China REE export restrictions underscore urgent need for secure alternative supply chain

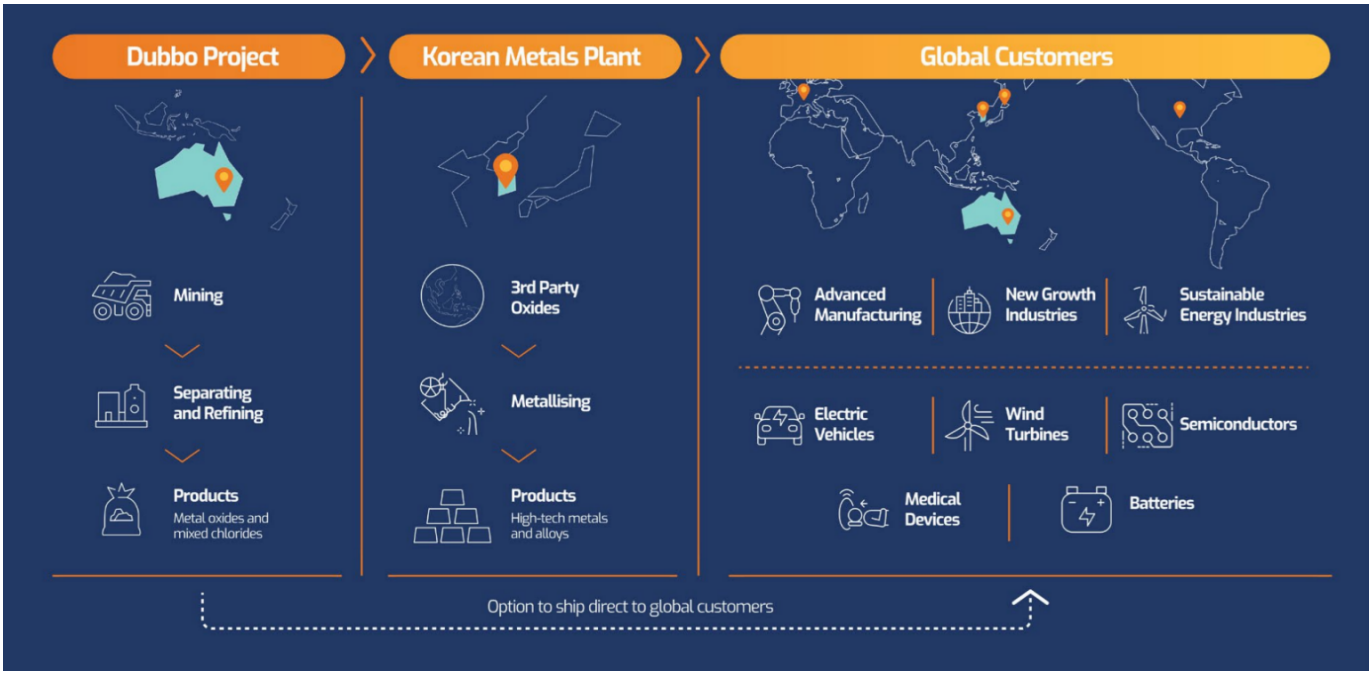
written by Raj Shah | April 11, 2025

April 11, 2025 (Source) – Australian Strategic Materials Limited (ASM or the Company) (ASX:ASM) acknowledges the considerable market volatility and speculation following the announcement of US international trade tariffs and the response by China1 to impose increased export restrictions on a range of medium and heavy rare earth elements (REE), as well as their oxides, metals, alloys and magnets.

These developments highlight the risks of global overreliance on a single jurisdiction for critical materials. ASM has long recognised this vulnerability and is advancing a vertically integrated mine to metals strategy designed to establish a secure, sustainable, and independent rare earth and critical minerals supply chain.

ASM's vertically integrated mine to metals strategy

Through its Dubbo Project in New South Wales, Australia, and its flagship Korean Metals Plant, ASM is uniquely positioned to deliver a broad portfolio of rare earth products – from ore through to alloy – outside of China's influence. Many of the materials affected by China's new export restrictions are already available or planned through ASM's alternative supply chain, offering partners a viable, de-risked solution.



ASM's 'shovel ready' Dubbo Project is a globally significant resource of neodymium, praseodymium, dysprosium, terbium, zirconium, niobium and hafnium, with the opportunity to be in production by 2028, funding dependant. In addition, ASM's metallisation capability at its Korean Metals Plant is currently producing commercial quantities of neodymium praseodymium (NdPr) metal and neodymium iron boron (NdFeB) alloy, with well advanced plans to deliver dysprosium and terbium metals at commercial scale in 2025.

The tables below show the planned and existing products to be produced at the Dubbo Project and Korean Metals Plant, with those products impacted by China's export restrictions highlighted.

Dubbo Project Product Summary[2]

Dubbo Project Products	Production Quantity Metric Tonnes Per Annum	Impacted By China Export Restrictions
Zirconia (ZrO2, produced from calcining ZBS)	13,500	
Dehafniated Zirconia (DHZ)	2,500	
Hafnium Oxide (HfO2)	30	
FerroNiobium (65% Nb)	2,650	
Samarium Europium Gadolinium Chloride (solid)	454	✓
Neodymium Praseodymium Oxide (solid)	1,342	
Yttrium + Heavy Rare Earth Chloride (solid)	1,180	✓
Terbium Oxide (solid)	22	✓
Dysprosium Oxide (solid)	142	✓
TOTAL	**21,820**	

Korean Metals Plant Products

Korean Metals Plant Products	Impacted By China Export Restrictions
Neodymium Praseodymium Metal (NdPr)[3]	
Neodymium Iron Boron Alloy (NdFeB)[3]	✓
Terbium Metal (Tb) [4]	✓
Dysprosium Metal (Dy) [4]	✓

China is responsible for ~60% of global REE mining output and over 90% of refining and magnet production[5]. As such, these export restrictions are likely to directly and immediately impact the global supply chains of a wide range of industries – from clean energy technologies (e.g. electric vehicles) to advanced manufacturing, defence and aerospace.

ASM Managing Director and CEO, Rowena Smith, said:

"ASM's vertically integrated mine to metals strategy, places us in a unique position to help mitigate the global impacts of China's latest export restrictions. The COVID pandemic made it clear that resilient, diversified supply chains are critical for global industry and national security. These new restrictions only heighten that urgency.

"Even in the absence of export restrictions, global demand for rare earth products is projected to far exceed supply. The world must act now to develop alternative sources.

“With our Korean Metals Plant – one of the few facilities outside China already producing rare earth metals and alloys – and the long-life Dubbo Project, ASM is well-positioned to support Australia and its global partners in securing a stable supply of these critical materials for the future.”

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This document has been authorised for release to the market by the Board.

Competent Person

The information in this announcement that relates to ASM’s Mineral Resources or Ore Reserves is extracted from ASM’s ASX announcement titled “Dubbo Project Optimisation Delivers Strong Financials” released to ASX on 7 December 2021 and is available at www.asx.com.au. ASM confirms that it is not aware of any new information or data that materially affects the information included in that original market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. ASM confirms that the form and context in which the findings of the Competent Person are presented have not been materially modified from the original market

announcement.

Previously reported information

Information prepared and disclosed under the JORC Code has not materially changed since last reported in Company's ASX announcements available to view on the Company's website. The Company is not aware of any new information or data that materially affects the information included in this announcement and confirms that the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.