Early Warning System

IFC-49112

Rincon Lithium

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Quick Facts

Countries	Argentina
Specific Location	Salar del Rincón; Los Andes department, province of Salta, in the Puna Region
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	A
Voting Date	2025-12-09
Borrower	Rincon Mining Pty Ltd
Sectors	Mining
Potential Rights Impacts	Cultural Rights, Healthy Environment, Indigenous Peoples, Marginalized Groups
Investment Type(s)	Loan
Investment Amount (USD)	$ 400.00 million
Loan Amount (USD)	$ 400.00 million
Project Cost (USD)	$ 2,500.00 million

Project Description

According to the information available on the project disclosure page, IFC is considering a loan to support the construction and operation of the Salar del Rincon Project (the Project), a greenfield ~53ktpa battery-grade lithium carbonate mine to be developed in the Salar del Rincón (the “Salar”), a salt pan located in the province of Salta, in the Puna Region of Argentina, by Rio Tinto (the “Sponsor”). The sponsor will implement the project through its wholly owned indirect subsidiary, Rincon Mining Pty (“Rincon” or the “Borrower”).

The project is located at approximately 3,725 meters above sea level, in the hydrographic basin of the Salar del Rincón, in the Los Andes department, in the province of Salta, and covers a total of 829 km2. The project is located approximately 150 km west of San Antonio de los Cobres (departmental capital) and 270 km from the city of Salta (provincial capital). Catua (approximately 750 inhabitants) is the closest residential area to the project (approximately 17 km to the northwest) and is in the department of Susques, province of Jujuy. Within the province of Salta, the nearest residential areas are Olacapato (approximately 300 inhabitants), approximately 56 km west of the project, and Salar de Pocitos Station (approximately 70 inhabitants), 46 km south of the project. In addition, there are 153 identified dispersed rural dwellings or hamlets (puestos), 34 of which are within the area of influence of the project, with only 23 known to be actively used, (within the territories of Catua, Estación Salar de Pocitos, and Olacapato). The project is located close to International Route 51, which leads from Salta City to the Sico Pass to Chile (to the west).

The Salar del Rincón basin is in the Central Andean dry puna ecoregion (WWF), within a Legally Protected Area (LPA), Los Andes Nature Wildlife Reserve (IUCN cat VI). The project area is characterized by a salar nucleus situated at the centre of the basin, surrounded by extensive alluvial fans, colluvial deposits, and low-permeability bedrock. Precipitation is highly seasonal, and evaporation rates significantly exceed precipitation. The Rincón basin functions as a hydrological endorheic system, with groundwater recharge approximately balanced by evaporation losses and absence of surface water outflows.

It is proposed that wellfields will be installed in the salar and in the Catua Alluvial Fan to abstract lithium-bearing brine from aquifers in the salar's closed basin and raw (brackish) water, respectively. Spent brine will be managed utilizing a Spent Brine Disposal Facility (SBDF), where the spent brine will either naturally evaporate or infiltrate into the underlying sediments. The extracted brine will be processed by an ion adsorption technique (generically known as direct lithium extraction or ‘DLE’) to remove lithium for further concentration, leading to the lithium carbonate (LC) product.

The project is expected to have a mine life of at least 40 years, through the installation of two production plants (stages 1 and 2) of 25 thousand tonnes per year (ktpa) each, with a final production capacity of 50 ktpa in a single manufacturing complex. The main mine components include a wellfield and brine distribution system, production plant(s), SBDF, filtered waste storage facilities (FWSF), overhead transmission lines (‘OHTL’, two 23 km, 33 kV lines), and ancillary infrastructure (workers camp, administration and support buildings, etc.).
Existing infrastructure includes a 3000 ktpa LC projection-scale pilot plant (“Rincon 3000”) and airstrip, internal roads, and other facilities. The project's development is planned to follow a staged approach (stage 1 & stage 2), targeted to start production approximately one year apart.

Early works related to Stage 1 construction commenced in Q3 2025, and first production is expected by Q1 2028. Stage 2 construction is targeted for mid-2027 and will start production in Q1 2029.

