

CRITICAL MINERALS ASSOCIATION AUSTRALIA

OCTOBER 2022

**CANADA ORDERS CHINESE COMPANIES TO DIVEST
STAKE IN LITHIUM MINES**

**GOVERNMENT SUPPORT FOR CRITICAL MINERALS
BREAKTHROUGHS**

CRITICAL MINERALS STRATEGY 2023 CONSULTATION



OCTOBER 2022

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

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Namali, Jeff & Olimpia

*Got a suggestion? Want to feature in next month's newsletter?
Contact Namali at namali@criticalmineral.org*



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Canada Orders Chinese Companies to Divest Stake in Lithium Mines

Ottawa has ordered three Chinese groups to divest their stakes in Canadian critical mineral companies after a defence and intelligence review concluded that the investments posed a threat to national security.

In a move that reflected a significant hardening of Canada's stance towards China, the government ordered Sinomine (Hong Kong) Rare Metals Resources to exit its stake in Power Metals, a Canadian lithium miner.

Ottawa also instructed Chengze Lithium International to divest its stake in Lithium Chile and told Zangge Mining Investment (Chengdu) to unwind its investment in Ultra Lithium, another Canadian resource developer.

Industry minister François-Philippe Champagne said Canada welcomed foreign direct investment from companies that "share our interests and values" but would "act decisively when investments threaten our national security and our critical minerals supply chains".

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Government Support for Critical Minerals Breakthroughs

The Albanese Government is accelerating the growth of the critical minerals sector and supporting clean-energy technologies through new initiatives as part of efforts to reach net zero.

A new National Critical Minerals Strategy is being developed in consultation with industry and community stakeholders, including traditional owners.

Australia has some of the world's largest reserves of critical minerals and a new National Critical Minerals Strategy will set out a clear vision for the sector.

The Strategy will complement other Government initiatives including the National Battery Strategy and the Electric Vehicle Strategy.

The National Reconstruction Fund will include the \$1 billion Value Adding in Resources Fund which will work alongside the \$2 billion Critical Minerals Facility.

These initiatives will expand Australia's mining science technology capability, diversify supply chains, create local jobs and help drive growth in the critical minerals sector including rare earths - a key component of low-emissions technologies, such as batteries, electric vehicles and solar panels.

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Critical Minerals Strategy 2023 Consultation

The Australian Government is reviewing and refreshing Australia's Critical Minerals Strategy. This will ensure it continues to reflect:

- the evolving global landscape
- our objectives for critical minerals
- our objectives for other priorities including manufacturing
- the implementation of the Statement from the Heart
- our target of achieving net zero.

The key themes that will be considered in the refresh include:

- The role of critical minerals as essential inputs to the clean energy technologies required to achieve global emissions reductions targets.
- The opportunity for Australia to play a significant, global role in the clean energy transition.
- The continued importance of stable supply, particularly with the significant increases in demand forecast to 2040, through the development of new sources of supply and the establishment of robust, diverse supply chains.
- The ongoing need to attract investment required to support critical minerals projects, including by further strengthening strategic and commercial international partnerships.
- Key areas where government support (at all levels) would help grow the sector.

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Singapore-Australia Innovation Grants Program

The Singapore-Australia Green Economy Agreement will introduce a new innovation grants program and a green skills roundtable early next year, as the federal government commits \$19.6 million to implement the agreement.

The agreement was released at the end of the 7th Singapore-Australia Annual Leaders' Meeting on Tuesday, the first official in-person meeting between Prime Minister Anthony Albanese and Singaporean Prime Minister Lee Hsien Loong.

Currently housed under the Green Economy Agreement (GEA) is a blend of 17 ongoing, soon to commence, and signed initiatives. The initial investment committed by the federal government will be used over four years.

Trade Minister Don Farrell and Singapore's Trade and Industry Minister Gan Kim Yong were the ministerial signatories to the GEA. As the prime ministers met, CSIRO signed a five-year Master Research Collaboration Agreement with its Singaporean counterpart A*STAR. The science agencies will seek opportunities for research project collaborations involving a representative from each of the agencies alongside a Singapore-based and an Australia-based industry partner.

These projects will focus on circular economy and low emissions technology (renewable energy, biofuels, and carbon capture, utilisation and storage), food (including alternative proteins and plant genetics for urban food production), digital environment (urban environment management), and advanced manufacturing and future materials.

