Technology Metals Report (11.08.2024): Trump's Re-election Ignites U.S. Policy Shifts as UAE's Investment Surge in Africa Alters Critical Minerals Landscape

written by Tracy Hughes | November 8, 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 delve into the critical minerals sector in the wake of President Trump's re-election, which is expected to lead to major shifts in U.S. energy and trade policy. Among these changes are potential rollbacks on electric vehicle (EV) mandates and new tariffs on foreign vehicles, coupled with a renewed focus on domestic critical minerals. These policy moves could reshape both the U.S. supply chain and global markets, presenting a mix of challenges and opportunities for stakeholders in the critical minerals space.

This week's highlights capture a snapshot of the global race for critical mineral resources and the strategic shifts that could redefine industry landscapes. The UAE's investment surge across Africa has positioned it as a key competitor to both China and the U.S. in this sector, securing stakes in critical minerals, renewable energy projects, and essential infrastructure. Meanwhile, the volatility in lithium prices is posing significant challenges for leading producers like Albemarle, which is recalibrating its strategy amid an oversupplied market and reduced EV adoption, signaling wider impacts on lithium

mining and production.

Another important story centers on the U.S. Department of Treasury's final ruling on Section 45X under the Inflation Reduction Act. This updated regulation expands financial incentives for domestic mineral processing by allowing material costs in production credits, a critical shift for U.S.-based mining and processing companies. This regulatory enhancement is designed to boost domestic mineral processing, a crucial step in reducing dependency on foreign supply chains while promoting clean energy production within the U.S.

Also of note are China's recent large-scale mineral discoveries, including reserves of gold, copper, and molybdenum, emphasizing its ongoing focus on mineral security and self-sufficiency. These discoveries highlight China's efforts to fortify its supply chains for critical minerals essential to its technological and defense industries. With these developments in mind, TMR provides CMI members with the most relevant updates and insights into the rapidly shifting critical minerals sector.

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Rocks minister Madeleine King lauds Lynas Kalgoorlie plant as 'huge deal' for West's rare earths charge (November 7, 2024, Source) – Lynas Rare Earths Ltd. (ASX: LYC) has inaugurated the largest rare earths processing facility outside China in Kalgoorlie, Australia, marking a significant advancement in Australia's ambition to become a key player in the global rare earths market. Federal Resources Minister Madeleine King highlighted the facility's opening as a pivotal development for Western Australia and a substantial stride for the nation. The $800 million plant, which is the first of its kind in Australia, processes mined rare earth ores from Mt Weld into a carbonate form, suitable for further refinement into individual rare earth

elements. Despite challenges, including being over budget by $225 million and difficulties in sourcing necessary materials like sulphuric acid, the project represents a crucial step in reducing reliance on China for rare earths, essential for high-tech and defense industries.

Automakers brace for new tariffs, EV changes under Trump presidency (November 6, 2024, Source) – Automakers are preparing for potential shifts in U.S. policy under a Trump presidency, anticipating new tariffs on imported vehicles and a rollback of pro-electric vehicle (EV) policies. President-elect Trump has discussed rescinding current vehicle regulations on day one in office, reevaluating EV tax incentives, and potentially eliminating California's authority to set its own emissions standards. This could allow automakers to focus on gas-powered SUVs and trucks, affecting billions invested in EV technologies. The Zero Emission Transportation Association and its members, including Tesla Inc. (NASDAQ: TSLA) and Lucid Group, Inc. (NASDAQ: LCID), have expressed readiness to collaborate with Trump, emphasizing the importance of developing these technologies in the U.S. Meanwhile, the American Trucking Associations advocate for national emission standards that consider industry realities. Trump's trade stance includes threats of high tariffs on Mexican and possibly other foreign vehicles, promoting U.S. manufacturing but possibly increasing costs and complicating supply chains.

