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## EV revolution is bigger than the supercycle, says Friedland



*We're in a totally different commodities cycle, according to according to mining financier Robert Friedland*

The commodities market is not in a so-called supercycle, rather it is at the start of an unprecedented and revolutionary cycle driven by the rise of green energy and electrification of "everything from a bus, to a skateboard and a Vespa", according to mining legend and financier Robert Friedland.

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"We're in a totally different cycle [than a supercycle] because now the Europeans are worried about their own vertical integration of the economy and they're going super green and a Biden administration that is [also] going green", the founder of Ivanhoe Mines told a Benchmark Minerals Intelligence webinar on Thursday.

Whether it's a bus, scooter or a skateboard, it will be electrified, he said.

"We're not even at the beginning."

The shift to green energy and low carbon targets have turned the world on its head, not to mention the mining and energy sectors, with the meteoric rise of Tesla's share price and the fall of oil majors like Exxon, he said.

"There are six or eight elements [in the periodic table] that are going to be huge winners [in the new cycle] and a whole lot of dogs that aren't going to do so well."

Winners in the new electrified world include aluminium - "it competes with steel and is electricity in solid form"; iron ore - which has "outperformed gold ..how does that happen?"; copper - "the thinking person's winner"; and

cobalt - the "doping factor" that makes batteries docile.

We are also on the cusp of unleashing the hydrogen economy.

"We love hydrogen notwithstanding what Elon [Musk] says about fuel cells. Hydrogen is the dominant element in the universe, its everywhere," Friedland said.

He is predicting more disruptive technologies ahead and "breathtaking improvements in the [EV] battery - the battery is the car".

But supply of the metals needed for such transformation are scarce. The 620Mt of copper the world consumed in the last one hundred years will be used in the next 15 years alone, he said.

The problem is where the red metal going to come from, he added, querying the wisdom of building copper plants in Chile as opposed to Democratic Republic of Congo - given Santiago's push to use sea water and Chile's coal-heavy power supply.

"Why should Chile have an 8% discount rate [on copper projects] when the Congo has all the water you could ever need, hydroelectricity which is green and ore bodies that are 10 times, 20 times the grade of the large porphyries?"

Ivanhoe Mines has a 39.6% stake in the Kamo-a-Kakula copper project in the DRC, which it is developing alongside China's Zijin Mining and the DRC government, ranked as the world's largest undeveloped high-grade copper deposit.

SPACs, 'Balkanisation' of supply chains and post-COVID world

In addition to upstream projects, Ivanhoe's special-purpose acquisition company (SPAC) - which listed in New York early January - will back companies further along the supply chain including battery and EV producers.

"Our targets may include any company in the supply chain from mine site to the end user of electrification products and services, including in the transportation, e-mobility, electric propulsion, battery technology and storage sectors," the SEC filing states.

Alongside the accelerated greenification of the world economy, the demise of the investor roadshow was another positive change brought about by the pandemic, which he said delivered a "curious mix of good and bad".

The ban on travel and government lockdowns has an unintended consequence on IPO roadshows - making them "far more efficient".

"Now roadshows are just speed dating on Zoom," compared to the "cumbersome" roadshows of the past where he was forced to "answer a thousand questions", Friedland said.

The negative effects of the pandemic include what he terms the "Balkanisation" or nationalisation of supply chains and the "blame game" played out against China in the wake of the virus.

Blaming the Chinese for the outbreak of the virus, which is thought to have emerged from a live market in Wuhan, is not the answer.

"When societies start to demonise each other, things start to get really freaky - really, really fast," he told the webinar.

The 'Balkanisation' of supply chains prompted by the COVID-19 pandemic is also dangerous and wildly inflationary, he added.

"Once people start talking about national security and rampant nationalism and everybody wants their own everything ...this will drive up the price of everything."

The mining billionaire dismissed the rampant printing of money by central banks across the world as "ridiculous" and will lead to an inflationary world.

Source: [www.miningnews.net](http://www.miningnews.net)