Fortress North America: a uranium alliance

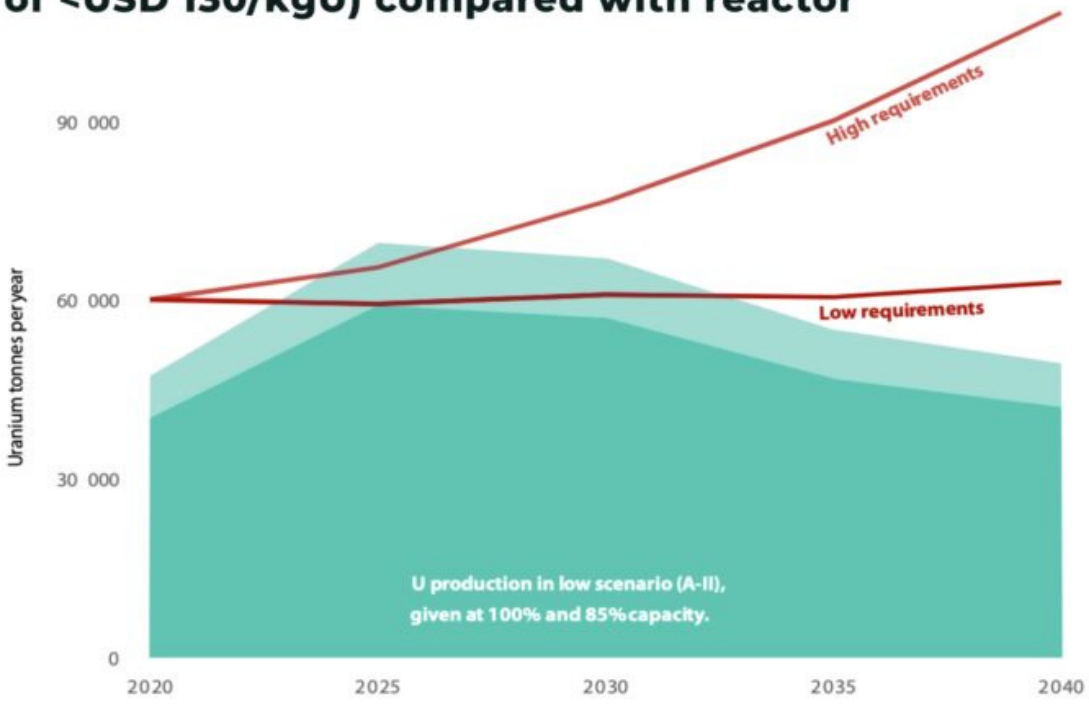
written by InvestorNews | January 29, 2025

Canada proposes critical mineral alliance with Trump’s America

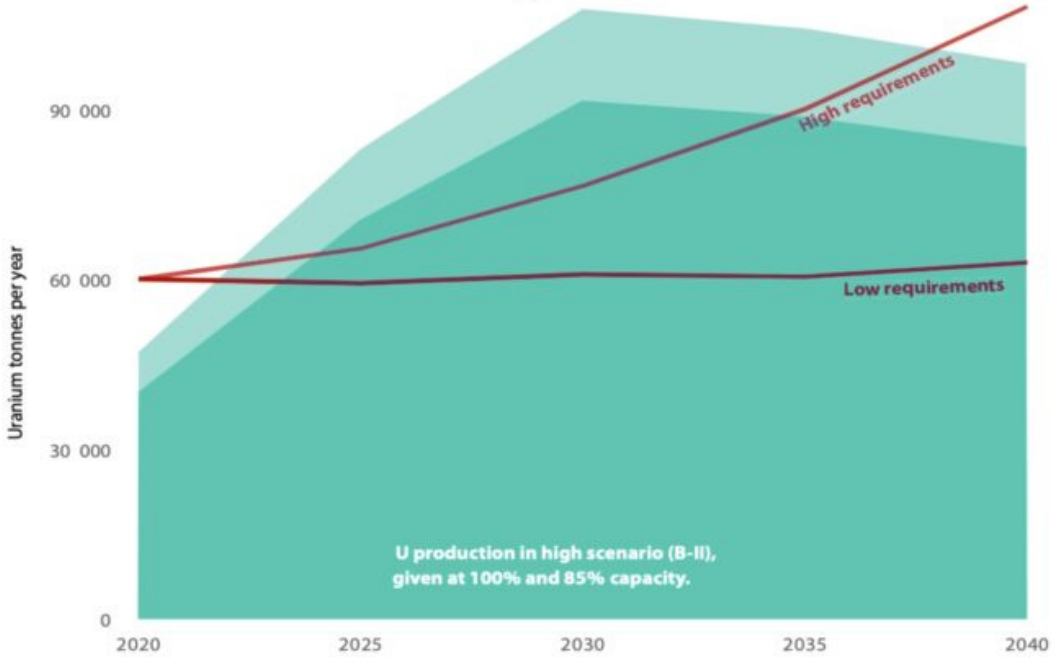
Canada has **proposed** a deeper critical mineral alliance with the US in response to President Donald Trump’s **threats** to impose a 25% tariff on all Canadian imports.

