

# CBLT'S Peter Clausi on de-risking exploration projects with M&A

written by InvestorNews | March 20, 2024

In a comprehensive interview with InvestorNews host Tracy Weslosky, Peter Clausi, President, CEO & Director of [CBLT Inc.](#) (TSXV: CBLT), delved into the company's strategic focus on mergers and acquisitions (M&A) and asset development across the mineral exploration sector. Clausi articulated CBLT's preemptive strategy to bolster its financial position by liquidating assets ahead of anticipated market downturns, ensuring the company remains financially robust with "cash in the bank." This prudent financial management, according to Clausi, positions CBLT advantageously during both prosperous and challenging times, enabling continued exploration and project development activities.

Clausi emphasized CBLT's unique approach to growth, stating, "In our belief, you can make more money with the pen than with the drill bit at less risk," highlighting the company's success in maximizing value through strategic M&A activities rather than solely relying on direct exploration. This philosophy has allowed CBLT to maintain a lean share structure over 15 years, with only 75 million shares issued, a testament to their efficient capital management and strategic project acquisitions.

The interview further shed light on CBLT's diverse portfolio, ranging from gold and cobalt to lithium and copper properties across Canada, each selected for its potential to address future market demands. Notably, Clausi spotlighted the acquisition and planned development of the historic Falcon Gold Mine in Sudbury, illustrating CBLT's knack for identifying and revitalizing

underexplored or forgotten assets. This property, alongside others such as Michaela in British Columbia and a lithium property adjacent to the Tanco Mine in Manitoba, underscores CBLT's strategic foresight in project selection and development.

Adding to the company's strategic capabilities, CBLT announced the addition of James R. Atkinson, a geologist with over 40 years of experience, to its board of directors, promising to further bolster its expertise in mineral exploration and project evaluation.

Moreover, Clausi provided insights into the company's recent sale of the non-core Ryliejack asset in northern British Columbia, demonstrating CBLT's strategic asset management and focus on optimizing its portfolio for financial and operational efficiency. Throughout the interview, Clausi's narrative was one of strategic foresight, prudent financial management, and a deep understanding of the mineral exploration sector. His perspective on the critical role of copper as a technology metal, over other more transient battery metals, reflected a long-term strategic outlook on commodity investment, emphasizing the importance of adaptability and foresight in the rapidly evolving resource sector. Clausi's articulate discussion highlighted CBLT's commitment to strategic growth, value creation, and operational excellence in the exploration industry.

To access the complete interview, [click here](#)

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## **About CBLT Inc.**

CBLT Inc. (TSXV: CBLT) has an impressive portfolio of eight (8) active exploration projects, and one (1) passive investment

across Canada. In Manitoba, they fully own the Shatford Lake Project, focusing on Lithium, which was acquired in 2021. In Sudbury, Ontario, they possess both Copper Prince and the former gold producing Falcon Gold Project, acquired in 2016 and 2023 respectively. These two projects are significant as they jointly cover 100% of the Garson Fault, with resources including Cobalt, Copper, and Gold. Ontario is also home to their Big Duck Lake Project, acquired in 2019, which is rich in Copper, Gold, and Zinc. Similarly, in Newfoundland, the Burnt Pond Project, also acquired in 2019, targets Copper and Zinc resources. Their Geneva Lake Project in Sudbury, focusing on Lead and Zinc, has been under their ownership since 2012. Lastly, the Mikayla Project in British Columbia, acquired in 2012, explores Copper, Gold, and Silver, though no exploration activities were reported for it in fiscal 2023. With regards to passive investments, CBLT acquired title to the Chilton Cobalt property in Quebec in 2017, which was later optioned to PowerStone Metals Corp.

To learn more about CBLT Inc., [click here](#)

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# Critical Metals Russell Fryer on Copper and Cobalt Plans for Production in 2024

written by InvestorNews | March 20, 2024

In a revealing interview at PDAC 2024, InvestorNews host Tracy Weslosky engaged with Russell Fryer, CEO and Executive Director of Critical Metals PLC (LSE: CRTM), shedding light on the company's strategic operations in the Democratic Republic of Congo (DRC) and its forward-looking goals. Fryer discussed the evolving political climate in the DRC, highlighting the peaceful presidential election in December 2023 as evidence of the country's commitment to democracy and the rule of law, which is crucial for investors considering Congo-based companies. He underscored the significance of the DRC in the global supply of cobalt, essential for green energy, and the high-grade copper reserves, vital as other regions face diminishing supplies.

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## Under Secretary Jose Fernandez Discusses U.S. Critical

# Minerals Strategy for Clean Energy Transition

written by InvestorNews | March 20, 2024

In a compelling conversation with InvestorNews host Tracy Weslosky, Jose W. Fernandez, the Under Secretary of State for Economic Growth, Energy, and the Environment for the US, shared insights into the country's strategic initiatives to secure and diversify the critical minerals supply chain, vital for the clean energy transition. Fernandez emphasized the significance of critical minerals like nickel, manganese, cobalt, and lithium, outlining the efforts to expand their supply to meet future demands.

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## The Critical Minerals Institute Report (01.25.2024): U.S. government bans Pentagon battery purchases from major Chinese companies starting October 2027

written by Matt Bohlsen | March 20, 2024

Welcome to the January 2024 [Critical Minerals Institute](#) (CMI) report, designed to keep you up to date on all the latest major news across the critical minerals markets. Here is the CMI List

of [Critical Minerals](#) or visit the [CMI Library](#).

## Global macro view

January 2024 saw a slight rise in U.S. inflation [reported](#) from 3.1%pa in November to 3.4%pa in December 2023. This has led market commentators to suggest the proposed 2024 interest rate [reductions](#) may be pushed out to H2, 2024, or be smaller in nature.

The next U.S. Fed rates announcement is due on January 31, 2024, and no changes in rates are expected. Year to date, as of January 21, 2024, the [S&P 500](#) is up 2.04%. U.S. GDP looks set to slow in Q4, 2023 ([announcement](#) due 25 January 2024) with [forecasts](#) for 2% annualized growth, which would result in a [2023 GDP](#) of ~2.7%. 2024 U.S. GDP is [forecast](#) to be ~2.2%. The U.S. consumer remains resilient with U.S. employment [very strong](#).

China continues its property led slowdown with 2023 GDP recently [reported at 5.2%](#) annualized. China's December new [home prices fell](#) at the fastest pace in almost 9 years. Despite this the Chinese Central Bank left rates unchanged, defying expectations for a 0.1% cut.

The Russia-Ukraine war continues as does the Hamas-Israel war which last month spread to include the U.S. and UK forces [bombing](#) Iran-backed Houthis over their attacks in the Red Sea. The Middle East is a hotbed ready to explode.

## Global plugin electric vehicle (“EV”) update

December 2023 saw the usual seasonal upswing in global plugin electric car sales reaching a record [~1.5 million](#). China led the

