

A stylized graphic of the American flag, with the stars in the upper left and the stripes curving downwards and to the right, creating a sense of movement and depth.

THE CRITICAL ISSUE #9

**MARCH 2024
NEWSLETTER**



**Critical Minerals Association
USA**

MARCH 2024

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ASSOCIATION UPDATES



2024: What challenges lie ahead for the critical minerals sector?

Thomas Hale, Director of Public Affairs recently took part in a session with the CMIA, CMA (UK), CMA Australia, and C2M2A to discuss the challenges facing the U.S. critical minerals sector and the key themes we are likely to see in 2024.

The CMA USA had the pleasure of attending Mines & Money Miami.

Jeff Townsend, Founder & Director, participated in the keynote panel on 'how vertical integration in the critical mineral supply chain is reshaping the geopolitics of mining' alongside:

- Duncan Wood of The Wilson Centre,
- Amanda Van Dyke of ARCH Emerging Markets Partners,
- Erez Ichilov of Traxys,
- Gracelin Baskaran of Center for Strategic and International Studies and,
- Michael Fox of Prospector News.



WATCH THE RECORDING HERE

NAVIGATING INDUSTRY CHALLENGES

BUILDING RESPONSIBLE
DIVERSIFIED & SECURE
SUPPLY CHAINS

Logos: CMIA Critical Minerals International Alliance, CMA Critical Minerals, C2M2A

Portrait of a man in a suit and glasses.

POLITICAL & GEOPOLITICAL HIGHLIGHTS

China's Belt and Road mining investment hits record

A new report from Griffith Asia Institute, a unit of Australia's Griffith University, shows 10 years after the launch of China's Belt & Road Initiative (BRI) cumulative engagement tops \$1 trillion with about \$634 billion in construction contracts...

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EU, US to align global minerals push against China's supply grip

The US and the European Union are in talks to merge a core area of their efforts to engage suppliers of critical minerals in resource-rich nations, seeking to streamline their push against China's dominance in materials key for future technologies.

The aim is to combine the EU's high-level policy approach with the US focus on specific projects, according to people familiar with the discussions.

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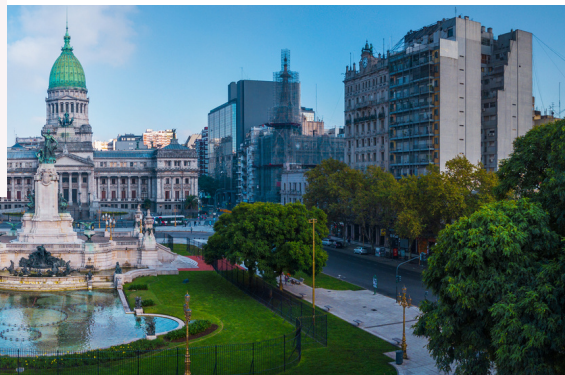
Argentina, US strengthen ties concerning critical minerals

The Argentine Chamber of Mining Companies (CAEM) and the United States Assistant Secretary of State for Western Hemisphere Affairs, Brian A. Nichols, met in Buenos Aires to discuss possible cooperation avenues when it comes to critical minerals.

"At the meeting, we discussed current events related to the mining industry and also how to foster a mutual collaboration for the growth and expansion of the mining sector, placing Argentina as a strategic actor," CAEM said in a media statement.

Since 2023, Argentina has been in conversations with President Joe Biden's administration regarding the possibility of signing a special cooperation deal for Argentine minerals

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U.S. to commit more funds to African rail link for metal exports

The United States will provide more funds for the construction of the Lobito Corridor, a rail link to export metals from Central Africa's Copperbelt, including a link for Zambia, US energy envoy Amos Hochstein said.

Washington has been supporting the project linking mineral-rich Democratic Republic of Congo (DRC) and Zambia to Lobito port in Angola. The link seeks to bypass logistics bottlenecks in South Africa that have held up copper and cobalt exports – metals vital to the energy transition away from fossil fuels.

