

Canada Growth Fund and Rio Tinto announce transaction to advance Canadian production of Scandium, an important critical mineral

31.10.2025 | [CNW](#)

Canada Growth Fund Inc. ("CGF") and Rio Tinto Iron and Titanium Inc. ("Rio Tinto") are pleased to announce a transaction to advance the Canadian production of scandium oxide ("scandium") in Sorel-Tracy, Québec at the facility under construction (the "Project") at Rio Tinto's Critical Minerals and Metallurgical Centre. CGF will invest approximately C\$25M to support production at North America's sole facility capable of supplying this material, expanding the facility's nameplate capacity to 9 tonnes per annum and strengthening Canada's critical minerals supply chain.

Scandium is a rare and strategically important metal, essential for high-performance aluminium alloys, solid oxide fuel cells, and a range of new and emerging technologies. Its significance lies in its role as an enabling element, enhancing the performance of materials and technologies beyond conventional limits. Scandium's strategic importance will continue to grow as global industries advance toward electrification, carbon neutrality, and the utilization of high-performance materials.

Today, the global market for scandium remains small with China producing most refined scandium globally. Rio Tinto's demonstration plant (the "Demo Plant"), which began production in 2022, currently accounts for the entirety of North American scandium supply and is one of the few meaningful sources of supply within the Organisation for Economic Co-operation and Development ("OECD"). Through the successful deployment of the Demo Plant, Rio Tinto established a scalable, reliable, and sustainable source of scandium for North America.

CGF invests in projects and companies that advance the development of new or existing supply chains of critical minerals, through investments into mining activities and related infrastructure, including processing, manufacturing, and recycling. An important aspect of CGF's mandate is to secure Canada's critical supply chains, supporting economic growth, and leverage the country's natural resources.

"With its unique investment mandate, CGF invests into innovative transaction structures that directly support projects of strategic importance. This transaction, completed alongside an established operating partner, enables us to unlock new models for risk-sharing and value creation that advance Canada's supply chain resilience strategy," said Yannick Beaudoin, President and Chief Executive Officer of Canada Growth Fund Investment Management ("CGFIM"). "Our commitment to the Project demonstrates how targeted investment and disciplined structuring can deliver tangible benefits for the Canadian industry and economy."

"We are delighted to bring PSP Investments' rigorous investment process, depth of expertise and arm's length governance model to the execution of CGF's mandate," said Deborah K. Orida, President and Chief Executive Officer of PSP Investments. "With today's announcement, CGF continues to provide innovative solutions that enable the development of important projects, improving Canada's investment climate, and contributing to PSP's foresight on the evolution of the critical minerals supply chain."

"Rio Tinto is pleased to partner with CGF and the Government of Canada to expand our Canadian production of scandium oxide, a high-performance material used for advanced manufacturing and energy generation," said Sophie Bergeron, Managing Director, Rio Tinto Iron and Titanium and Diamonds. "This project leverages an innovative process developed in Canada by our scientists, fully supplied from our domestic mining and metallurgical assets to provide a secure, North American supply of this critical mineral."

Rio Tinto has pioneered a breakthrough process to extract and produce high-purity scandium directly from the waste streams of titanium dioxide production at its Rio Tinto Iron and Titanium - Québec operations, eliminating the need for additional mining and minimizing environmental impact. Recognized as a critical

mineral by Canada, the United States, Australia, and other jurisdictions, scandium is globally dispersed yet typically occurs in very small concentrations, intricately bound with other minerals and metals, rendering its extraction and refinement both technically challenging and cost prohibitive. It is the most effective known microalloying element for strengthening aluminium, imparting enhanced flexibility, heat and corrosion resistance, and reduced weight, attributes that confer strategic advantages for defense platforms and lightweight vehicle manufacturing. Its unique properties also elevate the performance of solid oxide fuel cells, which are increasingly deployed as alternative power solutions for buildings, medical facilities, and data centers.

Transaction Highlights

- This transaction aligns with the priorities established at the June 2025 G7 Summit in Kananaskis, where Canada launched the G7 Critical Minerals Action Plan to reduce reliance on unsecure supply chains for key critical minerals. As part of this initiative, the Government of Canada ("GoC") and its G7 partners proposed a Critical Minerals Production Alliance to aggregate demand, coordinate offtake arrangements, and implement price stabilisation mechanisms to support domestic capacity within member countries.
- CGFIM is the exclusive, independent investment manager of CGF, operating at arm's length from the GoC with the investor know-how to structure transactions that support GoC's strategies to diversify the responsible production and supply of critical minerals, encourage investments in critical mineral projects and local value creation, and promote innovation.
- CGF's investment of approximately C\$25M will be made through an equity-like financial royalty structure.
- In connection with this investment, the GoC has agreed to enter into two commercial agreements with the Project and Rio Tinto:
 - An offtake agreement with Rio Tinto whereby the GoC commits to purchase a volume of scandium.
 - A marketing and storage agreement, under which Rio Tinto will assist the GoC with marketing and storing the scandium.

About Canada Growth Fund

CGF is a \$15 billion arm's-length investment vehicle designed to attract private capital to build Canada's clean economy. It uses investment instruments that absorb certain risks to catalyze private investment in low-carbon projects, technologies, businesses, and supply chains. Visit www.cgf-fcc.ca for more information.

About Canada Growth Fund Investment Management

In Budget 2023, the GoC appointed PSP Investments, through a wholly owned subsidiary, to act as the asset manager for CGF. CGFIM serves as the independent and exclusive asset manager for CGF.

About the Rio Tinto Group in Canada

The Rio Tinto Group is the largest metals and mining group in Canada, with a workforce of over 14,000 and an extensive portfolio of operating assets spanning across British Columbia, Québec, Newfoundland and Labrador, and the Northwest Territories. Rio Tinto Group finds better ways to provide the materials the world needs to grow and decarbonize. These metals and minerals are found everywhere in everyday life: aluminum for cars, iron ore for steel in our cities, lithium for electric vehicles, titanium dioxide for paint and other critical minerals for advanced technologies.

PSP Investments' Conflict of Interest Policy

PSP Investments has established a policy to address the risk of any real, potential or perceived conflicts of interest in the context of the services provided by CGFIM to CGF, requiring PSP Investments and CGF to disclose where they have overlapping investments.

At the time of the approval of the transaction, PSP Investments held an ownership stake in [Rio Tinto Plc](#), the ultimate parent company of Rio Tinto Iron and Titanium Inc. of less than 0.1% through various portfolios in the context of its ordinary course public market activities. In each instance, PSP Investments' investment carries no governance or decision-making ability.

The foregoing is being disclosed in accordance with PSP Investments' Conflicts of Interest Policy.

SOURCE Canada Growth Fund Inc.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/710715--Canada-Growth-Fund-and-Rio-Tinto-announce-transaction-to-advance-Canadian-production-of-Scandium-an-imp>

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