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U.S. Looks to Canada's Aclara to Strengthen Domestic Rare Earth Supply Chain

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In a strategic push to reduce reliance on China for critical minerals, U.S. agencies are in talks with Canadian mining firm Aclara Resources to help fund a \$1.5 billion project that would bring rare earth elements from Latin America to a new processing facility on American soil. The initiative is part of a broader national effort to secure materials essential to defense systems and clean energy technologies.

The company, listed on the Toronto Stock Exchange and majority-owned by the Hochschild Group, is currently focused on development-stage operations in Brazil and Chile. According to Chief Executive Officer (CEO) Ramon Barua, discussions with U.S. authorities are underway, with funding proposals already submitted and formal presentations being prepared for Washington officials. Though specific agencies were not named, the U.S. Department of Defense (DoD), Department of Energy (DOE), and U.S. International Development Finance Corporation (DFC) are likely candidates for potential backing.

Barua emphasized the strategic value of Aclara's proposal, noting its alignment with the Pentagon's recent investment in MP Materials the only operational rare earth producer in the United States. "Our project complements that deal perfectly," Barua stated in an interview with Bloomberg, indicating strong interest from federal stakeholders to collaborate on expanding critical mineral infrastructure.

The company plans to begin mining clay deposits by 2028, supplying key materials used in electric vehicles (EVs) and wind turbines. In addition to its South American operations, Aclara is reviewing possible U.S. processing plant sites, with Louisiana, Texas, South Carolina, and Virginia on the shortlist. It has also signed a supply partnership with Germany's Vacuumschmelze, which aims to set up a magnet production facility in South Carolina.

With rising global tensions and Beijing's tightening grip on rare earth exports, Western markets are reassessing their exposure to foreign-controlled mineral supply chains. Barua acknowledged this shift, saying that investors are prioritising project timelines and resource security over price concerns. "Stakeholders must understand these materials are far more valuable than China's pricing would suggest," he added.

In a show of progress, Aclara inaugurated its semi-industrial pilot plant for heavy rare earth elements in Brazil this past April, underscoring its readiness to move forward. The project's momentum reflects a broader recognition of the need for stable, diversified, and geopolitically secure access to essential industrial resources.