France Is Rebuilding a Rare Earth Industry. North America Is Still Selling the Story.

written by Jack Lifton | July 5, 2026

France’s Rare Earth Strategy Is Industrial. Much of North America’s Is Promotional.

For nearly four decades, I have argued that the rare earth industry is not fundamentally a mining business. It is a specialty chemical, metallurgical, and advanced manufacturing business in which the greatest value is created after the ore leaves the mine. Mines supply raw materials. Industries are built by processors, metallurgists, manufacturers, and ultimately by OEM purchasing decisions.

France appears to understand this distinction better than most Western nations.

While North America has produced a long parade of “mine-to-magnet” announcements, France is quietly rebuilding the industrial middle of the rare earth supply chain. That is the part that actually matters. It is also the part most often missing from promotional presentations to investors.

Carester’s Caremag project at Lacq is not just another mining story. It is a separation, recycling, and refining project based on real rare earth chemical expertise. It is designed to process recycled permanent magnets and mineral concentrates into high-purity rare earth oxides, including the heavy rare earths dysprosium and terbium. These are not optional materials for high-performance magnets. They are essential materials for temperature stability in many of the applications that OEMs

actually buy.

The important point is that Carester was founded by people with deep expertise in rare earth separation. France did not begin with a deposit and then try to invent an industry around it. It began with industrial memory: the accumulated technical experience of the former Rhodia and Solvay rare earth businesses.

That matters.

At La Rochelle, Solvay is reasserting the importance of one of the West's historic sites for rare earth processing. La Rochelle was once a major center of non-Chinese rare earth separation. Its renewed relevance shows that France is not attempting to build an industry from press releases. It is reviving and modernizing an existing industrial chemistry base.

This is the first major contrast with North America.

In North America, too many rare earth ventures have begun with a mine, a resource estimate, a government grant application, and a PowerPoint diagram showing arrows from ore to oxide to metal to magnet. The arrows are easy to draw. The industrial steps are not easy to execute.

Separation is not mining. Metallization is not separation. Alloy making is not metallization. Magnet making is not alloy making. Qualification by an automotive, defense, robotics, aerospace, or electronics OEM is not achieved by announcing vertical integration. It is achieved by years of reproducible output, price discipline, technical service, and audited reliability.

This is where many "mine-to-magnet" stories fail.

They lack experienced solvent-extraction operators. They lack proven rare earth metal-making capability. They lack alloy

expertise. They lack magnet plant experience. They lack committed customers willing to sign long-term offtake agreements at prices that justify the capital cost. Above all, they lack realistic capital structures.

The rare earth industry is capital intensive, technically unforgiving, and commercially narrow. A company cannot solve that problem by changing its name, hiring promoters, or adding “magnet” to its corporate presentation.

The investment by USA Rare Earth, Inc. (Nasdaq: USAR) into Carester is therefore highly significant. USA Rare Earth is effectively acknowledging that Round Top, its Texas deposit, is not by itself a supply chain. A deposit is only the beginning. The strategic value is created when the material can be processed, reduced to metal, alloyed, qualified, and sold to customers who actually make things.

The acquisition of Less Common Metals by USA Rare Earth reinforces this point. LCM is one of the few rare earth metal and alloy producers outside China with real operating experience. Its decision to build a specialized rare earth metal and alloy plant in France, adjacent to Carester’s Lacq operation, is not accidental. It is an industrial decision, not a promotional one.

Co-location matters. Oxides from Carester can move directly into LCM’s metal and alloy production. Technical issues can be solved between experienced operators. Quality systems can be aligned. Inventory can be reduced. OEM confidence can be built around an integrated, physically real supply chain rather than a conceptual one.

That is the second major contrast with North America.

Many North American rare earth companies have tried to sell

investors the idea that vertical integration can be achieved by corporate ambition. France is instead showing that integration must be built from specialized capabilities. Carester does chemistry. Solvay does chemistry. LCM does metals and alloys. Each step requires different equipment, different skills, different controls, and different commercial discipline.

There is nothing wrong with a mine-to-magnet strategy if the company attempting it actually possesses the required capabilities. But most do not. The phrase has become a substitute for the hard work of building a supply chain backward from the customer's requirement.

That is the central point.

OEMs do not buy narratives. They buy qualified materials at predictable prices, in specified quantities, delivered on time, with technical accountability. The rare earth permanent magnet supply chain must begin with that reality. It must begin with the customer and move backward through the magnet maker, alloy producer, metal maker, separator, and finally the miner.

North American investors have too often been asked to believe the reverse: that a mineral deposit automatically creates a downstream industry. It does not.

