

AUCTION DOCUMENT FOR MAJAWONG QUARTZITE MINE



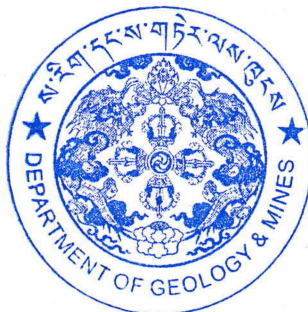
**Department of Geology and Mines
Ministry of Energy and Natural Resources
Royal Government of Bhutan
Thimphu**

June 2025



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Notice for Auction of Majawong Quartzite Mine

The Department of Geology and Mines (DGM) under the Ministry of Energy and Natural Resources (MoENR) will be auctioning the rights to operate Majawong Quartzite Mine located under Majawong under Lauri Gewog in Samdrup Jongkhar Dzongkhag through a SEALED-BID AUCTION.

All interested Bhutanese individuals, firms or companies can download the Auction Document and relevant reports from the MoENR's website at www.moenr.gov.bt or DGM's website at www.dgm.gov.bt.

All interested bidders shall submit the sealed bid envelope in person to the Chief Engineer, Mineral Policy and Cadastre Division, DGM, MoENR, Thimphu on **27th June 2025** from 9:00 AM till 1:00 PM at DGM's Main Conference Hall, MoENR, THIMPHU. The opening of the bids shall be carried out on the same day at 2:30 PM at DGM's Main Conference Hall.



Director

Department of Geology and Mines
Ministry of Energy and Natural Resources



Important Information

1. This auction document is being issued pursuant to the approval granted by the Ministry of Energy and Natural Resources (MoENR) vide Note sheet No.MA-379/MPCD/DGM/2025 dated 10/06/2025, with the intent to solicit sealed bids from interested bidders for the lease of Majawong Quartzite Mine for the extraction of Quartzite.
2. This auction document is neither an agreement nor an offer by the DGM, MoENR to the interested bidders or any other person. The purpose of this auction Document is to provide interested bidders/parties with information that may be useful in making their bids pursuant to this auction document
3. The issue of this Auction Document does not imply that the DGM is bound to select a Bidder or to appoint the Preferred Bidder as a Winning Bidder for the operation of Majawong Quartzite Mine. The DGM, MoENR reserves the right to reject all or any of the Bidders or bids without assigning any reason whatsoever.
4. Each Bidder shall bear all costs associated with or relating to the preparation and submission of its bid, including but not limited to preparation, copying, postage, delivery fees, site visit, etc.
5. The DGM, MoENR also accepts no liability of any nature, whatsoever arising from reliance of any Bidder upon the statements contained in this Auction Document

Scope of offer

The summary of the bid property i.e. the right to mine Majawong Quartzite Mine is as follows:

1. Name of the Quartzite: Majawong Quartzite Mine
2. Rock type: Quartzite
3. Location: Majawong, Lauri Gewog under Samdrup Jongkhar Dzongkhag
4. Area: **29.23** acres of SRF land
5. Reserve:
 - a. Probable Geological reserve of **5.24** million MT
 - b. Mineable reserve of **2.1** million MT



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6. Clearances obtained:

- a. Preliminary Approval: NLCS/DoLAM/LMD-Lease/B10/2024-2025/001396 dated 08/04/2025.
- b. Environment Clearance: Shall be sought within one month from the issuance of the letter of award in the name of the Winning Bidder. However, payment of applicable fees shall be borne by the Winning Bidder.
- c. Land Lease Certificate (lag-thram): Shall be sought within one month from the issuance of the letter of award in the name of the Winning Bidder. However, payment of applicable fees shall be borne by the Winning Bidder.

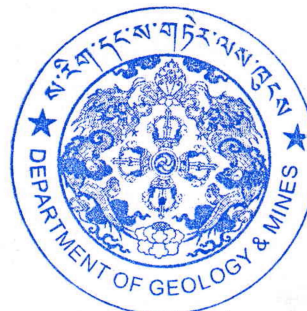
7. Lease period: **For 15 years from the signing of the lease agreement.**

Eligibility to participate in the auction

1. A Bhutanese individual or Company or Business Firm shall be eligible to participate in the above-mentioned auction. However, Clause 22 of the Mines and Minerals Management Regulations (MMMR) 2022 shall be applicable.
2. A prospective candidate or bidder must fulfil the following conditions to bid in the auction:
 - a. Submit an application for an ELIGIBILITY CERTIFICATE in the format enclosed herein as Appendix III.
 - b. Submit a 'Letter of Commitment' duly signed in the format enclosed herein as Appendix IV.
 - c. Applicants who are in arrears of royalty, mineral rent, land lease rent, mining licence fee and other taxes will not be granted an ELIGIBILITY CERTIFICATE.

