THE CRITICAL ISSUE #1

JULY 2023 NEWSLETTER

Critical Minerals Association
United States of America

JULY 2023 ISSUE OVERVIEW

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Would you like to feature in a future edition?
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ASSOCIATION UPDATES

A note from CMA USA's Founder & Chief Executive Officer, Wilfredo A. Reyes.

"During our CMA USA rollout in Q1-2023, we envisioned enabling Made-in-America supply chains through the integration of CMA USA's three key pillars we have labelled as “E3”: Educate, Empower and Enable.

Educate: Showcasing collaborations with industry stakeholders is part of a concerted strategy to educate both the private and public sectors about the importance and relevance critical minerals play in securing a robust and reliable domestic supply chain.

Empower: Provide members with a comprehensive level playing field to lead the implementation of transparency, ethical and responsible practices for the industry and its respective sectors to meet our net zero commitments and overall sustainable circular economy.

Enable: Facilitate strategic navigation of available opportunities and programs for our members at all levels, including but without being limited to local, state and federal governments.

Wilfredo A. Reyes
Founder & Chief Executive Officer
Critical Minerals Association USA

During Q1 and Q2 of 2023, CMA USA was able to actively represent its members and supporters at the following events:

February 2023
- Mines & Money Miami, USA

April 2023
- PDAC, Toronto, Canada
- Mines & Money Connect, London, UK

May 2023
- Select USA Investment Summit, Washington D.C.
- World Association of Mining Lawyers Conference, Cologne, Germany

June 2023
- Benchmark Battery Gigafactories USA 2023 Conference, Washington D.C.
- Project Blue Critical Minerals Forum, New York
- Benchmark & Bloomberg, New York

UPCOMING EVENTS

The **International Molybdenum Association's 35th Annual General Meeting** is taking place between 3-8 September in Santiago, Chile. Wilfredo is excited to be taking part in a panel discussion focusing on whether molybdenum is a critical / strategic metal. Learn more about the IMOA here.

We hope to see you soon at the **Future of Mining Americas 2023** taking place on the 25th to 26th September in Denver, Colorado. Find out more about the event here. Don't miss Wilfredo's keynote!

POLITICAL & GEOPOLITICAL HIGHLIGHTS

Peters introduces bipartisan legislation to push DoD away to break free from China's grip

Sen. Gary Peters, D-Bloomfield Township, introduced bipartisan legislation Tuesday to push the Defense Department to separate federal critical mineral supply chains from China.

The bill, co-sponsored by Republican Sens. Mitt Romney of Utah and Dan Sullivan of Alaska, would direct the Department of Defense to develop a strategy for defense supply chains that aren't dependent on mining or processing critical minerals by China, Russia, "or other geostrategic competitors or adversaries," according to a press release.

"The Department of Defense should not be dependent on foreign adversaries like China for resources needed to make equipment and ammunition that are essential to our combat readiness and warfare capabilities," Peters said in a statement.

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Court leans toward Bureau of Land Management in lithium mine fight

A federal appeals court appeared likely to uphold the Interior Department's authorization for the massive Thacker Pass lithium mine in northern Nevada.

During oral arguments Tuesday, the 9th U.S. Circuit Court of Appeals seemed skeptical of claims that a lower bench should have tossed out the Bureau of Land Management's approval of the mine, which could become a key source of the critical mineral needed for a rapid increase in electric battery production.

Read on here...

The Atlantic Declaration: A framework for a twenty-first century U.S.-UK economic partnership

The United States and the United Kingdom announced the Atlantic Declaration for a Twenty-First Century U.S.-UK Economic Partnership to ensure that our unique alliance is adapted, reinforced, and reimagined for the challenges of this moment.

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The EU moves forward with Critical Minerals Agreement negotiations with the US

The European Commission has adopted its negotiating directives for a Critical Minerals Agreement (CMA) with the United States. The objective is to foster EU-US supply chains in critical raw materials needed in the production of electric vehicle batteries. In 2022 alone, the EU exported €8.3 billion worth of critical raw materials relevant to this industry.

