

Lithium refining stocks in india

India will need to fill the refining gap to ensure its lithium finds can augment domestic electric vehicle battery manufacturing, according to industry analysts and experts. Refining capacities can take three years or more from the date of first finding lithium deposits before battery-grade compounds can be produced, they said.

In February, India made an official announcement of its first find of lithium inferred resources in Jammu and Kashmir. India's only widely-known plan for a lithium refinery unit, however, is still at the development stage. Industry experts remain hopeful the domestic find of the mineral may help change India's lithium-refining landscape. Processing and refining is crucial to move mineral finds up the value chain and produce required battery-grade compounds.

Martin Jackson, head of battery raw materials for CRU Group, a research-based consultancy firm, said it is possible for a lithium refining unit to be in production within two years of the start of construction. However, he added, "This is an overwhelmingly technical process, especially if the aim is to produce lithium chemicals destined for use in batteries. The Kwinana refinery in Australia started construction in October 2016 and only went into commercial production in November 2022, six years later." The Kwinana lithium refinery is Australia's first fully-automated lithium hydroxide processing plant which sources hard rock lithium and produces lithium hydroxide monohydrate or battery-grade lithium.

Somesh Kumar, partner, and power and utilities leader, EY India is hopeful the recent announcement of lithium find in India will spur interest and investments. He said, "I expect initial investment to go to battery manufacturing and recycling capacities. Till now the potential for mining of critical minerals required for batteries in India was limited but with recent lithium reserve finds, the market for mining and refining investments is also likely to see an upswing." Kumar expects it to take two to three years for refining capacity to come online from when the reserves were discovered.

To be sure, India has at least one lithium refinery plan under works. Manikaran Power, a power trading and renewable energy company, announced plans to set up a lithium refinery in India as early as 2019. The project aims to produce lithium hydroxide, an input for battery making. Except Manikaran, no other company has officially expressed plans or interest to add lithium-based refining capacities in India.

In its last public announcement at the start of 2022, Manikaran said it has entered into a memorandum of understanding (MoU) with the Gujarat government to set up the planned refinery at Mundra, to be developed in three to four years" time.

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Earlier in 2019, the company also entered into an MoU with the Perth, Australia-headquartered Neometals to

jointly fund the evaluation of developing this project in India. Details available in Neometals" annual report stated that the MoU with Manikaran was terminated in August 2021. The termination, the annual report said, was after a review undertaken due to Neometals" relinquishment of the Mt Marion spodumene offtake option. Mt Marion is a "hard rock lithium asset", according to the website of its owner Mineral Resources. It is located in Western Australia. Spodumene is a source of lithium and as per the earlier signed MoU, among other things, Neometals was to explore supply of spodumene concentrates to the India project.

An email query to Manikaran Power requesting updates on the refinery development remained unanswered.

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