Only upon receipt of the above-mentioned documents by the Office of the Director, Department of Geology and Mines, an ELIGIBILITY CERTIFICATE shall be issued.

Application for ELIGIBILITY CERTIFICATE has to **be submitted latest by 25th June 2025.**



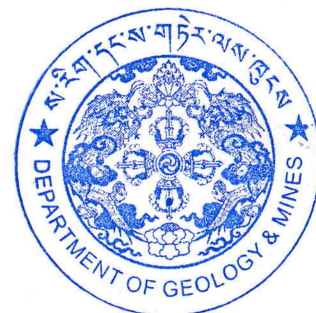
Pre-Auction Requirement

1. Prior to the auction, the intending bidders are required to deposit a sum of **Nu.150,000/- (Ngultrum one hundred fifty thousand only)** in the form of a demand draft or cash warrant payable to the Chief Finance Officer, Finance Division, MoENR, as earnest money for participating in the auction. The earnest money shall be submitted in the enclosed envelope along with this Auction Document.
2. Before participating in the auction, all intending bidders should thoroughly study the mineral-bearing areas in which they are interested, particularly with regard to their location, accessibility, workability, market, cost analysis and other relevant matters.
3. The intending bidders should also familiarise themselves with the Mines and Minerals Management Act 1995 and its regulation, and other applicable laws as well as with the terms and conditions of the auction. Under no circumstances, any complaints about the conditions of the mining area or the terms and conditions of the auction shall be entertained once the auction is completed.

Auction Procedures

1. The auction of Majawong Quartzite Mine in respect of which notices have been issued will be open to all eligible bidders.
2. The bidder shall provide the details as required in the **Bid Form** for the sealed-bid auctioning of Majawong Quartzite Mine in **Appendix II** of this auction document. The interested bidders shall be required to bid a **lump sum amount for the mine**.
3. The bidder should mention the bid amount in both figures and words. If both the figure and words are not mentioned, the bid shall be invalid. In case there is a discrepancy between the amounts in figures and words, the amount in words shall govern.
4. The bidder should submit the sealed bid envelope containing the duly completed Bid Form and duly signed auction documents in person to the **Chief Engineer, Mineral Policy and Cadastre Division, DGM, MoENR, Thimphu on 27th June 2025 from 9:00 AM till 1:00 PM**. Any bid submitted after the deadline shall not be received/accepted.
5. The bidder must submit an **ELIGIBILITY CERTIFICATE** awarded to him by the DGM, enclosed along with the bid. In the event, the bidder fails to submit the **ELIGIBILITY CERTIFICATE**, his/her bid shall be considered invalid.

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6. The Hard Copy of the bid shall be enclosed in a Sealed Envelope and addressed to "**The Director, Department of Geology and Mines (DGM), MoENR, Thimphu**". The envelope must be marked as:

"DGM Sealed Bid for Majawong Quartzite Mine"

"Do Not Open Before 2:30 PM on 27th June 2025"

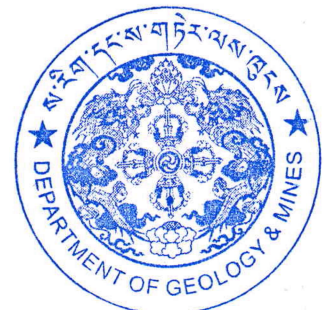
7. The bidder shall fill up the **Bid Form** using a pen only, and if a pencil is used the bid shall be invalid. The bidder must sign on all the pages of this auction document.
8. Each bidder is required to submit an EARNEST MONEY as prescribed in Clause 1 of the Pre-Auction Requirement of this document.
9. The earnest money of the winning bidder will be refunded after the receipt of the upfront payment within the deadline.
10. The earnest money of the unsuccessful bidders will be refunded after the auction by the DGM.
11. The sealed bid shall be opened on the same day at **2:30 PM on 27th June 2025** at DGM's Main Conference Hall. The bid opening shall be carried out by a sealed-bid auction committee constituted by DGM, MoENR.
12. The bid amount quoted by the bidders shall be announced during the bid opening. The bidder or the bidder's authorized representative may attend the bid opening to ensure transparency.
13. The evaluation of bids shall be conducted after the opening by the auction committee, which shall be primarily based on the bidder's quoted price.
14. The announcement of the Winning Bidder shall be made within 5 working days of the completion of the auction.
15. The bidder may inspect the bid property at the site before submission of the bid. The Regional Coordinator, DGM, Samdurp Jongkhar shall assist with the inspection. The contact details of the Regional Coordinator are as follows:

