Why a Small Facility in Ohio Is Central to America's Rare Earth Supply Chain

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In Euclid, Ohio, just outside Cleveland, sits a facility that most people would drive right past without a second look. But facility, work is being done that could reshape America's position in one of the most significant supply chain challenges The company behind this work is REalloys (ALOY), and they're turning rare earth oxides into the defense-grade metals that go into the permanent magnets found in everything from fighter jets to missile guidance systems. Companies ment today's commentary includes: Realloys Inc. (ALOY), FMC Corporation (NYSE: FMC), Teck Resources Ltd. (NYSE: TE Piedmont Lithium Inc. (NASDAQ: PLL), Compass Minerals International (NYSE: CMP), The Metals Company (NASDA

REalloys doesn't have the name recognition of the billion-dollar rare earth miners that tend to get most of the attention. earth problem facing the West has never really been about mining. It's about what happens after the material comes ou ground…and that's where the company operates.

The company's Euclid facility, built on more than 40 years of specialty metals expertise, is currently the only site in Nort with a proven track record of delivering heavy rare earth metals, alloys, and magnets to U.S. government and commerc

It has existing contracts with the Department of Defense, the Department of Energy, and NASA. And it anchors a vertic integrated supply chain that they have built from mine to finished magnet…all of it designed to operate without any reliance on China.

The Rare Earth Processing Gap and Why It Matters

To understand why this facility matters, you have to understand a problem that most of the rare earth conversation gets

Rare earths are not actually rare. They exist in mineable quantities across Canada, the United States, Brazil, Greenlan elsewhere. The issue is that the West handed over its rare earth processing capability to China roughly 40 years ago, a now controls approximately 90% of global rare earth refining and magnet production.

That means virtually every rare earth magnet in Western defense systems, vehicles, and industrial equipment traces ba Chinese processing.

The part of the supply chain that's missing in the West is not the mine. It's the processing…the series of technicall demanding steps where raw material gets separated into individual rare earth elements, converted into high-purity meta extreme temperatures, and then alloyed to precise specifications for use in magnets.

The Center for Strategic and International Studies (CSIS) has identified this metallization step as the least developed a difficult capability to rebuild outside China. It requires deep, accumulated operating expertise that takes years to develo cannot simply be purchased.

That's the gap REalloys' Euclid facility was designed to fill. While most Western rare earth companies remain focused o early-stage separation, REalloys handles the conversion step that CSIS identifies as the hardest to rebuild. Oxide goes Defense-grade metal and alloy come out. And the chemistry is held to tolerances that defense and industrial customers consistently require.

What REalloys Has Actually Built

REalloys (ALOY) stands out in this space not because of one facility or one partnership. It's the fact that the company h assembled an end-to-end supply chain that covers every stage from raw feedstock to finished magnet, which is someth simply doesn't exist at a comparable scale anywhere else in North America.

Upstream, the company owns the Hoidas Lake rare earth project in Saskatchewan and has secured feedstock agreem partners in Kazakhstan, Brazil, and Greenland, giving it access to diversified, non-Chinese sources of raw material.

Midstream, REalloys has partnered with the Saskatchewan Research Council (SRC), which has built a Rare Earth Processing Facility in Saskatoon designed from the ground up to operate without any reliance on Chinese technology, equipment, or critical consumables. They hold an exclusive 80% offtake on the facility's production, which is targeting first commercial output in late 2026 to early 2027.

At full capacity, the facility is expected to produce approximately 525 tonnes per year of neodymium-praseodymium me with roughly 30 tonnes of dysprosium oxide and 15 tonnes of terbium oxide, which would make it the largest source of h earth oxides outside China.

What's particularly notable about the SRC facility is the technology behind it. When China blocked the export of rare ea processing technology in 2020, SRC designed and built its own systems from scratch.

The result is an AI-driven operation that runs the entire separation process with six people, compared to the roughly 80 comparable Chinese facility would require. The AI system monitors approximately 5,000 data points on a millisecond ba according to SRC, it produces higher-purity metals with greater efficiency than conventional methods.

Downstream, the Euclid, Ohio, facility takes those refined materials and converts them into the metals, alloys, and mag defense and industrial customers actually use. The expertise behind that operation spans over 30 years of applied deve specialty metals, including a decade of focused collaboration with U.S. national laboratories and the Defense Logistics

REalloys acquired this capability through PMT Critical Metals, bringing with it not just equipment and infrastructure, but accumulated process knowledge that cannot be easily replicated.

Why Process Knowledge Matters More Than Capital

One of the things that makes the rare earth space different from most industries is that the primary barrier to entry is no time and expertise.

Defense and industrial customers don't simply buy rare earth metals on the open market. They qualify specific suppliers rigorous, multi-year process in which material is tested, incorporated into components, stressed, retested, and evaluate after changes in scale. Any variation in chemistry, microstructure, or processing conditions can reset the clock entirely. supplier is qualified and integrated into a program, switching can be a technical and regulatory undertaking that nobody lightly.

That creates a competitive dynamic very different from most markets. The companies that get qualified first tend to stay because defense platforms are designed to operate for decades, and suppliers are chosen early and rarely replaced. E successfully qualified alloy then both adds revenue and reduces the friction and time required to qualify for the next pro creating a compounding advantage over time.