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Biden-Harris Administration invests \$17 million to strengthen nation's critical minerals supply chain

As part of President Biden's Investing in America agenda, the U.S. Department of Energy (DOE) announced over \$17 million for three projects that will support the design and construction of facilities that produce rare earth elements and other critical minerals and materials from coal-based resources.

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U.S. bid to loosen China's grip on key metals for EVs is stalling

Insiders liken it to a “panic button.” And for more than 80 years, the primary job of the National Defense Stockpile has been to keep the US military supplied with essential raw materials and protect against supply shocks.

[..] In the first of a three-part series based on more than 40 interviews with industry executives, officials and politicians, Bloomberg has looked at Western efforts to create an alternative, China-free, global metals supply chain. The US in particular has been a hive of activity. Officials have rushed around the globe to negotiate deals with key allies, while behind the scenes US diplomats are cajoling Western miners to expand investment in the copper and cobalt-rich Democratic Republic of Congo, where China dominates production. The Biden administration also intends to team-up with the European Union to bolster efforts to gain some control over global supplies, while it funnels billions of dollars into projects to create a domestic mining and refining raw material supply chain.

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INDUSTRY HIGHLIGHTS

Court victory for Sandfire's Montana copper project

Copper developer Sandfire Resources America has been given the green light to proceed with the construction of its Black Butte project, after the Montana Supreme Court reversed a 2021 district court decision that invalidated the mining permit.

[..] The positive ruling, delivered with a 5-2 decision, supported the 2020 decision of the Montana Department of Environmental Quality (MT DEQ) to permit copper mining at the Black Butte project.

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Mandrake receives Bureau of Land Management permit for Utah lithium project

Mandrake Resources has received the required permitting from the US federal Bureau of Land Management (BLM) for the re-entry of two wells at the 379 km² Utah lithium project, in the Paradox basin.

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South32 to invest \$2.1 billion in Hermosa project in Arizona

South32 said that its Hermosa project in Arizona, currently the only advanced US mining project capable of producing two federally designated critical minerals (zinc and manganese), has received board approval for \$2.16 billion in funding to develop the zinc-lead-silver deposit.

This represents the largest private investment in southern Arizona's history, and the largest investment in the local Santa Cruz county economy to date by nearly nine times, the Australian miner said.

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NMG announces offtake agreement with GM for Canadian graphite

NMG and GM have agreed to sign a multiyear supply agreement for 18,000 tonnes per annum of active anode material, covering a significant portion of NMG's expected Phase-2 integrated production, from graphite ore to battery materials.

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INTERNATIONAL HIGHLIGHTS

Canadian miner plans \$1 billion nickel processing plant for EVs

Mining firm Canada Nickel Co Inc. plans to develop a nickel processing plant in Ontario that would cost \$1 billion and be North America's largest once completed.

The plant would have capacity to produce more than 80,000 tons of nickel annually, and should begin operations by the start of 2027 [..]. The company also plans to build a stainless steel and alloy production plant to process nickel and chromium concentrate, which would cost an additional \$2 billion, according to Chief Executive Officer Mark Selby.

The plans aim to fill a gap in North America's electric vehicle supply chain, which broadly lacks the infrastructure to process and refine key materials like nickel, copper and lithium. The vast majority of metals that are extracted from mines in the region are shipped to China for processing, before returning to North America for domestic auto manufacturers.

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GM to spend \$19 billion through 2035 to source EV battery materials from LG Chem

General Motors plans to spend \$19 billion over roughly the next decade through a new supplier deal to source critical materials for use in electric vehicle batteries from LG Chem [..].

The long-term supplier contract will see LG Chem supply GM with more than 500,000 tons of cathode materials — including nickel, cobalt, manganese and aluminum — from 2026 through 2035, the South Korean supplier said in a release.