Name: **Mr. Tara Chand Ghalley**

Contact: **77269437**

Email: tcghalley@moenr.gov.bt

16. The bid property shall remain disposed off if the "Reserve Price" is met. However, the sealed-bid auction committee reserves the right to dispose off the bid property to the

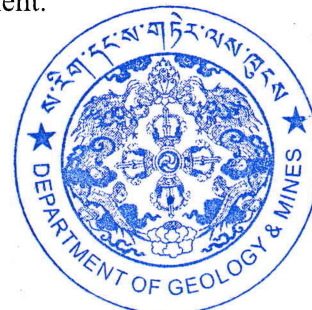


highest bidder even if the Reserve Price is not met if deemed reasonable and necessary in the interest of time and benefits to the government.

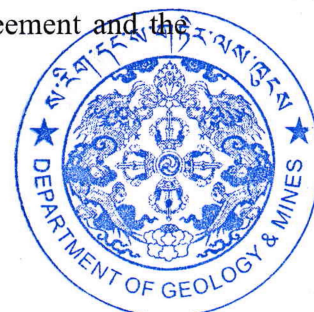
17. The auction committee reserves the right to reject any bid, without assigning any reason and without incurring any liability to the government, and in such cases also reserves the right to re-auction the particular area or mine under dispute or award it to the next highest bidder.

Terms and Conditions of the Auction

1. The Mine Plan of Majawong Quartzite Mine (attached as Appendix I) contains geological information, topographical information, and geological reserves of high-grade quartzite. These reports also contain production targets. However, the bidders may carry out additional assessments to ascertain the above information.
2. The Winning Bidder shall make an upfront payment of **twenty percent (20%)** of the bid amount to the Office of the Chief Finance Officer, Finance Division, MoENR within **Ten (10) working days** from the date of award of the auction.
3. In the event, the Winning Bidder fails to make the upfront payment within “**ten working days**”, his/her earnest money deposit (EMD) shall be forfeited along with the site. In such a case, the auction committee may decide to award the site to the next highest bidder or conduct re-auction.
4. In the event, the Winning Bidder opt to withdraw the bid after issuance of work order by the Department, up front payment (20% of auctioned amount) shall be forfeited along with the site and shall be debarred from two subsequent auctions conducted by the Department.
5. The Winning Bidder shall make the payment of remaining **eighty percent (80%)** of the auctioned amount to the Regional Office, DGM, Samdrup Jongkhar either in Cheques or Cash (*mBoB, mPay, etc*) as per the time schedule indicated below:
 - 5.1. The payment shall be made in 14 (nine) annual instalments as follows:
 - 5.1.1. 6% (six percent) of the auctioned amount for the first 10 instalments.
 - 5.1.2. 5% (five percent) of the auctioned amount for the last 4 instalments.
 - 5.2. The above instalments shall be paid after every one year starting from the date of signing of the Mining Lease Agreement.
 - 5.3. In the case of default in payment of the annual instalment, a late fine @ 24% (twenty-four percent) per annum shall be imposed on the instalment.



