



EXCLUSIVE LICENCE NO. 2015/39
FOR EXPLOITATION OF CERTAIN MINERALS
IN AREAS AT NAAJAT IN WEST GREENLAND

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EXCLUSIVE LICENCE FOR EXPLOITATION OF MINERALS

Under sections 16 and 29 of Greenland Parliament Act no. 7 of 7 December 2009 on mineral resources and mineral resource activities, as amended by Greenland Parliament Act no. 26 of 18 December 2012, Greenland Parliament Act no. 6 of 8 June 2014 and Greenland Parliament Act no. 16 of 3 June 2015, (the Mineral Resources Act), the Government of Greenland hereby grants the licensee stated below an exclusive licence for exploitation of the minerals specified in Article 4. The provisions of the Mineral Resources Act and the terms set out below shall apply to this Licence.

The licensee is composed of the following company:

Hudson Greenland A/S, a company incorporated and existing under Danish law applicable in Greenland and registered in Denmark, having a registered number of A/S600021, and having its registered office at c/o Nuna Advokater, Qullilerfik 2, 6., Post Box 59, 3900 Nuuk, Greenland. Hudson Greenland A/S has been assigned the GER number 12759711.

Percentage share: 100%

Article 1 Definitions, interpretations and appendices

1.01 For the purpose of this Licence and the attached appendices, the following terms shall have the meanings stated below, unless otherwise apparent from or required by the context:

- (a) "Additional Payable Royalty" has the meaning stated in section 6.32.
- (b) "Annual Royalty Report" has the meaning stated in section 6.35.
- (c) "Anorthosite" is the Mineral (as defined below) to be exploited under this Licence.
- (d) "Basic Royalty Amount" has the meaning stated in section 6.28.
- (e) "Closure Plan" means the closure plan as defined in the Mineral Resources Act section 43.
- (f) "Corporate Dividend Withholding Tax Amount" has the meaning stated in section 6.29.
- (g) "Corporate Income Tax Amount" has the meaning stated in section 6.29.
- (h) "Crushing Plant" has the meaning stated in section 9.02.
- (i) "DKK" means Danish kroner.
- (j) "Exploitation Plan" has the meaning as stated in the Mineral Resources Act section 19 and comprises of all the activities related to the exploitation of the Mineral, including production methods, processing, sales etc.
- (k) "Financial Security" has the meaning stated in section 29.01.
- (l) "Financial Security Amount" has the meaning stated in section 29.02.
- (m) "Fully Processed Mineral" means any mineral which is exploited under this Licence and processed into an end mineral product. The MRA may set more specific terms on the definition, contents and delimitation of the term Fully Processed Mineral. Such terms may be set in the MRA's approval of the Processing Plan, as stated in section 9.04, or approval of any other plan for activities under this Licence.
- (n) "Fully Processed Minerals" means more than one Fully Processed Mineral, as defined in section 1.01(m).
- (o) "Greenland" means the island of Greenland with surrounding islands, including the continental shelf.
- (p) "Greenland Enterprise" means an enterprise which fulfils all of the following conditions: (i) The enterprise shall be established and registered as the type of enterprise (in Danish: "*virksomhed*") concerned with a registered office (in Danish: "*hjemsted*") in Greenland in accordance with Greenland law and/or Danish law on such enterprises which have their registered offices in Greenland, as applicable in Greenland at any time. (ii) The enterprise shall have its real (actual)

head office, from where the enterprise is managed, in Greenland. (iii) The enterprise shall have a real (close) connection to the Greenland society through its performance of commercial activities in Greenland. The determination of whether the enterprise has a real (close) connection to the Greenland society is among others based on the enterprise's performance of commercial activities, including prior activities and planned future activities, in Greenland. The MRA may set more specific rules or terms on the definition of Greenland Enterprise. Such terms may be set in an executive order issued under the Mineral Resources Act, in an addendum to this Licence or in any approval granted or decision made under the Mineral Resources Act or this Licence.

- (q) "Greenland Enterprises" means more than one Greenland Enterprise, as defined in section 1.01(p).
- (r) "Greenland Resident" means a person who fulfils one or more of the following conditions:
 - (1) The person was born in Greenland and had permanent residence in Greenland for the first 5 years of his or her life.
 - (2) The person has had permanent residence in Greenland in the last 2 years or in 7 years of the last 10 years.
 - (3) The person is married to, or proves to have lived at least 1 year in a civil partnership with, a person who fulfils condition no. (1) or (2) above or is employed by a public or private employer (authority or business) in Greenland in accordance with Greenland law.
 - (4) The person otherwise has a particular connection to Greenland, as may be decided by the MRA.

In condition no. (2) above, "permanent residence" includes residence outside Greenland for educational purposes if the person concerned fulfilled the conditions for obtaining public grants under the Greenland education grant and loan scheme when the education began.

- (s) "Greenland Residents" means more than one Greenland Resident, as defined in section 1.01(r).
- (t) "Greenland Worker" means a Greenland Resident, as defined in section 1.01(r), unless otherwise provided in an addendum to this Licence.
- (u) "Greenland Workers" means more than one Greenland Worker, as defined in section 1.01(t).
- (v) "IBA" has the meaning stated in section 20.01.
- (w) "Impact Benefit Agreement" has the meaning stated in section 20.01.
- (x) "Independent Parties" shall mean parties which are regarded as independent parties under transfer pricing rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.
- (y) "Independent Party" shall mean any of the Independent Parties as stated in section 1.01(x).
- (z) "Joint Operating Agreement" (JOA) means the agreement concluded between the companies

which hold shares in this Licence about the performance of the activities comprised by this Licence, see Article 21. This definition only applies if several parties hold shares in this Licence.

- (aa) "Licence" means this licence.
- (bb) "Licence Area" means the area covered by this Licence, see Article 2.
- (cc) "Licence Period" means the period in which this Licence is in force, see Article 3.
- (dd) "Licensee" means the holder of this Licence, as stated on page 3 of this Licence.
- (ee) "Licensee Company" means the company which is the holder of this Licence, as stated on page 3 of this Licence. If several companies hold shares in this Licence, "Licensee Company" means one of the Licensee Companies, as defined in section 1.01(ff).
- (ff) "Licensee Companies" means the companies which are holders of shares of this Licence, as stated on page 3 of this Licence. This definition only applies if several companies hold shares in this Licence.
- (gg) "Mineral" means the mineral which may be exploited under this Licence, as stated in section 4.01. If several minerals may be exploited under this Licence, as stated in section 4.01, then "Mineral" means one of the minerals which may be exploited under this Licence, as stated in section 4.01.
- (hh) "Minerals" means more than one Mineral, as defined in section 1.01(gg).
- (ii) "Mineral Resources" means all mineral resources comprised by the Mineral Resources Act, see section 5 of the Mineral Resources Act.
- (jj) "Mineral Resources Act" means Greenland Parliament Act no. 7 of 7 December 2009 on mineral resources and mineral resource activities (the Mineral Resources Act), as amended by subsequent acts.
- (kk) "MRA" means the Mineral Resource Authority which is the overall administrative authority for mineral resources and which comprises the Greenland Government and the ministries and their entities which have been delegated responsibility from the Greenland Government for the mineral resources area and/or matters within the mineral resources area and related areas under rules and decisions thereon from time to time.
- (ll) "Municipality" means Qeqqata Kommunua.
- (mm) "Partly Processed Mineral" means any mineral which is exploited under this Licence and processed into a specific mineral product which (1) is stated in the MRA's approval of the Processing Plan, as stated in section 9.04, or approval of any other plan for activities under this Licence and (2) is not a Fully Processed Mineral. Partly Processed Mineral includes plagioclase (calcium feldspar) powder. The MRA may set more specific terms on the definition, contents and delimitation of the term Partly Processed Mineral. Such terms may be set in the MRA's approval of the Processing Plan, as stated in section 9.04, or approval of any other plan for activities under

this Licence.

- (nn) "Partly Processed Minerals" means more than one Partly Processed Mineral, as defined in section 1.01(mm).
- (oo) "Payable Royalty" has the meaning stated in section 6.27.
- (pp) "Preliminary Payment" has the meaning stated in section 6.33.
- (qq) "Processing Plan" means the processing plan as stated in section 9.04.
- (rr) "Processing Plant" has the meaning stated in section 9.03.
- (ss) "Related Parties" means parties which have one or more of the following relations to each other:
 - (1) A person who in relation to another person is (i) a spouse, a civil partner or a partner in an enduring family relationship, (ii) an ascendant or a descendant of the said other person or his or her spouse, civil partner or partner in an enduring family relationship, (iii) a sibling of the said other person or his or her spouse, civil partner or partner in an enduring family relationship or (iv) a spouse or a civil partner of, or a partner in an enduring family relationship with, an ascendant, a descendant or a sibling of the said other person.
 - (2) A company and a person where the person or his or her related party, as stated in section 1.01(ss)(1) or 1.01(ss)(6), directly or indirectly (i) owns any part of the equity capital of the company, (ii) owns, is entitled to exercise or controls the exercise of any of the voting rights of the company or (iii) is entitled to exercise control or joint control of or exercises control or joint control of financial and operational decisions of the company.
 - (3) A company and a person where the person or his or her related party, as stated in section 1.01(ss)(1) or 1.01(ss)(6), is a member of any part of the management of the company, including a board of directors, a management board or committee, a supervisory board or committee, a governing board or committee or an executive board or committee, or of the management of a related company, as stated in section 1.01(ss)(2), 1.01(ss)(4), 1.01(ss)(5) or 1.01(ss)(6), or is an employee in the company or any such related company.
 - (4) Two companies where one of them or its related party, as stated in section 1.01(ss)(2), 1.01(ss)(3), 1.01(ss)(5) or 1.01(ss)(6), directly or indirectly (i) owns any part of the equity capital of the other company, (ii) owns, is entitled to exercise or controls the exercise of any of the voting rights of the other company or (iii) is entitled to exercise control or joint control of or exercises control or joint control of financial and operational decisions of the other company.
 - (5) Two companies where the same person or company or related persons or companies, as stated in 1.01(ss)(1), 1.01(ss)(2), 1.01(ss)(3) or 1.01(ss)(4), directly or indirectly (i) own any part of the equity capital of both of the said two companies, (ii) own, are entitled to

exercise or control the exercise of any of the voting rights of both of the said two companies or (iii) are entitled to exercise control or joint control of or exercise control or joint control of financial and operational decisions of both of the said two companies.

