Greenland, rare earths, and arctic security

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ANALYSIS

The illustration shows US President Donald Trump (L) navigating a ship toward Greenland, along with billionaires like Jeff Bezos (C) and Bill Gates, who are already planning to mine the Arctic self-governing, autonomous country within the Kingdom of Denmark.
INDIA TODAY

Just one day after the US raid in Venezuela and capture of Nicolas Maduro, US President Trump turned his sights northward to the island of Greenland. On January 5, President Trump affirmed, "We need Greenland from the standpoint of national security." Senior Trump aides soon echoed the assertion that the United States could seize the Danish territory to support national interests. These recent comments mark a return to rhetoric that made headlines in the early days of 2025, as the newly re-elected President Trump declared the United States could purchase the autonomous Danish territory. The renewed focus on Greenland underscores the Trump administration's approach to resource security as national security.

Greenland is rich in natural resources, including iron ore, graphite, tungsten, palladium, vanadium, zinc, gold, uranium, copper, and oil. But the resources attracting the most attention to the region are rare earth elements (REEs). Vulnerabilities in US REE supply chains for defense and commercial needs have recently been at the forefront of policy issues in Washington. Notably, 2025 was marked by multiple rounds of high-stakes negotiations following Chinese export controls on heavy REEs. Disruptions to these materials exposed Western automotive supply chains to shortages, delays, and pauses in production. President Trump has acted meaningfully to address these prescient supply chain concerns both through public-private partnerships, such as the equity deal with US rare earth company MP Materials, and bilateral agreements with partners including Saudi Arabia, Japan, and Australia to further the development of rare earth capabilities outside of China. Deepening cooperation and commercial ties with mineral-rich countries is expected to be a cornerstone of US foreign policy in 2026.

Greenland ranks eighth in the world for rare earth reserves, with 1.5 million tons, and is home to two rare earth deposits that are among the largest in the world: Kvanefjeld and Tanbreez. Still, no rare earth mining has taken place on the island to date. The harsh Arctic climate is prohibitive to mining activities on most of the island throughout much of the calendar year. Only 20 percent of Greenland is ice-free, and temperatures can reach below -40 degrees Fahrenheit. However, melting ice caps amid warming global temperatures are opening access to additional mineral resources as well as new shipping and transportation routes, potentially turning Greenland into a viable mining partner.

In 2019, under the first Trump administration, the United States signed a memorandum of understanding (MOU) with Greenland to jointly survey the region and exchange scientific and technical knowledge to develop rare earth and critical mineral resources. However, the MOU is now nearing expiration, and efforts to renew the agreement under the Biden administration came up short. The Trump administration appears to be focused on new ways to access Greenland's rare earths. In June 2025, the US Export-Import Bank sent a letter of interest to Critical Metals Corp for a $120 million loan to fund the company's Tanbreez rare earth mine in Greenland. If approved, the loan would be the Trump administration's first overseas investment in a mining project.

The United States is not the only global power interested in expanding its influence in Greenland and the Arctic region. In 2018, China launched its Arctic policy, also known as the Polar Silk Road, in which it controversially referred to itself as a "Near-Arctic State". Over the past seven years, China has attempted to grow its footprint in the region through scientific research expeditions, infrastructure investments, and natural resource acquisitions. By most metrics, the strategy has failed to take off as major projects continue to be blocked due to security concerns. But China's continued interest in Greenland reflects the island's geostrategic importance — and China's global lead in rare earth mining and processing expertise keeps the US adversary on the table as a potential future mining partner in Greenland. Greenland's minister of business and mineral resources warned that while Western partnerships are preferred, without an influx of investment, Greenland will have to turn to other partners, including China. Already, Chinese rare earth company Shenghe Resources is the second largest shareholder in the Kvanefjeld mine. Shenghe signed an MOU in 2018 to lead the processing and marketing of materials extracted from the site.

Given the security dynamics in the Arctic region, it is vital that the United States remains engaged in Greenland as a North American partner and security ally. A critical minerals deal could be one way to deepen ties, but significant challenges inhibit commercial mining ventures on the island today, including infrastructure, energy, social license to operate, and regulatory barriers.