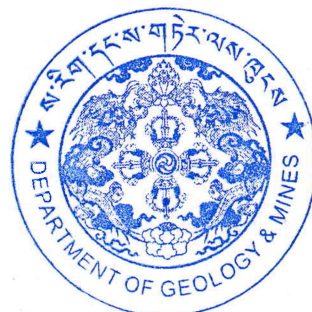
- 5.4. If the lessee fails to deposit the defaulted instalment along with the penal interest within the period of 90 (ninety) days from the due date, the lease for the mine shall be terminated along with the forfeiture of all advance payments made.
- 5.5. If the lease of the mine is terminated in line with clause 5.4 of this terms and conditions, the bidder shall be debarred from participating in 3 subsequent auctions conducted by the Department.
6. The operation of the mine shall be done in accordance with the Final Mine Feasibility Study (FMFS) already approved by the Department of Geology and Mines. However, the Winning Bidder may update the FMFS and submit it to the Department for approval prior to its implementation.
7. The Winning Bidder shall sign a Mining Lease Agreement (MLA) with the Department after obtaining the clearances, as per Form B, Annex I of the MMMR 2022. All bidders shall familiarise themselves with the clauses of the MLA.
8. The Winning Bidder shall sign a Land Lease Deed with the concerned Dzongkhag Administration and submit a copy to the concerned Regional Office of the DGM within one month after the execution of the Mining Lease Agreement.
9. The Winning Bidder shall deposit the upfront Environmental Restoration Bond (ERB) either in cash in the Joint CD Account 205628353 maintained with the Bank of Bhutan of **Nu. 1,319,670 (Ngultrum One Million Three Hundred Nineteen Thousand Six Hundred Seventy only)** or **submit a Bank Guarantee with equivalent amount** to the Department prior to the commencement of development work. In addition, the Winning Bidder shall also deposit Nu. 4 per MT of every material dispatched in advance as an ERB into the joint CD account.
10. The amount collected for the ERB shall be for the sole purpose of carrying out post-mining reclamation. This does not take away the responsibility of the lessee to carry out regular environmental protection and revegetation works in the mining area.
11. The Department shall carry out post-mining reclamation on exhaustion of mineral reserves and on the requirement to close mine using the ERB deposited and no refund shall be made.
12. The Winning Bidder shall be issued with the **Work Order** to commence the operation at the mine upon payment of 20% of the upfront bid amount, payment of upfront ERB (cash or BG) and signing of the MLA.
13. The mine shall be operated in full compliance with the Mines and Minerals Management Act 1995, Mines and Minerals Management Regulations 2022, Environmental Assessment Act 2000 and any amendments thereof, Mining Lease Agreement and the



terms and conditions of this Auction Document, any orders issued by the Ministry of Energy and Natural Resources or the Department of Geology and Mines regarding the matter from time to time, and also abide by the requirements of all other laws, rules and regulations relating to issues covering the use of other resources, health and safety, communication, power, religious, social, trade, etc.

14. The Winning Bidder shall bear complete responsibility for the management of the mine and marketing of the minerals or mineral products produced.
15. **Subletting of any mine or contracting in part or in whole** to a third party shall not be permitted without approval in writing obtained from the Department of Geology and Mines.
16. The Winning Bidder shall be required to renew Environmental Clearance, including payment of applicable fees.
17. The mine shall be re-auctioned or an appropriate way forward shall be determined by the Department after the expiry/surrender or termination of the lease. The Department, however, reserves the right and discretion to close the mining area upon expiry, surrender or termination of the lease.
18. The lease may be terminated as per the provisions of Article 32 of the Mines and Minerals Management Act 1995.
19. The high-grade quartzite extracted from the mine shall be used exclusively for the purpose of supplying raw materials to the Winning Bidder's own domestic processing industry or to any other processing industry located within the country. The use of high-grade quartzite for export is strictly prohibited.
20. The undersized and low-grade quartzite (construction material) generated may be utilized within the country for commercial purposes, and shall also be permitted for export
21. The Winning Bidder shall also pay an additional amount of **Nu. 1,000,000 (Ngultrum One Million only)** towards the cost incurred for the preparation of the FMFS Report. This amount shall be paid to the Director, DGM, MoENR, within **Ten (10) working days** from the date of issuance of the Letter of Award.
22. The Department shall process the Environmental Clearance and Land Lease Certificate within 30 days after issuance of the letter of award in the name of the Winning Bidder.

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Rate of Mineral levies and lease rent

The lessee shall pay royalty, mineral rent and land lease rent as follows:

1. Royalty payable **per metric tonne (MT)** of despatch of **quartzite, including undersize and low-grade quartzite (construction material)** for **domestic supply** (subject to periodic revision by the government) shall be **Nu. 30 and Nu. 2.2 per MT** respectively.
2. Royalty payable **per metric tonne** of despatch of **undersize quartzite and low-grade quartzite (construction material)** for **export** (subject to periodic revision by the government) shall be **7% and 2% respectively on the Minimum Floor Price established at the country exit point or the invoiced value, whichever is higher.**
3. Mineral rent payable **per metric tonne** of **quartzite, including undersize and low-grade quartzite (construction material)** for **domestic supply** (subject to periodic revision by the government) shall be **Nu. 5 and 0.55 per MT** respectively.
4. Mineral rent payable **per metric tonne** of **undersize quartzite and low-grade quartzite (construction)** for **export** (subject to periodic revision by the government) is **an amount equivalent to 10% of projected export Royalty or domestic Royalty, whichever is higher.**
5. The rate of lease rent for all surface area occupied by the Lessee shall be **Nu. 2,300 per acre per annum** unless revised by the Royal Government, and it shall be for the period from the date of approval until the site has been satisfactorily restored and surrendered to the Lessor.