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Xi Jinping's Speech at the 20th Communist Party Congress

The Chinese economy is likely to post ~3% GDP growth in 2022, impacted mainly by the country's 'zero-COVID' policy and a depressed property market. In his speech, Xi Jinping defended China's health policy and did not give any indications about if and when 'zero-COVID' will be relaxed. As China needs to expand domestic consumption, Project Blue assumes that the most restrictive measures will be gradually lifted over the coming months, with 'gradually' remaining the operative word.

The market took some comfort in the fact that economic development remains a 'top priority' for the Chinese Communist Party, although balanced with 'security'. It confirms that China's future economic growth will be more 'qualitative' than 'quantitative' as already highlighted in the country's 14th Five-Year Plan. Gone are the days when China stimulated its economy through massive infrastructure spending. Project Blue believes that targeting GDP growth will not be as important as in the past, making the Chinese economy more cyclical. Longer-term, China's domestic consumption must become the economy's main driver, implying pension and other social reforms.

Science and education' were highlighted in Xi Jinping's speech as well as innovation and nurturing talent. These are not unfamiliar themes with the 14th Plan centred on new technology, AI, robotics, avionics and green energy. The deterioration of Sino-US relations is reinforcing China's commitment to rely less on Western technology. Xi Jinping also vowed to modernise China's military, which would benefit from China's technological push.

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PROJECT BLUE



BBC: Australia Challenges China in Mining for REEs

In the blood red dust of central Australia, mining firm Arafura is planning to build a mine and processing facility for highly sought-after elements.

Located 80 miles north of Alice Springs, the Nolans Project will be in one of the hottest and driest parts of the country.

Despite the extreme conditions, Arafura believes the investment will be worth it. The planned mine and processing facility could satisfy up to 5% of global demand for neodymium and praseodymium (NdPr), which are used in high-power magnets.

They are two of a group of so-called rare earth elements, that are essential to the electronics industry.

NdPr, europium, terbium and other rare earth metals that were once barely heard of are now commonplace in the manufacture of phone touchscreens, wind turbines and other modern technologies.

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Nolans Project, NT. Source: Arafura.



Address to the WA Chamber of Commerce and Industry, Perth

On 12th October 2022, **The Hon Madeleine King MP**, Minister for Resources and Minister for Northern Australia addressed the Western Australia (WA) Chamber of Commerce and Industry, Perth.

"Western Australia holds some of the world's richest deposits of minerals, including critical mineral reserves, in the world.

These minerals will be essential in the transition to the new net zero economy, not just in Australia, but globally. This is something that needs to be emphasised repeatedly.

We need to get the message out more effectively – resources not only enable Australia's standard of living, they are the key to a clean energy future.

As I have said many times in recent months – without the resources sector there is no net zero.

Let me say that again. Without the resources sector, there is no net zero.

But to achieve this, we will need the support of more Australians, particularly partnerships with First Nations Australians, to allow the sector to continue to prosper and provide benefits to all."

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Technology Metals Australia Signs MOU with Tata Steel

The execution of the MOU was accelerated by July's Invest and Trade WA mission to India, which was led by State Development, Jobs and Trade Minister Roger Cook and International Education Minister David Templeman.

Representatives from Technology Metals joined the State's largest ever business delegation, which visited four Indian cities over eight days from 12 to 19 July.

Located 50 kilometres south of Meekatharra, Technology Metals' Murchison Technology Metals Project (MTMP) includes the Gabanintha and Yarrabubba vanadium deposits and is one of the highest-grade vanadium projects in the world.

Technology Metals is developing the MTMP to produce high purity vanadium pentoxide and investigating opportunities to move downstream, including the production of vanadium electrolyte, ferrovanadium and vanadium nitride.

Comments attributed to Mines and Petroleum Minister Bill Johnston:

"The MOU between Technology Metals and Tata Steel is great news for WA's growing battery and critical minerals industries.

"Beyond steel production, downstream vanadium products are an essential input for emerging energy technologies.

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Fleet Space and Talon Pilot Satellite-enabled Mineral Exploration



Metals company Talon Metals, and Australian space company Fleet Space Technologies, have agreed to pilot Fleet's ExoSphere rapid mineral exploration solution at Talon's high-grade nickel deposit exploration projects, Fleet Space said. Talon is aiming to supply the US domestic battery supply chain with nickel and other battery materials.



