Technology Metals Report (05.17.2024): The U.S. Announces Tariffs, while the EU invests €2.5Bn in Critical Minerals, and China eyes Vietnam Rare Earths

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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 CMI Directors 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 EU's €2.5 billion investment in critical minerals, the co-investment by Canada and the U.S. to strengthen critical mineral value chains, and Vietnam's strategic negotiations with China for rare earth development. These highlights, listed chronologically, underscore the global efforts to secure and enhance critical mineral supply chains, essential for energy transition and technological advancement.

This week's TMR Report also highlights significant developments such as the European Commission's upcoming projects to enhance access to essential minerals, Chile's agreement with Albemarle to boost lithium production, and Australia's substantial investment in renewable energy and critical minerals. Additionally, the U.S. policy shifts impacting tariffs on Chinese graphite and other critical minerals, along with Albemarle's plans to reopen a lithium mine in North Carolina,

reflect the ongoing adjustments in the competitive landscape of the sector. These stories emphasize the strategic moves by various governments and companies to ensure a stable and sustainable supply of critical minerals crucial for the global transition to cleaner energy and advanced technologies. To become a CMI member, click [here].

EU's €2.5bn Critical Minerals Investment Seeks Private Sector Collaboration: (May 17, 2024, Source) – At the EIT Critical Raw Materials Summit 2024 in Brussels, France, Germany, and Italy announced a combined investment of €2.5 billion in critical raw materials, essential for energy transition. These funds will support domestic mining, processing, and recycling, reducing dependency on imports and fostering a self-sufficient raw materials value chain within the EU. The initiative aims to attract equal private investment, enhancing the financial robustness of the sector. Focused on over 30 essential minerals, including lithium and rare earths, these investments prioritize sectors like aerospace and defense. Each country detailed their contributions and strategies, with France aiming for a €2 billion fund managed in collaboration with Infravia Capital Partners, Italy's €1 billion fund focusing on national strategic supply chains, and Germany's fund managed by KfW Development Bank aiming to secure a stable mineral supply. Despite criticisms of government expertise in mining, the unified approach underscores a strategic push to bolster EU's industrial capabilities and lessen external dependencies.

Government of Canada and the United States Co-Invest to Strengthen Critical Mineral Value Chains: (May 16, 2024, Source) – Canada and the United States are bolstering their partnership to secure sustainable North American critical mineral supply chains, as part of the renewed Canada-U.S. Energy Transformation Task Force. Jonathan Wilkinson, Canadian Minister of Energy and Natural Resources, announced significant co-investments in two

Canadian companies, Fortune Minerals Limited (TSX: FT | OTCQB: FTMDF) and Lomiko Metals Inc. (TSXV: LMR | OTCQB: LMRMF). These investments, totaling C$12.4 million from Canada and US$14.8 million from the U.S., will accelerate the production of crucial minerals like bismuth, cobalt, copper, gold, and battery-grade graphite. This funding supports critical defense and clean energy sectors, including electric vehicles and energy storage. This initiative exemplifies the commitment under the Canada-U.S. Joint Action Plan on Critical Minerals Collaboration to strengthen the critical mineral supply chain essential for the global transition to net zero.

Vietnam's Catch-22 in courting China as a rare earth partner: (May 15, 2024, Source) – Vietnam is navigating a complex situation as it seeks to develop its rare earth industry with China's help. Recently, Vuong Dinh Hue, the former head of Vietnam's parliament, visited Beijing to negotiate potential investments and technology transfers from Chinese enterprises by offering incentives like tax deductions. However, political instability marked by Hue's resignation and that of President Vo Van Thuong complicates these efforts. Vietnam aims to enhance its rare earth processing capabilities to meet global standards and compete internationally, but it struggles with inadequate technology and expertise. The country has the world's second-largest rare earth deposits and seeks to utilize China's advanced processing technologies without becoming overly dependent or politically isolated. This delicate balance involves avoiding geopolitical conflicts, particularly with the U.S., while trying to attract and maintain Chinese partnerships. Vietnam's situation presents a Catch-22, as it requires Chinese expertise to develop its industry but must tread carefully to avoid exploitation and maintain sovereignty in innovation.

