

# Critical Minerals Report (04.05.2026): Section 232 Reset Begins, Tungsten Capital Accelerates & Rare Earth Supply Chains Face Execution Test

written by Tracy Hughes | April 6, 2026

By the end of this publishing window, the critical minerals market looked less like a set of independent commodity stories and more like a single system reacting to stress at multiple pressure points – war risk, chokepoints, and policy-driven market design. The energy shock ripple from disruptions tied to the Strait of Hormuz has been treated primarily as an oil and LNG crisis, but the more strategically revealing channel is chemical and processing inputs: sulphur and sulphuric acid supply constraints transmit directly into copper, nickel, cobalt, and certain lithium processing routes, tightening the “hidden” midstream that most industrial policy still underweights.

The sharpest policy signals this week came from United States trade architecture rather than from a mining ministry. The White House issued an [April 2 proclamation](#) that retools the Section 232 tariff regime for aluminum, steel, and copper by shifting duties to the *full customs value* for covered articles and derivatives and establishing tiered rates and carve-outs effective April 6—an adjustment that can raise the effective burden on copper-intensive finished goods even where nominal rates appear lower than prior “metal-content” calculations. The

practical impact for the critical minerals complex is not limited to copper pricing; it will influence procurement timing and bill-of-materials strategies across grid equipment, electrification hardware, and industrial systems where the copper content is strategically small but economically decisive.

In parallel, Washington continued to normalize state-linked capital as a supply chain tool. The U.S. Department of State announced it intends – working with Congress – to allocate \$250 million in foreign assistance funding for a new [Pax Silica Fund](#), designed to support critical minerals extraction and processing and related infrastructure aligned with secure semiconductor supply chains. With the Pax Silica “consortium”, the fund signals a more explicit U.S. model: resource and processing projects are being treated as strategic layers of technology sovereignty rather than as purely commercial inputs [[Source](#)].

That state-capital pattern sharpened further when Bloomberg [reported](#) the U.S. International Development Finance Corporation will convert an existing loan into equity, targeting roughly a 20% stake in the publicly listed Syrah Resources Limited (ASX: SYR | OTC: SYAAF) – a rare instance of quasi-industrial policy taking the form of direct ownership exposure to a major graphite supply chain outside China via Mozambique’s Balama asset and the company’s U.S. anode materials footprint.

Allied governments are adopting their own versions of “managed markets.” [Reuters reported](#) France is increasingly interested in investing into Australian critical minerals projects, while Madeleine King described a pipeline spanning dozens of mining and processing projects and referenced a strategic reserve concept that explicitly includes minerals such as gallium and rare earths. That reserve is not just rhetoric: Australia’s government also moved legislation enabling the Commonwealth to secure, sell, and stockpile critical minerals as part of a

broader strategic reserve framework. Reuters additionally reported Canberra intends its reserve to incorporate an element of a floor price – an admission that sustaining non-Chinese supply may require policy-engineered price discovery rather than faith in commodity cycles [[Source](#)].

Trade policy is now being written with the same strategic vocabulary. Australia and the European Union concluded a long-negotiated trade agreement that explicitly frames improved access to Australian critical minerals as part of a de-risking effort from China's dominant position—another case where alliances are attempting to “contract around” chokehold vulnerabilities in processing and magnet supply chains [[Source](#)]. We published a summary of the Hallgarten + Company analysis of this, middle of last week titled: *From Green Dreams to War Metals: A Critical Minerals Wake-Up Call for Europe* [[click here to access](#)].

The hemisphere-consolidation thesis also advanced through rare earth financing in Brazil. The Financial Times [reported](#) the U.S. has secured rare earths supply as part of the \$565 million financing package linked to Serra Verde Group, reinforcing the U.S. pattern of tying capital to offtake and strategic options.

Canada's stance captured the ambiguity of allied coordination under political strain. A civil-society report citing the CBC's Fifth Estate coverage described Ottawa committing a \$175 million loan toward a Nunavik rare earths project associated with Torngat Metals, while flagging the political sensitivity of U.S.-linked investors during heightened bilateral tension [[Source](#)]. Whatever the politics, the strategic rationale is straightforward: heavy rare earth supply outside China is now treated as an enabling condition for defense manufacturing and industrial resilience.

Rare earths this week were a story about *midstream realism*—who can separate, refine, metallize, and turn oxides into magnet-ready products under allied jurisdiction. Reuters reported Japan and France signed a roadmap supporting rare earth supply chains, tied to the Caremag refining project in France (expected late-2026 start), and explicitly linked to heavy rare earths like dysprosium and terbium [[Source](#)]. The signal here is that allied strategy is no longer limited to new mines; it is shifting toward politically durable processing capacity that can survive export controls and licensing shocks.

