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Mining Billions in the Dark

The Trump administration is pushing billions toward mining companies with limited success, and even less transparency.

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- In early August, President Trump announced a $3 billion federal investment in critical minerals companies at a Department of State roundtable event with industry leaders.
- Among the companies participating were firms that are only nine months old, connected to the administration's family members or donors, associated with past fraud or fraud allegations, or whose financial backers remain largely hidden from public view.
- Many of these decisions result from the Trump administration putting extraordinary financing authority in the hands of a small group of former private-equity executives, including the billionaire financier Deputy Secretary of Defense.

In early August, President Trump announced a $3 billion federal investment in critical minerals companies at a Department of State roundtable event with industry leaders. "Very simply, we're making mining great again," he said.

The announcement, which included deals from the Defense Department's Office of Strategic Capital (OSC), U.S. Development Finance Corporation (DFC), and the U.S. Export-Import Bank (EXIM), is the latest salvo in the administration's sweeping spending on mining, including an unprecedented acquisition of ownership stakes in companies like Vulcan Elements, a start-up rare earth magnet company funded by a venture capital firm where Donald Trump Jr. is a partner. "Magnets. You gotta go with magnets," Trump said at the State Department event, before Commerce Secretary Howard Lutnick praised Vulcan directly.

Like Vulcan, many of the companies receiving these deals are examples of potential cronyism or are still in the early stages of development. Several have limited commercial production histories, an unproven ability to operate at scale, or remain years away from generating the minerals the administration says are critical to national security. The federal government is increasingly placing taxpayer dollars—and in some cases, direct ownership interests—behind companies that have not demonstrated they can deliver. The result is a model where a small number of politically-connected investors are positioned to benefit from federal financing, while taxpayers absorb much of the risk.

Even the basic details of the August investments appeared to receive limited review, as the White House fact sheet misidentified the names of two of the companies that received a combined $110 million. One of the errors named a completely different company than the intended investment recipient the White House announcement meant to highlight.

It remains unclear how the mining companies were selected or evaluated for government financing, raising questions about what priorities are driving these investments. The deals come as changes to federal disclosure laws make it more difficult to evaluate company ownership and to trace who is benefiting. In August, the Treasury Department's Financial Crimes Enforcement Network announced it would permanently reduce the information American companies are required to share about who owns them and would destroy the ownership data companies have already reported. This lack of information magnifies the potential for harmful conflicts of interest and makes it harder to determine who ultimately controls the companies receiving public money.

Other companies participating in the August announcement are firms that are only nine months old, connected to the administration's family members or donors, associated with past fraud or fraud allegations, or whose financial backers remain largely hidden from public view. This comes on the heels of the White House rolling back disclosure requirements designed to protect investors from speculative projects. In March 2025, a White House executive order waived Securities and Exchange Commission (SEC) disclosure requirements for projects backed by federal agencies, including those that mandated publicly-traded companies demonstrate a mine can actually make money.

As the administration moves beyond traditional loans into equity stakes, the government is now responsible for overseeing projects in which it also holds a financial interest. The Defense Department has not outlined how it will prevent those interests from influencing its regulatory or contracting decisions, and that omission has already proven problematic.

The rush to finance private mining companies has already spurred bipartisan criticism. The Republican-led Committee on Armed Services warned earlier this summer that the Pentagon's push to finance the critical minerals industry has a "high possibility for distorting markets or corruption," and the Cato Institute cited the report as it cautioned that the rapid expansion of Defense investments circled relationships with Trump.

A Federal Bet on Unproven Ventures

Backing emerging technologies and early-stage mining companies with limited production history shifts risks from private investors onto the government. If those companies fail, taxpayers could be left footing the bill, while their executives walk away with the gains. For example, Strategic Bauxite USA—which the White House initially called Standard Bauxite, an unrelated Turkish company—was given $85 million as an equity investment from the agency's new Economic Defense Unit.

