CRU Strategy

Managing Risk and Maximizing Opportunity in Critical Minerals

CRU Ferroalloys USA 2026

CRU. Independent *expert* intelligence

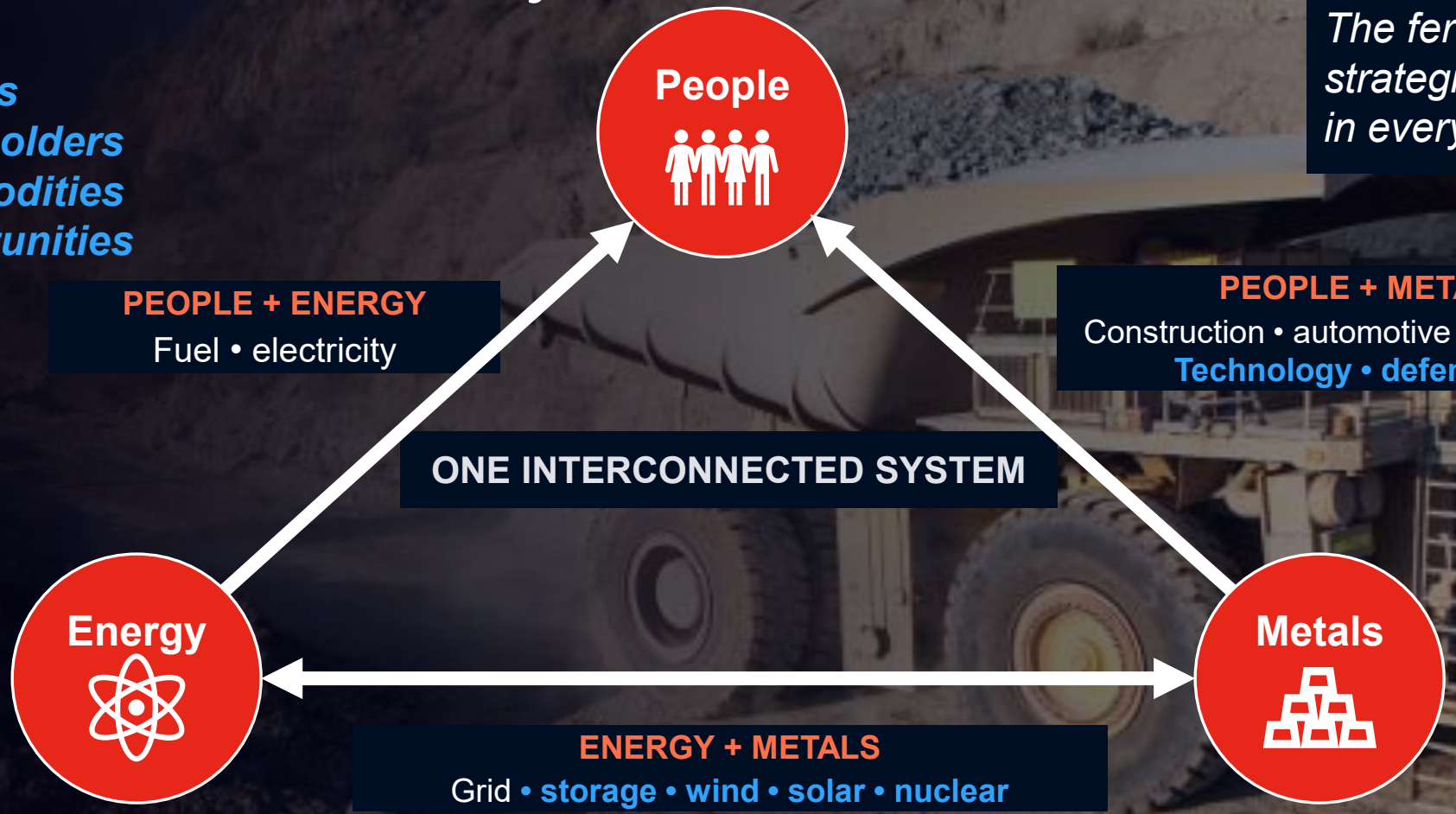
Energy, metals and people form one interconnected system



