

Eye on Critical Minerals

Newsletter

JULY 2023

Welcome to Mayer Brown's Critical Minerals Newsletter which focuses on some of the key legal issues and developments that have been affecting the sector over recent months.

NEWS

Demand for Critical Minerals set to soar – Global Mining Review

Amplified by COP27, the volume continues to increase on the importance of moving away from fossil fuels towards sustainable sources of energy. In turn, this movement fuels the need for critical minerals to support the burgeoning battery electric vehicles (EV) market. [Read more here.](#)

Decarbonisation – Role of Mining Companies

Mining companies are closely linked to the energy transition, both as businesses for which new requirements apply and as suppliers of critical minerals used to produce electric vehicle batteries, solar panels and wind turbines, among other products. In this Legal Update, the Mayer Brown team discuss emerging climate change-related guidelines and requirements, give examples of how mining companies are adjusting their operations in response to the energy transition, and note new forms of financing that industry participants can pursue. [Read more here.](#)

US and Japan Enter into Critical Minerals Trade Deal

On March 28, 2023, in an effort to support their partnership as allies in the race to strengthen their critical mineral supply chains for electric vehicle batteries, the United States and Japan entered into the Agreement Between the Government of the United States of America and the Government of Japan on Strengthening Critical Minerals Supply Chains (the "Trade Agreement"). For the United States, this is another step toward ending its reliance on non-ally countries for sourcing the critical minerals needed for electric vehicle batteries. The Trade Agreement builds on the 2019 U.S.-Japan Trade Agreement. [Read more here.](#)

Mexico – Mining Law Update

On March 24, 2023, President Andrés Manuel López Obrador introduced a bill to reform and supplement various provisions in the Mining Law (*Ley de Minería*), National Waters Law (*Ley de Aguas Nacionales*), Ecological Balance and Environmental Protection Law (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*), and the General Law for the Prevention and Integral Management of Waste (*Ley General para la Prevención*). The bill has been approved and is awaiting publication in the Federal Official Gazette. [Read more here](#).

Progress Towards an EU-US Critical Minerals Agreement

On June 14, 2023, the European Commission proposed negotiating directives for a critical minerals agreement with the United States, intending to promote a partnership between the US and the European Union as allies in the global race to net zero and to strengthen their respective critical mineral supply chains. Back in early March, US President Biden met with European Commission President Ursula von der Leyen, and they issued a joint statement announcing that they would commence discussions about an EU-US Critical Minerals Agreement (the “Critical Minerals Agreement”). [Read more here](#).

US-RELATED ARTICLES LINKED TO THE INFLATION REDUCTION ACT

The Green Energy Tax Incentives of the Inflation Reduction Act of 2022

In July 2022, after weeks of negotiations, US Senators Joe Manchin and Chuck Schumer reached a deal on an energy and healthcare bill titled the Inflation Reduction Act of 2022, which includes extensive provisions relating to green energy tax incentives. Although these provisions incorporate the general tax credit framework from the previously released Build Back Better Act, there are a number of noteworthy deviations, some of which were largely unexpected. This Legal Update analyses the act's key green energy tax provisions. [Read More here.](#)

US Inflation Reduction Act – Tax Summary

If you thought the recent price increase at your neighbourhood store was inflation's last flop, think again. The Inflation Reduction Act which was signed into law by President Biden on August 16, 2022, is estimated to raise \$739 billion over the decade. Revenues will go toward initiatives designed to combat climate change, reduce the nation's debt, and, hopefully, reduce inflation. [Read more here.](#)

Tax Credits for Electric Vehicles: What's Changed with the US IRA?

