

Technology Metals Report (02.16.2024): Australia makes Nickel a 'Critical', Hastings Rare Earth Deal with Baotou, and Uranium Market Continues to Rise

written by Tracy Weslosky | February 16, 2024

Welcome to the latest issue of the Technology Metals Report (TMR), brought to you by the [Critical Minerals Institute](#) (CMI). In this edition, we compile the most impactful stories shared by our members over the past week, reflecting the dynamic and evolving nature of the critical minerals and technology metals industry. Among the key stories featured in this report are the Australian government's decision to classify nickel as a 'critical' mineral, entitling it to support from a significant stimulus fund, and the emerging competitive landscape in Africa as Western countries endeavor to reduce China's dominance in the critical minerals sector, particularly in cobalt production.

This week's report also highlights various strategic collaborations and developments, including Hastings Technology Metals Ltd.'s (ASX: HAS) offtake agreement with Baotou Sky Rock for the Yangibana Project, and the U.S. Department of Energy's funding allocation for projects aimed at extracting rare earth elements and critical minerals from coal-based resources. Furthermore, we cover the notable surge in uranium prices to a 17-year high and the strategic expansion plans by Energy Fuels Inc., alongside LG Energy Solution's efforts to secure lithium supply through a second agreement with WesCEF. Lastly, we touch

on the advancements in battery technology, such as the pilot production of battery-grade purified phosphoric acid by First Phosphate Corp. and the formation of the China All-Solid-State Battery Collaborative Innovation Platform (CASIP) by leading Chinese battery and automobile manufacturers, including CATL and BYD, aiming to propel the development of all-solid-state batteries.

Australia classifies nickel as a 'critical' mineral to protect ailing industry (February 16, 2024, [Source](#)) – The Australian government has recognized nickel as a critical mineral, making it eligible for support from a A\$6 billion stimulus fund due to concerns over the nickel industry's decline, exacerbated by a supply glut from Indonesia and falling EV demand. This move aims to protect thousands of jobs and key producers like IGO Limited (ASX: IGO) and BHP Group (ASX: BHP | NYSE: BHP) from the impacts of falling nickel prices, which have dropped 43% in the past year. BHP has announced a significant impairment charge on its Nickel West division, highlighting the industry's dire situation. The government's intervention, including potential low-interest loans and grants, is a response to the challenges posed by cheaper Indonesian nickel, driven by Chinese investment and a ban on nickel ore exports from Indonesia. This situation has led to reduced investment and operational suspensions in Australia's nickel sector, threatening its survival and the country's ambition to develop alternative supply chains to China.

West challenges China's critical minerals hold on Africa (February 16, 2024, [Source](#)) – In a significant development in the global minerals market, China's CMOC Group has surpassed Glencore PLC (LSE: GLEN) to become the leading producer of cobalt, primarily through its operations at the Kisanfu mine in the Democratic Republic of Congo. This surge in production has created one of the largest cobalt surpluses in recent years,

despite a drastic fall in cobalt prices. Western countries, recognizing the strategic importance of cobalt and other critical minerals for clean energy and military applications, are challenging China's dominance in Africa. They are particularly focused on the rich copper and cobalt reserves in the Copperbelt region, which spans Zambia and the Congo. Western entities, including companies backed by prominent investors like Bill Gates and Jeff Bezos, are venturing into this region, despite political and infrastructural challenges. The U.S. and other Western nations are supporting infrastructure and energy projects to facilitate mining and reduce logistical costs. Efforts to de-risk mining in the Copperbelt include upgrading rail lines and developing solar power projects. Meanwhile, the Congolese government is asserting more control over its mineral resources, revising deals with Chinese companies and aiming to formalize artisanal mining to secure a fairer share of the revenue from its mineral wealth. This marks a pivotal shift in the geopolitics of critical minerals, highlighting the strategic competition between the West and China over Africa's mineral resources.

