POLICY BRIEF

Critical Minerals Strategy Update: Building the Strategic Investment Road Map

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Jessica Shadian, Ph.D.

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MISSION

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HEAD OFFICE
#801 – 1350 Kingston Road
Toronto, Ontario
Canada M1N 1C8

NORTHERN BRANCH
736 Igluik Drive
PO Box 2323
Iqaluit, Nunavut X0A 0H0

WEB
arctic360.org

EMAIL
hello@arctic360.org

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"Canada has what the world wants."
– PM Mark Carney, Canada Investment Summit 2026

Introduction Canada has what the world wants. In today's geopolitics, that makes its abundance of critical minerals an equal proportion risk and opportunity. In Canada's Arctic, the stakes are exponential. Defence production, dual-use technologies, critical infrastructure, energy, the transmission of communications and data storage all rely on access to critical minerals, making them invaluable to nations around the world. Simply put, the critical minerals that the world wants and needs are direct matters of national security, defence, and economic opportunity, as well as a lever for Canadian diplomacy and foreign policy. They are also a target for foreign interference, nefarious investments, market manipulation, and espionage across the board from corporate and civil to government. It is in this geopolitical context that the update to Canada's critical minerals strategy must be situated. Its premise cannot be built on unlocking economic opportunity. It must be grounded in the global geopolitical world "as it is".

From a Mining Strategy to an Investment Roadmap for National Security, Defence and Foreign Policy Political strategies are structured around a particular understanding of the world. They serve as guidebooks that begin with a vision and detail what will be done to get there. Given the substantial acceleration of geopolitical change that has taken place since the original critical minerals strategy, its update should be restructured around a framework to match the times. To do so requires a wholesale reorientation and renewed purpose. Rather than being framed as an economic strategy on specific mines and the economic opportunities they do/could create, the update needs to be the strategic investment roadmap that advances Canada's security, defence, and foreign policy needs.

Towards that, the critical minerals update needs to begin outside of Natural Resources Canada (NRCan) and be built out of an overarching Canadian national security, defence, and foreign policy strategy umbrella. While national security, defence, and foreign policy all fall under separate strategies, on matters of critical minerals they have specific and interdependent roles to play. In this brief they are regarded as a single umbrella strategy. Together, the security, defence, and foreign policy umbrella must provide the vision and the specific role that Canada's critical minerals play for Canada, accompanied by clear objectives including the role that varying departments and agencies across the federal government are expected to play.

NRCan – through the Critical Minerals Centre of Excellence – should remain the coordinating anchor that brings together programs and policy initiatives across the federal government with a mandate to support the development of a robust, Canadian critical minerals ecosystem and end-to-end supply chain. The Critical Minerals Centre of Excellence must also have clearly defined support structures enabling strategic in cooperation with the full range of federal programs and policies in the development of and managing its updated critical minerals strategy.

Support for developing a strategic investment roadmap that advances Canada's security, defence, and foreign policy needs can be found within the new Defence Investment Agency (DIA). Its mandate includes many aspects around coordination and procurement for the various pieces of the critical minerals ecosystem, helping to support the prioritization of and access to Canada's critical minerals, secure domestic supply chains, and support long-term investments through coordination of defence-related investment procurement.

It is the Department of National Defence (DND), however, that is responsible for developing a critical mineral defence strategy for mineral production, processing, stockpiling, and procurement. Yet, the defence needs related to critical minerals are limited to DND. On issues such as stockpiling, for instance, the DIA will work with Innovation, Science and Economic Development Canada (ISED), DND and Public Services and Procurement Canada

(PSPC)-DIA, as all three are responsible for Canada's domestic stockpiling needs. Precisely how responsibilities are to be divided, coordinated, and made complementary is unclear.

The DIA's mandate also includes a foreign policy component to support Canada's cooperation with allied countries. Examples include bilateral security agreements, the G7 Critical Minerals Production Alliance that Canada is party to, as well as NATO's efforts to advance stockpiling. The coordinating and complementary mandates of the DIA and DND's mandate to develop a critical minerals defence strategy are nonetheless distinct from NRCan's existing critical minerals strategy. How the mandates and strategies are intended to fit together and who is accountable for ensuring that they do is imprecise.

Moreover, the separation of the two strategies is symptomatic of a disconnect in the face of the geopolitical value and significance that critical minerals hold. Canada's critical minerals deposits and the full supply chain ecosystem that flows from this are a matter of national security, defence, foreign policy, and economic leverage. They cannot be divided up and relegated to varying federal departments and agencies, each with their own separate critical minerals strategies.

