Bed Rock Sampling (BRS)	(in nos.)
3.	Pitting/ Trenching (PT)	(in nos.)
B. Geophysical Survey		
4.	Type of geophysical survey (including aero-geophysical survey) to be executed during each year	(in Lkm)
C. Exploratory Drilling		
5.	Core drilling (specifying the number of boreholes and borehole distance while drilling proposal formulation)	(in meters)
D. Chemical and Petrological Analysis/ Mineral Beneficiation		
6.	BRS+PTS (the type of analytical method to be implemented based on commodity)	(in nos.)
7.	Petrological Samples (PS)	(in nos.)
8.	Petrochemical Samples (PCS)	(in nos.)
9.	Ore Microscopy (OM)	(in nos.)
10.	EPMA/ SEM/ LAICPMS Studies	(in nos.)
11.	Mineral Beneficiation	(in kgs)
12.	Any other study/ analysis	
E. Research collaboration/consultancy/advisory		
Tentative research collaborations, consultancies, or advisories may be indicated at the onset of each field season. Additional consultancy or collaboration opportunities may be added during the execution of the field project, subject to approval by the TCC NMET.		
F. Justification for taking up the project		
Details should be furnished with surface/ subsurface (pits/old work) geological, geochemical, Geophysical data. In case of exploration proposed near the active mine area, sufficient justification should be given by collecting surface samples in suitable location which represent the mineralization from the area proposed for current exploration work along with the analytical data.		
G. Justification for Borehole Plans		
Details should be furnished with surface/ subsurface (pits/old work) geological, geochemical, Geophysical data providing proper justification for placing of the boreholes. Due justification may also be given for the depth of drilling along with the levels of drilling required.		



**MINISTRY OF MINES
GOVERNMENT OF INDIA**

National Mineral Exploration Trust

NMET Secretariat

Room No. 114- F Wing, First Floor, Ministry of Mines, Shastri
Bhawan, Dr. Rajendra Prasad Road, New Delhi- 110001

Ph: 011-23071006 (O), Email Id: nmet-mines@gov.in