

Newsletter Fifth Edition on LinkedIn

Australia and USA Sign Critical Minerals “Deal”

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Published: 24th October 2025



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Welcome to this fifth issue of the Lithium Briefing from thelithiumreport.com.

The most important news in the Critical Minerals Space this week was the signing of a **cooperation agreement between Australia and the USA** on critical minerals and rare earths.

It was reported that each country will contribute **\$1.5 billion** in project finance over the next six months, with a total project pipeline of \$8.5 billion. The immediate action taken was that the **US Exim Bank** issued **\$2.2 B** in “**Letters of Interest**” to **seven Australian companies** developing mining and refining projects.

The agreement initially focuses on minerals such as **graphite, magnesium, titanium, zirconium, scandium, gallium, nickel, cobalt** and a rare earth project being developed by Arafura Rare Earths to mine **praesodymium and neodymium**, for NdFeB magnets.

The White House issued a fact sheet on the deal entitled “**Achieving critical mineral and energy dominance.**”

It will take some time to achieve that – if ever. But it is better than doing nothing and letting China increase their dominance even further.

Back in **February 2025**, the new US Administration established a “**National Energy Dominance**

Council". Its first mission, according to the government statement, is to **"..... to produce more energy to make America energy dominant"**. At face value, this could mean making America the dominant supplier of "energy" to the entire planet! But it also includes strategy to develop critical minerals production.

Therefore the finance being provided to Australian mining companies is **consistent with that NEDC strategy**. With the amount of money coming in from the US EXIMBank, the USA is effectively going to **control a significant chunk** of new Australian mineral projects.

As other commentators have pointed out, **China's strength** is not just in its dominance of mining and production of critical minerals. And not even in refining those minerals into usable downstream chemicals. But in its entire **vertically integrated economic machine**, from lithium, rare earth and strategic metals extraction to production of Lilon batteries and NdFeB permanent magnets and electric motors at the other end.

China has repeated on an even grander scale what the British Empire did in the 19th century, when they controlled the cotton chain from cotton growing in India and Egypt to production of finished cotton goods in the mills of Lancashire. But even so, British dominance of cotton was nothing like as comprehensive as **Chinese dominance** of the **new energy technologies** that will **replace fossil fuels over the next 50 years**.

As far as lithium is concerned, the agreement will probably have no immediate impact. The USA has its own lithium resources and extraction projects are advancing. See the newsletter on Thacker Pass for more details. But it sends a strong signal that there would be a market for Australian lithium in the USA in future, if EV demand warrants it. It creates a context that supports Australian downstream lithium refining and might help Albemarle and IGO indirectly to rectify the Kemerton and Kwinana plants. Despite the antipathy of the current US Administration to EVs, the US vehicle manufacturers themselves know they cannot abandon electric vehicles or in ten years they will have been superseded by China. Electrified vehicles in some form or other will replace the nineteenth century combustion engine as surely as oil replaced coal. King Canute would not be able to stop this tide either.

[The Lithium Report 2025 – 2035: The Next 10 Years. Everything you need to know about upstream lithium supply.](#)