Strategic Bauxite appears to have been first registered as a business in Wyoming in December 2025. Like 300,000 other companies, its listed address is a small brick building just off the main street of Sheridan. The storefront belongs to a company that farms registrations, many of which have been tied to scamming operations and shell companies perpetuating fraud. Wyoming law does not require the registering agent to disclose the identities of company owners or verify the businesses.

Strategic Bauxite does not appear to have a functioning company website, and its earliest press coverage appears to be when it purchased an existing bauxite mine in Guyana about a month ago. The financial terms were not disclosed, and it does not appear in any previous SEC records.

On his LinkedIn page, Roy Ostrom III is listed as the co-founder, and while his bio claims to have "over $5bn capital raised," many of his past positions similarly lack public information. He is listed, for example, as a managing partner at Visby Management, a private investing company whose website is a single page displaying only the company logo, and he appears to be the only employee publicly associated with it. A search of SEC filings did not identify any filings with Roy Ostrom III as an executive, director, or beneficial owner.

Last year, Visby attempted to purchase a gold mine in Colombia. The Colombian mining company's board declined to engage with them and ultimately proceeded with another buyer, so Visby's financing claims were not independently verified in any regulatory filings. Though the source of Ostrom's capital remains undisclosed, he previously helped expand a Colombian cannabis company. The Defense Department says its support for Strategic Bauxite will be matched with a $64.5 million "co-investment" from the private sector, but it did not include any details. Further transparency is needed, given that Donald Trump Jr.'s venture capital firm previously held an undisclosed stake in a mining start-up that received a Pentagon loan, after a White House adviser intervened on the company's behalf.

It's not the only example of a large bet on a company still in the early stages. Niron Magnetics, a Minnesota startup, received a $150 million conditional loan as part of Trump's August announcement. While Niron Magnetics has previously received government grants to develop its rare-earth-metal-free magnets, this is the first time the company is receiving a loan from the government. Government grants, like the one Niron previously received through the Department of Energy's SCALEUP program, are designed to incubate promising ideas without requiring certainty of commercial success. Debt financing, by contrast, requires repayment and ultimately a return on investment—making the government's decision to lend $150 million substantially different from funding early-stage research. By law, OSC loans must consider national security and economic interests, if the financing would accelerate the project, and its creditworthiness, but those conditional details and loan terms are not required to be disclosed to the public. Niron has not yet launched full-scale production, and is still constructing its first plant in Sartell, Minnesota, with a second facility in the planning phase. The company's CEO, Jonathan Rowntree spoke with the Trump administration about rapidly scaling up production to meet demand for U.S.-made magnets, and in February opened a D.C. office to expand its lobbying, hiring a former assistant to Republican Majority Whip Tom Emmer.

A similar story is playing out with the largest loan announced at the roundtable, a $1.4 billion conditional loan to Sila Nanotechnologies to scale its silicon-anode battery technology for AI and defense. While Sila previously received much smaller research and development support during the Obama and Biden administration to develop EV batteries, those sums pale in comparison. One of the company's investors, venture capital firm 8VC, is owned by Joe Lonsdale, a Palantir co-founder who donated $1 million to the Trump-aligned America PAC.

Table 1: Deals Announced at Mining Roundtable

Company	Federal agency	Financial Backing	Potential Issues
Strategic Bauxite	Office of Strategic Capital (OSC)	**$85M equity investment**	**Limited ownership transparency and corporate history.** Strategic Bauxite USA was reportedly formed in Wyoming in December 2025 at an address tied to other shell companies. Its co-founder Roy Ostrom III's investment history and sources of capital are not readily verifiable through public means.

