

Technology Metals Report (12.13.2024): Canada Contemplates Export Tax on Critical Minerals in Response to Proposed Trump Tariffs

written by Tracy Hughes | December 13, 2024

Last week's news in the critical minerals sector was marked by several significant developments reflecting the growing geopolitical tensions and strategic movements by major global players.

One of the most impactful announcements came from Canada, where the government is [contemplating](#) an export tax on essential commodities like oil, as well as critical minerals such as uranium and potash, in response to U.S. President-elect Donald Trump's proposed tariffs on Canadian imports. This proposal has triggered a heated debate among Canadian provincial leaders, with Alberta's Premier Danielle Smith warning of a national unity crisis and others suggesting various retaliatory measures.

Meanwhile, the [rise](#) of resource nationalism continues to reshape global strategies for securing critical minerals such as lithium and copper, crucial for technological and green industries. Countries are intensifying state interventions to ensure access to these vital resources, reacting to broader geopolitical conflicts and the ongoing repercussions of the pandemic. This trend is accompanied by significant policy shifts and increased governmental control over mineral resources, highlighting the strategic importance of these materials in the current global landscape.

On the corporate front, Rio Tinto (NYSE: RIO | ASX: RIO | LSE: RIO) has [announced](#) a substantial investment of \$2.5 billion to expand its lithium production in Argentina, signaling strong market demand projections for lithium by 2030. This move is part of a broader strategy by major mining companies to ramp up production capacities for minerals essential for electric vehicles and renewable energy technologies, amidst fluctuating market prices.

In Europe, the spotlight was on the UK's strategic [initiative](#) to enhance its economic resilience and supply chain stability by supporting overseas critical mineral projects. Led by the UK Department for International Trade, this effort is aimed at securing essential minerals like lithium, graphite, and cobalt, which are pivotal for the electric vehicle and renewable energy sectors. The government's approach includes providing credit guarantees to foster international partnerships, particularly with mineral-rich nations, aligning with broader efforts to build secure and responsible supply chains.

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Canada considers export tax on major commodities oil, uranium and potash if Trump imposes 25% tariff (December 12, 2024, [Source](#)) – The Canadian government is considering an export tax on key commodities, including oil, uranium, and potash, if U.S. president-elect Donald Trump imposes a 25-per-cent tariff on Canadian imports. While Ottawa stresses it is still evaluating options, this proposal has stirred strong opposition within Canada. Alberta Premier Danielle Smith warned such a move would create a national-unity crisis, while Saskatchewan Premier Scott

Moe said it would be self-destructive. Some provincial leaders, like Ontario's Doug Ford, are considering other retaliatory measures, such as suspending electricity exports or restricting American-made alcohol. Others, including Quebec's François Legault and Newfoundland and Labrador's Andrew Furey, reject cutting energy supplies and urge the Prime Minister to improve border security as requested by Mr. Trump to avoid escalating trade tensions.

Resource nationalism on the rise amid geopolitical tensions (December 12, 2024, [Source](#)) – Global protectionism is increasing as countries intensify efforts to secure critical minerals like lithium and copper, essential for tech and green industries, amid escalating geopolitical tensions. According to Verisk Maplecroft's research, western democracies have particularly intensified state interventions, unseen since the early 20th century. Recent actions include China's ban on shipments of crucial minerals to the U.S. and the U.S.-led coalition's financing plans to reduce dependence on China. This trend of resource nationalism is fueled by events like the pandemic and geopolitical conflicts, leading to heightened risks of state control and expropriation in the mining and energy sectors. Notably, the resource nationalism index indicates that 72 out of 198 countries have significantly increased interventionist policies over the past five years, with notable rises in Germany, Spain, the UK, and Poland due to protectionist measures and increased state involvement in resource extraction.