A mine does not create a magnet industry any more than an iron ore body creates an automobile industry. The intermediate steps are where the industrial value lies. They are also where most Western projects have failed.

Government has made this problem worse by rewarding slogans rather than operating competence. "Critical minerals" has become a funding category. "Mine-to-magnet" has become a political phrase. "Domestic supply chain" has become a stock-market theme. But subsidies cannot permanently replace customers. Grants

cannot replace process knowledge. Strategic importance cannot replace commercial viability.

France’s strategy is more credible because it is less theatrical.

It is not based on pretending that every rare earth deposit can become a fully integrated technology company. It is based on rebuilding the parts of the supply chain that Europe actually lost: separation, refining, metallization, and alloy production. These are exactly the functions China came to dominate while the West congratulated itself on owning mineral resources it could not process economically.

Solvay’s La Rochelle operation gives France historical depth in rare earth chemistry. Carester’s Lacq project adds a new separation and recycling platform. LCM’s planned French metal and alloy plant supplies the next essential stage. USA Rare Earth’s investment connects North American feedstock ambitions with European processing competence.

That is a supply chain. It is not yet a complete one, and it is not guaranteed to succeed. But it is far more serious than a slide showing a mine at one end and a magnet at the other.

Investors should also understand what this does not yet solve.

Europe still needs qualified magnet manufacturing at scale. It still needs OEMs willing to pay for secure non-Chinese supply. It still needs long-term procurement contracts. It still needs realistic pricing that reflects the true cost of operating outside China. Without those elements, even technically sound projects can struggle.

But the French approach begins in the right place: with industrial capability.

That is why it deserves more attention than the usual mining promotion. France is not merely announcing rare earth independence. It is reconstructing the middle of the supply chain, where rare earth independence is actually won or lost.

The lesson for investors is simple.

Do not ask only who owns a deposit. Ask who can separate. Ask who can make metal. Ask who can make alloy. Ask who has qualified customers. Ask who has the balance sheet to survive delays, cost overruns, and pricing cycles. Ask who understands that OEM procurement, not political enthusiasm, determines whether a rare earth project becomes an industry.

The North American market has rewarded too many companies for telling investors that they intend to go from mine to magnet. France is beginning to show what it looks like when serious industrial people try to build the missing links.

That difference is not cosmetic. It is the difference between promotion and production.

And in rare earths, production is the only story that ultimately matters.

There is, however, one notable exception in North America that deserves recognition.

In my opinion, Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) is the only American rare earth company that has approached the business in the proper industrial sequence. It did not begin by proclaiming itself a “mine-to-magnet” company. Instead, it has systematically assembled the capabilities that define a viable rare earth enterprise.

Energy Fuels has decades of experience in mining and mineral processing. It understands ore beneficiation because it has been

doing it commercially for years. More importantly, it has successfully developed and operated solvent extraction circuits to produce separated rare earth oxides. That experience is extraordinarily valuable because solvent extraction remains the most technically demanding and capital-intensive stage of the rare earth business. It cannot be learned from engineering studies or promotional presentations. It is learned by operating plants.

The company’s downstream strategy has been equally pragmatic.

Rather than attempting to build every stage from scratch, Energy Fuels has acquired an operating rare earth metal and alloy producer by purchasing ASM, thereby adding proven metallurgical capability to its portfolio. Even more significant is its acquisition of Vacuumschmelze (VAC), widely regarded as the West’s premier producer of high-performance rare earth permanent magnets. That acquisition immediately provided Energy Fuels with manufacturing expertise, customer relationships, intellectual property, and OEM qualifications that would otherwise require many years—and perhaps decades—to develop.

This is precisely how industrial supply chains are built.

Successful industrial companies acquire capabilities they do not possess. They do not assume those capabilities can simply be declared into existence. Mining expertise does not automatically create metallurgical expertise. Metallurgical expertise does not automatically create magnet-making expertise. Magnet production does not automatically create customer qualification. Each stage must be earned through operating experience, investment, and years of commercial performance.

That is why I view Energy Fuels differently from the many companies that have embraced the fashionable “mine-to-magnet” slogan. Its strategy has been evolutionary rather than

promotional. It has recognized that each segment of the rare earth value chain requires specialized knowledge, experienced personnel, and operating assets. Instead of trying to reinvent decades of industrial development, it has assembled an organization that already possesses much of that expertise.

Whether Energy Fuels ultimately succeeds will depend, as it always does, on securing long-term OEM customers willing to purchase qualified products at commercially sustainable prices. But unlike many of its competitors, the company is attempting to solve the right problems in the right order. It understands that a supply chain is built by acquiring industrial competence—not by drawing flow charts.