FROM RESOURCE RICH TO INVESTMENT READY: CAN BC UNLOCK BANKABLE CRITICAL MINERALS PROJECTS?

Energy and Mines' Melodie Michel speaks with finance, mining, and international trade leaders on what it will take to turn British Columbia's critical minerals potential into bankable, globally competitive projects.

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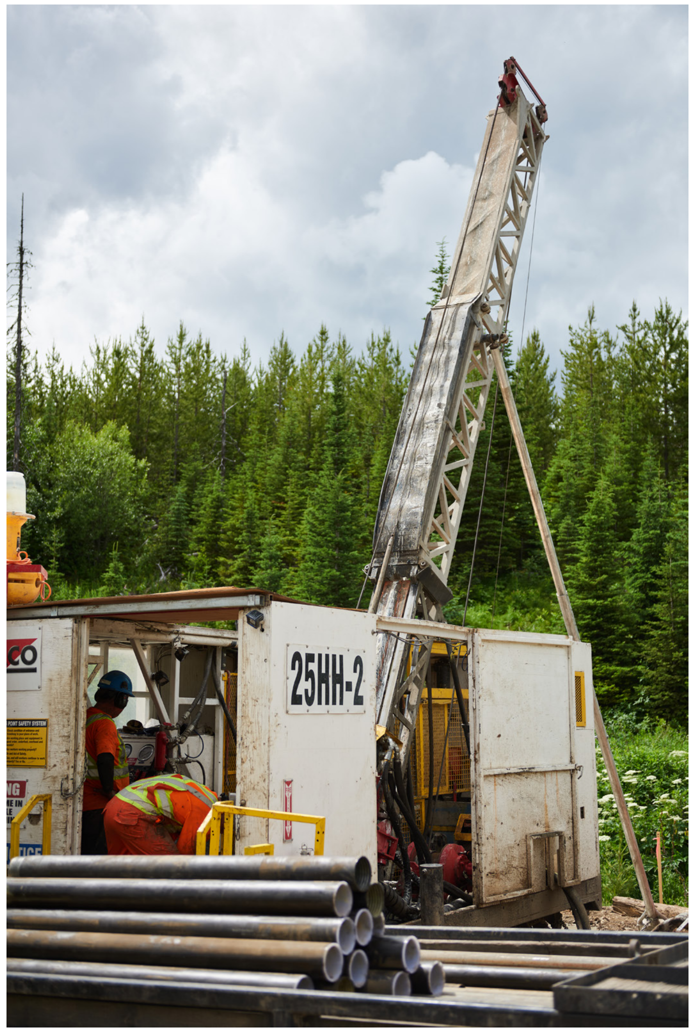


Home to 16 of Canada's 31 critical minerals, British Columbia is undeniably an attractive destination for critical minerals investors. The province has a critical mineral strategy, has established a dedicated government office and is starting to benefit from national funding schemes.

And yet, raising investment may still be difficult for BC's junior mining companies. "BC probably has some unique challenges, principally around what is viewed as a somewhat more cumbersome and time-consuming permitting avenue for major mining projects," says Michael Scott, Managing Director, Global Mining & Metals Investment Banking at RBC.

The province remains "a premier jurisdiction", he adds, with mines frequently permitted, though at a more measured pace. "There's probably a view that other tier one jurisdictions like Australia and the U.S., for example, are attracting significant capital through accelerated permitting timelines and aggressive policy support."

A May 2025 study published by the Mining Association of British Columbia listed 27 mining projects in advanced stages of development, which could generate C$984 billion in economic activity for the province over the next several decades.

COMMODITY CYCLES AND GEOPOLITICS SHAPE INVESTOR APPETITE

The Baptiste nickel project, located in central British Columbia, has received approximately C$60 million of investment since the first drilling took place in 2010. It has now moved into the early stages of a feasibility study and environmental assessment, and FPX Nickel CEO Martin Turenne tells *Energy and Mines* that he expects a final investment decision "by the latter part of this decade".

"In a lot of ways, the last two years have been the most difficult time, because the nickel price has been at a cyclical low around US$15,000 a ton, and the narrative around nickel has tended to be focused on oversupply coming from places like China and Indonesia," he says, stressing that the lower the price of nickel, the harder it is to attract investment.