Company	Federal agency	Financial Backing	Potential Issues
Niron Magnetics	OSC	**$150M conditional loan**	**Early-stage tech company.** Niron is a private company that has not yet established full-scale commercial production. Niron expanded its lobbying activities this year by hiring former assistant to Republican Majority Whip Tom Emmer.
Sila Nanotechnologies	OSC	**$1.4B conditional loan**	**Early-stage tech company.** Venture capital firm 8VC is an investor in Sila. Joe Lonsdale, who donated $1M to Trump's America PAC, founded 8VC.
Sunrise Energy Metals	OSC	**$400M conditional loan**	**Private gain through stock appreciation.** Friedland, the company's largest shareholder, exercised 3 million options just days before the loan announcement. As of Aug 16, Sunrise's stock has risen more than 7,000% since Trump took office, increasing Friedland's net worth by hundreds of millions.
5E Advanced Materials	Export-Import Bank (EXIM)	**$8M loan**	**Political access.** 5E paid $120,000 to the Bernhardt Group, the lobbying firm founded by former Trump Interior Secretary David Bernhardt, to lobby on issues including the company's effort to obtain critical-mineral status for boron.
Westwater Resources	EXIM	**$25M loan**	**Political access.** Westwater has a longstanding financial relationship with Cantor Fitzgerald, the former firm of Commerce Secretary Howard Lutnick. Cantor served as its ATM equity-sales agent and investment banker.
Global Advanced Metals	EXIM	**$25M loan**	**No competitive bidding.** The company previously received two sole-sourced—meaning no competitive bidding—contracts

Company	Federal agency	Financial Backing	Potential Issues
			from the Trump administration. Despite the purported goal of expanding domestic supplies, this loan is to expand processing of tantalum and niobium, neither of which are mined in the United States.
Harena Rare Earths	Development Finance Corporation	**$4.8M project development funding**	**Limited corporate history.** Founded in 2022, Harena Rare Earths is planning its first mine in Madagascar. With limited mining experience, the company identified MP Materials and USA Rare Earth as downstream partners, both linked to the Trump administration. Paul Jacobi, a partner at the Wexford Capital, an investor in Harena, attended a high-profile crypto dinner hosted by Donald Trump in May 2025

Source: Public Citizen research

Perhaps the most risky move of the Trump administration's mining mania is its aggressive push to advance deep-sea mining, an unproven, nascent technology with profound environmental harms. At the industry roundtable, Tom Albanese, a pioneer of the speculative effort to extract minerals from the seafloor, presented Trump with a solid gold replica of a deep-sea polymetallic nodule. The real versions are mineral-rich rocks on the ocean floor that contain critical minerals like nickel, cobalt, and copper, but no deep sea mining operation has successfully launched anywhere in the world. The absurdity of the prop shouldn't obscure the seriousness of the administration's support for the industry. Despite several countries calling for a moratorium, the Trump administration is moving aggressively to open U.S. waters to the industry. The Interior Department's Bureau of Ocean Energy Management is currently considering selling deep-sea mining leases off the coast of Virginia to Odyssey Marine Exploration, the company currently merging with Albanese's American Ocean Minerals.

Albanese has previously faced allegations of inflating asset values. While he was CEO of Rio Tinto, he helped sell investors on the promise of a Mozambique coal mine. Rio Tinto bought it for $3.7 billion but sold it for just $50 million several years later. The SEC charged Albanese and Rio Tinto with fraud in 2017. The company ultimately paid $28 million to settle the case, with Albanese personally paying a fine of just $50,000—a slap on the wrist for a multi-millionaire. This year, Trump's SEC dismissed the fraud case against the company's former CFO.

Donald Trump holds up a gold replica of a deep sea nodule (Photo by Eric Lee/Getty Images)

Political Connections, Public Money

For some companies, the critical minerals push has already translated into huge profits. The biggest emerging winners are those with connections to the White House. At the roundtable, Sunrise Energy Metals received a $400 million conditional loan for scandium production for military uses. Last year, the company gained momentum from the administration's push to expand domestic mineral production, including a letter of interest from the U.S. Export Import Bank, with what the company called an "attractive repayment term." Since Trump took office, Sunrise's stock has increased by 7,000 percent.

The company has courted ties to Trump's business world: Its board appointed Peter Arnell, a designer and branding executive, as a non-executive director in May, just two days after the White House created a novel position for him as U.S. Chief Brand Architect. Arnell's advertising firm worked for Trump in the 1990s, and he has previously described Trump as "one of the greatest choreographers of business and image that the business world has ever seen."

