

# Ottawa ups its backing for Canadian mining company's Greenland play

ADAM RADWANSKI

POLICY COLUMNIST AND FEATURE WRITER

The federal government will provide financial backing to a Canadian company's planned mining project in Greenland – a rare instance of Ottawa investing in critical minerals extraction outside this country's borders.

Energy and Natural Resources Minister Tim Hodgson announced on Monday that his department will make a \$7-million non-repayable contribution to the Malmbjerg Project being developed by Toronto-based Greenland Resources.

The project will primarily produce molybdenum, a critical mineral used in defence and aerospace, and the money will be used to assess whether other minerals can be recovered for use by those and other manufacturing sectors.

The pledge was part of a spate of new expenditures and partnerships announced by Mr. Hodgson at the annual Prospectors & De-

velopers Association of Canada (PDAC) mining conference in Toronto, under a G7 critical minerals alliance initiated by Canada last year.

Other new commitments by Ottawa include up to \$9.1-million for the Ontario rare-earths recycler Cyclic Materials Inc., \$2.3-million for Frontier Lithium Inc.'s processing facility also in Ontario, \$16.7-million for First Phosphate Corp.'s demonstration and feasibility project in Quebec, and \$15-million for U.S. social-enterprise company Regeneration's metal extraction and site restoration project in British Columbia.

Mr. Hodgson also touted approximately \$65-million in federal backing for research and development projects, mostly in Canada, with international partners.

But the Greenland pledge, made as U.S. President Donald Trump threatens to annex the resource-rich semi-autonomous Arctic island, may attract the most notice in light of the geopolitical dynamics.

Ottawa did not shy away from

that context on Monday, signalling a desire to generally pursue a closer relationship with Greenland, where it recently established a Canadian consulate.

That signal was sent more broadly in an announcement at PDAC by Mr. Hodgson and his Greenland counterpart, Naaja Nathanielsen, of a joint declaration of intent for the two jurisdictions to collaborate on mining and energy. It promises information transfer, expert exchanges and other expanded forms of cooperation.

But while that agreement is non-binding, the Malmbjerg Project appears to more tangibly represent a convergence of Canadian interests around the Arctic sovereignty, defence supply-chain collaboration with Europe, and the strengthening of domestic mining players.

Greenland Resources, a junior exploration company, has previously touted the open-pit mine as potentially supplying approximately one-quarter of Europe's molybdenum needs, by produc-

ing 32.8 million pounds annually once fully operational. That would significantly decrease reliance on China and the United States, currently the main suppliers of the metal, which is used to harden steel and iron for defence and other applications.

The project received a 30-year permit from Greenland's government, and boasts a binding \$2-billion, 10-year offtake agreement with Outokumpu, a Finnish stainless-steel giant. It also has memorandums of understanding to supply companies in multiple European countries such as Germany, Italy and Sweden.

And Canada has already provided a more typical form of support for companies doing business abroad, in the form of a debt facility from Export Development Canada.

But in an interview on Monday, Greenland Resources president Ruben Shiffman suggested that the project – which the company projects to have approximately US\$1-billion in capital costs – has

gained additional momentum from the questions around Greenland's future.

"Everything is getting sped up," Mr. Shiffman said of reaction to the island's elevated international profile, resulting from Mr. Trump's desire to take it over. "Everybody is trying to take a piece."

Canada's interest in potentially expanding the project's scope seemingly fits into that jockeying.

Although the new funding from Ottawa is relatively modest, it will be used to study the feasibility of efficiently using new technologies to also recover magnesium and rare earths.

And beyond what those dollars tangibly produce, Mr. Shiffman assessed that the announcement of further backing from Ottawa – made during one of the world's largest gathering of mining interests – will lend the project additional credibility and help underscore its international importance.

"The world sees Canada as a leading jurisdiction in this asset class, in resources," he said

## HUBBAY MINERALS TO BUY ARIZONA SONORAN FOR \$1.48-BILLION

Hudbay Minerals Inc. said on Monday it will buy the remaining shares in **Arizona Sonoran Copper Company Inc.** for US\$1.48-billion, as the Canadian miner expands its footprint to capitalize on the growing demand for the red metal.

Shares of Hudbay fell 5.5 per cent in afternoon trading, while Arizona Sonoran Copper shares rose nearly 22 per cent.

Copper, a key metal for the power and construction indus-

tries, is poised to benefit from surging demand driven by electric vehicles and AI infrastructure. Miners have begun to consolidate as countries across the world ramp up efforts to reduce their reliance on China.

Last year, Anglo American and Teck Resources announced a US\$53-billion all-stock merger to create the world's fifth-largest copper producer.

Hudbay currently holds a nearly 10 per cent stake in ASCU

and each ASCU shareholder will receive 0.242 of a Hudbay share for each share held, representing \$9.35 per ASCU common share.

The share price offered represents a premium of 29.5 per cent to ASCU's closing price on Friday.

The deal would give Hudbay 100 per cent ownership in the Cactus project in Arizona, which is expected to be a major producer of copper cathode once it comes online.

Hudbay said with the addition of the project, it expects to lift its U.S. copper output to nearly 500,000 tonnes a year.

The deal would also not affect the sanctioning or development of its Copper World mine in the state, it added.

The acquisition is also expected to strengthen Hudbay's position by boosting its long-term output profile, expanding its U.S. growth pipeline and increasing exposure to rising

demand for domestically produced critical minerals.

The transaction is expected to be completed in the second quarter of 2026, following which Hudbay shareholders will own 89 per cent of the combined company.

Hudbay expects to produce about 92,000 tonnes a year from its Copper World project by 2030 and roughly 103,000 tonnes a year from Cactus thereafter.

THE CANADIAN PRESS