Jack Lifton talks to Ian London about Canada's challenge to China's rare earths dominance

written by InvestorNews | September 20, 2022

As Executive Chairman of the Critical Minerals Institute I recently was able to talk to Ian London, Executive Director of the Canadian Critical Minerals and Materials Alliance (C2M2A), about the changing world of non-Chinese rare earth supply, processing, and end use product fabrication. Specifically, we talked about Canada's very important role in the future of the rare earth industry and the Canadian government's commitments to a national critical minerals policy of adequate funding and regulatory support for the domestic industrial production, refining, and use of critical minerals.

Canada, Australia and Europe are rapidly moving to the adoption of industrial policies to manage their needs for critical minerals. The future of the developed world is dependent on secure supplies, of sufficient size, of the critical minerals of all types necessary to support a technological society. China, in my opinion, is miscast as a "developing country", because in terms of secure supplies of critical minerals for high technology industries, it is already there. Non-China needs to urgently prepare for self-sufficiency in critical minerals.

Ian London said that "Canada is perfectly positioned" to supply critical minerals and to process them into end-user forms. He spoke about the recent visit of the German Chancellor and the head of Volkswagen to Ottawa to enter into a collaboration between Canada and Germany on the supply of the critical

minerals for batteries as a positive move. He suggested that Canada should look to not just producing battery grade lithium from mines, but should also look to the value-added manufacturing of battery components and batteries domestically to supply not only Europe but also the Canadian OEM automotive assembly industry. “Canada,” he said, “has the skills and industries to do the job. There is a great future for Canada,” he continued, “in not only producing the critical minerals but also the critical engineered materials and components necessary for today’s technological society.”

I believe that China’s domestic demand for critical minerals to produce, for example, rare earth enabled products, such as electric vehicles, wind turbine generators, aircraft, household appliances, and military equipment is booming. As a prime example, the current Chinese five-year plan calls for the nation’s capacity to manufacture rare earth permanent magnets to double by 2025 to 300,000 tons per year. This will entail and require a vast increase in mining, refining, and fabrication capacity. China is already importing nearly 40% of the rare earth ores it processes, so the competition for such ores is now fierce.

China is not pursuing this vast increase in magnet production capacity for export markets; it is doing so to be ready for a massive domestic push to raise Chinese standards of living to or beyond North American levels. Of course, if and when called for, such production capacity can also be used to further Chinese policy overseas. I predict that LOW-COST Chinese EVs, suitably “Americanized”, will soon arrive on these shores just as they are also appearing in Europe. I also predict that China will raise its imports of the truly critical minerals for building a world class nation, iron, aluminum, and copper. We in the non-Chinese world ignore these “mature” industries at our peril as we concentrate on the scarce technology metals even as we flail

about trying to find them, mine them, process them and fabricate end user products enabled by them. before Chinese industry breaks out to dominate that space.

You can watch my discussions with Ian London by clicking here.

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