ML STRATEGIES

New Federal Funding Opens Key Opportunities in Critical Minerals

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VIEWPOINT TOPICS

- Energy & Sustainability

The US Department of Energy (DOE) and the Defense Industrial Base Consortium (DBIC) have opened major new funding pathways aimed at strengthening domestic critical mineral supply chains. Together, these solicitations represent a significant federal push to expand processing, recycling, and manufacturing capacity for the materials essential to advanced batteries and defense applications.

DOE Launches $500 Million Funding Opportunity

On March 13, 2026, DOE's Manufacturing Deployment Office (MDO), part of the Office of Critical Minerals and Energy Innovation (CMEI), **issued** a **Notice of Funding Opportunity** (NOFO) offering $500 million across three topic areas with the goal to develop demonstration and commercial facilities that increase the domestic supply of critical minerals and materials for advanced battery technologies.

Topic Area 1: Domestic Critical Materials Processing from Raw Feedstocks

DOE seeks proposals for large-scale demonstration projects and new or upgraded commercial facilities that recover critical minerals and materials — such as concentrates, hydroxides, and sulphates — from domestic or international feedstocks. Eligible feedstocks include primary and secondary ores, clays, tailings, and geothermal or oilfield brines.

Demonstration projects must exceed pilot scale, with minimum awards of $50 million. New commercial-scale facilities may receive no less than $100 million, while retooling, retrofitting, or expanding existing facilities requires a minimum of $50 million.

Although facilities may produce non-battery materials, proposed project scopes must focus strictly on battery materials. High-priority applications include projects:

- targeting minerals identified as vulnerable in US advanced battery supply chains, including lithium, nickel, and cobalt;
- demonstrating market traction through feedstock and offtake agreements;
- co-producing multiple critical minerals; and
- projects with process innovations that lower production costs or improve yields.

Topic Area 2: Domestic Critical Minerals Recycling

DOE aims to support demonstration and commercial-scale solutions that recover critical materials from recycled feedstocks — end-of-life batteries, rejected or recalled batteries, and battery manufacturing scrap.

Applicants must propose facilities focused on recycling batteries to produce advanced-battery materials, emphasize domestic capacity development, and target new facilities or upgrades to existing ones. Priority will be given to projects that:

- maximize full value-chain production by co-producing multiple critical minerals;
- recycle materials identified as supply-chain vulnerabilities, including graphite, nickel, cobalt, and rare earth elements;

- demonstrate market traction through feedstock and offtake agreements;
- show competitiveness under current market conditions; and
- introduce process innovations that reduce costs or improve yields.

Funding thresholds mirror Topic Area 1: $50 million minimum for demonstration projects, $100 million for new commercial facilities, and $50 million for facility upgrades. DOE is currently assembling a **Teaming Partner List** to help prospective applicants form project teams.

Topic Area 3: Domestic Battery Materials and Component Manufacturing

This topic area targets new commercial-scale facilities — or upgrades to existing ones — focused on manufacturing strategic battery components for energy and defense applications. Funding begins at $100 million for new facilities and $50 million for retrofits or expansions.

Priority consideration will go to projects that:

- address vulnerabilities in the battery supply chain, including synthetic graphite, cathode active materials, and specialty metals manufacturing (copper, aluminum, lithium);
- demonstrate feedstock and offtake agreements;
- show competitiveness under current market conditions; and
- improve costs or yield through process innovation.

For all three topic areas, letters of intent are **due March 27, 2026** at 5:00 p.m. ET. Full applications are **due April 24, 2026** at 5:00 p.m. ET.

DBIC Issues Request for Project Proposals

On February 27, 2026, the Defense Industrial Base Consortium **released** a **Request for Project Proposals** targeting critical gaps in domestic production capacity for several minerals: arsenic, samarium, bismuth, tungsten, gadolinium, vanadium, germanium, ytterbium, graphite, yttrium, hafnium, zirconium, and nickel.

Project solutions must address at least one of these materials and align with one or more of six areas of interest (AOIs):

1. **Raw mineral sourcing and beneficiation** — including feasibility studies, infrastructure improvements, by-product recovery, flowsheet optimization, autonomous systems, and steps toward operationalizing mining or expanding production.
2. **Separation and processing** — converting raw or beneficiated materials into intermediate chemical forms such as oxides, chlorides, or salts.
3. **Metal production, metallization, refining, and upscaling** — smelting, metal production, and refining to high-purity forms.
4. **Alloying and finish processing** — alloy creation, metal coating or plating, and finishing steps for integration into critical component supply chains.
5. **Recycling, recovery, and alternative sourcing** — recovering minerals from tailings, scrap, industrial waste, or other underutilized sources.
6. **Supporting supply chains** — producing reagents, inputs, tooling, equipment, and other materials necessary to sustain critical mineral value chains; includes qualification for Department of Defense (DoD) systems.

Projects addressing multiple value-chain stages or co-producing multiple minerals are encouraged. The DoD is seeking solutions that advance emerging technologies, demonstrate measurable progress, and strengthen critical mineral supply chains needed for national security.

Applicants must describe project impacts, production volumes, market conditions, demand, commercialization pathways, and advancements in both Technology Readiness Level (TRL) and Manufacturing Readiness Level (MRL).

Submissions are **due March 20, 2026** at 5:00 p.m. ET.

Conclusion

ML Strategies continues to closely track these significant federal funding opportunities, as well as the broader policy and market developments shaping critical mineral supply chains and advanced battery manufacturing. Our team stands ready to support further analysis, engagement strategies, or partnership development. Please feel free to reach out with any questions or if you would like to explore potential opportunities.

Authors



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John Lushetsky draws on over 30 years of experience in government and industry to help clients identify strategic opportunities, secure federal funding, and position innovative technologies for success within evolving energy and infrastructure policy landscapes. He has successfully helped clients navigate complex issues through a variety of federal agencies.

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