

CRITICAL MINERALS ASSOCIATION AUSTRALIA

SEPTEMBER 2024

- EU asks Australia to make foreign investment easier, eyes critical minerals
- US Government backs Australian manganese producer
- China lodges WTO complaint over Canada's EV and metal tariffs

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September 2024

MONTHLY NEWSLETTER

Welcome to our Critical Minerals Association Australia monthly newsletter & updates on the critical minerals space.

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- Major boost for South32 manganese strategy

INTERNATIONAL DEVELOPMENTS

- China lodges WTO complaint over Canada's EV and metal tariffs
- Metals-rich Kazakhstan seeks niche in battery supply chain
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- USA launches trade investigations into Chinese tungsten shot imports
- US critical minerals price support could cost \$7.5 billion alone for lithium in next five years
- Indonesia, Britain sign collaboration agreement on critical minerals
- Western nations join forces to break China's grip on critical minerals

CALENDAR OF EVENTS 2024

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Critical Minerals Association Australia



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www.cmaaustralia.org

CMA AUSTRALIA NEWS

In search of alternative financing for critical mineral projects

Olimpia Pilch - Director, Critical Minerals Association | September 2024

Several critical minerals, in particular lithium and nickel, have been suffering from depressed prices for over 12 months, despite projections of ever-increasing demand, driven by Western governments' energy transition goals. Attracting finance into critical minerals projects is one of the key challenges standing in the way of diversifying existing supply chains, which are typically dominated by China, particularly in the midstream (processing and refining) and downstream (component and end-product manufacture) sectors. Like-minded nations are attempting to incentivise supply chain diversification to protect their domestic manufacturing sectors from unfair practices, via both policies aimed at onshoring and tariffs to minimise the impact of dumping heavily subsidised goods on the global market

What is a critical mineral?

A critical mineral is a metallic or non-metallic element that has two characteristics:

- It is essential for functioning of our modern technologies, economies or national security, and
- There is a risk that its supply chains could be disrupted.

Criticality is strongly influenced by national ambitions, strategies and goals, as well as geopolitical events and international relations between nations.

Financing critical minerals is challenging as criticality does not make a market, but instead highlights a market failure. Investing in critical minerals carries additional risk to existing mining risk, often including technological risk as novel extractive and processing techniques are required for non-commoditised critical minerals where there is limited expertise and know-how. Geopolitical risk, such as price manipulation and export restrictions, lead to market volatility which further deters investors. Jurisdictional risk adds another layer of complexity: critical minerals are typically, but not always, abundant in volatile and conflict-prone regions where corruption is an issue. While there is also an abundance of some critical minerals in jurisdictions generally considered low risk by miners and investors alike, they all face different issues. For example, permitting a mine in the US is challenging due to community opposition and litigation – according to S&P, it takes an average of nearly 29 years to build a new mine in the U.S., the second-longest in the world behind only Zambia. Australia faces high infrastructure and labour costs, factors which drive up CAPEX and OPEX far above competitor nations across Africa and Latin America. Despite significant exploration, Canada has failed to see more than five new critical minerals mines being brought online in the last twenty years, while Europe faces stalwart green opposition to often politicised projects.

In response to the ongoing global challenges, the US-led Minerals Security Partnership has recently announced the formation of the Finance Network. The Network aims to strengthen cooperation and promote information exchange and co-financing among participating institutions to advance diverse, secure, and sustainable supply chains for critical minerals. Participating institutions represent like-minded nations including Australia, Canada, Estonia, Finland, France, Germany, Italy, Japan, Norway, South Korea, Sweden, the United Kingdom, United States. Both the European Bank for Reconstruction and Development and the Africa Finance Corporation are also part of the network.

