Early Warning System

DFC-2024-TECHMETPHALABO

TechMet Phalaborwa Rare Earths

Quick Facts

Countries	South Africa
Specific Location	Phalaborwa
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Approved
Bank Risk Rating	B
Borrower	TechMet Limited
Sectors	Mining
Investment Type(s)	Equity
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 317.00 million

Project Description

As stated by the DFC, the Phalaborwa Rare Earths Project will reprocess gypsum wastes from legacy mining activities to extract, process, and separate rare earth oxides for downstream use in permanent magnets.

The Project expects to have a positive development impact in South Africa by increasing production of rare earth oxides, which are critical minerals for a wide variety of purposes, including electric vehicle batteries and other products that support the global clean energy transition.
Global demand for magnets from rare earth oxides is expected to increase by 7.5% annually through 2040, and it is estimated that Africa holds up to 30% of the world’s mineral reserves.

Early Warning System Project Analysis

Phosphogypsum waste contains radioactive elements (like thorium and uranium), heavy metals, and acidic residues. If not properly managed, it can leach into groundwater and rivers, polluting water sources, release toxic dust into the air, and contaminate soil, posing long-term risks to ecosystems and public health.

People Affected By This Project

The communities in and around Phalaborwa (e.g. Lulekani, Mashishimale, Majeje) are mainly Ba-Phalaborwa people, who are part of the broader Sepedi/Pedi (Northern Sotho) language group. The name “Ba-Phalaborwa” itself refers to the indigenous inhabitants of the area

Investment Description

- US International Development Finance Corporation (DFC)

According to the DFC, TechMet is raising a $300 million equity round in support of its full portfolio. The Phalaborwa project will require approximately $317 million of total funding.

Private Actors Description

As stated by the DFC, TechMet is an Irish private company limited by shares that invests in companies that mine and process various critical minerals and other metals.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
TechMet Limited	Undisclosed	Mining	owns	Rainbow Rare Earths	Subsidiary	Mining

Contact Information

No project contacts provided at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure [Original Source]