

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 2634
ANSWERED ON 07.08.2024

EXPLORATION AND PROCESSING OF CRITICAL MINERALS

2634. DR. M K VISHNU PRASAD:

Will the Minister of MINES be pleased to state:

- (a) whether it is a fact that the country relies heavily on imports for meeting its requirement for critical minerals;
- (b) whether the Government has begun work on a new policy to promote exploration and processing of critical minerals in the country;
- (c) whether the proposed new policy includes incentives at each stage of the production process; and
- (d) if so, the details thereof and other measures initiated by Government to boost domestic supply of critical minerals?

ANSWER

THE MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a) Yes Sir. India relies on imports to meet its requirement of critical minerals and imports minerals like lithium, cobalt, nickel, phosphorus, potash etc.

(b) to (d) The Central Government has amended the Mines and Minerals (Development and Regulation) Act, 1957 through the MMDR Amendment Act, 2023 with effect from 17.08.2023. Through the said amendment, the Central Government has been empowered to exclusively auction mining lease and composite licence for 24 critical and strategic minerals listed in the Part-D of the First Schedule to the said Act. Ministry of Mines, Government of India has successfully auctioned 14 blocks of critical and strategic minerals.

Besides auction of critical minerals by the Central Government, in order to further boost exploration of critical and deep-seated minerals, a new mineral concession

namely, Exploration Licence has been introduced for 29 deep-seated minerals mentioned in the newly inserted Seventh Schedule to the MMDR Act. 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 starts 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 to assess the mineral potential of various critical and strategic minerals across the country.

Since inception of National Mineral Exploration Trust (NMET), a total 393 projects have been funded by NMET. Out of 393 projects, 122 projects are of critical minerals through various exploration agencies.

In order to encourage private participation in exploration, Ministry of Mines has notified 23 private exploration agencies (NPEAs). These agencies are 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.

In 2023, enlarging the scope of the S&T program “Promotion of Research and Innovation in Start-ups and MSMEs in mining, mineral processing, metallurgy and recycling sector (S&T-PRISM)” was introduced to fund research and innovation in starts up and MSME to bridge the gap between R&D and commercialisation. During 2024, under R&D Component of Science and Technology Programme of Ministry of Mines, 10 R & D Projects related to extraction, recovery and recycling of critical minerals have been approved for taking up through various Indian Institutes and research laboratories.
