

Technology Metals Report (TMR 06.21.2024): Trudeau's Block on a Chinese Rare Earths Bid and Chinese Premier Li Qiang's Visit to Western Australia

written by Tracy Hughes | June 21, 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 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 European Union's [decision](#) to slash its 2030 EV sales targets, raising doubts about its combustion car ban by 2035, and the Trudeau government's move to [block](#) a Chinese bid for Canadian rare earths. These stories, listed in chronological order, underscore the ongoing challenges and strategic shifts within the sector.

This week's TMR Report also highlights the U.S. Senate's [passage](#) of a bill to support advanced nuclear energy deployment, aiming to decarbonize the power sector, and China's new [guidelines](#) to regulate the rapidly expanding lithium-ion battery industry. Additionally, the House Select Committee on the Strategic Competition Between the U.S. and the Chinese Communist Party has [announced](#) a new Critical Minerals Policy Working Group, and Chinese Premier Li Qiang's [visit to Western Australia](#) spotlights the global race for critical minerals. These developments reflect the broad spectrum of geopolitical, economic, and

technological factors shaping the future of critical minerals and technology metals.

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European 2030 EV Sales Targets Slashed Again, Raising ICE Ban Doubt: (June 20, 2024, [Source](#)) – European 2030 EV sales targets have been cut, raising doubts about the EU's ban on new combustion cars by 2035. Jefferies now predicts 2 million fewer EVs sold annually by 2030 than previously estimated. Factors like high prices, unreliable battery capacity, poor range, and recharging issues deter buyers. The second-hand market is also suffering due to Tesla-led price cuts. Private buyers are wary of unpredictable residual values. EV charging costs, initially seen as an advantage, are becoming less appealing. Manufacturers face an existential threat if mandates aren't relaxed. McKinsey's study shows 40% of U.S. EV buyers prefer returning to combustion engines. UBS and other forecasters have similarly reduced their EV sales expectations, highlighting a significant industry challenge.

Trudeau Government Blocks Chinese Bid for Canadian Rare Earths: (June 19, 2024, [Source](#)) – The Trudeau government has blocked the sale of [Vital Metals Limited](#)'s (ASX: VML) rare earth materials to a Chinese firm, ensuring these resources stay within Canada. Instead, Vital Metals will sell its stockpiled materials to the Saskatchewan Research Council (SRC) for C\$3 million. This move aligns with Canada's strategy to maintain control over its critical minerals sector. The decision has sparked discussions among experts about the challenges of processing different types of rare earth ores. This policy shift reflects broader efforts by Prime Minister Justin Trudeau's administration to limit Chinese influence in Canada's critical minerals sector, emphasizing national security and economic prosperity. The federal government remains firm on scrutinizing Chinese

investments in this sector, aiming to bolster a North American supply chain for high-tech and defense applications.

U.S. Senate passes bill to support advanced nuclear energy deployment: (June 19, 2024, [Source](#)) – The U.S. Senate passed a bill to boost nuclear energy deployment, streamlining permitting and offering incentives for advanced nuclear technologies. The bill, supported by both parties, aims to decarbonize the power sector and ensure reliable electricity while creating jobs. Having already passed the House, it now awaits President Biden's signature. The ADVANCE Act, passed 88-2, was hailed by Senators Tom Carper and Shelley Moore Capito for its significance to America's energy future. The bill reduces regulatory costs for licensing advanced reactors, creates a prize for next-gen reactor deployment, and expedites licensing at specific sites. Beneficiaries may include companies like TerraPower, though non-proliferation groups express safety concerns. The U.S. nuclear industry has faced challenges due to high costs and complex regulations.

China to regulate lithium-ion battery industry amid fast expansion: (June 19, 2024, [Source](#)) – China's Ministry of Industry and Information Technology has issued new guidelines for the lithium-ion battery industry, focusing on transforming, upgrading, and promoting high-quality development amid rapid sector expansion. The guidelines aim to scale back projects that only increase production capacity, enhance technology innovation, improve product quality, and reduce output costs. Projects in farmland and ecological zones must be shut down or strictly controlled and gradually removed. Rapid expansion in the lithium battery supply chain has caused a price drop, impacting company profits in the world's largest market. Industry planning and new projects should align with national resource development, ecological protection, and energy-saving management.