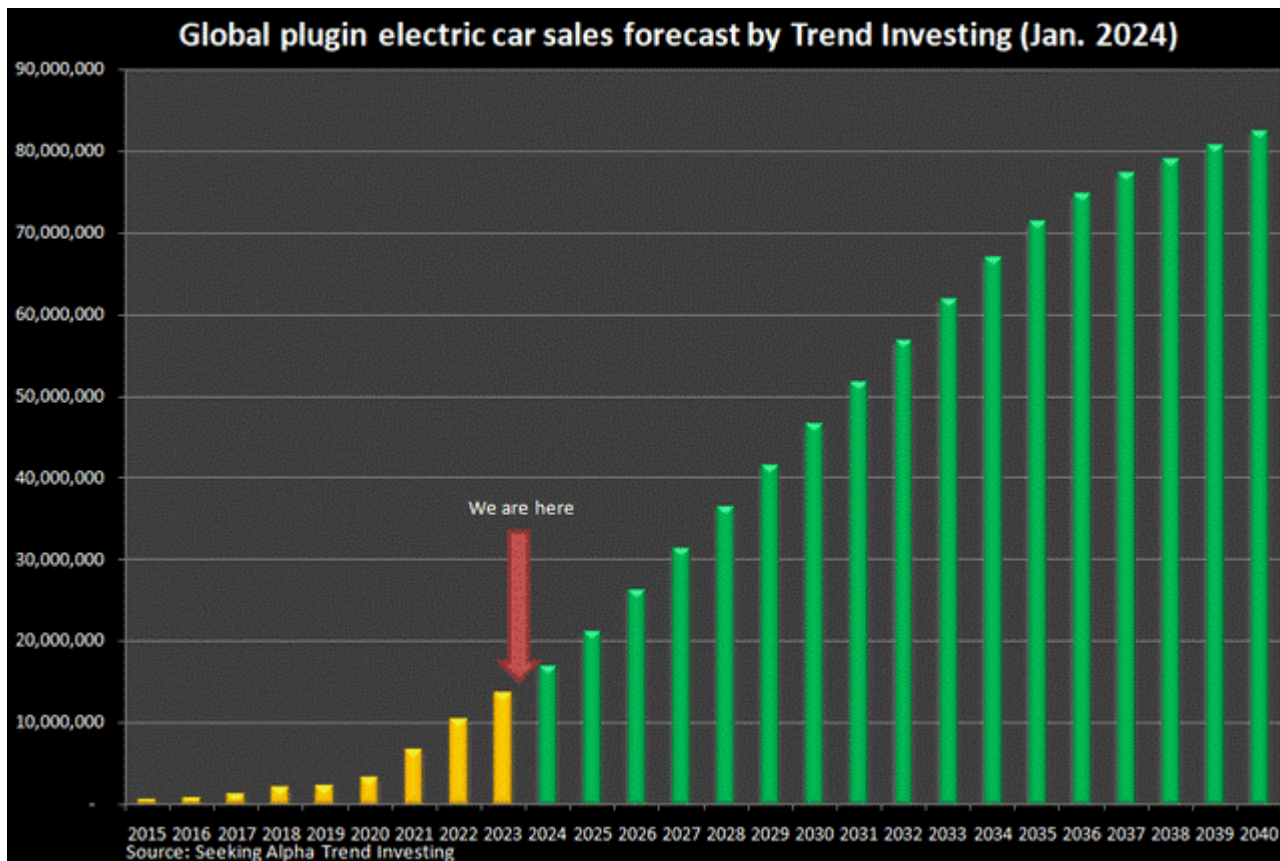


way with a stellar result of [1.191 million units](#), up [46% YoY](#).

Global plugin electric car sales ended 2023 at [13.6 million units](#) (~16% market share), for a growth rate of [31% YoY](#) (a significant slowdown from the ~60% growth rate in 2022).

- Trend Investing [forecast](#) for 2024 is 17 million units (20% market share), for a growth rate of 25% YoY.
- BloombergNEF [forecast](#) for 2024 is 16.7 million units (~20% market share), for a growth rate of 21% YoY.

**We are still at the very early stage of the EV boom.**



Trend Investing's global plugin electric car sales forecast to 2024 (green bars)

In early January, news was released that [a record](#) 1.2 million EVs were sold in the U.S. in 2023, according to estimates from Kelley Blue Book. The report noted that U.S. market share



[reached 7.6%](#) in 2023 and that 55% of EV sales were attributable to Tesla (NASDAQ: TSLA).

The UK announced that their Zero Emission Vehicle (ZEV) [mandate](#) to increase electric car sales has become law. Key rules include:

- **“ZEV Mandate demands makers up share of electric car sales to 22% in 2024.**
- Electric vehicles currently make up around just 18% of all registrations in the UK.
- **Mandate thresholds rise annually to an 80% share in 2030 – and 100% by 2035.**
- Failure to meet the ZEV mandate sales targets can result in huge fines for auto makers of £15,000 per model below the required threshold.”

## EV battery news

The U.S. government continues to tighten the screws towards developing their own EV supply chain independent of Foreign Entities Of Concern (“FEOC”). On January 20 Bloomberg [reported](#): “US to ban Pentagon battery purchases from China’s CATL, BYD”. The ban will commence from October 2027 and include 4 other Chinese battery makers (Envision Energy Ltd., EVE Energy Co., Gotion High Tech Co., and Hithium Energy Storage Technology Co).

## Global critical minerals update

There is an enormous amount of doom and gloom surrounding the EV and battery metals sector as we commence 2024. A key theme in recent months has been very depressed prices for many of the critical minerals, especially those related to the EV segment. A

combination of the slowing EV growth rate in 2023 from ~60% in 2022 to ~31% in 2023, combined with an excess of battery inventory from 2022 and new EV metals supply has left most EV metal markets in surplus with prices collapsing.

## Bloomberg

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# Battery Metal Price Plunge Is Closing Mines and Stalling Deals

- Prices for lithium, nickel and cobalt have tumbled from peaks

Source: [Bloomberg article, January 10, 2024](#)

## Lithium

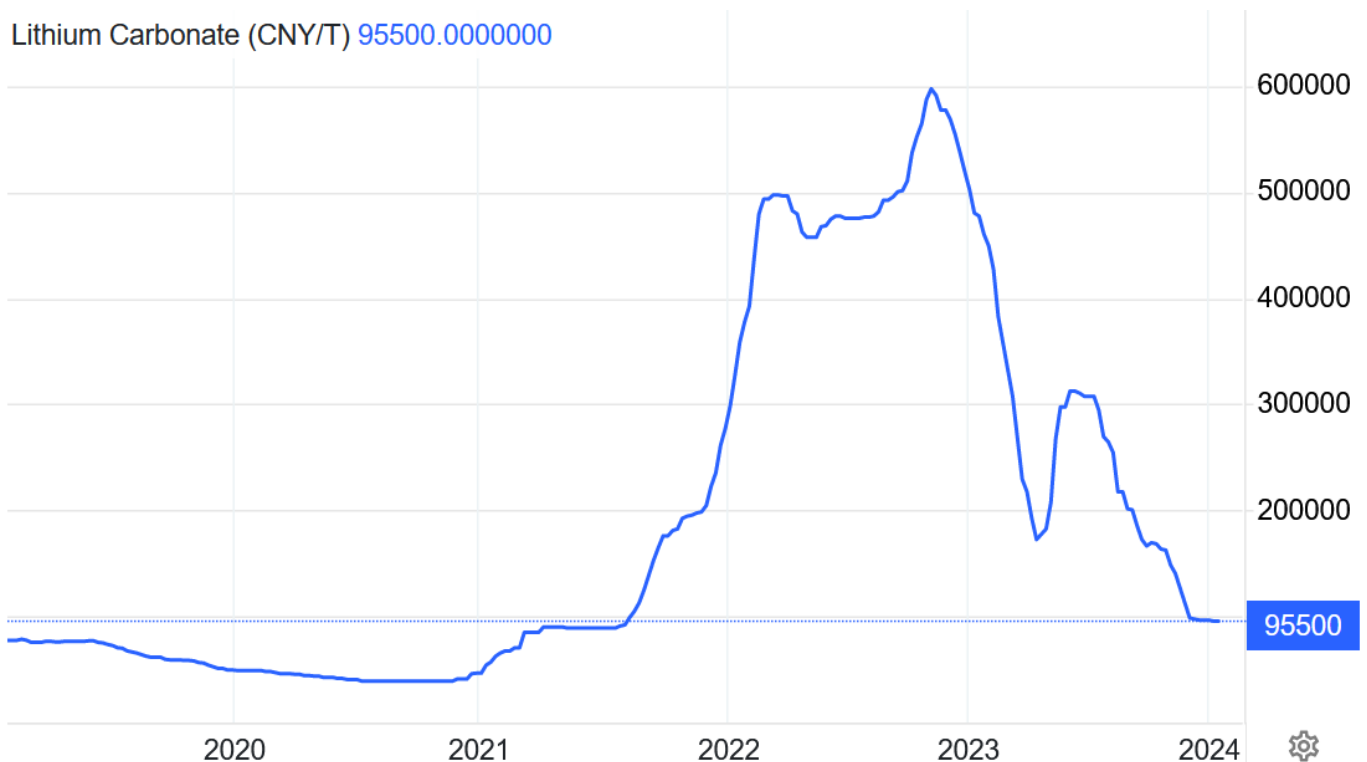
China lithium carbonate [spot prices were flat](#) the past month, with the price now at [CNY 95,500/t](#) (USD 13,275/t). After an [~80%](#) fall from the high, lithium prices appear to have finally stabilized. This is logical given that prices are now at or below the marginal cost of production, especially for the higher cost China lepidolite producers.

