

INSPECTION REPORT OF DIKCHU COPPER MINE (AREA 43.196 HECT.) OF M/s SIKKIM MINING CORPORATION.

The mines was inspected by the undersigned on 3/7/2017 accompanied by Shri Saran Silal, Sr. Mining Engineer of DGM Sikkim. The Mining Plan of the above said mines was approved by Controller of Mines(CZ) on dated 8/5/2001 as per approved mining plan total lease area is 49.3 hect. Out of total area 0.81 hect. Is the Central Govt. land, 5.28 hect. Is State Govt. land and rest 43.25 hect. Private land. The lease area is situated about 26 km from Gangtok along with NH 31A. The toposheet no. is 78A/11, latitude is N 27°23'25" to N27°22'54". The longitude of the area is E 88° 35'42" to E88° 36'15".

As per the list of mines submitted by State Govt. the lease was renewed by the State Govt. on 1/6/2002 for 20 years, the lease period is likely to be expired on 1/6/2022. During the inspection it was observed that no mining operation is being carried out in the area since grant of the mining lease. The area was explored by M/s Burn and Co. in the year 1908 and about 61 mt. of adit was developed. In 1948 Geological Survey of India carried out preliminary examination and sampling of various base metal occurrences including Dikchu area indicated the possibility of strong lode with fair values. Further the exploration was carried out by Indian Bureau of Mines during the year in between period November 1959 to June 1963 involving 4604.21m of drilling by 17 surface boreholes and 5 underground boreholes and exploratory mining was carried out by 1544.20m in the north area and south of river Dikchu. Out of these four adits developed, Adit-2 was developed in the south of the river within the lease area whereas Adits 1, 3 and 4 were driven in north of the river Dikchu area. The up dip extension of the ore body was tested by two raises from Adit-2 upto a vertical height of about 26-28 m.

Based on the above work, the ore body has been established over a strike length of 564m south of river Dikchu and 65m north of river Dikchu. A total of 2.85 lakh tones of proved and probable category reserve has been estimated with the grade of 2.96% Cu. And 1.56% Zn. Exploration was also carried out by MECL, it involves the extension of Adit-2(1013.75mRL) development of new level at deeper level (970 mRL) inter connection of levels by two incline shafts and raises. In addition to the above, an adit parallel to Adit-2 was developed for future mining consideration. A total 1891.80m of exploratory mining 290.50m of underground drilling in 8 bore holes with related geological and laboratory studies was carried out during May 1977 and May 1983. Based on the above work, MECL had established the physical continuity of the

body of the southern side of the Dikchu river within the lease area. Over a strike length of 564m at 970 mRL. The two level developments and sub-level cross-cuts have confirmed the persistence of the ore body within the vertical column of 100m (about 175m along the plan of the ore body).

It is also deciphered that the ore body is open at both ends. The updip extension has been tested upto 1040 mRL and the unoxidised outcrops have been located above the explored strike length on the surface at about 1150 mRL, which indicates its continuity upto about 136 mt above zero level. Whereas surface outcrop of the mineralized zone has also been located at 1250mRL in the southern extension of the exploration block.

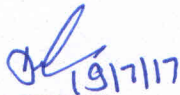
MECL estimated a total 4.50 lakh tones 'in-situ' geological reserves of developed, proved and probable categories in the southern side of the river Dikchu within the lease area with 2.82% Cu and 0.90% Zn. In addition only 0.27 lakh tones with 4.08% Cu and 0.40%Zn was also established in the northern side of the river outside the lease area. These reserved were estimated on the basis of the average width of the ore zone exposed in the adits which represent 94% of total reserves established over the explored strike length.

As mentioned above the area was not worked by the Sikkim Mining Corporation, after grant of mining lease and the lease area is still virgin. The Sikkim Mining Corporation has already wind up, the entire activities and property of the Sikkim Mining Corporation is being located after by State DGM, Sikkim. The lease already likely to be expired on dated 01/06/2022.

Therefore, the lease area may be considered for AUCTION under mining lease or PL cum Mining lease in open market. The undersigned had also met with Secretary(Mines), Govt. of Sikkim and he is also interested for auction for this Dikchu Mining Lease.

Encl : 1) Photograph of the Dikchu lease area

2) Copy of Joint inspection report.

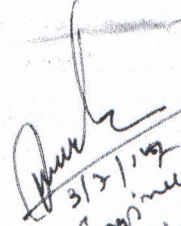

(G.C.MEENA)
Regional Controller of Mines


Inspection Report of Ditcher Cu Project

Area is inspected by Shri G.C. Meena, R.C.M. Guwahati on 3rd July, 2012.
accompanied by Shri Saran Shital, Sr. Engineer (Mining), Govt. of Sikkim.

In the inspection it is observed that there are 2 adits on the slope of
Willoo. ~~part~~ The Adits are observed in betⁿ Ditcher River & Lenchu River.
There is no mining activity at present. Except 2 Adits no other
mining activities such as dumps & etc is observed. Down the
Adit area there is a hydro Power Project namely Sucha Kinetic Energy
96 MW which is now taken over by Green Co. as reported by
villagers -

Thick forest was observed in the lease area & there is ³ some
quarters of Sikkim Mining Corporation near to road. ~~some other~~
villagers ~~houses~~ also observed within the lease area.


31/7/12
Sr. Engineer
Saran Shital
DMM Sikkim


31/7/12
G.C. Meena
R.C.M. Guwahati
I.C.M.