

Technology Metals Report (11.29.2024): EU's Bold Counter to China, Saudi Arabia's Rare Earths Move, and Canada's Tariff Troubles

written by Tracy Hughes | November 29, 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 bring you the most impactful stories shared by our [CMI Directors](#) over the past week, providing a comprehensive look at the critical minerals and technology metals sector. This week's highlights include the European Union's strategic [move](#) to combat China's economic overcapacity, Saudi Arabia's rare earths processing [ambitions](#), and China's [acquisition](#) of a major Brazilian resource company. These stories illuminate the ongoing global competition for control of critical resources essential to energy security and technological innovation.

This week's coverage also delves into the interplay between geopolitics and resource strategies, from the Biden administration's last-minute push for mining investments in Greenland to Canada's uranium miners facing uncertainties over potential U.S. tariffs under President-elect Trump. Additionally, the surge in zinc withdrawals from the London Metal Exchange and the U.S. push for recycling critical minerals emphasize how industries are adapting to supply chain challenges and market demands.

As always, the TMR delivers insights that matter, combining the

expertise of the CMI Board with the latest updates from around the globe. These stories reflect the dynamic and evolving landscape of critical minerals and technology metals, helping you stay ahead of the trends shaping the future. To become a CMI member and receive the TMR directly, [click here](#) to subscribe.

Is the EU hatching a new weapon for dealing with Chinese overcapacity? (November 29, 2024, [Source](#)) – European Commission President Ursula von der Leyen, focusing on her second term, is prioritizing strategies to address China's economic overcapacity impacting industries such as steel and solar panels. At a recent Brussels forum, discussions centered on developing an "overcapacity instrument" to counter the flood of cheap Chinese imports threatening European industries. Experts from Europe and the U.S. explored the need for more robust measures against China's unfair competition, which undermines European economic security. Amidst growing concerns and economic challenges in Europe, EU officials, including new EU Trade Commissioner Maros Sefcovic, emphasize the necessity of strong actions to protect European jobs and industries from the adverse effects of Chinese policies.

Hastings inks MOU with Saudi Arabia for rare earths processing (November 28, 2024, [Source](#)) – [Hastings Technology Metals Limited](#) (ASX: HAS) has signed a memorandum of understanding (MOU) with Saudi Arabia's Ministry of Investment to participate in the kingdom's global supply chain resilience initiative. The agreement focuses on establishing a rare earths downstream processing supply chain in Saudi Arabia, supported by a SAR35 billion (US\$9 billion) initiative within the metals and mining sector. This move aligns with Saudi Arabia's Vision 2030 to diversify its economy away from oil and enhance high-technology industries. The MOU also contemplates the development of a downstream processing facility in Saudi Arabia as part of Hastings' broader strategy, which began with a beneficiation

plant in Australia. The collaboration may extend to include financing and joint venture partnerships for constructing a hydrometallurgical plant in Saudi Arabia, potentially positioning the kingdom as a significant player in the global rare earths market.

Chinese Mining Giant Secures Brazilian Rare Earth Company (November 28, 2024, [Source](#)) – China Nonferrous Metal Mining Group (CNMC) has acquired Brazilian rare earth company Mineração Taboca S.A. for \$340 million, finalizing the deal on November 26, 2024. This acquisition gives China control over Taboca, Brazil's largest refined tin producer and operator of the significant Pitanga Mine in Amazonas, which is known for its extensive 100-year reserve and annual production of 17.9 million tons of ore. Pitanga not only produces tin but also niobium, tantalum, and rare earth elements essential for electronics, aerospace, and medical industries. With this move, CNMC, the world's largest copper producer, extends its resource base beyond Zambia, enhancing its capabilities in the green and electronic technology sectors.

Possible tariffs worry Canada uranium miners as they boost output to meet US demand (November 28, 2024, [Source](#)) – Canada's uranium mining industry is ramping up production and securing forward contracts with U.S. energy companies in response to reduced Russian supplies. However, the industry is now facing uncertainty due to potential tariffs threatened by U.S. President-elect Donald Trump, who proposed a 25% tariff on all goods from Canada and Mexico. This move could significantly increase the cost of uranium unless it is exempted. About 85% of Canada's uranium, which ranks as the world's second-largest producer after Russia, is exported. With Russia restricting uranium sales to the U.S., Canadian companies like [NexGen Energy Ltd.](#) (TSX: NXE | NYSE: NXE | ASX: NXG) and [Foremost Clean Energy Ltd.](#) (NASDAQ: FMST | CSE: FAT) predict rising uranium prices and

are in a strong position to negotiate terms favorable to their interests, leveraging their critical role in supplying the U.S., which relies heavily on imported uranium.

