

UK critical minerals strategy

On 22 July 2022 the UK Secretary of State for Business, Energy and Industrial Strategy published a Policy paper outlining a new critical minerals strategy for the UK, meaning the UK joins numerous other nations which have or are establishing strategies to secure the supply of critical minerals.

Which minerals are “critical minerals”?

The strategy initially covers::

- Antimony
- Bismuth
- Cobalt
- Gallium
- Graphite
- Indium
- Magnesium
- Niobium
- Palladium
- Platinum
- Rare Earth Elements
- Silicon
- Tantalum
- Tellurium
- Tin
- Tungsten
- Vanadium
- Lithium

The list was compiled following a British Geological Survey assessment and is intended to cover minerals which are:

Necessary because of their contribution to modern technologies, energy security and industrial resilience; and

Where supply is challenged by volatile markets, supply chains, geopolitics and geographical concentration..

The list is subject to change and BEIS has also implemented a watchlist. Russia's invasion of Ukraine, for example, has impacted the nickel supply chain. The role of nickel in electric vehicle batteries means that it is now on the mineral watchlist, along with Iridium, Manganese, Ruthenium and Phosphates

Key elements of the strategy

- 1** Accelerate the UK's domestic capabilities:

- 2** Collaborate with international partners.

- 3** Enhance international markets to make them more responsive, transparent and responsible.

Accelerating UK domestic capabilities – key elements of the strategy

Maximising UK domestic production

- Assessing UK domestic resources – including carrying out a nationwide assessment of supply
- Reducing barriers to mining and extraction in the UK – principally through proposed changes to planning legislation
- Strategic location for refining and midstream operation
- Signposting financial support (eg existing grant funds and the UK Infrastructure Bank)

Rebuilding skills in mining and minerals

- Developing industrial clusters
- Improved training including schemes with the Camborne School of Mines

R&D to solve supply chain challenges

- Promotion of innovation and expertise

Moving towards a circular economy through reuse, recovery, recycling

- Promotion of innovation to support the circular economy
- Signposting financial support (eg existing grant funds and the UK Infrastructure Bank)
- Regulation

Collaborating with international partners – key elements of the strategy

Diversifying supply

- Support diversification efforts working with other countries
- Explore deep seabed mining opportunities and challenges

Overseas development

- Support for UK companies participating overseas in diversified, responsible supply chains (e.g by directing Overseas aid to assist resource rich states with transparency, sustainability and human rights)

Diplomatic, trading and development relationships to be developed to improve supply resilience

- Bilateral engagement with key countries building on several bilateral partnerships between the UK and some key trading partners
- plurilateral and multilateral partnerships such as the UN and the G7 the Minerals Security Partnership

[CMIC – BEIS has established a Critical Minerals Intelligence Centre to provide data and analysis. The CMIC will be delivered by the British Geological Survey]

[Critical Minerals Expert Committee - this committee comprises representatives from academia, finance, industry and government and its purpose is suggesting actions to secure critical minerals and provide advice in relation to them]

Enhancing international markets to make them more responsive, transparent and responsible – key elements of the strategy

ESG to reduce vulnerability to disruption and levelling the playing field for responsible business

Role model standards for sustainable development of resources in the UK

- upholding and reinforcing ESG standards including: tackling corruption in the sector will be a priority of the critical minerals strategy Companies in the critical minerals sector will be in scope of the UK Green Taxonomy and will have to disclose on aspects including:
 - Climate change mitigation
 - Climate change adaptation
 - Sustainable use and protection of water and marine resources
 - Transition to a circular economy
 - Pollution prevention and control
 - Protection and restoration of biodiversity and ecosystems

Well-functioning and transparent markets

- Critical Minerals Intelligence Centre launched by BEIS last year will seek to provide a greater understanding of global critical minerals markets, production and trading,
- .promotion of tracing techniques
- Improved function of global markets.

London as a centre of responsible finance for critical minerals international mining

Challenges

Whilst some elements of the strategy involve clear “next steps” such as assessing the UK’s critical minerals domestic supplies, many elements of the strategy currently remain statements of aspiration without a clear path to implementation, and may practically be difficult for the UK to implement as they are dependent on the actions of overseas governments. In addition, much of the potential funding is based around existing sources of funding such as the UK R&I National Interdisciplinary Circular Economy Research programme.

Opportunities for projects in the UK, the emphasis on supply not being dependent on foreign states may render those projects viable even where they are higher cost; and for projects in non-UK but non problematic jurisdictions it may also increase viability for similar reasons. Similarly UK based projects may find it easier to secure funding and planning.

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