Energy, metals and people form one interconnected system

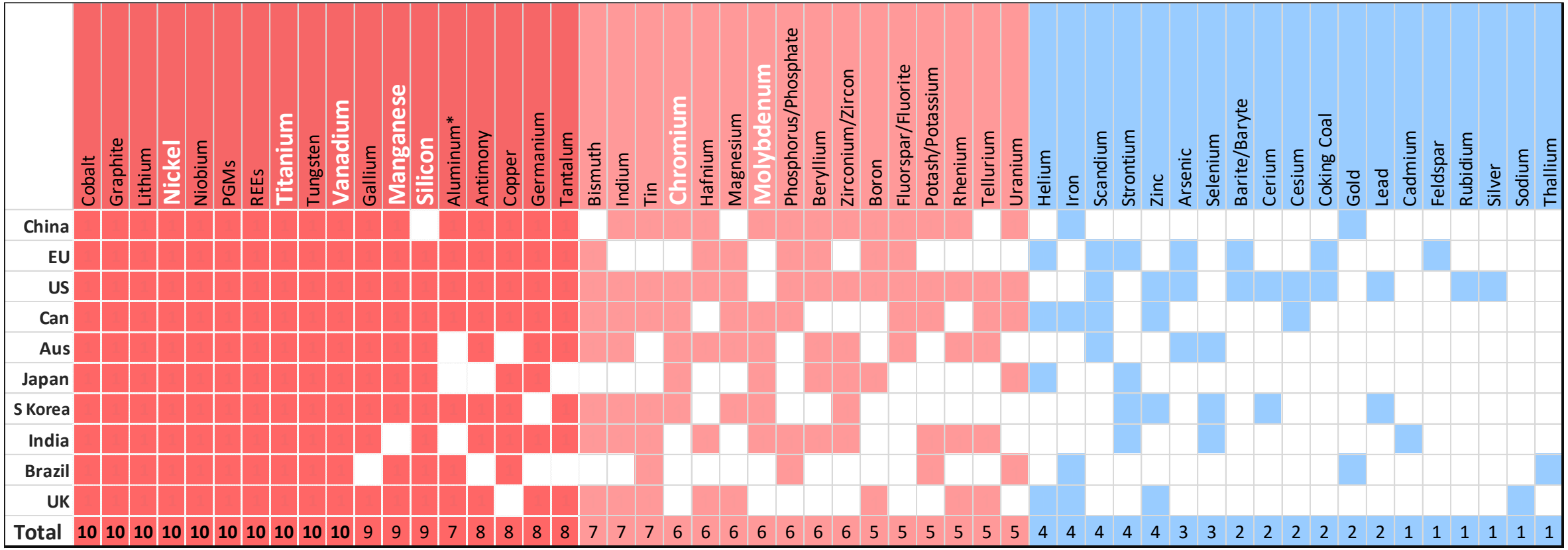
Different regions
Different stakeholders
Different commodities
Different opportunities
Different risk

The ferroalloys are strategically important in every area



The connected system leads to criticality, but for whom and for what?

Citations of critical minerals/groups in country/regional published lists



Different national starting points lead to different strategies

01  **UNITED STATES**

MARKET-SHAPING INTERVENTION

POLICY ROUTE

- Accelerate permitting
- Deploy finance + trade protection
- Build strategic stockpiles

02  **EUROPEAN UNION**

COLLECTIVE RESILIENCE

POLICY ROUTE

- Fast-track strategic projects
- Pool procurement + stockbuilding
- Facilitate finance without overt protectionism