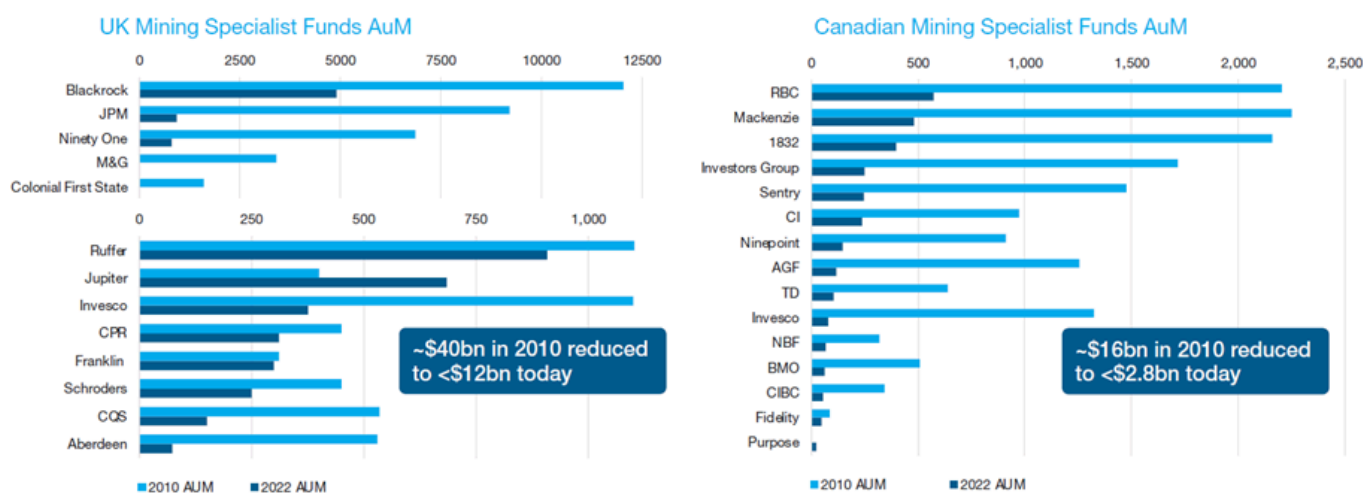
It is unclear whether the Finance Network will pool funds and mutually select critical minerals projects. The Network does however need the international finance sector's buy-in. Specialist mining finance has eroded. UK Mining Specialist Funds demonstrated a decline from ~\$40bn in 2010 to <\$12bn in 2022, and Canadian Mining Specialist Funds experienced a drop from ~\$16bn to <2.8bn. This gap has not been plugged by green finance, or commercial banks which still view critical minerals as too high-risk, or simply too small to meet investment thresholds, and often both.

The Global Erosion of Specialist Capital

Photo source: Oxstones

Regardless of underlying Index performance, significant capital continues to flee global specialist funds

From 2011 to present, the MSCI World Mining Index & Van Eck Gold Miners Index dropped 31% and 60% respectively ... while mining specialist capital in the UK fell 60%, with a corresponding 80% drop in Canadian specialist funds



Non-commoditised critical minerals also face low rates of return on investments in comparison to tech and other sectors offering much faster and more appealing returns. Price volatility can quickly render projects in Western jurisdictions unfeasible. When that happens, some projects fail while others are often bought out by Chinese companies which bring them online once prices rise, and sometimes after efficiencies and new processes are introduced. This is less likely to continue occurring under various investment and acquisition restrictions in Australia, Canada and the US.

Attracting finance into critical minerals will require the stabilisation of often immature and small markets by creating predictable downstream demand to restore investors' confidence and boost returns on investment. If like-minded nations are serious about creating a genuinely diversified supply chain, tax breaks will be required to incentivise institutional and private investors in the meantime to bridge the gap between the lack of commercial viability and the strategic necessity to diversify. Public investments in critical minerals projects will however need to be more targeted and occur in tandem with re-industrialization. Investing taxpayer dollars in projects that will not feed into downstream industries within like-minded nations are likely to either help to feed China's manufacturing sector, or create oversupply if sufficient demand doesn't exist, further lowering prices below commercial viability.

The CMAA Australia is actively bringing its members, governments, and the wider finance community to address the challenges of financing critical minerals projects. **Join us at IMARC for an insightful Alternative Pricing Mechanisms session with global critical minerals experts.**



Critical Minerals Association
Australia

ROUNDTABLE WHAT WILL IT TAKE TO CREATE AUSTRALIA'S CRITICAL MINERALS MIDSTREAM?



CMA Australia roundtable on critical minerals midstream in Australia:

What will it take to create Australia's critical mineral midstream?

