

Biden, the Chinese raw material hunt and the 'massive' monazite results of Appia Rare Earths & Uranium

written by InvestorNews | October 15, 2021

While the Biden Administration fixates on solving the port problem in the United States, China continues to dominate the Western world's supplies of, when it comes to the bigger picture, critical metals and materials. Literally, at the same time the US government is trying to focus on the issues right in front of it that may disrupt Christmas (*heaven forbid*), Chinese companies continue to seek out and lock up more of the raw materials that will [drive the future](#). In just the last few days, Zijin Mining Group Co., Ltd. launched a [C\\$960 million takeover bid](#) for Canadian domiciled [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF), while Contemporary Amperex Technology Co. Limited (CATL), the world's largest battery supplier and ironically already part owner of Neo Lithium, signed a battery supply deal with U.S. commercial EV maker, Electric Last Mile Solutions Inc. (NASDAQ: ELMS). Three weeks ago CATL made a C\$377 million takeover bid for Canada's Millennial Lithium Corp. (TSXV: ML). Zijin is no stranger to taking out Canadian mining companies having previously acquired Nevsun Resources (C\$1.86 billion), Guyana Goldfields (C\$323 million), and Continental Gold (C\$1.4 billion), and those were just some of its Canadian targets.

From an investor's perspective, I guess this takeover activity can be viewed as a good thing given that these Chinese entities are [paying full value for their acquisitions](#). So you get your liquidity event and hopefully have made money to go off and find

the next possible target. But it is disappointing to see the West talk the talk about our greener future but not walk the walk as our leaders appear to be completely oblivious as to how we'll get there if we let China control all the raw materials. I will save that rant for another day. In the meantime let's have a look at a company that could tick the boxes for a potential acquisition by the Chinese.

Of late it seems the flavour of the day is lithium but that isn't the only critical material out there. The Chinese have long since cornered the market for rare earths but if no one is willing to stop them, or even slow them down, then why wouldn't they continue to acquire everything the world will let them. One Canadian junior mining company that could fit the bill is [Appia Rare Earths & Uranium Corp.](#) (CSE: API | OTCQB: APAAF), or perhaps you know it by its [former name Appia Energy Corp.](#) but that was so yesterday (today is literally the first day trading under its new name). Appia is a Canadian publicly-listed company in the uranium and rare earth element sectors and is currently in its largest exploration and diamond drilling program in the Company's history, focusing on delineating high grade critical rare earth elements, gallium, and uranium on its 100% owned [Alces Lake property](#), as well as exploring for high-grade uranium, in the prolific Athabasca Basin, on its [Loranger](#), [North Wollaston](#), and [Eastside](#) properties. Appia has found some of the highest grade samples of neodymium rich monazite on its properties in Saskatchewan.

The Alces Lake discovery of an accessible extensive hard rock deposit of monazite is very important to the world's demand for magnet rare earths. This is because Appia's monazite is neodymium rich, which is the most desirable for the production of rare earth permanent magnets. Not only is it rich in neodymium (Nd) and praseodymium (Pr), but also contains 1% of xenotime, the best heavy rare earth bearing hard rock mineral.

The good news is that yesterday the Company [announced](#) it has discovered new and previously unknown occurrences of massive and semi-massive monazite in the Wilson North area of Alces Lake. A total of 27 drill holes (2,460 m) have been completed at the Wilson-Richard-Charles-Bell zones (WRCB), with at least 27 holes (2,360 m) remaining. In total the Company has completed 61 drill holes (4,575 m) including drilling at Biotite Lake (13 holes – 685 m), Danny (7 holes – 430 m) and Sweet Chili Heat (14 holes – 995 m) with monazite occurrences identified in each area. One drill continues to test the continuity and depth extent of the WRCB zones, while the other moves across the property, exploring new drill targets, named Diablo and Oldman River.



[Source](#)

With assays pending for all 61 holes drilled to date in the 2021 program, it's certainly exciting times for Appia. The Wilson North 21-WRC-015 drill hole showed monazite mineralization over 8.85 m from 15.74 m – 24.59 m. As noted above, three other locations also saw monazite occurrences. If the grades in this season's drill holes match the world class grades previously announced things could get very interesting very quickly. The Company is well funded to complete this season's drilling with plans to [prepare an NI 43-101 report](#) following the conclusion of the current exploration program later this year. With 107.6 million shares outstanding, the current market cap for Appia stands at roughly \$82 million. That's chump change given what some of these Chinese companies are throwing around for quality assets.

