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House Committee on Natural Resources
“Unleashing America’s Energy and Mineral Potential”

To the House Committee on Natural Resources,

I would like to thank the Committee Members very much for inviting me to address them here today at this hearing on “Unleashing Americas Energy and Mineral Potential”.

My name is Mike Hollomon and I am here representing US Strategic Metals in conjunction with our partner organization the National Mining Association.

Our Company US Strategic Metals is the only Primary Cobalt and Nickel producer, processor and, importantly, recycler in North America.

We are a green battery minerals platform that is working hard to close the final link in the supply chain loop that will lead us to Raw Materials independence as we work too meet the growing demand for renewable energy, batteries and other high tech applications.

It is my considered opinion that the importance and the timing of this discussion cannot be overstated.

America has for all intents and purposes, leashed its Energy and Mineral potential for the last 20 years at least.

We have effectively outsourced mining and processing.

Why is this important? Because as it stands right now, as we face skyrocketing demand for renewable energy, we do not control our own destiny as a Nation.

First, a little bit about my background and why do I have this insight, I come form a military family, my father was a US Air Force colonel who fought for our country and spent years in the Pentagon. I went to High School right down the road at Lake Braddock Secondary School in Fairfax County. I travelled the world as a military kid and it led me to travel the world in business as I became a commodities trader for the worlds largest diversified commodities group. Through my 26 years in the commodities trade I had a front row seat to watch the movements of the Critical Metals and Minerals that make the world go around.

When the power of the Lithium Ion battery was first realized and the Electric Vehicle genie was released from the bottle, I watched as our largest, most intelligent geopolitical rival started to become interested in mining and processing of the raw materials needed to make these batteries. All while America was closing mines and closing smelters.

I watched as American Companies and the US Government as well, completely disappeared from the critical raw materials arena. Content to receive last mile, just in time deliveries of the finished goods that were mined, processed and upgraded everywhere BUT America. In countries that care a lot less about the environment than we do. In countries that care a lot less about the health and safety of employees than we do. In countries that you all know, turn a blind eye to child labor and worse. And yet here we are, everyone using a laptop and an iPhone. Many of us driving electric cars. All with untraceable lithium ion battery metals making

those machines work. A lot of the technology was ours, but we could not do the mining or the processing here and we were happy not to.

Here I would like to add an anecdote about Africa - I went to numerous Governmental meetings in Africa starting from the late 2000s and what I saw was hard to believe.

New African Governments looking for global partnerships to help them build roads, hospitals, schools, airports and yes, to build mines in mineral rich areas. These countries were looking for help. They were offering opportunities to share in their vast mineral wealth. Every one of these tenders was won by our rivals to the East.

Speaking of the elephant in the room, my former boss was quoted in the Financial Times a year ago as saying "If tomorrow, China wanted to sell us cars instead of batteries, they could do it".

Let that sink in and imagine what it would mean for a GM, Ford or Tesla, companies that have spent \$billions of dollars on Giga factories here in America, to have to close up shop as they do not receive the battery raw materials to put into their batteries. Imagine as our EV market becomes strictly a BYD, Nio or Xpeng market.

This conversation is about National Economic Security as well as the Environment.

China Inc. has been smarter than us. There are no two ways about it. They have been playing the long game while we have been chasing quarterly earnings. They have been investing in infrastructure, not only at home but around the world. China saw the Electric revolution coming and they did something about it Specifically:

- As much as 90% of the World's Cobalt/Nickel/Rare Earths and other important battery minerals are processed in China
- China built massive refineries, with Government funding without the need to worry about regulation or Climate restrictions
- China does not have it's own massive mineral deposits, but they invested around the world in Government auctions in Africa, Indonesia and Latin America, to name a few places, in order to secure the long term supply of raw materials

This took years, I was there, in Africa, and I watched as tender after tender for mining rights was won by China Inc.

Frankly brilliant, no American companies even showed up to bid. How could American private companies wish to compete?

But the fact is, we can compete. USSM is proof of that. We just need to 'Unleash Americas Energy and Mineral Potential'.

This should be a bipartisan issue. Whether the fear is Climate Change or the fear is China and National Security, the fears are real and the solutions are not opaque.

