

GM, Stellantis among group investing \$33M in company that makes magnets without rare earth metals

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The General Motors logo is seen, Jan. 27, 2020, in Hamtramck, Mich. The venture capital arms of General Motors and Stellantis are among investors sinking \$33 million into a Minnesota company with technology to make magnets for electric vehicle motors without using expensive rare-earth metals. Credit: AP Photo/Paul Sancya, File

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Niron Magnetics of Minneapolis says it can build [permanent magnets](#) by using iron nitride, which is abundant and inexpensive compared with rare-earth minerals.

The [investment](#) announced Wednesday comes as electric vehicle sales growth is starting to slow and GM and Ford have started to pull back on their spending. But Kai Daniels, supervising principal of GM Ventures, said the company is proceeding with its EV plans.

"I can tell you today that GM's commitment to our EV strategy is as strong as ever," she told reporters.

Last month GM announced that it was [delaying by about a year](#) the start of electric pickup truck production at a factory north of Detroit. Ford is pushing back \$12 billion of EV investment including postponing construction of one of two new EV battery factories in Kentucky.

Neither GM nor Stellantis would say how much they are investing in Niron, but GM said the companies will co-develop EV magnet motor technology. Daniels said the investment will help GM locate its EV supply chain in North America, a key component to make vehicles eligible for U.S. federal tax credits.



A Stellantis logo is shown at the North American International Auto Show, Sept. 13, 2023, in Detroit. The venture capital arms of General Motors and Stellantis are among investors sinking \$33 million into a Minnesota company with technology to make magnets for electric vehicle motors without using expensive rare-earth metals. Credit: AP Photo/Paul Sancya, File

Niron Magnetics CEO Jonathan Rowntree said testing shows that the company's magnets work, and the agreement with GM will help the company start large-scale manufacturing.

"The critical path for us is really scaling the technology, so it's implementing the new equipment, the larger scale equipment, to ramp up our manufacturing," he said.

Niron has 60 employees and plans to double that number by the end of the year, and double again next year as it makes more magnets.

The magnets can be used in [consumer electronics](#), industrial motors, pumps, compressors, [wind turbines](#) and other products, Niron said.

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