

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

STARRED QUESTION NO:560

ANSWERED ON:04.05.2010

IRON ORE RESERVES

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Will the Minister of MINES be pleased to state:

- (a) the name of the States where iron ore is extracted;
- (b) whether iron ore reserves have been found in various parts of the country;
- (c) if so, the details thereof during each of the last three years and the current year, State-wise and mineral-wise;
- (d) the period upto which the iron ore reserves are likely to last to meet the demand; and
- (e) the steps taken/being taken by the Government for exploitation of such mineral reserves?

Answer

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO STARRED QUESTION NO. 560 TO BE ANSWERED IN THE LOK SABHA ON THE 4TH MAY 2010 REGARDING IRON ORE RESERVES

(a): As per available information iron ore is extracted in the States of Andhra Pradesh, Chhattisgarh, Goa, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Orissa and Rajasthan. Reserves and Resources in these States are given at Annexure-I

(b)&(c): The country has a total resources of 25.25 billion tonnes of which about 7.21 billion tonnes is categorized in reserves category at a cut-off grade of 55% Fe. Resources and Reserves of iron ore like those of any other mineral are dynamic and not static. Systematic Regional Exploration for iron ore was last done in India between 1984 and 1988 (with hired aircraft) when the vast hematite mineral belts of east India were located. Detailed Exploration has been done only on approximately 19% of the total iron ore bearing areas identified in the country.

The balance resources is only an estimate based on limited depth exploration, and is likely to be actually several times higher also on account of the fact that the cut-off grade has now been reduced from 55% Fe to 45% Fe. Moreover, a sizeable portion of the iron ore bearing areas is reserved for use of Public Sector Undertakings and DE remains to be done in these areas. Thus complete resources of the country have not yet been identified and the existing resources have not yet been converted to reserves.

In the years 2005-06, 2006-07 and 2007-08, exploration has been carried out for iron ore in the States of Chhattisgarh, Jharkhand, Karnataka, Orissa, Tamilnadu, West Bengal, Maharashtra, Rajasthan and Goa and the outcome of such exploration is given in the Indian Minerals Year Book, published by the Indian Bureau of Mines, a copy of which is supplied to the Parliament Library on regular basis. Geological Survey of India has carried out Regional Exploration for iron ore in the States of Tamilnadu, Orissa and Karnataka in the years 2006-07, 2007-08 and 2008-09 as per details given in Annexure-II.

(d): The demand of iron ore is a function of the demand for steel. Assuming the ratio of iron ore to steel is 1.6:1, at the current domestic steel production of 88 million tonnes 140 million tonnes of iron ore is required. Assuming that the exports of iron ore stabilize at 100 million tonnes and there is no further discovery of iron ore, the present resources would last for 134 years. As per the National Steel Policy, the country is likely to reach a steel production of 110 million tonnes by the year 2019-20, i.e. requiring 176 million tonnes of iron ore. Assuming that the country would reach this rate of consumption and further assuming that exports continue at 100 million tonnes per annum, the present resources of iron would last for 91 years.

(e): The Government has announced the National Mineral Policy, 2008, which enunciates conservation as a positive concept leading to augmentation of reserve base through improvement in mining methods, beneficiation and utilisation of low grade ore and rejects and recovery of associated minerals. In accordance with this policy, the IBM has revised the threshold value of iron on 16th October 2009 from 55% Fe to 45% Fe grade. In the year 2009-10, the Central Government gave 9 prior approvals for grant of mining lease for iron ore, and 24 prior approval were given for grant of prospecting licence and 10 approvals for grant of Reconnaissance Permit for iron ore.

Annexure-I

Annexure to statement referred to in reply to Starred Question No. 560 to be answered in the Lok Sabha on the 4th May 2010 regarding Iron Ore Reserves

Reserves/Resources of Iron ore (Haematite) as on 1.4.2005

(Unit in '000 tonnes)

State Reserves Remaining Resources TotalResources

All India	7004168	7626219	14630387
Andhra Pradesh	39596	123443	163039
Assam	0	12600	12600
Bihar	0	55	55
Chhattisgarh	760512	1970274	2730786
Goa	458703	254245	712948
Jharkhand	2494424	1541322	4035746
Karnataka	940429	735792	1676221
Madhya Pradesh	33917	171021	204938
Maharashtra	13997	251359	265356
Meghalaya	0	225	225
Orissa	2251777	2508848	4760625
Rajasthan	10813	190235	29848
Uttar Pradesh	0	38000	38000

Reserves/Resources of Iron ore (Magnetite) as on 1.4.2005

State Reserves Remaining Resources Total Resources

All India	58503	10560978	10619481
Andhra Pradesh	0	1463541	1463541
Assam	0	15380	15380
Bihar	0	2659	2659
Goa	50112	164057	214169
Jharkhand	3390	6879	10269
Karnataka	0	7811784	7811784
Kerala	0	83435	83435
Maharashtra	621	0	621
Meghalaya	0	3380	3380
Nagaland	0	5280	5280
Orissa	156	54	210
Rajasthan	4225	522651	526876
Tamil Nadu	0	481876	481876

Annexure-II

Annexure to statement referred to in reply to Starred Question No. 560 to be answered in the Lok Sabha on the 4th May 2010 regarding Iron Ore Reserves

State-wise resources estimated for iron ore during the last three years

Year State Details of Resources estimated

2006-07 Tamil Nadu A resource of 14.03 million tonnes of magnetite ore with Fe content of 31% to 37% has been estimated from the area between Valayapatti and Rajampalayam (Valliappanpatti block, Rajampalayam block, Manipudur block and Aniyapurampudur block) in Namakkal district.

Karnataka A resource of 8 million tonne of iron ore (haematite) with >55% Fe has been estimated from NMDC block, Sandur Schist Belt, Bellary district.

2007-08 Orissa. A resource of 6.20 million tonnes of iron ore (haematite) with 55% to 60.60% Fe has been estimated in Ghoraburhani block, Sundargarh District.

In Pathuripenth-Madhyapur area, Kendujhar district, a resource of 0.043 million tonnes of iron ore (haematite) has been estimated.

2008-09 Tamil Nadu A total resource of 13.93 million tonnes of iron ore (magnetite) with 37.54 % Fe to 43.11% Fe has been estimated from Kelur area, Tiruvannamalai district.

Orissa A resource of 9.1 million tonnes with 55% Fe (haematite) has been estimated from Sundergarh district.