

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 127
ANSWERED ON 22.07.2024

**NEW POLICY TO PROMOTE EXPLORATION AND PROCESSING OF CRITICAL
MINERALS**

127. SHRI JAGGESH:

Will the Minister of MINES be pleased to state:

- (a) whether it is a fact that the rising demand for clean energy has translated into an increased demand for critical minerals with an expected four-fold increase by 2040;
- (b) whether Government has begun work on a new policy to promote exploration and processing of critical minerals in the country; and
- (c) if so, the steps and initiatives of Government at national and international levels to increase country's participation in critical minerals and clean energy value chain and the details thereof?

ANSWER

THE MINISTER OF COAL AND MINES

(SHRI G. KISHAN REDDY)

(a) As the world transitions towards renewable power generation and electric vehicles, there will be a significant increase in the demand for several critical minerals. According to the Global Critical Minerals Outlook 2024 of International Energy Agency (IEA), demand for key energy transition minerals is set to expand significantly across all scenarios.

(b) & (c): In order to boost the domestic supply of critical minerals, the Central Government has amended MMDR Act in the year 2023 to empower Central Government to exclusively auction mining lease and composite licence in respect of 24 critical minerals. Subsequently Government of India has successfully auctioned 14 blocks of critical and strategic minerals.

Besides auction of critical minerals by the Central Government, a new mineral concession namely Exploration Licence has been introduced for 29 critical and deep-seated minerals through the amendment in 2023. The exploration licence granted through auction shall permit the licensee to undertake reconnaissance and prospecting operations for these minerals on receipt of revenue share once mining start in the explored blocks.

Ministry has given thrust on the enhancement of the exploration program for the critical minerals. Accordingly, during the last three years (2021-22 to 2023-24), GSI had taken up 368 mineral exploration projects on various critical and strategic minerals. During the current FS 2024-25, GSI has taken up 196 mineral exploration projects of critical and strategic minerals.

A total of 122 projects of critical minerals has been funded by National Mineral Exploration Trust (NMET). Further Ministry of Mines has also notified 22 private exploration agencies (NPEAs) for taking up exploration projects through NMET.

National Mineral Exploration Trust (NMET) has issued two schemes for partial reimbursement of exploration expenses for holders of Composite Licences and Exploration licences. Under these Schemes, upto 50% of the exploration expenditure incurred by the licence holders are reimbursed.

A scheme named “S&T PRISM (Promotion of Research and Innovation in Start-ups and MSMEs in mining, mineral processing, metallurgy and recycling sector)” was introduced in 2023 to fund research and innovation in starts up and MSME. During 2024, 10 R & D Projects related to extraction, recovery and recycling of critical minerals have been approved.

Apart from strengthening domestic mechanisms, collaborative international efforts have been made to build a resilient critical mineral value chain.

For developing bilateral cooperation with countries having rich critical mineral resources and to get access to the latest technologies in the exploration and development of critical minerals, the Ministry of Mines has entered into bilateral agreements with the Governments of a number of countries.

Further Ministry of Mines has taken a significant step through creation of a joint venture company named- Khanij Bidesh India Ltd. (KABIL) with the mandate to identify and acquire overseas critical mineral assets specifically targeting minerals like Lithium, Cobalt, and others. KABIL has signed an Exploration and Development Agreement with CAMYEN, a state-owned enterprise of Catamarca province of Argentina, for Exploration and mining of Lithium in Argentina over an area of 15703 hectares.

The Ministry of Mines is also actively engaged in various multilateral initiatives such as the Minerals Security Partnership (MSP), Indo-Pacific Economic Framework (IPEF), the U.S.-India Initiative on Critical and Emerging Technology (iCET), UN Secretary General’s Panel on Critical Energy Transition Minerals etc. for increasing India’s participation in critical minerals and clean energy value chain.