Australia's Opposition Reveals \$211 Billion Nuclear Power Plan (December 12, 2024, [Source](#)) – Australia's main opposition leader Peter Dutton unveiled a A\$331 billion (US\$211 billion) plan to establish a nuclear power industry by 2050, starting with the first plant by 2036. The proposal aims to achieve an energy mix of 54% renewables, 38% nuclear, and 8% storage and gas, contrasting with the Labor government's goal of 82% renewables

by 2030. Although nuclear energy is currently banned in Australia, Dutton argues it would provide cheaper, more reliable electricity and help decarbonize. The government and scientists dispute these claims, citing renewable sources like wind and solar as more cost-effective and suited to Australia's natural advantages. The debate reflects Australia's long-standing politicization of climate change, as it grapples with intensifying climate impacts and its role as a major fossil-fuel exporter.

Rio Tinto to spend \$2.5 billion to expand Argentina lithium project (December 12, 2024, [Source](#)) – Rio Tinto Group (NYSE: RIO | ASX: RIO | LSE: RIO) is poised to expand its lithium production, considering a partnership with Chilean state miner Codelco for a project at Maricunga and boosting capacity at its Rincon plant in Argentina. This follows its \$6.7 billion acquisition of Arcadium Lithium, aiming to make Rio the world's third-largest lithium producer. In Argentina, Rio has increased the investment at Rincon to \$2.5 billion, planning to raise the plant's capacity from 50,000 to 57,000 metric tons due to optimized engineering. Additionally, a 3,000-ton starter plant using direct lithium extraction has commenced operation. Despite a recent dip in lithium prices, CEO Jakob Stausholm emphasizes the long-term demand growth for lithium, projecting strong market conditions by 2030. Chile and Argentina remain key players in the global lithium market, holding significant brine deposits essential for electric vehicles.

The British Step into the Critical Minerals Ring (December 11, 2024, [Source](#)) – The UK government, through UK Export Finance (UKEF), has initiated financial backing for overseas critical mineral projects, a strategic move announced by Chancellor Jonathan Reynolds on October 31, 2024. Aimed at securing minerals like lithium, graphite, and cobalt—essential for electric vehicles and renewable energy technologies—this

approach is set to enhance the UK's economic resilience and supply chain stability. UKEF will provide credit guarantees to overseas firms, fostering partnerships particularly with mineral-rich nations like Australia. The initiative aligns with the broader Minerals Security Partnership to build secure, responsible supply chains. Additionally, an upcoming critical minerals strategy in 2025 will focus on resilient supply chains and global collaboration. This policy evolution emphasizes the UK's commitment to supporting sustainable technologies and maintaining a competitive stance in global trade.

U.S. cobalt miner to Trump: use tariffs as 'scalpel' not 'sledgehammer' (December 11, 2024, [Source](#)) – U.S. President-elect Donald Trump has been urged by Matthew Lengerich, executive at Jervois Global Limited (ASX: JRV | TSX-V: JRV | OTCQB: JRVMF), to use tariffs strategically to support American mining amidst heavy competition from China. Jervois Global, which faced severe challenges from cheaper Chinese metals leading to the closure of their U.S. cobalt mine, advocates for a more nuanced approach to tariffs rather than broad, blunt applications. Lengerich emphasized the importance of targeted policies like those under the Inflation Reduction Act, which incentivize the use of domestically sourced minerals by linking EV tax credits to where critical minerals are procured. He also suggested that the U.S. should consider a national program to stockpile metals during periods of low commodity prices to support domestic mining and ensure supply for defense. Despite the challenges, Lengerich expects Trump's administration to support domestic mining for national security reasons, though he acknowledged that developing supply chains and mining projects are long-term, complex endeavors.

USA selects suppliers for low-enriched uranium contracts (December 11, 2024, [Source](#)) – The US Department of Energy (DOE) has chosen six companies eligible for contracts to supply low-

enriched uranium (LEU), following a request for proposals in June. This initiative, backed by \$2.7 billion from President Biden's Investing in America plan, aims to enhance the domestic nuclear fuel supply chain and reduce reliance on Russian imports. The selected companies are American Centrifuge Operating LLC, General Matter Inc, Global Laser Enrichment LLC, Louisiana Energy Services LLC (a Urenco subsidiary), Laser Isotope Separation Technologies Inc, and Orano Federal Services LLC. These contracts, which can last up to 10 years, are part of efforts to support clean energy and develop US enrichment capacity. They align with broader goals to expand nuclear capacity to meet a global pledge to triple nuclear energy by 2050 and mitigate Russian dominance in the uranium market.