REalloys' Euclid facility has already crossed the most important threshold: it has demonstrated that it can produce rare and alloys domestically to the specifications that real customers require. The hardest part, proving the process, has alre done. Now it's about expanding capacity and locking in long-duration programs where material supply is committed for

The 2027 Deadline That Changes the Landscape

The timing of all this is not accidental. On January 1, 2027, updated U.S. defense procurement rules under DFARS will that will restrict the use of Chinese-origin rare earth materials in qualifying weapons systems. The restrictions extend ac supply chain, from mining and refining through separation, melting, and production.

That deadline creates an immediate, concrete need for domestically sourced, defense-compliant rare earth metals and Every contractor currently relying on Chinese-sourced materials will need a qualified alternative. And the list of compan deliver compliant heavy rare earth material by that date is extremely short.

That scarcity reflects something the broader metals industry already understands: processing is where the expertise liv

expertise takes decades to build.

REalloys appears to be the only company that can actually take heavy rare earth oxides all the way to finished metals f in North America ahead of that deadline. Its Phase 1 production through the SRC partnership is timed to align with the shift, and its Euclid facility already has the operational foundation to process that material into defense-grade output.

Phase 2 plans call for significantly larger capacity later this decade, including approximately 200 tonnes per year of dys metal, 45 tonnes of terbium metal, and the ability to produce up to 20,000 tonnes per year of heavy rare earth permane At that scale, REalloys would go from being a critical niche supplier to one of the biggest rare earth producers outside C

The People and Institutions Behind the Company

REalloys has assembled notable institutional backing and an experienced board of directors.

The U.S. Export-Import Bank has issued a $200 million letter of intent to support the company's supply chain developm Japan Organization for Metals and Energy Security (JOGMEC) has signed a memorandum of understanding covering t transfer and potential financing support. These deals represent institutional commitments from the type of organizations to conduct extensive due diligence before putting their names on the line.

The company's board reflects a similar level of seriousness. Chairman Stephen S. DuMont serves as President of GM General Jack Keane (Ret.), a four-star general and recipient of the Presidential Medal of Freedom, recently joined as a director. Former Saskatchewan Premier Brad Wall and former Canadian Ambassador to the U.S. David MacNaughton board that brings deep expertise in defense, policy, and cross-border industrial strategy.

Other resource companies to keep an eye on:

FMC Corporation (NYSE: FMC)

FMC Corporation, headquartered in Philadelphia, Pennsylvania, is a global agricultural sciences company that delivers technology to farmers worldwide. While FMC is not a traditional mining company, its significant stake in lithium, a critica component in rechargeable batteries and other high-tech applications, sets it apart.

FMC's commitment to innovation and sustainability is commendable. The company's agricultural products, such as crop solutions and plant nutrition technologies, contribute to increased crop yield and quality, addressing global food security In recent years, FMC has benefited from robust demand for its crop protection products, driven by higher commodity pr strong agricultural market fundamentals.

Teck Resources Limited (NYSE: TECK)

Teck Resources is a major international base- and battery-metals producer with significant exposure to copper, a metal electrification and battery manufacturing. Its world-class operations in the Americas and resource expansion projects po benefit from structural growth in electrified transport, renewable infrastructure, and industrial decarbonization.

Teck has also been advancing initiatives to lower the carbon intensity of its mining and smelting footprint, aligning with from customers and policy frameworks that increasingly prefer low-emission metal supply. Its diversified portfolio and lo reserves give Teck leveraged exposure to tightening copper markets that underpin battery and electric motor deployme

Piedmont Lithium Inc. (NASDAQ: PLL)

Piedmont Lithium is building a geographically diversified lithium platform combining near-term concentrate sales with lo U.S. conversion capacity. Its Carolina Lithium project has secured key state-level approvals, clearing a significant regul toward construction.

In the interim, Piedmont retains equity and offtake exposure to Canadian spodumene production, generating commerci

while domestic assets progress. This blended model balances revenue timing and capital intensity.

Compass Minerals International (NYSE: CMP)

Compass Minerals International, headquartered in Overland Park, Kansas, remains a leading provider of essential min solidifying its position with consistent performance and strategic growth initiatives. Since the previously mentioned refer company has made significant advancements in its operations, product offerings, and sustainability efforts.

One notable development is Compass Minerals' continued focus on innovation in the lithium extraction sector. Recogni burgeoning demand for lithium in electric vehicle batteries, the company has accelerated its efforts to extract lithium fro existing operations in Utah.

The Metals Company (NASDAQ: TMC)

The Metals Company (TMC) is the global leader in deep-sea mineral exploration, targeting polymetallic nodules on the the Clarion-Clipperton Zone in the Pacific Ocean. In January 2026, TMC took a massive step toward commercialization first-ever consolidated deep-seabed mining application, which would grant them a permit area covering 65,000 km2. T

The company's NORI-D project is estimated to contain enough Nickel, Cobalt, Copper, and Manganese to meet the rec of 280 million electric vehicles, roughly the size of the entire U.S. light vehicle fleet. Because these nodules are "rocks o seafloor" rather than ore buried in the ground, TMC's collection process eliminates the need for blasting, tailings dams, deforestation typically associated with terrestrial mining. P

By. Tom Kool

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