

No. M.VI-16/85/2022-Mines VI

Government of India

Ministry of Mines

Shastri Bhawan, Dr. Rajendra Prasad Road

New Delhi-110 001

Dated: 19th May, 2023

NOTICE

Subject: Amendment of the MCR, 2016 for specifying methodology for calculation of Average Sale Price (ASP)/ Value of Estimated Resources (VER) for rare earth elements (REEs) and lithium - reg.

Geological Survey of India (GSI) has conducted exploration and handed over geological report for a block of rare earth elements (REEs) and a block of lithium to the State Governments to enable them to auction the blocks. Geological reports for some more blocks of REEs have been prepared and would be handed over to the State Governments in due course. In order to auction these blocks, methodology for calculation of Average Sale Price (ASP) and Value of Estimated Resources (VER) of REEs and lithium blocks is required to be specified as ASP/ VER forms the basis of determining bid parameters and auction premium.

2. Accordingly, the Ministry of Mines is proposing to prescribe the methodology for calculation of ASP and VER of REEs and lithium blocks to be auctioned and make consequent amendments in Rule 44 and 45 of the Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2016 (MCR, 2016).

3. In pursuance of the Pre-Legislative Consultation Policy, the draft amendment rules are placed at annexure for inviting the comments/suggestions from the general public, Governments of States and Union Territories, mining industry stake-holders, industry associations, and other persons and entities concerned.

4. The last date for receipt of the comments/suggestions is 19.06.2023.

5. The comments/suggestions may be sent by e-mail in MS-Office Word file to the following ID:

jspolicy-mines@gov.in

The subject of the e-mail should be "Comments/ suggestions on the amendment of the MCR, 2016 for specifying methodology for ASP for REEs and lithium".

6. Alternatively, comments/suggestions may also be sent by post to the following address:

Shri Mustaq Ahmad, Director
Ministry of Mines
Room No. 313,
D-Wing Shastri Bhawan,
Dr Rajendra Prasad Road
New Delhi -110 001

The envelope may kindly be superscribed on the top with:

"Comments/ suggestions on the amendment of the MCR, 2016 for specifying methodology for ASP for REEs and lithium".

Encl.: As above.



(Mustaq Ahmad)
Director
Ph. 011-23383576

Annexure

Draft Notification

**[To be published in the Gazette of India, Extraordinary, Part II,
Section 3, Sub-section (i)]**

MINISTRY OF MINES NOTIFICATION

New Delhi, the April, 2023

G.S.R.__(E).— In exercise of the powers conferred by section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules further to amend the Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2016, namely:—

1 . (1) These rules may be called the Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession (First Amendment) Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2016,—

(i) in rule 44, after clause (i), the following clause shall be inserted, namely:—

"(ia) In respect of Lithium, the equivalent lithium metal prices calculated on the basis of the weekly prices of lithium hydroxide

monohydrate or other appropriate compound of lithium published by London Metal Exchange in a month shall be multiplied by the reference rate for the day of publication of the Reserve Bank of India or any agency authorised by the Reserve Bank of India, for the currency in which the price is obtained.”;

(ii) in rule 45, after sub-rule (4), the following sub-rule shall be inserted, namely:—

“(5)(a) Indian Bureau of Mines shall publish average sale price of Rare Earth Oxide in rupees on the basis of prices published by United States Geological Survey (USGS) or other reputed publications by multiplying the price of Rare Earth Oxide by average reference rate of Reserve Bank of India for the month for the currency in which the price is obtained. In case the price of Rare Earth Oxide is not available on monthly basis, the average sale price shall be published on the basis of price of Rare Earth Oxide available for the last calendar year.

(b) The State Government shall arrive at average sale price of the ore containing Rare Earth Elements in the following manner:

Average sale price = Sum of (percentage of individual rare earth of the ore containing oxide contained in the ore **multiplied by** Rare Earth Elements average sale price of that rare earth oxide published by Indian Bureau of Mines).”

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Note:- The Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2016 were published in the Gazette of India, Part II, section 3, sub-section (i) *vide* number G.S.R. 279(E) dated the 4th March, 2016 and lastly amended *vide* number G.S.R. 205(E), dated the 15th March, 2022.