

## **Fact sheet on Rio Tinto, Chhattarpur, Madhya Pradesh**

May, 2004: ACC Rio Tinto of Australia, De Beers of South Africa, BHP Minerals of Canada and the National Mineral Development Corporation are set to start survey and exploration of diamond mines in the Panna, Chhattarpur, Tikamgarh, Sagar, Angor and Majhgawan areas of the state. ACC Rio Tinto has been issued four reconnaissance permits for 10,000 sq km area in the Panna Damoh and Chhattarpur districts.

2004: Rio Tinto discovered a significant diamond deposit in Chhattarpur district of Madhya Pradesh.

2006: Rio Tinto was given the prospecting licence

17 January 2007: Bunder Project is a proposed new diamond mine , located at Janpad Panchayat Buxwaha, Tehsil Buxwaha, District, Chhattarpur, Madhya Pradesh. If the project is approved and proves viable, it could be the "first significant world class diamond mine in India", according to the Rio Tinto Group, who have proposed the mine. The foundation of the plant was inaugurated by Madhya Pradesh Chief Minister Shivraj Singh Chauhan on 17 January 2007. Government accorded pollution clearance certificate by its letter no. 213/EPCO/SEIAA/08 dated 22.11.08 for DMS plant.

July 2007: Australian multinational mining company, Rio Tinto has applied for prospecting license for locating diamond area in Madhya Pradesh's Panna and Chhattarpur districts. Diamond Officer J S Solanki said Rio Tinto has discovered a 'Kimerlite Pipe Line' at Bakswaha in Chhattarpur and Amjhiria and Rampur in Panna district. The company has applied for prospecting license. After receiving no objection certificate (NOC) from the forest department, the application would be forwarded to the state government. The company would begin its work as soon as it receives permission from the government. National Mines Development Corporation (NDMC) has also started surveying the area in view of new possibilities.

23 June 2008: Rio Tinto announced on 23rd June that it had filed for a mining lease to proceed with the project. They are also waiting permission from the pollution control board for a Dense Media Separation Plant which would allow samples taken from the mine to be processed on location.

December 2008: Rio Tinto has discovered diamond deposit in Chhattarpur district of Madhya Pradesh. Rio Tinto Diamond - one of the largest producers of rough diamond - has sought the mining lease from state government for running its commercial business in Chhattarpur, he added. Chhattarpur is the second district after Panna in the state where diamond deposit was discovered. They were expecting 30 million carats of diamond deposit in Chhattarpur and the state government is hopeful of getting Rs 100 crore royalty from this project's commercial production. Rio Tinto would begin mining diamonds using latest technology. Rio Tinto has put in around USD 25 million in exploring and discovering the diamond deposit. The firm

was exploring diamond reserve for well over four years and eventually discovered it some months ago. Rio Tinto is the first in the last five years which has got prospecting license for diamond exploration in India.

August 2009: Virbhadra Singh, India's Steel Minister said that National Mineral Development Corporation (NMDC) is exploring for diamond reserves in the Chattarpur District. "We have requested the Madhya Pradesh government to allow NMDC to explore more areas adjoining the Panna mines so that the area could emerge as a diamond hub. Moreover, Chattarpur district is also rich in diamond reserves," he said. Maintaining that this would attract investments in diamond cutting and polishing

2010: The presence of diamond deposits has been detected in Chhattarpur district of Madhya Pradesh during an aerial survey by an Australian company. "The process for granting permission for a land survey to confirm the presence of diamonds is underway". Diamonds were earlier found in Panna district, which is close to Chhattarpur. Australia's Rio Tinto Exploration Company had been carrying out aerial surveys for diamonds over the past three years in the northeastern part of the state. The central government had given permission to the Australian firm for such surveys.

31st August, 2010: The second largest mining company of the world Rio Tinto has began production of diamonds from its Bunder Diamond project at Chhattarpur district in Madhya Pradesh. "Rio Tinto has commenced production and bulk sampling at Mumbai diamond auctions," said SK Mishra, MP Mining and Mineral Secretary. The company has so far invested about Rs 250 crore and mining lease had been offered on 475 hectares. Rio Tinto was given prospecting licence for the project in 2006. The company will gradually scale up investment and will cover 5,000 hectares over a period and the investment is expected to touch Rs 2,500 crore. Madhya Pradesh's Additional Chief Secretary (Commerce, Industry and Employment), Satya Prakash said, the company will invest Rs 370 crore over the next three years. The state government has also earmarked 280 acres near Indore for a diamond park for value addition like cutting, polishing and jewellery. MP is the only diamond producing state with prospect of 1200 thousand carats of diamond reserve.