03  **JAPAN**

OVERSEAS SUPPLY ACCESS

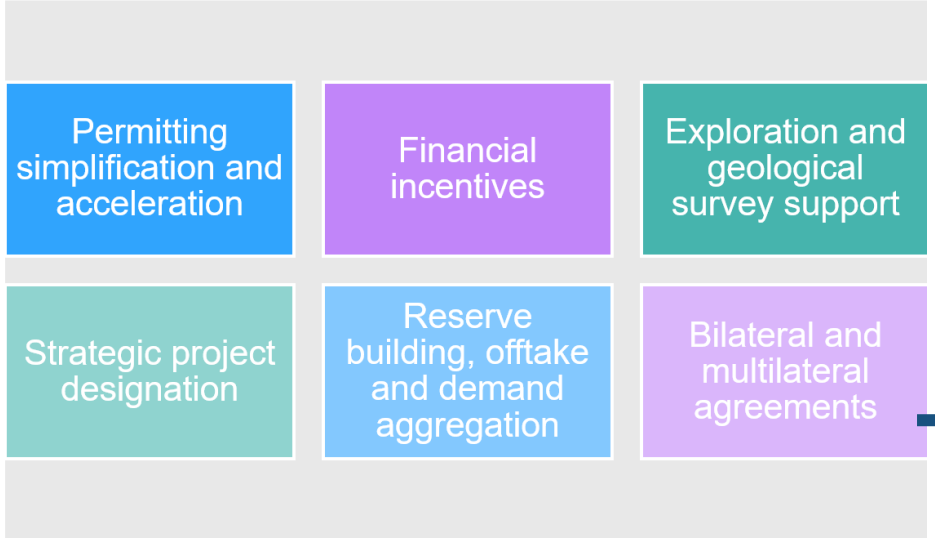
POLICY ROUTE

- Prioritise non-China supply
- Finance projects overseas
- Secure long-term contracts

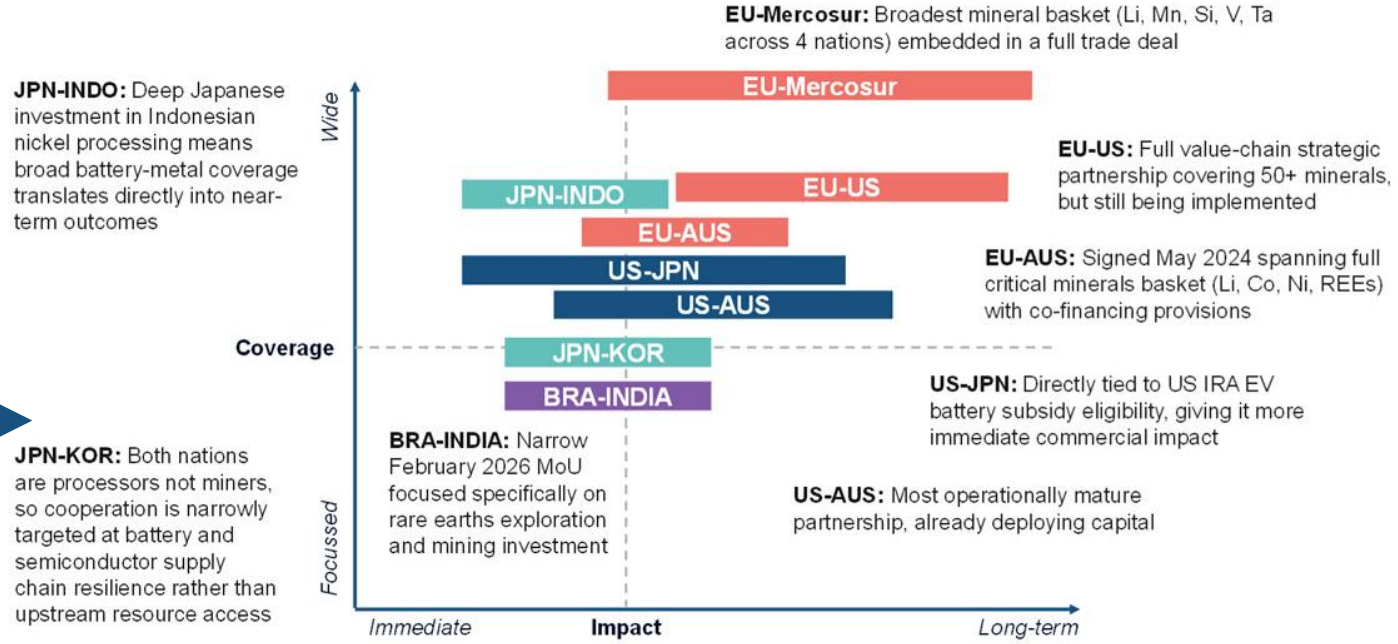
ONE OBJECTIVE **Resilience - delivered through intervention, coordination or diversification.**