[..] The cathode materials from an LG plant that's currently under construction in Tennessee will supply GM's joint venture battery cell plants in North America, including three joint venture plants with an LG spinoff called Ultium Cells.

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IEA to launch security program for minerals critical to energy sector

The International Energy Agency is launching a program to secure the supply of minerals critical to energy security, as demand rises fast while manufacturing remains in the hands of a few key producers, its executive director said on Tuesday.

Fatih Birol said the production of electric cars, solar panels and other energy equipment requires a steady supply of minerals such as lithium, cobalt and copper.

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EU signs MoU with Rwanda over critical materials

The Memorandum of Understanding focuses on close cooperation with Rwanda and aims to “nurture sustainable and resilient value chains for critical raw materials”. Following similar signatures with other African nations including the Democratic Republic of the Congo (DRC), and Republic of Zambia at the Global Gateway Forum on 26 October 2023, and with Namibia on 8 November 2022, the EU now adds an MoU with Rwanda.

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Chinese money still chasing Canadian critical mining deals despite Ottawa's scrutiny

A year after Canada tightened foreign investment rules for the critical minerals sector, Chinese money has continued to pour into Toronto-listed miners, according to proprietary research conducted by the University of Alberta.

[..] Canada had forced three Chinese investors to sell their stakes in Canadian critical mineral companies in 2022. Some of these companies did not have their mines in Canada. In October 2022, the government added an extra layer of scrutiny for inbound deals in critical minerals.

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Iluka confirms cost blowout at Australian rare earths refinery

Critical minerals company Iluka Resources [...] confirmed a major cost overrun at its Eneabba rare earths refinery, stating that the project would cost between A\$1.7-billion and A\$1.8-billion.

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Opinion

The Foreign Entity of Concern Rules: A Double-Edged Sword

Should the FEOC rules prove effective, the Biden administration is steering towards permanently dividing the global electric vehicle (EV) battery supply chain and deepening the schism between the world's top two economies. It is doing so with the best of intentions, but is it a risk worth taking?

After the fall of the Berlin Wall and the so-called 'end of history', the U.S. cashed in its peace dividend and the era of globalization began. Over the course of the next three decades, the U.S. outsourced manufacturing capacity, with growth in the sector slowing from 4.9 percent in the 1990s to 1.4 percent over the last two decades.

Simultaneously, the U.S. has managed domestic and international terrorist threats, engaged in wars overseas, and navigated a global financial crisis in 2008. Its failure to invest in clean energy technologies is partly a reflection of these facts. China took the lead, not least in the manufacturing of EV batteries, which Chinese companies CATL and BYD are projected to dominate for years to come.

But this is all about to change. In one of the most ambitious industrial revitalization efforts since the aftermath of World War II, through initiatives like the Inflation Reduction Act (IRA), Bipartisan Infrastructure Bill (BIL), and the CHIPS and Science Act, the U.S. aims to reignite economic growth, bolster job creation, and enhance domestic manufacturing capabilities. These laws offer substantial incentives to spur the adoption of cleaner technologies and align with climate objectives outlined in the Paris Agreement, which President Biden re-joined the moment he took office.

The suite of legislation also aims to address the geopolitical challenges posed by China's dominance of the supply chains for clean energy, artificial intelligence, quantum computing, and defense-related technologies. The urgency of these measures is underscored by China's rampant and evolving presence across critical mineral supply chains, particularly in the Global South.

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The article has been written by Lachlan Nieboer, CEO, Bedford Analysis for the CMA USA.