Hastings And Baotou Sky Rock Sign Binding Term Sheet For Integrated Tolling And Offtake Arrangement (February 16, 2024, [Source](#)) – Hastings Technology Metals Ltd. (ASX: HAS) has entered into a binding term sheet with Baotou Sky Rock Rare Earth New Material Co., Ltd for an integrated tolling and offtake arrangement concerning the Yangibana Project's rare earth concentrate. This arrangement allows Hastings to toll treat its concentrate in China, transforming it into separated rare earth oxides, and sell them, improving Hastings' revenue and cash flows beyond previous models. The agreement, lasting seven years with a possible five-year extension, guarantees a minimum of 10,000tpa of concentrate processing. This deal complements Hastings' existing contract with thyssenkrupp and is part of

negotiations with other potential customers for further offtake agreements. The updated financial model reflecting this integrated approach will support the project's funding, showcasing significantly enhanced project economics, including a notable increase in post-tax NPV, IRR, and life of mine free cashflow, while reducing the capital payback period.

The Up and Coming Uranium Boom (February 15, 2024, [Source](#)) – In an interview with Hallgarten + Company's Christopher Ecclestone and the [Critical Minerals Institute](#)'s (CMI) Tracy Weslosky, the discussion centered around the uranium market's burgeoning prospects. Ecclestone expressed skepticism regarding the effectiveness of a US ban on Russian uranium, suggesting that Russian uranium could be rerouted through Kazakhstan. He highlighted the challenges Western countries might face in replacing Russian uranium sources. Ecclestone described the uranium market as vibrant, contrasting it with the stagnation in battery metals, and emphasized uranium's unique investment appeal. He advised investors to focus on proven assets from previous booms, cautioning against investing in new, unproven fields. Ecclestone also critiqued the hype around thorium and small modular nuclear reactors, advocating for their potential but also indicating a need for realism. Lastly, he mentioned Argentina and the Athabasca region as key areas for uranium investment, highlighting the importance of geographic and asset-based considerations in the uranium industry.

DOE Awards \$17M To Conduct FEED Studies for Production of Rare Earth Elements, Critical Minerals (February 15, 2024, [Source](#)) – The U.S. Department of Energy (DOE) is allocating over \$17 million to three projects for extracting rare earth elements and critical minerals from coal-based resources. Funded by the Bipartisan Infrastructure Law, this initiative aligns with President Biden's Investing in America agenda to diminish reliance on foreign critical minerals vital for clean energy

technologies, including solar panels and electric vehicles. Leveraging America's substantial coal reserves and waste, the projects aim to foster a self-reliant supply chain, enhance national security, support environmental sustainability, and create quality jobs. This strategic move towards utilizing domestic resources for critical mineral production underscores a significant push towards energy independence, aligning economic revitalization with clean energy advancements.

India to Capitalise on Coveted 'Critical Minerals Club' to Acquire Overseas Assets (February 15, 2024, [Source](#)) – India is strategically enhancing its position in the global critical minerals market by focusing on acquiring overseas assets through collaborations with Western countries and leveraging partnerships within the US-led Minerals Security Partnership (MSP). This international coalition aims to ensure reliable critical mineral supply chains amidst global disruptions. India, which joined the MSP in 2023, is encouraging public sector undertakings (PSUs) like Coal India Limited, NLC India Ltd., and NTPC Ltd. to secure strategic assets in lithium, cobalt, and graphite to bolster its green energy transition and manufacturing capabilities in electronics, including electric vehicles and semiconductors. Deals have been made, notably with Australia and countries in South America and Africa, to secure these essential materials. The initiative reflects India's ambition to become self-reliant in critical minerals crucial for the technology-driven world economy, particularly as it aims to accelerate its green energy transition and indigenous manufacturing.

Uranium Prices at a 17-Year High, Energy Fuels Rapidly Increases Uranium Production in 2024 (February 14, 2024, [Source](#)) – Uranium prices have surged to a 17-year high at \$106/lb, driven by reduced supply and increased demand, with [Energy Fuels Inc.](#) (NYSE American: UUUU | TSX: EFR) poised to benefit

significantly. The uranium market's optimism is further bolstered by a commitment from over 20 countries at COP28 to triple nuclear energy capacity by 2050, highlighting a significant shift towards nuclear energy to meet clean energy goals. Additionally, 118 governments have pledged to triple renewable energy capacity by 2030. Energy Fuels, the leading uranium producer in the USA, has initiated production at three mines, targeting a significant increase in uranium output to over 2 million lbs by 2025, alongside exploring additional production avenues. With uranium's strategic importance in the clean energy transition underscored, Energy Fuels is leveraging favorable market conditions and long-term growth prospects, underlined by its ambitious expansion and production plans.