Concluding an EU-US CMA will ensure that as an ally, the EU is granted a status equivalent to US free trade agreement partners pursuant to the US Inflation Reduction Act. EU firms will then be able to compete on a level playing field with US and third country competitors on the US market, such as Chile, the Republic of Korea, and Japan.

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India lists 30 critical minerals in clean energy push

The Indian Government said on Wednesday that it had listed 30 minerals, including nickel, titanium, vanadium and tungsten as critical to drive its clean energy push.
The federal government had previously listed 12 strategic minerals, including lithium - a critical raw material for electric vehicle batteries. Lithium reserves were discovered earlier this year in the federally administered region of Jammu and Kashmir.

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Namibia had no power to cancel Chinese miner's licence, court rules

Namibia's mines minister did not have the power to cancel a Chinese lithium miner's licence and should have approached the courts to revoke it, a judge ruled on Tuesday.

Lithium miner Xinfeng took Namibia's mines minister Tom Alweendo to court after he cancelled the company's mining licence in April and ordered it to stop operations by May 31. The minister accused the company of obtaining the licence after a flawed application process.

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EU signs MoU on critical raw materials with Argentina

The EU and Argentina have committed to developing an operational roadmap within six months of the signature of the Memorandum of Understanding.
President of the European Commission, Ursula von der Leyen, said, "I am glad to sign this partnership between the EU and Argentina for the development of sustainable raw materials value chains.

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Why is China blocking graphite exports to Sweden?

In early 2020 Swedish battery-makers noticed something alarming. Their Chinese suppliers were no longer able to sell them graphite, a mineral crucial to the production of lithium-ion cells. The Swedes assumed the problem would pass. Yet three years on, as Chinese investments in the battery industry have surged in Europe, Swedish firms are still largely cut off. In 2020 China's exports to Sweden of two types of graphite nearly disappeared. In 2021 and 2022 they vanished completely.

Although China's commerce ministry has issued no formal ban, many Chinese graphite exporters face a prohibition in all but name. One company was told that licences to export graphite to Sweden were no longer being issued by Chinese regulators. Given that China supplies more than 60% of the world's natural graphite and almost all the man-made version, the situation alarms producers that rely on China for the graphite anodes used in their cells.

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Miles apart: U.S. and Europe diverge on Chinese EVs

"The U.S. has not outright hung up a 'Do Not Invest' sign, but we have made it clear we are anxious about Chinese car companies," said Scott Kennedy, an expert in Chinese economic policy at Washington's Center for Strategic and International Studies. "Europe has been much less interventionist and more supportive."

The U.S. imposes a stiff 27.5 percent tariff for Chinese-made cars — put in place during Donald Trump's presidency — and has buttressed that with the protectionist tax credits of President Joe Biden's Inflation Reduction Act, which put a premium on car and battery production in North America. In addition, hostility toward Beijing from leaders in both political parties would make it difficult for Chinese carmakers to penetrate the U.S. market, at least openly.

Meanwhile, Europe's moves have, intentionally or not, provided a strategic opening for China's startup car brands. The bloc's tariffs on imported cars are only 10 percent, and European national subsidies for electric vehicles apply to imports as well as domestically made cars and trucks.

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INDUSTRY HIGHLIGHTS

Mining the Moon to lift off within ten years — NASA

The US space agency (NASA) is looking to operate a pilot processing plant for lunar resources by 2032, as part of its planned Artemis missions, which will also take the first woman and first person of colour to the Earth's natural satellite.

Read on here...

GM and Element 25 to expand U.S. EV supply chain with domestic manganese sulfate production

General Motors Co. and Element 25 Limited announced an agreement for Element 25 to supply up to 32,500 metric tons of manganese sulfate annually to support the annual production of more than 1 million GM EVs in North America.