Industry participants have been calling for a price bottom in recent months, with China Futures Co. analyst, Zhang Weixin, forecasting lithium prices to bottom out between [CNY 80-90,000/t](#) and average CNY 100,000/t in 2024.

The other key recent trend in the lithium sector has been several announcements from lithium producers either stopping production or reducing their expansion plans. Core Lithium (ASX: CX0) announced on January 5, 2024 it will [temporarily suspend](#) mining operations. Then on January 17, 2024, Albemarle

Corporation (NYSE: ALB) [announced](#) “actions to preserve growth, reduce costs, and optimize cash flow”. This includes deferring plans to build a fourth lithium hydroxide processing train at their Kemerton LiOH facility.

**The China lithium carbonate spot price has stabilized near the marginal cost of production**



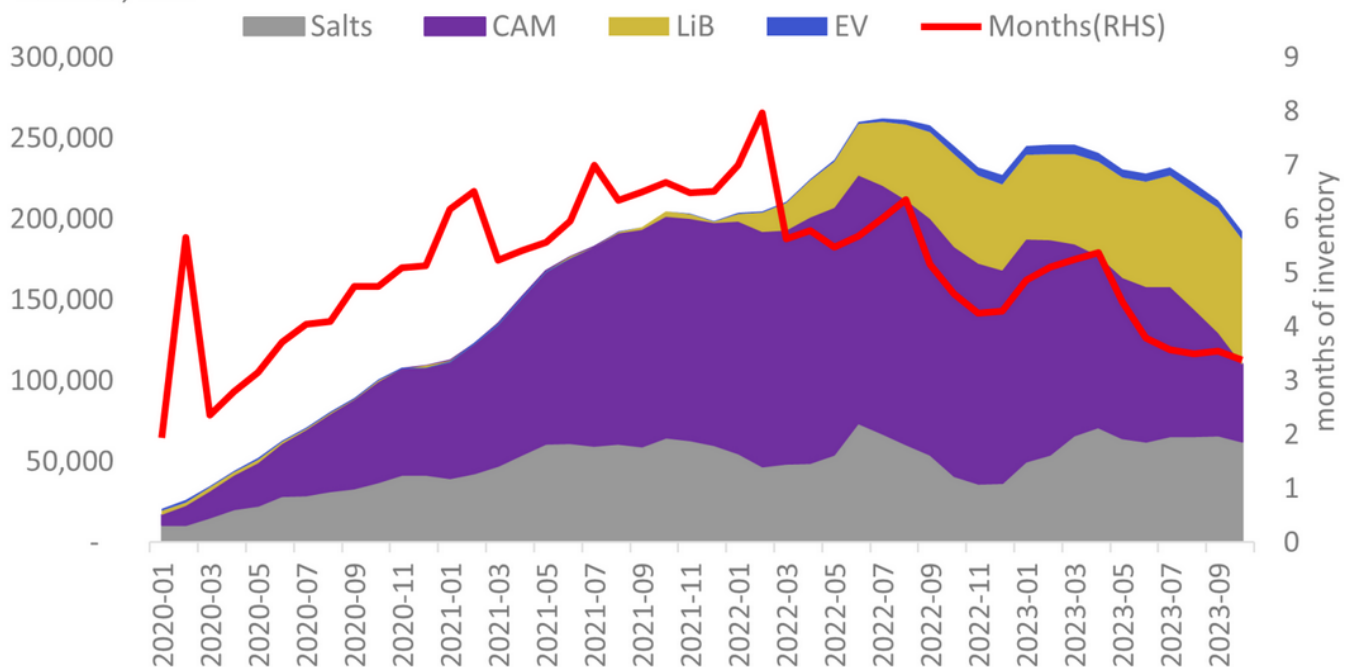
Source: [Trading Economics](#)

On the topic of when we might see some recovery in lithium prices. On January 19 Fastmarkets put out a report [stating](#): “...We expect orders to start flowing upstream again either towards the end of the first quarter or early in the second quarter.” If this proves correct and EV demand remains solid, then we could expect some lithium price recovery late Q1, early Q2, 2024.

**Fastmarkets reports China lithium inventory levels are now back to the pre-boom levels with ~3 months of supply (red line)**

## Implied inventory on the way back to normalized level

Implied lithium inventory within China's supply chain  
tonnes, LCE



Source: [Fastmarkets](#)

## Magnet Rare Earths

Neodymium spot prices fell again the past month to [CNY 505,500/t](#). Prices peaked in February 2022 at CNY 1,506,530 and have been trending lower ever since then.

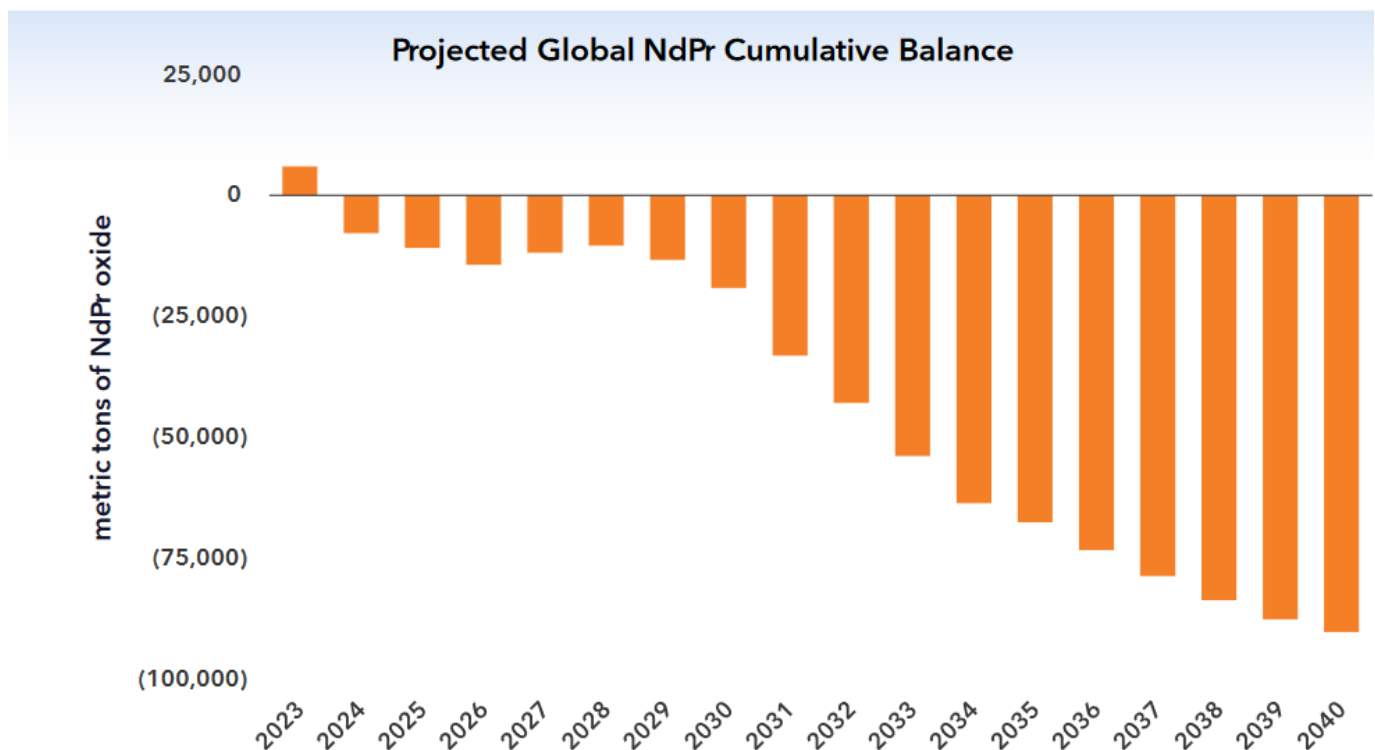
As discussed in a recent [InvestorNews article](#), the consensus of industry experts is for 2024 to be a consolidation year. The article states: “2024 should see a year of consolidation for the rare earths sector as some experts are telling me. Some [forecasts](#) are for NdPr supply deficit to begin as early as 2024; however, this will largely depend on China demand, the global economy, EV sales, and new NdPr supply hitting the market.”

