Technology Metals Report (05.16.2025): Lynas Malaysia Ignites Heavy Rare Earth Breakthrough Amid Global Critical Minerals Shifts

written by Tracy Hughes | May 16, 2025

During the week ending 16 May 2025, Lynas Malaysia achieved a milestone by starting commercial production of separated heavy rare earths at its Kuantan plant—the first such output ever recorded outside China. The facility, located in the Gebeng Industrial Estate, has already produced dysprosium oxide and is scheduled to add terbium in June. Feedstock from the Mt Weld mine is processed through cracking, leaching, solvent-extraction and finishing circuits, positioning Malaysia as a new node in the global magnet-materials supply chain.

China's grip on critical minerals remained a central theme. On 15 May, Beijing suspended some trade sanctions against U.S. firms for 90 days but kept in place export blocks on seven strategic rare earth elements—samarium, gadolinium, terbium, dysprosium, lutetium, scandium and yttrium—citing national-security concerns. Even as that policy held, Chinese producer Shenghe Resources moved to expand overseas assets, unveiling a US $97 million cash bid for Australia's Peak Rare Earths (ASX: PEK) and its Ngualla deposit in Tanzania. Separately, MP Materials Corp. (NYSE: MP) signed a memorandum of understanding with Saudi Arabia's Maaden to develop a vertically integrated rare-earths supply chain in the kingdom.

In the United States, federal agencies and Congress advanced

domestic and allied sourcing initiatives. Ucore Rare Metals Inc. (TSXV: UCU | OTCQX: UURAF) secured a US $18.4 million agreement with the Department of Defense to build a commercial RapidSX™ separation module in Alexandria, Louisiana, with pilot technology transferring from Canada and initial output targeted for the second half of 2026. At a Senate Finance Committee hearing the same day, witnesses stressed that Canada's 34-mineral endowment is indispensable to U.S. diversification efforts, warning that import tariffs could undermine processing capacity. Meanwhile, the Department of the Interior invoked emergency procedures to fast-track the environmental review of Anfield Energy's (TSXV: AEC | OTCQB: ANLDF) Velvet-Wood uranium–vanadium project in Utah, aiming to complete the assessment in just 14 days.

Battery-material markets faced fresh uncertainty. The Democratic Republic of Congo, source of nearly three-quarters of global cobalt mine supply, indicated it may impose new export limits when its current four-month ban lapses, citing stubborn stockpiles and depressed prices. In Washington, an anti-dumping probe raised the prospect of tariffs as high as 920 percent on Chinese graphite, a move that sent Korean battery manufacturers scrambling to diversify toward projects in Mozambique and Tanzania. Against that backdrop, metals investor Cobalt Holdings announced plans for a US $230 million London IPO, earmarking most proceeds to purchase 6,000 tonnes of cobalt from Glencore.

Long-term supply concerns also featured prominently. The European Union's EIT RawMaterials called for more than €10 billion in the bloc's 2028-34 budget to meet statutory mining, recycling and processing thresholds for 34 strategic minerals. Ukraine reported it has completed domestic procedures for a minerals-co-operation pact with the United States, designed to channel post-war reconstruction capital and grant Washington preferential access to Ukrainian projects. In the copper market,

UNCTAD warned that demand could rise by over 40 percent by 2040, requiring at least 80 new mines and US $250 billion in investment, while a U.S. federal judge temporarily blocked the land exchange underpinning Rio Tinto and BHP's Resolution Copper project in Arizona. Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) rounded out the week by raising its 2025 uranium production forecast by 22 percent and accelerating plans to separate dysprosium and terbium at its White Mesa mill in Utah.

Lynas Malaysia starts production of separated heavy rare earths at Kuantan facility (May 16, 2025, Source) – Lynas Malaysia has begun producing separated heavy rare earths at its Kuantan facility, marking the first such commercial production outside China. The plant recently produced dysprosium oxide, with terbium production expected to start in June. Both elements are essential for high-performance magnets used in electric vehicles and advanced electronics. Located in the Gebeng Industrial Estate, the facility processes Mt Weld concentrate through cracking, leaching, solvent extraction, and finishing stages.

