Biden, the Chinese raw material hunt and the ‘massive’ monazite results of Appia Rare Earths & Uranium

written by InvestorNews | October 15, 2021

While the Biden Administration fixates on solving the port problem in the United States, China continues to dominate the Western world’s supplies of, when it comes to the bigger picture, critical metals and materials. Literally, at the same time the US government is trying to focus on the issues right in front of it that may disrupt Christmas (*heaven forbid*), Chinese companies continue to seek out and lock up more of the raw materials that will drive the future. In just the last few days, Zijin Mining Group Co., Ltd. launched a C$960 million takeover bid for Canadian domiciled Neo Lithium Corp. (TSXV: NLC | OTCQX: NTTHF), while Contemporary Amperex Technology Co. Limited (CATL), the world’s largest battery supplier and ironically already part owner of Neo Lithium, signed a battery supply deal with U.S. commercial EV maker, Electric Last Mile Solutions Inc. (NASDAQ: ELMS). Three weeks ago CATL made a C$377 million takeover bid for Canada’s Millennial Lithium Corp. (TSXV: ML). Zijin is no stranger to taking out Canadian mining companies having previously acquired Nevsun Resources (C$1.86 billion), Guyana Goldfields (C$323 million), and Continental Gold (C$1.4 billion), and those were just some of its Canadian targets.

From an investor’s perspective, I guess this takeover activity can be viewed as a good thing given that these Chinese entities are paying full value for their acquisitions. So you get your liquidity event and hopefully have made money to go off and find

the next possible target. But it is disappointing to see the West talk the talk about our greener future but not walk the walk as our leaders appear to be completely oblivious as to how we'll get there if we let China control all the raw materials. I will save that rant for another day. In the meantime let's have a look at a company that could tick the boxes for a potential acquisition by the Chinese.

Of late it seems the flavour of the day is lithium but that isn't the only critical material out there. The Chinese have long since cornered the market for rare earths but if no one is willing to stop them, or even slow them down, then why wouldn't they continue to acquire everything the world will let them. One Canadian junior mining company that could fit the bill is Appia Rare Earths & Uranium Corp. (CSE: API | OTCQB: APAAF), or perhaps you know it by its former name Appia Energy Corp. but that was so yesterday (today is literally the first day trading under its new name). Appia is a Canadian publicly-listed company in the uranium and rare earth element sectors and is currently in its largest exploration and diamond drilling program in the Company's history, focusing on delineating high grade critical rare earth elements, gallium, and uranium on its 100% owned Alces Lake property, as well as exploring for high-grade uranium, in the prolific Athabasca Basin, on its Loranger, North Wollaston, and Eastside properties. Appia has found some of the highest grade samples of neodymium rich monazite on its properties in Saskatchewan.

The Alces Lake discovery of an accessible extensive hard rock deposit of monazite is very important to the world's demand for magnet rare earths. This is because Appia's monazite is neodymium rich, which is the most desirable for the production of rare earth permanent magnets. Not only is it rich in neodymium (Nd) and praseodymium (Pr), but also contains 1% of xenotime, the best heavy rare earth bearing hard rock mineral.

The good news is that yesterday the Company announced it has discovered new and previously unknown occurrences of massive and semi-massive monazite in the Wilson North area of Alces Lake. A total of 27 drill holes (2,460 m) have been completed at the Wilson-Richard-Charles-Bell zones (WRCB), with at least 27 holes (2,360 m) remaining. In total the Company has completed 61 drill holes (4,575 m) including drilling at Biotite Lake (13 holes – 685 m), Danny (7 holes – 430 m) and Sweet Chili Heat (14 holes – 995 m) with monazite occurrences identified in each area. One drill continues to test the continuity and depth extent of the WRCB zones, while the other moves across the property, exploring new drill targets, named Diablo and Oldman River.

Source

With assays pending for all 61 holes drilled to date in the 2021 program, it's certainly exciting times for Appia. The Wilson North 21-WRC-015 drill hole showed monazite mineralization over 8.85 m from 15.74 m – 24.59 m. As noted above, three other locations also saw monazite occurrences. If the grades in this season's drill holes match the world class grades previously announced things could get very interesting very quickly. The Company is well funded to complete this season's drilling with plans to prepare an NI 43-101 report following the conclusion of the current exploration program later this year. With 107.6 million shares outstanding, the current market cap for Appia stands at roughly $82 million. That's chump change given what some of these Chinese companies are throwing around for quality assets.

Keep in mind that for the last few years China has been buying monazite concentrates, thrown off as residues from heavy mineral sands' mining, from all over the world including, until recently, from the USA! China bought 30,000 tonnes last year

from Rio Tinto in Southern Africa; and up to another 20,000 tons from Indonesia, Brazil. It is logical to assume that China would have a great interest in a higher grade neodymium rich monazite deposit than Lynas' Mt Weld especially since the Appia material has 1 percent xenotime, which is a higher grade of heavy rare earth rich, xenotime, than Lynas' deposits at Mt Weld.

Appia may be on the cusp of an exciting future.