The initiative would pave the way for a “Fortress North America” strategy on uranium supply.

Projected world uranium production capability to 2040 (supported by identified resources at a cost of <USD 130/kgU) compared with reactor



(b)



Note: Figure a) illustrates the A-II case (production capability of existing, idled and committed centres supported by RAR and inferred resources recoverable at <USD 130/kqU). Figure b) illustrates the B-II case (production capability of existing, idled, committed, planned and prospective centres supported by RAR and inferred resources recoverable at <USD 130/kgU). Both figures illustrate two production capacities per case: the light shaded area represents 100% of production capacity, the darker shade represents 85% of the production capacity
Note that figures do not include the secondary supply forecast, which has in the past filled the gap between primary production and demand
Source: IAEA, NEA, Uranium 2022: Resources, Production, Demand

The proposal

A range of responses have followed Trump's tariff threat, but a major theme of a deeper alliance, to secure supply chains and reduce dependence on China and Russia, is emerging:

Canada's Minister of Natural Resources, Jonathan Wilkinson, has **proposed** a US-Canada energy and minerals alliance:

> ***"There's an opportunity to work together to expand access to Canadian uranium and jointly work to complete the nuclear fuel cycle, reducing dependence on Russia and enhancing continental security"***
>
> ***— Canada's Minister of Natural Resources, Jonathan Wilkinson, at Woodrow Wilson Centre***

The idea is also supported by Doug Ford, the premier of Ontario province, who has **proposed** establishing a new "Am-Can Critical Mineral Security Alliance" to invest and built out critical mineral supply chains, including uranium, with accelerated federal and provincial regulatory approval timelines, with a "one-project-one process permitting approach to all resource development in Canada."

Danielle Smith, the premier of Alberta province, **released** a statement urging Canadians to see the threat of tariffs as an opportunity for greater partnership:

"We also urge our entire nation to use this tariff threat as an opportunity to correct the misguided direction of this country and commence multiple infrastructure projects that focus on developing, upgrading and exporting our oil, gas and other natural resources, instead of effectively land locking them and keeping us fully reliant on one primary customer."

The demand

The United States is the world's **largest producer of nuclear power**, accounting for about 30% of worldwide generation of nuclear electricity – and, this capacity is set to **triple by 2050** to power AI data centers and net-zero demand. The build out includes:

- building new nuclear power plants
- uprating existing reactors
- restarting reactors retired for economic reasons

A recent **report** by the US Department of Energy outlines how such an increase would also mean tripling uranium demand.

The supply

Canada is the **second largest producer and exporter of uranium** in the world, with uranium concentrations up to x100 larger than the global average.

65% of uranium exports are to North America and Latin America, with an **estimated** 20 million homes in the US, or 13%, powered by uranium from Canada.

