TTX Scenario

It is November 2025. The Russo-Ukrainian War is on-going and the U.S. and other countries continue to implement reciprocal tariffs which have been rate adjusted up and down several times as negotiations drag on.

Lithium carbonate and lithium hydroxide prices remain low at slightly above $9,000 per tonne.

At the end of the 90 day period which began in May, the United States and China did not conclude an agreement on tariffs but conversations are ongoing. This week, there is a setback in U.S.-China relations leading to a trade war escalation. President Trump implements a 145% tariff on Chinese goods which negates an October 2025 announcement of a 30% tariff reduction.

On-going tariffs and Trump administration rhetoric against Canadian imports leads to a diversion of titanium exports to Europe and scandium to Japan. Canada, the United Kingdom and Australia are engaged in talks to create a minerals club, where they will facilitate low or no tariff trade in minerals, and discuss joint investments in and ally-shoring of minerals processing. South Africa issues export controls on platinum and palladium.

The Trump administration's investigation of critical minerals under Section 232 of the Trade Expansion Act of 1962 was issued in October 2025, and as a result, Washington recommends bans on exports of recycled minerals but also announces across the board tariff increases of 50% on most critical minerals.

In accordance with Executive Orders issued in March and April 2025, the Trump administration seeks to fast-track additional mining projects in the United States and issues the first permits for deep sea mining to the Metals Company.

The Republican budget for FY 2026 goes into effect. The reconciliation bill includes a near full IRA rollback of consumer EV incentives under Section 30D, including local content requirements. Manufacturing incentives under section 45X will end by 2031. The foreign entity of concern language (FEOC) that is included in the budget reconciliation bill largely precludes manufacturing items with any Chinese components or licensing agreements with Chinese firms and renders them ineligible for tax credits.

Due to low lithium prices, several producers put their facilities into care and maintenance. Albemarle announces its plan to shut down its Kemerton processing facility in Australia, and its decision not to proceed with its planned lithium processing plant in South Carolina. Project ATLiS' effort to extract lithium through direct extraction in the Salton Sea in California are put on hold as the status of DOE loan projects remain uncertain.

Stray communication equipment, including cellular radios, is again found in Chinese batteries in products in the United States. The Trump administration reaffirms a ban on Chinese internet connected automobiles and puts diplomatic pressure on the Mexican government to stop any BYD manufacturing facilities from setting up shop in Mexico.

Social media posts on the environmental consequences of mining begin to proliferate particularly in parts of the country identified for fast-tracking permitting of Mines under the FAST-41 process including lithium mining in Oregon and Nevada, phosphate mining in Idaho, and a copper mine in Utah. The provenance of these social media posts and groups is unclear.

China bans technology transfer of lithium iron phosphate technology. CATL cancels proposed lithium iron phosphate (LFP) battery licensing agreement with Ford for its Michigan plant.

China loosens restrictions on graphite exports, though U.S. tariffs on Chinese graphite remain high. China also cracks down on the re-export of minerals and inserts destination clauses into their contracts, targeting, for example, germanium re-exports from Belgium and gallium re-exports from Japan to the United States.

In October 2025, U.S. advisors arrived in the Democratic Republic of Congo to advise and support the government's efforts to end the long-running insurgency. Washington signed a minerals for security agreement in Kinshasa in summer 2025. During the summit, rebel groups from the M23 from North Kivu support acts of terrorism by other groups in cobalt-rich parts in the south of the country in Lualaba and Haut-Katanga provinces. Cobalt prices remain high with an index value of 124, up from 67 in February when the DRC imposed export controls in the face of low prices.

In Mozambique, on-going violence due to an Islamist movement disrupts graphite mining and the Balama Graphite mine is unable to re-open.

Claudia Sheinbaum of Mexico and Mark Carney in Canada announce a joint venture to accept BYD vehicles and announce plans for manufacturing facilities. In response, President Trump posts a thread to Truth Social threatening to cancel the planned U.S.-Canada-Mexico co-hosted 2026 soccer World Cup.