Another key figure behind Sunrise's ascent is Robert Friedland, one of the main beneficiaries of Trump's mining policy. The chairman of Sunrise Energy's board and the company's largest shareholder, Friedland's storied past shows an appetite for lawbreaking and risk-taking for personal gain. He earned the nickname "Toxic Bob" because of two massive cyanide spills involving his ventures—one in Colorado and the other in Guyana. Previously, he was arrested for possessing and attempting to sell what was then $100,000 worth of LSD, and convicted to a two-year federal prison sentence. As a young man, Friedland and Steve Jobs shared a spiritual living experience on an apple farm that would go on to inspire the name of Jobs's technology company.

At the roundtable, Friedland sat center stage, just to the right of Howard Lutnick. Over the course of Trump's second term, Friedland increased his holdings in Sunrise significantly, roughly tripling his position. At the end of 2024, he held almost 12 million shares; he now holds over 33 million, a stake worth about $381 million. Just a week before the August announcement, Friedland exercised an option to buy an additional 3 million shares. The rapid increase in his holdings and the appreciation in Sunrise's stock represents hundreds of millions of dollars in gains.

It's not the only way Friedland has profited from the Trump administration. At the roundtable, Trump also announced a potential $1 billion investment in another of Friedland's ventures, Ivanhoe Electric, which is developing a copper mine in Arizona. Trump called it "one of the biggest anywhere in the world." Separately, I-Pulse, Friedland's venture into semiconductors, received a $250 million equity investment through the Department of Commerce's CHIPS Act this year. And another of his companies, Ivanhoe Mines, stands to gain from its potential role as a supplier for Project Vault, the administration's new critical mineral stockpile.

Political access has become a valuable resource in the race for government-backed funding for critical minerals. 5E Advanced Materials, which received a $8 million loan from EXIM in the August announcement, previously successfully lobbied to get a critical minerals designation for boron. They paid $120,000 to the Bernhardt Group, Trump's former Secretary of the Interior's lobbying shop, to make their case in Washington. Boron was added to the critical minerals list in 2025. This kind of critical mineral determination can open up billions in funding from the Department of Energy and the Defense Department, as well as expedited permitting.

Other companies have pursued a different form of access: Relationships with the financial institutions and advisers close to Trump. At the round-table, James Litinsky, CEO of MP Materials, sat a few seats down from Trump and Lutnick. His company received $400 million from the Defense Department last year in exchange for a 15 percent government equity stake. At the event, Litinsky claimed the "American taxpayer has already benefited" from the Pentagon becoming his largest investor. Litinsky himself, along with Trump's friends and allies, have profited handsomely: MP Materials stock climbed more than 300 percent between Trump's inauguration and last fall, when Litinsky sold off roughly $40 million in shares, cashing in on the federal investment. Stephen Miller similarly sold his MP Materials shares last August after the deal was announced, and billionaire Gina Rinehart, an avid Trump supporter and Mar-a-Lago guest, is its largest private backer.

Meanwhile, other mining companies have pursued relationships with Cantor Fitzgerald, the investment bank formerly led by Howard Lutnick, before ownership was transferred to his children. One of the loan grantees announced at the roundtable is Westwater Resources, which has had multiple financing relationships with Cantor. Until 2024, the bank served as Westwater's at-the-market equity sales agent, helping the company sell newly issued shares. In 2024, Westwater reported $1.1 million in net proceeds from approximately 2.3 million shares sold through the arrangement. In 2025, the company again engaged Cantor to help arrange a proposed $150 million debt syndication for its graphite plant. Westwater went on to receive a letter of interest from EXIM last year, before being given $25 million in the August announcement.

Fast-tracking Pollution for Profit

While lining the pockets of his wealthy friends, Trump's mining policy is set to create lasting environmental damage. The Trump administration has rapidly expanded the use of FAST-41, a federal permitting coordination process designed to speed reviews for major infrastructure projects. Since taking office, the administration has added twenty mining projects, giving them access to coordinated timelines and streamlining federal review. Several of the companies mentioned at the roundtable have benefited from the administration's eagerness to cut red tape at the cost of the environment and surrounding communities, including Westwater Resources.