Yes, there are alternative suppliers to Canada, but each with their own unique challenges:

Kazakhstan: currently the **world's largest uranium producer**, Kazakhstan faces production **challenges** due to sulphuric acid shortages and growing demand from China

Russia: the US **banned** low-enriched uranium imports from Russia in 2024

Australia: despite having the **largest known uranium reserves in the world**, and the fourth largest producer, Australia has a difficult relationship with uranium mining, with it **banned** in much of the country

Africa: the world's third largest uranium exporter in the world in 2022 was Namibia, with production **expected** to increase by a compound annual growth rate of 5% between 2022-2026. But, some countries on the continent present significant risk; for example, in Niger, the seventh largest uranium exporter in the world, a recent coup **destabilized** exports due to sanctions

Canada

Canada is a stable, friendly mining jurisdiction, just next door to the US.

Canada has known reserves of **588,500 tons** across the country, with significant exploration **supported** by the government's new critical mineral strategy.

There are former mines in Ontario and Quebec, but the majority of the investment in exploration and development is focused on the Athabasca region, an area of almost 100,000 square kilometers, located primarily in the province of Saskatchewan – **one of the top rated mining jurisdictions in the world** for investment, as well as a small portion of Alberta.

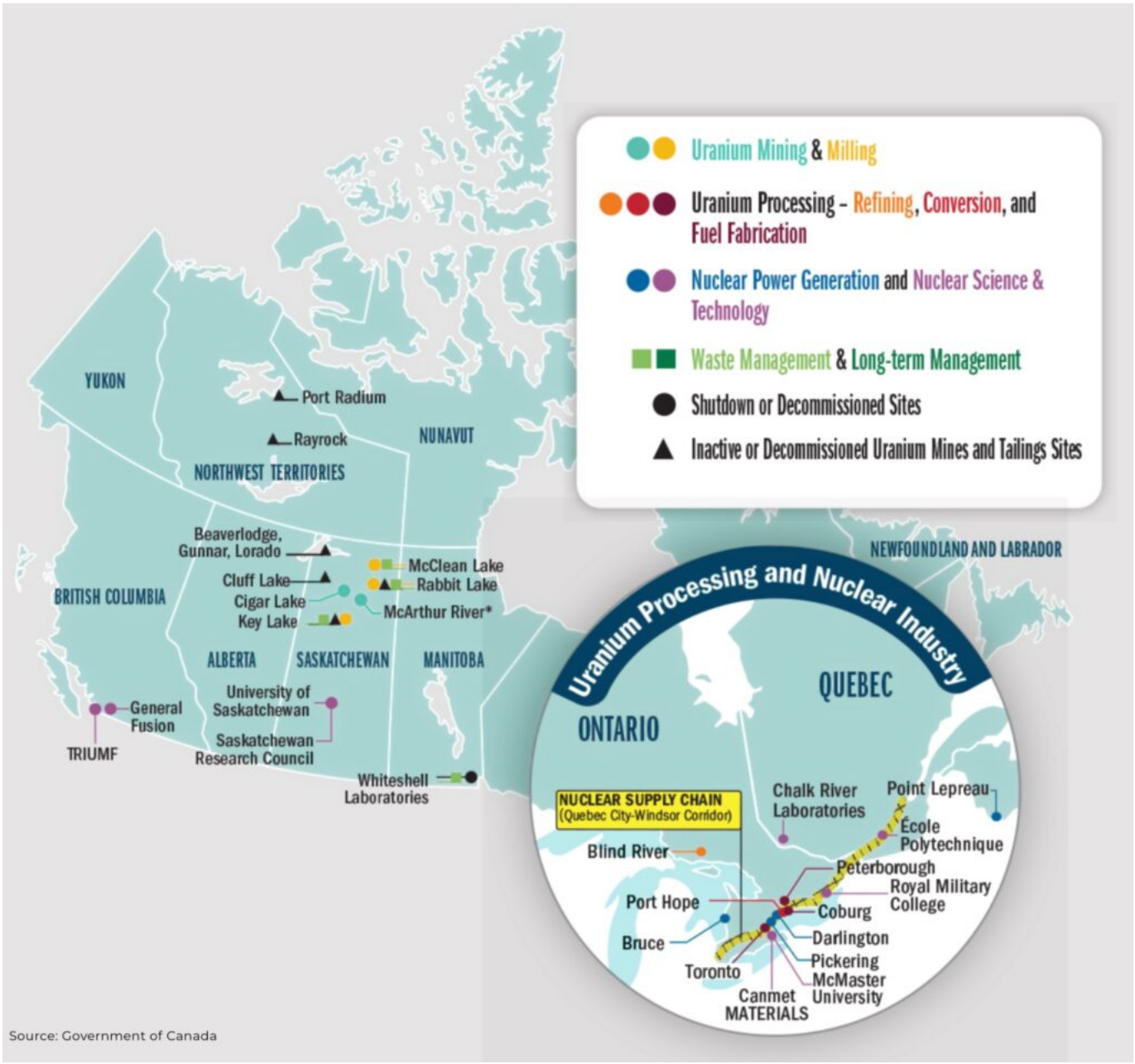
Canada's Athabasca Basin **contains** the world's largest high-grade uranium deposits, with grades up to x100 greater than the average ore grade deposits elsewhere in the world.