(6) Other persons, companies, partnerships, joint ventures or organisations related in a manner similar to the manner stated in section 1.01(ss)(2), 1.01(ss)(3), 1.01(ss)(4) or 1.01(ss)(5).

(tt) "Related Party" means any of the Related Parties, as stated in section 1.01(ss).

(uu) "Royalty Conversion Amount" has the meaning stated in section 6.29.

(vv) "Statutory Fee" has the meaning stated in section 6.47.

(ww) "Supervisory Authority" means the MRA or the authority, persons or companies which the MRA appoints to carry out supervision of the Licensee's activities under this licence, see Article 12.

(xx) "Total Value of Minerals" has the meaning stated in section 6.28.

(yy) "Unrelated Parties" means parties which are not Related Parties and also are Independent Parties.

(zz) "Unrelated Party" means a party which is not a Related Party and also is an Independent Party.

1.02 In this Licence, any reference to the singular number shall include a reference to the plural number and any reference to the plural number shall include a reference to the singular number, unless otherwise apparent from or required by the context.

1.03 In this Licence, "including" means including without limitation or prejudice to the generality of any description, definition, term or expression preceding that word. In this Licence, "including" also means including but not limited to. The word "include" and its derivatives shall be interpreted accordingly.

1.04 All appendices to this Licence shall constitute an integral part of this Licence and shall be deemed to be incorporated in this Licence.

Article 2 Licence Area

2.01 The Licence covers an area delineated by the corner coordinates stated in 0. A map of the Licence Area is attached as 0.

2.02 In case of any inconsistency between the corner coordinates and delineations stated in 0 and the map of the Licence Area in 0, the corner coordinates and delineations stated in 0 shall take precedence over the map of the Licence Area.

2.03 The Licence Area covers land areas only, unless otherwise provided in 0. The boundary between land area and the adjoining sea area follows the mean sea level.

- 2.04 If the Licence Area or parts thereof cease to be under Danish sovereignty, the Licensee shall respect such change in the status of the Licence Area and have no claim against the Greenland Self-Government or the Danish State as a result of or in connection with such change or its direct or indirect consequences. Any such change in the status of the Licence Area or parts thereof shall not have an effect on the remainder of the Licence Area, if any.

Article 3 Licence Period

- 3.01 The Licence is valid for a period of 30 years from the date it is granted (signed by the Greenland Government).
- 3.02 The granting, upholding, validity and effects of this Licence are subject to the Licensee's fulfilment of all of the following conditions:
- (a) No later than 31 December 2015, the Licensee shall prepare and submit an Exploitation Plan and a Closure Plan, and have obtained the Greenland Government's approval of these plans, see sections 19 and 43 of the Mineral Resources Act.
 - (b) No later than 31 September 2016 the Licensee shall document (substantiate) to the Greenland Government, and have obtained the Greenland Government's approval of the documentation, that the Licensee (the Licensee Company or the Licensee Companies, if several companies hold shares in this Licence) has sufficient financial capacity to perform the construction of all plants, facilities and installations etc., including plants, facilities and buildings for mining activities, residential buildings, production plants for electricity, roads and port facilities etc., and to commence and complete the exploitation of minerals under this Licence.
 - (c) No later than 31 December 2017, the Licensee shall have commenced exploitation of minerals under this Licence.
- 3.03 An application for extension of the Licence Period shall be sent to and received by the MRA no later than 90 days prior to the expiry of the Licence Period.
- 3.04 The Greenland Government may extend the Licence Period in accordance with section 29(3) of the Mineral Resources Act. The Greenland Government may extend the Licence Period on the same or different terms. The Greenland Government is not obliged to extend the Licence Period. The total licence period cannot exceed 50 years, see section 16(5) of the Mineral Resources Act.
- 3.05 The Licensee may surrender this Licence to the Greenland Government prior to the expiry of the Licence Period, see Article 25.

Article 4 Minerals covered by the Licence

4.01 The Licence covers exploitation of plagioclase (anorthosite).

Article 5 Fees

5.01 The Licensee shall pay a fee of DKK 100,000 to the MRA for the granting of this Licence, see section 16(7) of the Mineral Resources Act.

5.02 The Licensee shall pay a fee of DKK 200,000 to the MRA upon each extension of this Licence, see section 3.04.

5.03 The fees stated in sections 5.01 and 5.02 shall be adjusted every calendar year with effect from 1 January in the year concerned on the basis of the change in the Greenland consumer price index from July in the calendar year preceding the previous calendar year to July in the previous calendar year. The first of such adjustments shall be made in 2016 with effect from 1 January 2016 on the basis of the change in the Greenland consumer price index from July 2014 to July 2015. Amounts shall be adjusted to the nearest Danish krone. The adjustment in any subsequent year shall be made in the same manner.

5.04 The fees stated in sections 5.01 and 5.02 shall be paid no later than 30 days after the granting of this Licence or any extension of this Licence, as the case may be.

Article 6 Royalty*Obligation to pay royalty and royalty rate*

6.01 The Licensee shall pay royalty to the Greenland Government, represented by the MRA, for Minerals which are exploited under this Licence and considered sold under sections 6.04-6.07.

6.02 The Licensee shall pay royalty to the MRA for Minerals which are exploited under this Licence and considered sold under sections 6.04-6.07, irrespective of whether the actual sales price for the Minerals is determined under this Article 6, including section 6.14, at a date which is subsequent to the date at which the Minerals are considered sold under sections 6.04-6.07.

6.03 The royalty shall be paid annually at the rate of 2.5 per cent on the basis of the value of Minerals sold and Minerals considered sold in the year concerned.

Sale of exploited Minerals

6.04 Minerals shall be considered sold under this Article 6 when the Licensee pursuant to Greenland tax law is

considered to have acquired the right to payment of the sales price (consideration) for the Minerals under the sales agreement with the purchaser (in Danish: "*har erhvervet ret til at modtage købesummen (vederlaget) for mineralerne efter købsaftalen med køberen*"). In relation to this, Greenland tax law shall include rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.

- 6.05 Subject to any earlier time of sale under section 6.04, Minerals shall be considered sold under this Article 6 when the Minerals have been loaded on board a ship or vessel if they are to be transported or have been transported from Greenland to another country or a place outside Greenland, irrespective of whether the Minerals actually have been sold or not sold.
- 6.06 Section 6.05 shall not apply in relation to any Minerals which are processed in another state than Greenland if the said processing is performed in accordance with an approval of the processing granted by the MRA.
- 6.07 A Mineral shall be considered sold under this Article 6 when the Mineral is lost or damaged and thereby cannot be sold, irrespective of the cause or causes of the loss or damage. For example, a Mineral may be lost by theft or damaged during processing, storage or transport.

Volume of Minerals sold

- 6.08 The volume of Minerals sold shall be determined with reference to the time when the Minerals are considered sold under this Article 6, see sections 6.04-6.07.
- 6.09 The volume of Minerals sold shall be determined with reference to the weight measured in dry kilogram or dry metric tonnes.
- 6.10 Subject to sections 6.11-6.12, the Licensee may determine the volume of Minerals sold in any manner which the Licensee, based on an objective, informed and substantiated assessment, considers to be appropriate and accurate and in accordance with recognised best international practice. If the MRA, based on an objective, informed and substantiated assessment, considers the Licensee's determination of the volume to be incorrect or inaccurate, the MRA may, after consulting the Licensee, determine the volume in accordance with sections 6.11-6.12.
- 6.11 The volume of Minerals sold shall be determined in accordance with Greenland tax law, including rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.
- 6.12 The volume of Minerals sold shall be determined in accordance with recognised best international practice for the determination of volumes of Minerals sold under similar conditions.