From national strategies to international partnerships

Policy interventions on critical minerals fall broadly into 6 categories



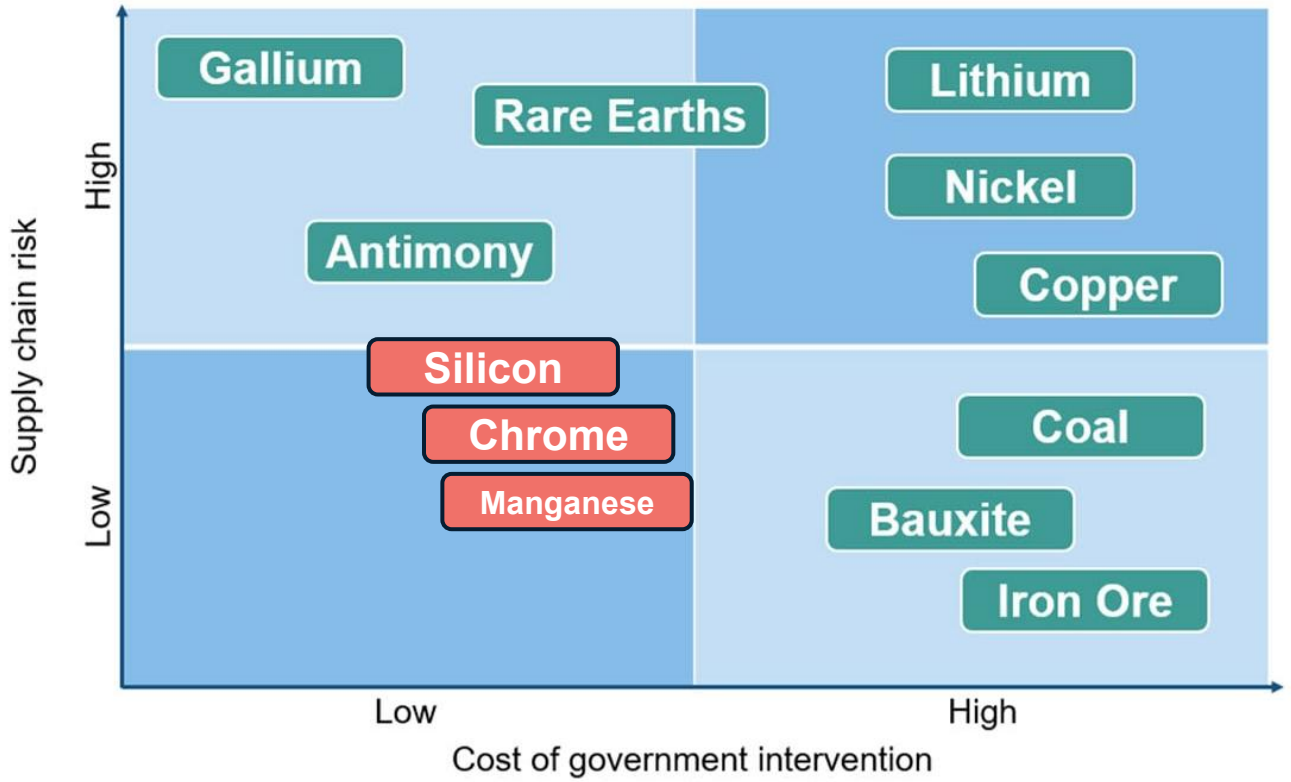
Bilateral agreements differ in terms of coverage and impact



Source :CRU

The appropriate mix of policy support depends on the specific commodity market

Critical metals risk matrix (non-exhaustive list of metals)

