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The inaugural round for the auction of critical minerals in the country commenced on November 29. The minister disclosed that over 180 potential bidders have procured the tender documents

The Centre on Thursday launched the second round of auction for the 18 strategic mineral blocks valued at Rs 30 trillion, a move aimed at bolstering the country's mineral supply chain.

"Last year, we decided to conduct auctions for critical minerals. In the initial phase, we initiated the auction process for 20 blocks, amounting to approximately Rs 40,000 crore in value. In the latest round, we are putting 18 blocks valued at around Rs 30 trillion up for auction," Union Minister for Coal and Mines, Prahlad Joshi, said at the inauguration of the auction process.

The inaugural round for the auction of critical minerals commenced on November 29.

The minister said that over 180 potential bidders have procured the tender documents. The deadline for selecting the preferred bidder in the initial round is set for April 18.

Among the minerals on offer in the second round are cobalt, glauconite, graphite, nickel, platinum-group elements (PGE), phosphorite, potash, rare earth elements (REE), tungsten, and vanadium. These minerals are vital for sectors such as renewable energy, defense, and agriculture.

Of all the blocks being auctioned, 17 are designated for the grant of a composite license, while one mineral block is intended for the grant of a mining lease.

The minister announced that the third tranche will be initiated in the upcoming months, and said, "Following the establishment of the new government, we will commence the third tranche."

"The auction of these mineral blocks aligns with India's objective of securing a critical mineral supply chain for energy transition and attaining its net-zero target by 2070. We are aiming to stop the import of these minerals," Joshi added.

The minister said the auction will help states boost their revenues.

States are the biggest beneficiaries of mineral sector reforms.

Their earnings have grown manifold, with Odisha, for example, having seen a growth of 860 per cent in earnings from 2015-16 to 2022-23.

In these 8 years, Chhattisgarh's earnings have increased by 620 per cent, Jharkhand's by 425 per cent and Karnataka's by 316 per cent, the minister said.

Joshi declared that alongside the ongoing mineral block auctions, the government has earmarked over 100 blocks containing 24 critical minerals slated for upcoming auctions anticipated in the near term.

He mentioned that the government aims to procure 240 reports on such critical mineral blocks. "I aim for 240 reports by next year," he said.

With the proactive approach, the government aims to secure essential mineral resources and strengthen the nation's mineral supply chain, vital for achieving its developmental goals and ensuring economic sustainability.

The government also extended financial assistance of Rs 7 crore to five startups across Maharashtra, Meghalaya, Odisha, and Uttar Pradesh.

The initiative aims to validate critical mineral extraction processes and bolster entrepreneurship among youth.

By supporting these startups, the government aims to encourage innovation in the extraction and utilisation of essential minerals, thereby contributing to the country's economic growth and fostering a culture of entrepreneurship.

The Cabinet has also approved royalty rates for 12 more critical minerals, completing the rationalisation for all 24 critical minerals.

Source: Energy World

CAPTIVE, COMMERCIAL COAL MINES LIKELY TO PRODUCE 140 MN TONS IN FY24 AS GOVT PUSHES FOR HIGHER OUTPUT

Coal Ministry's strategy is to auction more blocks under commercial mining to private players to enhance coal production

Coal production by the private sector is expected to surpass 140 million tonnes (MT) in FY24, ending March 2024, as the Coal Ministry pushes for enhancing output from captive and commercial mines.

The Ministry's strategy is to auction more blocks under commercial mining to private players to enhance coal production in a bid to meet the rising demand for the critical commodity, which is likely to hit 1.5 billion tonnes by FY30.

Speaking to businessline on the sidelines of the launch of the integrated logistics policy, Coal Ministry's Additional Secretary M Nagaraju said "We wanted to review present production of captive and commercial mines to the private sector. Now, they are doing very well."

He emphasised that Ministry, in the last few years, has focused on a holistic approach to boost coal output through auctions, mechanisation and integrated logistics planning, among others.

Higher production

"Till yesterday (February 28, 2024), we produced 120 MT (in FY24). We will be expecting to cross 140 MT this year (FY24). It's a big jump, great for the country," Nagaraju said.