Despite that, the company was recently able to attract large international investors who "take a more positive long-term view of nickel and are very focused on ensuring that the nickel that they ultimately bring into their supply chains is responsibly produced," he adds. Much of the foreign appetite for BC critical minerals is offtake-driven, and recent geopolitical tensions have led several countries to offer incentives to their companies to secure critical minerals outside China or Russia.

"Japan in particular is interesting because the Japanese government is really encouraging derisking from Chinese copper supplies. So BC offers a very strong alternative to Chinese copper, especially because of its geographic position," explains Rachael Gurney, Senior Project Specialist, International Trade and Investment, at the Asia Pacific Foundation of Canada. Gurney has observed similar appetite from South Korea and its battery manufacturers.

The EU also sees Canada and BC as a key, geopolitically aligned partner in this effort, according to Geneviève Tuts, Ambassador of the European Union to Canada. This was formalised in 2021 through EU-Canada Strategic Partnership on Raw Materials, and is further supported by the EU's Critical Raw Materials Act, which sets targets for diversification of supplies for 34 critical raw materials.

While the partnership does not provide direct public grant funding, it acts as a catalyst for investment and commercial agreements: since 2021, EU imports of lithium from Canada have grown by 11%, graphite by 33%, manganese by 28%, and rare earth elements by 24%.

In addition, the European Commission recently launched the new Raw Materials Mechanism: "It will connect demand and supply for existing and future strategic raw materials; support project development in the EU and in third countries; link offtakers and suppliers with financial support and storage providers and enable cooperation between companies, such as demand aggregation, joint purchasing, and investment consortia," explains Tuts, noting that the first matchmaking round will take place in Q1 2026.

FPX Metals announced a C$14.4 million equity investment from Japan's Sumitomo Metal Mining in January 2024, and has received a similar amount of equity from European stainless steel manufacturer Outokumpu.

"Security of supply and strengthening of geopolitical ties between allied countries in North America and Europe and in Japan and Korea is a key theme that is evident in the types of investment that we've been able to crystallize for our company," says Turenne.

PUBLIC CAPITAL, INFRASTRUCTURE AND THE ROLE OF GOVERNMENT

Besides foreign offtakers, critical minerals developers in British Columbia have several domestic avenues for investment. Increasing amounts of government funding are being made available for these projects, not least the C$2 billion Critical Minerals Sovereign Fund announced in the Federal Budget in November 2025. The new fund will be administered by Natural Resources Canada and is set to provide equity investments, loan guarantees and offtake agreements to advance critical minerals projects.

Canada Growth Fund is also increasingly active in critical minerals.

The federal government is also supporting the development of infrastructure necessary for these projects, which is particularly crucial in BC, given the province's mountainous terrain and the remoteness of many mineral deposits.

The Critical Minerals Infrastructure Fund – also managed by Natural Resources Canada – has provided funding to several projects in BC, including an access road and powerline for FPX Nickel's Baptiste Project.

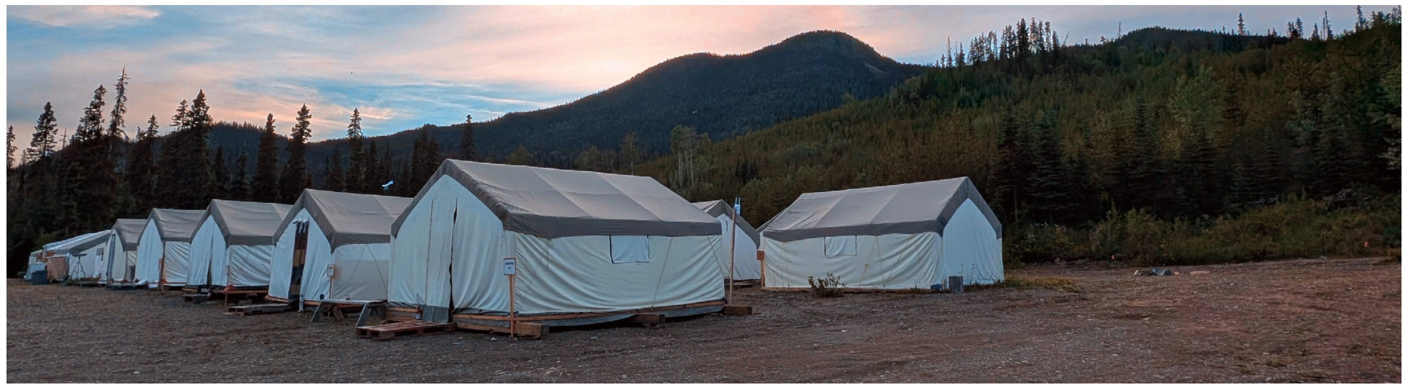
The Canada Infrastructure Bank is also supporting infrastructure development for critical minerals projects, and recently granted a C$139.5 million loan to BC Hydro to support the early works phase of the North Coast Transmission Line (NCTL) project, which should benefit miners in the resource-rich Golden Triangle.