Keep in mind that for the last few years China has been buying monazite concentrates, thrown off as residues from heavy mineral sands' mining, from all over the world including, until recently, from the USA! China bought 30,000 tonnes last year

from Rio Tinto in Southern Africa; and up to another 20,000 tons from Indonesia, Brazil. It is logical to assume that China would have a great interest in a higher grade neodymium rich monazite deposit than Lynas' Mt Weld especially since the Appia material has 1 percent xenotime, which is a higher grade of heavy rare earth rich, xenotime, than Lynas' deposits at Mt Weld.

Appia may be on the cusp of an exciting future.

Canada's entry point to a domestic North American rare earths products production center

written by Jack Lifton | October 15, 2021

Why is [Appia Energy Corp.](#)'s (CSE: API | OTCQB: APAAF) Alces Lake discovery of an accessible extensive hard rock deposit of the rare earth bearing mineral, monazite, so very important to the non-Chinese world's demand for magnet rare earths? It is because Appia's monazite is, in fact, the neodymium rich variant, which is the most desirable for the production of rare earth permanent magnets. it is not only rich in neodymium (Nd) and praseodymium (Pr), but also contains 1% of xenotime, the best heavy rare earth bearing hard rock mineral.

Monazites are typically up to 50% higher in contained Nd and Pr than bastnaesite, the ore mined at Mountain Pass by MP Materials Corp. (NYSE: MP) and the residual mineral from China's Baotou

region iron mining, which up until recently was the world's most-produced source mineral for light rare earths. Lynas Rare Earths Limited (ASX: LYC) is currently the world's largest producer of rare earths derived from monazite deposits at Mt. Weld in a remote area of northern Australia.

Monazites are produced today as a byproduct of the processing of heavy mineral sands to recover zircon and ilmenite, respectively the ores of zirconium and titanium. Until recently processing monazite for rare earths was inhibited by the fact that monazites always contain radioactive thorium and sometimes uranium. The monazites were thus returned to the tailings from these operations and in the USA the environmental regulations required that they be returned to the worked-out deposits and distributed so that the residual background radiation was equal to or less than it was before the deposit was worked.

In the last five years as Chinese bastnaesite deposit grades have declined and mining created pollution has become a big problem in China the Chinese rare earth industry has begun to import very large quantities of monazites from the USA, Madagascar, South Africa, Brazil, and Australia. All of this material was produced as a byproduct of heavy mineral sands processing for zircon and ilmenite.

In order to solve the thorium/uranium problem, China requires that all imports of monazite go first to China Nuclear Corporation, which removes the thorium and uranium, and then ships a clean mixed rare earth carbonate to the Chinese refiner that ordered the material. China nuclear is licensed to process up to 50,000 tons of monazite containing up to 30,000 tons of total rare earths a year.

In the USA the only licensed uranium mill, [Energy Fuels Inc.](#)'s (NYSE American: UUUU | TSX: EFR) White Mesa Utah facility, has

replaced China as the destination for monazite produced from its heavy mineral sands operations in Georgia by US Chemical Group, Chemours. Energy Fuels removes the uranium, which is a payable for Energy Fuels, and is storing, legally, the thorium, which has been committed to a medical radioisotope group. The first clean mixed rare earth carbonate produced by Energy Fuels from the Chemours' monazite has already been sold to and shipped to [Neo Performance Materials Inc.](#)'s (TSX: NEO) European solvent extraction rare earth separation facility.

Appia is working with Canada's and the world's most attractive (Report's the Fraser Institute) mining investment jurisdiction, the Province of Saskatchewan. The Province's Saskatchewan (Mining and Refining) Research Center, the SRC, has agreed to develop a hydrometallurgy for Appia's monazite and the SRC has already designed and begun the construction of a 3000 ton per annum rare earth solvent extraction separation facility, where the separation and purification of Appia's monazite will be proven and piloted in what will be Canada's anchor for a total rare earth permanent magnet supply chain. Saskatchewan is the home of Canada's uranium mining industry and so the sale of any recovered uranium and the storage (or use) of any recovered thorium is not a problem.

North America is well on its way to becoming a world center of monazite processing, and Appia is Canada's entry point to a domestic North American rare earth products production center.