

Strengthening Canada-U.S. Critical Mineral Partnership Amid Rising Geopolitical Tensions

Ottawa, December 3, 2024 – China's recent decision to ban exports of gallium, germanium, antimony, and other high-tech materials with potential military applications in retaliation for U.S. restrictions on semiconductor-related exports, underscores the precariousness of global supply chains. This development highlights the vital role of the Canada-U.S. trade relationship in addressing supply chain vulnerabilities.

China's actions serve as a stark reminder of the challenges posed by geopolitical tensions, particularly on the reliable supply of critical minerals. These materials are essential not only for technological innovation and economic growth but also for defense applications critical to national security.

Canada has long been a dependable partner, providing certainty to U.S. manufacturing and defense industries by serving as a major supplier of minerals and metals. In 2022, 52% of Canada's mineral exports—valued at over \$80 billion—were destined for the U.S.. Strengthening the free flow of minerals and metals between Canada and the U.S. is more critical than ever.

Imposing tariffs on Canadian mineral and metal exports to the U.S. would run counter to the shared goals of secure and reliable supply chains. Such measures risk disrupting the essential flow of these resources, undermining the competitiveness of North American industries, and exacerbating vulnerabilities in critical mineral supply chains that both nations are working to address.

The partnership on critical minerals between Canada and the U.S. began in earnest with the development of the [Joint Action Plan on Critical Minerals Collaboration](#) in 2020 under President Trump. This collaboration has continued under the Biden administration, demonstrating the enduring importance of this strategic alliance. As the U.S. prepares for a new administration, we look forward to working closely with the incoming Trump administration to build on this foundation, ensuring the resilience of critical mineral supply chains and supporting shared economic and defense priorities.

"The minerals and metals industry in Canada stands ready to strengthen our partnership with the United States, ensuring the free flow of these essential resources that drive economic growth, defense capabilities, and technological advancement on both sides of the border. The security and well-being of all Canadians and Americans depends on it." said Pierre Gratton, President and CEO of MAC.

The mining industry is a major sector of Canada's economy, contributing \$161 billion to the national GDP and is responsible for 21 percent of Canada's total domestic exports. Canada's mining sector employs 694,000 people directly and indirectly across the country. The industry is proportionally the largest private sector employer of Indigenous peoples in Canada and a major customer of Indigenous-owned businesses.

About MAC

The Mining Association of Canada is the national organization for the Canadian mining industry. Its members account for most of Canada's production of base and precious metals, uranium, diamonds, metallurgical coal, mined oil sands and industrial minerals and are actively engaged in mineral exploration, mining, smelting, refining and semi-fabrication. Please visit www.mining.ca.

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