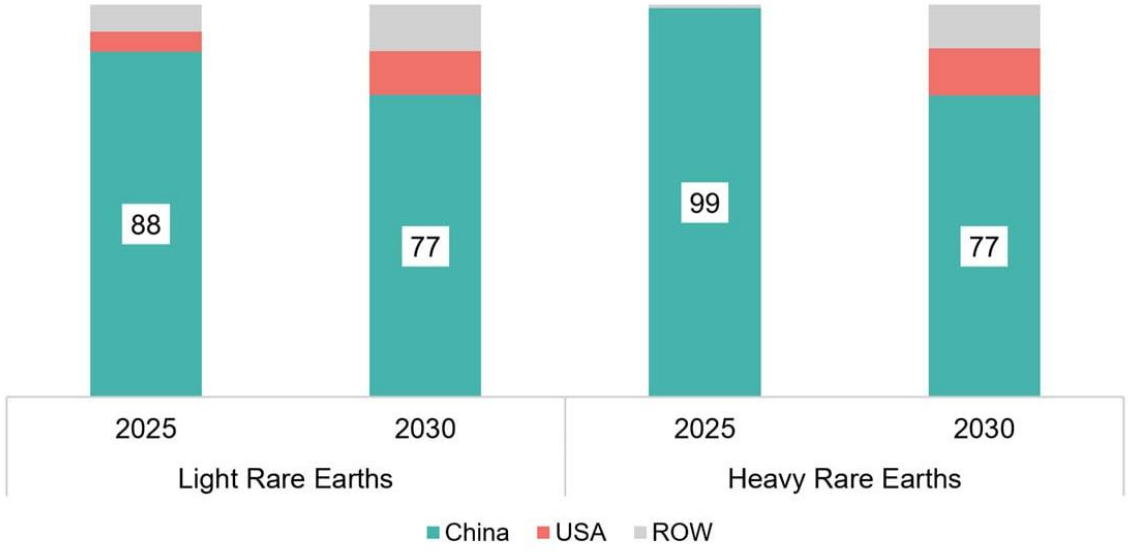


Source: CRU

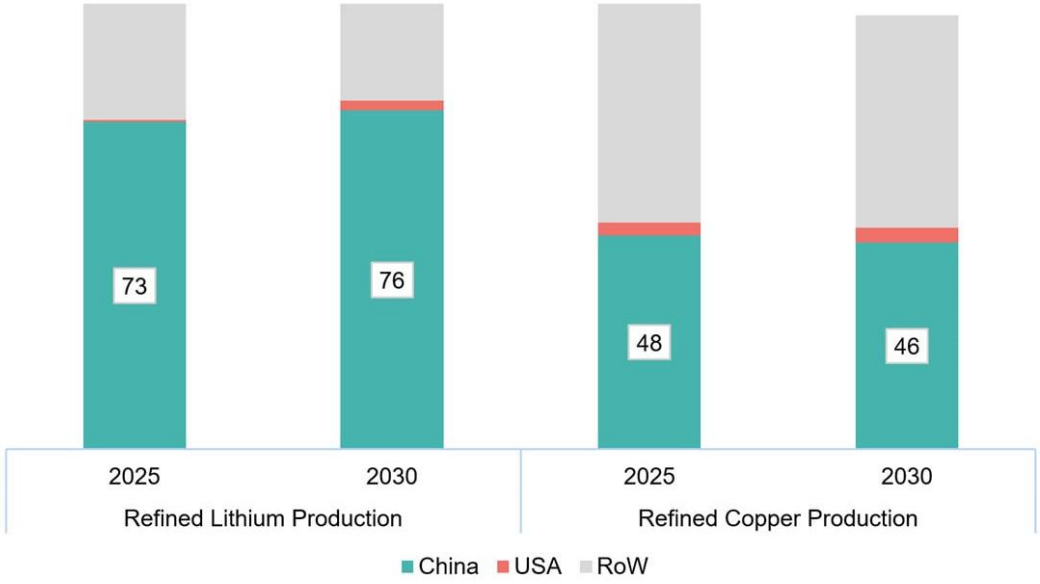
- **Rare earths:** financial intervention goes a long way in securing supply
- **Copper:** £5bn in CAPEX support might only make a scratch on the surface of your exposure
- **Iron ore:** limited supply chain risk hence limited government intervention
- **Ferroalloys:** in theory easier to solve, in practice it depends on where

What does implementation tell us so far?

Separated rare earth supply by region (%)



Refined lithium and copper supply by region (%)



Source: CRU

South African ferrochrome: where policy meets market reality

The reality of criticality: public intervention and private sector stakeholders must move hand in hand

Government: how to preserve domestic processing and its associated economic benefits?



Producer: under what electricity and commercial conditions can operations continue?

Electricity supplier and regulator: how should a special tariff be structured, and who bears its costs?

