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Canada's Enervoxa plans India rare earths project, may tie up with Vedanta, Hindalco, NALCO

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Synopsis
Canadian climate technology company Enervoxa plans to partner with Vedanta, Hindalco and NALCO to build a rare earth processing plant in India using aluminium waste, or red mud. The project aims to strengthen India's rare earth processing capabilities, reduce reliance on China and support the country's critical minerals supply chain.

Enervoxa eyes India's rare earth opportunity with Vedanta, Hindalco and NALCO

NEW DELHI: Canadian climate technology developer Enervoxa plans talks with India's Vedanta, Hindalco Industries and state-run NALCO as it looks to set up a processing plant in the country to extract rare earths from a waste byproduct of aluminium production.

A commercial-scale plant would cost around $250 million to $350 million and could be financed through a combination of strategic equity and project financing, Enervoxa Chief Executive Vandit Verma told Reuters. The company is looking at potential locations in eastern India for the project, he said.

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Recovering rare earth concentrates from bauxite residue - a byproduct of aluminium production known as red mud - is a relatively new commercial application that has gained momentum amid growing geopolitical concerns over China's dominance of rare earth processing.

Rare earth elements are essential to technologies spanning mobile phones, electric vehicle motors and defence applications such as cruise missiles.

India holds substantial rare earth reserves but lacks industrial-scale facilities capable of processing the minerals to high purity levels. The country is also the world's second-largest aluminium producer and its third-biggest consumer.

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Enervoxa has spent eight years developing its own process to recover rare earths from red mud, Verma said in an interview on Wednesday.

In addition to aluminium producers, Enervoxa plans to approach engineering companies, steel manufacturers and critical minerals processing companies to develop an integrated value chain for the products recoverable from red mud, which also include iron oxide, coagulants, pigments and titanium-bearing materials.

The company also plans to seek Indian government assistance, Verma said.

India's Jawaharlal Nehru Aluminium Research Development and Design Centre, along with other stakeholders under government think tank NITI Aayog, is conducting research into metal extraction and rare earth element enrichment from red mud, the government said last year.

Enervoxa's project could involve either full processing of red mud within India or production of a rare earth concentrate for refining at a dedicated downstream facility, Verma said.

The company is currently focused on evaluating commercial opportunities with companies in India, North America, Southeast Asia and other alumina-producing regions, he said.

(Reporting by Neha Arora; Editing by Mayank Bhardwaj and Kevin Buckland)

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