InvestorNews Ellis Martin Exclusive—Jack Lifton Warns Critical Minerals Experts America Has Forgotten How to Forge Its Own Magnets

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August 18, 2025 – The United States has forgotten how to make its own magnets, and Jack Lifton sees the amnesia as a national-security risk hiding in plain sight. "**There is no heavy-rare earth production in the Americas at this point, and there is no heavy rare earth separation plant to produce the high-purity oxides necessary for making the rare earth metals necessary for high-coercivity magnets,**" Lifton tells interviewer Ellis Martin with characteristic bluntness. That single data point, he warns, undercuts every soaring speech about energy transition, industrial reshoring, or artificial-intelligence supremacy.

Lifton, the Co-Chair of the Critical Minerals Institute (CMI) and the veteran analyst who coined the term "technology metals," is unimpressed by Washington's new-found evangelism. "**The critical materials interest by the administration is fleeting, and they'll be on to the next topic any day,**" he says, noting that markets still "swoon" whenever politicians mention rare earths. Retail investors chasing headlines, he argues, "couldn't possibly move multibillion-dollar rare-earth equities; that's institutions exploiting 'huffing and puffing.'"

He traces today's vulnerability to decisions made three decades ago, when Chinese price competition suffocated American processing. General Motors Company (NYSE: GM) shuttered

Magnequench, ceded inventory to just-in-time logistics, and "**got rid of their Delco parts division,**" Lifton recalls. Meanwhile, the original bastnaesite operation at Mountain Pass collapsed, leaving the United States with memories but no metallurgists. "**You cannot simply, with money, create institutional memory. That's silly,**" he says, adding that the Department of Defense once asked him where to recruit expertise. His deadpan answer—"cemeteries, assisted-care homes, and guys like me"—elicited bureaucratic discomfort rather than a talent pipeline.

The result is a supply chain with gaping holes. MP Materials Corp.'s (NYSE: MP) Mountain Pass and Lynas Rare Earths Ltd.'s (ASX: LYC) Mount Weld may be the world's only truly primary rare earth mines, but ore is merely step one. Separated oxides feed metal makers; alloys feed magnet plants; each node requires engineers who "know what they're doing." Outside China and Japan, Lifton sees just two anchors: Vacuumschmelze GmbH & Co. KG, the German magnet maker now building a 2,000-ton facility in South Carolina, and Less Common Metals Ltd. (private, U.K.), which plans an adjacent alloy plant. "**The military is fine—capacity matters more than price—but that's maybe five percent of domestic demand,**" he cautions. The commercial market—20,000 tons a year—remains at zero U.S. output, and tariffs alone cannot bridge the gap: "**At a 100 percent tariff, Chinese magnets are still cheaper; at 200 percent, I'm not sure.**"

Lifton's critique extends to the clean-energy boom and the artificial-intelligence arms race. Data-center developers boast of exascale compute farms that will draw "more electric power than entire states," yet overlook the tons of neodymium-iron-boron magnets embedded in hard-disk drives. "**These servers use gigantic stacks of memory units… My God—how many tons of specialized magnets are you going to need?**" he asks. No U.S.

company, he notes, manufactures such magnets today.

Allies are hedging for themselves. Japan funnels light rare earth feedstock from Lynas into domestic metal making and has co-financed a heavy rare earth separation plant in France. Malaysia courts both Beijing and Perth, while India methodically layers mining, separation, metals, and magnets for its own EV industry. "**Japan is taking care of Japan… Korea is taking care of Korea… They're not interested in helping us except to sell us things,**" Lifton observes. Invitations to relocate expertise to Midwestern "economic free zones" fall flat: without oxides or metal, even Shin-Etsu Chemical Co., Ltd. (TSE: 4063) sees no business case for a Detroit magnet plant.

The private sector, he argues, has learned to discount policy pledges. Automakers that earmarked an estimated $150 billion for battery-electric models are now "repurposing" factories for gasoline engines—and, in one Detroit boardroom, openly vowing to "buy from China forever" as long as prices stay below $100 per kilogram. Lifton dismisses the notion that a one-time subsidy can override three election cycles of policy whiplash: "**It will take ten years to do this… This is not making hula hoops. This is complex engineering.**"

Yet he does not traffic in fatalism. He points to Mountain Pass's untapped scale, Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) scaling up light rare earth separation in Utah, and the willingness of defense planners to bankroll capacity at any cost. The real constraint is human capital—the chemists, metallurgists, and process engineers who can turn ore into magnets. Until they are replaced, Lifton suggests, the most critical mineral in America may be experience itself.

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