RARE EARTHS BRIEFING

Weekly Intelligence on Global Rare Earth Supply Chains

Issue 1 • Week of 17 March 2026

THIS WEEK'S HEADLINE

The United States has only two months of rare earth supplies remaining — while key allies Japan, France and Canada move to build alternative trade mechanisms outside US-led frameworks, signalling fracturing Western coordination at the moment of greatest vulnerability to Chinese supply leverage.

2 mo. US SUPPLY Rare earth inventory	**$1.5B** FEDERAL Processing + LatAm	**+23%** CHINA EXPORTS Jan–Feb 2026 YoY	**5,000t** LYNAS–JAPAN NdPr annual offtake

SECTION 01

Executive Summary

The United States faces an acute strategic vulnerability with only two months of rare earth supplies remaining — a revelation that exposes the gap between years of diversification rhetoric and the reality of continued Chinese dependence. Beijing controls roughly 85% of global refining capacity, and at current inventory levels, any disruption to Chinese supply could directly constrain American military operations and industrial output within weeks rather than months.

The crisis is prompting two distinct responses. Washington has committed unprecedented funding: a $500 million domestic processing initiative, $1 billion directed toward Latin American mineral partnerships, and continued development of the Texas Round Top deposit through USA Rare Earth's $73 million acquisition. These represent the largest federal commitment to rare earth independence in decades, though all require years to yield meaningful supply. Meanwhile, key allies are hedging. Japan, France and Canada are developing alternative trade mechanisms outside US-led frameworks — a diplomatic signal that confidence in American leadership of critical minerals policy is fraying even as Washington increases spending.

The more consequential development may be Lynas Rare Earths securing a 10-year renewal of its Malaysian processing licence, removing years of regulatory uncertainty from the West's most important non-Chinese rare earth operation. Lynas simultaneously signed supply agreements with the US Department of Defense and enhanced its Japan arrangement to deliver 5,000 tonnes of neodymium-praseodymium annually. For procurement professionals, the lesson is clear: the nations and companies acting decisively on supply security today are the ones that will be best positioned when the next Chinese export restriction arrives.

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SECTION 02

Supply Chain Monitor

Lynas Secures Decade-Long Malaysian Operating Licence

The Australian producer has obtained a 10-year renewal for its Kuantan processing facility, removing years of regulatory uncertainty. This facility remains the only large-scale rare earth separation plant outside China, processing concentrate from Lynas's Mount Weld mine. The renewal strengthens Lynas's position as the critical node in non-Chinese supply chains for defence and clean energy applications, and underpins the offtake agreements signed with both the US Department of Defense and Japan this week.

Vital Metals Reports Ultra-High-Grade Discoveries

The Canadian rare earths producer has released assay results showing exceptional total rare earth oxide grades from prospecting at its Nechalacho operation in the Northwest Territories. This strengthens the resource potential of one of the few operating Western mines outside China, potentially expanding production capacity at a facility already supplying separated rare earth products to market.

Korea Zinc Explores Data Centre Waste Recycling

The South Korean metals refiner is in discussions with US technology firms to develop processes for extracting rare earths from electronic waste generated by American data centres. The initiative addresses both the growing challenge of tech sector waste management and the strategic imperative to develop secondary supply streams. If technically viable at scale, urban mining of data centre equipment could become a meaningful complement to primary production.

China's Rare Earth Exports Surge 23% Year-on-Year

Chinese customs data reveals a substantial increase in rare earth shipments during January–February 2026. The surge could signal either expanded production capacity or a deliberate policy shift to flood markets ahead of potential future restrictions — a tactic Beijing has employed before. Downstream users may benefit from improved short-term availability, but the data warrants careful interpretation rather than complacency.

$500 Million Federal Processing Initiative Launched

The US government has unveiled its largest-ever funding commitment specifically targeting demonstration and commercial-scale facilities for processing and recycling critical materials, including rare earths. The initiative directly challenges Chinese dominance in the midstream segments of the supply chain where strategic control and profit margins are highest. Applications are expected to open in the coming weeks.

USA Rare Earth Acquires Remaining Texas Round Top Stake

USA Rare Earth has agreed to acquire the remaining interest in the Round Top deposit in Texas for $73 million, consolidating ownership of a deposit containing all 17 rare earth elements plus lithium, gallium and other critical minerals. The acquisition simplifies the path to development of what could become a significant domestic source.