One interesting [news item](#) that emerged in January was of Rainbow Rare Earths Limited (LSE: RBW) (“Rainbow”) and their Phalaborwa Project in South Africa. The key aspect being that the Project

[consists of gypsum](#) waste piles that contain large quantities of the magnet rare earths. Rainbow CEO Bennett [stated](#): “We’ve got no mining cost, no crushing, no milling, no flotation. I saw the advantages to lead to a low capital intensity and low operating cost environment project.” Rainbow targets first production for 2026.

**Some analysts are forecasting deficits ahead for NdPr rare earths driven by strong EV and wind energy demand**

## A precarious supply-demand imbalance looms



Source: [MP Materials courtesy Adamas Intelligence](#)

## Cobalt, Graphite, Nickel, Manganese and other critical minerals

**Cobalt** prices (currently at [US\\$12.90/lb](#)) were flat the past month and remain at very depressed levels. The cobalt market is

suffering from excess cobalt supply from the DRC which combined with a global slowdown in demand has led to cobalt prices dropping by almost 2/3 since their April 2022 peak. With LFP batteries gaining in popularity (no cobalt required) and a weak global consumer electronics market, there appears to be no short term turnaround for cobalt. Leading cobalt producer Glencore PLC (LSE: GLEN | OTC: GLCNF) has been stockpiling their excess material. At current prices, there is limited incentive for western producers to expand or enter the market.

### **Cobalt has lost two-thirds of its value since a recent peak in 2022**



Source: [Trading Economics](#)

**Flake graphite** prices remain very weak with prices near the marginal cost of production and [down ~2%](#) over the past month.

A January 2024 Bloomberg [report](#) noted that natural flake graphite shipments slumped 91% in December from November 2023. Of course, sales surged prior to the Chinese export license permits being implemented in December 2023. December exports

were 3,973 tons compared to the past monthly average of ~17,000t, so still a very significant fall.

Despite the spate of recent bad news, graphite is one of the EV metals with the largest demand profiles ahead this decade. Several groups are forecasting deficits ahead this decade starting from 2024/25 for the various types of graphite including flake, spherical, and synthetic. You can read more on the graphite outlook [here](#).

**Nickel** prices fell again last month to [USD 15,799/t](#). The [1 year outlook for nickel](#) remains poor due to oversupply concerns from Indonesia. As a result of low nickel prices we saw [the collapse](#) of Panoramic Resources (ASX: PAN) in December and then on January 22, 2024, it was [reported](#) that BHP Group (ASX: BHP | NYSE: BHP) plans “to put parts of Kambalda nickel concentrator in Australia on care and maintenance” from mid-2024. This was caused by Wyloo Metals, which supplies ore to the plant, announcing a pause in mining operations due to low nickel prices.

**Manganese** prices were flat the past month and are now at [CNY 29.25/MTU](#).

**Uranium** prices have been the exception to the rule the past year as they continue to rise, now at [US\\$106/lb](#).

**Uranium 5 year price chart**





Source: [Trading Economics](#)

## Conclusion

The biggest trend that looks to be emerging in Q1, 2024 for the EV metals sector is a negative supply response from producers. Producers are cutting CapEx, scaling back expansion, and in some cases reducing or stopping production. Expect to see a lot more of this in H1, 2024.

They say “the cure for low prices is low prices”. Well that’s exactly where we are now in the cycle. The next 3-6 months is likely to see the washout phase, where many miners collapse, reduce production or put their mine into care and maintenance. There is no point running a mine and selling a limited resource and making no profit. I will end with three well known sayings:

- “Bear markets are the author of bull markets”
- “*Bull markets are born on pessimism, grown on skepticism, mature on optimism, and die on euphoria.*”

- “You have suffered through the pain, now hang around for the gain.”

Given the EV metals markets have been in a bear market for the past 15-18 months the end is near, and we should expect some recovery during H2, 2024, assuming EV sales can grow at a reasonable rate.

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# **Technology Metals Report (01.19.2024): Rainbow Rare Earths Discovery, Middle East Critical Minerals Chess Play, and ANSTO Invests in Critical Minerals Research**

written by Tracy Weslosky | March 20, 2024

Key highlights in this Technology Metals Report include significant developments such as Rainbow Rare Earths Limited's discovery in South Africa, China's unveiling of the new heavy rare earth mineral Bayanoboite-Y, and the Australian Nuclear Science and Technology Organisation (ANSTO)'s \$13.9 million funding for critical minerals research.

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# The Critical Minerals Institute Report (12.27.2023): Politics Driving Marketable Commodities into 2024

written by Matt Bohlsen | March 20, 2024

Welcome to the December 2023 [Critical Minerals Institute](#) ("CMI") report, designed to keep you up to date on all the latest major news across the critical minerals markets. Here is the [CMI List](#) of Critical Minerals or click here to visit the [CMI Library](#).

## Global macro view

December 2023 saw a further fall in U.S. inflation from 3.2%pa in October to [3.1%pa](#) in November. As expected the U.S. Fed left interest rates unchanged at their December meeting. Even more significant was the Fed indicated that there are potentially '[3 interest rate cuts coming](#)' in 2024. This was an early Christmas present for U.S. equity markets which continued their recent rally. Year to date, as of December 26, 2023, the S&P 500 is up 25.75% and the NASDAQ is up an amazing 43.25%. Of course, this follows heavy falls in 2022.

In late December China signaled a possible early 2024 interest rate cut when they [reduced](#) bank deposit rates. As a result China 30 year government bond yields hit their lowest level since 2005. All of this [recent support](#) for China's economy and property market looks likely to set up a potential China recovery story in 2024. If China starts to recover in 2024 it would be a positive for commodity markets including the critical minerals.

The Russia-Ukraine war drags on through the European winter. There are some very [early signs](#) that both sides may be willing to end the war in 2024. We will see. Meanwhile, the Hamas-Israel war has been contained for now. We can only hope for peace in 2024.

## Global plugin electric vehicle (“EV”) update

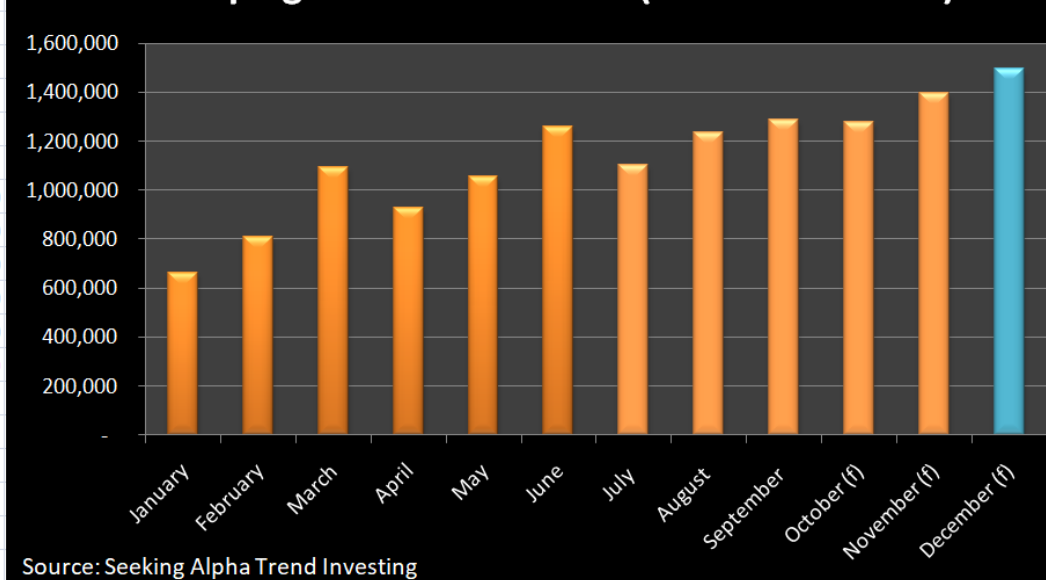
Global plugin electric car sales were [1,279,000](#) in October 2023 (the second-best month ever), up 37% YoY. November global sales reached [1.4 million](#). December should be even better. CPCA expects China’s NEV (New Energy Vehicle) retail sales in December 2023 to reach a record [940,000 units](#) (41.4% market share), up 46.6% YoY. That should mean December global EV sales will be around 1.5 million.