Zinc Rises as Orders to Withdraw Metal From LME Warehouses Surge (November 27, 2024, [Source](#)) – Zinc prices continued their upward trajectory for a third session, as withdrawal orders from London Metal Exchange (LME) warehouses reached their highest level in over seven years. The surge in demand saw an additional 49,000 tons of zinc requested, mainly from Singapore, bringing the total to 106,775 tons, the most since October 2017. This spike has significantly reduced the available zinc for other buyers and has exacerbated existing constraints on metal supply affecting futures trading. Zinc inventories had initially dipped in early 2023 but have since accumulated primarily in Singapore due to a drop in demand. Despite this, concerns over limited supply have intensified, with a single buyer acquiring over half the available stock. Zinc prices have increased nearly 5% this week, reaching \$3,111 a ton and marking a 17% rise this year, fueled by disruptions in zinc mines.

US targets scrap to close the critical minerals gap (November 27, 2024, [Source](#)) – The United States is leveraging recycling as a strategic approach to minimize reliance on imported critical minerals, particularly tin, which hasn't been smelted domestically since 1991. Currently, 75% of tin used in the U.S. is imported, primarily for circuit-board soldering. To address this, the U.S. Department of Defense has allocated \$19 million to expand domestic recycling of tin, aiming to reclaim a significant portion of the 38,000 metric tons of tin scrap exported annually. Similarly, the Department of Energy is investing in recycling operations for other metals like titanium, terbium, and copper, with substantial funding to enhance recycling facilities and technologies. This urban mining not only reduces energy consumption and greenhouse emissions but

also circumvents lengthy permitting processes associated with new mining projects, promoting a faster and more environmentally friendly solution to secure the nation's mineral supply.

Why is the WA Government giving a \$150 million lifeline to the state's lithium miners? (November 27, 2024, [Source](#)) – The Western Australian (WA) Government is providing a \$150 million support package to the state's lithium miners amidst a downturn in lithium prices and a broader economic strain marked by high cost of living. This move aims to safeguard around 11,000 jobs within the sector, which is crucial given the impending elections and the recent collapse of WA's nickel industry—a warning sign for lithium. The package includes waiving certain fees and a \$50 million loan scheme. Despite the industry's cyclical nature and current challenges, including job cuts and mine closures, the government views this support as an essential investment in WA's future role in the global battery market. Industry leaders remain optimistic, betting on the sustained demand for electric vehicles and battery storage to drive recovery.

Biden officials make last-ditch push for Greenland mining investment (November 26, 2024, [Source](#)) – The Biden administration is making a strong push to encourage investment in Greenland's mining sector before President-elect Donald Trump takes office. This effort is part of Biden's broader strategy to strengthen critical minerals diplomacy and support Western economies by securing sources for materials essential for the energy transition. State Department Under Secretary Jose Fernandez visited Greenland to promote its potential as a mining hub and participated in a significant conference call involving Greenland officials and over 70 potential investors from Japan, Europe, and the U.S. The call highlighted investment opportunities in projects including rare earths, nickel, and molybdenum. Additionally, U.S. efforts include providing

regulatory assistance to Greenland and drafting a mining investment law to ensure investments meet high standards and are beneficial to Greenland's development.

Rebel group takes key Myanmar border town, rare earth mining hub (November 26, 2024, [Source](#)) – A major rebel faction, the Kachin Independence Army (KIA), has captured Kanpaiti, a critical border town in northeastern Myanmar that serves as a major hub for rare earth mining. This development represents a significant blow to Myanmar's military government, leaving them in control of only one other border town, Muse. The seizure of Kanpaiti could cut off substantial revenue from the mining activities that supply China with essential minerals for various high-tech applications. Communication attempts with both the KIA and military spokespeople went unanswered, though the takeover was confirmed by witnesses and local media. The incident underscores the escalating conflict in Myanmar, particularly following the military coup in 2021, which has intensified fighting between the military and ethnic militias seeking greater autonomy.

