

'NATO' plan a boost for rare earths miners

BY ANTHONY FENSOM

'NATO of critical minerals deal to hit China dominance' screamed the headline. Rare earths have attracted global attention, giving Australian miners the opportunity to create valuable new supply chains.



Ionic Technologies' Belfast demonstration plant

ON 24 SEPTEMBER, the *Australian Financial Review* (AFR) reported that 14 'like-minded' nations planned to establish a joint financing body for critical minerals projects, including rare earths.

Described as the 'NATO of critical minerals', the agreement would allow development and export agencies in countries including Australia, Britain, the European Union (EU), Japan and the United States to combine financial resources to support projects.

The Minerals Security Partnership Finance Network will 'strengthen cooperation, and promote information exchange and co-financing among participating institutions to advance diverse, secure, and sustainable supply chains for critical minerals', the Australian and US governments said in a statement.

Australian Resources Minister Madeleine King said the agreement 'demonstrates the importance of critical minerals and rare earth elements to the future security of the region.'

'The new network will strengthen opportunities to co-finance critical minerals projects in Australia, and will help Australian projects access investment to create jobs and prosperity.'

US FUNDING

The new global agreement followed Washington announcing hundreds of millions of dollars in funding for various ASX-listed miners with critical minerals projects in the United States.

American Rare Earths announced on 24 September that it had received a 'Letter of Interest' from the Export-Import Bank of the United States for up to

US\$456 million (A\$662 million) in debt financing for its Cowboy State Mine in Wyoming, United States.

The company aims to develop the mine as part of its Halleck Creek deposit, described as a ‘multigenerational rare earths asset for the United States’.

Another winner was Element 25, awarded US\$166 million by the US Department of Energy for its manganese sulphate monohydrate facility in Louisiana, supporting the development of the US battery materials processing industry.

An Australian Government official reportedly told the *AFR* that there was ‘a concerted push to treat Australian minerals as American-produced to attract subsidies’.

With China dominating the battery minerals and rare earths supply chain, there is growing concern that ‘Beijing could cut off supply at any time’, the publication reported.

CHINA EXPORT BANS

China’s moves to ban rare earths exports have heightened awareness of the need for alternative supply chains, boosting the fortunes of ASX-listed miners.

On 16 August, Beijing announced it would limit exports of antimony, a rare metal used in electronics and vehicles, along with related products and refining technology. China currently accounts for nearly half of global antimony production, followed by Myanmar and Russia.

Following the announced restrictions, the antimony price jumped by more than five per cent to US\$25,000 per tonne, more than double the US\$12,000 it was trading at in December 2023. Share prices of ASX-listed antimony miners also surged on speculation over the next big find.

Beijing’s export ban followed its 29 June declaration that all rare earths belonged to the state. China currently mines around 60 per cent of the world’s rare earths and produces around 90 per cent of refined rare earths.

Both Europe and the United States have launched efforts to reduce their dependence on China, including procuring rare earths from Australia, Brazil, and Vietnam.

In 2023, European Commission President Ursula von der Leyen announced the construction of the first large-scale rare earths refinery outside of Asia, located in Estonia – a move described as helping ‘bolster European resilience and security of supply’.

‘The EU imports 93 per cent of its magnesium from China, 98 per cent of its borate from Turkey, and 85 per cent of its niobium from Brazil. Russia produces 40 per cent of the world’s palladium,’ the EU noted in a 2022 report. ‘The latter is a reminder of the strategic implications of the Russian invasion of Ukraine, and

the need for the EU to prepare for an increasingly uncertain world.’

The United States plans to develop its own domestic rare earths supply chain for defence requirements by 2027, according to Reuters.

Bank of America Global Research Analyst Michael Widmer says increasing the amount of recycled materials could be key to reducing dependence on China.

‘When you are breaking down the supply chain, then it gets more expensive,’ Widmer says. ‘Recycling is a much bigger focus ... If you recycle better, you can certainly reduce the dependence on [mining].’

One Australian company seeking to do just that is Melbourne-based Ionic Rare Earths.

Executive Chairman Brett Lynch says it is ‘critical for Western countries to be self-sufficient in magnet rare-earth oxides (REOs), which are key to developing net-zero carbon technologies.’

Managing Director Tim Harrison says the company’s Belfast plant is currently ‘the first producer of recycled separated magnet REOs in the Western world – a huge achievement for all stakeholders.’

‘We are now moving rapidly to commercialise rare earth separation, refining and recycling, with planned commercial-scale production likely within just two years, offering investors direct exposure to heavy rare earth market growth.’

He adds: ‘The EU has stipulated the need for increased recycling, and with Europe on our doorstep, Ionic has an enormous opportunity to develop a closed-loop system with metal, alloy and magnet manufacturers, plus original equipment manufacturers, that provides the necessary security of supply.’

On 16 September, Ionic announced that its Belfast magnet recycling feasibility study was nearing completion, with the company targeting development of a plant capable of processing 1200 tonnes of magnet feed material, producing around 400 tonnes of separated magnet REOs.

Significantly, substantial supplies of feedstock are available from both the United Kingdom and the EU, with the latter having set a target for 25 per cent of critical minerals consumption to come from recycling by 2030, up from one per cent currently.

The United Kingdom is also building its own critical minerals supply chain through initiatives such as its Critical Minerals Strategy and subsequent Refresh.

China’s rare earths export bans have lifted prices and reinforced Western nations’ push for supply security. Backed by greater government support, the tide appears to be finally turning for Australian rare earths miners around the world. ↩