Europe set to miss potential for battery material recycling (December 11, 2024, [Source](#)) – Europe is at risk of missing its potential for recycling battery materials enough to supply two million electric vehicles by 2030, due to high energy costs and insufficient financial support, a recent report reveals. The European Union, aiming to reduce dependence on Chinese materials like lithium and cobalt for its green and digital transition, has set recycling quotas in the 2023 EU Battery Regulation. However, despite the capacity to meet 14% of lithium, 16% of nickel, and 25% of cobalt demands by 2030, the current recycling infrastructure is only about 10% of what's needed. Over 30 recovery projects are planned or underway, but nearly half face uncertain futures due to economic and technical challenges. The European Commission is working to enhance recycling capabilities, planning to facilitate finance and permitting for selected projects by early 2025.

Critical Mineral Policy Working Group Unveils Bipartisan Legislation, Policy Report (December 11, 2024, [Source](#)) – The House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, chaired by John

Moolenaar (R-MI) and Raja Krishnamoorthi (D-IL), has introduced bipartisan legislation and a policy report titled “Creating Resilient Critical Mineral Supply Chains” to reduce U.S. dependency on China for critical minerals. Spearheaded by Rep. Rob Wittman (R-VA) and Rep. Kathy Castor (D-FL), the Critical Mineral Policy Working Group proposed three new bills: the Earth Sciences and Cooperation Enhancement Act of 2024, an amendment to the Export Reform Act of 2018, and the Critical Minerals Workforce Enhancement Act. These measures aim to bolster American mineral supply chains through enhanced export controls, workforce development, and international cooperation. The group, which includes bipartisan members from both the House and Senate, underscores the strategic need to secure and diversify the U.S. critical mineral resources essential for national security and clean energy.

U.S. Department of Energy Invests \$17 Million to Shore Up America’s Energy Security with Robust Supply Chain for Critical Materials (December 10, 2024, [Source](#)) – The U.S. Department of Energy (DOE) has allocated \$17 million to 14 projects in 11 states to enhance America’s energy security by advancing the domestic production and recovery of critical materials like lithium, nickel, and rare earth elements. These initiatives aim to foster innovation in key technology areas such as hydrogen fuel cells, efficient motors, lithium-ion batteries, and power electronics, contributing to national and energy security. The projects, coordinated through the DOE’s Critical Materials Collaborative, seek to mitigate environmental impacts and expand the manufacturing workforce. This investment is part of a broader strategy to build resilient supply chains across various sectors, emphasizing community benefits and the circular economy. Notable recipients include the University of Texas at Arlington and Ames National Laboratory, with funding aimed at reducing the reliance on foreign critical materials and

promoting sustainable practices.

Lithium supply surplus set to stay with battery makers' help (December 10, 2024, [Source](#)) – Despite low lithium prices prompting some producers to reduce operations, many, especially Chinese-owned mines, continue to produce this crucial material for electric vehicle (EV) batteries. This ongoing production is leading to a prolonged oversupply and persistently weak prices. Certain battery manufacturers have invested in mines to ensure their operation, while others maintain production to preserve market share and maintain favorable government relations. Although about a dozen lithium producers have cut back or postponed expansions, many remain active, suggesting that the surplus in lithium—essential not only for EVs but also for stationary storage—will likely persist, keeping prices low. The industry anticipates a 25% increase in global lithium supply this year, with another 15% rise in 2025. Despite high production costs, particularly in China, these mines are crucial for maintaining the low-cost, steady supply vital for China's strategic EV and battery sectors.

