

The Ukraine Rare Earths Deal – A Trump Political Maneuver with Russia That Ignores America’s Critical Minerals Needs

written by Jack Lifton | February 27, 2025

The so-called Ukraine minerals’ deal makes no business sense. Nor does it help the domestic American mining and refining industry, which already has access to all of the “minerals” waiting to be discovered in Ukraine and is ready to produce and process them into end-user ready forms if, and only if, the U.S. government would allow them to do that.

But, solving America’s critical mineral supply crisis was clearly never an intent of the Trump administration’s Ukrainian policy. The fantasy projection of the recovery of a NET \$500 billion(!) worth of “minerals” is a (economically ridiculous) political ploy. Deploying the assets of the American mining industry to Ukraine could severely impact that industry’s ability to solve the domestic American critical shortfalls in necessary technology metals to support the reshoring and rebuilding of America’s capability to mass-produce technology metal enabled devices.

It is economically counterproductive in the extreme to propose wasting American public capital on Ukrainian mineral riches’ discovery and development when American, Canadian, and Australian deposits simply await government approval to go ahead.

The sole area of advantage to the U.S. that the Ukrainian mineral story supports is a political one, and the target isn't Ukraine. It's Russia, which has a bad case of the resource curse. Its economy is dependent on oil produced in fields developed by guess-which-country, but has vast known mineral wealth undeveloped due to Russia's long history of not allowing the free market to operate, and so discouraging private development.

It's Putin, not Zelensky, whom Trump is romancing. Russia has the semblance of mining engineers and workers who could develop and do mining today in ice-bound Siberia, but they lack both capital and capital equipment.

In the hoopla of Ukrainian minerals, everyone has ignored Putin's offer of access to Russian mineral wealth and his statement that Russia will develop a domestic total rare earth permanent magnet supply chain. Why, one might ask? If Russia needs rare earth permanent magnets, it can simply ask its closest ally, China, for its needs, right?

But Putin and Trump both see the advantage in weaning Russia from dependence on Chinese largesse. Putin doesn't want China's critical minerals acquisition goliath to push Chinese soft power into contiguous Siberia, and Trump wouldn't mind if low-cost Siberian workers wrested minerals for the American mineral processing industry without having to argue with American environmental suicide activists. Even if any accord with Putin is short-lived or short-circuited, it's a far better bet than war-torn, critical resource development short, Ukraine.

But, as any Wharton graduate (Donald Trump is one) can tell you, the best source of critical and necessary technology metals for the USA is North America and Australia, with their vast mineral resources, experienced mining industry, and access to private

capital.

Mr. President, we're fine with your political tactics vis a vis Russia , but please just let the North American and Australian mining and refining industries do their job of supplying America with what it needs.

Is anyone listening?