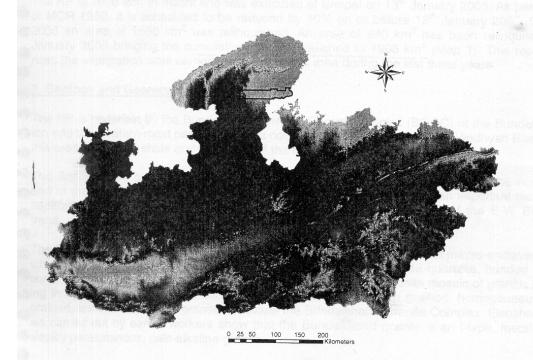
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MP-13

Closing Report of Reconnaissance Permit Mining/ RP-/2002/3004 Madhya Pradesh

Report for the period 13/01/05 to 12/01/08



In terms of the relevant legislation, the information reported in this document is to be kept strictly confidential by the Madhya Pradesh State Government for a period of two years from the date of expiry of the license.



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Closing Report on Reconnaissance Permit Mining/ RP-/2002/3004 Madhya Pradesh

Report for the period 13/01/05 to 12/01/08

1. Reconnaissance Permit (RP) Status

The RP is 1906 km² in extent and was executed at Bhopal on 13th January 2005. As per rule 7(i) (a) of MCR 1960, it is scheduled to be reduced by 50% on or before 12th January 2007. On 13th July 2006 an area of 1566 km² was relinquished. An area of 340 km² has been relinquished on 12th January 2008 bringing the cumulative area relinquished to 1906 km² (Map 1). This report summarizes the exploration work carried out in the permit area during the last three years.

2. Geology and Geomorphology

The RP is underlain by the Bundelkhand Granite Gneiss Complex (BGGC) of the Bundelkhand Craton and the western-most part of the RP is covered by the basal part of the Vindhyan Basin, which in this area comprises shale and limestone of the Kaimur Group (Map-2).

The Bundelkhand craton, covering an area of about 26,000 sq. km, represents the northern most part of the Indian shield and lies north of the Narmada-Son Lineament, an important tectonic divide separating the N-S Dharwarian trend from the SW-NE Aravalli trend and the E-W Bundelkhand trend.

The BGGC is a highly deformed Archaean granite-greenstone terrain with macro-enclaves of the relicts of ~ 3.5 Ga tonalitic gneisses, ultramafics, amphibolites, fuchsite quartzite, banded iron formations, schists, marbles and calc-silicate rocks that occur in a composite mosaic of granitic rocks ranging in age from 3.3 Ga to 2.2 Ga. Porphyritic, coarse-to-medium grained, homogeneous and fine-grained, textural variants of granite constitute the Bundelkhand Granite Complex. Geochemical studies carried out by earlier workers show that the Bundelkhand granite is an I-type, metaluminous to weakly peraluminous, calc-alkaline granite.

The Vindhyan basin is the largest sedimentary basin of the continental part of the Indian plate. It is spread over an area of more than 100,000 sq. km out of which 60,000 sq. km is exposed and remaining about 40,000 sq. km area hidden below the Deccan Continental Flood Basalts (DCFB) and the Indo-gangetic alluvium. Exposures of the Vindhyan Super group are seen up to Sasram in the east, where its extension is covered by alluvium. The western part of the basin is in faulted contact with the Aravalli Mountain Belt near Chittorgarh. Dholpur is the last exposure of Vindhyan in the morth beyond which the Vindhyan sediments are covered by alluvium.



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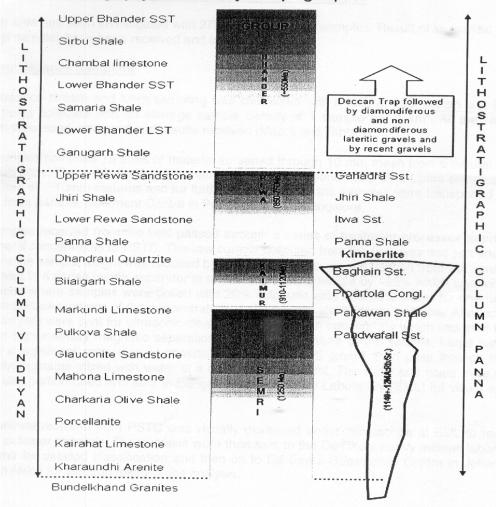
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The basin is a sickle shaped synclinorium, separated towards the Northwest from the Aravallis by the Great Boundary Fault, trending roughly NE-SW and in South is bounded by the Son-Narmada lineament.