30 October 2024 | ICC, Sydney

CMA Australia is delighted to invite you to this industry - government roundtable where we will aim to have an open discussion about the practicalities of creating a domestic midstream.

Australia formally announced its ambitions to catalyse critical minerals midstream processing and refining through its Future made in Australia plan. The Government is now encouraging industry to focus on capturing value-adding to resources from domestic critical minerals and has directed incentives, and debt and equity investments into the critical minerals sector. This session will explore the key ingredients to build a successful midstream industry and how Australia rates against each of these.

The topics will include:

- Understanding supply chain dynamics
- Assessing how far down the supply chain Australian companies can move into and thrive amongst international competition
- Managing the geopolitical implications of setting up a domestic midstream
- Exploring investors and off takers' views on how Australian companies can best position themselves
- Managing price volatility
- Setting out how the Government can best support midstream activities

[REGISTER HERE](#)



INTERNATIONAL MINING AND RESOURCES CONFERENCE + EXPO

29 - 31 OCTOBER 2024, ICC SYDNEY



Use code DHPDR6 for 10% off Delegate Pass or S6VUQW for a FREE Expo Pass

IMARC 2024

CMA Australia is delighted to have partnered with IMARC 2024, Australia's largest mining event.

Sydney | 29 - 31 Oct 2024

10% off using code DHPDR6

Free pass using code S6VUQW

[REGISTER HERE](#)

9am to 6pm

Friday, 15 November 2024

Pan Pacific Perth

207 Adelaide Terrace

\$75 AUD incl. GST

[GET TICKETS HERE](#)

[VIEW DETAILS HERE](#)

GSWA Open Day

Bringing you face-to-face with Western Australia's leading geoscience organisation.

You will experience presentations on groundbreaking geoscience, be the first to discover new world-class data, and network with industry, government, and academia.

Tickets to GSWA Open Day have sold out every year since 2021 – this annual conference is one that you do not want to miss.

Ticketing is open from 9 AM on Monday, 05 August and closes at 5 PM Friday, 08 November 2024 unless sold out prior.

Please note that tickets will not be sold at the door.



Department of Energy, Mines, Industry Regulation and Safety



GSWA Open Day

Friday, 15 November 2024

Pan Pacific Perth

\$75AUD including GST

demirs.wa.gov.au/gswaopenday

AUSTRALIAN NEWS

JORC code revision in final stages

The Australasian Joint Ore Reserves Committee (JORC) is seeking comment from stakeholders on its draft update of the code, with feedback closing 31 October 2024. This revision is a critical next step of the current JORC Code 2012 – the most recent revision published in late 2012...

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Mining.com.au | 7 Sep 2024

NSW welcomes new critical minerals mine

A new critical minerals and high-tech metals mine, specialising in high-grade zinc, gold, copper and lead, is opening near Cobar in New South Wales. Aurelia Metals' Federation mine will support more than 140 skilled jobs and provide a \$143 million investment boost to the Far West...

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Mining Magazine | 11 Sep 2024

Editorial: climate trigger dead, but it will still leave a mark

It was off, then it was on, then it was off and now it's for real, definitely, 100 per cent off again. The push from the Greens to include a so-called "climate trigger" in legislation to establish a Federal environmental protection agency is the JLo and Ben Affleck of Australian policy...

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The West Australian (Subscription Required) | 20 Sep 2024

Government expecting investment into critical minerals and clean energy after Australia seals trade pact with UAE

Australia and the United Arab Emirates have agreed on the text of a free trade deal that removes tariffs on a range of Australian exports. The government predicts the deal will spark new investment into Australia's critical mineral and clean energy sectors...

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FABC News | 17 Sep 2024





Australian critical minerals projects take centre stage

The Federal Government has released a new digital version of the Australian Critical Minerals Prospectus, which showcases investment ready critical minerals projects. The Australian Critical Minerals Prospectus first made its debut in late January, where it was a document that outlined over 50 investment ready critical minerals projects for potential investors around the world...