Captive/commercial mines production stood at 123 MT in FY23 from 86 MT in FY22.

Average daily coal production in February 2024 was 5.14 lakh tonnes (LT), which is a first for captive and commercial mines. Daily average dispatch stood at 4.46 LT.

The overall production and dispatch from captive and commercial coal mines during April-February in FY24 was 126.80 MT and 128.88 MT, marking an annual growth of 27.06 per cent and 29.14 per cent, respectively.

As of February, the total number of producing mines stood at 54, of which 35 blocks have been allocated to the Power sector, 11 to the Non-Regulated Sector, and 8 for sale of coal.

A total of 91 mines have been successfully auctioned under commercial coal auctions, out of which 7 blocks have already commenced production.

Ministry is focused on sustaining this growth trajectory and the aim is to further streamline operations and bolster the infrastructure to meet the rising energy demands of the nation, Nagaraju noted.

Regular monitoring and review

The government is constantly reviewing performance of the captive and commercial mines, which are expected to account for almost one-fifth of India's coal production by 2030. Monthly reviews are conducted with stakeholders on analysing production and dispatch.

Last month, Nagaraju conducted a detailed review of coal production and dispatch from such mines with the respective coal companies from power sector, non-regulated sector, and on sale of coal.

Appreciating the increase in production, it was impressed upon the miners to enhance production wherever it is feasible. Allottees were also advised to bring forward constraints in production and dispatch to the notice of the Ministry for timely resolution.

Nagaraju advised the allottees to take necessary steps to operationalize coal blocks that are in advanced stages and support the sector's growth.

According to the integrated coal logistics plan, which was approved by the Empowered Group of Secretaries on PM Gati Shakti National Master Plan in December last year, India's total domestic supply is expected to more than double from 691.39 MT in FY21 to 1,500 MT in FY30.

Of this, the share of Coal India, which accounted for 83 per cent of total domestic supplies in FY21, will drop to 75 per cent by FY30, while the share of captive and commercial mines will grow from 10 per cent to 19 per cent.

Source: The Hindu Business Line

CHINA'S RARE EARTH EXPORT BAN IS BACKFIRING

The rare earths market experiences significant fluctuations, with prices plunging due to weaker demand and shifts away from Chinese sources, compounded by export bans imposed by China.

Wyoming's rare earth discovery raises hopes of reducing reliance on Chinese supply, potentially leading to a mining boom in the U.S. and altering global market dynamics.

Conflicting opinions among analysts regarding rare earth price trends in 2024 highlight uncertainties stemming from geopolitical unrest and economic volatility, emphasizing the need for caution in forecasting.

The Rare Earths MMI (Monthly Metals Index) experienced a pretty significant drop month-on-month, falling 24.73%. Save for cerium oxide, all components of the index either fell or moved sideways. Weaker than anticipated downstream demand ended up hitting certain metals related to rare earth magnets particularly hard, causing a plummet in the index.

Another significant factor impacting rare earths prices stems from nations continuing to source rare earths outside of China. Experts anticipate that such changes in rare earths production and logistics will continue affecting the index in both the short and long term.

China's dominance of the global rare earths market continues to face challenges, and the new discovery of rare earths in Wyoming could intensify a global shift away from Chinese sources. Numerous nations are now undertaking initiatives to lessen their reliance on Chinese rare earth magnets. According to a recent Reuters article,

China has historically been the world's top producer of rare earths, commanding a substantial share of the global market. However, worries over China's hegemony continue to compel countries like the U.S. to look into alternate rare earth suppliers.

An article by Yahoo Finance explored the recent Wyoming rare earths find in-depth, highlighting how the new source of rare earth magnets might upend other markets and offer the U.S. a significant advantage. Furthermore, Wyoming Public Media emphasized the possibility of a new mining boom in the Mountain West due to these significant rare earth discoveries.

Is China's Rare Earth Magnets Bans Working for Them or Against Them?

China's recent move to ban the export of some rare earth elements and rare earth technology continues to have important ramifications both in and outside of the country. Many experts speculate that China instituted the ban to preserve its worldwide hegemony over rare earths. However, has China ultimately benefited or suffered from this decision?