November 2010: Environmentalists and conservationists raise serious objections about the Madhya Pradesh government giving full support to global diamond giant Rio Tinto's Indian subsidiary planning commercial mining of diamonds in an eco-sensitive zone close to the Panna tiger reserve. Tiger expert Valmik Thapar, asked about Rio Tinto's Bunder diamond project in Chhattarpur district, a few kilometers from the Panna reserve's western border, said: "It's an example of a completely dysfunctional system of government from top to bottom." He said that if Panna were to recover (the loss of all its tigers), it would need at least another 10 years of complete protection of surrounding forests and (their) connecting corridors. Asked about Rio Tinto's plan to start commercial diamond mining in an area which is also the watershed for the Panna reserve and the Shyamri river, considered one of the cleanest in the country, Thapar said the water regime was also essential for life and no water resource should be negated by those bent on commercial exploitation of mineral resources in forest

areas. Almost 99 per cent of the Bunder diamondiferous block is inside a forest which is the northernmost tip of the best corridor of teak forests south of the Gangetic plain. “It is an established law that mining is non-forestry activity — if pitting is involved, prospecting is also mining activity,” a senior state forest officer said, adding that a probe was needed to determine on what grounds clearance to prospect in this area was given in the first place.

March 10, 2011: PROCEEDINGS OF THE FOREST ADVISORY COMMITTEE

MEETING of Ministry of Environment & Forests refer to Agenda no. 6 on “Prospecting of diamond at 143 additional locations in 2329.75 ha. forest land located in 18 compartments in Buxwaha Range in Chhatarpur district of Madhya Pradesh by M/s Rio Tinto Exploration India Private Limited. [File No. 8-49/2006-FC-(Vol.)]” It states, “Due to paucity of time the proposal could not be discussed during the meeting”.

March 22, 2011: Jeetendra Singh Bundela, MP from Khajuraho laid a statement in Lok Sabha on “need to review the diamond mining project in district Chhatarpur, Madhya Pradesh posing serious threat to environment in the region.”

April 2011: Rio Tinto applied for a mining licence for what could be the largest diamond mine in India. The global mining giant is carrying out pre-feasibility exploration at the Bunder Mine project near Chhatarpur in Madhya Pradesh. The mine can have reserves of 27.4 million carats, making it the largest diamond find in the last 10 years in the world. The Bunder mine is likely to hold resources seven times more than Panna, the only operating diamond mine in the country. It is estimated that the grade of the Bunder reserves is 0.7 carats per tonne. Diamond traders in Delhi estimated the value of the roughs at \$4-5 billion.

The grant of the licence to Rio may get delayed as environment activists have filed a case against the firm in Madhya Pradesh High Court. The company claims that it is fully compliant with all laws, including environmental norms. The domestic diamond processing industry generates revenues of more than Rs 70,000 crore annually but is facing a shortage of 30 per cent in its requirement of roughs. Rio, a Reliance Industries’ subsidiary has been prospecting for diamond in the country. The Reliance subsidiary holds a prospecting licence for about 1800 sq km spread over Rewa, Siddhi and Satna in Madhya Pradesh.

9th April, 2011: Madhya Pradesh High Court issued notices to the Centre and the state government on illegal mining of diamonds by international mining companies. The court has asked both the governments to reply in this matter within four weeks. Considering the act of illegal mining as a serious offence, a double bench of Chief Justice Sayed Rafat Alam and Justice Sushil Harkauli rapped the Forest Departments, Mining Secretaries of the state as well as the Centre and issued notices against them in addition to the MP Pollution Control Board and Chhatarpur Collector. The issue of illegal diamond mining came to light when a PIL was filed by a social activist. The PIL stated that an Australian mining company, Rio Tinto, has been carrying on exploitation of mineral resources in Chhatarpur district violating the prescribed provisions. The PIL said that under Section 2 of the Forest Preservation Act, permission from the Central government is required to carry on mining trade in any part of India. Other than this, a no objection certificate (NOC) from Pollution Control Board is

mandatory. The counsel of the petitioner, Vipin Yadav, told the court that the Collector of Chattarpur had written a letter to the Revenue Department in this context, but no action was taken. Yadav added, “This proves that the officials of Forest and Revenue departments are working hand-in-hand and foreign companies are making profit at the cost of our country’s natural resources.”

25<sup>th</sup> July, 2011: A letter on Illegal Diamond mining project in district Chhattarpur, MP was submitted to the Parliamentary Petitions Committee by ToxicsWatch Alliance.

Subsequent to this a letter was sent to Union Environment Minister Jayanthi Natarajan by Shehla Masood on 25 July, 2011. She had also filed Right to Information application in this regard.

16 August, 2011: Shehla Masood killed in Bhopal