CONFERENCE CALENDAR 2024

MAY



3 - 6 Mar
Pasadena, USA

OCTOBER



29 - 31 Oct
Sydney, Australia

JUNE



11 - 12 Jun
Washington DC, USA

DECEMBER



23 - 26 Jun
Maryland, USA

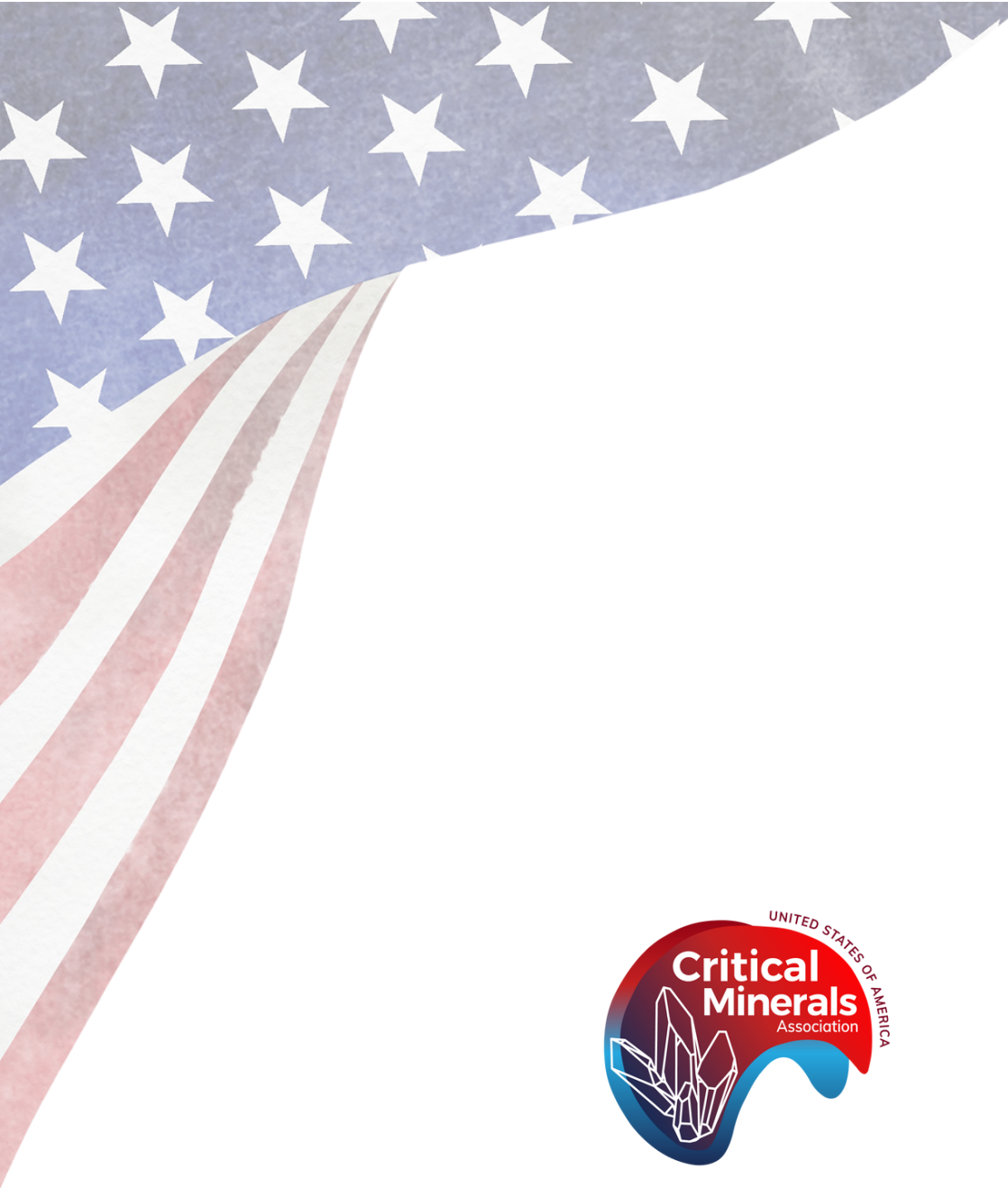


3 - 5 Dec
London, UK

SEPTEMBER

FT LIVE

26 - 27 Sept
London, UK



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