China's export prohibition allows China to preserve its competitive edge in this vital market by limiting the export of essential technology used to process and produce rare earth magnets. By preserving access to these vital resources, China can support its efforts to protect its national security interests.

On the other hand, China could suffer due to these export limitations, which can strain trade agreements and political ties with other countries. Export restrictions on rare earth technology may result in trade conflicts and other difficulties with nations that depend on these elements for various industrial applications.

Mixed Reports About Rare Earth Price Directions in 2024

Thus far, opinions differ on whether the price of rare earths will increase or decrease in 2024. Analysts generally anticipate a resurgence in the second half of the year, which indicates a favorable outlook. Moreover, trends and market research pointing to possible expansion and recovery in the rare earths industry validate this confidence.

On the other hand, opposing viewpoints advise being cautious when projecting the price of rare earths in 2024. Unknowns like geopolitical unrest and economic volatility can still affect rare earth prices, just like any other commodity. When determining the possibility of price swings in the rare earths market, it's crucial to take into account such factors.

-By the Metal Miner Team

COAL GASIFICATION IS RELIABLE, WILL STRENGTHEN INDIA'S ENERGY SECURITY

India is the third largest consumer of energy in the world and heavily dependent on its import. The country imports nearly 80 per cent of its requirements of crude oil and 50 per cent of natural gas. In 2022-23, it imported nearly 10 per cent of its coal consumption. There has been rapid progress in installing renewable power capacity in recent years, reaching approximately 180 gigawatt and with the target of 500 GW by 2030.

But the operating factor of renewable power plants is only 20-25 per cent, compared to 80-85 per cent for thermal power plants using coal or natural gas as fuel. The contribution of renewable power, including hydropower, in total generation was about 16 per cent in 2022-23. Renewable energy's contribution in meeting the increasing energy demand will likely be limited in the near term. Therefore, the country will be dependent on conventional energy sources in the near and mid-term. We have to explore and exploit all possible energy sources.

Coal remains the workhorse of our energy sector. Coal and lignite contributed nearly 73 per cent of power generation in 2022-23. India has abundant reserves of coal and it is only natural that utilise it to meet a major part of our energy requirement.

The Coal Gasification Scheme, which was announced in the Finance Minister's Budget speech in February, aims to gasify 100 million tonnes of coal by 2030. It is a step in the right direction. The government has also approved financial assistance up to 15 per cent of cost both for public and private sector projects. Synthetic natural gas or coal gas generated from coal gasification can be used as either fuel or as feed for manufacturing chemicals like ammonia and methanol. Coal gas can also be used to generate power. In fact, a combined cycle power plant based on coal gasification gives much higher efficiency than conventional coal-based power plants. Composition of coal gas can be varied to cater to the requirement of downstream consumers who will use it either as fuel or feed or both. Coal gas can also be transported through existing pipelines. This will reduce the load on Railways, a major transporter of coal.

Coal gasification technology has a long history. South Africa and China are pioneers in utilising coal gasification for manufacture of fertilisers and chemicals. In India, two large fertiliser plants based on coal gasification were commissioned in 1980, at Talcher and Ramagundam. Unfortunately, these plants did not perform well for a variety of reasons. The ash content in the coal supplied to these plants was higher than the design coal input for gasifiers. The problem could have been addressed by installation of an additional gasifier. But continuous disruption in power supply and poor performance of other equipment added to the woes. Lack of additional investment to resolve these problems rendered the facilities unviable. With losses mounting, the two plants were shut down in 1999. All later generation fertiliser plants installed captive power plants and proven equipment and have performed well. It was patently unfair to blame coal gasification as the reason for poor performance of coal-based plants.

Subsequently, there have been serious efforts to develop indigenous technology for coal gasification suitable to Indian coal. There was significant success with operation of pilot plants. At one stage, there were studies in the 2000s to put up a fertilizer plant and a power plant based on coal gasification. A few other industries, including steel, put up coal gasification plants. But no substantial progress was made.