It plans to develop a roughly 41,900-acre graphite deposit in Alabama, building a processing facility to supply material for lithium-ion batteries. In March 2026, the project was added to the FAST-41 program, expediting its permitting process.

Despite the significant federal investment, the project remains in the early stages of environmental assessment, which isn't expected to conclude until June 2027. Pending reviews include a Clean Water Act analysis of impacts to wetlands and waterways, a state discharge permit covering stormwater and mining-related water, and an Endangered Species Act consultation.

Those impacts could be substantial. The company's plans involve converting a large forested area into an open-pit sulfide-ore mine near streams and wetlands, potentially contaminating groundwater with acid mine drainage and heavy metals. The project would also generate large quantities of tailings, which can contain toxic metals and require permanent storage in tailings facilities. The nearby Coosa River basin is habitat for several threatened and endangered species, including the federally listed Alabama live-bearing snail.

Another attendee was the CEO of Energy Fuels, Ross Bhappu, who leads an established company that is already a major beneficiary of the Trump administration's mining subsidies and public lands giveaways. This summer, Trump reduced the size of Bears Ears National Monument by more than 90 percent, allowing mining companies access to about 1 million acres of federal land in southern Utah, just miles away from a uranium mill owned by Energy Fuels. The removal of protected lands not only paved the way for environmental harms, but Bhappu faces Congressional allegations of using the opportunity for financial advantage through potential insider trading. Five days prior to the announcement, before the downsizing of the monument was publicly announced, Bhappu increased his ownership by 41 percent. The Trump administration awarded Energy Fuels a $725 million loan from OSC this June, and fast-tracked permitting for its uranium mine in New Mexico, the Roca Honda Project.

One of the most controversial mining projects added to FAST-41 by Trump is Resolution Copper in Arizona. After a decades-long legal battle over environmental concerns and religious disputes raised by the San Carlos Apache Tribe, Trump's Forest Service finalized a land swap this spring that granted Australian mining companies Rio Tinto and BHP land from Tonto National Forest with a significant copper reserve in exchange for land elsewhere in Arizona. It was originally authorized by Congress in 2014 in a provision snuck in by then-Sen. John McCain, who received campaign contributions from Rio Tinto. Subsequently, the Biden administration blocked the transfer, rescinding the environmental review. The Trump administration reissued an environmental impact statement that eventually cleared the land swap this March. Victoria Peacey, president and general manager of Resolution Copper, who attended the August roundtable, credited the Trump administration with finally moving the project across the finish line: “We started permitting in 2005, and if it were not for your administration–we finally got it over the line this year,” she told Trump at the event.

Table 2: Attendees at Mining Roundtable

Trump Administration		
Attendee	**Roles**	**Conflicts of Interest**
Howard Lutnick	Secretary of Commerce; previous chairman of Cantor Fitzgerald	Lutnick’s former firm Cantor Fitzgerald has been tied to several of the mining deals that the administration has announced, including USA Rare Earths and Cove Kaz Capital’s Tungsten-mine in Kazakhstan.
Doug Burgum	Secretary of Interior	Burgum is invested in several energy companies and leases land in his home state, North Dakota. He has a close personal relationship with Harold Hamm, an oil executive and one of Trump's biggest donors.
Jarrod Agen	Director of National Energy Dominance Council	Agen, a former Lockheed Martin employee, continues to hold stock in the company while directing the White House council that sets national policy affecting defense contractors.
Private Sector		
Attendee	**Roles**	**Preferential Access**
Robert Friedland	Board chairman of Sunrise Energy Metals; founder and major shareholder of Ivanhoe Capital, I-Pulse, and Ivanhoe Electric	In May 2025, Friedland met with Trump and Saudi Crown Prince Mohammed bin Salman in Riyadh. In February this year, Friedland met with Trump for the launch of Project Vault, which Ivanhoe mines will supply.
Ross Bhappu	CEO of Energy Fuels	Bhappu bought the largest block of Energy Fuels stock in company history just days before Trump cut the Bears Ears National Monument, granting the mining companies access to uranium-rich land. House Democrats opened an investigation into potential insider trading.
James Litinsky	CEO and chairman of MP Materials	Litinsky’s MP Materials received a $400 million equity stake from the Pentagon, a deal negotiated in part by a lawyer who simultaneously managed Deputy Defense Secretary Stephen Feinberg’s personal trust.
Tom Albanese	Chairman of American Ocean Minerals; former CEO of Rio Tinto	Albanese’s company American Ocean Minerals stands to directly benefit from Trump’s EO fast-tracking seabed mining permits. After Odyssey Marine Exploration—the company that later merged with