The Vindhyans are represented by a sequence of sandstone, shale and limestone. They have been divided into the Semri, Kaimur, Rewa and Bhander groups.

Lithostratigraphy of the Vindhyan Supergroup





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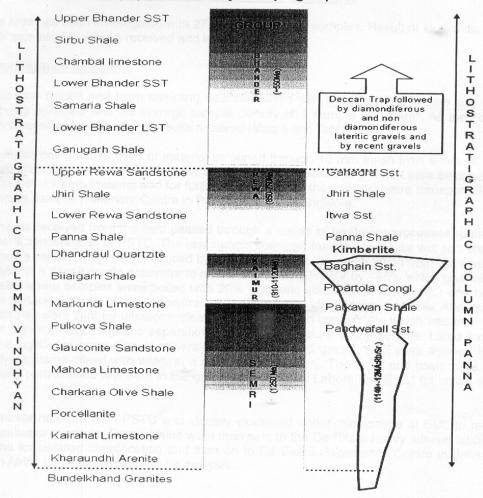
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3.2 Reconnaissance Sampling Result

Results were received for all reconnaissance samples, and 36 samples were reported positive with respect to kimberlitic indicator minerals. Total 262 spinels were reported. No garnet, illmenite or clinopyroxene were recovered (Map 6 Table 2).

Two rock samples (EEM404 and EEM450) were also collected for the Whole Rock Geochemistry (WRG) study and result shows basaltic origin (Table 3).

3.3 Mineral Chemistry

Mineral Chemistry plots are shown in Figures 1 – 8. Note that additional grains were probed, so totals reported as visual recovery and numbers of grains probed do not necessarily correspond.

The spinel chemistry is of low interest and most of the spinel probably derived from unrelated ultramafic rocks.

4. Interpretation

Mineral chemistry of the indicator minerals recovered from this area suggests low interest ultramafic and/or unrelated rocks.

5.Personnel

De Beers maintains high operating standards including safety and environmental awareness. To this end, training is an integral part of career development with the organization. The following is a short summary of training completed during reporting period.

Earth Scientists attended a programme on XSIMS database management.

Earth Scientists also attended a programme on Datamine solutions which will enable them to effectively organize data from drilling programmes.

GIS Manager attended a conference on G.I.S data standard and interoperability at map India 2006 conference, New Delhi, India.

Earth Scientist completed a sort time assignment for drilling and petrology training in Canada and South Africa.

4	Name	Designation	Education
	Tarun Rautela	Senior Geologist	M.Sc. Tech – Applied Geology
	Gargi Mishra	Staff Geologist	M.Sc. – Applied Geology



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K.V.Praveen Kumar	GIS Manager	M.Tech-Remote Sensing
Sukhpinder Sharma	Geologist (on contract)	M.Sc Geology
Rekha K.R.	Kimberlitic Mineral Analyst	M.Sc Geology
Shobha N.	Kimberlitic Mineral Analyst	M.Sc. Geology
Sanjay Deogiri	ICT Manager	B.Sc. Electronics, MCSE
Girish Menon	Security Adviser	Graduate
Gajanana Naik	Treatment Plant Supervisor	Graduate
Venu Kumar	Field Driver	Grade 12
B Srinivas	Field Driver	Grade 10
B S Dinesh	Field Driver	Grade 10
. Expenditure		Grade 10

ptal expenditure of Rs. 13, 818, 251/- has been incurred for the Reconnaissance Permit to date. . he expenditure was incurred in the different hats, as follows:

- **Exploration Expenditure**
- Permit Fees
- Liaison Costs, including the costs associated with obtaining DGCA permits
- Geological Analysis
- Sample Treatment, Examination and Analysis
- Project Management
- **ECOHS Costs**
- Office Overheads
- Others (like security assessment cost)

References

- Detailed Information on Diamond in Madhya Pradesh (India) by Geological Survey of India (1994 report).
- GEOLOGY AND EVOLUTION OF THE INDIAN PLATE by S.M. Naqvi.

Recent Advances in VINDHYAN GEOLOGY by Geological Society of India.

V Sunyanarayana Rao chnidal Specialist (Geology)

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