This means that 2023 global plugin electric car sales should end up close to 13.6 million (~17% market share), for a growth rate of ~29% YoY (a significant slowdown from the 56% growth rate in 2022).

## 2023 Global plugin electric car sales (actual + forecast)

Month	Sales
January	662,000
February	812,000
March	1,097,000
April	928,000
May	1,057,000
June	1,260,000
July	1,104,000
August	1,238,000
September	1,291,000
October (f)	1,279,000
November (f)	1,400,000
December (f)	1,500,000
	13,628,000
H1 sales	5,816,000

## 2023 Global plugin electric car sales (actual & forecast)



In other EV related news, in December Germany announced an abrupt [ending](#) to their EV subsidy. The subsidy was originally intended to apply until the end of 2024.

We also heard news that the U.S. is considering [raising tariffs](#) on Chinese EVs and Chinese solar products. The White House plans to complete a tariff review in early 2024. Chinese EVs entering the USA already have a [25% tariff](#). This follows the [EU's](#) probe into China subsidies for EVs. All of this has come about due to the fact that about 60% of all global plugin EV sales are in China and the fact that China completely dominates the EV market and EV supply chain. This is now leading to a flood of compelling Chinese electric cars being exported to global markets where Western manufacturers (excluding [Tesla Inc.](#) (NASDAQ: TSLA)) are struggling to compete with China.

Finally, in December it was announced that Canada will require all new cars and trucks to be zero-emissions vehicles by 2035. The Canadian government [stated](#): "The Standard will ensure that Canada can achieve a national target of 100 percent zero-emission vehicle sales by 2035. Interim targets of at least 20 percent of all sales by 2026, and at least 60 percent by 2030."

# Global critical minerals update

In December we got a key U.S. political announcement that will impact EV sales and critical minerals demand in 2024 and beyond.

## U.S. Foreign Entity of Concern (“FEOC”) proposal

The U.S. DoE releases proposed interpretive guidance on Foreign Entity of Concern (“FEOC”) rules. FEOC’s include China, Russia, North Korea, and Iran. Key proposals include:

- Beginning 2024, companies that have >25% ownership or control by a FEOC will not be eligible for tax credits available under the Inflation Reduction Act (IRA).
- Beginning in 2024, an eligible clean vehicle (for IRA credits) may not contain any battery components that are manufactured or assembled by a FEOC.
- Beginning in 2025, an eligible clean vehicle may not contain any critical minerals that were extracted, processed, or recycled by a FEOC.

These rules are quite strict and it is looking like the majority of EVs sold in the USA will not qualify in 2024 and hence not receive the subsidy of up to US\$7,000 per vehicle. For example, the Tesla Model 3 and Model Y base range EVs use Chinese made LFP batteries, making them both ineligible to meet the FEOC rules. Things will only get harder in 2025. Of course, this is designed to motivate auto and battery OEMs to hurry up and build a new western battery supply chain, independent of FEOC.

The FEOC proposal follows last month’s news of new guidelines for the EU Critical Raw Materials Act (“CRMA”) as discussed [here](#). A key ruling was that ***“not more than 65% of the Union’s***

*consumption of each strategic raw material comes from a single third county."*

**U.S. proposal to create a 'Resilient Resource Reserve' for key critical minerals**

As [reported](#) in December, the U.S. select committee has recommended the creation of a critical mineral reserve to protect domestic industry. The Fastmarkets report [stated](#):

*"The adoption of such a reserve is intended to "insulate American producers from price volatility and (the People's Republic of China's) weaponization of its dominance in critical mineral supply chain. Such a reserve would be used to sustain the price of a critical mineral when prices fall below a certain threshold and would be replenished through contribution from companies when prices are "significantly" higher"...The fund would target critical metals where there is high price volatility, low US domestic production and import dependence on China. **Cobalt, manganese, light and heavy rare earths, vanadium, gallium, graphite, germanium and boron** are critical minerals that fall under that category, according to the report..."*

**Note: Bold emphasis by the author.**

## **Lithium**

China lithium carbonate spot prices [fell again](#) in December 2023, with the price now at [CNY 96,500/t](#) (USD 13,505/t) and [down 82%](#) over the past year. Prices are now below the marginal cost of production, meaning a bottom should be found very soon (assuming EV sales hold up in 2024).

Industry participants are increasingly calling a likely bottom. For example, China Futures Co. analyst, Zhang Weixin, forecasts China's lithium carbonate spot to bottom out between [CNY 80-](#)



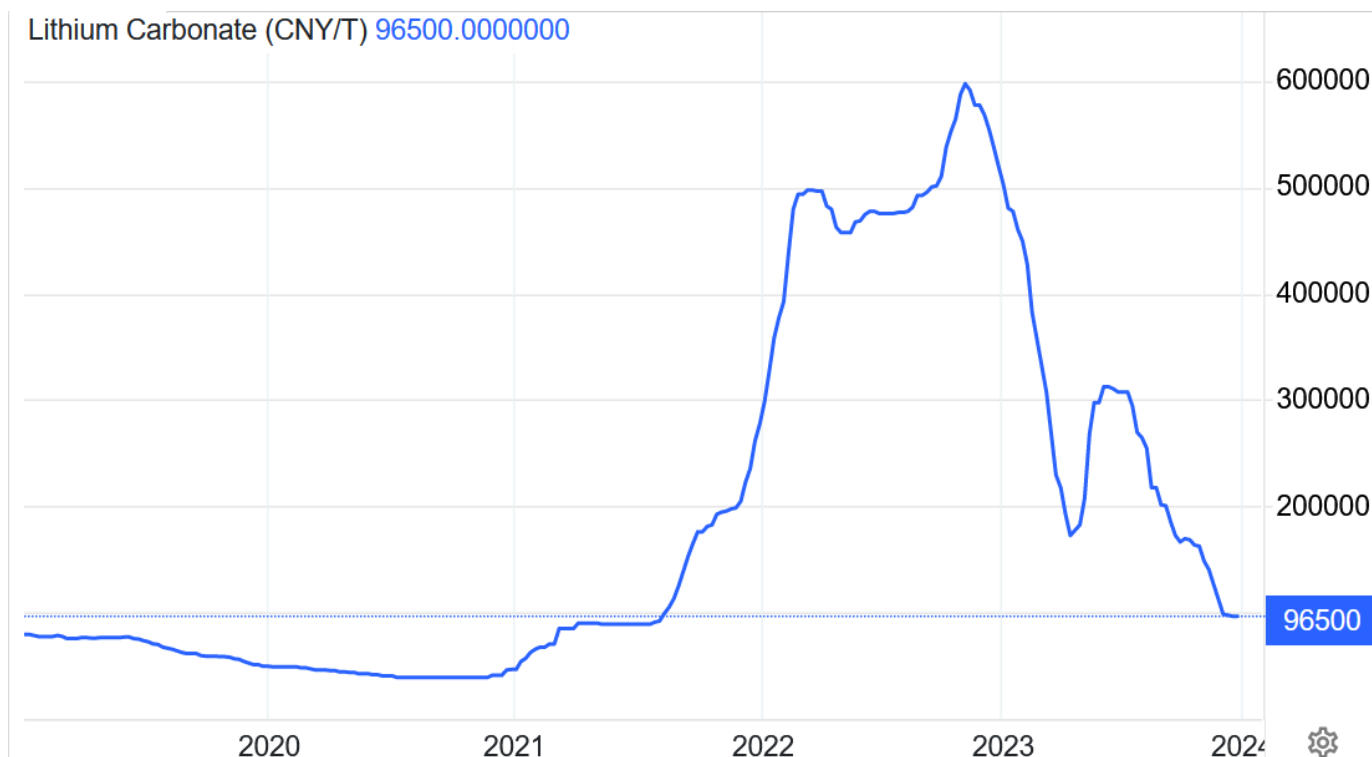
90,000/t (US\$11,200-US\$12,600/t). Goldman Sachs is a little more bearish with a 1 year price target for China's spot lithium carbonate of US\$11,000/t.