Bolivia says China's CBC to invest \$1 billion in lithium plants (November 26, 2024, [Source](#)) – Bolivia has partnered with the Chinese consortium CBC, including battery giant CATL, to construct two lithium extraction plants with an investment of \$1 billion. Located in the Uyuni salt flat, part of the lithium-rich "triangle" area shared with Chile and Argentina, the project will see Bolivia holding a 51% stake. The facilities aim to produce a combined 35,000 metric tons of lithium annually. While one plant will produce 10,000 tons of lithium carbonate, the other will generate 25,000 tons of battery-grade lithium carbonate per year. CBC will handle the plant construction using its technology and will bear the costs and risks. Despite Bolivia's substantial lithium resources, production has been minimal, attributed in part to the nation's unstable political environment. This agreement, like a similar one with Russia's

Uranium One Group, awaits congressional approval.

US scrambles to break reliance on Russian nuclear fuel (November 26, 2024, [Source](#)) – [Centrus Energy Corp.](#) (NYSE America: LEU) has resumed manufacturing specialized centrifuge technology at its Oak Ridge, Tennessee facility, signaling a crucial move to lessen U.S. reliance on Russian nuclear fuel. This \$60 million investment is the first phase of a projected multi-billion-dollar effort to expand uranium enrichment in Ohio. Competing for part of a \$3.4 billion federal subsidy, Centrus aims to restart American nuclear fuel production after years of decline due to cheaper Russian imports. With initial contracts worth \$2 billion, contingent on further federal support, Centrus is restarting enrichment a decade after financial setbacks from the 2011 Fukushima disaster. This resurgence in U.S. nuclear efforts aligns with rising concerns over Russian supply reliability amid geopolitical tensions, emphasizing the need for a robust domestic supply chain as nuclear energy demand grows.

Trump Announces Plan to Impose 25 Percent Tariffs on Products from Canada, Mexico (November 25, 2024, [Source](#)) – President-elect Donald Trump has announced plans to impose a 25% tariff on all products from Mexico and Canada as an immediate action once he assumes office. The tariffs aim to pressure these nations to assist the U.S. in curbing illegal immigration and the influx of fentanyl. Trump stated that these tariffs would remain until the aforementioned issues are resolved. Additionally, Trump plans to increase tariffs on Chinese goods by 10% above current levels, citing inadequate action against drug trafficking. These policy moves echo Trump's previous administration's approach and align with his long-standing advocacy for using tariffs to support American industries and manage geopolitical challenges. Critics argue that tariffs burden American consumers and businesses without providing significant economic benefits or sufficient federal revenue.

The Illusion of Domestic Demand in the U.S. EV and Critical Minerals Markets (November 25, 2024, [Source](#)) – Jack Lifton of [Critical Minerals Institute](#) (CMI) argues that the U.S. domestic market for electric vehicles (EVs) and critical minerals does not reflect genuine demand but is driven by political agendas and attempts to capitalize through market speculation. Despite the apparent frenzy in the creation of junior mining companies, there is no substantial American demand for rare earth minerals, which are essential for producing high-temperature-resistant rare earth permanent magnet motors (REPMMs) used in EVs. Consequently, all REPMMs used in American EVs rely on manufacturers with access to the Chinese-controlled rare earth magnet market. Lifton critiques the ongoing efforts to establish a North American heavy rare earth (HREE) processing industry as speculative and influenced by inadequate market intelligence. He also notes the challenge of sourcing the necessary HREE-rich feedstocks, which are currently unavailable domestically. The article concludes that the American rare earth industry's sustainability depends on realistic market demands and efficient production capabilities, rather than government subsidies or speculative investment.

Western miner Eramet sees no profits in nickel processing without Chinese partners (November 24, 2024, [Source](#)) – Jérôme Baudelet, head of Eramet's operations in Indonesia, stated that profitable nickel processing for Western companies is unfeasible without Chinese collaboration due to their expertise and technological advantages. Amid declining nickel prices and market saturation, Eramet and BASF recently abandoned a major refinery project in Indonesia, which would have been entirely Western-owned. Baudelet emphasized the efficiency of Chinese High-Pressure Acid Leach (HPAL) technology, crucial for extracting high-grade nickel at competitive costs. He noted the dominance of Chinese firms in Indonesian nickel processing,

following a local export ban that encouraged onshore refinery development. Despite global production shifts and a potential U.S. incentive alignment under the Inflation Reduction Act, most Indonesian nickel remains outside these incentives due to the significant Chinese influence in the sector.

