The Critical Minerals Report (8.29.2025): How critical minerals have become a geopolitical battleground.

written by Tracy Hughes | August 29, 2025

This week underscored how critical minerals have become a geopolitical battleground. In Washington, President Donald Trump issued a characteristically blunt warning: if China doesn't continue exporting its rare earth magnets, the U.S. will slap a "200% tariff" on Chinese goods. Beijing has grown "increasingly sensitive" about its grip on rare earth supply – adding magnet metals to its export restriction list in April – and Trump's threat reflects the high stakes. Across the Atlantic, a U.S.-backed firm unveiled a new trading arm to source critical minerals "in which China is dominant" from alternative suppliers. And in Southeast Asia, Malaysia revealed that China is even willing to help build its rare earth processing capacity – albeit strictly via Chinese state-linked companies. Each of these developments points to the same reality: the race to secure critical minerals is accelerating worldwide, with alliances, investments, and policies all in flux. The once-obscure metals that power our EVs, smartphones, defense systems and clean energy technologies are now at the forefront of global strategic competition.

China's long-running head start in this race is clear. It is *the* dominant producer and refiner of many critical minerals, from rare earth elements to tungsten. As one analysis put it, **"China won the rare earths race"**, leaving western nations scrambling to catch up. Beijing's leverage is not just theoretical – it's

being exercised. In February, China **tightened export controls on tungsten**, requiring licenses for overseas shipments. The result: Chinese exports of tungsten products plunged, still down 17% in July from January levels. This echoes China's curbs on **gallium** and **germanium** earlier in the summer, and its new licensing requirements on high-performance magnet materials. These moves have jolted the West. European and U.S. industries were *"sent shockwaves"* when Beijing halted certain rare earth magnet exports in April – a reminder that China holds powerful cards in sectors like electric cars, wind turbines, and missiles. Western governments now openly acknowledge the risk. In the U.S., the Department of the Interior's newly released draft "critical minerals" list for 2025 explicitly adds staple metals like **copper** and **silver** alongside niche elements such as **gallium**. The message, as Interior Secretary Doug Burgum phrased it, is that America must "reduce our dependence on foreign adversaries" for the resources that "fuel our way of life" (source). Notably, the U.S. Geological Survey's risk modeling ranks gallium, germanium, tungsten and heavy rare earths among the top economic security threats if their supply is disrupted.

Facing China's dominance, the U.S. and its partners are intensifying efforts to diversify supply chains. In London this week, TechMet – a U.S. Development Finance Corp-backed investor – launched *TechMet SCM*, a trading unit devoted to securing non-Chinese sources of lithium, cobalt, nickel and other specialties (source). "We're aligned with the re-shoring of supply chains towards the West," the unit's CEO said, emphasizing TechMet's strong U.S. government anchorage (source). TechMet already holds stakes in projects from Brazilian Nickel to Cornish Lithium and Rainbow Rare Earths, and its new arm will tap both portfolio companies and third parties to feed Western demand. Similarly, Lynas Rare Earths Ltd. (ASX: LYC) – the world's largest rare earth miner outside China – moved to bolster its firepower. The

Australia-based Lynas announced a hefty A$750 million equity raise (around $488 million) to fund new growth opportunities and acquisitions (source). This capital infusion will give Lynas roughly a $900 million war chest, capital it says will help "cement its position as the world's premier supplier of rare earths outside China" (source). The context, however, is challenging. Lynas just posted a dramatic 90% drop in annual profit (A$8 million net, down from A$84.5 million the prior year), missing expectations amid higher costs and hiccups ramping up new processing capacity (source). On an investor call, CEO Amanda Lacaze warned that policy support needs to be carefully calibrated: "Lynas is the lynchpin of the outside-China supply chain…development of new plants can be long and uncertain," she noted, urging that governments not inadvertently undermine established players like Lynas. Her point was underscored by recent U.S. backing for Lynas's up-and-coming rival MP Materials (NYSE: MP) – Washington struck a deal to take an equity stake in MP, guarantee a floor price for its product, and lend $150 million to expand its heavy rare earth separation capacity. That kind of boost to a competitor makes Lynas's position in the West's supply chain both vital and, potentially, vulnerable. Indeed, Lynas is in sensitive talks with the Pentagon over an offtake agreement for a new U.S. processing plant in Texas, but it has cautioned that "there can be no certainty" the project will go forward without commercially acceptable terms. The subtext is clear: Western nations want non-Chinese rare earth supply, but someone still has to pay for it.

