

EV Bankruptcies and Delays: Another One Bites the Dust.

written by Peter Clausi | February 24, 2025

"Do you hear that iconic bassline? Bud a boom boom boom, ka boom boom boom daboom. And another one's gone, and another one's gone, another one bites the dust. The EV boom is no different from the boom and bust in the cannabis industry, or the boom and huge bust in all things internet in 2001. What made us think this time it would be different." – Peter Clausi, VP Capital Markets & Director [Silver Bullet Mines Corp.](#) (TSXV: SBMI | OTCQB: SBMCF) and Director, [Critical Minerals Institute](#) (CMI)

This time it was Nikola Corp. (NASDAQ: NKLA), an electric vehicle startup that wanted to dominate the heavy truck industry. The company struggled, especially after the conviction of its founder for fraud, but its death knell rang when it announced it had \$200 million in cash against over \$270 million in debt.

The company will pursue a court supervised liquidation of its assets.

Nikola is not the first battery manufacturer or EV company to go white side up. Imperium3 New York, Inc. went bankrupt in January 2025 after an inability to restructure its affairs and raise further capital.

Northvolt AB (Nasdaq Stockholm: NOLT) filed for bankruptcy in Texas in November 2025, although Quebec officials indicated that a subsidiary would continue with a battery manufacturing plant in that province. That subsidiary appears to have sufficient operating capital for 18 months, so watch for that one to struggle in the early part of 2026.

Electric Power Holdings styled itself as a provider of energy storage and management solutions. It filed for bankruptcy on May 3rd, 2024. Its assets were liquidated for \$4.9 million dollars, against \$70 million of debt.

The list continues. Lordstown Motors Corp. (NASDAQ: RIDE) filed for bankruptcy in 2023. Electric Last Mile Solutions, Inc. (NASDAQ: ELMS) wanted to produce electric cargo vans but instead it produced another bankruptcy case. We could also discuss WM Motors, a Chinese EV company that went bankrupt in 2023, but nothing in China happens without the Chinese government's involvement, so that bankruptcy might be more of a political event than a business one.

Umicore (BRU: UMI) recently 'paused' construction of a \$2.7B battery metals plant in Ontario, citing a challenging EV market and unpredictable demand.

Ford Motor Company (NYSE: F), mighty Ford from Michigan, moved away from its \$1.8B plan to build EVs in Oakville, Ontario, and then announced delays in its plan with two South Korean partners to build a battery cathode factory in Quebec. In October 2024, Ford announced a complete withdrawal from its battery projects.

Stellantis N.V. (NYSE: STLA) has a battery plant in Brampton, Ontario, which has been idle since early 2024 in anticipation of a retooling for EV and hybrid Jeeps. Stellantis recently announced further delays in the retooling, citing a need to reassess strategy in a dynamic consumer market.

Back to Ford. Over the past two years Ford has lost over \$10B in its EV division, with every electric car costing it roughly \$34,000. That is not a sustainable business model.

This is not unique to Ford. General Motors Company (NYSE: GM) has lost roughly \$4.5B over the past 2 years in its EV division

as the volume of sales was insufficient to cover fixed costs.

And it's not unique to North America. Volkswagen AG (ETR: VOW3) has scaled back EV production due to reduced demand. As government subsidies trickle off, demand for EVs declines. Volkswagen also cancelled plans for a €2B Euro EV factory and has done the unthinkable by closing some plants in a restructuring.

One to watch over the next year or so is Rivian Automotive, Inc. (NASDAQ: RIVN), an EV manufacturer out of California. It had a strong Q4 2024, but one quarter does not make a company. Rivian is carrying a significant debt load in, as Stellantis N.V. (NYSE: STLA) put it, a dynamic consumer market. It will have to continue to reduce costs while increasing deliveries to chew into that debt load.

Finally, Tesla, Inc. (NASDAQ: TSLA). We've heard anecdotal evidence of Tesla owners showing their disdain for Elon Musk's behavior by selling their Teslas. This won't impact Tesla as the sale from Tesla has already been made, and with the car in circulation, there will still be a need for parts and service. What will impact Tesla is whether these current sellers will ever return to buying a Tesla from the company. What isn't yet known is whether those sellers went EV, hybrid, or combustion engines.

What does this all add up to? It's easy to say the enthusiasm for EVs and their batteries far exceeded the realities of consumer demand, and government attempts to attract manufacturers to their jurisdictions have not been a financial success outside of China. It also says that EVs cannot be successful in all parts of the world. They work wonderfully in dense urban communities; range fear and refueling challenges make them inappropriate for longer distances across more remote

areas. I can't imagine there being many drivers willing to make the 300-kilometre drive in an EV from Timmins to Sudbury in minus 20 C winter.

It also means that the anticipated demand for critical minerals may not be as immediate or as high as predicted. Fewer EVs being sold means fewer batteries being made, so less feedstock like lithium, nickel, cobalt, zinc, copper and rare earths would be needed.

Dr. Copper, for example, is widely predicted to have a 30-million-ton deficit as demand outstrips the rate of replacement for depleted mines. Large investments and M&A transactions have been taken in anticipation of that deficit, such as the \$5B joint venture announced in January 2025 between Anglo American and Codelco to develop two copper mines in Chile. But if the demand isn't there, the deficit will be much smaller or eliminated altogether, which means someone misjudged the true value in those transactions.

The same argument can be made for most of the other critical minerals projected to be in deficit. The future will show someone overpaid in M&A or financings related to them if the demand isn't there or the deficits are smaller than expected. Will that overpayer be large enough to absorb its mistake or will another one bite dust.