President Biden signed the Inflation Reduction Act of 2022 into law on August 16, 2022. Among other things, the IRA expands the federal income tax credits available to promote the development and use of renewable energy. This Legal Update focuses on the provisions of the IRA relating to clean vehicles, including electric vehicles. [Read more here.](#)

Strengthening the US Supply Chain for Critical Minerals

As the Biden-Harris administration focuses on the clean energy transition, it has emphasised the need to strengthen the US supply chain for critical minerals. The Energy Act of 2020 defines a critical mineral as a non-fuel mineral or mineral material essential to the economic or national security of the United States and which has a supply chain vulnerable to disruption. In connection with ramping up its critical minerals strategy, the administration has decided it is time to update the 150-year-old mining laws and regulations. [Read more here.](#)

Critical Minerals and Electric Vehicle Battery Sourcing Requirements Under the IRA: Waiting With Bated Breath

On March 22, 2023, a senior official in the US Treasury Department ("Treasury") stated that Treasury will release guidance regarding critical minerals and battery sourcing requirements for eligibility under the Inflation Reduction Act ("IRA") enacted last August. [Read more here.](#)

US Treasury – Clean Vehicle Credit

On March 31, 2023, the US Department of the Treasury and the Internal Revenue Service released a notice of proposed rulemaking on Section 30D of the Internal Revenue Code providing further guidance on the federal income tax credit relating to clean vehicles such as electric vehicles and new qualified fuel cell vehicles and the critical mineral and battery components required therein. [Read more here.](#)

EVENTS

US, Latin America and the Critical Minerals Supply Chain Conundrum, 19 September 2023

On Tuesday 19 September 2023 we are hosting an event in our New York office which looks at the critical minerals and supply chain conundrum within Latin America and the US. The event will feature both members of our global mining team as well as guest speakers who will guide you through topics such as the technical discussion of mining geology, political risks and financing critical minerals projects in the Americas. The full agenda will be available nearer to the date but please register to receive updates on this event. [Please register here.](#)

The Mining Sector Investment Landscape in the Wake of the Inflation Reduction Act (1 hour on demand webinar)

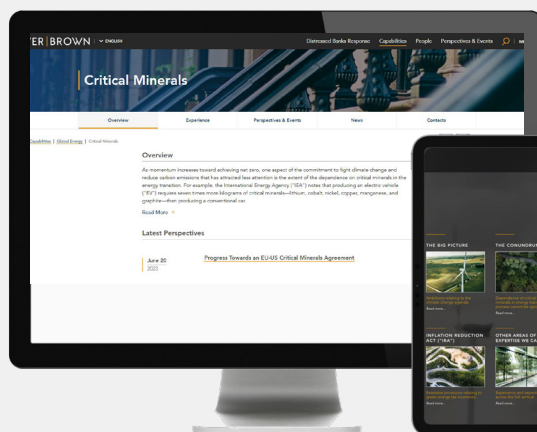
Since the passage of the Inflation Reduction Act, electric vehicle manufacturers have ramped up offtake agreements with minerals suppliers, European officials have criticised the law’s heavy-handedness, domestic miners have praised the bill’s encouragement of US production, and lawmakers of both parties have pointed out the need for permitting reform to obtain the bill’s aims. With so many responses to and opinions about the more than \$500 billion in clean energy spending in the bill, this webinar looks at the state of play for mining incentives in the US and elsewhere with a particular emphasis on the investment landscape for miners involved in the electric vehicle supply chain. [Click here to register and watch.](#)

PRESS RELEASES

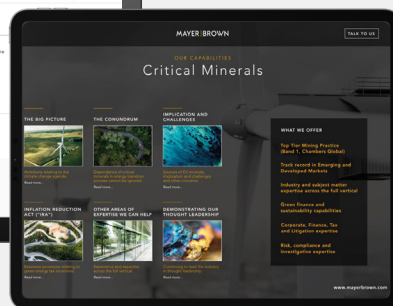
Mayer Brown represents General Motors in investment with Lithium Americas

Mayer Brown represented General Motors Co. in an investment with Lithium Americas Corp. to develop the Thacker Pass mine in Nevada, which is the largest known source of lithium in the US and the third largest in the world. [Read more here.](#)

RESOURCES



Mayer Brown Critical Minerals webpage



Mayer Brown Critical Minerals digital brochure

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For more information on Critical Minerals, or any of the topics in this newsletter, please contact one of our key contacts above or visit our website: [Critical Minerals](#) | [Capabilities](#) | [Mayer Brown](#)

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