Other nations are maneuvering as well. Malaysia, home to a major Lynas processing facility, this week revealed that President Xi Jinping personally offered Chinese technical assistance for Malaysia's rare earth ambitions. China would help build up Malaysia's mining and refining know-how – a notable gesture,

given China controls roughly **80–90%** of global rare earth processing — but with one condition: any cooperation must involve only Chinese **state-owned enterprises**. In other words, Beijing is willing to share its rare earth expertise, but not without keeping a firm hand on the wheel. For Malaysia, which recently banned the export of unprocessed rare earths to prevent exploitation of its resources, access to Chinese separation technology could be a boon. It would make Malaysia the rare country hosting both Chinese-backed and non-Chinese (Lynas) processing plants. Yet China's insistence on state-led partnerships highlights its intent to safeguard core technologies — and perhaps to extend its influence over any new supply streams that emerge in Asia.

Meanwhile, western officials are literally on the ground overseas trying to block Beijing. In Vietnam, Reuters reports that U.S. and European diplomats have made multiple visits to the Nui Phao tungsten mine — one of the world's largest sources of tungsten outside China — amid concerns it could be sold to Chinese interests. The mine's owner, Vietnam's Masan Group, has signaled it may sell, and sources say Chinese firms have tried to slip in via proxies to buy a stake (source). Tungsten is a critical metal for electronics and armor-piercing munitions, and China already produces over 80% of the world's supply. When Beijing restricted tungsten exports earlier this year, prices jumped and western buyers panicked. Little wonder the "Western interest in keeping the supply not China-controlled" is intense (source). Hanoi's government has previously blocked Chinese control in sensitive sectors, but there's no guarantee it will do so here. The outcome will tell us much about how far China's reach in critical minerals can extend — and how far the West will go to stop it.

The global reshuffling is giving rise to new partnerships and alliances. This week Canada and Germany agreed to deepen

cooperation on critical minerals – an unlikely pairing that underscores how priorities are shifting. Canada's new Prime Minister (and former central banker) Mark Carney visited Berlin to sign a pact with Chancellor Friedrich Merz aimed at building secure supply chains for **"critical minerals such as lithium, rare earth elements, copper, tungsten, gallium, germanium, and nickel,"** among others (source). For Canada, this is a strategic pivot away from over-reliance on its giant southern neighbor, the United States. The subtext is that both Ottawa and Berlin have been spooked by recent Chinese export moves. Germany's industry was **"acutely"** threatened by China's magnet embargo and Canada sees an opportunity to leverage its rich mineral endowment, which Carney lamented has been **"underdeveloped"** while "China and Russia dominate" these markets. The joint plan is as much about processing and refining as mining – doing more value-added work in Canada (with German investment) so that neither country has to ship raw minerals to China for refining. Both governments even floated **"joint public financing"** to kickstart projects deemed too risky for private capital alone. It's an ambitious model of *friend-shoring*: essentially pooling allied strengths (Canada's resources, Germany's technology and funds) to reduce dependence on a single dominant player. Time will tell if this road less travelled yields tangible mines and plants, but it certainly marks a new level of Western coordination on mineral security.

We are also seeing a wave of Western-funded ventures pushing into resource-rich developing countries, often where Chinese firms have long been active. A headline example is KoBold Metals, a Silicon Valley-style start-up backed by billionaires Jeff Bezos and Bill Gates. KoBold's mission is to use AI and big data to find the battery metals of the future, and this week it struck big in the Democratic Republic of Congo. Kinshasa granted KoBold *seven* exploration licenses for lithium and related

minerals (source) – including sites in the famed Manono region, home to one of the world's largest untapped lithium deposits. In fact, KoBold's deal positions it to acquire the Manono deposit outright, which is remarkable given Manono has been the subject of a bitter dispute between the DRC and an Australian firm, AVZ Minerals. The new permits cover ground rich not just in lithium but in coltan and rare earths as well, a potential treasure trove for a company intent on supplying the EV boom. For the DRC, which knows all about leveraging great-power competition (Chinese companies dominate its cobalt mines), KoBold's arrival brings an American player into the mix. The U.S. is clearly keen: Washington supported the DRC's deal with KoBold in July as a way to diversify critical mineral sourcing. It's an example of how "friendshoring" extends beyond the G7 nations to on-the-ground competition for resources in Africa and elsewhere.

