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GAO Mining Claim Reports Point to Paperwork Fixes, Not a Change in Course for Domestic Mining

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On October 15, 2026, House Natural Resources Committee Democrats released two U.S. Government Accountability Office ("GAO") reports on how the Bureau of Land Management ("BLM") handles hardrock mining claims and foreign investment on federal lands.

The main report, *Critical Minerals: Limited Available Information on the Full Extent of Foreign Investment in Mining on Federal Lands* (GAO-27-108094, Oct. 6, 2026), is informational. A companion report recommends that BLM collect citizenship information from claimants and document that they meet the Mining Law of 1872's citizenship requirements.

The reports do not change any existing legal requirement. GAO found no U.S. subsidiaries of adversary-country companies holding approved mining plans on federal lands, and BLM officials told GAO that foreign investment brings jobs, tax revenue, and needed capital. The likely near-term result is a modest BLM recordkeeping step, not broad limits on who can hold claims or invest in U.S. mining, although clients should be prepared for targeted proposals to keep claims in U.S. and allied hands. With the midterm results in, the question is whether the reports become a basis for oversight and legislation in the 120th Congress, which convenes in a few short months.

What GAO Found

The Mining Law of 1872 allows U.S. citizens, legal immigrants who have applied for citizenship, and entities organized under U.S. state or territorial law to hold mining claims. Foreign companies typically invest through U.S.-incorporated subsidiaries. GAO reported that BLM does not generally collect citizenship information or record whether claimants qualify, a recordkeeping observation; GAO did not find any claimant unqualified. BLM already requires operators to provide a Tax Identification Number with their plans of operation.

GAO reviewed the 43 U.S.-incorporated claimants and operators of 59 critical mineral mines on BLM-managed land. Of the 32 whose ownership it could identify, at least 14 have foreign parents, all based in U.S. allies and partners: Canada, Australia, the United Kingdom, Poland, Curaçao, and Ireland. GAO did flag those Chinese entities, including a Chinese state-owned company, hold minority stakes (roughly 11 to 12 percent) in two of

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those parents, a reminder that Chinese capital can reach federal claims indirectly. GAO expressed no legal opinion on any parent-subsidiary relationship.

Practical Implications for Claimants and Operators

First, nothing changes today. The reports create no new filing or disclosure obligations, and the $49 location fee and $200 annual maintenance fee are unchanged. If BLM adopts GAO's recommendation, claimants may need to submit citizenship or entity-organization information, which most companies already keep.

Second, companies with foreign parents should keep corporate records in order. The Mining Law does not require disclosure of foreign parent ownership, and BLM does not record ownership changes. A current ownership-chain summary for each claim-holding entity, noting any direct or indirect Chinese-linked interests, would allow a quick response to any future BLM request.

Third, existing foreign investment review remains the primary national security backstop. Treasury confirmed to GAO that the Committee on Foreign Investment in the United States (“CFIUS”) can review investment in foreign parents of U.S. subsidiaries mining on federal lands, including mines near designated military installations. The reports do not create a new review regime.

The Broader Policy Context

The reports were requested by minority members of the House Natural Resources Committee, and before the election, a Democratic committee aide said related legislation was likely. Because Congress and the administration are focused on expanding domestic mineral production, the most realistic reform would preserve allied investment while limiting claims held by Chinese or other adversary-country interests. Interior and the U.S. Department of Agriculture (“USDA”) did not respond to GAO, and the August 2026 Financial Crimes Enforcement Network (“FinCEN”) rule exempting domestic companies from beneficial ownership reporting reflects the administration's preference for lighter reporting burdens.

The election results change that calculus. With Democrats now taking control of both the House and the Senate, the members who requested the reports are positioned to set the House Natural Resources Committee's agenda, hearings, and document requests, and Senate Democrats, including Sen. Martin Heinrich, will have comparable leverage on their side of the Capitol.

Oversight hearings and information requests are realistic in 2027, and proposed legislation may reach indirect minority stakes like the Chinese interests GAO identified. Enactment would still require the President's signature, and the administration's focus on expanding domestic mineral production and lighter reporting burdens makes a veto of broad disclosure mandates possible. The most realistic legislative outcome (if any) is a narrower measure targeting adversary-country interests, potentially

attached to must-pass legislation like the National Defense Authorization Act, while committee oversight is likely to begin early in the new Congress.

The administration is pursuing a parallel track on agricultural land. A June 2026 USDA proposal to overhaul the Agricultural Foreign Investment Disclosure Act ("AFIDA") regulations would expand covered land to include solar, wind, and pipeline uses, require reporting of easements, rights-of-way, and leases of one year or more, and lower the aggregate foreign-ownership threshold to 10 percent. Any interest held by a foreign adversary would be reportable, with faster-accruing penalties for late filing. Although interests solely in mineral rights would remain exempt, mining and energy companies with surface acreage or access rights on agricultural land, particularly those with Chinese-linked minority investors like the ones GAO identified, should assess whether a final rule would trigger new filing obligations.

Federal Support for Domestic Mining Continues

GAO acknowledged that new mines could cost billions of dollars and take up to 20 years to become fully operational, often with Canadian and Australian capital. The federal government is backing the sector: in July 2025, Congress appropriated $5 billion for critical mineral supply chain investments and $500 million for related loans and support through the Department of Defense, and the Department of Energy announced nearly $1 billion in funding opportunities.

Executive orders issued since 2025, including *Immediate Measures to Increase American Mineral Production*, direct agencies to accelerate domestic production and reduce reliance on China. Future funding for critical minerals may draw closer scrutiny in the new Congress, but the executive branch's support for the sector does not depend on the election. Against that backdrop, the reports are best read as a data-gathering exercise that may add a verification step for claimants, not a signal that allied capital is unwelcome in U.S. mining.

Looking Ahead

On October 21, 2026, GAO confirmed that it accepted a request from Sen. Martin Heinrich and Rep. Jared Huffman to review the federal government's equity stakes and other financial deals with mining and processing companies. The lawmakers asked GAO to examine agencies' use of Executive Order 14241 to waive certain disclosure requirements, the National Energy Dominance Council's role in due diligence, and potential conflicts from the government's dual role as investor and regulator.

GAO has not yet set the review's scope or methodology and will begin once staff are available; the White House has defended the deals as reshoring critical mineral supply chains. GAO will also review Interior's creation of the Marine Minerals Administration, which oversees offshore development, including mining. With the requesting lawmakers' party now in the majority in both chambers, the review is a likely springboard for House and Senate hearings on the government's dual role as investor and

regulator, including offshore minerals. Companies with federal equity or financing or negotiating it, should keep diligence records organized and be prepared for congressional or GAO document requests, not just informal follow-up.

Little is likely to happen during the lame-duck session, aside from must-pass legislation. The most likely change remains executive: possible BLM guidance implementing GAO's citizenship recommendations, which does not require congressional action. Clients should also watch for bills or executive action responding to the reports once the new Congress convenes. Meanwhile, claimants and operators should confirm that claim-holding entities are organized under U.S. state or territorial law and keep ownership records current. Companies with U.S. or allied ownership should be well positioned under any reform; those with Chinese-linked investors may want to assess that exposure now, including through a privileged review of indirect ownership and a check that public statements about federal financing are consistent. We will continue to monitor developments and are available to help clients assess new requirements.

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