Early Warning System Project Analysis

Communities in the Salta region, where the Rincon Lithium project is located, have actively opposed lithium mining due to its environmental and social impacts. Indigenous and local groups have rejected lithium extraction projects, citing risks to water resources, ecosystems, and human rights (Business & Human Rights Resource Centre). Research shows that many of the region's Indigenous communities are "fiercely opposed" to mining in the region, given their dependence on fragile salt-flat ecosystems (Mongabay). Communities have also filed legal challenges to halt lithium expansion, raising concerns over water depletion, lack of transparency, and inadequate consultation. Evidence from across the Andean salt flats further shows that lithium extraction has already affected access to water, traditional livelihoods, and Indigenous rights, with communities fearing long-term environmental damage and potential displacement.

Rio Tinto has been linked to significant environmental harm and risks to human rights defenders. At the Panguna mine in Papua New Guinea, communities report long-term water contamination and livelihood loss (https://www.hrlc.org.au/projects/bougainville-communities-human-rights-complaint-against-rio-tinto/), while at the QMM mine in Madagascar, protests over pollution have been met with arrests and repression (https://www.business-humanrights.org/en/latest-news/human-rights-defenders-raising-concerns-about-pollution-at-rio-tinto-qmm-mine-experience-violence-imprisonment-incl-co-responses-and-civil-society-rejoinders/). Activists opposing its projects, including in Serbia, have also reported threats and intimidation (https://www.theguardian.com/business/article/2024/aug/22/activist-serbia-rio-tinto-lithium-mining-environment-death-threats), highlighting ongoing security risks.

People Affected By This Project

The Rincon Lithium project in Salta province, Argentina, is located within the territories and areas of traditional use of Indigenous communities, including Catua, Olacapato, and Salar de Pocitos, whose members belong to Indigenous groups such as the Atacama and Kolla peoples. These communities maintain longstanding cultural, spiritual, and livelihood ties to the salt flats, wetlands, and surrounding lands, relying on local water systems for pastoralism and subsistence activities.

Project disclosures confirm that lithium extraction for this project will involve large-scale brine and freshwater withdrawal in a fragile, closed-basin ecosystem, creating risks of groundwater depletion and impacts on wetlands and community water sources.

Investment Description

- International Finance Corporation (IFC)

As stated by the IFC, the Project cost is estimated at ~US$2.5 billion. It will be financed using a combination of debt and equity. The proposed IFC investment comprises an A Loan of up to US$400 million, and the remaining debt requirements will be mobilized through parallel loans.

Private Actors Description

As stated by the IFC, the Project is being developed by Rincon Mining Pty Limited – Argentina Branch (the “Borrower”), which is incorporated in Argentina. Rincon Mining Pty Limited is a wholly owned, indirect subsidiary of Rio Tinto PLC, the Sponsor. Rio Tinto is a leading global metals and mining company headquartered in the United Kingdom with operations in 35 countries. Rio Tinto (https://www.riotinto.com/) is dually listed on the London Stock Exchange (LSE:RIO) and Australian Securities Exchange (ASX:RIO).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Rio Tinto PLC	Client	Mining

Contact Information

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Bank Documents

- Assessment of Brine and Water Resources
- Environmental Management Plan for Construction
- Estudio de Impacto Ambiental y Social- Power Supply.
- Evaluación Complementaria de Riesgos e Impactos Socioeconómicos a Población Dispersa y Comunidades I
- Final Critical Habitat Assessment
- Final Disclosure Summary
- Plan de Relacionamiento Comunitario y Grupo de Interés
- Plan Manejo Puesteros (preliminar)
- Rincon Conceptual Mine Closure Plan

Campaign Documents

- Business and Human Rights Resource Center: Argentina: Río Tinto explotará litio en salta a pesar del
- Business and human rights resource centre: Empresa minera expulsada de Serbia explotará litio en Sal

Media

- La minera de litio más grande del país defendió su principal proyecto ante pueblos originarios en Sa
- Olacapato: se desarrolló la audiencia pública por el proyecto Rincón Litio

Other Related Projects

- IDBI-15258-01 Rincon: Lithium Greenfield Project in Argentina