Select Committee Unveils Critical Minerals Policy Working Group: (June 18, 2024, [Source](#)) – Chairman John Moolenaar and Ranking Member Raja Krishnamoorthi of the House Select Committee on the Strategic Competition Between the U.S. and the Chinese Communist Party announced a new Critical Minerals Policy Working Group. This group aims to counter the CCP's dominance in critical mineral supply chains essential for semiconductors, wind turbines, and electric vehicles. Led by Reps. Rob Wittman (R-VA) and Kathy Castor (D-FL), the bipartisan group will develop legislation and raise awareness to reduce U.S. reliance on Chinese minerals. Their efforts will build on the Select Committee's December report, which highlighted the economic and technological competition with China and stressed the need for U.S. independence from CCP-controlled supply chains.

Chinese premier's Western Australia tour spotlights global race for critical minerals: (June 18, 2024, [Source](#)) – Chinese Premier Li Qiang's visit to a lithium processing plant in Western Australia emphasizes China's bid to secure critical minerals amidst competition with the U.S. Western Australia supplies over half of the world's seaborne iron ore and lithium, vital for electronic devices and electric vehicles. Li's visit, the first by a Chinese premier in seven years, signals improving relations between China and Australia. The visit included discussions on investment in Australia's resource industry, amidst concerns over Chinese investments. Both nations acknowledge the importance of cooperation for stabilizing industrial supply chains. Li advocated for a fair business environment for Chinese enterprises, while Australian Prime Minister Anthony Albanese emphasized job creation in critical minerals processing and maintaining international trade partnerships.

Coal India exploring lithium assets in Argentina with U.S. firm, source says: (June 18, 2024, [Source](#)) – Coal India Ltd is exploring lithium blocks in Argentina with a U.S. firm to secure

lithium supplies, crucial for electric vehicle batteries. This is part of India's role in the U.S.-led Minerals Security Partnership (MSP) to meet zero-carbon goals. India, under Prime Minister Modi, identified 30 critical minerals, including lithium, for clean energy adoption. India and the U.S. are co-investing in a lithium project in South America and a rare earths project in Africa. Coal India is interested in Argentina's Kachi block, with preliminary studies underway. Shares of Coal India rose after the news. Additionally, the U.S. and India are negotiating a Critical Minerals Memorandum of Understanding (MoU) to enhance collaboration and secure essential mineral supplies.

Why is there a domestic American critical minerals crisis?: (June 17, 2024, [Source](#)) – The domestic American critical minerals crisis stems from the Western manufacturing industry's failure to anticipate and prepare for the rapid rise in demand from China for technology goods and services. This oversight allowed China to build a massive minerals processing capability to achieve self-sufficiency. As a result, China now controls a significant portion of the world's critical minerals and processing capacity. The U.S. Department of Defense has struggled to establish a rare earth supply chain independent of China due to inadequate expertise and investments in unproven companies. Similarly, the American private sector has failed to secure a domestic supply of critical minerals. The crisis highlights a lack of foresight, expertise, and effective policy in addressing the foreseeable consequences of mineral supply chain deglobalization.

Brazil joins race to loosen China's grip on rare earths industry: (June 17, 2024, [Source](#)) – Brazil aims to develop a rare earths industry to challenge China's dominance. With vast reserves, low labor costs, clean energy, and proximity to key markets, Brazil is well-positioned. Its first rare earths mine,

Serra Verde, began production this year, with plans for output growth. However, challenges include low prices, technical issues, and cautious lenders. Western governments' incentives support this move to reduce reliance on China, which processes 90% of the world's rare earths. Brazil's goals include more mines and advancing processing and recycling technologies. The country's efforts could make it a significant global player, providing an alternative to China's near-monopoly in the rare earths sector.

Indonesia's \$5 billion deal with Tesla is only part of its all-in strategy on nickel mining: (June 17, 2024, [Source](#)) – In mid-2020, Elon Musk urged for more nickel mining to support EV battery production. By 2022, Tesla secured a \$5 billion deal with Indonesia, which holds 42% of the world's nickel. Indonesia, leveraging this resource, aims to boost its economy and manufacturing sector. The government banned raw nickel exports in 2014, leading to refined nickel being processed domestically, significantly increasing export value. President-elect Prabowo plans to ban refined nickel exports to attract manufacturers. This strategy positions Indonesia between the U.S.-China rivalry, with significant Chinese investment. However, environmental concerns, mining dangers, and a potentially saturated EV market pose challenges. Critics argue that Indonesia has not met environmental standards, despite government pledges. Despite risks, Indonesia remains committed to its nickel-centric economic strategy.