Value of Minerals sold

- 6.13 The value of Minerals sold shall be determined with reference to the volume of Minerals considered sold under this Article 6, see sections 6.04-6.12.
- 6.14 Subject to sections 6.13 and 6.16-6.20, if Minerals are sold by the Licensee to an Unrelated Party in relation to the Licensee, the Licensee may use the actual sales price to determine the value of the Minerals if the Licensee, based on an objective, informed and substantiated assessment, considers the actual sales price to be equal to the sales price obtainable in a sale in the most relevant free market between Independent Parties, as determined in accordance with sections 6.18-6.20. The actual sales price shall be determined in this manner at the date where the price is determined under the sales agreement, however no later than 60 days after the date at which the Minerals are considered sold under this Article 6. If no actual price is available within the said period of up to 60 days, the value of Minerals sold shall be the sales price obtainable in a sale in the most relevant free market, at the time the Minerals are considered sold under this Article 6, for such Minerals sold under similar circumstances and in similar qualities and quantities in the trade concerned between Independent Parties. If the MRA, based on an objective, informed and substantiated assessment, considers the Licensee's actual sales price not to be equal to the sales price obtainable in a sale in the most relevant free market between Independent Parties, as determined in accordance with sections 6.18-6.20, the MRA may, after consulting the Licensee, determine the value of the Minerals in accordance with sections 6.13 and 6.16-6.20.
- 6.15 Subject to sections 6.13 and 6.16-6.20, if Minerals are sold by the Licensee to an Unrelated Party in relation to the Licensee and the value of the Minerals are not determined in accordance with section 6.14, or if Minerals are sold by the Licensee to a party which is not an Unrelated Party in relation to the Licensee, the Licensee shall, based on an objective, informed and substantiated assessment, determine the value of the Minerals as the sales price obtainable in a sale in the most relevant free market between Independent Parties, as determined in accordance with sections 6.18-6.20. If the MRA, based on an objective, informed and substantiated assessment, considers the Licensee's determined value of the Minerals not to be equal to the sales price obtainable in a sale in the most relevant free market between Independent Parties, as determined in accordance with sections 6.18-6.20, the MRA may, after consulting the Licensee, determine the value of the Minerals in accordance with sections 6.13 and 6.16-6.20.
- 6.16 The value of Minerals sold shall be determined in accordance with Greenland tax law, including rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.
- 6.17 Subject to sections 6.13 and 6.16, the value of Minerals sold shall be determined in accordance with recognised best international practice for the determination of values of Minerals sold under similar conditions.

- 6.18 Subject to sections 6.13, 6.16 and 6.17, the value of Minerals sold shall be the sales price obtainable in a sale in the most relevant free market between Independent Parties, see sections 6.19 and 6.20, for the volume of Minerals sold under this Article 6. If there is no such sales price, the value of Minerals sold shall be the price generally charged, at the time the Minerals are considered sold under this Article 6, for such Minerals sold under similar circumstances and in similar qualities and quantities in the trade concerned between Independent Parties.
- 6.19 The most relevant free market shall be the most recognised and representative free market for sale of the Minerals concerned (or, if there is no free market for sale of the Minerals concerned, for sale of the most similar Minerals) for delivery from Greenland or another country from which the Minerals are to be delivered (or, if there is no such market for delivery from Greenland or the said other country, from the place or country most similar to Greenland in respect of delivery of such Minerals) to the place or country where the Minerals concerned are delivered or to be delivered to a purchaser (or, if there is no such market for delivery to the said place or country of delivery, to the place or country most similar to the said place or country of delivery in respect of delivery of such Minerals).
- 6.20 The sales price obtainable for a sale in the most relevant free market shall be determined by reference to the most relevant sales price or prices of the most recognised and representative market price index (list) or indexes (lists) if there is any such price or prices of any such index or indexes.

Freight costs

- 6.21 If the sales price for Minerals sold, as determined in accordance with sections 6.13-6.15, does not include freight costs (consideration/payment) for transport from Greenland or another country from which the Minerals are to be delivered (or from the place or country most similar to Greenland or the said other country in respect of transport of the Minerals) to the place or country to which the Minerals are transported or to be transported to be delivered to a purchaser (or to the place or country most similar to the said place or country of delivery in respect of transport of the Minerals), freight costs shall not be deducted from the said sales price in the calculation of the value of the Minerals sold. For example, the sales price does not include freight costs, if the sales price is based on a sale on the delivery terms Free Alongside Ship (FAS) (named port of shipment/loading), Incoterms 2010, or Free On Board (FOB) (named port of shipment/loading), Incoterms 2010.
- 6.22 If the sales price for Minerals sold, as determined in accordance with sections 6.13-6.15, includes freight costs (consideration/payment) for transport from Greenland or another country from which the Minerals are to be delivered (or from the place or country most similar to Greenland or the said other place or country in respect of transport of the Minerals) to the place or country to which the Minerals are transported or to be transported to be delivered to a purchaser (or to the place or country most similar to the said place or country of delivery in respect of transport of the Minerals), the freight costs may be deducted from the said sales price in the calculation of the value of the Minerals sold. For example, the

sales price does include freight costs, if the sales price is based on a sale on the delivery terms Cost and Freight (CFR) (named port of destination/delivery), Incoterms 2010, or Cost, Insurance and Freight (CIF) (named port of destination/delivery), Incoterms 2010.

- 6.23 Subject to section 6.25, the freight costs which may be deducted pursuant to section 6.22 shall be determined as the freight (consideration/payment for transport) to be paid for such transport in the most relevant free market between Independent Parties. The most relevant free market shall be the most recognised and representative free market for the making of the transport agreement concerned. The freight (consideration/payment for transport) to be paid in the most relevant free market shall be determined by reference to the most relevant freight rate or rates of the most recognised and representative freight market price index (list) or indexes (lists) (if any). If there is no such price index (list), the freight to be paid shall be determined by reference to the freight generally or usually charged at the time of performance of the transport for such transport under similar circumstances, for similar ships or vessels in the trade concerned.
- 6.24 Subject to section 6.25, if the transport of the Minerals sold has been performed by a carrier which is an Unrelated Party in relation to the Licensee, the Licensee may use the actual freight paid to determine the freight costs which may be deducted pursuant to section 6.22, if the Licensee, based on an objective and informed assessment, considers the actual freight paid to be equal to the freight to be paid when the freight is determined in accordance with section 6.23. If the MRA, based on an objective and informed assessment, considers the actual freight paid not to be equal to the freight to be paid when the freight is determined in accordance with section 6.23, the MRA may, after consulting the Licensee, determine the freight costs in accordance with section 6.23.
- 6.25 The freight costs which may be deducted pursuant to sections 6.22 and 6.23 shall be determined in accordance with Greenland tax law, including rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland.

Other costs

- 6.26 In the determination of the value of Minerals sold or considered sold, no deduction shall be made for any cost, expense or other amount (including any sales commission, cash rebate or other rebate, any insurance cost or any financial cost), except for freight costs in accordance with sections 6.21-6.25.

Basic Royalty Amount, Royalty Conversion Amount and Payable Royalty

- 6.27 The royalty to be paid by the Licensee to the MRA ("Payable Royalty") shall be calculated annually for each calendar year.
- 6.28 In the calculation of Payable Royalty (and for this purpose only and with no other effect), a basic royalty amount ("Basic Royalty Amount") shall be calculated for the calendar year concerned. The Basic Royalty

Amount shall be calculated by applying the royalty rate, as set in section 6.03, to the total (aggregate) sum of all values of all volumes of all Minerals sold in the said calendar year concerned ("Total Value of Minerals"). The volumes of the Minerals shall be determined in accordance with sections 6.08-6.12. The values of the Minerals shall be determined in accordance with sections 6.13-6.26.

- 6.29 In the calculation of Payable Royalty (and for this purpose only and with no other effect), a royalty conversion amount ("Royalty Conversion Amount") shall be calculated for the calendar year concerned. The Royalty Conversion Amount shall be the total (aggregate) sum of (1) an amount corresponding to the Licensee's actually paid or to be paid (if actually paid subsequently when due) corporate income tax pursuant to Greenland tax law in force at any time (calculated at the tax rate in force at any time and not including interest, penalty charges for late payment or other additional fees or charges) ("Corporate Income Tax Amount") and (2) an amount corresponding to the Licensee's actually paid or to be paid (if actually paid subsequently when due) corporate dividend withholding tax pursuant to Greenland tax law in force at any time (calculated at the tax rate in force at any time and not including interest, penalty charges for late payment or other additional fees or charges) ("Corporate Dividend Withholding Tax Amount").
- 6.30 The Payable Royalty for a calendar year shall be calculated as the Basic Royalty Amount for that calendar year less (that is with deduction of) the Royalty Conversion Amount for that calendar year. If the result of the calculation is a positive number, the calculated Payable Royalty amount shall be paid by the Licensee to the MRA. If the result of the calculation is nil (zero) or a negative number, no royalty amount shall be paid by the Licensee to the MRA for that calendar year. If the result of the calculation is a negative number, this number shall have no effect for any other calendar year, and there shall not be any carry backward or carry forward or any other transfer of any negative number or any corresponding amount between any calendar years.
- 6.31 If subsequent corrections are made to the Basic Royalty Amount calculated for a calendar year, these corrections shall be referred back to the calendar year to which the corrections relate. The Licensee shall make any required updated calculations of corporate income tax and shall make corrected calculations of the Corporate Income Tax Amount, the Corporate Dividend Withholding Tax Amount, the Royalty Conversion Amount and the Payable Royalty. If subsequent corrections are made to the corporate taxable income and/or the corporate taxable dividend for a calendar year, these changes shall be referred back to the calendar year to which the corrections relate (for the purpose of royalty calculation). The Licensee shall make corrected calculations of the Corporate Income Tax Amount and/or the Corporate Dividend Withholding Tax Amount, the Royalty Conversion Amount and the Payable Royalty and shall submit the corrected calculations and a corrected Annual Royalty Report, as defined in section 6.35, to the MRA.
- 6.32 If the total (aggregate) sum of the Payable Royalty, the Corporate Income Tax Amount and the Corporate Dividend Withholding Tax Amount for a calendar year is less than the Basic Royalty Amount for that

calendar year, the Licensee shall pay an additional royalty amount ("Additional Payable Royalty") to the MRA. The Additional Payable Royalty shall be calculated as the difference between the Basic Royalty Amount and the total (aggregate) sum of the Payable Royalty, the Corporate Income Tax Amount and the Dividend Withholding Tax Amount.