According to the agreement, Fleet will pilot its advanced seismic tomography approach to mineral discovery increasing speed and accuracy. Fleet's ExoSphere technology integrated with Ambient Noise Tomography (ANT), scans the ground in 3D. The rapidly processed data is then transmitted via Fleet's low Earth orbit satellite constellation. The technology speeds up vital mineral discoveries more than one hundred-fold, Fleet claims.

The agreement comes after the successful completion of live field trials in Australia, exploring non-invasively critical lithium deposits. The ExoSphere technology was introduced to the market earlier this year. It aims to answer the demand for a more sustainable, economically viable and faster way to find critical mineral deposits.

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Peak Rare Earths and Shenghe Resources Sign Offtake MOU

Peak Rare Earths Limited announced the signing of an offtake and strategic co-operation Memorandum of Understanding (MOU) to support the development of the Ngualla Rare Earth Project with Shenghe Resources (Singapore) Pte Ltd, a wholly owned subsidiary of global rare earths company, Shenghe Resources Holdings Co.

Shenghe is a large Chinese rare earth group with operations spanning mining and beneficiation, refining and separation, as well as alloy and metals production. Its international interests include an approximate 7.75% holding in MP Materials Corp, a 90% holding in Vietnam Rare Earth Company Limited, and a 9% holding in Greenland Minerals Limited. Shenghe is listed on the Shanghai Stock Exchange and has a market capitalisation of approximately US\$3.8 billion.

In the case of MP Materials, Shenghe has been a supportive major shareholder through long-term offtake and strategic cooperation. MP Materials, which has a market capitalisation of approximately US\$5.1 billion, currently produces approximately 70,000 tonnes per annum of a high-grade bastnaesite concentrate. Since the recommencement of MP Materials' Mountain Pass Project in 2017, Shenghe has been its sole offtaker and has provided support to the restart of Mountain Pass Rare Earth project.

"Shenghe regards the Ngualla Rare Earth Project as the premier undeveloped rare earth project in the world. We are keen to work closely with Peak in developing the project through a combination of offtake, technical and financial support." - Wang Xiaohu, CEO, Shenghe.

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FYI Resources Aims to Contribute to a More Sustainable Future

FYI Resources is on a mission to contribute to a more sustainable future. They intend to do this through responsible innovation, giving back to its communities, while reducing the environmental impact for future generations.

The company is jointly developing a project with Alcoa to produce the critical mineral, high purity alumina (HPA), using their unique commercial refining process that creates a higher quality product. HPA is an in-demand mineral for the growing EV battery market, LED lighting and a wide range of electronic, glass and ceramic applications.

"FYI Resources is an agile, innovative and entrepreneurial company that is aligned to the future. The company is truly committed to pursuing an ESG standard that will give them an edge over their competitors." - Dr. Sandy Chong, Non-Executive Director – ESG

The ESG journey for FYI Resources began with a simple question - How can we contribute to a better world? Managing Director, Roland Hill, recounts "we knew that in order to do this, we had to look at the way we conduct our business so that it not only benefits our core business and growth aspirations but the people and environment around us."

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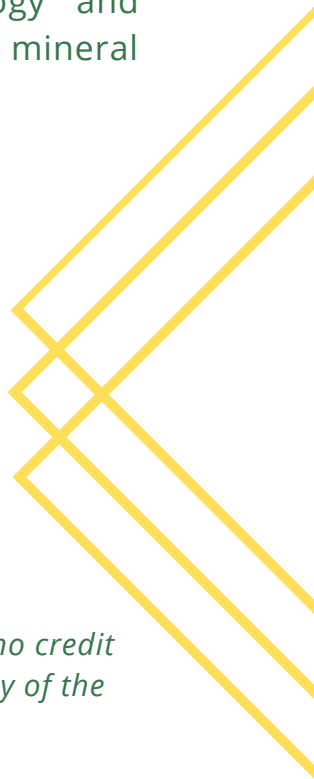


Critical Minerals News

The following October news articles from Reuters, Mining.com, Mining Technology and others, provide an overview of the critical mineral industry for:

- Cobalt
- Copper
- Graphite
- Lithium
- Nickel
- Rare Earth Elements
- Tin
- Tungsten
- Vanadium

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Cobalt

- North America

- USA: Jervois Global [8.10.22]