The negative price action has not deterred SQM and Gina Reinhart's Hancock Prospecting (private) who recently increased their bid to A\$3.70 per share to takeover Australia's Azure Minerals Limited (ASX: AZS).

In December we saw shareholders approve the Allkem Limited (ASX: AKE | TSX: AKE) – Livent Corporation (NYSE: LTHM) 'merger of equals' which is now expected to close by January 4, 2024. The new company is to be known as Arcadian Lithium PLC (NYSE: ALTM | ASX: LTM).

Finally, in December we got news that free markets supporter Javei Milei was elected as the new Argentina President. This is good news for those companies with mining projects in Argentina, of which there are many lithium projects under development.

**The lithium carbonate spot price collapsed in 2023 and is now below the marginal cost of production and expected to form a bottom very soon**



Source: [Trading Economics](#)

## Magnet Rare Earths

Neodymium prices fell in December to [CNY 560,000/t](#) almost 1/3 the price of the February 2022 peak. The [one year outlook](#) remains quite weak; however, this will largely depend on how China's economy performs in 2024. A strong pickup in EV sales in 2024 could quickly change the market dynamics.

The big news in December in the rare earths market this month was China's announcement to ban the export of [rare earth processing technology](#). As discussed in an [InvestorNews article](#), Western companies have been efficiently separating rare earths for some time, so this ban has minimal implications. CMI Co-Chair and rare earths expert, Jack Lifton, [states](#): "Solvent extraction separation is a long-established practice everywhere. The issue is the production of rare earth metals and alloys and from them of rare earth permanent magnets. This is where China's massive lead in manufacturing technology may be insurmountable. Time will tell."

Of course, the trend for Western auto OEMs is concerning, especially following China's recent introduction of export [license permits](#) on graphite products (including synthetic graphite, flake graphite, and spherical graphite).

## **Cobalt, Graphite, Nickel, Manganese, and other critical minerals**

**Cobalt** prices (currently at [US\\$12.91/lb](#)) were lower the past month and continue to be very depressed. China's slowdown and the [slowdown](#) in global electronics sales have suppressed cobalt demand at the same time as new supply from the DRC and Indonesia has risen.

One glimmer of hope for the Western cobalt producers is that the U.S. government announced in December the creation of a critical mineral 'Resilient Resource Reserve' (as discussed above).

**Flake graphite** [prices](#) also remain very weak with prices near the marginal cost of production. Following the introduction of Chinese export license permits in December 2023 there has been some increased signs of buying activity and a slight graphite [price improvement](#). However, the main concern for flake and spherical graphite is that lower energy input costs in China have lowered the cost of producing synthetic graphite, thereby dampening demand for flake and spherical graphite. Despite this, there are several analysts now forecasting graphite deficits to begin as soon as 2024/25 as you can read in a recent InvestorNews article [here](#).

**Nickel** prices fell slightly in December to [US\\$16,279/t](#). The [1 year outlook](#) for nickel remains poor due to oversupply concerns from Indonesia. A recovering global economy and Chinese property sector will be needed to help balance the nickel market, which is currently in oversupply.

Manganese [prices](#) also fell slightly in December and are now at [CNY29.20/MTU](#).

2023 has been a tough year for many [critical mineral prices](#) (except for gallium, germanium, tellurium, indium, tin, and uranium – [a critical mineral in Canada](#)) as a slowing China and global economy weighed down demand at a time where supply increased. Uranium was the standout performer in 2023 with a gain of [over 75%](#). You can read an article [here](#) from back in April 2023 where we highlighted the coming rise of uranium.

The key to watch in 2024 will be if we see lower interest rates in China trigger a China property and economy recovery. A stronger U.S. and Europe in 2024 would also help boost the global economy and demand for critical minerals. Lower interest rates in 2024 could potentially make it a great year for the auto sector and EV metals.

Wishing you all a safe and prosperous 2024 from the Critical Mineral Institute (“CMI”).

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**The Critical Minerals  
Institute Report (CMI  
11.2023): Neodymium price is  
down 33% over the Past Year,**

# Record Plug-In EV Car Sales for September

written by Matt Bohlson | March 20, 2024

Welcome to the November 2023 [Critical Minerals Institute](#) (“CMI”) report, designed to keep you up to date on all the latest major news across the critical minerals markets. Here is the CMI list of critical minerals ([CMI List of Critical Minerals](#)) or visit the [CMI Library](#) where critical minerals expert Alastair Neill tracks the latest critical mineral lists worldwide.

## Global macro view

High interest rates (and cost of living increases) in most Western countries continue to be a drag on the global economy. Europe, in particular, continues to struggle. Last month saw a welcome fall in US inflation to [3.2%pa](#) suggesting the US Fed may not need to raise rates at their [December 12-13 meeting](#).

China has been [ramping up support](#) for their beaten down property sector and economy. The key hope for 2024 is that China’s property market stabilizes and their economy improves. Some early positive signs are appearing.

The Russia-Ukraine war continues as does the Hamas-Israel war. The outcomes of these conflicts can impact oil prices and hence inflation, meaning they are key events to monitor as we head into 2024.

## Global electric vehicle (“EV”) update

November 2023 saw strong EV sales reported for September 2023. Global plugin electric car sales for September were a record

[1,291,000](#) up 23% YoY to 17% market share.

In September, China sales were up 22% YoY to 37% share. Europe sales were up 15% YoY to 25% share. USA sales were up 59% YoY to 9.9% share.

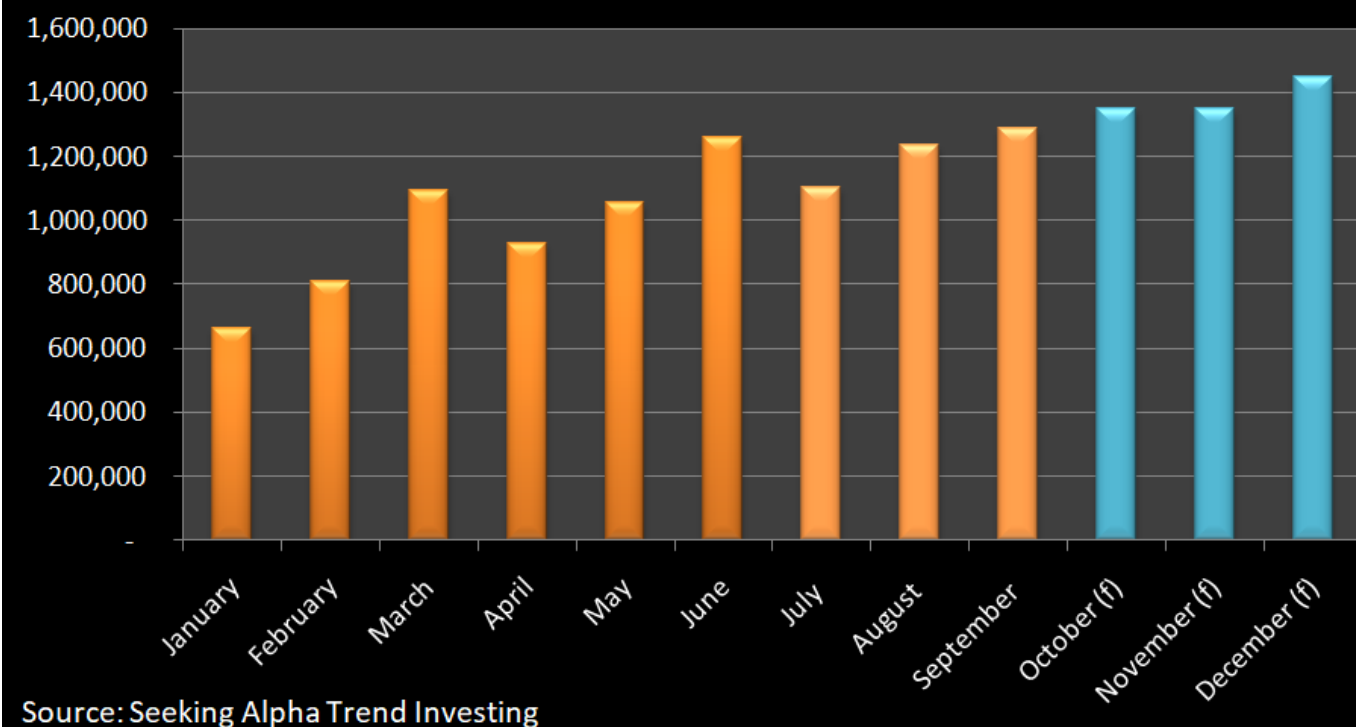
Results look very promising for October 2023 with global plugin electric car sales on track to reach or exceed ~1.35 million. China's October sales have been announced and they hit a new record of [956,000 sales](#).