TRUMP Reign will Redirect American Critical Minerals Policy (November 6, 2024, Source) – Significant changes in U.S. critical minerals policy are anticipated under President Trump's re-election, especially a shift away from EV mandates and existing regulations. Past policies have been largely ineffective, and a redirection toward prioritizing national security while reducing political influence in military mineral sourcing is expected. The current reliance on political

decisions and subsidies in consumer manufacturing is criticized for undermining competitive markets. If “buy-American” policies are enforced through subsidies and tariffs, domestic critical minerals supply chains could be supported. However, the withdrawal of EV and other mandates might negatively impact non-producing miners and processors. The unsustainable nature of subsidies is highlighted, suggesting that future mineral investments should be based on economic viability rather than political agendas to ensure the competitiveness and sustainability of American critical minerals production.

How Trump’s second administration affects business: Musk, tariffs and more (November 6, 2024, Source) – Donald Trump’s second presidential term could significantly impact American business, with key figures like Elon Musk playing major roles in new initiatives. Trump plans to establish a government efficiency commission led by Musk, aiming for substantial budget cuts. However, their stances diverge on topics like electric vehicles and environmental policies. Trump’s strong support for cryptocurrency and potential deregulation in finance might also alter business landscapes. Tariff proposals could increase consumer prices and affect multiple industries, particularly tech and renewable energy. Internationally, Trump’s aggressive tariff and foreign policy could reshape trade relationships, particularly with China. Additionally, Trump’s approach to oil and gas aims to enhance production and ease regulations, contrasting with his stance on renewable energy. Labor unions may face challenges as Trump’s policies could potentially undermine workers’ rights and bargaining power. Across sectors, Trump’s administration could instigate significant shifts in regulation, industry standards, and international relations.

U.S. Department of Treasury Releases Final Ruling on Section 45X (November 6, 2024, Source) – The U.S. Department of Treasury has issued the final rule for Section 45X under the Inflation

Reduction Act, providing critical changes to bolster domestic production of clean energy technologies and their components, including critical minerals. Initially, the proposed rule excluded direct and indirect material costs from production costs, limiting the credit's efficacy, especially for mineral processors. The revised regulations now include these costs, enhancing financial incentives for domestic mining and processing operations. This change aims to attract more investment to an industry facing stiff global competition and market instabilities. The final ruling also ensures that mineral processors can account for high material costs and must refine eligible components domestically, promoting midstream processing capacities within the U.S. This substantial update addresses industry criticisms and aligns better with the intent to strengthen the domestic supply chain for critical minerals essential for clean energy technologies.

The New Investment Superpower Outflanking China and the U.S. in Africa (November 6, 2024, Source) – The United Arab Emirates (UAE) is redefining its global investment strategy by significantly increasing its influence in Africa, surpassing even China and the U.S. in financial commitments. With over $110 billion invested in the last decade, the UAE has become the largest single investor on the continent, announcing deals worth $97 billion in 2022 and 2023 alone. These investments span a variety of sectors, including gold importation, oil refineries, renewable energy, agriculture, and mining. The UAE's efforts to secure its economic future and lessen its oil dependency involve strategic moves like purchasing stakes in key mines and initiating major port projects across African coasts. However, this aggressive expansion has stirred controversies, including allegations of arms shipments to conflict zones, which the UAE denies. These activities position the UAE as both a cooperative and competitive force in Africa's evolving geopolitical

landscape, occasionally clashing with U.S. interests and facing local pushback in countries like Chad and Liberia.

Albemarle loses more than $1 billion on falling lithium prices (November 6, 2024, Source) – Albemarle Corporation (NYSE: ALB), the world's largest lithium producer, reported a loss of over $1 billion in the third quarter due to a 71% plunge in lithium prices, triggered by an oversupply and decreased EV adoption rates. The company, headquartered in Charlotte, North Carolina, is adjusting its strategy to cope with the expectation that low lithium prices will persist, planning to maintain operational efficiency by focusing on cost-effective facilities. Amid these challenges, Albemarle announced a major reorganization, including a workforce reduction of at least 6%, projected to save $300-$400 million annually. Furthermore, its 2025 capital budget has been halved to $800-$900 million. Despite a drop in revenue to $1.35 billion, lithium sales volumes increased, supported by contracts with major clients like Tesla. The firm also faces potential financial impacts from the upcoming shift in U.S. presidential administration, with future federal support uncertain under President-elect Donald Trump.