- The first — and only — cobalt mine in America in decades opened Friday in Idaho amid rising demand for the unique metal, a key component in electric vehicle batteries and battery storage.
 - <https://www.npr.org/2022/10/08/1127310649/in-idaho-americas-first-and-only-cobalt-mine-in-decades-is-opening>

- Oceania

- Australia: GME Resources [10.10.22]

- Stellantis has signed a non-binding preliminary agreement with GME Resources to secure supplies of nickel and cobalt sulphate for electric vehicle batteries, the two companies said.
 - <https://europe.autonews.com/automakers/stellantis-gme-agree-nickel-cobalt-deal-batteries>

Copper

- Global [27.10.22]
 - Opportunities and challenges for “green copper” mining.
 - <https://investingnews.com/opportunities-challenges-green-copper-mining/>
- Oceania
 - Australia: Caravel Minerals [12.10.22]
 - The Caravel copper project is an open-pit mine planned for development by Caravel Minerals in Western Australia.
 - <https://www.mining-technology.com/projects/caravel-copper-project-australia/>
 - Australia: Harmony Gold [6.10.22]
 - South Africa-headquartered Harmony Gold is extending its diversification drive, announcing that it would buy a copper/gold project in Australia for up to \$230-million.
 - <https://www.miningweekly.com/article/harmony-gold-to-buy-australias-eva-copper-project-for-230m-2022-10-06>
 - Australia [16.10.22]
 - Northern Territory government investigating options to rehabilitate remote 'toxic' Redbank mine.
 - <https://www.abc.net.au/news/rural/2022-10-17/redbank-copper-mine-rehabilitation-nt/101530170>

Graphite

- North America

- USA: Syrah Resources [20.10.22]

- Australia's Syrah Resources announced plans to expand its Louisiana graphite anode plant fourfold after being selected for a \$219.8 million grant as part of US President Joe Biden's drive to boost US production of electric vehicle batteries and components.
 - <https://www.mining.com/web/syrah-to-expand-us-graphite-plant-after-220-million-grant/>

- Canada: Nouveau Monde Graphite [20.10.22]

- Nouveau Monde Graphite has entered into a framework agreement with Mitsui & Co. and Panasonic Energy establishing the terms of a commercial relationship that enables the next development steps of NMG's ore-to-battery-market integrated graphite project in Québec.
 - <https://www.mining.com/nouveau-monde-establishes-framework-for-offtake-deal-with-panasonic-announces-50m-financing/>

- Oceania

- Australia: iTech Minerals [26.10.22]

- iTech Minerals has firmed-up 200km of prospective graphite strike across its Campoona project in South Australia's Eyre Peninsula.
 - <https://smallcaps.com.au/itech-minerals-builds-graphite-potential-campoona-south-australia/>

Lithium

- Global
 - Elements [14.10.22]
 - The World's Top 10 Lithium Mining Companies.
 - <https://elements.visualcapitalist.com/the-worlds-top-10-lithium-mining-companies/>
- Europe
 - France: Imerys [24.10.22]
 - Imerys to open French lithium mine, aims to become EU's top supplier.
 - <https://www.france24.com/en/business/20221024-france-s-imerys-announces-lithium-mining-project-aims-to-become-eu-s-top-supplier>
- Oceania
 - Australia [4.10.22]
 - Australia is poised to grab a fifth of the world's lithium hydroxide refining capacity within five years as demand grows for battery metals that bypass China, Canberra said in a report.
 - <https://www.mining.com/web/australia-could-grab-20-of-the-worlds-lithium-refining-by-2027/>
 - Australia: Core LITHIUM [13.10.22]
 - NT opens first lithium mine, supplying Tesla.
 - <https://www.pv-magazine-australia.com/2022/10/13/nt-opens-first-lithium-mine-supplying-tesla/>

Nickel

- Global [26.10.22]
 - How nickel mining will be essential for powering the clean energy transition.
 - <https://www.innovationnewsnetwork.com/nickel-mining-powering-clean-energy-transition/26658/>
- Oceania
 - Australia: Queensland Pacific Metals [11.10.22]
 - General Motors Co. said it will invest up to \$69 million and take an equity stake in Queensland Pacific Metals to secure a new source of nickel and cobalt for battery cells for use in the U.S. automaker's vehicles.
 - <https://www.reuters.com/business/autos-transportation/gm-take-equity-stake-australian-mining-company-2022-10-11/>
 - Australia: BHP [22.10.22]
 - Japanese and Australian Prime Ministers visit Nickel West.
 - <https://www.bhp.com/news/articles/2022/10/japanese-and-australian-prime-ministers-visit-nickel-west>
- Latin America
 - Brazil: Vale [21.10.22]
 - The chief executive of Vale SA said on Friday the Brazilian iron ore miner is reconsidering a near-term spin-off of its base metals business and an eventual public listing.
 - <https://www.mining.com/web/vale-ceo-says-miner-will-spin-off-copper-nickel-unit/>