> ***"Saskatchewan's uranium is key as the world looks to transition to sustainable power generation and source minerals from secure, democratic regions" – Jim Reiter, Energy and Resources Minister***

The region is also host to junior companies – **at least 60, at last count** – highlighting the potential promise of the region for investors.

Importantly, the Athabasca Basin sits at the strategic centre of Western critical mineral supply chains:

- **approximately** 85% of Canada's uranium production is exported, predominantly to the US, Europe, and then Asia
- as part of a Free Trade Agreement with the US, Canada has **access to new tax credits** to develop mines
- domestically, Canada is set to significantly expand its own nuclear power fleet, for example the expansion of **Bruce Power** in Ontario to be the world's biggest reactor



The Am-Can Critical Mineral Alliance

So, what would this alliance look like for uranium?

There are already significant cross-border agreements between the two countries:

- importantly, the current US-Canada Free Trade Agreement means Canada is listed as a domestic

jurisdiction that supports access to investment

- Canada and the US are already working through the **Critical Minerals Partnership**, a collaboration of 14 countries (including the UK, Australia, Japan, etc) to secure environmentally-friendly supply chains
- in 2020, the **Canada-US Joint Action Plan on Critical Minerals** advanced plans to secure supply chains for the critical minerals – including uranium – to strengthen North American critical mineral production

Examples of previous investments that could serve as models for deals across the uranium sector include:

- December 2024, Australia's Paladin Energy received **approval** from Canadian authorities to buy Fission Uranium, despite attempts by Chinese investors **attempts** to derail the deal
- December 2024, the US Department of Defense (DoD) **announced** a US$15.8 million investment to Fireweed Metals Corp to accelerate the development of a tungsten mine in Canada, one of the world's largest undeveloped high-grade deposits of tungsten
- October 2024, the DoD **announced** a US$20 million award via the Defense Production Act Investments (DPAI) office to Electra Battery Materials to establish production of cobalt sulfate at the production facility in Ontario, Canada
- May 2024, the US DoD awarded US$6.4 million and US$8.3 million to Canadian companies Fortune Minerals and Lomiko Metals, through the Defense Production Act Investment (DPAI) program to help support the US-Canadian Joint Action Plan on Critical Minerals
- June 2024, Canada's government **bought** stockpiled rare earth materials from Vital Metals to prevents the company

from selling its production to a Chinese buyer

Conclusion

The US and Canada already boast one of the closest trading relationships in the world. The push for a deeper, more strategic alliance in the critical minerals sector, particularly uranium, is gaining momentum.

This move is driven by pressing energy security concerns, soaring demand for nuclear power, and escalating geopolitical rivalry with China and Russia.

Uranium is crucial to the building of Fortress North America.