2023 sales look set to finish at ~13.6 million and 17% market share, which would be a 29% increase on 2022 (10.522 million and 13% market share). A 29% growth rate in 2023 would be a significant slowdown on the 56% growth rate achieved in 2022.

Regarding US Battery Electric Vehicle ("BEV") car sales, the EIA recently [reported](#) that "BEV prices are now within \$3,000 of the overall industry average transaction price for light-duty vehicles."

**Global plugin electric car 'monthly' sales in 2023 ([source](#))**

## 2023 Global plugin electric car sales (actual & forecast)

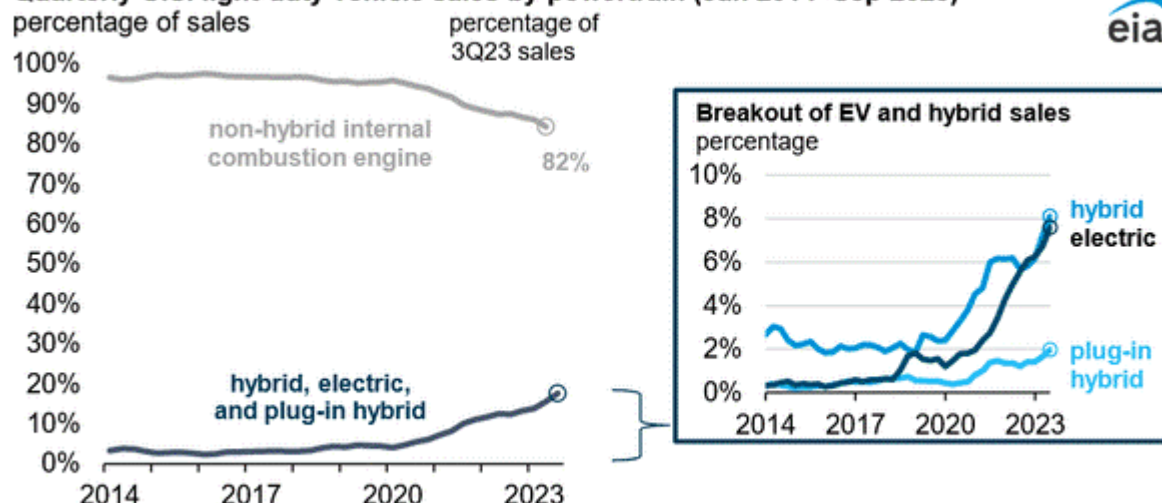


Finally, [reports](#) of a slowdown in US EV demand are 'fake news'. US electric car sales are achieving record sales in 2023 as we saw in the [US Energy Information \("EIA"\) announcement](#) on November 27, 2023. The chart below gives a good summary. The fact that [Ford Motor Company \(NYSE: F\)](#) and [General Motors \(NYSE: GM\)](#) are slowing down their EV production plans due to weak EV sales says more about their failure to produce well priced and desirable EVs rather than the US market as a whole. There is a similar situation with Volkswagen AG in Europe. Both BYD Company Limited (OTC: BYDDF) and Tesla Inc. (NASDAQ: TSLA) continue to rapidly expand their production and EV sales. Legacy automakers need to up their game or be left behind by the EV leaders Tesla and BYD who continue to go from strength to strength.

**Electric vehicles and hybrids grow to a record-high 18% of U.S. light-duty vehicle sales ([source](#))**



Quarterly U.S. light-duty vehicle sales by powertrain (Jan 2014–Sep 2023)



Data source: Wards Intelligence  
Note: 3Q23 = third quarter of 2023

## Global critical minerals update

Western governments, led by the USA, have continued to ramp up support for a Western EV and battery supply chain. In November we had two key announcements:

- On October 31 The Government of Canada [announced](#): “Government of Canada to enhance critical minerals sector with launch of \$1.5 billion Infrastructure Fund...“Our investments will help the mining industry develop important enabling and supporting infrastructure such as roads and energy facilities required prior to construction of mines.”
- On November 15 [Energy.gov announced](#): “Biden-Harris Administration announces \$3.5 Billion to strengthen domestic battery manufacturing...As part of President Biden’s Investing in America agenda, the funding will create new, retrofitted, and expanded domestic facilities for battery-grade processed critical minerals, battery precursor materials, battery components, and cell and pack manufacturing...”

These are positive developments, however not enough is being done upstream to support the critical minerals 'miners' to get into production. The Canadian Government's announcement above is reasonably well directed, but it is to be spread over 7 years and is nowhere near enough money for what is needed. The US Government's effort is further supported on the back of previous announcements as part of the 2022 Inflation Reduction Act ("IRA") which intends to spend US\$369 billion in energy security and climate change programs over ten years. However, most of the funds so far are to support battery manufacturing and EV plants and subsidies. More funds need to be put to use to help support the critical mineral mining companies, particularly as key critical minerals such as lithium is the bottle neck to ramp up western production of EV's and energy stationary storage.

The IRA has been extremely successful so far at bringing EV and battery investments to the USA. For example, in November we heard [a report](#) of yet another US factory being planned with Toyota planning to invest US\$8 billion in a North Carolina battery plant to increase EV capacity.

Over in Europe, the EU Critical Raw Materials Act ("CRMA") has progressed to the next stage with 'provisional' agreement achieved, noting the increased focus on recycling. On November 13, the European Union Council [announced](#):

*"The Council and the European Parliament today reached a deal on the proposed regulation establishing a framework to ensure a secure and sustainable supply of critical raw materials, better known as the Critical Raw Materials Act. The agreement is provisional, pending formal adoption in both institutions...The political agreement reached today keeps the overall objectives of the original proposal but strengthens several elements. It includes aluminium in the list of strategic and critical materials, reinforces the benchmark of recycling, clarifies the*

permitting procedure for strategic projects, and requires relevant companies to perform a supply-chain risk assessment on their sourcing of strategic raw materials...On the global stage, the regulation identified measures to diversify imports of critical raw materials ensuring that **not more than 65% of the Union's consumption of each strategic raw material comes from a single third country**...The provisional agreement keeps the benchmarks of 10% for extraction of raw materials and 40% for processing but increases the benchmark for recycling to at least 25% of EU's annual consumption of raw materials...The provisional compromise also unifies the timings of the permit procedure. **The total duration of the permit granting process should not exceed 27 months for extraction projects and 15 months for processing and recycling projects**...Next steps. The provisional agreement reached with the European Parliament now needs to be endorsed and formally adopted by both institutions."

*Note: Bold emphasis by the author. Synthetic graphite was also added.*

In November we did hear some more reports on sodium-ion batteries and how they can help meet the incredible battery demand needed for the green energy transition. Sodium-ion can help around the margin, but it will not replace lithium-ion. Sodium-ion batteries will be used for energy stationary storage and cheap (<US\$10,000) low-end, low-range, small EVs. Beyond that, the sodium-ion battery as exists today will have limited demand. CATL is leading the way with sodium-ion battery manufacturing and is one to watch.