Tin

- Europe
 - UK [20.10.22]
 - 'The part of Cornwall nobody ever sees': the hi-tech future for lithium and tin mining.
 - <https://www.theguardian.com/business/2022/oct/20/the-part-of-cornwall-nobody-ever-sees-the-hi-tech-future-for-lithium-and-tin-mining>
- Asia
 - Indonesia [19.10.22]
 - Indonesian authorities are preparing data and assessing current industry conditions to be ready in the event that the government decides to bring in a ban on tin exports, a senior mining ministry official said.
 - https://www.miningweekly.com/article/indonesia-tells-tin-industry-to-be-prepared-for-an-export-ban-2022-10-19/rep_id:3650

Tungsten

- Oceania
 - Australia: Group 6 Metals [31.20.22]
 - A detailed review of the Dolphin tungsten mine redevelopment on Tasmania's King Island has forecast more robust returns for owner Group 6 Metals.
 - <https://smallcaps.com.au/dolphin-tungsten-project-review-forecasts-robust-returns-group-6-metals/>

Rare Earth Elements

- North America

- Canada: Vital Metals [13.10.22]

- Australian miner bails on Quebec rare earth projects amid First Nation resistance.
 - <https://financialpost.com/commodities/mining/australian-miner-bails-on-quebec-rare-earth-projects-amid-first-nation-resistance>

- USA [29.10.22]

- US waiver for Chinese alloy on F-35 jets exposes dependence on rare-earth products from China.
 - <https://www.globaltimes.cn/page/202210/1276781.shtml>

- Oceania

- Australia: Iluka [26.10.22]

- Iluka forms a strategic partnership with Northern Minerals for rare earths concentrate supply.
 - <https://iluka.com/getattachment/66b4644b-075c-4d92-bed1-1c217f468f11/strategic-partnership-with-northern-minerals-rare.aspx>

Vanadium

- Asia

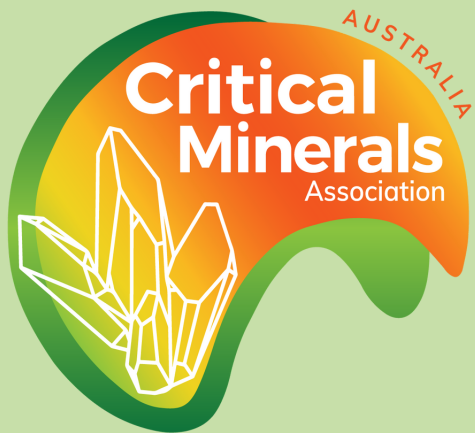
- Kazakhstan: Ferro-Alloy Resources [6.10.22]
 - Ferro-Alloy Resources, backed by Sir Mick Davis, has the potential to become one of the world's largest and greenest primary vanadium producers, with negative costs after by-product credits, Liberum has suggested.
 - <https://www.proactiveinvestors.co.uk/companies/news/994713/ferro-alloy-resources-can-become-tier-1-vanadium-producer-says-broker-994713.html>

- Africa

- South Africa: Bushveld Minerals [25.10.22]
 - Bushveld Minerals Limited said it produced 2,657 metric tonnes of vanadium from its South African operations during the nine months to 30 September 2022.
 - <https://www.proactiveinvestors.co.uk/companies/news/996318/bushveld-minerals-says-on-track-to-boost-vanadium-production-to-over-5-000-metric-tonnes-per-year-by-the-end-of-2022-996318.html>

- Oceania

- Australia: Vecco Group [31.10.22]
 - Japanese petroleum firm Idemitsu has invested in a vanadium mining, processing and electrolyte production project in Australia, while two other major upstream projects have progressed.
 - <https://www.energy-storage.news/japanese-petroleum-firm-idemitsu-invests-in-australia-vanadium-project/>



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