A parallel commercial pathway is being built through Vietnam. Lynas Rare Earths Limited and LS Eco Energy Ltd. reached a preliminary agreement in which Lynas would supply rare earth oxides to an LS Eco processing plant planned for Vietnam, with downstream magnet manufacturing planned for the United States and operations targeted for Q4 2026 [[Source](#)]. This is a strategically coherent but politically delicate architecture: Vietnam is becoming a contested processing node—close enough to Asian manufacturing ecosystems to be cost-competitive but increasingly entangled in allied security objectives.

That geography-first logic was made explicit in a Rare Earth Exchanges analysis that was sent to me last week, arguing that Southeast Asia is shifting from passive transit zone to an active, contested corridor: Myanmar feedstock, Vietnamese ambition, Malaysian processing, Thai industrial capacity [[Source](#)]. Even if the exact division of labor evolves, the broader point is durable: as China's dominance in rare earth separation and magnets persists, the competitive frontier is emerging in the “in-between” jurisdictions where allied capital can buy optionality without building everything at home.

Processing and intermediate products – often overlooked by headline investors—were highlighted by Ucore Rare Metals Inc.,

which publicly congratulated Hastings Technology Metals Limited on acquiring a fully permitted mixed rare earth chloride production facility in Thailand (via Hastings' JV partners), while framing the asset as an enabler for near-term supply discussions and future separation strategies [[Source](#)].

On the U.S. side, Energy Fuels Inc. reported production of high-purity terbium oxide at its White Mesa Mill from domestic monazite feedstock, positioning the output as pilot-scale material suitable for magnet validation—an operational milestone with outsized psychological value in a market where heavy rare earth independence has been more slogan than substance [[Source](#)].

Downstream integration continued to tighten. USA Rare Earth, Inc. and Arnold Magnetic Technologies announced a mutual sales and distribution agreement connecting USA Rare Earth's NdFeB feedstock and magnets with Arnold's finished magnet capabilities; Arnold noted it is a subsidiary of Compass Diversified. A separate local-business report from the Rochester Business Journal underscored the same point in plainer language: U.S. magnet supply is being rebuilt not as a single "national champion" project, but as an interlocking mesh of feedstock, metallization, component manufacturing, and distribution relationships [[Source](#)].

Finally, the week reinforced that resource nationalism is now expressed through corporate governance controls as much as through mining law. Australia blocked a Hong Kong-based investor from voting and restricted transfers of shares in Northern Minerals Limited – developer of the Browns Range heavy rare earth project – after concerns about Chinese-linked influence pathways [[Source](#)]. The strategic subtext is direct: dysprosium and terbium supply chains are being defended not only through subsidies and offtake, but through ownership policing.

If rare earths are the emblem of magnet coercion, copper is the structural mineral of the energy transition – and its vulnerability this week sat squarely at the intersection of geology, processing economics, and geopolitical corridors.

On supply outlook, Ivanhoe Mines Ltd. published an updated independent study for the Kamoakakula Copper Complex that reduced near-term copper anode guidance for 2026–27 and raised cost guidance, effectively acknowledging that even top-tier orebodies are constrained by infrastructure sequencing and execution risk [[Source](#)].

In the United States, Rio Tinto Group expects Arizona's Resolution Copper to open by the mid-2030s and may need to export concentrate due to challenging domestic smelting economics—an unusually candid statement that policy aspirations for “domestic copper” collide with the reality that midstream treatment charges can go negative in a concentrate shortage [[Source](#)]. The timing matters: as Section 232 trade mechanics are rewritten to reshape copper-adjacent supply chains, the U.S. still faces a structural midstream gap in processing capacity that tariffs alone cannot solve.

Canada's copper midstream vulnerability was illuminated by the Horne smelter dispute. Reporting in Mining.com described federal and Quebec discussions to keep Glencore's Rouyn-Noranda operation running amid tighter arsenic rules; Canadian Mining Journal noted proposed amendments that would delay stricter arsenic emissions targets, reflecting the political trade-off between public health constraints and the strategic value of a rare North American facility capable of processing both concentrates and certain recycled feedstocks [[Source](#)].

At the geopolitical corridor level, Chinese-linked mining and logistics firms joined a \$1.2 billion revamp of the

Tanzania–Zambia rail corridor (TAZARA), positioning it as a counterweight to Western-backed export alternatives [[Source](#)]. The broader strategic lesson is that copper security is being pursued not only through mines and smelters, but through rail lines and ports—physical infrastructure that can re-route mineral flows across spheres of influence.

