



## OPINION

# Canada needs to treat critical minerals as a national security asset

Because in today's geopolitical environment, Canada cannot afford to lose control over the mineral assets tied to our future security and industrial base.

BY MARK SELBY

Canada is putting far greater focus on critical minerals and the role they will play in our country's industrial and defence future. Nickel, cobalt, copper, graphite, and rare earth elements are now routinely described as strategic resources tied to economic resilience and geopolitical stability.

However, Canada's policy and oversight frameworks have still not fully caught up to this shift.

Recent testimony before the House Standing Committee on National Defence raised growing concerns about foreign



Energy Minister Tim Hodgson, pictured on the Hill. Nickel, cobalt, copper, graphite, and rare earth elements are now routinely described as strategic resources tied to economic resilience and geopolitical stability, writes Mark Selby. *The Hill Times* photograph by Andrew Meade

influence and concealed ownership structures tied to strategic mineral assets. Witnesses described patterns where mining firms appear independent on paper, but ownership is obscured through layered holding companies and indirect investment vehicles designed to conceal foreign control.

One witness described copper companies in South America as being structured through layered ownership models designed to conceal Chinese ownership. Experts have observed similar patterns involving businesses operating on Canadian exchanges.

The question is no longer just where these minerals are located, but also who ultimately controls the projects and supply chains connected to them.

Modern defence systems depend on secure access to strategically important minerals.

Nickel is also a foundational input for specialty alloys and stainless steel, which remains critical to naval vessels, military infrastructure, armoured equipment, aerospace applications, and a range of defence manufacturing systems that require durability and corrosion resistance. This matters even more as Canada increases its defence spending, and expands domestic industrial capacity commitments.

The United States is already doing this. Through the Defence Production Act, the Inflation Reduction Act, Department of Energy financing programs, and direct Pentagon-backed investments, that country's government has moved aggressively to secure domestic and allied mineral supply chains.

Canada has made progress through initiatives like the Critical Minerals Strategy and the

Major Projects Office, but there remains a gap between identifying minerals as strategic, actually protecting them as strategic assets, and providing the financing to ensuring Canadian companies can advance them aggressively—leaving Canada exposed in areas tied directly to defence and industrial security.

If Canada wants to build resilient defence supply chains, we cannot remain passive about who ultimately controls the mineral assets feeding those systems. Nor can we continue relying on regulatory frameworks designed for a very different economic and geopolitical era.

There are several practical steps the federal government should now consider.

First, Ottawa should lower Investment Canada Act review thresholds for strategic mineral assets and transactions. Current thresholds may not adequately



Mark Selby. *Handout photograph*

capture gradual or indirect acquisitions that can still result in meaningful foreign influence over strategically important projects, and Canada should require far greater beneficial ownership transparency for entities investing in strategic mineral projects. Opaque corporate structures should not become a loophole through which hostile or non-aligned actors gain influence over nationally significant resources.

Second, the federal government should consider establishing a separate “strategic minerals” category distinct from the broader critical minerals framework. Not every critical mineral carries the same impli-

cations for defence, sovereignty, or industrial security. Canada needs a more focused framework for assets tied directly to defence and strategic manufacturing capacity.

Finally—and most importantly—supporting strategic mineral projects through to construction also requires a more serious conversation about financing. Across the sector, many junior mining companies face a “valley of death” between early-stage development and final investment decision, particularly in capital-intensive sectors tied to critical minerals. Other jurisdictions, including the U.S., are increasingly using targeted public financing tools to help stra-

tegic projects reach commercial scale and unlock significantly larger pools of private investment. Government participation can have a multiplier effect by reducing risk and signaling long-term strategic importance to private capital markets.

The U.S. and other allied countries are already using government-backed financing to strengthen domestic mineral supply chains, and to support strategically important projects. We should address these risks before foreign influence over strategic mineral assets becomes far more difficult to unwind.

Our nation has the resource potential, technical expertise,

and allied relationships to become a secure and reliable supplier of the minerals on which democratic economies increasingly depend. But if we want to maintain control over those advantages, we need to start treating strategic mineral security with the same seriousness that we are now applying to energy security, defence procurement, and critical infrastructure.

Because in today’s geopolitical environment, Canada cannot afford to lose control over the mineral assets tied to our future security and industrial base.

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