Energy Fuels and the Emergence of a Credible Magnet Competitor

written by Jack Lifton | June 23, 2026

For more than three decades, the global rare earth permanent magnet industry has been defined by a single fact: China built the only fully integrated mine-to-magnet industrial ecosystem in the world. From ore to oxide, from metal to alloy, from magnet block to finished motor, China's dominance has been overwhelming—more than 90% of global NdFeB magnet output, more than 80% of separation capacity, and near-total control of heavy rare earth supply. Western nations have spent years announcing strategies, funding pilot plants, and commissioning studies, yet none has produced a credible, scalable competitor capable of challenging China's structural advantage.

That changed this morning.

Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) announcement that it has acquired Vacuumschmelze (VAC) marks the first time a Western company has assembled all of the critical components of a complete rare earth permanent magnet supply chain under one corporate roof. When combined with Energy Fuels' existing mining assets, its White Mesa separation complex, and the metal-making and alloying capabilities gained through its acquisition of Australian Strategic Materials (ASX: ASM), the company now possesses every major step required to produce NdFeB magnets at commercial scale.

By the end of this decade, Energy Fuels is positioned to become the largest—and, in my view, the lowest-cost—producer of rare earth permanent magnets outside of China.

A Fully Integrated Chain: From Ore to Motor-Ready Magnet

Energy Fuels' transformation has been rapid but deliberate. Each acquisition and investment has filled a specific structural gap that has historically prevented Western magnet supply chains from achieving independence.

1. **Mining and Concentrate Production**

Energy Fuels controls multiple rare earth-bearing ore sources, including monazite streams capable of providing both light and heavy rare earths. Unlike most Western projects that remain in development, these feedstocks are already being incorporated into the company's operating system.

2. **Separation at White Mesa**

White Mesa is currently the only facility in North America capable of producing commercial quantities of separated rare earth oxides. Its modular expansion plan allows Energy Fuels to scale output in response to downstream demand—something no other Western producer can match today.

3. **Metal and Alloy Production via ASM**

The acquisition of ASM brought Energy Fuels the missing middle of the supply chain: rare earth metal and alloy production. This step is essential, technically demanding, and still overwhelmingly concentrated in China. With ASM's metallization technology, Energy Fuels can convert its own separated oxides into magnet-ready alloys without relying on foreign processors.

4. **Magnet Manufacturing via VAC**

VAC is the crown jewel. It is one of the few non-Chinese companies with deep expertise in sintered NdFeB magnet production, advanced motor-grade magnet designs, and long-standing relationships with automotive and industrial customers. Integrating VAC completes the chain.

No other Western company—and no Western consortium—has assembled this full stack.

China's dominance has never been solely about low labour costs or state subsidies. It is the product of integration, scale, and process learning accumulated over decades. To compete, a Western producer must replicate those structural advantages. Energy Fuels is the first company to assemble the components necessary to do so.

By owning every step of the chain, Energy Fuels can eliminate much of the margin stacking that plagues fragmented Western supply chains. Ore, oxides, metals, alloys, and magnets can move internally, reducing logistics costs, shortening lead times, and creating opportunities for process optimization across the entire flow sheet.

The company is also building upon existing commercial-scale infrastructure rather than attempting to create an entirely new supply chain from scratch. White Mesa already operates at commercial scale. VAC already produces magnets at commercial scale. ASM already produces metals and alloys at commercial scale. Energy Fuels is not building a supply chain so much as it is connecting one.

This distinction matters because most Western rare earth ventures remain conceptual, dependent on future financing, or focused on only a single step of the value chain. Energy Fuels now controls the entire process, from geology to finished magnet. That gives the company a credible path toward supplying

automotive OEMs, defence contractors, and industrial motor manufacturers at meaningful volumes.

China will remain the dominant global supplier of rare earth permanent magnets for years to come. Its ecosystem is vast, efficient, and deeply entrenched. Yet for the first time in a generation, a Western competitor has emerged with the integration, technology, and scale necessary to challenge that dominance.

Energy Fuels’ acquisition of Vacuumschmelze is not simply another corporate transaction. It represents the moment when the West finally assembled a complete, commercially viable mine-to-magnet supply chain under one roof.

If Energy Fuels executes on its plan—and its recent track record suggests it will—the company has the potential to become the largest and lowest-cost producer of rare earth permanent magnets outside of China by the end of this decade.

For the first time in decades, China has a credible competitor.