		American Ocean Minerals—submitted an unsolicited request for an offshore lease, BOEM opened a Request for Information about a potential lease sale off the coast of Virginia.
Victoria Peacey	President and General Manager of Resolution Copper, a joint venture of Rio Tinto and BHP	Peacey's Resolution Copper project's permitting was fast-tracked, and its long-contested Oak Flat land transfer completed after Trump officials intervened.

Source: Public Citizen research.

The Revolving Door at Pentagon's Investment Arm

Many of these decisions result from the Trump administration putting extraordinary financing authority in the hands of a small group of former private-equity executives. Stephen Feinberg was confirmed as the Deputy Secretary of the Defense Department last March, joining from his position as CEO and co-founder of investment firm Cerberus Capital Management. Feinberg hired former Cerberus employee George Kollitides II to lead the Defense Department's novel Economic Defense Unit, which signed the Strategic Bauxite deal. Kollitides also serves as vice chair of the Defense's Office of Strategic Capital investment committee, which authorized conditional loans to Sila, Sunrise, and Niron. In addition, Feinberg brought former Cerberus employee David Lorch to lead OSC.

Cerberus, meanwhile, has aggressively expanded its critical minerals portfolio in recent years, investing in lithium and zinc companies, among others. Those investments closely track the sector now being prioritized by Trump's minerals agenda. Additionally, the lawyer managing Feinberg's personal irrevocable trust and charitable foundation also brokered last year's MP Materials deal with the Pentagon. Given this shared history, greater transparency is needed to ensure these decisions are driven by national priorities, not private relationships.

Kollitides is technically classified as a special government employee, allowing him to simultaneously continue private sector work. That also means no ethics disclosure, agreement, or recusal is available publicly for Kollitides, making it difficult to ascertain whether potential conflicts were identified and addressed before federal funds were committed.

This concern is heightened by Kollitides's relationship with D. Boral Acquisition I Corp., a special-purpose acquisition company where Kollitides served as director nominee in January 2026, shortly before being appointed to the Defense Department in early February. Just six days after his appointment, D. Boral's SEC prospectus featured Kollitides' brand-new Pentagon job, saying he was "responsible for all Department of War investing and economic activities."

D. Boral's board member, Kevin McGurn, became the interim CEO of Trump Media in April. And in June, D. Boral recommended buying Westwater Resources stock.

The investment bank sponsoring the acquisition company, D. Boral Capital, helped underwrite another special-purpose acquisition company backed by Donald Trump Jr. and Eric Trump last year, which went public in a $345 million IPO.

The potential benefits to Trump's friends and family from this kind of deal-making, and his personal intervention in mining contracts while president, led several Democratic senators last month to formally request the Department of Defense and other federal agencies to preserve documents related to many of the critical minerals companies participating in the roundtable, including American Ocean Minerals Corporation, Energy Fuels, Westwater, and Vulcan. Several federal agencies have been reported destroying official communications in violation of the Federal Records Act, including, most recently, the Interior Department routinely shredding documents and using disappearing Signal messages.

The administration's push to secure critical minerals is outpacing oversight. Now, billions of dollars of public resources are flowing toward a select group of companies and executives. Rather than quantifying proven demand or supporting mineral recycling and circularity, the Trump administration is giving away taxpayer dollars without properly vetting the companies involved, and doing little to actually ensure long-term supply chain resilience. That makes it urgent to understand how these decisions are being made, what relationships helped along the way, and whether these government investments are actually in the interests of the American people.

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