Australia to propose tax incentives for critical minerals (November 24, 2024, [Source](#)) – The Australian government is set to propose legislation on Monday that will offer production tax incentives for renewable hydrogen and critical minerals, aiming to enhance investments in energy transition. The planned law will allow a 10% tax incentive on processing and refining costs for 31 critical minerals from fiscal 2028 to 2040, and A\$2 per kilogram tax incentive for renewable hydrogen production, both for up to a decade per project. Treasurer Jim Chalmers highlighted that the incentives, activated once projects begin production, aim to solidify investor confidence and enhance Australia's value addition to its resources, facilitating the production of cheaper, cleaner energy. These efforts align with global movements to bolster clean energy projects and diminish dependence on Chinese manufacturing of critical components like electric vehicle batteries and semiconductors.

USGS Critical Minerals Study: Bans on Gallium and Germanium Exports Could Cost the U.S. Billions (November 19, 2024, [Source](#)) – U.S. Geological Survey (USGS) researchers have developed a model to analyze the economic impact of potential critical mineral supply disruptions on the U.S. economy. The model predicts a \$3.4 billion reduction in U.S. GDP if China were to completely ban exports of gallium and germanium—key minerals in semiconductor manufacturing. The risk of such bans has increased since China imposed export licensing controls on these minerals in 2023. The study, titled “Quantifying Potential Effects of China's Gallium and Germanium Export Restrictions,” suggests that the semiconductor industry could face over 40% of the

economic losses. Prices for gallium could surge by more than 150%, while germanium could see a 26% increase. The study emphasizes the importance of these minerals to the U.S. economy and supports informed decision-making for maintaining supplies and enhancing supply chain resilience.

Investor.News Media Highlights:

- November 28, 2024 – Who's Who at PDAC: A Comprehensive Guide <https://bit.ly/49a4axy>
- November 27, 2024 – Hallgarten & Company Releases Coverage Update on American Rare Earths: Halleck Creek – Locked & Loaded <https://bit.ly/3ONHNVr>
- November 25, 2024 – The Illusion of Domestic Demand in the U.S. EV and Critical Minerals Markets <https://bit.ly/4fERYr9>

Investor.News Member News:

- November 29, 2024 – Western Uranium & Vanadium Corp. Extends and Reprices Warrants <https://bit.ly/3B24wK2>
- November 28, 2024 – Scandium Canada Ltd. Makes Changes to its Management Team and Corporate Structure and Announces Grant of Stock Options <https://bit.ly/4i3Ce2i>
- November 28, 2024 – NEO Battery Materials to Develop High-Specification Silicon Anodes with OCSiAl Single Wall Carbon Nanotubes <https://bit.ly/3ZfagrM>
- November 28, 2024 – Madagascar Government Lifts Suspension on Energy Fuels' Toliara Critical Minerals Project <https://bit.ly/4f0T3II>
- November 27, 2024 – Appia is Joining MAGBRAS to Participate in the Development of Latin America's First

Permanent Magnet Production Facility <https://bit.ly/3CKHxUe>

- November 27, 2024 – Power Nickel Engages Jon Christian Evensen as Strategic Advisor <https://bit.ly/4fHFGy0>
- November 27, 2024 – Updated Announcement – American Rare Earths Reports Highest Grades to Date at Cowboy State Mine, Halleck Creek Project <https://bit.ly/4ePoyFa>
- November 26, 2024 – Voyageur Announces Extension to Complete Proposed Private Placement <https://bit.ly/3Zo08fP>
- November 26, 2024 – Western Uranium & Vanadium Corp. Provides Company Updates <https://bit.ly/4fI64Yx>
- November 26, 2024 – American Rare Earths Reports Highest Grades to Date at Cowboy State Mine, Halleck Creek Project <https://bit.ly/3Zm95rT>
- November 26, 2024 – Australian Strategic Materials Limited: Results of Annual General Meeting <https://bit.ly/30qTuRu>
- November 25, 2024 – Panther Metals PLC Convertible Loan Notes <https://bit.ly/3B7dV2M>
- November 25, 2024 – Nord Precious Metals Recovery Permit Requirements and Planned Processing Program for Miller Creek High Grade Silver Tailings <https://bit.ly/4fHy0vP>
- November 25, 2024 – NEO Battery Materials Announces Corporate Webinar on Silicon Anode Technology Developments & Pathway to Commercialization <https://bit.ly/3AZgvYQ>

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](#)

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