Preliminary Payment of royalty

6.33 The Licensee shall make a preliminary payment of royalty ("Preliminary Payment") to the MRA for Minerals which are exploited under the licence and considered sold under sections 6.04-6.07 if the Licensee shall make any preliminary or other advance payment, any instalment payment, any pre-payment or any other periodic payment during a calendar year of corporate income tax under Greenland tax law as applicable at any time. The Preliminary Payment shall then be made for the same periods and on the same dates and terms (if relevant in relation to Preliminary Payment of royalty) as the said payment of corporate income tax. The Preliminary Payment shall be an amount equal to 2.5 per cent of the aggregate (total) value of all the Minerals sold. The aggregate (total) value of the Minerals sold shall be calculated on the basis of the volume and the value of the Minerals sold, as calculated in accordance with sections 6.04-6.26.

6.34 The Preliminary Payment shall be paid to the MRA in accordance with the terms on payment of Payable Royalty in sections 6.43-6.45.

Annual Royalty Report, audit and submission of information and documents relating to royalty

6.35 The Licensee shall prepare an annual report ("Annual Royalty Report") on all matters relating to the royalty and its calculation and payment. Such matters include (but are not limited to) the following:

- (a) The volume of Minerals sold, including separate information for Minerals actually sold and for Minerals considered sold under this Article 6.
- (b) The time of sale of Minerals, including separate information for Minerals actually sold and for Minerals considered sold under this Article 6.
- (c) The value of Minerals sold, including separate information for Minerals actually sold and for Minerals considered sold under this Article 6.
- (d) Freight costs (if relevant), including separate information for Minerals actually sold and for Minerals considered sold under this Article 6.
- (e) Minerals exploited and neither sold nor considered sold under this Article 6.
- (f) Basic Royalty Amount.
- (g) Corporate Income Tax Amount.
- (h) Corporate Dividend Withholding Tax Amount.

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- (i) Royalty Conversion Amount.
 - (j) Payable Royalty.
 - (k) Additional Payable Royalty (if any is to be paid).
 - (l) Preliminary Payment and its calculation and payment.

For Minerals sold which have been loaded on board a ship or vessel to be transported from Greenland, or from another country from which the Minerals are to be delivered to the purchaser, to another place or country or which have been transported on a ship or vessel from Greenland, or from such other country, to another place or country, the Annual Royalty Report shall include information on the matters mentioned in letters (a) to (d) above for each cargo (shipment) of Minerals loaded or transported on each ship or vessel as well as for all Minerals so loaded or transported. For Minerals sold which have not been so loaded or transported, the Annual Royalty Report shall include information on the matters mentioned in letters (a)-(d) above for each pile or other accumulation of such Minerals as well as for all such Minerals.

- 6.36 The Annual Royalty Report for a calendar year shall be submitted by the Licensee to the MRA no later than 1 May the subsequent calendar year or the later date in the subsequent calendar year at which the Licensee submits its annual tax return for the said calendar year and may do so under Greenland tax law.
- 6.37 The Annual Royalty Report for a calendar year shall have been audited in accordance with section 6.38 when the Annual Royalty Report is submitted by the Licensee to the MRA in accordance with sections 6.35 and 6.36.
- 6.38 The Licensee shall appoint a state authorised public accountant to perform an annual audit of the Annual Royalty Report and the accounting records which form the basis of the Annual Royalty Report and of the calculation of the royalty. The state authorised public accountant's audit for any calendar year shall be completed and the audit report issued and submitted to the MRA no later than 1 May the subsequent calendar year or the later date in the subsequent calendar year at which the Licensee submits its annual tax return for the said calendar year and may do so under Greenland tax law. The audit shall be performed in accordance with International Standards on Assurance Engagements (ISAE 3000) and the audit report shall provide reasonable assurance that the Annual Royalty Report is complete, accurate and free from any material misstatement. The MRA shall be entitled to perform an independent outside audit and may appoint a state authorised public accountant or other auditor to participate in or perform the independent outside audit. The costs of auditors shall be paid by the Licensee.
- 6.39 Any information and document relating to the calculation, payment and/or reporting of royalty shall be submitted, without undue delay, by the Licensee to the MRA at the request of the MRA.
- 6.40 The Annual Royalty Report shall be prepared, submitted, reviewed by the MRA and audited in

accordance with rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland, to the extent the application of such rules, principles and guidelines are relevant and appropriate in relation to the Annual Royalty Report.

Currency and currency conversion

- 6.41 As regards currency and currency conversion, the Basic Royalty Amount, the Royalty Conversion Amount, the Payable Royalty, any Additional Payable Royalty and any other amount stated in the Annual Royalty Report shall be calculated and stated in accordance with Greenland tax law relating to currency and currency conversion and shall be in the currency used to calculate and stated in the final approved tax assessment for the same calendar year.

Payment of royalty

- 6.42 The Payable Royalty and any Additional Payable Royalty for a calendar year shall be paid by the Licensee to the MRA in Danish kroner (DKK) no later than 20 November in the subsequent calendar year.
- 6.43 The Licensee shall transfer (by electronic funds transfer) the Payable Royalty and any Additional Payable Royalty in full (without any cost, fee, charge or other amount to be paid or borne by the Greenland Government or its bank(s)) in Danish kroner (DKK) to one or more bank accounts designated by the MRA.
- 6.44 If the Licensee has paid one or more Preliminary Payments to the MRA in a calendar year and the total (aggregate) amount paid as Preliminary Payments in that calendar year is less (lower) than the total (aggregate) amount to be paid as Payable Royalty and any Additional Payable Royalty, then the Licensee shall only pay the difference (balance) between the said two total (aggregate) amounts.
- 6.45 If the Licensee has paid one or more Preliminary Payments to the MRA in a calendar year and the total (aggregate) amount paid as Preliminary Payments in that calendar year is greater (higher) than the total (aggregate) amount to be paid as Payable Royalty and any Additional Payable Royalty, then the MRA shall repay the difference (balance) between the said two total (aggregate) amounts. The MRA shall repay the said difference (balance) by transferring the amount in full (without any cost, fee, charge or other amount to be paid or borne by the Licensee or its bank(s)) in Danish kroner (DKK) to one or more bank accounts designated by the Licensee.

Obligation to pay direct and indirect taxes etc.

- 6.46 The Licensee shall, in addition to the Payable Royalty and any Additional Payable Royalty for a calendar year under this Article 6, pay any direct and indirect taxes, including corporate income tax and corporate dividend withholding tax, pursuant to Greenland tax law in force at any time.

- 6.47 Subject to section 6.46, if the Greenland Parliament passes a statute on payment of a royalty, surplus royalty or similar fee to be paid for and calculated on the basis of (1) the volume or value of, or profit or other profit related matters derived from the exploitation and sale of, the same specific types of minerals exploited and sold under mineral exploitation licences as the Minerals exploited and sold under this Licence or (2) the licence area comprised by licences for exploitation of the same specific types of minerals as the Minerals exploited and sold under this Licence (each of no. 1 or 2 above a "Statutory Fee"), the Licensee shall not pay any Payable Royalty or any Additional Payable Royalty under this Article 6 from the date of coming into force of such statute if the Licensee has an obligation to pay and actually pays such Statutory Fee for Minerals exploited and sold under this Licence or for the Licence Area of this Licence. The Licensee shall, in addition to payment of such Statutory Fee, pay any other direct and indirect taxes, including corporate income tax and corporate dividend withholding tax, pursuant to Greenland tax law in force at any time. If the Greenland Parliament passes a statute on payment of fees or charges etc. not comprised by this section 6.47, the Licensee shall still pay Payable Royalty and any Additional Payable Royalty under this Article 6. Examples of such fees or charges etc. not comprised by this section 6.47 include, but are not limited to, an environmental fee, a fee, charge or obligation relating to emission of carbon dioxide (CO₂) or other greenhouse gases, another climate fee, a fee relating to health or safety of person or property or a value added tax (VAT). Examples of fees comprised by this section 6.47 include, but are not limited to, a special royalty to be paid for and calculated on the basis of the volume or value of a specified mineral exploited and sold under mineral exploitation licences, a special surplus royalty to be paid for and calculated on the basis of profit derived from the exploitation and sale of a specified mineral under mineral exploitation licences, or a special area fee to be paid for and calculated on the basis of the licence area comprised by licences for exploitation of a specified mineral.

Further provisions and decisions on royalty matters

- 6.48 Subject to sections 6.01-6.47, the MRA may lay down further provisions and make decisions on procedures, documentation and administrative matters relating to sections 6.01-6.47. If there is a conflict or an inconsistency between sections 6.01-6.47 and a provision laid down or a decision made under this section 6.48, sections 6.01-6.47 shall take precedence over the said provision or decision. In determining whether to lay down further provisions and make decisions on procedures, documentation and administrative matters relating to sections 6.01-6.47, the MRA shall consult with the Licensee and act reasonably and in accordance with general rules and principles of Greenland administrative law, including the principle of objectiveness, the principle of proportionality and the principle of equal treatment.

Article 7 Agreement on further training

- 7.01 During the Licence Period, the Licensee shall reimburse the MRA for annual expenses of up to DKK

125,000 in the first 3 years and increasing with DKK 50,000 annually in year 4 and with additional DKK 50,000 in year 5 and with additional DKK 25,000 in year 6 (the reimbursement will thus from year 7 amount to DKK 250,000 annually) for the training etc. of employees doing work related to mineral resource activities. The reimbursement shall be in accordance with the terms stated in 0.

