

# Critical bid to explore Greenland rare earths

Critical Minerals boss Tony Sage at the company's rare earths deposit near Qaqortoq, Greenland.  
Pictures: Ben Harvey



BEN HARVEY

Tony Sage's ambition to break China's stranglehold on rare earths and critical minerals has received a shot in the arm after the WA Supreme Court cleared the way for a takeover that is central to an audacious mining project in Greenland.

The court has ticked off on a plan by the Sage-led, NASDAQ-listed Critical Metals to acquire ASX-listed European Lithium.

The all-scrip deal, worth about \$US835 million (\$1.164 billion), needs to be endorsed by the target company's shareholders but Mr Sage is confident they will approve.

European Lithium owns about a third of Critical Metals and shares ownership of the company's flagship Tanbreez project in southern Greenland. Bulk sampling of the 4.7 billion-tonne deposit of rare earths and critical minerals is imminent.

Mr Sage has expounded on his plans for the deposit in the latest edition of *The Nightly On* magazine, which is free in Thursday's edition of *The West Australian*.

The former Perth Glory owner has found himself at the centre of a geopolitical tug of war after US President Donald Trump flagged the prospect of the US annexing Greenland.

The security of US military bases is the main driver of that

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move but the country's mineral wealth is considered a factor.

Perth geologist Greg Barnes, who pegged the deposit, was flown to Washington to brief the White House about Greenland's geology and Mr Sage has spoken to Donald Trump Jr about the project.

Tanbreez, which sits beside a fjord about a 10-minute helicopter ride from the seaside town of Qaqortoq, boasts some of the most lucrative parts of the Periodic Table.

The name comes from the chemical symbols of the deposit's four main commodities: Ta is from tantalum, the nb is from niobium, the characters "ree" are a nod to "rare earth elements" and the final letter pays homage to the presence of zirconium.

For now, Mr Sage is concentrating on bringing to market its reserves of hafnium — an element needed in nuclear reactors because it allows operators to regulate the fission

process. "Everyone knows that China is the price-maker with critical minerals and rare earths because they dominate the processing chain," he told *The Nightly On*.

"As soon as anyone looks like getting a project up commercially they can tank the price to protect their position."



"We are concentrating on hafnium because we believe China will need to use all of their own reserves of that internally."

"Beijing has commissioned something like 40 nuclear reactors and that will require a huge amount of hafnium."

It's a compelling narrative but international investors are always nervous about sovereign risk and are acutely aware that Greenland is at the heart of a dispute between Washington and Brussels that threatens to fracture NATO.

Critical Metals is pursuing European Lithium to eliminate the so-called cross-holding dilution overhang — the artificial depression of Critical Metals' stock price that comes from having such a big block of shares held by one entity.

Under the deal, European Lithium shareholders will end up owning roughly 40 per cent of the combined company.

Tuesday's Supreme Court ruling about the legality of the takeover is the latest corporate puzzle spanning three countries.

Critical Metals was created in 2024 when European Lithium's wholly owned Austrian subsidiary, which holds the Wolfsberg lithium project, combined with Sizzle Acquisition Corp — a so-called special purpose acquisition company.

## Tax change will 'force miner cash overseas'

ADRIAN RAUSO

Global accounting firm RSM has warned investment risks moving overseas in the wake of the Albanese Government's tax changes for junior miners.

The Federal Government last week ruled out giving mining explorers a carve-out from its capital gains tax overhaul, despite technology startups securing an exemption.

In a submission to Treasury, RSM warned that investment for mineral exploration was "internationally mobile" and axing the 50 per cent capital gains tax discount for junior miners would push investment overseas.

It pointed to the Federal Government's own analysis to make its point.

"The Government's own impact analysis for (the tax overhaul) identified Canada's Critical Mineral Exploration Tax Credit, a 30 per cent credit for exploration expenditure renounced to flow-through share investors," RSM stated.

"A principal competitor therefore subsidises discovery directly, while the present drafting withdraws support at that end of the value chain."

"At least one junior explorer has reportedly shelved an ASX listing in favour of Canada in response to the announced CGT changes."

RSM said it made financial sense for the Government to give explorers a carve-out.

"We anticipate that the cost of extending the (tax carve-out) to junior explorers will be modest, and materially lower than the cost of the concession as presently drafted," according to the accounting firm.

"Companies within the cohort are, by definition, pre-revenue and loss-making, and the overwhelming majority never make a discovery."

"Revenue is therefore forgone only in the minority of cases in which an investor realises a gain — which is to say, only in those cases in which the Commonwealth simultaneously acquires a mining project, the company tax it generates, the employment it sustains and the State royalties it pays."

RSM is a provider of accounting, tax and audit services for many ASX-listed junior explorers.

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## Caravan manufacturer folds

A major Australian caravan manufacturer has entered administration after more than two decades in business, blaming growing competition from cheaper imports and copycat products.

Australian Off Road confirmed on Tuesday that administrators had been appointed to the business, bringing uncertainty over the future of the company after 26 years of operation.

The Queensland company had about 100 employees.

The company, which grew from a one-man operation into an award-winning national manufacturer, pointed to mounting pressures across the caravan industry.

General manager Russell Evans said increasingly fierce competition had made it difficult for the manufacturer to continue operating. He said "intensifying product copying" and an influx of "Chinese imports" were among the challenges the business faced.

## Oil nears \$US110/barrel

Oil prices rose for a second day as traders weighed disruptions to Middle East supplies, with a critical Saudi Arabian pipeline still offline.

Brent advanced above \$US107 a barrel, climbing towards an intraday peak just below \$US110 touched on Friday, the highest since May. The East-West pipeline — a workaround for Strait of Hormuz flows — was shut last week after attacks, with Saudi Aramco yet to say when it may restart.

"The attacks on oil infrastructure mark a meaningful escalation," Goldman Sachs analysts said in a note, citing developments including the pipeline attack. The affected volumes and the duration of the outages are highly uncertain, they added.

Brent oil has rallied more than three-quarters this year, as the US-Iran war spread across the energy-rich Middle East, with shipping in the Hormuz waterway attacked and oil fields shut-in.