World's biggest copper miner insists it can reverse production slump: (June 16, 2024, [Source](#)) – Codelco, the world's largest copper miner, plans to reverse its production decline despite a \$20bn debt. Production dropped from 1.618mn tonnes in 2021 to 1.325mn in 2023, a 25-year low. CEO Rubén Alvarado, who took over last September, aims for a slight increase in 2024 and a target of 1.7mn tonnes by 2030. The company faces challenges

like delays in major projects, seismic events, and chronic underinvestment due to government policies. Codelco aims to boost output through joint ventures and operational improvements, despite rising debts and structural issues. Additionally, it will enter lithium mining, driven by government mandates. High copper prices are expected to aid financial stability and support expansion efforts, creating a sustainable financing model for future operations.

Chilean Cobalt Corp. Announces Receipt of USD \$317 Million Letter of Interest From US EXIM Bank: (June 14, 2024, [Source](#)) –

Chilean Cobalt Corp. (OTCQB: COBA) (C3) has received a non-binding Letter of Interest from the US Export-Import Bank for potential debt funding of up to \$317.4 million. This funding, with a loan tenor of up to 15 years, aims to support C3's La Cobaltera cobalt-copper project in northern Chile, among other mining concessions. The funding is part of EXIM Bank's China and Transformational Export Program, which helps American companies compete with China in critical sectors. This potential funding would cover most of the construction and development costs for Phase 1 of the La Cobaltera project, focusing on cobalt-copper oxide zones. C3 will proceed with a formal application, after which EXIM Bank will complete due diligence to finalize their commitment.

Investor.News Critical Minerals Media Coverage:

- June 20, 2024 – With Eyes on Global Nickel Prices, Power Nickel's Fortunes Continue to Rise <https://bit.ly/3z7B9EJ>
- June 19, 2024 – Trudeau Government Blocks Chinese Bid for Canadian Rare Earths <https://bit.ly/3RyVwks>
- June 18, 2024 – Solvay and Cyclic Materials Sign Supply

Agreement for Recycled Mixed Rare Earth Oxide
<https://bit.ly/4chCAyK>

- June 17, 2024 – Why is there a domestic American critical minerals crisis? <https://bit.ly/4erIAql>

Critical Minerals IN8.Pro Member News Releases:

- June 21, 2024 – Zentek Announces Grant of Stock Options <https://bit.ly/4exM4Yw>
- June 21, 2024 – Resignation of Non-Executive Director Mr. Kenneth Traub <https://bit.ly/3VR5eRH>
- June 20, 2024 – Nano One and Worley Provide Insights into Strategic Partnership and Market Opportunities in Cathode Active Materials Production <https://bit.ly/3XtTaqY>
- June 20, 2024 – Fathom Announces Receipt of New Exploration Permit and Commencement of Field Activities at the Gochager Lake Project <https://bit.ly/4cuWkoU>
- June 20, 2024 – Defense Metals Appoints Guy de Selliers as Chairman of the Board <https://bit.ly/4baexkj>
- June 19, 2024 – Neo Announces Voting Results from Annual General & Special Meeting of Shareholders <https://bit.ly/450C20Z>
- June 19, 2024 – Results of Extraordinary General Meeting <https://bit.ly/3z90VbF>
- June 18, 2024- F3 and SKRR to Test Conductors on Clearwater West <https://bit.ly/3VraXMR>
- June 17, 2024 – Terra Balcanica Closes First Tranche Of Private Placement Financing <https://bit.ly/3VweBFi>
- June 17, 2024 – Former Critical Minerals Leader from General Motors Joins Energy Fuels to Advance Rare Earth Business; Separated NdPr Now Being Packaged at Energy

Fuels' White Mesa Mill <https://bit.ly/3xaf87P>

- June 17, 2024 – Critical Metals PLC Director Dealings
<https://bit.ly/3VITe4T>