

# India's First Critical Mineral License Auctions

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## Context

Karnataka and Rajasthan are the first states in India to have recently initiated **auctions for exploration licenses of critical and deep-seated minerals.**

## Key Highlights

- The auctions in Karnataka and Rajasthan covered minerals like gold, copper, and lithium.
- Karnataka auctioned one block each of gold, copper, and lithium, at the same time as Rajasthan auctioned three blocks along with rare earth factors, rare metals, and potash.

## What are exploration licenses?

- Exploration licenses are permissions or rights given by means of government authorities to perform exploration activities in the specific regions.
- These licenses help Junior Mining Companies get knowledge from around the world to acquire, technique, and apprehend exploration information.
- It enables corporations to take risks to discover deep-seated minerals, the usage of expertise and new technologies.

## Benefits of exploration licenses

- **Empowering Junior Mining Companies**
  - **Expansion of knowledge:** Exploration Licenses assist small mining companies learn from experts worldwide.
  - **Interpretation of Data:** These businesses can gather, technique, and interpret exploration facts using contemporary technology. They use new equipment and techniques to locate valuable minerals deep in the earth.
- **Boosting State Government Revenues**
- **The Mines and Minerals (Regulation and Development) Act (1957)**
  - This rule regulates the mining sector in India.
  - In 2023, a brand new mineral concession of Exploration was introduced for License for 29 essential and deep-seated minerals
  - **Objective:** This amendment aims to enhance exploration and mining of essential and deep-seated minerals in the country.
  - **Exploration of minerals:** With Exploration Licenses, companies search for minerals in precise regions.
    - They locate particular areas wherein mining can happen.
  - **Direct auction for mining rentals:** These explored blocks can then be directly auctioned for mining rentals.
    - The money earned from selling these regions enables the state governments.
- **Focusing on critical Minerals**
  - Exploration Licenses assist in finding critical minerals like gold, copper, and lithium.
- **Support to Other Industries:** These minerals play an essential function in diverse industries and technology.
  - Exploring and the usage of these minerals further assist our economy develop and increase.

## About critical minerals

- A mineral is critical when the risk of supply shortage and related effect on the financial system is (exceptionally) higher than different raw materials.
- These minerals are important for financial improvement and country wide protection, and their loss of availability/ the awareness of extraction/ processing in a few geographical locations ought to potentially result in supply chain vulnerabilities.
- These (consisting of lithium, graphite, cobalt, titanium, and uncommon earth elements) are critical for the advancement of many sectors, along with excessive-tech electronics, telecommunications, shipping, and defence.
- It bureaucracy part of more than one strategic cost chains, along with –
  - Clean technology initiatives inclusive of zero-emission vehicles, wind generators, sun panels;
  - Information and verbal exchange technologies, consisting of semiconductors; and

- Advanced manufacturing inputs and substances which include defence programs, permanent magnets, ceramics.

**Source: The Hindu**

***UPSC Mains Practice Questions***

***Q. "In spite of adverse environmental impact, coal mining is still inevitable for development". Discuss. (2017)***