

Critical Minerals Report: The Dog That Didn't Bark as Trump-Xi Punt Leaves Critical Minerals in Limbo

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The most consequential outcome of the latest Trump–Xi meeting was a non-event. With China's moratorium on critical minerals and processing-equipment exports set to lapse on November 10, the two leaders simply pushed the problem into January. On this week's Critical Minerals Report podcast, hosted by [Critical Minerals Institute](#) (CMI) Executive Director Tracy Hughes, CMI Co-Chair Melissa "Mel" Sanderson called it a classic case of the dog that didn't bark.

The punt leaves the industry exposed. U.S. prohibitions on Chinese sourcing still take effect in January, Sanderson noted, yet no alternative supply exists and Beijing has given no sign it will extend any compromise.

Jack Lifton, CMI's other co-chair, argued the market is watching the wrong variable. Rare earth producers outside China have relied on Chinese-built equipment for separation, metal and alloy production, and magnet manufacturing. Export of that equipment and its know-how is now prohibited outright, as is the hiring of Chinese technical advisors by foreign firms, whatever the deadline. "The big problem is equipment and technology, not raw materials," he said, describing a vulnerability built over 30 years of Western talk and financing with "no result."

Politics explains the timing. Sanderson read Trump's pre-summit trial balloons, on admitting Chinese cars to the U.S. market and

on Venezuelan oil, as leverage he chose not to spend, most likely to avoid a visible setback before next month's U.S. elections. Lifton pointed to the other side of the table: Xi faces his own reappointment at the March plenary and, in Lifton's view, may harden his stance in January to show his party he isn't being pushed around. "The big loser in all of this is us," he said.

Sanderson saw more room for restraint. Xi has eliminated any credible rival, she argued, and China is not ready for a full economic or military confrontation with a president whose instinct is to hit back hard. That unpredictability may temper Beijing's hand.

The sector's consolidation offered the fortnight's one substantive deal: Lynas Rare Earths Limited's (ASX: LYC | OTCQX: LYSDY, LYSCF) acquisition of Meteoric Resources Limited (ASX: MEI | OTCQB: METOF) and its Brazilian project. Lifton sees the logic, since Lynas lacks sufficient heavy rare earths in its own ore and Malaysia prefers its resources remain in Malaysian hands. But Brazil has little legacy engineering in rare earths, and Lynas, already spending heavily on capital equipment, must now finance a mine. The deal is good for Meteoric, he said; for Lynas, the question is capital.

Sanderson argued investors missed the strategic point: a "defensible supply chain" inside the U.S. sphere of influence, all the more valuable as Lynas' political difficulties in Malaysia intensify. When Lifton countered that, by his understanding, the U.S. had just closed its embassy in Brazil, she replied that her case rested on geography, not diplomatic warmth.

On technology, Sanderson, fresh from an [appearance](#) on Bloomberg's Wall Street Week, expects humanoids, robotics and AI

communications to reshape demand much as electrification elevated rare earths. Beyond the core four magnet elements (neodymium, praseodymium, dysprosium and terbium) and gallium's substitution for silicon in semiconductors, she flagged rubidium, which one expert told Hughes is essential for quantum computers to communicate, along with holmium and yttrium. Explorers, she suggested, should be assaying for them now. She also expects AI to sharpen exploration targeting and processing design.

Lifton is a skeptic. AI, in his view, is very fast computing over vast memory that compresses half a lifetime of literature review into milliseconds, but "it does not think." Sanderson's concern runs the other way: that frontier systems are acquiring something like a survival instinct and will outgrow the role of tool.

The week's headlines drew sharper verdicts. China's end of an 11-year tax break on lithium-ion EV batteries matters little in the U.S., Lifton said, where EV sales have stalled; Sanderson suggested it could spur work on alternative battery chemistries. Hancock Prospecting's \$680 million rare earths write-down drew a shrug. "Everybody can be wrong once in a while," said Sanderson, while Lifton called it a passing dent in Gina Rinehart's fortune of nearly \$40 billion.

On Washington's flurry of African mineral deals, Lifton reminded investors that federal capital targets military supply security, not shareholder returns, a textbook second-source strategy.

Sanderson saw a belated imitation of China's three-decade practice of acquiring assets in order to withhold them. Africa's infrastructure cannot support a rapid buildout, she noted, citing the still-unfinished Lobito Corridor, and Europe cannot match the U.S. checkbook.

Elmet's Pentagon-backed stake in a Vietnamese tungsten miner won Sanderson's approval; she recently toured the near-world-class site. Lifton was warier of sourcing on China's border and expects U.S. and Canadian juniors to revive North American tungsten output soon. Washington's \$7 billion commitment to Argentine minerals and energy projects fared worse. Lifton offered only a quip about still waiting for his own government-funded Rolls-Royce, and Sanderson called Argentina the region's perennial basket case and the bet "a reach."

China Rare Earth Group's talks to acquire Shenghe Resources, an MP Materials Corp. (NYSE: MP) shareholder, exposed what Sanderson called a strategic vulnerability Washington should have closed when it took equity in MP. Lifton noted the roughly 3% stake may not command a board seat, but argued that end-use disclosure rules already hand Chinese firms detailed intelligence on Western operations. "They're outsmarting us in capitalism," he said.

Sanderson's verdict on the fortnight: aside from Lynas, nothing materially advanced U.S. critical minerals independence. Lifton wondered whether the U.S. is even standing still. Japan, Lynas' principal backer, has spent about \$1 billion and built a complete rare earth permanent magnet supply chain, and is now invested in heavy rare earth production in France. The U.S., by his estimate, has spent roughly \$40 billion and "achieved a lot of talking points."

Asked whether Washington ever learns from its allies' successes, Sanderson delivered the episode's sharpest line: the mood there favors emulating no one, "except perhaps China."

To watch or listen to the complete Critical Minerals Report Podcast featuring Tracy Hughes, Jack Lifton and Melissa Sanderson, [click here](#).

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