The War for Critical Minerals and Capital Resources: Technology Metals on the Front Lines of Global Power (November 5, 2024, Source) – Rare earth elements and other critical minerals are essential for modern technologies, from smartphones to electric vehicles and defense systems. These materials, including Neodymium, Praseodymium, Dysprosium, and Terbium, are vital for manufacturing permanent magnets used in numerous advanced technologies. Over time, China has secured control over the supply of these minerals, thereby gaining a strategic edge that enhances its global power and technological capabilities. The **Critical Minerals Institute (CMI)** addresses this issue by prioritizing minerals on its "Hit List," which is based on international evaluations. This list aims to guide strategic

efforts to reduce supply chain vulnerabilities and ensure economic growth. By focusing on these critical materials, CMI aims to support nations and industries in securing their technological futures and maintaining global leadership.

U.S. EV policy yet to help Pilbara's battery chemical venture: CEO (November 5, 2024, Source) – The Inflation Reduction Act (IRA) of the U.S., despite incentivizing electric vehicle (EV) production with consumer tax breaks for non-Chinese sourced materials, has not yet benefited Pilbara Minerals Limited (ASX: PLS) and its Australia-South Korea joint venture with POSCO in producing lithium hydroxide. According to Pilbara CEO Dale Henderson the benefits for their Gwangyang plant remain unrealized, and the evolving situation continues to be a "wait-and-see" scenario. The initial surge of interest from global auto companies in non-China supplies has diminished as the competitive quality and lower prices of Chinese EVs persist. Challenges extend across the industry with companies like Albemarle facing eligibility issues under the IRA due to foreign entity concerns. Meanwhile, the lithium market faces price slumps and oversupply, prompting Pilbara to reduce operations and scale back production, reflecting broader industry trends towards curtailment and cost-saving strategies.

China's Ministry of State Security publicizes gallium smuggling case, calling higher vigilance against espionage activities (November 4, 2024, Source) – China's Ministry of State Security (MSS) recently highlighted a case of attempted gallium smuggling, emphasizing the need for heightened vigilance against espionage that targets critical minerals like gallium, which is crucial for semiconductor production and is on China's export control list. The incident involved a foreign individual, surnamed Du, who was unwittingly used to transport gallium abroad but was stopped by national security officers. Further investigations implicated a domestic company employee, surnamed

Tang, who had orchestrated the smuggling plan under foreign influence for financial gain. Both the company and the involved parties faced legal consequences.

Rare earths in spotlight amid US-China tensions, Myanmar turmoil (November 4, 2024, Source) – Rare earth prices are poised to stabilize following supply disruptions in Myanmar and potential export restrictions by China amidst escalating US-China trade tensions. With the recent takeover of a key mining site in Myanmar by an armed group, supply has been severely impacted, prompting China Northern Rare Earth to increase their prices, which has boosted sector stocks. China, which dominates the global rare earth market with significant control over processing and production, might leverage export controls as a strategic trade weapon against the US or EU. Analysts, like Lynn Song from ING, suggest that rare earths could serve as either a retaliatory measure or a negotiation tool in trade discussions. This sector is vital for various high-tech and defense applications, underscoring its importance in global trade and national security. Additionally, other countries are exploring their rare earth capabilities to reduce reliance on China, highlighting the global rush to secure these critical resources.

Manitoba 'has what the world needs,' minister says while outlining new critical mineral strategy (November 4, 2024, Source) – Manitoba has launched a new critical mineral strategy aimed at bolstering its mineral sector and strengthening partnerships with Indigenous communities, as outlined by Jamie Moses, the province's Minister of Economic Development, Investment and Trade. The 20-page plan, titled "Securing Our Critical Mineral Future," was unveiled at the Central Canada Mineral Exploration Convention. It focuses on streamlining projects through a single-desk concierge service to accelerate project timelines, and emphasizes economic reconciliation with Indigenous communities through engagement and a proposed mining

advisory council with broad Indigenous representation. The strategy aims to ensure Manitoba's readiness for the anticipated doubling of mineral demand by 2040, positioning the province as a key player in supplying 30 of Canada's 34 identified critical minerals, including cobalt, copper, lithium, and graphite.