Moreover, extensive overlap already exists across the federal family. NRCan, for instance, already works with DND, PSPC and ISED on stockpiling and with ISED on processing technologies and allied investment. NRCan also works with Infrastructure Canada, Transport Canada, and the Canada Infrastructure Bank (CIB) on matters of accompanying critical infrastructure needed to support critical minerals projects and to link them to midstream and downstream supply chains. Additional departments including the Major Projects Office (MPO), GAC, and PSPC would also directly coordinate with NRCan on department or policy matters related to critical minerals.

In effect, the Critical Minerals Centre of Excellence must have the capacity to anchor the many separate and overlapping pieces of Canada's full critical minerals ecosystem in a strategic and coordinated manner. The DIA, for instance, has a clear role it intends to play in advancing NRCan's critical minerals planning and decision-making structure. DND,

through its critical mineral defence strategy, outlines the critical minerals that DND needs to meet its mandate and international commitments including the production of military and dual-use assets, stockpiling, or support for Global Affairs Canada's commitments to international critical minerals bodies and bilateral security and defence partnerships. The DIA then acts as the supporting body to help advance DND's strategic objectives. The point is not to dilute the role of others but instead provide strategic coordination among responsible departments through a single coherent approach.

With the mandate to update its existing critical minerals strategy and to serve as the anchor and coordinating department, it is vital that the Centre of Excellence, has the capacity and clearly defined role to carry out this mandate so that it builds on and supports existing and new initiatives across the federal family as they arise rather than replicating and/or creating redundancies.

Finally, as regards Canada's North, the security, defence, and foreign policy umbrella strategy must provide a distinct and detailed vision that embeds the North into Canada's national narrative and foreign policy vision on matters of its economy, defence, and place in the world. As the second-largest Arctic nation with the longest coastline, settled land claims agreements, an abundance of critical minerals, and robust democratic institutions, its national vision needs to be clear on Canada's role in the world and its role and leadership in an Arctic region that is no longer a remote periphery but a central feature of global geopolitics. This includes specific objectives related to developing the North's critical minerals including economic potential and foreign policy advantage, fiscal challenges, and national security risks.

To date, Canada's North lacks a concrete vision that ties the North to the rest of Canada and Canada to global politics by virtue of being an Arctic nation. The consequences have been scattered policies and initiatives across a myriad of federal files and departments with a

range of mandates that do not necessarily align with one another, much less offer a concrete vision that accounts for the value and significance of the North for Canada.[1]

Consequently, Canada's North faces significantly higher costs for exploration and operations due to the wholesale deficit of critical infrastructure, limited access to supply chains, undeveloped economies, and the challenges of mining in cold weather conditions. These factors, combined with the wealth of critical mineral deposits, leave Canada's North vulnerable to nefarious investors and create a national security risk for the whole of Canada.

Establishing a new framework that embeds Canada's North into its global geopolitical posture would itself be a significant shift from the federal government's conventional domestic and foreign policy approach to its North and its standing in the world, with a consequential opportunity for Canada to secure and strengthen its Arctic and national security, defence, and economic prosperity.

Canada's North: Build It and They Will Come (So the Saying Goes) For the past 40 years, Canada has treated its North and Arctic region as a distant place, more remote from global geopolitics than the moon. Today, Arctic geopolitics is global geopolitics. The Arctic region cannot be understood by politics that are confined to the region (e.g., Russia) or even those

[1] The federal government's approach to its North is divided between domestic and international affairs. Domestically, the north is tethered to a range of federal programming and funding files across the government, often those dedicated to Indigenous and remote communities. It is also home to CanNor as part of a joint Ministerial file with Northern Affairs Canada. That is separate from the Minister in charge of Crown-Indigenous Relations with a mandate that includes Northern resource development (particularly mining) and circumpolar affairs. On the global stage, GAC is responsible for coordinating and leading the international aspects of Canada's Arctic engagement. In December 2024, it released its Arctic Foreign Policy, which was co-developed with Northerners and included a message from Northern Affairs Canada and DND. Canada's Arctic foreign policy engagements fall under GAC's Nordic and Polar Relations Division. At the time of the strategy's publication, Nordic and Polar Affairs fell under GAC's Europe, Arctic, Middle East & Maghreb Branch responsible for European Affairs; Middle East; Maghreb; Egypt, Israel and West Bank and Gaza; the Office of the Senior Arctic Official and DG of Arctic, Eurasian and European Affairs; and Ukraine. Currently, Nordic and Polar affairs is filed under the Europe, Middle East and Arctic Branch. Under Europe, only the office of the Arctic Ambassador can be found; it is staffed with the Ambassador, the chief of staff, one policy analyst, one policy officer, and one executive assistant. The glaring misalignment and lack of focused attention to the Arctic at a time when Canada's greatest geopolitical insecurity and potential lie in its North cannot be overstated.

outside the region with a direct impact (e.g., China). Arctic geopolitics needs to be understood by a large calculus of the overall acceleration of great power geopolitical realignments unfolding elsewhere from the Middle East and Africa to NATO, North America, and the EU.