Note: The mineral levies referred to above are subject to revision by the Royal Government of Bhutan from time to time.



Appendix I: Reports for the Majawong Quartzite Mine

The following reports for the Majawong Quartzite Mine shall be available for download from the Ministry's website www.moenr.gov.bt or DGM's website at www.dgm.gov.bt:

1. PFS Report of Majawong Quartzite Mine
2. Mine Plan for the Majawong Quartzite Mine

The information provided in the Mine Plan report may be required to be updated or require further validation. Therefore, all interested bidders may be required to visit the site before participating in the auction.

Note: *The Winning Bidder shall be allowed to update the Mine Plan/FMFS report. Any updates in the FMFS shall be submitted to the Department of Geology and Mines for approval prior to its implementation.*

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Appendix II Bid Form for sealed bid auction of Majawong Quartzite Mine

(Opening of the bid is on 27/06/2025 at 2:30 PM)

1. Details of the Bidder:

- a. Name of individual/Company/Firm:
- b. CID No./Licence No./Registration No.:
- c. Current address/residence:
- d. Contact No.:
- e. E-mail ID:

2. Bid amount for the right to operate Majawong Quartzite Mine:

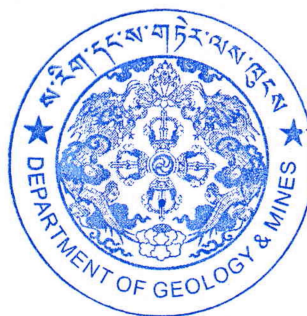
In figures (Nu.)	In words

3. Attachments

- a. Duly signed Auction Document
- b. Eligibility Certificate
- c. Letter of Commitment

Signed and sealed:

For the bidder
(Name and signature)
Date:



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Appendix III: Application Form For Eligibility Certificate

The Director
Department of Geology and Mines
Ministry of Energy and Natural Resources
Thimphu, Bhutan

Sir,

I request you to kindly grant me an Eligibility Certificate as required under the terms and conditions of the auction for Majawong Quartzite Mine. The particulars are given below:

- a. Name of the Applicant:
- b. Address:
- c. Details of previous mining experience:
- d. A copy of the Household Information (family tree) issued by MoHA for an individual or proprietor of a licensed firm
- e. Particulars regarding the financial resources of the applicant for the proposed mining enterprise:
- f. Latest classic report from Credit Information Bureau; if the applicant owns a company, both consumer and commercial classic reports shall be furnished:
- g. Tax Clearance Certificate from the Department of Revenue & Customs, Ministry of Finance.

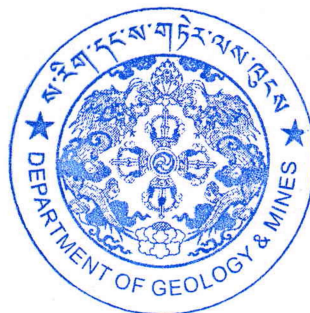
I hereby declare that the particulars given above are correct to the best of my knowledge and am ready to furnish any other details, as may be required by the Ministry of Energy and Natural Resources of the Royal Government of Bhutan.

Yours faithfully,

(Signature)

Name of the Applicant:

Date:



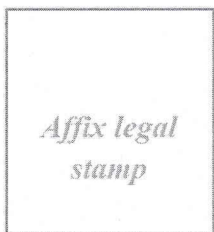
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Appendix IV: Letter of Commitment

I/We hereby commit myself/ourselves to abide by the following while carrying out the mining auctioned to me:

1. All the terms and conditions laid down in the auction document, its appendices and annexures.
2. All applicable laws, by-laws, rules and regulations of the Kingdom of Bhutan.
3. All the Clauses of the Mining Lease Agreement.
4. Under no circumstances shall I/we sublet or front my/our mining lease to any third person/party without prior approval from the Department of Geology and Mines, MoENR.

(Signature)



Name:

Designation:

A handwritten signature in blue ink, consisting of stylized, overlapping loops and strokes.