China keeps hold on rare earth metals after lifting some U.S. export curbs (May 15, 2025, Source) – China has temporarily paused export restrictions on 28 U.S. companies and lifted non-tariff measures on 17 entities from its "unreliable entity list" for 90 days following a trade truce with the U.S. However, it continues to block exports of seven critical rare earth elements—samarium, gadolinium, terbium, dysprosium, lutetium, scandium, and yttrium—which are vital to the U.S. defense, energy, and automotive sectors. These rare earth curbs were part of China's April 4 retaliation against U.S. tariffs. China's Commerce Ministry emphasized the need for comprehensive strategic mineral controls, citing national security concerns.

Ucore and US DOD Agree on US$18.4M Initial Construction Funding for Rare Earth Processing in Louisiana (May 14, 2025, Source) –

Ucore Rare Metals Inc. (TSXV: UCU | OTCQX: UURAF) has secured a US$18.4 million funding agreement with the U.S. Department of Defense to support the full-scale commercialization of its RapidSX™ rare earth element separation technology. This funding expands an existing US$4 million demonstration project and will facilitate construction of a commercial RapidSX™ module in Alexandria, Louisiana. The project involves technology transfer from Ucore's Canadian facility, full-scale system installation, and early production starting in the second half of 2026.

China's Shenghe Resources to buy Australia's Peak Rare Earths for about $97 million (May 14, 2025, Source) – Chinese rare earths producer Shenghe Resources will acquire Australia's Peak Rare Earths (ASX: PEK) for approximately A$150.5 million (US$96.62 million), plus any proceeds from a proposed A$7.5 million entitlement offer. The deal, led by Shenghe's unit Ganzhou Chenguang Rare Earths, offers A$0.359 per share in cash—representing a 199% premium to Peak's last close—boosting shares by 150% in early trading. Shenghe Singapore already holds a 19.8% stake and has rights to all rare earth concentrate from Peak's Ngualla Project in Tanzania. The acquisition requires shareholder and regulatory approvals in China, Tanzania, and Australia.

MP Materials, Maaden to jointly develop rare earths supply chain in Saudi (May 14, 2025, Source) – MP Materials Corp. (NYSE: MP) has signed a memorandum of understanding with Saudi Arabia's state miner Maaden to jointly develop a rare earths supply chain in the kingdom. The agreement, announced during the U.S.-Saudi Investment Forum, covers mining, separation, refining, and magnet production. Saudi Arabia aims to become a critical minerals hub amid growing global demand for tech-sector inputs. MP Materials CEO James Litinsky called the deal "an important first step" in rebalancing the global supply chain.

Expert tells U.S. senators Canada is a key ally on critical minerals (May 14, 2025, Source) – At a U.S. Senate finance committee hearing, Gracelin Baskaran of the Center for Strategic and International Studies emphasized that Canada is an essential ally for reducing U.S. reliance on Chinese critical minerals. She noted the U.S. holds only 1.3% of the world's rare earths and warned that tariffs could hinder domestic processing capabilities. Despite President Trump's recent tariffs on Canadian imports and contradictory statements dismissing Canadian resources, Canada possesses 34 critical minerals and already collaborates with the U.S. Department of Defense. Experts and senators criticized Trump's approach, urging greater cooperation with Canada to strengthen supply chains.

DR Congo may impose curbs on cobalt exports when existing ban ends (May 14, 2025, Source) – The Democratic Republic of Congo, responsible for nearly 75% of global cobalt mine production, may implement strict export limitations once its current four-month ban expires. The ban, which began in February, aimed to counteract a global cobalt oversupply that had driven prices down. While stockpiles have decreased, they have not been fully cleared, prompting authorities to consider further restrictions. Patrick Luabeya, head of the agency overseeing strategic minerals, stated that future actions will likely involve limiting exports until supply and demand balance. The agency plans to consult industry stakeholders in June before making a final decision.

920% US tariff threat on Chinese graphite jolts Korean battery-makers (May 14, 2025, Source) – The U.S. may impose tariffs up to 920% on Chinese graphite following an anti-dumping investigation, with preliminary findings expected by May 19. The probe, initiated by U.S. and Canadian miners, claims Chinese graphite is sold at unfairly low prices, disrupting the U.S. industry. Korean battery-makers, heavily dependent on Chinese

graphite (nearly 98% of imports), are concerned about rising costs. Companies like Posco Future M are investing in alternative supply chains, including a $280 million graphite project and sourcing deals in Mozambique and Tanzania, amid expectations that Chinese graphite will be excluded under U.S. Inflation Reduction Act rules by 2027.