Stellantis, China's CATL to invest \$4.33 bln in EV battery factory in Spain (December 10, 2024, [Source](#)) – Stellantis and Chinese battery manufacturer CATL are set to invest €4.1 billion (\$4.33 billion) to construct one of Europe's largest electric vehicle (EV) battery factories in Zaragoza, Spain. The facility, expected to begin production by the end of 2026, aims to generate 50 gigawatt hours of capacity, potentially supplying power to around 700,000 vehicles daily. This joint venture targets producing lithium iron phosphate batteries for economically priced small to medium-sized cars. The decision to build in Spain, which abstained from imposing additional EU tariffs on Chinese EV imports, reflects strategic political and economic considerations. The country's competitive advantages include lower labor costs, abundant renewable energy, and

significant government incentives, including a €300 million subsidy received by Stellantis under a national plan funded by EU pandemic relief efforts.

China's Critical Minerals Embargo Is Even Tougher Than Expected (December 9, 2024, [Source](#)) – China has significantly escalated its trade conflict with the U.S. by imposing an embargo on the export of four critical minerals, affecting multinational companies globally. This unprecedented move includes a transshipment ban, impacting companies that might transfer these minerals to U.S. firms after purchasing from China. The ban is seen as a response to the incoming U.S. administration's promised stringent trade policies and extends China's protective measures to replace imports with domestic production. Additionally, China has initiated an anti-monopoly probe into Nvidia and introduced measures to favor domestic production in government bids. These actions represent a strategic shift by Beijing to strengthen its supply chains and pressure international companies to invest in China over the U.S., while also signaling an openness to dialogue to maintain global supply chain stability.

Rattled by China, West scrambles to rejig critical minerals supply chains (December 6, 2024, [Source](#)) – China's tightening control over strategic mineral exports, particularly antimony, is causing significant disruptions for Western companies. Notably, German firm Henkel has declared force majeure, halting deliveries of certain adhesives and lubricants essential to the automotive industry due to these restrictions. This decision followed after delays in the importation of antimony, a key component in Henkel's products, attributed to the Chinese government's slow license approval processes. As a result, antimony prices have skyrocketed by nearly 230% to about \$39,000 per metric ton. Western entities, including U.S. company Perpetua Resources Corp. (Nasdaq: PPTA | TSX: PPTA) and North

American processor United States Antimony Corporation (NYSE: UAMY), are actively seeking alternatives and ramping up production to reduce reliance on Chinese supplies. Moreover, China's recent outright export bans to the U.S. have intensified the urgency for Western diversification of critical mineral sources, highlighting the geopolitical stakes in global supply chain dynamics.

Investor.News Media Highlights

- December 13, 2024 – Critical Minerals Institute (CMI) Welcomes Neil Lock as Event Coordinator for the CMI Summit IV at the International Critical Minerals Expo <https://bit.ly/3DaFDMK>
- December 11, 2024 – The British Step into the Critical Minerals Ring <https://bit.ly/3D6yzRg>
- December 11, 2024 – Trump promises fully expedited permits, including environmental approvals, for any company investing one billion dollars <https://bit.ly/41ogUyI>

Investor.News Video Highlights

- December 12, 2024 – Nano One's Dan Blondal on the \$18M Funding from the Government of Québec <https://youtu.be/XnAmieBo6n4>

Investor.News Member News

- December 13, 2024 – Ucore Rare Metals: US DoD Approves US\$1.8 Million Payment <https://bit.ly/3ZRvFc6>

- December 12, 2024 – Power Nickel Release Lion Zone Core Pictures Showcasing Success on Deepest Holes with significant mineralized Intersections 125 metres Down Dip <https://bit.ly/4ghflqT>
- December 12, 2024 – Exceptional drill results adjacent to the Capão do Mel Starter Pit <https://bit.ly/3Z0g8tg>
- December 10, 2024 – Nord Precious Metals Begins Metallurgical Testing of 79 Grams per Tonne Silver Tailings from Beaver Property <https://bit.ly/4fe3XKW>
- December 9, 2024 – Nano One Awarded \$18 Million From the Government of Québec to Support Low Cost, High Efficiency and Cleaner LFP Cathode Production at Its Candiac Facility <https://bit.ly/4fd3SaC>
- December 9, 2024 – Panther Metals PLC Dotted Lake Project Update <https://bit.ly/4g5GTiL>
- December 9, 2024 – Critical Metals PLC Result of AGM <https://bit.ly/3ZIQNBa>

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](#)