LG Energy signs 2nd agreement with WesCEF to expand lithium supply (February 13, 2024, [Source](#)) – LG Energy Solution from South Korea and Wesfarmers Chemicals, Energy, and Fertilisers (WesCEF) from Australia have signed their second agreement to expand LG's lithium supply chain. WesCEF will supply LG with 85,000 tons of lithium concentrate, expected to yield about 11,000 tons of lithium hydroxide, sourced from the Mt. Holland project in Western Australia, set to start in early 2025. This agreement builds on a previous deal for 50,000 tons of lithium hydroxide in 2022. Additionally, LG Energy is focusing on expanding its presence in India's electric vehicle market, already leading in supplying battery cells to e-scooter makers. In 2023, LG secured a deal with Chile's SQM for 100,000 tons of lithium for seven years, highlighting its efforts to bolster its supply chain amidst increasing lithium demand for rechargeable batteries.

First Phosphate Corp. Completes Pilot Production of LFP Battery-Grade Purified Phosphoric Acid (February 13, 2024, [Source](#)) – [First Phosphate Corp.](#) (CSE: PHOS) announced the successful completion of a pilot project that converts high purity

phosphate concentrate into battery-grade purified phosphoric acid (PPA) for the lithium iron phosphate (LFP) battery industry. In collaboration with Prayon Technologies SA, the company has transformed phosphate concentrate into merchant grade phosphoric acid and then into PPA, conforming to food and battery-grade specifications. This achievement enables the production of LFP cathode active material and battery cells from a North American source of battery-grade PPA. First Phosphate aims to integrate its mining operations in Quebec, Canada, into the supply chains of LFP battery producers, emphasizing high purity, responsible production, and a low carbon footprint.

CATL, BYD, others unite in China for solid-state battery breakthrough (February 12, 2024, [Source](#)) – In a bold move to spearhead the electric vehicle (EV) revolution, China's leading battery and automobile manufacturers, including CATL and BYD, have joined forces under the government-led China All-Solid-State Battery Collaborative Innovation Platform (CASIP). Established in January, CASIP aims to commercialize all-solid-state batteries by 2030, enhancing EV performance with greater energy density and safety. This initiative, uniting industry rivals and leveraging AI technology, seeks to position China at the forefront of the next-generation battery technology, challenging current leaders like Japan and Western countries. With the participation of major companies and state support, China is poised to transform the EV market and maintain its global leadership in automotive battery innovation.

Investor.News Critical Minerals Media Coverage:

- February 15, 2024 – The Up and Coming Uranium Boom <https://bit.ly/3uAUdcv>
- February 14, 2024 – Uranium Prices at a 17-Year High, Energy Fuels Rapidly Increases Uranium Production in 2024 <https://bit.ly/48wVY8N>

Investor.News Critical Minerals Videos:

- February 13, 2024 – Tom Drivas on the 3 world-renowned rare earths experts on Appia's Critical Minerals Advisory Committee <https://bit.ly/49bVMNj>

Critical Minerals IN8.Pro Member News Releases:

- February 15, 2024 – First Phosphate and Integrals Power sign Joint Development Agreement to Produce Environmentally Compliant Battery Grade Iron III Phosphate Precursor for the LFP Battery Industry <https://bit.ly/3uDdslR>
- February 14, 2024 – Imperial Mining Announces Effective Date of New Trading Symbols after TSXV Approves of Name Change to Scandium Canada Ltd. <https://bit.ly/48hRyl0>
- February 13, 2024 – Western Uranium & Vanadium Mining Operations Update <https://bit.ly/4bvDKHr>
- February 13, 2024 – Donald Swartz, CEO American Rare Earths, to speak at “The Future Panel” <https://bit.ly/3UF2M05>
- February 13, 2024 – First Phosphate Corp. Completes Pilot Production of LFP Battery-Grade Purified Phosphoric Acid <https://bit.ly/3P51pF5>
- February 13, 2024 – Defense Metals Updates Metallurgical Test Work and Preliminary Feasibility Study Progress for its Wicheeda Rare Earth Elements Project <https://bit.ly/3HYiV9R>
- February 13, 2024 – Power Nickel extends resource mineralization at Nisk Main <https://bit.ly/49aJCE9>
- February 12, 2024 – F3 Hits 66.8% U3O8 over 0.5m within 42.4% over 2.0m at JR <https://bit.ly/3HUa60a>