SECTION 03

Price & Market Context

Magnet rare earth prices held broadly steady this week, with the TRADIUM price index for the four key elements showing measured movement since early March:

ELEMENT	USD INDEX	EUR INDEX	TREND (SINCE 4 MAR)
Neodymium oxide (Nd_2O_3)	**52**	55	▲ +4 points
Praseodymium oxide (Pr_6O_{11})	**52**	56	▲ +2 points
Dysprosium oxide (Dy_2O_3)	**3**	5	▼ −2 points
Terbium oxide (Tb_4O_7)	**4**	5	▼ −6 points

Source: TRADIUM price index (cumulative % change from baseline). These are indexed values, not absolute prices. For reference pricing, see Fastmarkets or Benchmark Mineral Intelligence.

The light rare earths (NdPr) continue their gradual upward trend, supported by sustained demand from EV motor and wind turbine manufacturers and no indication of expanded Chinese production quotas. The heavy rare earths (Dy, Tb) have softened marginally, which may reflect short-term demand normalisation after procurement surges in late 2025 when export control fears were at their peak.

China's 23% export surge in January–February has not yet translated into downward price pressure, suggesting that the additional volume is being absorbed by restocking activity among downstream buyers rather than creating oversupply. The stability in NdPr pricing despite increased Chinese shipments indicates that structural demand growth continues to underpin the market.

SECTION 04

Geopolitics & Policy Tracker

Allied Trade Bloc Emerges Outside US Framework

Japan, France and Canada are crafting new trade arrangements that would bypass US-led frameworks for critical minerals cooperation, according to Reuters. This represents actual diplomatic negotiations rather than preliminary discussions, marking a notable fracture in Western coordination on supply chain security. The initiative could fragment multilateral approaches and weaken collective bargaining power against Chinese market dominance, though it also reflects pragmatic recognition that no single Western government has delivered on supply diversification promises to date.

$1 Billion Committed to Latin American Mineral Partnerships

The administration has committed $1 billion toward Latin American critical minerals development, with specific allocations for lithium and rare earths projects. This represents actual disbursements rather than future pledges, marking a substantive shift in US resource diplomacy. The initiative directly competes with established Chinese investment patterns in the region, where Beijing has historically offered comprehensive infrastructure financing alongside mineral extraction agreements.

US Formalises Critical Materials Framework

The Department of Energy has published its definitive Critical Materials List under 2020 Energy Act authority, while USGS has released a comprehensive 797-page assessment of 23 critical mineral commodities including rare earths. Together these create the analytical and bureaucratic infrastructure for coordinated government response to supply vulnerabilities — a necessary precondition for effective policy, though not a substitute for it.

Export Control Enforcement Gap Persists

While both Washington and Beijing have announced various export control measures affecting rare earth supply chains, enforcement mechanisms remain inconsistent on both sides. Recent US controls on rare earth processing equipment lack comprehensive monitoring systems, while Chinese export licensing changes have yet to demonstrate systematic implementation. The gap between announced restrictions and operational enforcement continues to limit actual supply chain disruption — though market participants are increasingly pricing potential controls into long-term procurement decisions.

SECTION 05

On the Radar

- **March 18–20:** Watch for follow-up on Energy Transition Minerals' legal update regarding the Kvanefjeld rare earth deposit in Greenland. The price-sensitive classification suggests imminent resolution of regulatory challenges.

- **Late March:** Lynas expected to provide additional details on its enhanced Japan Australia Rare Earths arrangement following recent MOU signing, with potential market implications for NdPr supply commitments.
- **April 2026:** USGS quarterly mineral commodity summaries expected, including updated rare earth production and trade data reflecting China's reported 23% export surge in January–February.
- **Q2 2026:** Harena Rare Earths to complete due diligence on California heavy rare earth and uranium assets, potentially adding significant domestic heavy rare earth capacity near MP Materials' Mountain Pass facility.
- **April–May 2026:** Congressional hearings on critical minerals supply security anticipated following reports of critically low US inventory levels. Emergency policy discussions and potential strategic reserve releases may follow.
- **Mid-2026:** Project Vault implementation details expected from the Department of Defense as the critical minerals stockpiling initiative moves beyond planning phase.

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