Cove Capital and Kazakhstan's National Mining Company Formalize Joint Venture to Develop the Akbulak Rare Earth Project

written by Raj Shah | March 3, 2025

March 03, 2025 (Source) – Cove Capital LLC ("Cove" or the "Company") and JSC Qazgeology, Kazakhstan's national geological exploration company, and a wholly-owned subsidiary of JSC Tau-Ken Samruk National Mining Company, are pleased to announce the official registration of their joint venture, Akbulak REE Ltd., as a Private Company under the Astana International Financial Centre (AIFC). This milestone marks a significant step in advancing further exploration and development of the Akbulak Rare Earth Project in the Kostanay Region, Kazakhstan.

The Akbulak Rare Earth Project hosts a historical resource of 380,000 tons of rare earth oxides, including neodymium and praseodymium, key elements in permanent (NdFeB) magnets, and yttrium, utilized in electronics, medicine, and materials science applications.

According to the terms of the Joint Venture Agreement, Cove Kaz Capital Group, a Portfolio Company of Cove Capital, will finance the project, with subsequent financing distributed proportionally. Cove Kaz Capital Group will own 75% while Qazgeology will own 25%.

A key achievement accompanying the JV formation is the successful transfer of the exploration license for the Akbulak

project from Qazgeology to Akbulak REE Ltd, requiring the approval of Ministry of Industry and Construction of the Republic of Kazakhstan. This important step enables the newly formed entity to commence exploration and project development activities immediately, positioning the Company as a key player in Kazakhstan’s growing rare earth and critical minerals industry.

Pini Althaus, CEO of Cove Capital, commented:

“The formation of Akbulak REE Ltd. and the license transfer mark a significant advancement in our strategy to develop critical mineral resources in Kazakhstan. This joint venture is a testament to our commitment to partnering with leading local institutions like Qazgeology, to unlock the full potential of Kazakhstan’s rare earth and critical minerals deposits, whilst building a fully integrated mine-to-magnet supply chain which will benefit Kazakhstan and contributing to global supply chains.”

Nariman Absametov, Acting CEO of Tau-Ken Samruk, added:

“Kazakhstan holds enormous potential in the rare earth sector, and this joint venture is a concrete step toward turning that potential into reality. By formalizing this partnership and transferring the Akbulak license, we are ensuring that exploration efforts move forward efficiently with the right expertise and resources in place. This project is a strong example of how public-private cooperation can drive the development of critical minerals.”

Dauren Abuov, Director of Qazgeology, stated:

“The Akbulak REE project is strategically important for Kazakhstan’s mining sector, and we are pleased to see it moving into an active development phase. The license transfer to

Akbulak REE Ltd. allows for dedicated exploration and investment, accelerating the project's timeline. With Cove Capital as our partner, we are confident in our ability to advance exploration, attract further investment, and contribute to the rare earth supply chain."

Akbulak REE Ltd. will now proceed with comprehensive geological surveys, feasibility studies, and exploration work to assess and develop the Akbulak REE deposit.

Cove Capital LLC in Kazakhstan

In 2023, Cove Capital's Portfolio Company, Kaz Resources LLC (through its wholly owned subsidiary Kaz Critical Minerals LLP), became the first U.S. company to receive critical minerals and rare earths land concessions in Kazakhstan.

Kaz Critical Minerals LLP is the holder of twelve (12) critical minerals concessions and a license for tailings concessions in Kazakhstan. These concessions include minerals such as rare earth elements, lithium, tantalum, beryllium, niobium, cesium and tin.

In September 2023, Cove Capital LLC signed an MoU with Kazakhstan's Sovereign Wealth Fund, Samruk Kazyna, as part of the cooperation on critical raw materials, specifically rare earth metals.

On April 8, 2024, Cove Capital LLC, announced a landmark collaboration with Tau-Ken Samruk, Kazakhstan's national mining company, aimed at advancing the exploration and development of rare earth and critical metals within the Republic of Kazakhstan.

Tau-Ken Samruk (via "Qazgeology" JSC), entered into a binding joint venture agreement with Cove Capital for geological

exploration on the Akbulak rare earth project in the Kostanay region of Kazakhstan. Historical reserves at the site include reserves of rare earth elements, including those used for permanent magnets.

To carry out geological exploration work, a joint venture was be created between “Qazgeology” JSC and Cove Capital with the parties’ participation shares: Cove Capital – 75% and “Kazgeology” JSC – 25%. Cove Capital will fully finance exploration work until reserves are listed on the balance sheet.

In 2024, Kaz Critical Minerals completed 7,000 meters of drilling on 4 of its 13 concessions and commenced drill site preparation a further 3 concessions in anticipation of its 2025 drill program, making it one of the most active critical minerals companies in Kazakhstan.

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About Cove Capital LLC
Cove Capital was founded in 2015. With offices in Melbourne and New York (head office), Cove Capital invests in mining, renewable energy, and clean technology. Since 2018, Cove Capital has been at the forefront of investment and development in critical minerals projects. Cove Capital, under the visionary leadership of Mr. Pini Althaus, brings unparalleled knowledge and extensive experience to the critical minerals industry.

About Qazgeology
Qazgeology is Kazakhstan’s national geological exploration company, dedicated to the discovery and development of the country’s mineral wealth. Through strategic partnerships and

cutting-edge research, Qazgeology plays a pivotal role in advancing Kazakhstan’s mining industry and unlocking new resources for future development.

About Tau-Ken Samruk

Tau-Ken Samruk is the national mining company of Kazakhstan, overseeing the efficient development of the country’s mineral resources. Committed to innovation and sustainability, Tau-Ken Samruk collaborates with domestic and international partners to enhance the competitiveness of Kazakhstan’s mining sector and support economic growth.