

# The top billionaires are now chasing the critical magnet rare earths – Part 1 of 2

written by Matt Bohlsen | December 12, 2022

In this two part series we look at a growing trend where billionaires have started investing or taken a strong interest in rare earths companies, mines, and/or projects around the world. The significance is that these billionaires are very well known and followed. Plus it now appears they have their targets set on the 'magnet' rare earths sector, which many analysts forecast to go into deficit this decade, driven by the shift to renewable energy and electric vehicles. The magnet rare earths mostly refers to neodymium and praseodymium (NdPr), the world's most sought after rare earths. Dysprosium (Dy) is the third key rare earth used in magnets. It is also used in control rods for nuclear reactors.

One can argue that this trend all started back when, now billionaire, James Litinsky bought a mine in California from bankrupt Molycorp and subsequently turned the mine into USA's largest producing rare earths mine, with the company MP Materials Corp. (NYSE: MP) now valued at [US\\$5.48 billion](#). As Wikipedia [states](#): "In June 2017, the Mountain Pass mine was purchased at auction for \$20.5 million by a new entity called MP Mine Operations LLC (MPMO). MPMO was a consortium formed principally by JHL Capital Group, a Chicago-based investment firm led by James Litinsky." Litinsky recognized, well before others, that the most powerful magnetic electric motors need rare earths, and that these motors would become essential to modern life technology, especially in the green revolution. Litinsky and his partner's move buying a mine for just US\$20.5m

that is now worth 200X or more today was pure genius!

**The world's most powerful electric motors are used today in wind turbines and electric vehicles. They rely on the critical and valuable magnet rare earths (Nd, Pr, Dy)**



Source: [iStock photo](#)

**Jeff Bezos, Michael Bloomberg, Bill Gates & others are looking towards Greenland for rare earths**

As [reported by InvestorIntel](#) in September 2022, Jeff Bezos, Michael Bloomberg, Bill Gates & others (via their company [KoBold Metals](#)) are looking towards Greenland as a source of rare earths and other critical metals. KoBold Metals is partnered with Bluejay Mining PLC to find the rare and precious metals in Greenland. An August 2022 article by CNN [quoted](#): “Billionaires are funding a massive treasure hunt in Greenland as ice vanishes.....Greenland could be a hot spot for coal, copper, gold,

rare-earth elements and zinc, according to the Geological Survey of Denmark and Greenland.” While there are challenges in Greenland the fact that billionaires who made their money in online shopping, financial services/media, and software are now scouring the globe for rare earths speaks to their importance and value in modern society.

### **Gina Rinehart buys into Arafura Rare Earths Limited**

Gina Rinehart, the world’s richest woman, recently bought [A\\$60 million](#) worth of Arafura Rare Earths Limited (ASX: ARU) shares via her private company Hancock Prospecting, as part of an A\$121 million capital raising by Arafura. Arafura’s news release on December 5, [stated](#): “Hancock Prospecting Pty Ltd acted as a cornerstone investor, committing to invest \$60 million which will result in a post-completion interest of ~10%....Funds raised will be applied towards orders for long lead items, commencement of fabrication in readiness for main plant construction and early works.”

### **Europe and the global auto manufacturers are also chasing the critical magnet rare earths**

In September 2022 The European Commission [stated](#): “Lithium and rare earths will soon be more important than oil and gas. Our demand for rare earths alone will increase fivefold by 2030. [...] We must avoid becoming dependent again, as we did with oil and gas.” The European Critical Raw Materials Act is due for release in Q1, 2023.

**European Critical Raw Materials Act – securing the new gas & oil at the heart of our economy (red underline by the author)**

**“Lithium and rare earths will soon be more important than oil and gas.** Our demand for rare earths alone will increase fivefold by 2030. [...] We must avoid becoming dependent again, as we did with oil and gas. [...] We will identify strategic projects all along the supply chain, from extraction to refining, from processing to recycling. And we will build up strategic reserves where supply is at risk. This is why today I am announcing a European Critical Raw Materials Act.”

Source: [Blog of Commissioner Thierry Breton](#)

2023 will likely see more urgency from countries and EV and wind turbine companies regarding sourcing the magnet rare earths.

Part 2 of this series will take a look at Andrew ‘Twiggy’ Forrest’s rare earths foray, as well as some other companies and billionaire’s rare earths dependency and challenges to secure enough supply, including Tesla’s CEO Elon Musk.