The United States should engage Greenland through close, collaborative coordination with European allies rather than a unilateral approach. As Greenland deepens its economic, regulatory, and infrastructure ties with Europe, working alongside the European Union and key partners can help align standards, de-risk investment, and present a unified, credible alternative to adversarial models. A transatlantic strategy would not only strengthen Greenland's capacity to responsibly develop its resources but also reinforce shared geopolitical, environmental, and supply chain objectives in the Arctic.

This paper explores the development of the Tanbreez and Kvanefjeld mines and evaluates Greenland's potential as a mining partner, given the complex climate and security environment.

The Arctic as a new security frontier

The Arctic region consists of territory across eight countries: the United States, Canada, Iceland, Denmark, Norway, Sweden, Finland, and Russia. Greenland first became an area of strategic importance for the United States during World War II with the establishment of air and naval bases

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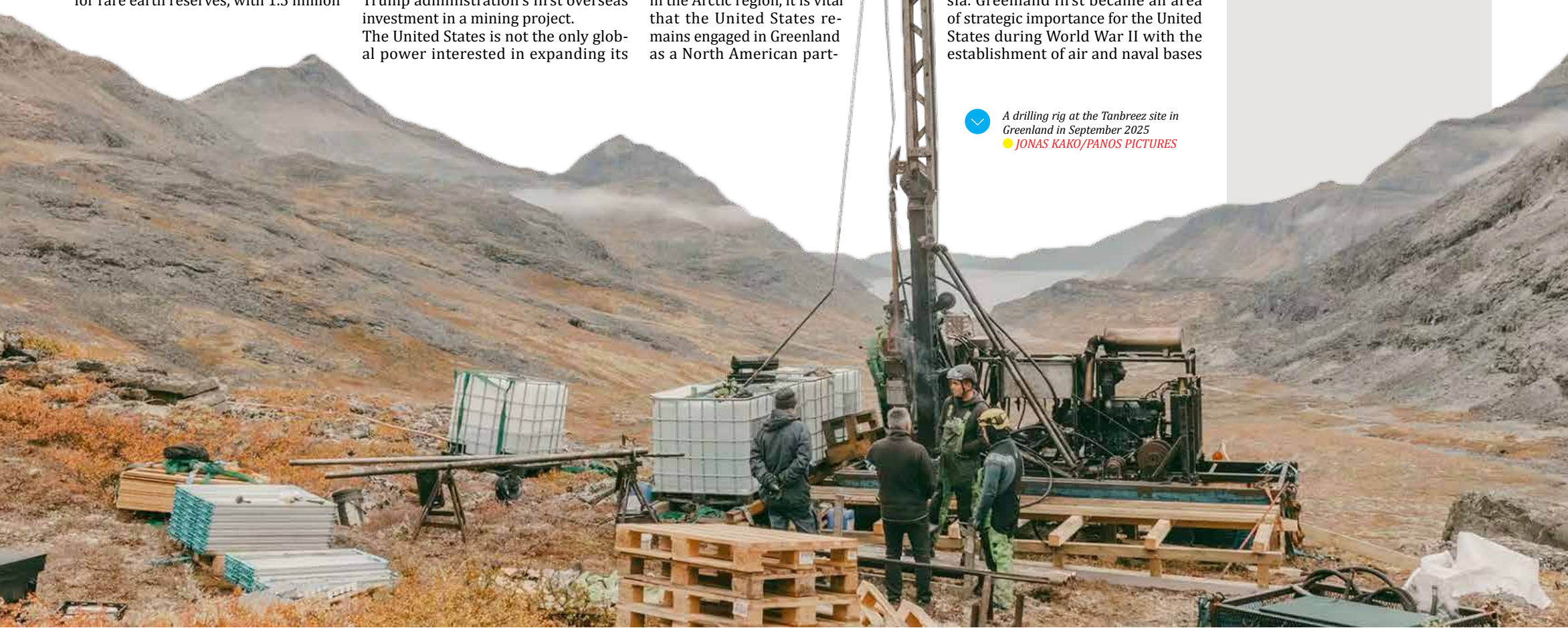

A drilling rig at the Tanbreez site in Greenland in September 2025
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