7.02 In connection with any extension of the Licence Period, see section 3.04, an agreement shall be made regulating the Licensee's obligations with respect to the further training etc. of employees in the MRA in the Licence Period. The agreement may include terms to the effect that the Licensee shall annually reimburse the MRA for its annual expenses of up to DKK 250,000 for the further training etc. of employees doing work related to mineral resource activities. Such reimbursement shall be in accordance with the terms stated in 0.

7.03 The amount payable according to sections 7.01 and 7.02 and 0 shall be adjusted every calendar year with effect from 1 January in the year concerned on the basis of the change in the Greenland consumer price index from July in the calendar year preceding the previous calendar year to July in the previous calendar year. The first of such adjustments shall be made in 2016 with effect from 1 January 2016 on the basis of the change in the Greenland consumer price index from July 2014 to July 2015. Amounts shall be adjusted to the nearest Danish krone. The adjustment in any subsequent year shall be made in the same manner.

Article 8 Third party activities in the Licence Area

8.01 The Licensee shall respect all existing rights, including rights under licences for prospecting, exploration and exploitation of mineral resources. The Licence shall not entail any restrictions in the right of third parties to carry out lawful activities in the Licence Area, including the activities mentioned in section 8.02. However, the Licensee may close off limited onshore areas, to the extent necessary, for the purpose of performing specific mineral resource activities, provided that the MRA has given prior permission thereto.

8.02 Within the Licence Area, other parties than the Licensee may be granted the following licences and approvals and may perform the following activities etc.:

- (a) Other parties may be granted a non-exclusive prospecting licence for minerals stated in Article 4 of this Licence, pursuant to the Mineral Resources Act.
- (b) Other parties may be granted a licence for prospecting, exploration and exploitation of other Mineral Resources than those stated in Article 4 of this Licence, pursuant to the Mineral Resources Act.
- (c) Other parties may be granted an approval for the construction and operation of plants, buildings, installations, roads, pipelines and infrastructure etc. for the purpose of carrying out activities under

the Mineral Resources Act.

- (d) Other parties may carry out scientific and practical surveys of a general or cartographic nature relating to Mineral Resources, mineral resource activities, use of the subsoil for storage or purposes relating to mineral resource activities, related energy activities, related pipeline activities or other related activities as provided for in sections 2(3), 2(4) and 49 of the Mineral Resources Act.
- (e) Production of electricity or energy or transport of electricity or energy or related activities or matters under any licence, agreement, memorandum of understanding or similar instrument.

8.03 If the MRA approves activities as set out in sections 8.02(a)-8.02(d), the approval will include terms stating that the activities shall be carried out in a manner which does not interfere unnecessarily with the activities of the Licensee under this Licence. Likewise, the Licensee shall ensure that its activities under this Licence do not interfere unnecessarily with such third party activities in the Licence Area.

Article 9 Processing and sale etc. of Minerals

Processing and sale etc. of Minerals

9.01 All Minerals exploited under this Licence shall be processed and sold etc., and may only be used as security for financing, in accordance with the terms of this Article 9 and with the other terms of this Licence unless such other terms cannot be applied to such activities.

Mining, Crushing Plant and Processing Plant

9.02 All Minerals shall be exploited (mined) at the mine site. All exploited Minerals shall be crushed in a primary and secondary crushing process (by being crushed by one or more crushers or in any other mechanical process approved by the MRA) in a crushing plant ("Crushing Plant") near the mine site prior to being transported to the Processing Plant.

9.03 The crushed Minerals shall be further processed in a processing plant ("Processing Plant") in which the crushed Minerals shall be processed (by being crushed by one or more crushers, separated by one or more centrifugal air separators and/or magnetic separators and/or in any other mechanical process approved by the MRA, and processed in any other manner approved by the MRA) into Partly Processed Minerals. The Processing Plant shall be situated in the Licence Area, see Article 2, unless the MRA approves that the Processing Plant is situated at another place in Greenland. Any further crushing and/or processing shall be done in a plant situated in the Licence Area unless the MRA approves that such further crushing and/or processing shall or may be done at another place outside Greenland.

Processing plan

9.04 The Licensee shall prepare a plan for the processing of all Minerals exploited under this Licence and for

the establishment, operation and decommissioning of the Crushing Plant and the Processing Plant ("Processing Plan") and shall submit the Processing Plan to the MRA for its approval. The Processing Plan shall be a part of the Exploitation Plan and the Closure Plan and subject to the terms for those plans and the MRA's approvals of those plans, see Article 10 and Article 11. The Processing Plan shall be subject to the approval of the MRA and any terms set for the approval of the plan. The processing of all Minerals exploited under this Licence and the establishment, operation and decommissioning of the Crushing Plant and the Processing Plant shall be performed in accordance with the approved Processing Plan and any terms set for the approval of the plan.

9.05 The Processing Plan mentioned in section 9.04 shall include a financial feasibility study ("Financial Feasibility Study" or "FFS") comprising the processing activities and other exploitation activities under this Licence. The Licensee shall submit the FFS to the MRA for its approval. The FFS is subject to the approval of the MRA. The MRA may request the Licensee to submit an updated or revised FFS to the MRA for its approval.

9.06 The Processing Plan mentioned in section 9.04 shall be regularly updated and shall furthermore be revised to reflect substantial changes in the exploitation activities, the processing activities or other matters relating to the Processing Plan. Amendments to the Processing Plan are subject to the approval of the MRA and any terms set for such approval, see sections 19 and 43(4) of the Mineral Resources Act. The MRA may request the Licensee to submit an updated or revised Processing Plan to the MRA for its approval.

Environmental Impact Assessment and Social Impact Assessment in relation to processing, the Crushing Plant and the Processing Plant

9.07 The processing of all Minerals exploited under this Licence and the establishment, operation and decommissioning of the Crushing Plant and the Processing Plant shall be comprised by and integrated in the Environmental Impact Assessment (EIA) and the Social Impact Assessment (SIA) which the Licensee shall prepare and submit to the MRA for its approval, see sections 10.01(b) and 10.01(c). The MRA may demand that the EIA or the SIA shall be amended or expanded if it, in the opinion of the MRA, is not adequate, including if it is not adequate in relation to the processing of all Minerals exploited under this Licence, the establishment, operation and decommissioning of the Crushing Plant and the Processing Plant or other matters relating to the processing activities. The EIA, the SIA and any amendment or expansion to the EIA or the SIA shall be subject to the approval of the MRA and any terms set for such approval.

Processing of Minerals in other states than Greenland

9.08 Subject to section 12 of the IBA, as stated in section 20.01 of this Licence, the Processing Plan mentioned in section 9.04 may contain statements to the effect that some or all Minerals exploited under this Licence shall or may be processed into Fully Processed Minerals, as defined in section 1.01(n), or Partly

Processed Minerals, as defined in section 1.01(nn), in one or more other states than Greenland. Any such statements in the Processing Plan and their effects shall be subject to the approval of the MRA and any terms set for such approval, as stated in section 9.09.

9.09 The MRA may approve that some or all Minerals exploited under this Licence shall or may be processed into Fully Processed Minerals, as defined in section 1.01(n), or Partly Processed Minerals, as defined in section 1.01(nn), in one or more other states than Greenland. In determining whether to grant such approval, the MRA may take into consideration any relevant matter, including the following:

- (a) Whether processing of the Minerals concerned in Greenland will result in substantially higher costs or substantially greater detriments in relation to public interests, including the protection of the environment and the other public interests stated in sections 9.09(b)-9.09(g), than processing of the Minerals in the other state or states concerned.
- (b) Whether processing of the Minerals concerned in Greenland will result in higher or lower sales payments (sales prices) than processing of the Minerals in the other state or states concerned.
- (c) The Greenland Government's interest in ensuring and supporting a transparent and controllable process and scheme for the processing and sale of exploited Minerals.
- (d) The Greenland Government's interest in promoting and ensuring or supporting processing in Greenland of exploited Minerals.
- (e) The Greenland Government's interest in promoting and ensuring or supporting processing and sale of exploited Minerals in a manner which results in the greatest (highest) government take, including royalty under Article 6 and direct and indirect taxes, for the Greenland Government.
- (f) The Greenland Government's interest in ensuring appropriate and effective exploitation of Mineral Resources and their values and social sustainability and protection of the environment.
- (g) The Greenland Government's interest in ensuring and supporting employment of Greenland Workers and business creation and development in Greenland and performance of value adding processes in Greenland.

The MRA may freely and at its sole discretion decide whether it will grant or not grant an approval as stated above in this section 9.09 and may set any terms for an approval. Such terms may include terms to the effect that the Minerals concerned shall or may be processed into Fully Processed Minerals, as defined in section 1.01(n), or Partly Processed Minerals, as defined in section 1.01(nn), in one or more other states than Greenland and terms to the effect that any such processing shall be subject to and performed in accordance with the Mineral Resources Act and other legislation, executive orders and other regulations and provisions laid down pursuant to such legislation, this Licence, approvals of plans for activities under this Licence and any other rule, regulation, provision, term and agreement applicable to this Licence, activities under this Licence or the processing activities. The Greenland Government shall only make

such a decision on whether it will grant or not grant such an approval if the Licensee has submitted an application with all relevant documents and information to the Greenland Government. The documents shall include an Environmental Impact Assessment (EIA), see sections 9.07 and 10.01(b), a Social Impact Assessment (SIA), see sections 9.07 and 10.01(c), and a Financial Feasibility Study (FFS), see section 9.05, which all shall include all relevant information in relation to the processing of all exploited Minerals in accordance with this Article 9. The Greenland Government may demand that the Licensee submits additional documents and information and performs studies and investigations to the extent this is necessary to consider the application and make the decision, in the opinion of the Greenland Government.