EU to call for mineral projects, eyes joint purchases: (May 15, 2024, Source) – The European Commission is set to initiate

projects aimed at enhancing the EU's access to essential minerals crucial for its green and digital transitions, such as lithium and copper. Announced by Commissioner Maros Sefcovic at the EU Raw Materials Summit in Brussels, these efforts include launching calls for mining, processing, and recycling projects deemed strategic, with expedited permit processes. Furthermore, the commission plans to start joint EU purchases of around 30 materials, replicating its gas purchase scheme. This strategy, part of the newly passed EU Critical Raw Materials Act effective from May 23, aims to reduce reliance on external sources like China and bolster the EU's capabilities in producing electric vehicles and wind turbines. Additionally, the commission is exploring the potential for stockpiling key minerals, drawing inspiration from Japan's approach to rare earths.

Chile gives Albemarle option to boost lithium quota by 240,000 metric tons: (May 15, 2024, Source) – Chile's CORFO announced an agreement allowing Albemarle Corporation (NYSE: ALB) to potentially increase its lithium production quota by 240,000 metric tons, nearly 50% more than its current 460,000 tons. This enhancement is contingent on Albemarle demonstrating the use of sustainable technology, consulting local indigenous communities, and securing environmental permits. This development stems from a settlement requiring Albemarle to pay $15 million to settle a dispute over underpaid commissions, initiated by CORFO at the International Chamber of Commerce in 2021. The arrangement also introduces a preferential pricing framework for Chilean lithium product producers and maintains terms from a 2016 agreement, including asset purchase options in Salar de Atacama through 2043. This pact aims to elevate sustainability standards and flexibility in lithium carbonate supply agreements.

Australia's Top Pension Boosts Critical Minerals to $8 Billion: (May 15, 2024, Source) – AustralianSuper, Australia's largest pension fund with A$335 billion in assets, has developed a

substantial A$12 billion (USD$7.9 billion) portfolio in critical minerals, planning significant expansion over the next five years. The fund, which is notably invested in lithium, vanadium, rare earths, and other minerals essential for the energy transition, aims to deepen its investments in Australian companies. This strategy coincides with the Australian government's announcement of a A$22.7 billion investment in the Future Made in Australia program, targeting industries like critical minerals and green metals. This move aligns with global efforts to reduce reliance on China for these materials and boost green manufacturing, similar to the U.S. Inflation Reduction Act. AustralianSuper's investment strategy not only focuses domestically but also includes significant stakes in companies abroad, particularly in London, as it seeks to capitalize on the growing demand for critical minerals.

US Tariff Policy against China to alter the competitive landscape for (some) critical minerals: (May 14, 2024, Source) – On May 14, 2024, U.S. Trade Representative Katherine Tai announced a pivotal adjustment in tariff policy towards China, following a four-year statutory review on Section 301 tariffs. Initially imposed to counteract China's unfair technology transfer and intellectual property policies, the review recommended enforcing stricter tariffs to protect U.S. industries and promote job creation. President Joe Biden has directed further actions to eliminate the harmful Chinese policies. The changes specifically target strategic sectors such as electric vehicles and semiconductors, which will see tariff increases to 100% and 50% respectively by 2025. The policy aims to enhance American competitiveness in critical industries and mitigate risks from China's evolving technology transfer issues, including cyber theft. Prices for materials like natural graphite and permanent magnets in the West are expected to rise by about 25%, thereby improving the economic viability of these

industries. The USTR's office has also recommended maintaining current tariffs on numerous products and proposed additional tariff increases on others through 2026.

Australia to invest $15 billion in renewable energy, critical minerals: (May 14, 2024, Source) – The Australian government unveiled a significant investment plan with a A$22.7 billion ($15.0 billion) package aimed at bolstering domestic manufacturing and enhancing renewable energy capacities. Announced during the annual budget, the Future Made in Australia package is set to inject billions into the critical minerals and clean energy sectors over the next decade. This initiative includes substantial subsidies, tax incentives, and efforts to streamline regulatory processes for investors. The budget allocates A$7 billion for the processing and refining of 31 critical minerals and A$6.7 billion towards renewable hydrogen production. Additionally, A$1.5 billion will support the domestic production of solar panels and battery supply chains. This investment comes as part of a broader strategy to compete with global giants like China in sectors deemed crucial for economic prosperity and national security, such as electric vehicle and semiconductor manufacturing. The move also supports Australia's goal of becoming a renewable energy superpower in line with the global commitment to achieving net zero emissions by 2050.