[**Read More**](#)

Australian Mining | 4 Sep 2024

Arcadium Lithium suspends Mt. Cattlin in Australia

Arcadium Lithium (NYSE: ALTM; ASX LTM), one of the world's largest producers of the battery metal, plans to idle its Mt. Cattlin spodumene mine in Australia next year in another step to cut costs in a weak lithium market. It's already paused its Galaxy project in Quebec and delayed part of an expansion at Fénix in Argentina...

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Mining.com | 5 Sep 2024

Biden backs Australian critical minerals miner loneer in Nevada

The Biden administration has all but approved the only major lithium project in the United States owned by Australia's Loneer, in the election battleground state of Nevada, less than 50 days before the poll...

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Financial Review | 20 Sep 2024

Government-university alliance for critical minerals

An \$8 million funding program will involve research projects to create a critical minerals circular economy and will support the identification, discovery and development of these minerals...

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Mining Magazine | 19 Sep 2024

US Government backs Australian manganese producer

Australian manganese producer Element 25 has been granted \$US166 million (\$243 million) by the US Department of Energy (DOE) to partially fund the refining facility it is building in Louisiana.

According to the US Government, Element 25 plans to build and operate a first of its kind, environmentally sustainable refining facility with the aims of producing high purity manganese sulphate monohydrate (HPMSM) which is a critical raw material in lithium-ion batteries...

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Australian Mining | 24 Sep 2024

EU asks Australia to make foreign investment easier, eyes critical minerals

The European Union would like Australia to make foreign investment easier, its ambassador in Canberra said on Wednesday, as the bloc looks to diversify its supply chain for critical minerals.

Ambassador Gabriele Visentin said EU investment in Australia was already "huge" and the bloc was eager to grow that especially when it comes to critical raw materials, such as lithium, cobalt and nickel...

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Mining Weekly | 11 Sep 2024

Major boost for South32 manganese strategy

South32's Hermosa project has been awarded a grant of up to \$US166 million (\$243.6 million) from the US Department of Energy (DOE). This funding will support the potential development of a commercial-scale manganese production facility.

The DOE grant, which is part of the Battery Materials Processing and Battery Manufacturing program, will cover 30 per cent of the facility's costs on a cost-share basis, subject to final negotiations...

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Australian Mining | 23 Sep 2024

Photo source: Australian Mining



INTERNATIONAL DEVELOPMENTS

China lodges WTO complaint over Canada's EV and metal tariffs

China will take Canada to the World Trade Organization to challenge Ottawa's decision to impose new tariffs of up to 100% on Chinese-made electric vehicles, steel and aluminum...

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Mining.com | 6 Sep 2024

Metals-rich Kazakhstan seeks niche in battery supply chain

Kazakhstan aims to boost output of metals needed for electric vehicle (EV) batteries and is issuing hundreds of new exploration licences to attract fresh investment in the sector, the country's industry minister told Reuters...

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Mining.com | 13 Sep 2024

Photo source: Politico



Biden administration weighs price support for US critical minerals amid Chinese pressure

The Biden administration is considering using federal dollars to prop up U.S. critical minerals projects being hammered by an influx of cheaper Chinese materials, an Energy Department official familiar with the potential move told POLITICO...

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Politico | 29 Aug 2024

UN Panel on critical energy transition minerals unveils actions and principles for justice and equity

Today, United Nations Secretary-General António Guterres unveiled the outcomes of his UN Panel on Critical Energy Transition Minerals, co-chaired by Ditte Juul Jørgensen, Director-General for Energy of the European Commission and Ambassador Nozipho Joyce Mxakato-Diseko of South Africa...

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EU- Energy, Climate Change, Environment | 19 Sep 2024

GM in talks to buy EV batteries built with Chinese tech in US, source says

General Motors (GM.N), opens new tab is in talks to buy electric vehicle batteries that would use technology from China's CATL (300750.SZ), opens new tab and be assembled at a new plant in the United States, a person briefed on the matter confirmed on Thursday...

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Reuters | 13 Sep 2024

Mercedes-Benz partners with Factorial to develop solid-state batteries

On September 10th, Mercedes-Benz and Factorial announced a partnership to develop solid-state batteries with an energy density figure of 450 Wh/kg, increasing vehicle range by a claimed 80%...