The government, as part of its policy to increase urea production for self-reliance, sanctioned the construction of six gas-based urea plants that were commissioned in the last five years. A coal-based urea plant was also part of the plan and is under construction at Talcher. It is likely to be commissioned in the next financial year. Latest advancement in coal gasification technology and better design of equipment should make the new plant successful. It will also be a viable route due to the high cost of competing fuel i.e. natural gas. The bonus will be that a major part of carbon dioxide generated in the process will be used for production of urea.

If the target of gasification of 100 million tonnes of coal is achieved by 2030, it will more than double gas production in the country. The challenge remains that Indian coal is not of very good quality and has low heat value due to high ash content reaching as high as 35 per cent. There are a number of washeries at the pithead which remove excess ash. This is called the beneficiation process. While the beneficiation process is well established, its economics is not always favourable due to loss of carbon and hence the fuel along with rejects. Therefore, one has to optimise the extent of beneficiation to minimize the losses. If ash content is not very high, say less than 15 per cent, it may be better to use rIt is hoped that Coal India Ltd (CIL), the driver of the gasification scheme, and others make due diligence regarding type of feed coal, gasification technology to be used, composition and heat value of gas produced and tie-up with downstream consumers. It is heartening to note that CIL has started the consultation with stakeholders, including potential investors and consumers of synthetic natural gas. This is essential to avoid half-hearted efforts made in the past and make this energy supply alternative a success.

The writer is chairman of Indian Institute of Chemical Engineers (Northern Region Centre) and he was additional director general, Fertiliser Association of India.

These are the personal opinions of the writer. They do not necessarily reflect the views of www.business-standard.com or the 'Business Standard' newspaper

Source : Business Standard

INDIA AUCTIONS 91 COAL MINES

The government announced on 5 March 2024 that it has successfully auctioned off 91 coal mines, projecting annual revenue of over Rs 330 billion. Since the inception of commercial coal auctions in 2020, the process has been praised for its transparency and fairness, without any reported complaints from the industry.

According to the Ministry of Coal, between the fiscal years 2015 to 2020, 24 coal mines were auctioned under captive auctions. However, a significant leap was observed with the commercial auctions, which promised substantial revenue and employment opportunities for over 300,000 people once the mines became operational.

The Ministry disclosed that it received 40 offline bids for the coal mines in the ninth round of commercial auction on 19 February, with results pending announcement.

Highlighting the impact of the auction regime, the Ministry emphasised its role in unlocking opportunities within the coal industry while fostering sustainable development across various sectors. The government's policies have encouraged active participation from companies in coal block auctions.

The Ministry also acknowledged its dedication to economic growth and energy security since the Supreme Court of India cancelled 204 coal blocks in 2014. The enactment of the Coal Mines (Special Provisions) Act of 2015 facilitated the auctioning of coal blocks to the private sector and allotment to PSUs through fair and transparent processes.

Reforms in the coal sector have increased private sector participation, promoted healthy competition, and injected fresh investments and technologies. A two-stage auction mechanism was adopted to ensure transparency and prevent cartel formation, with 24 coal mines auctioned to the private sector and 53 allotted to PSUs.

In June 2020, the government launched auctions of coal mines without end-use restrictions, enhancing transparency and flexibility in the auction methodology, tender conditions, and auction process. This move witnessed participation from both private and public sectors for the first time, leading to broader involvement from existing players and newcomers in the mining sector.

Source: pib.gov.in

U.S. MINES RACE TO RESTART AS URANIUM PRICES SKYROCKET

It's been a long time coming, but the bulls are finally back in uranium. And with them comes the restart of multiple uranium projects that have been taken offline in the years while the commodity slouched in price.

We have long stated here on Zero Hedge that nuclear power is an obvious win/win: it's clean, it's safe, it provides robust power and, most importantly to our liberal friends, it has minimal emissions. So why isn't it more prominent?

In the wake of the 2011 Fukushima nuclear disaster, uranium mining in the United States, particularly in Wyoming, Texas, Arizona, and Utah, experienced a significant downturn.