- 9.10 Subject to any approval as stated in sections 9.08 and 9.09, all Minerals exploited under this Licence shall be processed into Fully Processed Minerals in Greenland.
- 9.11 Subject to sections 9.17 and 9.18, if a Mineral is processed or to be processed in another state than Greenland in accordance with an approval as stated in section 9.09, the Licensee may not in any manner sell, pledge, mortgage, charge, lease, transfer, dispose of or otherwise legally deal with the said Mineral unless the Mineral has been processed in accordance with the said approval, all other approvals of plans for activities under this Licence and this Article 9.
- 9.12 If a Mineral is processed in another state than Greenland in accordance with an approval as stated in section 9.09, the Licensee shall pay royalty under Article 6 for the Mineral when it is sold or considered sold under Article 6. In addition to the royalty, the Licensee shall in relation to the said Mineral report and pay any direct and indirect taxes, including corporate income tax and corporate dividend withholding tax, pursuant to Greenland tax law in force at any time.

Other general terms on processing of Minerals

- 9.13 The processing of all Minerals exploited under this Licence shall be performed, and the Crushing Plant and the Processing Plant and any related installations, buildings and infrastructure shall be established, operated and decommissioned, in accordance with the Mineral Resources Act and other legislation, executive orders and other regulations and provisions laid down pursuant to such legislation, this Licence, approvals of plans for activities under this Licence and any other rule, regulation, provision, term and agreement applicable to this Licence, activities under this Licence, the processing activities, the Crushing Plant and the Processing Plant and related installations etc. or activities relating to the Crushing Plant and the Processing Plant and related installations etc.
- 9.14 Subject to sections 9.01-9.13 and 9.15-9.18, all Minerals exploited under this Licence shall be processed in accordance with best national and international practices and procedures.
- 9.15 Subject to sections 9.17 and 9.18, the Licensee may not in any manner sell, pledge, mortgage, charge, lease, transfer, dispose of or otherwise legally deal with any Mineral exploited under this Licence unless the Mineral has been processed in accordance with this Article 9. If the Licensee irrespective of this sells,

pledges, mortgages, charges, leases, transfers, disposes of or otherwise legally deals with any Mineral exploited under this Licence, any such sale or other legal act or disposition shall be invalid and have no effect until the Mineral has been processed in accordance with this Article 9. If, irrespective of the second sentence of this section 9.15, a Mineral cannot be processed in accordance with this Article 9, the said Mineral shall be considered lost and thereby considered sold as stated in section 6.07 in relation to calculation and payment of royalty under Article 6 and the volume and the value shall be determined by the MRA as the volume and the value of the Mineral if it had been processed in accordance with this Article 9.

Sale of Minerals in accordance with transfer pricing rules, principles and guidelines

- 9.16 Any sale of any Mineral exploited under this Licence shall be made in accordance with transfer pricing rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time. If a sale is not made in this manner, a sales price and other sales terms which are in accordance with the said transfer pricing rules, principles and guidelines shall be used in the calculation of any royalty under Article 6 and any other amount in relation thereto. The sales price and other sales terms to be used in this manner shall be set by the MRA, based on an objective, informed and substantiated assessment. If the Licensee, based on an objective, informed and substantiated assessment, considers the MRA's determination of the sales price and other sales terms to be used to be incorrect or inaccurate, the Licensee may commence proceedings to have the sales price and other sales terms to be used decided by a decision of an arbitration tribunal in accordance with Article 32. Such a decision shall be made in accordance with this Licence, including in particular this section 9.16. Such proceedings shall not suspend the effects of the MRA's determination of the sales price and other sales terms to be used. If a decision made in accordance with Article 32 determines another sales price and/or other sales terms to be used than the sales price and other sales terms determined by the MRA, the said other sales price and/or other sales terms apply in relation to calculation of royalty under Article 6.

Use of Minerals as security for financing etc.

- 9.17 The Exploitation Plan mentioned in Article 10 may contain statements to the effect that some or all Minerals exploited under this Licence shall or may be used to provide security, including by pledging, mortgaging or charging the minerals, to one or more specific parties on specific terms, including terms ensuring the following:
- (a) That any such security and its contents and effects shall be in accordance with this Licence, including in particular Article 6 and this Article 9, and all approvals by the MRA of plans for activities under this Licence.
 - (b) That any such security and its contents and effects shall respect and be subject to any obligation in relation to processing and sale etc. of the Minerals under this Article 9 and all approvals by the MRA of plans for activities under this Licence.

- (c) That any such security and its contents and effects shall be in accordance with the Mineral Resources Act, including among others sections 1, 2, 16-19, 42-43 and 83-87.
- (d) That any such security and its contents and effects shall respect and be subject to any right and authority of the Greenland Self-Government and the MRA in relation to the Minerals, including the exploitation, processing, handling, storage, transport and sale of the Minerals.

Any such statements and their effects and any such terms on the matters stated in letters (a)-(d) are subject to the approval of the Greenland Government and any terms set for such approval, as stated in section 9.18.

- 9.18 The MRA may approve that some or all Minerals exploited under this Licence shall or may be used to provide security, including by pledging, mortgaging or charging the Minerals, to one or more specific parties on specific terms, including terms ensuring the matters stated in sections 9.17(a)-9.17(d). In determining whether to grant such an approval, the MRA may take into consideration any relevant matter. The MRA may set any terms for such an approval, including terms ensuring the matters stated in sections 9.17(a)-9.17(d). The MRA shall only make a decision on an application for such an approval if the Licensee has submitted an application with all relevant documents and information to the MRA. The MRA may demand that the Licensee submits additional documents and information to the extent this is necessary to consider the application and make the decision, in the opinion of the MRA.

Article 10 Exploitation Plan (development, production and Closure Plan)

- 10.01 Following the granting of this Licence, the Licensee and the MRA shall jointly discuss the planning of development activities up to commencement of production. These discussions shall, among others, form the basis for preparing a joint timetable for the development activities. The timetable shall, among others, include the following activities:
- (a) The Licensee's preparation and submission to the MRA of the Exploitation Plan mentioned in section 10.02 comprising development, production and closure. To the extent possible, the material shall be prepared and submitted in such a manner that the overall Exploitation Plan is submitted first.
 - (b) An evaluation of the need for any changes in the Licensee's approved environmental impact assessment ("Environmental Impact Assessment" or "EIA") regarding the specific exploitation. The MRA may demand that the EIA shall be amended or expanded if it is not adequate, in the opinion of the MRA. The EIA is subject to the approval of the MRA and any terms set for such approval.
 - (c) An evaluation of the need for any changes in the Licensee's approved social impact assessment ("Social Impact Assessment" or "SIA") regarding the specific exploitation. The MRA may demand

that the SIA shall be amended or expanded if it is not adequate, in the opinion of the MRA. The SIA is subject to the approval of the MRA and any terms set for such approval.

- (d) The MRA's processing of the Licensee's Exploitation Plan, including the Closure Plan. To the extent possible, this processing by the MRA shall be carried out in such a manner that, based on the material mentioned in section 10.01(a), decisions are made first as regards the overall Exploitation Plan.

The timetable shall specify the time limits within which the parties, in cooperation, seek to plan the performance of their respective tasks. The Licensee and the MRA shall use their best endeavours to adhere to the prepared timetable.

- 10.02 Following the granting of this Licence, the Licensee shall submit an Exploitation Plan to the MRA for its approval, comprising development, production and closure activities in accordance with sections 19 and 43 of the Mineral Resources Act. The Exploitation Plan shall contain all necessary specific plans for the activities under this Licence, including activities relating to development, production, storage, waste disposal, transportation and closure etc. The Closure Plan shall include cost estimates for the closure activities, see section 14.05.
- 10.03 In connection with the granting of this Licence and based on the discussions mentioned in section 10.01, the MRA will fix a time limit, such time limit not to be shorter than any time limit stated in section 3.02(a), for the Licensee's submission of an Exploitation Plan, see section 10.02. The time limit shall be fixed in such a manner that the Licensee has reasonable time to prepare the Exploitation Plan and the related material.
- 10.04 Prior to commencement of development and production, the plans mentioned in section 10.01 shall have been approved by the MRA.
- 10.05 The Licensee shall commence exploitation within the time limit fixed in the approval under section 10.03. This time limit shall be fixed in such a manner that the Licensee has reasonable time to carry out the activities set out in the approved development plan.
- 10.06 Notwithstanding section 10.05, the Licensee shall commence exploitation no later than 31 December 2017, see section 3.02(c). The MRA may extend this time limit in accordance with section 24.05.

Article 11 Performance and approval of activities under the Licence etc.

- 11.01 The Licensee's activities under this Licence shall be carried out in accordance with recognised good international practice for exploitation activities under similar conditions. Furthermore, the Licensee's activities under this Licence shall be carried out in an appropriate manner and in a manner which ensures

safety, health, the environment and social sustainability in accordance with the Mineral Resources Act, other statutes and rules, the terms of this Licence, approvals under this Licence, other regulations and Impact Benefit Agreement terms applying at any time.

11.02 The Licensee shall submit plans for its activities under this Licence to the MRA, including the following plans:

- (a) A Closure Plan.
- (b) A development plan
- (c) An Exploitation Plan, see Article 10.
- (d) Environmental plans including monitoring, post-monitoring, management and study plans as deemed necessary based on development, production and closure activities and plans.
- (e) Health, safety and contingency plans.
- (f) Plans for socio-economic studies and for socially sustainable exploitation.
- (g) Production, storage, waste disposal and transportation plans.