On November 25 The Fraser Institute [reported](#):

*"A total of 388 new mines must be built to produce the metals required to meet international government mandates for electric vehicle...The International Energy Agency (IEA) suggests that to*

*meet international EV adoption pledges, **the world will need 50 new lithium mines by 2030, along with 60 new nickel mines, and 17 new cobalt mines**...Historically, however, mining and refining facilities are both slow to develop and are highly uncertain endeavors plagued by regulatory uncertainty and by environmental and regulatory barriers. Lithium production timelines, for example, are approximately 6 to 9 years, while production timelines (from application to production) for nickel are approximately 13 to 18 years, according to the IEA...The risk that mineral and mining production will fall short of projected demand is significant, and could greatly affect the success of various governments' plans for EV transition."*

*Note: Bold emphasis by the author.*

## Lithium

China lithium carbonate [spot prices fell significantly](#) in November 2023, with the price now at [CNY 126,500/t](#) (US\$ 17,870/t) and down 78% over the past year. At these prices, marginal cost lithium producers in China are shutting down and Albemarle Corporation (NYSE: ALB) and JV partners at the Greenbushes Mine [are considering production cuts](#) in H1, 2024. A bottom is likely to form soon at or above CNY 100,000/t assuming global EV sales hold up at current rates of about 30% growth in 2023 and 2024.

### Lithium takeovers continue despite weak sentiment

Chile's SQM recently increased their takeover offer for Azure Minerals Limited (ASX: AZS) to US\$900 million. Meanwhile, Mineral Resources Limited (ASX: MIN) has been [building an equity stake](#) in Azure Minerals as well as buying a [19.85% equity interest](#) in Wildcat Resources Limited (ASX: WC8), another WA lithium junior miner. Not to be outdone, Australian billionaire

Gina Reinhart has recently bought a [19% interest](#) in Azure Minerals. Reinhart was active in buying Liontown Resources Limited (ASX: LTR), ultimately leading Albemarle [to withdraw their takeover offer](#).

At least it looks like the Allkem-Livent merger is still going ahead. Allkem Limited (ASX: AKE) and Livent Corporation (NYSE: LTHM) [have received all required regulatory approvals globally](#) for their 'merger of equals', expected to close by January 4, 2024.

All of this takeover activity from the major lithium companies suggests that we are near a bottom in the lithium price cycle and that the mid to long-term outlook for lithium remains very strong.

## Rare Earths

Neodymium ("Nd") prices fell in November and are currently sitting at [CNY 610,000/t](#). The neodymium price is down 33% over the past year, but still well above the 2019 price.

**Neodymium 5 year price chart ([source](#))**



On November 16 Rare Element Resources Ltd. (OTCQB: REEMF) announced receipt of the final [NEPA approval](#) for their rare earth processing and separation demonstration plant to be built in Upton, Wyoming, USA. The news [stated](#): “The Company is awaiting next stage budget approval from the DOE, which is providing approximately 50% of the project costs, to commence construction.”

## Cobalt, Graphite, Nickel, Manganese and other critical minerals

**Cobalt** prices (currently at [US\\$14.85/lb](#)) remained flat the past month and continue to be very depressed. China’s demand for NMC cathode material for EVs has been weak as LFP cathodes (no nickel or cobalt) have gained in popularity.

**Flake graphite** [prices](#) also remain very weak with prices near the marginal cost of production. The big news in the graphite world is China’s intention to temporarily enforce export license permits on three synthetic graphite-related items and six

natural graphite-related items, starting from December 1, 2023. As a result, we have seen some buying activity and [flake graphite prices rising in Europe](#).

**Nickel** prices fell further to [US\\$16,593/t](#) in November due to oversupply concerns from Indonesia and the depressed Chinese property sector.

**Manganese** [prices](#) also fell slightly in November.

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## **BMW Probes Moroccan Supplier for Critical Mineral Compliance**

written by Tracy Weslosky | March 20, 2024

BMW (Bayerische Motoren Werke AG (OTC: BMWYY)), the prominent German automaker, is currently investigating a Moroccan cobalt supplier, Managem, following a report that raised serious concerns over labor and environmental violations at a cobalt mine in Morocco. The report, which surfaced in the German daily newspaper Sueddeutsche Zeitung, in collaboration with broadcasters NDR and WDR, alleged that the mining operations at Bou Azzer, southern Morocco, were releasing excessive arsenic levels into the environment. This revelation has significant implications given the critical role of cobalt in manufacturing electric car batteries, a market in which BMW is a key player.



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# Investor.Coffee (11.13.2023): Moody's downgrade on U.S. Credit Rating Outlook "Negative", Japanese wholesale inflation slows

written by Tracy Weslosky | March 20, 2024  
**Pre-Open Market Overview, Canada**

Canadian markets are showing a downtrend, aligning with Wall Street futures which are slightly down after Moody's downgraded the U.S. credit rating outlook to "negative." European shares experienced a boost, primarily in the healthcare sector, while Japan's Nikkei index remained unchanged. Oil prices have seen a minor increase due to concerns over reduced demand in the U.S. and China, coupled with mixed signals from the Federal Reserve. Meanwhile, gold prices have risen marginally, and the U.S. dollar remains relatively stable against other major currencies.

## **Tax Selling Deadlines**

For Canadian tax filers, December 27, 2023, marks the deadline for tax-loss selling. I mention this as we have a [CMI Masterclass on Critical Minerals and Flow Through](#) that I am hosting next Monday, November 20<sup>th</sup> at 7PM EST that I urge you to attend. Use the promo code CMI3 and you can secure a complimentary pass. I am writing the news release today. Transactions post this date will be counted for the 2024 tax

year. The U.S. deadline, as per the IRS, is December 29.

## European Stock Futures

Euro STOXX 50 futures rose by 7 points to 4,215, FTSE futures gained 6 points reaching 7,378, and German DAX futures increased by 5 points to 15,297 as of 0530 GMT.

## Asian Market Trends

Asian stocks saw an upward trend, taking cues from Wall Street's Friday rally, despite Moody's downgrade of the U.S. credit outlook. Oil prices, however, receded after the initial rally, influenced by concerns over diminishing demand in the U.S. and China.

# U.S. Market and Economic News

U.S. markets have witnessed two consecutive weeks of gains. Key factors that could impact this trend include Moody's recent downgrade of the U.S. credit outlook and the upcoming consumer price index release. Retail earnings reports from major U.S. companies are also anticipated.

## Company-Specific News

- **Alphabet Inc. (NASDAQ: GOOGL):** Google is in discussions to invest in Character.AI, with negotiations ongoing regarding the terms.
- **Exxon Mobil Corporation (NYSE: XOM):** Exxon plans to start [lithium production](#) in Arkansas by 2026. Also, Exxon has reached a settlement with Iraq over the West Qurna 1 oilfield.
- **Ford Motor Company (NYSE: F):** UAW workers at Ford's Kentucky plants have [mixed opinions](#) on the new labor

agreement, with production workers voting against it.

- **Livent Corporation (NYSE: LTHM):** Livent is set to meet Allkem investors [regarding a merger](#) that would create a significant lithium producer.
- **Streaming Giants (Netflix, Disney, Warner Bros Discovery):** They have agreed to pay significant bonuses as part of a labor deal with the SAG-AFTRA actors union.
- **NVIDIA Corporation (NASDAQ: NVDA):** The U.S. restrictions on China are prompting Nvidia to innovate to meet market needs.
- **Tesla Inc. (NASDAQ: TSLA):** EG Group [plans to buy](#) Tesla ultra-fast charging units to expand its EV charging network in Europe.

## Economic Data Release

- The Federal budget for October is expected to show a deficit of -\$30.00 billion, compared to the previous -\$171.00 billion.

## Europe/Asia Political and Health Updates

- UK Interior Minister Suella Braverman was dismissed amid allegations of political bias against London police.
- Former UK PM David Cameron surprisingly returned as foreign minister.
- U.S. Senator Tim Scott withdrew from the 2024 Republican presidential nomination race.
- Japanese wholesale inflation slowed, indicating easing price pressures.
- **Bayerische Motoren Werke AG (BMW) (OTC: BMWYY)** is

[investigating](#) operations at a Moroccan cobalt mine following reports of legal breaches.

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# Critical Minerals in the Congo: A Strategic Treasure Trove

written by Tracy Weslosky | March 20, 2024

The Democratic Republic of Congo (DRC), known for its vibrant history and rich cultural fabric, is increasingly coming under the limelight for its vast mineral wealth. A deeper look into its mineral assets sheds light on global geopolitics, economic tactics, and the progression of technology.