Even China's own industry leaders acknowledge that a more fraught era lies ahead. This week the chairman of Zijin Mining Group Co. (SHA: 601899) – China's largest gold and copper miner and a major player in **lithium** – issued a sobering warning. "Intensifying geopolitical confrontation and resource nationalism" are creating "unprecedented" risks for global mineral supply (source), he said, noting that Zijin's overseas projects could face serious challenges as countries rethink who can access their commodities. In other words, the free flow of minerals that globalization enabled over past decades is breaking down. Mining giants now must navigate trade wars, sanctions, and governments eager to "secure their own supply" at the expense of openness. We've already seen some fallout: Indonesia banned exports of nickel ore to force battery investors to build plants locally; Chile is debating how to assert greater state control over its lithium; and the U.S. Inflation Reduction Act is explicitly designed to favor minerals from friendly sources. Now China's miners are feeling the pinch

of this decoupling. Zijin's stock hit a record high recently, but its leadership is striking a cautious tone about the "high-intensity" scramble for critical minerals that is pitting East against West.

In the United States, policymakers are not only pouring money into mines and processing facilities – they're also fortifying stockpiles and supply chains for worst-case scenarios. The U.S. Department of Energy on Tuesday announced it will distribute another batch of HALEU (high-assay low-enriched uranium) fuel to domestic companies (source). HALEU is enriched uranium needed for many advanced small modular reactors in development, and right now the only major commercial supplier is Russia. That's clearly untenable in the current climate. As Energy Secretary Chris Wright put it, the HALEU program is part of "doing everything within [our] power" to "reduce our dependence on foreign-sourced minerals" and fuel a nuclear energy renaissance at home. Similarly, the Department of the Interior's new critical minerals draft list – expanded to 54 commodities – is meant to guide investments in mining, recycling and even strategic stockpiling. Copper's proposed inclusion on the list this round is especially noteworthy; copper is abundant and not typically subject to export bans, but it is so essential to electrification that the U.S. doesn't want to take future shortages lightly. The federal government's broader strategy now spans everything from providing tax incentives and permits for new mines to funding refineries and battery recycling plants (source). And in a sign of the times, a public-private initiative was launched to establish America's first Strategic Minerals Reserve – akin to the strategic petroleum reserve, but for critical materials like rare earths, gallium, and graphite. This project, spearheaded by an entity called M2i Global in partnership with the U.S. government, will use a site at a Nevada Army depot to stockpile and even process vital minerals

on U.S. soil (source). The initiative is part of a larger $850 million deal that will see M2i Global merge with aviation firm Volato Group, creating a dual-purpose company focused on critical mineral infrastructure on one hand and aerospace technology on the other. It's an unusual pairing, but it underscores the creative solutions being marshalled: leveraging public capital, military assets, and private-sector acumen to ensure the U.S. has a secure buffer of strategic minerals for the future.

Finally, market forces continue to play a role alongside politics. The world's top uranium producer, Kazatomprom of Kazakhstan, announced it will cut its uranium output ~10% in 2026 – a surprising move that will remove about 5% of global supply from anticipated production (source). The company cited persistent low prices and only modest demand growth as reasons it "does not view" a return to full production as justified. Uranium prices have firmed (around $80 per pound long-term) but not enough to entice new mines, and Kazatomprom seems intent on balancing the market rather than oversupplying it. From one perspective, this is Kazatomprom acting rationally to support its profits after a 12% drop in first-half earnings. But from a strategic standpoint, it raises eyebrows: as nations plan more nuclear reactors for energy security and climate goals, the last thing they want is a *major* supplier voluntarily tightening the tap. If anything, it's a reminder that critical mineral security isn't just about mines and tariffs, but also about market dynamics. Many critical materials markets are small and can be tipped into deficit by such cuts. A 10% reduction by Kazakhstan could put further upward pressure on uranium prices, squeezing nuclear utilities already nervous about potential curbs on Russian enriched uranium exports. In effect, it puts a premium on the West's efforts to develop alternative uranium supplies or enrichment capacity – mirroring the dynamic in rare earths and

battery metals.

From Washington to Hanoi to Kinshasa, the past week's events all point to a new world of critical minerals – one defined by intense competition, strategic deals, and even brinksmanship. What used to be a niche corner of the mining sector is now squarely in the realm of high politics and grand strategy. Every few days seem to bring another policy tweak, funding announcement or corporate maneuver aimed at shoring up supply or undercutting a rival. The global consensus is that securing these minerals is essential for economic future and national security. The global paradox is that securing them often means making the supply chain less globalized – more localized, allied, or tightly controlled. For investors and industry professionals, it's a double-edged sword. On one hand, unprecedented government support and spending are flowing into critical minerals, from subsidies for mines and processing plants to R&D in alternatives. On the other, higher geopolitical risk and trade barriers could mean more volatile prices and complicated due diligence. Either way, the clear takeaway from this week is that the critical minerals scramble is only intensifying. The world's major powers and companies are now in a sort of arms race – or perhaps a "magnets and metals" race – where securing a stable supply of tungsten, rare earths, uranium, and beyond is as crucial as securing oil was in the 20th century.

