At Last Money Hits the Critical Minerals Table

written by Melissa (Mel) Sanderson | October 21, 2025

What a wonderful couple of weeks it has been for the critical minerals sector, especially rare earths. Hard not to be almost euphoric with two major announcements rocking miners, both real and aspiring.

First out the gate October 13 was JPMorgan Chase & Co. – which announced a US$1.5 trillion fund to be disbursed over a decade. The Bank has identified four key focus areas: Supply Chain and Advanced Manufacturing, including critical minerals, pharmaceutical precursors and robotics; Defense and Aerospace, including defense technologies, autonomous systems, drones, next-gen connectivity and secure communications; Energy Independence and Resilience, including battery storage, grid resilience and distributed energy; and Frontier and Strategic Technologies, including AI, cybersecurity and quantum computing.

The Bank says it is prepared to make direct equity and venture capital investments of up to US$10 billion to help select companies, primarily in the US, enhance their growth, spur innovation and accelerate strategic manufacturing.

If you are a rare earth miner you understandably might be salivating already – but wait, *there's more.*

The US and Australian governments announced October 20 a joint fund of US$8.5 billion to support development of secure supply chains of critical materials to benefit both economies. The funds will be used to develop supply chains from mines to magnets, thereby working to break China's grip not only on processing but also the crucial finished products (permanent

metal magnets) used in dual-use economic and defense products. China recently announced a further tightening of its export controls on these materials, informing intermediate countries such as South Korea and Japan that they no longer may ship finished dual-use products to the US which contain controlled Chinese inputs. Doing so will risk a Chinese embargo, severely impacting manufacturing in those countries. Of course, being unable to sell products to the US also will severely impact those same manufacturers, setting up a no-win scenario for magnet manufacturers (and others) in those countries as well as others.

So both these announcements – from the private and public sectors – couldn't be more timely and, even though not apparently coordinated, represent absolutely what is needed: a massive injection of financial resources to accelerate development of the technological supply chains needed by the US and fellow Western countries.

That's the good news. Now, the less good news.

Unless you are already in production/operation or "shovel-ready" (think Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR); Lynas Rare Earths Limited (ASX: LYC); Iluka Resources Limited (ASX: ILU); Arafura Rare Earths Limited (ASX: ARU) or USA Rare Earth, Inc. (NASDAQ: USAR) – your odds of benefiting from this largesse diminish sharply. It's no coincidence that the above companies were included in the government announcements as likely recipients. Both governments are seized with the urgency of actually accessing the necessary resources immediately or, ideally, within a couple of years – since breaking free of China needs to happen sooner rather than later.

That's where the laudable policy objective hits the rock wall of mining reality. The majority of the critical minerals sector in

the West is composed of junior exploration/development companies, many of whom have identified promising prospects but have been struggling to bring those into operation due to a combination of financial and regulatory hurdles. The production horizon for the bulk of the potential industry, therefore, is closer to 5-7 years than 2 years, keeping in mind a variety of factors affecting the speed with which mines and processing facilities can be built, ranging from climate to finding enough steel and enough equipment (outside of China) to actually construct a project. Costs also are a factor. Between inflation and tariffs, bringing a new project on that can be economically viable is increasingly challenging – and there's no firm indication that the price floor support provided by the US Department of Defense to MP Materials Corp. (NYSE: MP) – for instance – will extend to any other companies when they enter the market.

Also, while the numbers sound big – and are big – those aforementioned costs can average US$600 million per mine/processing facility. So the government funds might fund perhaps a dozen projects. That could, of course, be enough and certainly is a lot better than the one rare earth mine currently operating in the US. So definitely an important step.

Coming back to the JPMorgan fund – market logic historically demonstrates a tendency to 'pile on,' i.e., put all the chips on the winning horse. Were that to hold true here, the companies mentioned above as recipients of the government money might also be the same ones to who receive a significant percentage of the private money as well. That would be a pity, since it would defeat the potential inherent in the fund itself, as well as the timing.

Last but not least, let's not forget that China certainly isn't going to take these new developments lying down. This might be

especially concerning for Australia, which has an obvious geographic exposure to China and a heavy market reliance as well. I don't think it's coincidence that the official deal also comes with a US commitment to accelerate the construction of nuclear submarines for Australia. Those might be needed sooner rather than later to defend the lengthy supply chain stretching across the globe.

Perhaps the US should also turn its eyes North, to another friendly mining jurisdiction and make the next deal with Canada. Certainly, the supply chain would be shorter and more secure, even if the wait might be a bit longer for projects to come online.

The shortest and most secure supply chain, of course, is always mined and refined in America. So let's see how the benefits shake out for potential rare-earth miners and processors in the U.S. such as American Rare Earths Limited (ASX: ARR | OTCQX: ARRNF | ADR: AMRRY) and NioCorp Developments Ltd. (NASDAQ: NB) — hopefully these new financial opportunities can help grow a sustainable U.S. critical-minerals mining industry. Doing so is fundamental to ensuring America's national security.