At home, Canada has a longstanding story for the North – particularly prevalent across the North - that if we build it, they will come. Today's geopolitical realities have sent the world coming, yet not always on the terms Canada has aspired to create. Thus, it must first be understood that Canada's North is all at once a matter of domestic and foreign policy, defence and security priorities, all of which are interdependent. Who Canada wants to welcome and why, therefore, needs to be clearly articulated in the national security, defence, and foreign policy umbrella strategy and form the basis on which Canada should approach its vast resources of Northern critical minerals.

Because Canada's North and its critical minerals are both matters of nation building and global geopolitics, projects are means more than single assets. Mining projects, much less accompanying infrastructure such as a road or a port, cannot be addressed on individual merit when it comes to costs or private financing. Thus, Canada's approach to attracting private capital cannot be measured or determined by conventional financial metrics (e.g., risk models, structure of the capital stack, or return on investments (ROI)).

Update: Re-Orienting the Critical Minerals Strategy In concrete terms, the updated critical minerals strategy needs to be remade into a strategic investment roadmap - built from a Canadian national security, defence, and foreign policy strategy umbrella - detailing the short-, medium-, and long-term investment plans and accompanying financial mechanisms that will enable those investments.

In effect, the update should be a fully developed strategic investment roadmap. This means moving beyond identifying prioritized minerals, listing current or potential projects, and pointing out other federal funding initiatives that support various aspects of critical minerals

supply chains. The update must also be coordinated across the federal family so that each federal initiative feeds back to a single critical minerals vision with a specific set of objectives. Finally, designed to fulfill Canada's security, defence, and foreign policy strategic aims, *the strategic investment roadmap will not be built on a template for a conventional economic investment strategy*.

The roadmap should accomplish the following goals:

1. Provide a detailed roadmap with a full inventory of the current state of the full supply chain ecosystem. The inventory will incorporate the existing critical minerals strategy, including known deposits from prospective through to operation, existing and intended projects, specific enabling infrastructure, domestic processing, established and/or committed next stage international agreements, and domestic and international offtake agreements.

2. Identify a short-, medium-, and long-term strategic plan to fill gaps in existing supply chains and establish full pathways from minerals in the ground through processing to the specific offtake market (agreement and price), effectively laying out the pipeline of projects from deposit to offtake agreement that investors require.

3. Detail current technological capabilities of the full critical minerals ecosystem and existing technology gaps. This includes a specific carve-out that details existing capabilities and technologies required for cold-weather Arctic innovation along the full critical minerals supply chain ecosystem set within Canada's North. This includes establishing specific identified technologies where Canada has an opportunity to add domestic market value through technological innovation, advance new Canadian IP, and add international market value where those technologies are needed across the Arctic region - including among allies and through bodies such as NATO.

Placing strategic focus on technological innovation is an imperative. The International Energy Agency's (IEA) Global Critical Minerals Outlook 2026, for instance, has found that in 2025, venture capital investments in the critical minerals ecosystem were concentrated in

the specific area of technological innovation, with high perceived market potential to extract greater value from resources.

Of particular note, in the areas of direct lithium extraction, data-led exploration, and advanced separation processes, venture capital investments included projects in cold-weather regions. The report highlights KoBold Metals, a U.S. "tech-driven, battery metals exploration company", in particular. KoBold Metals alone accounted for 1/3 of total VC critical minerals investments in 2025. Included in its portfolio of projects in which it has or has had investments are the Disko-Nuussuaq nickel-copper-cobalt-PGE project in Greenland (completed) as well as three current projects in Canada's North (and north adjacent): James Bay, Côte-Nord, and Nunavik. These two factors – the significance of innovation in seeking to attract critical minerals venture capital investments and the high value of innovation in cold-weather regions – create distinct strategic value potential (if approached with purpose via policy and otherwise).

Cold-weather innovation more broadly is of high value across the entire dual-use technology spectrum (from critical infrastructure to mining and defence) for Arctic and allied cooperation. For Canada - the second-largest Arctic country and a globally recognized leader in mining, with a well-developed competitive technology innovation ecosystem and a definitive need to build critical infrastructure, develop its critical minerals (before others do), and develop dual-use technologies in its cold-weather North – a focus on the potential strategic opportunity that cold-weather technologies would create is not an aspiration but a must. Canadian leadership in cold-weather innovation would be a key means for Canada to be competitive, develop its North without reliance on importing necessary technology, and attract the venture capital that Canada seeks.