Top Media Highlights of the Week:

August 28, 2025 – US-backed TechMet's new trading unit to boost ex-China critical mineral flows (Click here)
August 28, 2025 – Malaysia says China is ready to provide assistance in rare earths processing (Click here)
August 28, 2025 – Lynas Rare Earths says $750m fundraising will

boost deals ‘firepower’ (Click here)
August 28, 2025 – Rare earths miner targets US investment to rival Chinese supplies (Click here)
August 27, 2025 – China won the rare earths race. Can it stay on top? (Click here)
August 27, 2025 – Lynas flags uncertainty over Texas rare earths plant, posts profit slump (Click here)
August 27, 2025 – West frets over China’s interest in Vietnam tungsten mine, sources say (Click here)
August 27, 2025 – Canada and Germany’s Critical Mineral Partnership – and a Road Less Travelled. (Click here)
August 27, 2025 – KoBold Metals granted seven Congo lithium exploration permits (Click here)
August 27, 2025 – The third largest miner in the world has a warning on critical minerals (Click here)
August 26, 2025 – U.S. Department of Energy to Distribute Next Round of HALEU to U.S. Nuclear Industry (Click here)
August 25, 2025 – Department of the Interior releases draft 2025 List of Critical Minerals (Click here)
August 25, 2025 – ‘They have to give us magnets’: Trump warns of 200% tariff on China if exports are curbed (Click here)
August 22, 2025 – Kazatomprom to lower uranium production in 2026 (Click here)
August 21, 2025 – Volato Group’s Proposed Acquisition Under Definitive Agreement, M2i Global Launches Initiative to Build Nation’s First Strategic Minerals Reserve (Click here)

InvestorNews.com Media Updates:

- August 27, 2025 – Young Kim’s Critical Minerals Crusade: One American Lawmaker’s Bid to Break China’s Grip https://bit.ly/4lNNYGW
- August 26, 2025 – Canada and Germany’s Critical Mineral

Partnership – and a Road Less Travelled. https://bit.ly/45Wdhk9

InvestorChannel.com (YouTube) Interview Updates:

- **Interview** – August 25, 2025 – Tom Drivas on Appia's Rare Earths Drill Blitz in Brazil's Ionic Clay Belt https://youtu.be/ChAo_dfJlqI

InvestorNews.com News Release Updates:

- August 29, 2025 – Happy Creek Announces Appointment of Director https://bit.ly/4mYyCAc
- August 28, 2025 – Antimony Resources Corp. (ATMY) (K8J0) Report More Massive Antimony-Bearing Stibnite ("Sb") with Assays up to 5.27% Sb over 4.95 Meters Including a Zone of Massive Antimony-Bearing Stibnite Which Returned 11.3% Sb over One Meter https://bit.ly/4fXLHYt
- August 26, 2025 – Ucore Executes Supply Agreement with Critical Metals Corp. https://bit.ly/3JAlqDm
- August 26, 2025 – Nord Precious Metals Plans Fall Drill Program, Reports 29 New Veins in Comprehensive 3D Modeling Study After 75,000 Meters Drilled https://bit.ly/3JRTfzN
- August 26, 2025 – Rockland Resources Provides Beryllium-Bearing Samples to Miresso Fusion Energy Research Company https://bit.ly/3JSDFUw
- August 26, 2025 – Power Metallic Appoints Retired Federal Minister Seamus O'Regan to Board https://bit.ly/4fRXGXk

- August 26, 2025 – Energy Fuels and Vulcan Elements Join Forces to Advance U.S. Rare Earth Magnet Security https://bit.ly/3UOB9Bb
- August 26, 2025 – Permitting Progressing – Water Monitoring Well Pump Test Completed at Halleck Creek's Cowboy State Mine https://bit.ly/4oWfnJA
- August 25, 2025 – Quantum Expands Victory Antimony Property in Haida Gwaii, BC https://bit.ly/421WPO2
- August 25, 2025 – Antimony Resources Corp. (ATMY) (K8J0) Closes First Tranche of Financing https://bit.ly/4fV1as7
- August 25, 2025 – Voyageur Pharmaceuticals Launches U.S. Iodine Feasibility Study to Establish First Fully Integrated North American Contrast Drug Manufacturing Platform https://bit.ly/4mC523S
- August 24, 2025 – Critical Minerals Institute (CMI) Announces Masterclass: Silicon's Strategic Trajectory—from Ultra-Pure Silica to Semiconductors & National Security – Thursday, August 28, 2025 https://bit.ly/3UGslNI