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Project Blue | 20 Sep 2024

Russia considering export restrictions on raw materials including Ti and Ni

Russian President Vladimir Putin has said that the country will consider imposing export restrictions in retaliation to global sanctions, which may include titanium, uranium, and nickel...

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Project Blue | 19 Sep 2024

US sanctions targets Russian metals and mining exports, including vanadium

The US government has included several Evraz operations in its latest round of sanctions. These new measures, which target about 400 entities across a range of industries, are part of the US Government's intention to cut Russian revenues coming from the metals and mining sector...

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Project Blue | 9 Sep 2024

USA launches trade investigations into Chinese tungsten shot imports

On 7 August, the US Department of Commerce announced the initiation of anti-dumping (AD) and countervailing (CV) duty investigations into specific tungsten shot imports from China...

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Project Blue | 3 Sep 2024

Photo source: Australian Mining



US critical mineral price support could cost \$7.5 billion alone for lithium in next five years

The government is reportedly examining price support mechanisms for domestic critical mineral project, as Chinese-fuelled oversupply threatens to thwart efforts to on-shore clean energy supply chains in the US...

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Bechnmark Minerals (Subscription Required) | 26 Sep 2024

Indonesia, Britain sign collaboration agreement on critical minerals

Britain on Wednesday signed a memorandum of understanding to collaborate on critical minerals with Indonesia, home to some of the world's largest mineral resources, the UK's embassy in Jakarta said...

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Mining Weekly | 18 Sep 2024

Western nations join forces to break China's grip on critical minerals

Coalition of 14 governments announces financing network for projects to provide raw materials required by tech industry

Western nations are directing their development finance and export credit agencies to work with private industry to support critical minerals projects, in a drive to break China's chokehold over a sector that is essential for high-tech industries...

[Read More](#)

Financial Times (Subscription Required) | 22 Sep 2024

Photo source: Financial Times



Calendar of events 2024

Do you know of an upcoming event that's not listed?
Email: admin@cmaaustralia.org

SEPTEMBER 2024

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
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OCTOBER 2024

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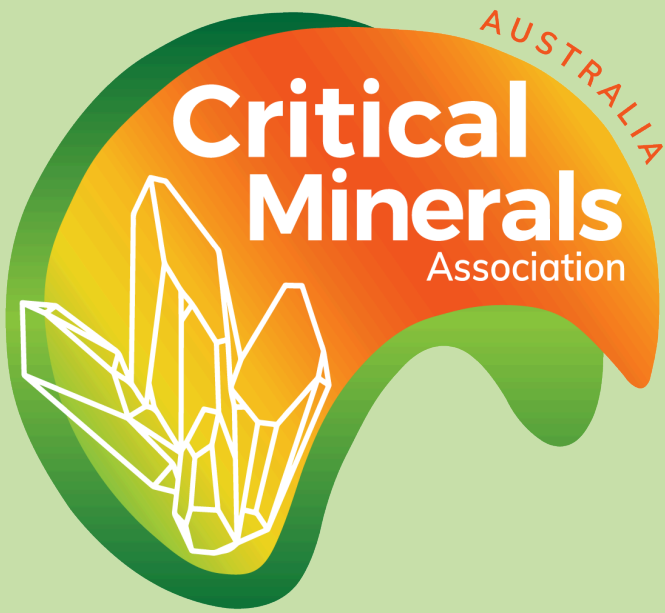
NOVEMBER 2024

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DECEMBER 2024

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22	23	24	25	26	27	28
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	DATE(S)	EVENT	HOSTS/PARTNERS	LOCATION
SEP	11 SEP - 12 SEP	BENCHMARK - GIGA+ APAC 2024	Benchmark	Perth, AU
OCT	7 OCT - 8 OCT	Battery & Supply Chains 2024	IQ Hub	Perth, AU
	29 OCT - 31 OCT	IMARC	International Resource and Mining Conference	Sydney, AU
	30 OCT	CMA Roundtable	Critical Minerals Association	Sydney, AU
NOV	15 NOV	GSWA Open Day	Department of Energy, Mines, Industry Regulation and Safety	Perth, AU
DEC	2 DEC	CMA Annual Conference	Critical Minerals Association	London, UK
	3 DEC - 5 DEC	Resourcing Tomorrow 2024	Mines and Money	London, UK



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