U.S. bans Russian uranium imports, key to nuclear fuel supply: (May 13, 2024, Source) – President Biden has signed a bipartisan bill that bans Russian imports of enriched uranium, aiming to sever a major financial link to Russia amid its conflict with Ukraine. This follows Congress' earlier bans on Russian oil and gas after the February 2022 invasion. Despite providing around 20% of the U.S. nuclear fuel, the delay in banning uranium stemmed from concerns about disrupting the 93 American nuclear reactors. The ban, effective 90 days post-enactment, includes

waivers until 2028 for certain utilities, and allocates $2.7 billion to enhance domestic uranium processing. The bill, stalled for months due to unrelated disputes, finally passed the Senate unanimously after Sen. Ted Cruz withdrew his objections. National Security Adviser Jake Sullivan stated that this law reinforces U.S. leadership in nuclear energy and aids in securing a sustainable energy future. The U.S. has historically relied heavily on Russian uranium since the early post-Cold War era, but this new legislation paves the way for increased domestic production and energy independence.

New Rules to Overhaul Electric Grids Could Boost Wind and Solar Power: (May 13, 2024, Source) – The Federal Energy Regulatory Commission (FERC) has enacted major reforms to the planning and financing of America's electric grids, aiming to catalyze the integration of wind and solar energy. This rule, the most substantial in recent years, addresses the insufficient development of high-voltage lines that exacerbates blackout risks and hinders the transition to renewable energy. Notably, the reform mandates that grid operators project needs 20 years ahead, considering shifts in the energy landscape, state energy mandates, and extreme weather risks. It also introduces criteria for evaluating the benefits of new transmission lines, like cost reduction and blackout risk mitigation, and outlines methods for equitably distributing costs among consumers and businesses. While the rule passed with a 2-1 vote among FERC commissioners, it faces potential legal challenges and criticism over cost-sharing concerns between states with differing energy agendas. The implementation will require utilities and grid operators to adopt a forward-looking approach to grid expansion, crucial for accommodating the burgeoning demand for renewable energy sources.

China Moves to Cool Battery Boom Amid Overcapacity Concerns: (May 8, 2024, Source) – China has issued draft rules to slow the

rapid growth of its lithium-ion battery industry, addressing overcapacity issues highlighted by domestic and international concerns. The Ministry of Industry and Information Technology's guidelines discourage excessive production capacity expansion and set minimum standards for battery specifications, including energy density. This initiative aligns with President Xi Jinping's efforts to alleviate fears about China's booming exports in new-energy technologies during his European visit. In 2023, China's battery output equaled global demand, intensifying competition and trade tensions, with exports climbing 28% to approximately $65 billion. Despite Xi's claims of competitiveness over overcapacity, domestic competition remains fierce, impacting profit margins. The guidelines aim to boost technical innovation and product quality while mandating a minimum of 3% annual investment in research and development.

Congo's $7 Billion Deal With China Linked to Copper Price Under New Contract: (May 6, 2024, Source) – The Democratic Republic of Congo has renegotiated its minerals-for-infrastructure deal with China, originally established in 2008, linking the financing to the fluctuating price of copper. According to the updated contract from May 3, the deal guarantees Congo $324 million annually for infrastructure until 2040, provided copper prices stay above $8,000 per ton. Current copper prices are favorable at $9,910 per ton, with a five-year average close to $7,937. The agreement through Sicomines, a joint venture majorly controlled by Chinese firms including China Railway Group and PowerChina, aims to revitalize Congo's infrastructure, heavily damaged by prolonged conflict and governance issues. If copper exceeds $12,000 per ton, an additional 30% of profits will fund more projects; however, funding will decrease and cease completely if prices drop below certain thresholds. The revised deal, now totaling $7 billion in loans, emphasizes Congo's rich mineral resources and significant infrastructure needs, alongside total

tax exemptions until 2040.