Under the agreement, GM will provide Element 25 with a US$85 million loan to partially fund the construction of a new facility in the state of Louisiana for production of battery-grade manganese sulfate — a key component in lithium-ion battery cathodes — starting in 2025. Element 25 will produce manganese sulfate at the facility by processing manganese concentrate from its mining operations in Australia. It is expected to be the first facility of its kind in the United States.

Read on here...

EV metals will come from dead batteries at new US plant

A new US plant will soon offer a solution for tight supplies of critical metals: Pull them out of dead batteries in a process that produces fewer emissions than competitors.

Recycling startup Nth Cycle is opening its first full-scale plant in Fairfield, Ohio, to produce a mix of nickel and cobalt — key ingredients of the lithium-ion batteries that power smart phones and electric vehicles.

The company will hold a “sneak peak” of the plant for members of the community Monday, with full commissioning planned this fall, said Chief Executive Officer Megan O’Connor. The company hasn’t disclosed a precise cost for the plant, but says it’s investing $25 million to $30 million in the facility.

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INTERNATIONAL HIGHLIGHTS

Who will benefit from Australia's critical minerals strategy?

Critical mineral projects will be favoured for federal government loans under its new critical minerals strategy, but there are to be no tailored tax breaks. Nor are there any plans to make downstream processing a condition of mining or export approvals.
The strategy, released this week by Resources Minister Madeleine King, is more a description of what the government is doing than a charter for a bold new direction.

The government hopes that its provision of base funding for critical minerals projects will attract larger flows of private-sector investment. [...]

The fact that only nine loans have consumed what must be a material share of the potentially available funding highlights the limits of this approach. The strategy paper mentions that there are 81 'major critical minerals' projects underway, with an estimated value of between $30 billion and $42 billion. The Australian Securities Exchange has 87 lithium companies on its list worth $50 billion (excluding Rio Tinto) and 38 rare earths companies worth a combined $16 billion. Plainly, only a lucky handful will get a government loan. It is at risk of becoming a lottery.

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Germany eyes critical materials fund of as much as $1.1 billion

Germany plans to set up a state fund worth between €500 million and €1 billion ($546 million to $1.1 billion) to support the mining of raw materials critical to accelerate the country's green transition, Economy Minister Robert Habeck said.

The amount is around half that previously being considered, however, reflecting new spending constraints as the government tries to slash its budget for next year. People familiar with the matter told Bloomberg in April it could total as much as €2 billion.

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POSCO and CNGR to construct battery materials plant in South Korea

The two companies have agreed to invest 1.5Tn Won (US$1.2Bn) in nickel sulphate and precursor facilities.

[...] The joint ventures will start construction of the plants during Q4 2023 with full production expected by 2026. POSCO stated that the material will be sufficient for up to 1.2M EVs.

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TOO CRITICAL TO MISS EVENTS 2023

JULY

Benchmark Minerals Intelligence | The Black Box of Black Mass: Understanding Battery Recycling | Online | 27 July 2023

- Register here

SEPTEMBER

REPM 2023 | 27th International Workshop on Rare Earths and Future Permanent Magnets | Birmingham, UK | 3-7 Sept 2023

- Register here

Future of Mining Americas | Denver, USA | 24-25 Sept 2023

- Register here

International Molybdenum Association's 35th Annual General Meeting* | Santiago, Chile | 3-8 Sept 2023

*Special collaboration with IMOA to expand on the future potential inclusion of molybdenum in the USA critical minerals list.

OCTOBER

FT Live | Mining Summit 2023 | London, UK | 5-6 Oct 2023

- Register here

19th International Rare Earths Conference | San Antonio, USA | 18-20 Oct 2023

- Register here

121 Mining Investment | 23-24 Oct 2023 | New York, USA

- Register here

IMARC | Sydney, Australia | 31 Oct - 2 Nov 2023

- Register here

NOVEMBER

Benchmark Week 2023 | Enabling the Most Critical Decisions of the Energy Transition | Los Angeles, USA | 14-16 Nov 2023

- Register here

Mines & Money | Resourcing Tomorrow | London, UK | 28-30 Nov 2023

- Register here

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