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The Metal That Powers Bay Area Chipmakers Is About to Get a Lot Harder to Source

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The semiconductor fabs that anchor Silicon Valley's supply chain have a palladium problem, and a tariff issued last month just made it urgent.

In February 2026, the U.S. Department of Commerce issued a preliminary 132.83 percent anti-dumping duty on palladium imports from Russia. The ruling targeted Norilsk Nickel, the Russian state-linked mining company that controls 40 to 45 percent of global palladium production. The petition was filed by Sibanye-Stillwater, America's only domestic palladium producer, and the United Steelworkers, after Norilsk's below-cost pricing strategy forced approximately 700 layoffs at Sibanye's Montana operations by late 2024.

For the Bay Area, this is not abstract trade policy. It is a materials sourcing crisis that runs directly through the region's most critical industries.

Palladium in Silicon Valley

Palladium is a platinum-group metal that most people associate with catalytic converters. But in the semiconductor industry, it plays a less visible and equally essential role. It is used in connector plating, multilayer ceramic capacitors, wire bonding, and certain etching and deposition processes. Intel, Texas Instruments, and the broader network of chip fabrication facilities that serve Bay Area technology companies rely on a steady palladium supply as part of their manufacturing infrastructure.

The hydrogen fuel cell sector, which has significant Bay Area presence through companies like Bloom Energy in San Jose and Plug Power's West Coast operations, depends on palladium catalysts. The Bay Area's cleantech corridor, from fuel cell developers to EV component manufacturers, touches palladium at multiple points in its supply chain.

When 40 to 45 percent of the world's supply of that metal gets hit with a 132.83 percent tariff, procurement teams across these industries face an immediate challenge: find an alternative source, or absorb costs that fundamentally change project economics.

A Western Hemisphere Alternative

On March 4, 2026, Klotho Neurosciences Inc. (NASDAQ: KLTO) completed its acquisition of Greenland Mines Corp., gaining control of the Skaergaard Project in Southeast Greenland, one of the largest undeveloped palladium-gold deposits in the world.

The Skaergaard deposit holds a NI 43-101 compliant Mineral Resource Estimate of 25.4 million ounces of palladium equivalent and 23.5 million ounces of gold equivalent, established through approximately 45,000 metres of diamond drilling. The raw palladium content alone, 17.15 million ounces, represents 13 to 15 years of total U.S. consumption at current demand levels. At February 2026 metal prices, the deposit carries a gross undiscounted in-situ resource value of approximately $68 billion.

The acquisition brings this asset into a NASDAQ-listed vehicle, providing institutional investors and industrial partners with a publicly traded, western-hemisphere palladium exposure that the market has lacked.

"America cannot maintain industrial supremacy while depending on adversaries for the metals that power its cars, its semiconductors, and its defense systems," said Dr. Joseph Sinkule, Chairman and CEO of Klotho Neurosciences Inc. "The Skaergaard asset is the foundation of the supply chain the country needs."

Why This Is Not the Rare Earth Story

Bay Area investors and technology executives who have tracked Greenland mining coverage over the past year have seen it primarily through the lens of rare earth elements, the neodymium and dysprosium that go into EV motors and wind turbine magnets. Companies like Critical Metals Corp. (CRML) and Tanbreez have drawn attention to that opportunity.

Skaergaard is a fundamentally different asset class. Rare earth demand depends on the pace of the energy transition and requires processing infrastructure that does not yet exist at scale in allied nations. Palladium demand is structural and immediate. The semiconductor fabs running today use it. The hydrogen fuel cell systems being deployed this quarter require it. The catalytic converters on every combustion vehicle that will remain in service for the next two decades depend on it.

The tariff did not create the demand. It exposed the supply chain's single point of failure.

The Greenland Advantage

Greenland is a Danish autonomous territory with democratic governance, a modern mining code enacted in 2009, no third-party royalties, and approximately 1,600 kilometres from the U.S. Northeast. It is a NATO-aligned, Tier 1 jurisdiction. The EU formalized a minerals cooperation agreement with Greenland in 2025. The Trump administration has named Greenland a strategic priority at the presidential level.

The Skaergaard deposit itself is coastal, not located in inaccessible Arctic interior terrain. It has a licensed on-site airstrip at Sodalen camp, helicopter logistics, and seasonal sea access via Mikis Fjord. Over $100 million in cumulative exploration investment would be required to replicate the work already completed.

Bo Moller Stensgaard, CEO of Greenland Mines Corp., describes the asset's readiness: "Fully permitted, coastal, expansion-ready, and sitting on 25.4 million ounces of palladium equivalent. Now backed by a NASDAQ-listed parent with capital markets access. The development case is as strong as it gets in the critical minerals space."

A new 10,000-metre drilling program targets approximately 50 million total contained ounces, roughly doubling the current resource estimate. The 2022 NI 43-101 update by SLR Consulting delivered a 95 percent increase in Indicated resources, and 95 percent of new drilling campaigns have returned positive results.

What Bay Area Industry Should Watch

The convergence of four factors makes this moment distinctive. The 132.83 percent Russian tariff restructures the economics of the dominant global palladium source. The completed NASDAQ acquisition provides institutional market access to the western hemisphere's most significant alternative. The resource expansion program targets a doubling of contained ounces. And the policy environment, from the Trump administration's Greenland focus to the EU minerals agreement, aligns western government support behind exactly the kind of development Skaergaard represents.

For Bay Area semiconductor companies, cleantech operators, and the hydrogen economy firms building the region's next industrial chapter, the palladium supply question just moved from a background procurement concern to a front-line strategic issue. The answer appears to be forming in Southeast Greenland.
