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# KABIL Gets Lithium Clearance in Argentina: India's Critical Mineral Strategy

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# KABIL Gets Lithium Clearance in Argentina: India's Critical Mineral Strategy

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## WHY IN NEWS:

Khanij Bidesh India Limited (KABIL) received environmental clearance from the Argentine government for deep exploration of five brine lithium blocks — a milestone in India's strategy to secure critical mineral supply chains for EV batteries and renewable energy storage systems.

## WHAT IS KABIL?

**Khanij Bidesh India Limited (KABIL)** is a joint venture company incorporated in 2019 to acquire and develop mineral assets overseas for India's strategic needs.

FEATURE	DETAIL
Full name	Khanij Bidesh India Limited
Incorporated	August 8, 2019
Ownership	NALCO (40%) + HCL (30%) + MECL (30%)
Under Ministry	Ministry of Mines
Authorised capital	₹500 crore
Paid-up capital	₹100 crore
Mandate	Acquire and develop critical mineral assets overseas

### Constituent companies:

- **NALCO** — National Aluminium Company Limited (PSU under Ministry of Mines)
- **HCL** — Hindustan Copper Limited (PSU)
- **MECL** — Mineral Exploration Corporation Limited (PSU)

## THE ARGENTINA LITHIUM CLEARANCE

### What Was Approved

The Argentine government granted environmental clearance for **deep exploration** of five brine lithium blocks allocated to KABIL. This follows earlier Memoranda of Understanding signed between India and Argentina for mineral cooperation.

**Brine lithium** is extracted from underground saltwater brines (salar systems) – the dominant form in the Lithium Triangle. It is chemically different from hard-rock lithium (spodumene) extracted in Australia.

### Significance

Environmental clearance is typically the most significant regulatory hurdle in mineral exploration in Argentina, given strict provincial and federal oversight. Receiving this clearance moves KABIL from pre-exploration to active deep exploration – including geophysical surveys, drilling, and resource estimation.

## WHY LITHIUM? THE EV-BATTERY CONNECTION

Lithium is the central metal in **Lithium-Ion (Li-Ion) batteries**, which power:

- Electric vehicles (EVs)
- Grid-scale energy storage (coupling with solar/wind)
- Consumer electronics (smartphones, laptops)
- Defence applications (drones, missiles, portable equipment)

### India's Demand Trajectory

APPLICATION	CURRENT/PROJECTED DEMAND
EVs (2-wheelers, cars)	~20% new vehicle sales by 2030 target
Battery storage	BESS expansion under renewable energy targets
Consumer electronics	Stable 5–7% annual growth
Defence	Growing with drone fleet expansion

India currently **imports virtually all of its lithium** – it has no commercial lithium production. Without supply chain security, the EV transition is vulnerable to geopolitical disruptions and price **volatility** (lithium prices swung from \$6,000/tonne in 2020 to \$85,000/tonne in 2022 before moderating).

## THE LITHIUM TRIANGLE

Argentina, Bolivia, and Chile collectively hold over **50% of the world's identified lithium reserves**, mostly in high-altitude salt flat systems (salares).

COUNTRY	ESTIMATED RESERVES (MT LI EQUIVALENT)	NOTES
Bolivia	~21 million	Largest; nationalised; state control
Argentina	~20 million	Open to FDI; multiple salares
Chile	~11 million	World's largest producer (private + state)
Australia	~7 million	Hard-rock spodumene; world's top producer by volume
India (Reasi, J&K)	~5.9 million	Discovered 2023; not yet commercial

Argentina's KABIL blocks are in the Puna plateau — part of the same geological system as the famous Atacama salt flat complex.

## INDIA'S DOMESTIC LITHIUM DISCOVERY

In **February 2023**, the Geological Survey of India (GSI) announced India's first significant lithium discovery — **5.9 million tonnes of inferred lithium resources** in Reasi district, Jammu & Kashmir.

However, "inferred resources" require several more years of exploration, feasibility studies, and environmental clearance before becoming commercial. The J&K deposit uses hard-rock lithium (not brine), which is more complex to process.

This makes KABIL's overseas strategy critical as a **bridge** while domestic sources are developed.

## INDIA'S CRITICAL MINERALS STRATEGY

India has designated **30 critical minerals** (per the Ministry of Mines list) as strategic priorities. Lithium, cobalt, nickel, graphite, and rare earth elements (REEs) are among the most important.

## Policy Framework

POLICY/INITIATIVE	DETAIL
<b>KABIL</b>	Overseas acquisition of critical mineral assets
<b>Critical Minerals Mission</b>	Announced Budget 2024-25; dedicated mission mode
<b>MMDR Amendment 2023</b>	Opened atomic minerals (including lithium) to private exploration
<b>PM Gati Shakti</b>	Logistics integration for mineral supply chains
<b>India-Australia CECA/ECTA</b>	Critical minerals cooperation chapter
<b>India-USA Initiative on Critical Minerals</b>	MoU for supply chain cooperation
<b>Mineral Exploration Corporation Limited (MECL)</b>	Enhanced exploration mandate

## GEOPOLITICAL ANGLE

India's critical mineral strategy directly addresses **China's dominance** in the global supply chain:

- China controls ~60% of global lithium refining capacity
- China controls ~80% of global cobalt refining
- China controls ~90% of rare earth element processing

Reducing dependence on China requires:

- 1 Overseas mining access (KABIL model in Argentina)
- 2 Domestic processing capacity (India building Li-Ion cell gigafactories)
- 3 Recycling ecosystem (battery recycling policy under PLI)
- 4 Bilateral partnerships (Australia, USA, EU, Africa)

## UPSC RELEVANCE

PAPER	ANGLE
GS3 — Economy	Critical minerals; EV supply chain; PLI for batteries; lithium import dependence
GS2 — IR	India-Argentina mineral cooperation; India-China supply chain competition; India-Australia ECTA
GS3 — S&T	Li-Ion battery technology; brine vs hard-rock lithium extraction
GS3 — Environment	Mining environmental clearance process; brine extraction ecology
Mains Keywords	KABIL, Khanij Bidesh India Limited, Lithium Triangle, brine lithium, MMDR Amendment 2023, Critical Minerals Mission, EV supply chain, China mineral dominance, NALCO, HCL, MECL

## FACTS CORNER

ITEM	DETAIL
KABIL full name	Khanij Bidesh India Limited
KABIL JV structure	NALCO 40% + HCL 30% + MECL 30%
KABIL incorporated	August 8, 2019
Ministry	Ministry of Mines
Lithium Triangle	Argentina + Bolivia + Chile
Lithium Triangle share	50%+ of global identified reserves
India's J&K lithium discovery	5.9 million tonnes (inferred), Reasi district, Feb 2023
GSI — discovery agency	Geological Survey of India
India's lithium production	Zero (currently 100% import dependent)
MMDR Amendment 2023	Opened lithium/atomic minerals to private exploration
China's refining dominance	~60% of global lithium refining
Brine lithium extraction	From underground saltwater (salar systems); Argentina, Chile, Bolivia

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