EU must set aside over 10 billion euros for key minerals, says agency head (May 14, 2025, Source) – The European Union must allocate over €10 billion to boost exploration, mining, and recycling of critical raw materials, according to Bernd Schaefer, CEO of EIT RawMaterials. He emphasized the need for such funding in the bloc's 2028–2034 budget to meet 2030 targets for 34 strategic minerals, including lithium and copper. The EU aims to mine 10%, recycle 25%, and process 40% of its needs domestically, while limiting dependency on any single country to 65%. Schaefer warned of growing demand due to increased defense spending and urged more decisive action amid geopolitical tensions.

Ukraine completes steps for minerals deal with US, deputy prime minister says (May 13, 2025, Source) – Ukraine has completed all necessary procedures to implement a minerals agreement with the United States, according to First Deputy Prime Minister Yulia Svyrydenko. The deal, endorsed by U.S. President Donald Trump, includes establishing the United States-Ukraine Reconstruction Investment Fund and grants the U.S. preferential access to Ukrainian mineral projects. The agreement, ratified by Ukraine's parliament last week, is aimed at directing investments toward Ukraine's recovery and growth. It follows intense negotiations between Presidents Zelenskiy and Trump, and also supports Ukraine's defense goals, including potential acquisition of additional U.S. Patriot missile systems.

Interior Expedites Permitting for Critical Energy Project to

Address National Energy Emergency (May 12, 2025, Source) – The U.S. Department of the Interior has announced an expedited environmental review for the Velvet-Wood uranium and vanadium mine project in Utah, using new emergency procedures in response to a national energy emergency declared by President Donald J. Trump on January 20, 2025. The Bureau of Land Management will complete the review in just 14 days. The project, led by Anfield Energy Inc. (TSXV: AEC | OTCQB: ANLDF), would access old mine workings with minimal new surface disturbance and could supply uranium for nuclear energy and military uses, and vanadium for steel and aerospace alloys. The U.S. currently relies heavily on foreign imports for both minerals.

Cobalt Holdings plans IPO in boost for London (May 12, 2025, Source) – Cobalt Holdings announced plans to raise approximately $230 million through an IPO in London, marking what could be the city's largest listing since early 2024. The metals investor, which holds physical cobalt and has a purchase agreement with Glencore, will use most of the proceeds to buy 6,000 metric tons of cobalt from the mining giant. Glencore and Anchorage Structured Commodities Advisor affiliates will acquire about 20.5% of the IPO shares. Cobalt Holdings expects its shares to debut in June, signaling renewed activity in London's IPO market amid ongoing competition with New York and the EU.

US judge halts land exchange for Rio Tinto copper mine opposed by Native Americans (May 9, 2025, Source) – A U.S. federal judge has temporarily halted the transfer of federal land to Rio Tinto and BHP for the Resolution Copper project in Arizona, citing the likelihood that Apache Stronghold may succeed in its appeal to the Supreme Court. The San Carlos Apache oppose the project, which would destroy Oak Flat, a sacred religious site. Judge Steven Logan emphasized potential irreparable harm and rejected Rio's arguments about financial losses. The transfer was originally approved in 2014 but has since faced reversals and

legal battles. Trump recently sought to restart the process, prompting the emergency ruling.

UN warns copper shortage risks slowing global energy and technology shift (May 9, 2025, Source) – The UN's trade body, UNCTAD, warns a global copper shortage threatens the shift toward clean energy and digital technologies. Demand could increase over 40% by 2040, requiring $250 billion and at least 80 new mines by 2030. Despite substantial reserves in Chile, Australia, Peru, DRC, and Russia, refining is concentrated in China, limiting developing countries' benefits. UNCTAD advises enhancing trade policies, infrastructure, and recycling to mitigate supply strain. Copper recycling, accounting for nearly 20% of refined output, is vital, especially for developing countries aiming for economic gains, sustainability, and reduced import reliance.

Energy Fuels Lifts Uranium Targets and Accelerates Its Rare Earth Drive, Positioning Itself as America's Critical Minerals Powerhouse (May 8, 2025, Source) – Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) raised its 2025 uranium production target by 22%, aiming for up to one million pounds of U_3O_8, while accelerating its rare earth efforts to establish a U.S.-based critical minerals hub. Backed by $214.6 million in working capital and no debt, the company is already producing NdPr at its White Mesa mill and plans to expand into dysprosium and terbium separation. It sources high-grade monazite from Australia, Brazil, and Madagascar, complementing supply deals with Chemours and POSCO. Policy support and China's export controls further highlight its strategic importance.

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