This decline wasn't helped by uranium prices plummeting and nations such as Germany and Japan moving away from nuclear energy. However, as global efforts to reduce emissions renew interest in nuclear power, and as leading uranium producers face challenges in meeting demand, prices for the metal have risen sharply, a new Bloomberg report says.

This resurgence in prices is offering previously unprofitable American uranium mines an opportunity to re-enter the market and address the supply shortfall.

According to the report, as the Prospectors & Developers Association of Canada's annual meeting takes place in Toronto, attracting thousands from the mining industry, uranium will be a key focus.

With participants including major uranium firms like Denison Mines Corp., Fission Uranium Corp., and IsoEnergy Ltd., the event highlights the growing importance of uranium in the context of climate change and nuclear power.

The International Atomic Energy Agency predicts a significant rise in uranium demand, foreseeing a need for over 100,000 metric tons annually by 2040, necessitating a near doubling of current mining and processing efforts.

Scott Melbye, executive vice president of Texas-based Uranium Energy Corp. said: "We're in an old-fashioned, plain-and-simple supply squeeze. Demand is increasing again, with new reactors coming online."

John Ciampagli, Chief Executive Officer of Sprott Asset Management added: "The industry is clearly trying to respond with smaller mines reopening, but when you have a mine that hasn't operated for that long, it's obviously not very substantive."

Cameco has resumed operations at MacArthur River and Key Lake, the world's largest high-grade uranium mine and mill in Saskatchewan, Canada, after halting from 2018 to 2021 due to poor market conditions.

The reopening of U.S. mines signifies a comeback for an industry that nearly vanished five years ago, with production plummeting to 174,000 pounds in 2019 from a peak of 44 million pounds in 1980. This decline was accompanied by increased reliance on uranium imports from nations such as Canada, Australia, Kazakhstan, and Russia.

Amid geopolitical tensions, particularly sanctions on Russia after its 2022 invasion of Ukraine affecting uranium shipments from Kazakhstan, the U.S. is motivated by both supply security and political reasons to boost its uranium production. The Uranium Producers of America suggests the U.S. will need to open 8 to 10 major new mines within the next decade to meet demand.

Source: Yahoo Finance

MINING COMPANIES OPPOSE STATE TAX ON MINERALS IN SUPREME COURT

SC is hearing a batch of more than 80 appeals dealing with the question whether royalty charged on mining is a tax and whether states have legislative competence to levy taxes

States cannot impose tax on mineral rights as this relates to mineral development on which any law to be framed is exclusively reserved for the Centre, argued mining companies in Supreme Court.

The nine-judge bench of the Supreme Court is deciding the validity of state laws imposing tax related to mineral rights.

Opposing the state laws creating an additional financial burden on private miners, senior advocate Harish Salve appearing for a group of mining companies said, "If taxing mineral rights becomes incompatible with the architecture of law on mineral development, the state's power to tax stands denuded."

The bench headed by Chief Justice of India (CJI) Dhananjaya Y Chandrachud, which began hearing a batch of over 80 appeals last week, asked Salve, "We then have to make a hypothesis that any power to tax impinges on mineral development.

Salve, who represented Eastern Zone Mining Association, submitted, "Leaving it to each individual state to add yet another layer of economic burden will impinge on mineral development. The Mines and Minerals (Development and Regulation) Act, 1957 contemplates conservation of minerals."

Salve supported the Centre which had argued last week that states cannot be allowed to tax on minerals as this was never contemplated under the Constitution as it will unjustly enrich states rich in minerals pushing up prices of minerals, that form core of development of key industries in economy, and further lead to inflation.

This was the fourth day of arguments.

The bench, also comprising justices Hrishikesh Roy, AS Oka, BV Nagarathna, JB Pardiwala, Manoj Misra, Ujjal Bhuyan, Satish Chandra Sharma and Augustine George Masih, said, "There can be various kinds of exaction on mineral rights. If the royalty on minerals (regulated by Centre under the MMDR Act) is a species of exaction which is taken away from states under Entry 50 of List 2 (State List), can royalty substitute all kinds of exaction."

Entry 50 deals with (tax on mineral rights) which along with Entry 23 (regulation of mines and mineral development) are subject to any law related to List 1 (Union List) or law made by Parliament.

