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Government offers ten new critical mineral blocks, unveils fresh incentives for exploration

The ministry's fourth tranche brings the total critical mineral blocks offered to 48.

Written by [Aggam Walia](#)

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The preferred bidders for 6 blocks that were successfully auctioned off in the first tranche in November were also announced.

The Ministry of Mines led by Mines Minister G Kishan Reddy launched the fourth tranche of critical minerals auction, offering a total of 21 blocks across fourteen states, including 11 blocks that are being reoffered from the second tranche after failing to secure the mandatory participation of at least three bidders. At the launch on Monday, the ministry also unveiled an incentive scheme for reimbursing up to Rs 20 crore in exploration expenses incurred by licence holders.

The preferred bidders for 6 blocks that were successfully auctioned off in the first tranche in November were also announced— notably, the licence to further explore the lithium block in Chhattisgarh's Katghora has been granted to Kolkata-based Maiki South Mining Pvt Ltd. Moreover, Cuttack-based Agrasen Sponge Pvt Ltd won the licence to mine two blocks in Odisha holding graphite resources of around 4.6 million tonnes (MT).

Read | Amid setbacks, first signs of progress in lithium mining in Chhattisgarh

The ministry's fourth tranche brings the total critical mineral blocks offered to 48. The auction journey has been mixed: the first tranche offered 20 blocks, with 6 successful auctions and 13 annulments due to low bidder interest. The second tranche saw 18 blocks offered but 14 annulled. All 7 blocks in the third tranche were re-offers from the first tranche. Now, the fourth tranche presents 10 new blocks alongside 11 previously annulled from the second tranche. In total, 24 of the

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EXPLAINED

What are critical minerals?

Critical minerals are raw materials essential for economic and national security, often used in high-tech industries and renewable energy technologies. They are typically rare, difficult to mine and substitute, and often vulnerable to supply chain disruptions due to limited global production and geopolitical factors.

“We are hoping for good results from the third tranche. In the current tranche, there are 10 fresh blocks and 11 blocks are repeated. We will intensify our roadshows and we will try to convince [investors] that some of the blocks that have not been picked up are good blocks,” the Mines Secretary VL Kantha Rao said during a media briefing. The newly announced exploration reimbursement incentive aims to boost investor interest in critical mineral blocks. Under this scheme, exploration licence (EL) holders can claim up to Rs 20 crore in reimbursements for key activities such as geophysical investigations, exploratory drilling, and chemical and petrological analysis.

three years from the conclusion of the bid, they will be eligible for further reimbursements. Previously, some mining companies were hesitant to bid for exploration licences, knowing the block would be re-auctioned for mining after exploration. The latest financial incentive is expected to mitigate risks, encourage more thorough exploration efforts, and potentially lead to increased mineral discoveries.



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“The law of the land is that whoever does exploration, the ultimate mining rights will be given only through a process of auction. Therefore, in an exploration licence regime, the person can never get the block unless they bid again. We have a provision where the same company that does exploration can also bid, but it will be a transparent bidding,” Kantha Rao said. During the media briefing, the Mines Secretary said that almost 100 critical mineral blocks have been identified by the government and will be offered in tranches over time. He also added that 10 blocks have been identified for offshore mining and will be announced alongside an offshore minerals action plan in the next 100 days.

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