It starts with permitting. Now, USSM is a fantastic example of how things can be done in the US and done well. We are on private land. Our site is already permitted. Missouri specifically is a mining friendly state requiring only three basic permits, Air, Water and Metallic Metals. But, we were lucky in that our site is a Superfund Site. We are originally an environmental clean up company. Conservation and good land stewardship are in our DNA. We had an old abandoned mine in a Rural and economically depressed area that needed to be cleaned up and we worked hand in glove with the EPA and local stake holders to make sure the site was clean first and then could be repurposed for commercial use. Our site produces the all important battery

metals Nickel/Cobalt and Copper from above ground tailings from old mine waste. This is a slam dunk that should be replicated all across America. There are around 57 thousand abandoned mine sites and brownfields in America and many of them could have potential to be reinvigorated. There are 100 Super Fund sites that should be looked into for repurposing. Federal land permitting needs to be looked at again to open new mines and needs to be looked at now because the average time to from start to production for new mines is 8-10 years. We need to get going. And the reason for that is the pure scale of the demand coming from renewable and high tech applications will require American mining. I am sure you all have seen some numbers around demand but according to the IEA the structural needs through 2040 the magnitude of growth looks like this for the main metals:

Lithium	90% increase in demand
Cobalt	75% increase in demand
Nickel	62% increase in demand
Copper	44% increase in demand

America has the potential to handle this increase in demand through it's own rich reserves and recycling but I do have to mention that we at USSM can also process metals from other countries and in fact we will soon be commissioning our own American IP, low carbon/low emission hydrometallurgical benification plant, an answer to the toxic pyrometallurgical smelters used in other parts of the world. We are also a recycler and will be blending 50% of our indigenous feed with Black Mass from recycled batteries. This is a massive differentiator and another example of American ingenuity as we are able to recover well over 90% of the metals from used Li Ion batteries including Lithium. We have also been commissioning a Precursor Cathode Active Material (PCAM) pilot plant which is the final link in the supply chain. All here in America, and so far all without the help of the US Government. But we need help. We could be moving much faster if we had help.

We also are fighting some disturbing narratives that are hindering that help from coming.

I just came back from Southeast Asia where I had meetings with some of the best battery makers in the world who also happen to be some of the richest companies in the world. They are already investing in the US. Large giga factories, \$billions of dollars. They are interested n investing in us too. BUT, they have heard from prominent US OEM's that there is no need to invest in US domestic raw material mining and processing. They have heard that, Indonesian metal that is processed in 49% FTA owned PCAM plant in China will qualify for the IRA money. They are worried that investing in an American solution would be a waste of their time and money. This is where we can absolutely use your help to make sure the Domestic Content requirements for the IRA EV credits are clear, Domestic Content means mined or processed in the US or FTA countries, not that a sticker is slapped on the battery at a Giga factory here when the entire battery was mined in FEC's and processed in China. I think it needs to be made clear that US OEMs should do everything they can to support US domestic production where we have full transparency of the supply chain and they know we care about our employees and the environment.

The other narrative we fight is the 'experts' of questionable origin that are saying:

"Experts say the Chinese presence in the electric-vehicle market is already nearly ubiquitous, that corporate partnership between Chinese and foreign automakers, including those in the U.S., is standard and that reaching America's climate goals without Chinese technology would be exceedingly difficult."

These experts and these voices are the same people that have managed to allow us to fall behind so far but my message to this august body is that We Can Do It in America.

Lastly I would just like to say that mining in America is arguably the Greenest and Cleanest in the World and it's getting cleaner. At our work site we plant new vegetation everywhere the earth is not disturbed. We intend to make our mine an environmental showcase, including renewable energy sources and eventually selling carbon credits by creating a carbon sink on site. Beneficiation at USSM is also a major focus and our work on Circular Hydrometallurgy and Zero Waste mining are cutting edge. It's a new world and a new way to look at mining. Telling our story as an industry is something we need to focus on as the strides forward to modernize and lower carbon footprints are exceptional.

We also are required to institute high levels of safety and use a well paid, diverse and ethical workforce.

We reach out to local stake holders and engage with our local universities like Missouri S&T at Rolla.

The story is not only important but it is good and we need to de-stigmatize the role of the mining industry and foster an open mind for new projects and new mines.

This is an existential issue and its an issue I think both sides can agree on.

The best time to Act was yesterday. The second best time to Act is today.

Thank you for your time.