4. Identify the mechanisms Canada will use to support financing and development of identified existing, early-stage, and potential critical minerals projects (in the short, medium, and long term). Experts have made the case that critical minerals mining projects - particularly early-stage projects where standalone junior mining projects constitute a large

percentage of the raw-minerals market - will not be able to attract the necessary long-term capital on their own merit. To attract private capital, including pension-fund patient capital, policies must be coordinated, detail *strategically identified full supply chains up front*, and include de-risking tools that enable the bundling of individual supply-chain segments to match each stage. Because critical minerals are not a conventional commodity, specific offtake agreements with a set price are necessary to create certainty against real and potential geopolitical market interference.

5. Create specific financial tools that will be made available to attract private capital and bridge the gap between federal investments and what institutional investors are willing to take on. Given that supply chain sequencing, international cooperation, and investment decisions entail policy and initiatives emanating from across the federal government, not least PMO, DND, and GAC, providing NRCan's Critical Minerals Centre of Excellence with the tools and resources to serve as the coordinating anchor is essential both for its ability to both successfully update the critical minerals strategy and to oversee its implementation.

In terms of the North, additional strategic measures are needed to move Northern critical mineral projects from ideas into investible projects. Prevalent factors such as the infrastructure deficit, lack of access to global supply chains and markets, limited capacity, and cold weather create additional challenges to attract private capital. Northern critical minerals projects are not akin to a pension fund investment in a brownfield international airport with existing templates for structuring the financing and establishing a return on investment (ROI). For individual projects, unless the federal government will be the sole investor, the path to becoming investible is far from certain.

Rather, embedded into a strategic critical minerals investment roadmap, the full spectrum of the North's critical minerals ecosystem (from its source to offtake) becomes a single business case, and the individual projects are segments of a pipeline of projects or various projects to be bundled.

6. Create financial and security mechanisms to safeguard against foreign direct investment (FDI) that undermines Canada's security and sovereignty.

Finally, the question that remains is who should be responsible for structuring and managing Canada's end-to-end critical minerals supply chain investments, not least given that attracting private capital will rely on creating the right federal financial tools.

Ultimately, given the vast array of policies, initiatives, programs, departments, and agencies in charge of varying aspects of Canada's critical minerals ecosystem, this also begs the question as to who ultimately holds responsibility and accountability for Canada's success in achieving its aims to be a critical minerals superpower.

Federal Funding Files and Financial Tools There is one additional layer to be analysed. It concerns the approach and aim of federal funding to support policy and programs mandated to manage and disburse funding.

1. Funding Programme Development and Operations Funding commitments to advance policy are most often allocated to specific departments and agencies across the federal government. The department or agency is then tasked with adjusting existing programs or creating new programming. Funding programs are then responsible for overall management including developing funding calls, funding allocation, and reporting.

To be effective, program development and funding allocations should be developed by a combination of subject matter experts and federal civil servants adept at creating, overseeing, and delivering federal programming that is fit for purpose to operate successfully within the bureaucratic structures of the federal government. Subject matter experts ensure program aims will advance the overarching federal policy aims. Federal program managers ensure programs are well structured, coordinated with other federal departments or agencies they are tasked to work with, delivered, and accountable. The disconnect arises when civil servants are proficient at program development yet lack

sophisticated expertise on the subject matter that is necessary for funding programs to accomplish their aims to support a given policy.

2. Aims of Federal Policy Funding Most often, resources to support policy are allocated to address specific project elements, e.g., capacity building, consultation, or early-stage project preparedness. Less often are resources allocated with the specific mandate to create and deliver financial vehicles to attract necessary private capital investments that will bridge the gap between federal investments and the total cost of the project (from construction to annual post-construction costs).

Financial tools can be found in various iterations throughout the federal government, yet there is not a federal agency or department in the business of financial services that develops and provides an array of financial vehicles necessary to attract private capital.

Arguably, this is the function of the CIB. Far beyond being in the business of selling financial tools such as co-investment and structuring vehicles, flexible debt structure financing, co-investment vehicles, or otherwise, the CIB also places considerable focus on 'sectors' and 'projects', with initiatives that better resemble program funding than the work of a bank. In its February 2026 Statement of Priorities, the CIB highlights its success in 'mobilizing private capital, accelerating project delivery, and stretching public dollars further to advance projects that might otherwise not proceed without its support.' Tightening the specific function of the CIB to focus specifically on selling financial services rather than initiatives that resemble program funding could help the CIB better support Canada's critical minerals ecosystem.