All plans are subject to the approval of the MRA and any terms set for such approval. All plans shall include pollution contingency measures. An activity may not be initiated unless the MRA has approved the relevant plan or plans regarding the activity. In its approval, the MRA may determine that specific types of plants, equipment and material etc. may not be used or that certain activities may not be carried out in specific areas and during specific periods. Likewise, the MRA may order the Licensee to monitor biological, environmental and physical conditions concerning areas affected by the activities.

11.03 All the plans mentioned in section 11.02 shall be regularly updated and shall furthermore be revised to reflect substantial changes in the exploitation activities or other matters relating to the plans. Amendments to a plan are subject to the approval of the MRA and any terms set for such approval, see sections 19 and 43(4) of the Mineral Resources Act. The MRA may request the Licensee at 6 months' notice to submit an updated or revised plan to the MRA for its approval.

11.04 Pursuant to section 84 of the Mineral Resources Act, the Greenland Government may lay down specific rules on the performance of activities covered by exploitation licences in and outside the licence areas, including rules regarding technical, health, safety, environmental, social sustainability and resource matters. The rules shall apply to performance of activities covered by this Licence to the extent the rules apply to this Licence.

11.05 The Licensee may establish plants, buildings, installations, production facilities, storage and transportation facilities, pipelines and infrastructure etc. in and outside the Licence Area, provided they have been approved by the MRA, see sections 19 and 86(1) of the Mineral Resources Act.

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- 11.06 The Licensee shall take all necessary measures to ensure that the work does not create a risk of damage to persons or third party property.
- 11.07 The Licensee shall take all necessary measures to ensure that the risk of pollution and other harmful effects on the environment, both in and outside the Licence Area, is reduced as much as possible.
- 11.08 If the Licensee's activities create a risk of damage to persons or third-party property, or if the risk of pollution or harmful effects on the environment exceeds a level acceptable to the MRA, the MRA may order the Licensee to remedy the situation and rectify any damage within a time limit fixed by the MRA. If it is considered necessary by the MRA, the MRA may further order the Licensee to suspend activities wholly or partly until the Licensee has remedied the situation. Moreover, the MRA may order the Licensee to prepare a plan for remedying the situation. If the Licensee does not comply with an order or does not do so within a time limit fixed by the MRA, the MRA may implement the order and take any necessary preventive and/or remedial measures for the account and at the risk of the Licensee.
- 11.09 If the Licensee fails to comply with an order issued according to section 11.08, the Licensee shall compensate any damage, loss and cost incurred as a result thereof, irrespective of whether such damage, loss or cost is incurred by the Greenland Self-Government, the Danish State and/or any third party, including a private individual or a private enterprise.
- 11.10 The Licensee shall continuously carry out clean-up and rectify damage caused to terrain, vegetation and the environment as a result of the Licensee's activities.

Article 12 Supervision

- 12.01 The MRA supervises the Licensee's activities under this Licence, see section 86(2) of the Mineral Resources Act. MRA may appoint one or more authorities, persons or enterprises etc., as Supervisory Authority, to supervise the Licensee's activities under this Licence. The Supervisory Authority shall in all respects be entitled to supervise all the Licensee's activities and to demand information and documents from the Licensee regarding the Licensee's activities under this Licence. Against due evidence of authority and without a prior court order, the Supervisory Authority shall at all times have access to any part of the Licensee's activities under this Licence, to the extent required for the performance of the supervision.
- 12.02 The Supervisory Authority may take samples from geological material obtained as part of the Licensee's activities under this Licence.
- 12.03 The Supervisory Authority may issue orders in case of violation of or non-compliance with legislation, regulations laid down pursuant to such legislation, terms of this Licence, including non-compliance with obligations under the Impact Benefit Agreement, see Article 20, terms of approvals under this Licence or

any other law, rule or regulation applicable to the Licensee's activities under this Licence, all as applicable in Greenland at any time.

- 12.04 The Supervisory Authority may issue such orders as the Supervisory Authority finds necessary, including for the Licensee to immediately discontinue activities under this Licence. Such orders may also be issued under section 12.03.
- 12.05 If the Licensee fails to comply with an order issued according to section 12.04, the Licensee shall compensate any damage and loss incurred as a result thereof, irrespective of whether such damage or loss is suffered by the Greenland Self-Government, the Danish State and/or any third party, including a private individual or a private enterprise.
- 12.06 In connection with the Supervisory Authority's inspection in and at the Licence Area, the Licensee shall provide transport of the Supervisory Authority between the place of inspection and the nearest public airport or heliport in Greenland with scheduled flights and shall arrange for such transport to be provided in accordance with any reasonable requirements of the Supervisory Authority. The same applies to accommodation for the Supervisory Authority at the place of inspection and to transport in and at the Licence Area to the extent necessary.
- 12.07 The Licensee shall reimburse all costs and expenses incurred by the MRA and the Supervisory Authority, including the personnel of other authorities and external consultants etc., in connection with supervision and inspection of activities comprised by this Licence. The reimbursement shall be made in accordance with the provisions of Article 17 and applicable law, including section 86(5) of the Mineral Resources Act and the Greenland Government's executive order no. 24 of 30 December 2003 on the reimbursement of costs associated with authority administration in connection with mineral resource activities. Reimbursement in accordance with Article 17 shall include, but not be limited to, any costs and expenses in connection with supervision, investigation, consultancy and inspection. In relation to such activities, the reimbursement shall also comprise any transport of the Supervisory Authority and its equipment etc. and accommodation of the Supervisory Authority, including in connection with travels between the residence and the place at which the supervision, investigation, consultancy or inspection is performed, and accommodation at that place.

Article 13 General rules and principles of administrative law

- 13.01 In the Greenland Government's and the MRA's making of decisions and other case processing, the Greenland Government and the MRA shall act reasonably and in accordance with general rules and principles of Greenland administrative law, including the principle of objectiveness, the principle of proportionality and the principle of equal treatment.

- 13.02 Subject to Article 30 and Article 31, in the Greenland Government's and the MRA's making of decisions and other case processing, the Greenland Government and the MRA shall act in accordance with rules of law applicable in Greenland at any time.

Article 14 Obligations on termination of activities

- 14.01 On termination of the activities under this Licence, the Licensee shall do the following:
- (a) Remove all plants, buildings, installations, roads, pipelines, production facilities, storage and transportation facilities and infrastructure etc., within and outside the Licence Area, which have been established in connection with activities under this Licence, unless the non-removal of such plants etc. has been approved by the MRA in the Closure Plan or otherwise.
 - (b) Carry out final and full clean-up and rectification of any damage and impact on the environment, nature, vegetation and wildlife within and at the Licence Area and other affected areas. The clean-up and rectification is subject to approval by the MRA.
- 14.02 If plants etc. have served their purpose before termination of this Licence, measures according to sections 14.01(a) and (b) shall be taken for these plants etc. and the affected areas, immediately on termination of use. If a Closure Plan has been prepared, see sections 10.02 and 11.02, the measures mentioned above shall be carried out in accordance with that plan.
- 14.03 If the Licensee fails to comply with orders to implement the measures mentioned above within a time limit fixed by the MRA, the MRA may have such measures carried out at the Licensee's expense and risk, see section 42(3) of the Mineral Resources Act. If the implementation of such measures results in a claim for compensation made by a party suffering damage or loss against the Greenland Self-Government, the Danish State or a third party, the Licensee shall indemnify the Greenland Self-Government, the Danish State or the third party for the claim and any related cost.
- 14.04 The Closure Plan, see sections 10.02 and 11.02, shall be regularly updated and shall furthermore be revised to reflect substantial changes in the exploitation activities. Amendments to the Closure Plan are subject to the approval of the MRA and any terms set for such approval, see sections 43(4) of the Mineral Resources Act. The MRA may request the Licensee at 6 months' notice to submit an updated or revised Closure Plan for the MRA's approval.
- 14.05 In connection with approval of the Closure Plan, see sections 10.04, 11.02 and 14.04, the financing of the Closure Plan shall be discussed by the Licensee and the MRA. These discussions shall, among other matters, include the following:
- (a) The accounting principles which shall form the basis for calculation of annual provisions for this purpose.

- (b) Principles to ensure that the accumulated provisions are intact when closure activities are commenced, including provision of security, see section 42(2) of the Mineral Resources Act and Article 29 of this Licence.

The Licensee shall submit a proposal for financing of the Closure Plan.