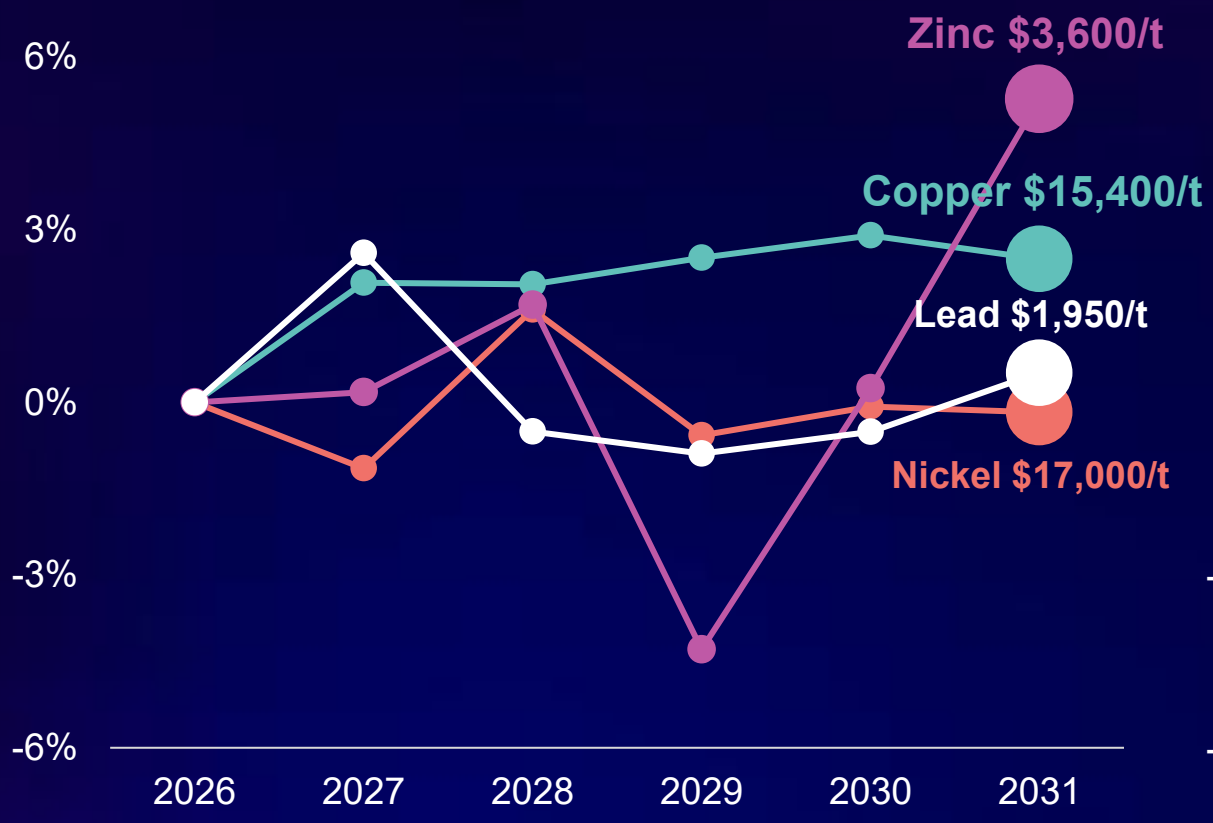
Source: CRU

Are public solutions enough?

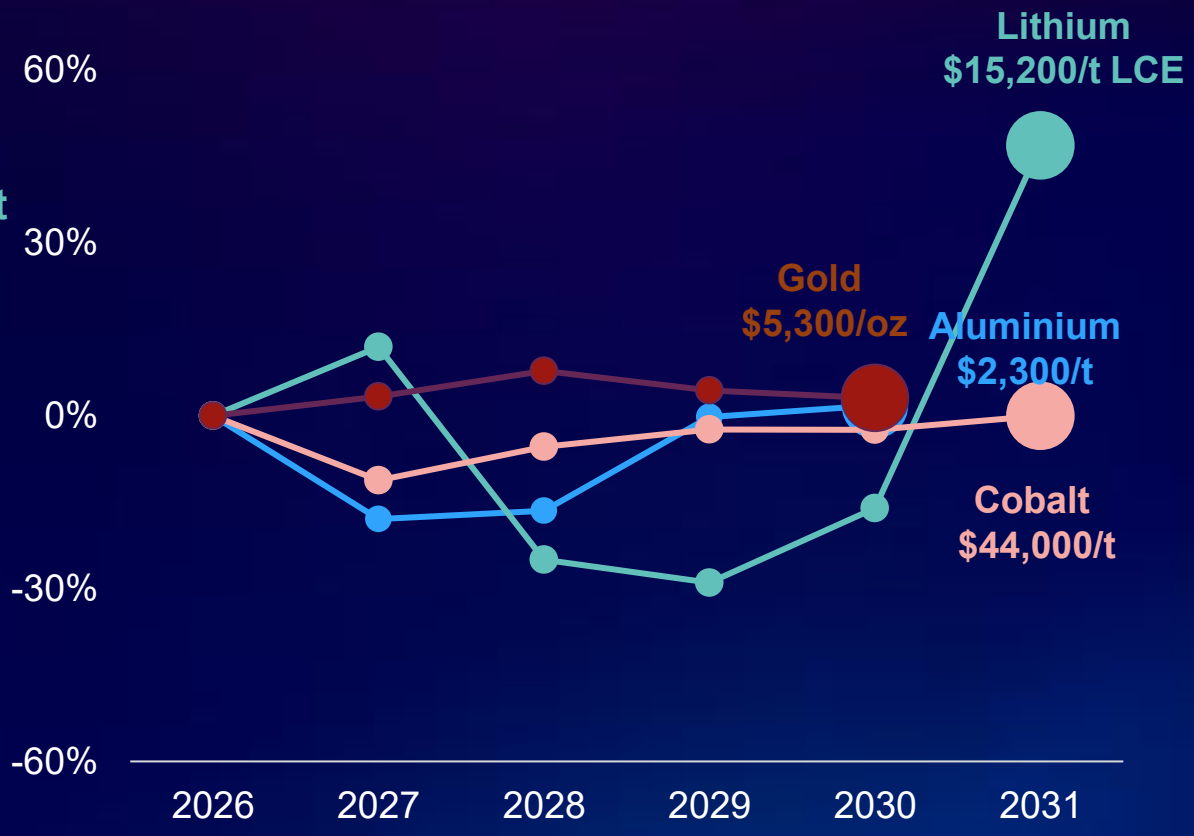
- **Electricity agreements:** changing the conditions under which domestic smelters operate.
- **Ore-export measures:** changing the policy conditions surrounding raw-material exports.