"Government support for roads, power and water infrastructure can ultimately make or break project economics," says Scott at RBC.

TAX INCENTIVES, FLOW-THROUGH SHARES AND AN INTERESTING LEGAL PRECEDENT

What perhaps sets British Columbia apart the most is its tax regime: on top of the 30% federal critical minerals exploration tax credit available to junior miners since 2022, the province offers another 20% tax credit – the highest in Canada.

This makes flow-through shares particularly attractive to investors in BC. "It derisks the investment a little bit more," explains Lisa Davis, Partner and CEO at



PearTree, a financing platform that leverages flow-through shares and charity donation benefits to reduce dilution in mining investments.

"It's a true win-win-win kind of situation, because the flow-through share offering is usually done at quite a good premium because of the extra value of the tax benefits, and the liquidity provider or end buyer can purchase the shares at a discount to market, and the pricing is all determined based on what PearTree's clients need to achieve in terms of the after-tax cost of a donation," she adds.

For this type of financing, no offtake agreement is necessary, though Davis says they can be helpful when combined with equity investment.

"As time went on, we were able to outperform traditional flow-through funds that had been the main source of financing for exploration in Canada, because the combination of the flow-through share tax benefits and the charitable donation receipt gave us more room to play with in terms of how we could price things," she notes, adding that the introduction of the federal critical minerals exploration tax credit led to a tremendous change in the composition of deals supported by PearTree – from around 85% precious metals funding to 50-50 between critical minerals and precious metals. "So it just really demonstrates how powerful some of these tax incentives can be."

All in all, despite slower permitting and more difficult terrain than a province like Saskatchewan, British Columbia is set to attract an increasing amount of investment into critical minerals projects – helped by its proximity to Asia, a tax regime that allows for innovative and advantageous financing structures, and the development of several major infrastructure projects under the national Major Projects Office.

A recent judicial decision by the Supreme Court of BC has also given investors some comfort: in October 2025, the court ruled that flow-through share benefits could be used to determine the economic feasibility of activities – not just the quality of deposits – mandating Canada Revenue Agency to pay C$4.4 million in denied tax credits to Seabridge Gold.

This decision set a precedent to allow flow-through share schemes to be used beyond pure exploration, potentially helping to cover milestones that are traditionally more difficult to finance – the infamous Lassonde curve. However, the federal budget announced in November effectively overruled it, clarifying that expenses incurred to determine the quality of a mineral resource in Canada do not include those related to determining economic viability. "It's unclear right now as to exactly how this is going to play out," Davis says.

The provincial government could also do more to lift common barriers to investment. "Permitting clarity and the 'one project, one process' approach can contribute to reducing investor risk and improve timelines by providing predictability, eliminating duplication of work, and offering a single point of contact throughout the regulatory process, hence streamlining decision-making, coordination and communication," says Ambassador Tuts, adding that such an approach often reduces the time from discovery to production by several years.

To increase predictability in the decades-long process of moving a mine from exploration to production, Turenne advises engaging early with both provincial and federal governments, as well as First Nations impacted by the project.

He notes: "That pre-engagement with regulatory authorities can actually lead to more streamlined and more efficient outcomes. But I think that until you start to see those timelines start to be compressed and greater efficiencies actually achieved, my sense is that investors will continue to be cautious and potentially skeptical about the timeliness of the processes here in BC and in Canada.

Hear directly from Lisa Davis of PearTree and Martin Turenne of FPX Nickel — along with mining, government, investors and Indigenous leaders — at the BC Critical Minerals Forum, April 14–15 in Vancouver.

Visit the BC Critical Minerals Forum website to register.