

Chaos and Capital: Jack Lifton on the Fractured Future of the Critical Minerals Economy

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China's manipulation of the rare earths market isn't a policy glitch – it's a geopolitical weapon. In a wide-ranging discussion with InvestorNews host Tracy Hughes, [Jack Lifton](#), Co-Chair of the [Critical Minerals Institute \(CMI\)](#), portrayed 2026 as a year in which "more of the same" from Beijing will keep Western planners off balance, with China "playing us" through erratic export permissions that turn production planning in North America into "chaos." Lifton's blunt verdict on China's tactics underscores a deeper truth: **the world remains structurally dependent on Chinese control of rare earths and processing**, even as that dominance becomes a tool in geopolitical competition rather than simple commerce.

Lifton did not mince words on the broader strategic landscape either. On the question of Canada versus the United States in rare earth development, he highlighted a paradox: Canada "has the largest number of rare earth discoveries of any country in the world" and many "excellent" deposits, yet what these resources lack is "capital," a gap that leaves Canadian projects more promising in geology than in execution. He quipped about his long tenure observing Washington policy, saying, "I've only been in this country for 85 years – I haven't figured out how Washington works yet," signaling a frustration with U.S. governmental inertia.

His critique of Washington's approach to rare earth policy was withering. Lifton characterized government investments as "a total waste," arguing that policymakers "don't understand the

details of rare earth supply chains" and are naively "**throwing money against the wall, predominantly at mining.**" In his view, that focus misses the true chokepoint: downstream processing. "Separation, metals, alloys, magnet manufacturing – that's where the problem is," he said, warning that current initiatives are driven by superficial impressions rather than a grasp of complex technical and economic bottlenecks.

On recycling – often touted as a strategic hedge – Lifton was equally skeptical. "**Recycling only makes sense when the recycled product costs less than the new product,**" he stated, contending that none of the ventures he's reviewed meet that basic criterion. His dismissal highlights a broader theme of economic realism over policy wish-fulfillment that ran through the interview.

Lifton also turned a critical eye toward international partnerships. He described U.S.–Australia collaboration as stuck in a "Mexican standoff," noting that Australian projects with massive government backing – such as Iluka Resources Ltd.'s (ASX: ILU) magnet supply chain investment – wait for U.S. capital to step up before they proceed. Africa's wealth of critical minerals, he observed, is undermined by instability, and in the Middle East he sees "money" but "no brains" for developing the needed infrastructure beyond oil and gas. He predicted that Brazil, though rich in resources, won't be a meaningful supplier for "five to ten year window" given the pace of project development.

Lifton's assessment of various prospects was candid: **Greenland's rare earth aspirations are "a rare earth joke,"** deep-sea mining could be a frontier to watch as Japan invests heavily in sediment extraction, and Russia's magnet industry plans are unlikely to materialize because of systemic economic constraints. In the United States, the legacy magnet market

“won’t grow much” as electric vehicle demand softens and manufacturers rethink electrification strategies. On defense supply chains, he noted that rare earth magnet production capacity is limited and unprofitable given the tiny quantity of heavy rare earths like dysprosium available domestically. For stockpiling, his advice was practical: oxides, not metals or alloys, which degrade, are suitable for reserve storage. Through it all, Lifton returned to a central refrain about markets and policy: “Pay attention to the market. Stop decreeing outcomes,” a warning that underscores his broader critique of government attempts to dictate industrial outcomes without a grounded understanding of how complex supply chains actually function.

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