Market dynamics over next five years

Price Index for Select Metals (2026=0%)



Price Index for Select Metals (2026=0%)



Note: Prices are rounded; Lithium prices reference carbonate China spot prices ex. VAT, all others refined metal basis
DATA: CRU named commodity Market Outlooks

One opportunity, five different risk/reward assessments

Stakeholder	Reward sought	Risks to examine	Decision question
Governments	Supply security, industrial capability or economic development?	Fiscal exposure, implementation and policy durability?	**What public outcome would justify participation?**
Private capital	Financial return and dependable cash flow?	Market, construction, counterparty and policy exposure?	**What would make the opportunity financeable within the relevant mandate?**
Producers	Sustainable operating returns, and market access?	Input costs, execution, utilisation and qualification?	**What operating and commercial conditions must hold?**
Multilateral development banks	Development impact, additionality and mobilisation of finance?	Credit, country, environmental, social and execution risks?	**Does the opportunity meet the institution's mandate and requirements?**
OEMs	Reliable, qualified supply at an acceptable cost?	Disruption, quality, supplier viability and contractual exposure?	**What supply benefit would justify a commitment?**

Over what timeframe does each participant expect the reward, and how long can it carry the risk?

Source: CRU

How do we eliminate as much uncertainty as possible to keep the capital risk premium manageable?

Understanding the matrices is key

1. **Whose risk are we trying to manage?**
2. **What reward does each participant seek, and by when?**
3. **What conditions would allow their interests to align?**

Aligning risk/reward matrices for governments, private capital, producers, multilateral development banks and OEMs are key to managing risk and maximizing opportunity.

CRU Consulting operate in a range of practice areas to find answers for our client's questions



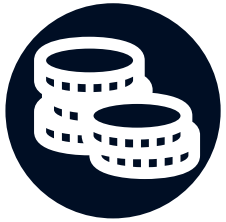
Strategy

- Corporate
- Market Entry
- Decarbonisation
- Diversification
- Procurement
- Product Marketing
- Expansion and Growth



Transaction Advisory

- Commercial Due Diligence
- Market Due Diligence
- M&A Advisory (Sell and Buy Side)
- Red Flag Reports
- Valuation



Negotiation Support

- Fair Value Pricing
- Contract Review and Structuring
- Stakeholder and Investor Management



Sustainability

- Policy and Regulation
- Emissions Benchmarking
- Climate Scenarios
- Risk Management



Commodity Research

- Primary Research
- Long Term Outlooks
- Scenario and Sensitivity Analysis
- Niche Markets



Expert Witness

- Data Support
- Litigation Support

CRU **Strategy**

Thank you.

CRU London Head Office
1st Floor, MidCity Place
7 High Holborn
London WC1V 6EA
United Kingdom

CRU. Independent *expert* intelligence