Meta's plan for nuclear-powered AI data centre thwarted by rare bees (November 4, 2024, Source) – Meta Platforms, Inc.'s (NASDAQ: META) plan to develop a nuclear-powered AI data center was delayed due to the discovery of a rare bee species on the proposed site, along with various environmental and regulatory considerations. Mark Zuckerberg had hoped to partner with an existing nuclear power plant to utilize emissions-free electricity to bolster Meta's AI capabilities. This comes at a time when tech giants, including Google and Microsoft, are forming partnerships with nuclear facilities to meet the high energy requirements of AI technologies. Despite this challenge, Meta is actively pursuing other nuclear and carbon-free energy solutions, recognizing the potential of nuclear power to provide stable and continuous energy. The tech industry's interest in nuclear energy underscores its commitment to sustainable development, even as it navigates complex environmental and regulatory landscapes.

China hails mineral finds amid push for security of supply chain, energy and nation (November 2, 2024, Source) – China has achieved substantial success in its "mineral hunting" initiative, discovering significant reserves of gold, copper, molybdenum, phosphorite, and fluorite—critical for national security and technological advancements in clean energy and defense industries. The Ministry of Natural Resources reported new large-scale mines in regions such as Heilongjiang, Sichuan, Guizhou, Inner Mongolia, and Zhejiang. These finds contribute to China's goals of supply chain, energy security, and positioning in the global tech race. Despite not leading in global mineral

reserves, China dominates the processing sector for lithium, cobalt, rare earths, and graphite, pivotal for the burgeoning battery market and clean energy transition. Beijing's export controls on strategic minerals and its active engagement in developing global alliances underscore the geopolitical importance of these resources in the escalating competition with the U.S., which has responded with initiatives like the Minerals Security Partnership to diversify supply chains.

Investor.News Media Highlights:

- November 08, 2024 – America First: The Real Risks for Critical Minerals, Musk and U.S. Tech Under Trump's Tariffs https://bit.ly/3YYgvkQ
- November 06, 2024 – Never fall in love. Never forget to sell. ABS is the key to making money. https://bit.ly/4hGc2uD
- November 06, 2024 – TRUMP Reign will Redirect American Critical Minerals Policy https://bit.ly/3UFw5z8
- November 05, 2024 – The War for Critical Minerals and Capital Resources: Technology Metals on the Front Lines of Global Power https://bit.ly/4fAIAV4

Investor.News Video Highlights:

- November 07, 2024 – American Rare Earths' Chris Gibbs on Accelerating the Halleck Creek Critical Minerals Project in Wyoming https://youtu.be/97VMKK7sWXc
- November 07, 2024 – Jack Lifton Interviews Curtis Moore: Energy Fuels' Role as a Leading Source of American Uranium and Critical Minerals https://youtu.be/qcWxYSAkyIQ

Investor.News Member News:

- November 8, 2024 – Western Uranium & Vanadium Corp. Announces Brokered Financing Up to CAD $5.5 Million https://bit.ly/3YzOT4a
- November 8, 2024 – Caprock Announces Results of Annual General & Special Meeting of Shareholders https://bit.ly/48JKuAw
- November 7, 2024 – NEO Battery Materials and Linde Korea Sign MOU to Collaborate on Commercialization of Silicon Anode Technology https://bit.ly/4ej4j2I
- November 6, 2024 – Panther Metals PLC Convertible Loan Notes https://bit.ly/4ehkEF0
- November 5, 2024 – Fulcrum Metals: Assays and Project Development https://bit.ly/3AAXdIQ
- November 4, 2024 – Neo Secures US$50 million Credit Facility for Sintered Magnets Facility in Europe https://bit.ly/3NQtcrN
- November 4, 2024 – American Rare Earths Congratulates Melissa Sanderson on Strategic Appointment as Co-chair of the Critical Minerals Institute https://bit.ly/3C5weFJ

The upcoming **CMI Summit IV**, themed *The War for Critical Minerals and Capital Resources*, is scheduled to take place in Toronto, Ontario, on May 13-14, 2025. This event aims to unite industry leaders to tackle pressing issues in the global critical minerals market. To learn more about the **CMI Summit IV**, click here – or to secure a **CMI Summit IV** 2-day Delegates Pass, click here

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