Automakers win extension on use of Chinese graphite in EV tax credits: (May 3, 2024, Source) – The U.S. Treasury Department recently extended flexibility for automakers concerning the use of Chinese graphite in electric vehicle (EV) batteries, essential for qualifying for tax credits up to $7,500. New regulations effective from January 1 imposed restrictions on Chinese components in batteries, significantly reducing the number of eligible EVs. However, the Treasury has now allowed a temporary exemption for graphite and other critical minerals until 2027, enabling automakers to adjust their supply chains. This move has drawn criticism from Senate Energy Committee Chair Joe Manchin, who accused the administration of bending laws to rapidly expand the EV market. Despite China dominating 70% of the global graphite production, essential for battery anodes, the U.S. aims to diminish reliance on foreign entities deemed concerns, such as China, North Korea, Russia, and Iran. The Treasury's decision supports automakers temporarily but calls for a sustainable transition away from adversarial dependencies by 2027.

Lithium giant Albemarle's plans to reopen a rich mine in North Carolina will take years to complete: (May 3, 2024, Source) – Albemarle Corporation (NYSE: ALB), a leading lithium producer, faces delays in reopening its Kings Mountain mine in North Carolina due to a significant drop in lithium prices. Originally planned to restart by late 2026 to boost U.S. lithium production for electric vehicles, the timeline has now been extended, though specific dates are unclear. The mine, previously operational from 1937 until the 1980s, is set on one of the world's richest spodumene deposits and could support the production of 1.2 million electric vehicles annually. The reopening process involves a lengthy permitting and construction phase. Amidst falling lithium prices, Albemarle also paused a

related chemical plant project in South Carolina. Despite these setbacks, the company received a $90 million grant from the Defense Department, reflecting the U.S. government's priority to establish a domestic battery supply chain and reduce dependence on Chinese lithium.

Investor.News Critical Minerals Media Coverage:

- May 17, 2024 – EU's €2.5bn Critical Minerals Investment Seeks Private Sector Collaboration https://bit.ly/3QOo5u3
- May 14, 2024 – US Tariff Policy against China to alter the competitive landscape for (some) critical minerals https://bit.ly/44OQwxB
- May 12, 2024 – The Coming Ascendancy of Military Metals https://bit.ly/4buWoOC
- May 10, 2024 – Navigating the Unpredictable: The Conundrum of Rare Earths Pricing and Market Valuations https://bit.ly/4a9hZLu
- May 8, 2024 – InvestorNews Inc. Partners with MineralPrices.com to Provide Enhanced Mineral Pricing for the Resource and Critical Minerals Industry https://bit.ly/4bsEBaP
- May 7, 2024 – Westwater Resources Solidifies Position in the Graphite Anode Market https://bit.ly/3JP6WfR
- May 6, 2024 – Investor.Coffee (05.06.2024): Energy Fuels Announces Q1-Results and Uranium Ramp-Up, Appia Announces Confirmation of MREO/HREOs in Brazil, and ARR Demonstrate High REE Recovery Rates https://bit.ly/4dqTiNw

Investor.News Critical Minerals Videos:

- May 17, 2024 – Pat Bolland with Panther Metals' Darren Hazelwood on one of the top graphite intercepts in the world https://bit.ly/3ypaEu4
- May 16, 2024 – ASM's Rowena Smith on the ECAs' Recognition of Dubbo as Crucial in the Global Critical Minerals Supply Chain https://bit.ly/4anRP7G
- May 16, 2024 – Greg Fenton Discusses ZenGUARD™ Antimicrobial Coating and Military Interest in Zentek's Aptamer Technology https://bit.ly/3QNkAnn
- May 15, 2024 – Peter Clausi on the Filing Deadline for the Modern Slavery Act in Canada for Public Companies https://bit.ly/3ymC0B6
- May 15, 2024 – Nick Holthouse on Advancing the Caldeira Rare Earths Project in Brazil and Meteoric's Deal with Neo Performance https://bit.ly/3WKxMNI
- May 15, 2024 – Jack Lifton with Rowena Smith on ASM's 'Mines to Metals' Approach for Rare Earths https://bit.ly/3UGpq75
- May 13, 2024 – Gary Stanley on the Strategic Role of the Department of Commerce in the American Critical Minerals Policy https://bit.ly/3yi4MCO
- May 13, 2024 – Jack Lifton with Appia's Stephen Burega on the Significance of the Heavy Rare Earths' Discovery in Brazil https://bit.ly/4aicoT1
- May 8, 2024 – Nano One Materials' Dan Blondal on the Partnership with Worley and the Future of Lithium-Ion Battery Production https://bit.ly/3y9CdaR

