Why OEMs, Not Governments, Will Decide America's Critical Minerals Future

written by Jack Lifton | July 1, 2026

"Governments can subsidize mines. OEMs decide where they source materials, which technologies they adopt, who earns long-term contracts, and ultimately which critical minerals projects survive." – Jack Lifton, Co-Chair, Critical Minerals Institute (CMI)

The motto **"a few good men"** originates directly from an 18th-century United States Marine Corps recruiting advertisement. The earliest documented use comes from March 20, 1779, when Captain William Jones, USMC, placed a notice in Boston seeking *"a few good men"* to enlist for naval service. The phrasing captured both the selectiveness and the elite identity the Corps wanted to project – that only a small number of highly capable men would suffice for the intended purpose, a revolution against perceived tyranny.

I would now like to propose a motto and a model for investors in the ill-defined but important American critical minerals industry. I urge investors to choose just "**A few good companies.**" The revolt leading to the necessity for making these choices is forced upon us by the poor choices made by both Wall Street and the United States Federal Government in selecting those ventures in natural resource discovery, production, and end use that they believe will resolve the issue and establish a policy of the American independence in secure supplies of natural resources and their processed end-user products to support a domestic manufacturing economy of the United States.

Both groups, Wall Street in Washington, have so far failed in this quest.

The mistake made by both Washington and Wall Street is that they continue to think like miners and financiers.

Successful OEMs do not manage with the same metrics.

An automobile manufacturer, an aerospace company, a defense contractor, or an industrial motor producer does not wake up asking, “Where can I find a rare earth mine?”

It asks a very different question.

“Who can reliably supply me, year after year, with qualified materials at globally competitive prices?” That distinction explains almost everything investors need to know about the critical minerals business. **Mines do not create industries. Customers do.**

A mineral deposit has no economic value until an OEM decides that the materials derived from it can be incorporated into profitable products. The mine exists because the customer exists—not the other way around. This is where so much government policy has gone astray.

Federal agencies continue to measure success by counting mines permitted, processing plants announced, grants awarded, and billions of dollars committed. Those are political metrics, not industrial metrics.

OEMs measure success differently. Can the supplier consistently meet specifications? Can it deliver on schedule? Can production be expanded as demand grows? Will the supplier still be in business ten years from now? Will its prices remain globally competitive without permanent government support?

Those are the questions that determine procurement decisions. Notice that none of them begins with the size of a mineral resource.

For decades I have argued that the critical minerals supply chain must be built backward from the OEM—not forward from the ore body. That is precisely how every successful industrial supply chain in the world has evolved. The customer defines the specifications. Those specifications determine the required alloy. The alloy determines the metal purity. The metal determines the separation chemistry. The separation chemistry determines the concentrate requirements. Only then does the mining engineer determine what type of ore body can economically satisfy those requirements.

Instead, today's investment community often reverses the entire process. A junior explorer discovers an interesting deposit. Investment bankers prepare attractive presentations. Government agencies announce strategic importance. Consultants produce optimistic market studies. Only afterward does someone begin asking whether any OEM actually intends to purchase the resulting products.

That is not industrial planning. It is speculation. The fashionable "mine-to-magnet" narrative illustrates this confusion perfectly. Building every stage of the supply chain under one corporate roof may sound strategically appealing, but it ignores how OEM procurement actually works.

OEMs rarely qualify suppliers because they own mines. They qualify suppliers because they consistently deliver products that meet demanding technical, commercial, and logistical requirements. An automotive company purchasing permanent magnets is not buying geology. It is buying manufacturing reliability. A defense contractor qualifying specialty alloys is not investing

in a mineral resource. It is purchasing confidence that every shipment will perform exactly like the last one.

The OEM is purchasing risk reduction. That is the real product. Everything upstream exists only to support that purchasing decision. This is why investors should spend less time evaluating drill intercepts and more time asking a different set of questions.

Which companies already understand OEM qualification procedures? Which management teams have successfully supplied industrial manufacturers before? Which companies are designing their businesses around customer requirements rather than government funding opportunities? Which projects can survive after subsidies disappear?

Those are the questions that separate commercially viable enterprises from promotional ventures.

America certainly needs more profitable domestic mines.

But it needs even more domestic customers willing to sign long-term purchase agreements because they have confidence in the supplier’s ability to perform. That confidence—not government grants, not press releases, and not optimistic feasibility studies—is what transforms mineral resources into industrial assets.

Investors should remember that every successful supply chain begins with a purchase order.

Not a drill hole.