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India closing in on lithium-deal with Argentina, tapping Australia and Chile too

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The mineral is a cornerstone in India's switch to green energy thereby reducing its carbon footprints

BY ABHISHEK LAW

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Latin America nations, primarily Chile and Argentina account for 30–35 per cent of the world's supplies of lithium.

The Mines Ministry, through the state-owned Khanij Bidesh India Ltd (KABIL), has entered into a draft exploration and development agreement with Argentinan miner CAMYEN for possible acquisition and development of five-odd lithium blocks.

The company has also entered into a non-disclosure agreement with Chilean miner ENAMI for

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“possible exploration, extraction, processing and commercialisation” of the mineral and has appointed consultancy major PwC for identification of investable projects in Australia.

Incidentally, Latin American nations, primarily Chile and Argentina account for 30–35 per cent of the world’s supplies. Chile, which has 11 per cent of the world’s lithium reserves, supplies 26 per cent of the requirements; while Argentina with nearly one-fifth of the global resources supplies about 6 per cent.

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Australia is among the other large lithium producers globally.

Acquisitions in Argentina

Talks are in “advanced stages” for acquisition of lithium blocks in Argentina. The reported cost of the acquisition in Argentina could run into a “couple of hundred crore” and the proposal

would be put up for Cabinet approval.

According to Ministry officials, the KABIL board had approved the 'Draft Exploration and Development Agreement' earlier and a proposal for opening of Branch Office in Catamarca, Argentina was subsequently cleared by the Ministry. Approval to open a branch office was granted in June.

"Mines Ministry has given necessary approval to KABIL for entering in to the agreement (with CAMYEN)," the officials told *buisnessline*.

India has over the last one year upped its search for critical mineral, including lithium.

The alkaline mineral, also called 'white gold', is a cornerstone in India's switch to green energy thereby reducing its carbon footprints. India has put up just lithium blocks for auction – one in J&K and another in Chhattisgarh - with most of its domestic requirements, across categories like EVs, lithium-ion battery making, and other energy storage solutions, being met completely through imports. Import bill is pegged at around ₹24,000 crore.

The state-owned KABIL, a JV across companies like NALCO, HCL and MECL, is currently focusing on sourcing of lithium and cobalt – another critical mineral - for the domestic market and engaging with few companies and projects across Australia, Argentina and Chile.

As of September 2023, Argentina has two active lithium mines. Livent operates the Fénix mine in the province of Salta, while

FMC Lithium operates the Hombre Muerto mine in the province of Catamarca. There are 14 lithium projects under construction or in the advanced exploration stage in the Latin-American nation.



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