Finally, the week reinforced sovereign and security risk as a copper supply variable. Barrick Mining Corporation said it is slowing development and extending its review of Pakistan’s Reko Diq project through mid-2027 amid escalating security incidents, warning that capital budgets and timelines could increase significantly [[Source](#)].

Uranium and nuclear-adjacent supply chains stayed tightly coupled to two drivers: grid reliability demand from AI-era load growth, and the resurgence of state-to-state energy deals as strategic alignment tools.

Vietnam and Russia signed an intergovernmental agreement on the Ninh Thuan 1 nuclear plant, detailing the legal framework and describing the broader context of Vietnam’s power shortfalls and program restart [[Source](#)]. While the headline reads as energy policy, the mineral implication is uranium demand resilience and fuel-cycle geopolitics: nuclear build decisions lock in procurement pathways for decades.

Private capital is moving in tandem. X-Energy, Inc. filed for a U.S. IPO with plans to list on Nasdaq under “XE,” reflecting the market’s attempt to price the next generation of reactors and HALEU-linked fuel ecosystems [[Source](#)]. The technology story is also being “platformized” by Big Tech: Microsoft published a nuclear-focused AI collaboration narrative emphasizing permitting, design acceleration, and operations optimization—an indicator that digital infrastructure companies increasingly

view nuclear build-out as a prerequisite for data-center scale [[Source](#)].

**Meanwhile, fuel-cycle cooperation is being formalized by incumbents.**

Korea Hydro & Nuclear Power, South Korea's state-owned nuclear utility, and Orano signed an MoU spanning the full nuclear fuel lifecycle—from securing uranium feedstock through conversion and enrichment—explicitly positioned to strengthen resilience against external supply shocks. On the domestic front, the U.S. Energy Information Administration reported Q4 2025 uranium concentrate production of 1,043,474 pounds  $U_3O_8$ , a 217% quarter-on-quarter increase, underscoring that U.S. uranium reactivation is beginning to translate from narrative into measurable output [[Source](#)].

This week's through-line is that critical minerals are increasingly being governed as strategic assets whose value is mediated by policy, alliances, and chokepoints—not solely by cost curves. That framing surfaced in a pointed way in "America's Military Potemkin Crisis," where Jack Lifton argues the gap between critical-minerals rhetoric and industrial execution remains dangerous; regardless of whether one accepts every conclusion, the warning aligns with the week's evidence that the bottlenecks now sit in intermediate processing, ownership control, and permitting timelines rather than in geology alone [[Source](#)].

Two additional developments further expand the definition of what constitutes "critical" within the CMI framework. First, Fireweed Metals Corp. announced a \$61.5 million private placement anchored by a strategic investment from JX Advanced Metals Corporation, underscoring tungsten's re-emergence as a core defense-industrial input where Western optionality is being

rebuilt through capital stacking well ahead of steady-state production. This momentum was reinforced by American Tungsten Corp., which recently [completed](#) a C\$40 million bought deal financing, signaling accelerating capital markets alignment around securing domestic and allied tungsten supply chains.

Second, gallium's strategic value—amplified globally by prior export-control episodes—was reinforced through circular-economy contracting: Metallium Limited disclosed a long-term offtake agreement with Indium Corporation for recovered gallium and germanium, among other metals.

The most important near-term factor is how new policies are actually applied in the real world. The Section 232 changes begin on April 6, but their true impact will depend on how importers respond, how customs rules are enforced, and how materials are classified.

In rare earths, the key question is execution: can planned processing in Vietnam and refining in France move from announcements to real, financed operations with reliable supply and permits? At the same time, tighter government oversight—such as Australia's intervention in Northern Minerals—signals increasing control over critical heavy rare earth assets.

In copper, recent developments should be viewed as signs of broader system pressure, not isolated issues. Delays at Kamoakakula, the long timeline for Resolution, and ongoing negotiations around Canada's Horne smelter all point to deeper challenges in building and maintaining midstream capacity. All topics we will cover in the upcoming [Critical Minerals Summit 5](#) in Toronto on May 13-14, 2026.

For more information, go to [www.criticalmineralsinstitute.com](http://www.criticalmineralsinstitute.com) or contact Chrissy Hessam at [Chrissy@criticalmineralsinstitute.com](mailto:Chrissy@criticalmineralsinstitute.com) or +1 647 289 7714.

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