3. Canada's North: Build It and They Will Come (So the Saying Goes)

Policy and funding directed to the North become part of and loosely tethered to federal policies that are not specific to the North. Examples include being relegated to programming focusing on Indigenous and remote communities, Indigenous capacity building, rural and remote broadband, etc. CanNor is arguably an exception, though its funding allocations are often part of a broader policy that is not specific to the North. The Arctic Infrastructure Fund

may indeed be another anomaly. However, its challenge is the numerous departments across the federal government who are tasked with playing a role. Whether those bodies have the expertise required (infrastructure fund investment management) and have clear coordination direction remains to be seen.

Conclusion: Recommendations

Theme 1: Promoting critical mineral production and processing in Canada in strategic areas

- Transform the Critical Minerals Strategy update into a strategic investment roadmap that implements Canada's overarching national security, defence, and foreign policy objectives, with short-, medium-, and long-term investment plans and accompanying financial mechanisms.
- Create a full inventory of Canada's critical minerals ecosystem, covering known deposits, existing and intended projects, enabling infrastructure, domestic processing, international supply-chain agreements, and domestic and international offtake agreements.
- Identify gaps in existing supply chains and establish project pathways from deposits through processing to specific offtake markets, agreements, and prices. Sequence projects and bundle supply-chain segments to attract private capital, including long-term pension-fund investment.
- Identify technological capabilities and gaps across the ecosystem, with a specific focus on cold-weather Arctic innovation. Prioritize opportunities to develop Canadian intellectual property, add domestic market value, and meet technology needs across the Arctic and among allies.
- Create financial vehicles and de-risking tools that bridge the gap between federal investment and the capital private investors are willing to provide, accounting for both construction and ongoing project costs.
- Treat the full Northern critical minerals ecosystem, from source to offtake, as a single business case, with individual projects sequenced or bundled within it. Account for the

North's higher costs, infrastructure deficit, limited market access, and cold-weather challenges, alongside its enabling infrastructure needs.

Theme 2: Protecting Canada's sovereignty and economic resilience by safeguarding critical mineral value chains

- Ground critical minerals investment decisions in Canada's national security, defence, and foreign policy objectives, including a distinct vision for the North's role in Canada's economy, defence, and international position.
- Create financial and security mechanisms to safeguard against foreign direct investment that undermines Canada's security and sovereignty, with particular attention to the vulnerabilities facing Northern projects.
- Coordinate mineral production, processing, procurement, and stockpiling within a coherent Canadian critical minerals ecosystem, bringing together the distinct responsibilities of NRCan, DND, the DIA, and other responsible federal bodies.
- Establish specific offtake agreements with set prices as part of the investment roadmap to address uncertainty arising from real and potential geopolitical market interference.
- Build Canadian cold-weather technological capabilities to support Northern development without reliance on imported technologies, while strengthening Canada's competitiveness and strategic position.

Theme 3: Partnering with Indigenous groups, domestic stakeholders and international allies to develop critical minerals

- Increase support to strengthen NRCan's Critical Minerals Centre of Excellence to ensure its ability to serve as the coordinating anchor for federal critical minerals programs and policy initiatives, aligning departmental contributions with a single national vision and clear objectives.

- Clarify responsibility and accountability for structuring and managing end-to-end critical minerals supply-chain investments and for achieving Canada's critical minerals ambitions.
- Define Canada's domestic critical mineral requirements from processing through to the manufacture of finished products and assets, identify which materials, products, and assets Canada intends to export, and use these priorities to articulate its intended contribution to NATO and bilateral partnerships. Position Canada internationally to capture value across the supply chain, including advanced manufacturing and end-use technologies, rather than being relegated to the role of an allied partner that primarily supplies raw commodities.
- Bring subject matter experts together with federal program managers to design and deliver funding programs that advance policy objectives, coordinate across departments, and remain accountable.
- Direct domestic program funding to consultation, Indigenous partnerships, and capacity building to support participation in critical minerals development.
- Support cooperation with international allies through diplomacy and Track 1.5 diplomacy, including dedicated program funding for Track 1.5 initiatives.



GET IN TOUCH

arctic360.org

hello@arctic360.org

HEAD OFFICE

#801 – 1350 Kingston Road
Toronto, Ontario M1N 1C8

NORTHERN BRANCH

736 Igluik Drive, PO Box 2323
Iqaluit, Nunavut X0A 0H0

CANADA'S ARCTIC THINK TANK