Critical Minerals IN8.Pro Member News Releases:

- May 16, 2024 – F3 Announces Revised Pricing of Bought Deal Private Placement for Gross Proceeds of Over C$10.0 Million https://bit.ly/3K3wZjx
- May 16, 2024 – Elcora Announces Closing of Private Placement of Convertible Promissory Note https://bit.ly/4axggju
- May 15, 2024 – Terra Balcanica Announces Share Consolidation Effective Date https://bit.ly/4bhDaMP
- May 15, 2024 – Ucore's Louisiana Rare Earth Refinery is Strategically Aligned with the United States' Objectives on Western Supply Chain Resilience https://bit.ly/3UA38UE
- May 15, 2024 – Appia Signs MOU to Option Elliot Lake Property https://bit.ly/4dJxDQE
- May 15, 2024 – U.S. Tariff Policy Changes to Benefit American Rare Earths Ltd. https://bit.ly/3K2Uedj
- May 15, 2024 – Critical Metals PLC Board Changes https://bit.ly/4dJyRLG
- May 15, 2024 – Nano One Reports Q1 2024 Results https://bit.ly/4bF3LDm
- May 14, 2024 – First Phosphate Confirms Another High Grade Intersect of 11.85% Igneous Phosphate Across 84 Metres Starting from Surface at Its Begin-Lamarche Project in Saguenay-Lac-St-Jean, Quebec, Canada https://bit.ly/3WHbUD8
- May 14, 2024 – Appia Announces Encouraging Initial Results from the Newly Identified Taygeta and Merope Exploration Targets at PCH Project, Brazil https://bit.ly/3UJ09JL
- May 14, 2024 – Mineral Resources increase 150% with first Indicated Resource at the Soberbo Mining Licence https://bit.ly/3yjRpSC

- May 13, 2024 – Appia Rare Earths & Uranium Corporation Will Present at John Tumazos Very Independent Research https://bit.ly/4bifEiS
- May 13, 2024 – Panther Metals PLC: Director Dealing https://bit.ly/3UIwuQE
- May 13, 2024 – Australia: Coglia Ni-Co Project Scoping Study https://bit.ly/3yjWDOg
- May 10, 2024 – Power Nickel delineates New Polymetallic Discovery https://bit.ly/3QDg7Ub
- May 10, 2024 – Neo Performance Materials Reports First Quarter 2024 Results https://bit.ly/4bhIHTy
- May 8, 2024 – First Phosphate Enters into LOI for Rapidwall Manufacturing Plant to Support Housing for Rural and Indigenous Communities in Canada and the United States https://bit.ly/3Qxumdp
- May 8, 2024 – Terra Balcanica Announces Proposed Share Consolidation and Engages Market Maker https://bit.ly/44Ahzwt
- May 8, 2024 – Fulcrum Metals: Teck-Hughes Tailings Update https://bit.ly/4bqeUHY
- May 7, 2024 – Zentek Completes Case Study on HVAC Total Cost of Ownership Savings for the City of Toronto https://bit.ly/4bmGztX
- May 7, 2024 – Western Uranium & Vanadium Provides Shareholder Updates https://bit.ly/44yOWQm
- May 7, 2024 – F3 Resumes Drill Program Targeting A1 and B1 Shears https://bit.ly/3UPjES8
- May 6, 2024 – Independent Studies Further Validate the American Rare Earths' (ARR) Halleck Creek Project https://bit.ly/3Umfi3a
- May 6, 2024 – Appia Announces Preliminary Desorption Results and Confirms Ionic Adsorption Clay Rare Earth Mineralization in Brazil https://bit.ly/3UlYl9e
- May 6, 2024 – Australian Strategic Materials Limited:

Entitlement Offer Open https://bit.ly/4ag5SfS