• BARRING SOME PROGRESS IN ARGENTINA, GOVT'S FLAGSHIP OVERSEAS ACQUISITION VEHICLE KABIL HAS STRUGGLED TO MAKE A MARK

Why India is finding it difficult to buy critical mineral assets abroad, expand footprint

Pratyush Deep
New Delhi, August 17

INDIA'S EFFORTS to secure critical mineral assets overseas are facing a series of hurdles, ranging from high asset valuations, volatile mineral prices, financial constraints, to socio-political risks in resource-rich countries.

Incorporated in 2019, the government's flagship overseas acquisition vehicle, Khanij Bidesh India Ltd (KABIL) — a joint venture of National Aluminium Company Ltd, Hindustan Copper Ltd, and Mineral Exploration & Consultancy Ltd — is mandated to identify, explore and acquire overseas critical mineral assets to help meet India's growing demand for these strategic resources.

However, barring some progress in Argentina, KABIL has struggled to expand its overseas footprint in other mineral-rich countries, including Australia, Vietnam, Mali, and Chile, as proposed investments in critical mineral extraction projects have either stalled or fallen through.

In Argentina, KABIL has so far acquired five lithium brine blocks in Catamarca province. It is also evaluating seven additional greenfield lithium blocks in Catamarca and is in discussions for two more lithium projects in Jujuy province.

Lithium projects lost to POSCO

In December 2024, a consortium comprising KABIL, Coal India Ltd (CIL), Oil India Ltd (OIL), and ONGC Videsh Ltd (OVL) submitted a non-binding offer (NBO) of $184 million to acquire 10% equity stake each in the Mt Marion and Wodgina lithium mines in Australia. The proposed transaction involved acquiring a 20% stake in the holding company, Mineral Resources Ltd, which owned 50% stakes in both mines. After the process was reopened, the consortium submitted a revised NBO of $233 million in September 2025, seeking to acquire a 20% stake in each of the two

Proposed investments in critical mineral extraction projects have either stalled or fallen through. REUTERS

mines. This would have entailed acquiring a 40% stake in Mineral Resources Ltd.

But the assets were ultimately acquired by South Korean steel and chemical major POSCO, which paid $765 million for 15% stake each in the Wodgina and Mt Marion mines, equivalent to a 30% stake in Mineral Resources Ltd.

When a parliamentary panel, whose report was tabled in the Parliament on August 12, sought details from KABIL on the unsuccessful bid, the company outlined several key lessons from the failed attempt. These included the absence of a domestic value chain for spodumene concentrate, the end product of the Mt Marion and Wodgina projects, high volatility in lithium prices, significant variations in long-term spodumene concentrate price forecasts published by different market intelligence agencies, and the high valuation of assets amid intense competition for lithium projects.

KABIL also failed to submit a bid for a lithium brine project in Chile that involved a "high-value investment". The company had signed a non-disclosure agreement (NDA) for the project in October 2025 and was subsequently granted initial-stage access to the project's "data room". In its response to the parliamentary panel, KABIL said that given the scale of investment involved, it decided to pursue a joint bid with other public sector undertakings, including CIL, OIL, and OVL. "Due diligence by the partnering companies was initiated. Due to limited time period, bid could not be submitted," it said. In another case involving Chile's state-owne mining company ENAM KABIL had signed an NDA t evaluate potential business op portunities across the lithiu value chain, including explora tion, extraction, processin and commercialisation. How ever, KABIL decided to han over the opportunity to CIL, ci ing its "limited financial capa ity" and the investme requirements associated wi developing the five lithiu brine blocks it acquired in A gentina in January 2024.

Queries sent to KABIL an the Ministry of Mines remaine unanswered till press time.

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