The Centre claimed that its right over minerals is sourced from Entry 54 of List 1 which deals with "regulation of mines and mineral development".

It is under this entry, the Parliament enacted the MMDR Act, which governs the field, and this Entry 54 is a limitation on the power of states to demand or impose similar levies or charges.

Accepting this argument, Salve said, "While minerals vest in states, mineral development is entirely with the Union. If Entry 54 makes a declaration that development and regulation of minerals rests with Centre, the state's power under Entry 23 or any other entry related to minerals stands denuded."

He further stated, "The mineral rights, under the present legal system in India, in most cases, vest in the state and thus a tax on mineral rights as such cannot be imposed, over and above the exaction by law made by Parliament (MMDR Act) that provide for payment of royalty... The state is, as the sovereign, the owner of mineral rights but may part with these rights under a lease which is in accordance with the MMDR Act. Under the Act, the state acts as a delegate of the Union government."

Salve will continue his arguments on Wednesday.

The Court is hearing a batch of more than 80 appeals dealing with the question whether royalty charged on mining is a tax and whether states have legislative competence to levy taxes on minerals and mineral-bearing lands in addition to the royalty imposed by Centre.

The issue has larger implications on the state's revenue-earning capacity and the authority of states on minerals extracted from their land.

The matter was referred to a 9-judge bench in March 2011 as the top court found a conflict between two previous judgments on this issue.

One was a 1989 verdict in India Cements Limited versus State of Tamil Nadu case decided by a 7-judge bench which held royalty is a tax under MMDR Act.

The other decision was a 5-judge bench decision of 2004 in State of West Bengal versus Kesoram Industries which held that in India Cements, the Court had mistakenly written "royalty is a tax" while it meant that "cess on royalty is a tax".

Source: Financial Express

EMPOWERING WOMEN, WATER FOR ALL, NUTRITION MATTERS: LET'S MARCH FOR WELLNESS!

March is a month filled with significance, encompassing various global observances that shed light on crucial issues and celebrations. Among these International Women's day stands out as a time to reflect on the achievements and struggles of women throughout history. It's a period to honor the indelible mark they've left on society and to advocate for gender equality in all spheres of life.

Simultaneously, March hosts World Water Day, a pivotal event drawing attention to the critical importance of freshwater resources. With water scarcity becoming an increasingly pressing global concern, it's essential to recognize the disproportionate impact it often has on women and girls, who are frequently tasked with water collection in many regions worldwide. This internationalism underscores the need for gender-sensitive approaches to water management and conservation efforts.

World Water Day draws attention to the global water crisis, highlighting the alarming statistics of water scarcity and contamination affecting billions of people worldwide. It serves as a platform to raise awareness about the urgent need for sustainable water management practices.

The month of March, historically associated with the assassination of Julius Caesar, serve as a reminder of the unpredictability of fate and the need for vigilance in safeguarding rights and freedoms. This resonates strongly with the ongoing fight for gender equality, where progress can often be fragile and subject to reversal without sustained efforts and advocacy.

National Nutrition Month, observed in March in several countries, provides an opportunity to focus on promoting healthy eating habits and raising awareness about the importance of balanced nutrition. For women, access to nutritious food is not only vital for their own well-being but also for the health and development of their families and communities.

Earth Hour, observed on the last Saturday of March, invites individuals and communities to unite in the fight against climate change by symbolically turning off non-essential lights for one hour. The event highlights the interconnections of environmental sustainability and social justice, emphasizing the need to address gender disparities in climate change adaptation and easing efforts.Earth Hour encourages individuals and communities to go beyond the symbolic gesture of the event and take concrete actions to reduce their environmental impact throughout the year. It promotes lifestyle changes, such as reducing waste, conserving water, and supporting renewable energy initiatives, to create lasting positive change.

In essence, March serves as a reminder of the intertwined nature of gender equality, environmental conservation, and socioeconomic development. By recognizing and addressing the intersecting challenges faced by women, particularly regarding access to water, nutrition, and environmental resources, we can move closer to a more equitable and sustainable future for all.

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