- 14.06 As part of the reporting required according to section 15.01, the Licensee shall every year submit a statement of provisions made for implementation of the Closure Plan. The statement is subject to approval by the MRA.
- 14.07 Any suspension of the exploitation activities for a period of time with a view to subsequent resumption of the activities under this Licence requires the MRA's approval in accordance with section 44 of the Mineral Resources Act.
- 14.08 On termination of the exploitation activities, the Licensee shall carry out the closure activities in accordance with the Closure Plan. Prior to commencement, the closure activities shall have been approved by the MRA, see sections 10.04, 11.02 and 14.04. If the Licensee exceeds a time limit for implementation of closure activities and fails to comply with an order to carry out these activities within a time limit fixed by the MRA, the MRA may have such activities carried out at the Licensee's expense and risk, see section 42(3) of the Mineral Resources Act.
- 14.09 Prior to commencement of the closure activities, the Licensee shall be entitled to sell or otherwise transfer plants, buildings, installations, roads, pipelines and infrastructure etc., established for performance of activities under this Licence, to other parties, including Greenland authorities. Any such sale or transfer is subject to approval by the MRA and to the other parties assuming closure obligations corresponding to the Licensee's obligations, unless the MRA approves any changes to such obligations. Plants, buildings, installations, roads, pipelines and infrastructure etc. for which sale or transfer is approved shall be excluded from the Licensee's Closure Plan.
- 14.10 The total provisions for closure activities shall belong to the Licensee, but may only be used for closure purposes. If the cost of the closure activities is lower than the amount provided, the remainder of the provision shall be at the Licensee's disposal when the closure activities have been completed. If the cost of the closure activities exceeds the amount provided, the Licensee shall pay the excess cost, once the claim for payment or reimbursement of the costs falls due.
- 14.11 In connection with approval of the Closure Plan, see sections 10.04, 11.02 and 14.04, the MRA may and will determine and set terms to the effect that the Licensee shall provide and maintain security for the Licensee's fulfilment of closure (decommissioning) obligations and other related obligations under this Licence and the Mineral Resources Act, see in particular section 42(2) of the Mineral Resources Act and Article 29 of this Licence. No activities under this Licence may commence before the MRA has approved

the security for the Licensee's fulfilment of closure (decommissioning) obligations and other related obligations under this Licence and the Mineral Resources Act. Any security and any change relating to a security are subject to the approval of the MRA.

Article 15 Reporting etc.

- 15.01 For all activities performed under this Licence, the Licensee shall submit data, reports etc. to the MRA regarding all geological, geochemical, geophysical, technical, environmental, health, financial, including socio-economic, and other studies that are carried out in respect of the Licence Area and/or activities under this Licence, see section 86(4) of the Mineral Resources Act and section 15.03 of this Licence. At the MRA's request, the Licensee shall submit geological samples to the MRA, including drill cores.
- 15.02 If the Licensee discovers mineral resources other than those covered by this Licence, this shall be reported to the MRA.
- 15.03 The MRA may lay down rules and regulations and set terms in approvals of plans and activities concerning reporting on activities performed under this Licence, including reporting on financial matters, as well as the types of data, interpretations and other information to be included in the reports. The MRA may also determine the form and media for submitting such data etc. The MRA may demand further information and documents etc. from the Licensee concerning the activities performed under this Licence.
- 15.04 All expenses for the preparation and submission of reports, information, documents and samples etc. under this Licence shall be paid by the Licensee.

Article 16 Reporting on direct and indirect taxes etc.

- 16.01 The Licensee shall demonstrate to the MRA that the Licensee has reported information relating to direct taxes and indirect taxes to the tax authorities in Greenland, as required under Greenland law. The Licensee shall furthermore send copies to the Greenland Government of the information relating to direct taxes and indirect taxes which the Licensee has reported to the tax authorities in Greenland.
- 16.02 The provisions in this Article 16 on the Licensee's contracting parties, including its contractors, suppliers and service providers, shall apply to the Licensee's contracting parties who are to perform agreements relating to activities comprised by an approval under section 19, 43 or 86 of the Mineral Resources Act. Such provisions shall also apply to other contracting parties of the Licensee, unless the Licensee applies for and the MRA grants an exemption from this application for specific agreements or types of agreements with such contracting parties.
- 16.03 In the Licensee's agreements with its contracting parties, the Licensee shall require that its contracting

parties shall report information relating to direct taxes and indirect taxes to the tax authorities in Greenland, as required under Greenland law.

- 16.04 The Licensee shall check and ensure that the Licensee's contracting parties report information relating to direct taxes and indirect taxes to the tax authorities in Greenland, as required under Greenland law, and to the MRA.
- 16.05 If it is considered necessary by the MRA, the MRA may demand further information from the Licensee concerning the Licensee's and the Licensee's contracting parties' reporting of information relating to direct taxes and indirect taxes. The Licensee shall ensure that the MRA receives the requested information.
- 16.06 The Licensee shall demonstrate to the MRA that the Licensee has paid direct taxes and indirect taxes to the tax authorities in Greenland, as required under Greenland law, and the amounts paid.
- 16.07 In the Licensee's agreements with its contracting parties, the Licensee shall require that the contracting parties pay direct taxes and indirect taxes to the tax authorities in Greenland, as required under Greenland law. The Licensee shall also require that the contracting parties document payment to the MRA.
- 16.08 The Licensee shall check and ensure that the Licensee's contracting parties pay direct taxes and indirect taxes to the tax authorities in Greenland, as required under Greenland law. The Licensee shall furthermore check and ensure that contracting parties demonstrates this to the MRA.
- 16.09 If it is considered necessary by the MRA, the MRA may demand further information from the Licensee concerning the Licensee's and the Licensee's contracting parties' payment of direct taxes and indirect taxes. The Licensee must ensure that MRA receives the requested information.
- 16.10 If the Licensee or the Licensee's contracting party fails to fulfil the requirements under sections 16.01-16.09 or fails to pay direct taxes or indirect taxes to the tax authorities in Greenland, the MRA may order the Licensee to take remedial action within a specified time limit. If the Licensee has not remedied the failure before expiry of the time limit, the MRA may order the Licensee either to take remedial action within a reasonable time limit or to discontinue activities under this Licence. If the Licensee fails to take remedial action before expiry of the time limit and fails to discontinue activities under this Licence, the MRA may take and complete the actions which are necessary to make the Licensee discontinue the activities under this Licence or otherwise cause the activities to be discontinued for the account and at the risk of the Licensee. If such action gives rise to a claim for damages from any party against the Greenland Self-Government, the Licensee shall defend the Greenland Self-Government against the claim for damages and indemnify the Greenland Self-Government against any liability for any damage or loss. If the Licensee's contracting party does not pay a direct or indirect tax to the tax authorities in Greenland, as required under Greenland law, this section 16.10 does not oblige the Licensee to pay the unpaid direct or indirect tax to the tax authorities in Greenland.

16.11 The provisions in this Article 16 on the Licensee's contracting parties, including its contractors, suppliers and service providers, shall apply correspondingly to the contracting parties' contracting parties, including their contractors, suppliers and service providers, and to the contracting parties' contracting parties' contracting parties etc., and similarly to the employees of the Licensee, its contracting parties and their contracting parties etc.

16.12 The MRA may lay down further provisions on the matters mentioned in this Article 16, including provisions on times or periods for reporting, demonstration of payment of taxes and sending of copies to the MRA.

Article 17 The Licensee's payment of the Mineral Resource Authority's costs and expenses in connection with authorities processing

17.01 The Licensee shall pay all costs and expenses relating to case processing, supervision and other administrative work and administration in connection with this Licence and activities under this Licence, including costs and expenses for necessary translation and interpretation, see section 86(5) of the Mineral Resources Act.

17.02 The costs and expenses which shall be paid by the Licensee under section 17.01 shall be calculated and administered on the basis of the orders and rules laid down at any time by the Greenland Government or the MRA, see section 86(5) of the Mineral Resources Act. The payment may be collected as a fee or reimbursement of costs and expenses according to the orders and rules being laid down at any time by the Greenland Government or the MRA. These rules include the Greenland Government's executive order no. 24 of 30 December 2003 on the reimbursement of costs associated with authority administration in connection with mineral resource activities.

Article 18 Confidentiality

18.01 All data and any reports submitted in accordance with section 15.01 shall be treated as confidential by the MRA for a period of five years from the date when the data or reports were received by the MRA. Business confidential information may be kept confidential by the MRA if the MRA finds that the Licensee has documented material sensitivity of the information in relation with the Licensee's business activities and this is in accordance with the public administration act (in Danish: "*Offentlighedsloven*").

18.02 However, the period of confidentiality shall terminate no later than the date of termination of this Licence or the date of return of this Licence if the Greenland Government has approved the return of this Licence in accordance with Article 25. Business confidential information may be kept confidential if the Licensee has documented material sensitivity of the information in relation with the Licensee's business activities

and this in accordance with the act on public administration.

18.03 Notwithstanding the provisions of section 18.01, the MRA shall be entitled to the following:

- (a) The MRA may make general statements concerning this Licence Area and the activities under this Licence, based on the material submitted by the Licensee.
- (b) The MRA may use and publish, without any restrictions and conditions, data of an environmental, health, socio-economic, technical, navigational, meteorological or glaciological nature, including bathymetric maps, if this is considered to be in the general interest of the community in the MRA's opinion, but excluding any material patented or in the process of being patented or customer specific sales information.
- (c) The MRA may use and publish material submitted by the Licensee regarding general geological, geophysical and technical conditions, including generalized interpretations.

Prior to making a decision on whether to publish any material under sections 18.03(b) and (c), the MRA shall notify the Licensee thereof and consult with the Licensee.

Article 19 Workers and contractors, suppliers and service providers etc.

19.01 In carrying out activities under this Licence, the Licensee shall use and employ Greenland Workers. However, to the extent necessary for its activities, the Licensee may use and employ other workers if Greenland Workers with similar qualifications do not exist or are not available in Greenland.

19.02 In carrying out activities under this Licence, the Licensee shall use Greenland Enterprises, including contractors and subcontractors, suppliers and service providers. However, the Licensee may use other enterprises for such contract work, supplies and services, if Greenland Enterprises are not technically or commercially competitive.

19.03 At least once a year, the Licensee shall, in accordance with the provisions of the IBA, submit plans for the implementation of measures and procedures ensuring that the Licensee provides for the greatest possible use and employment of Greenland Workers and the greatest possible use of Greenland Enterprises as contractors, subcontractors, suppliers and service providers etc.

19.04 The Licensee shall ensure that any person employed to perform activities under this Licence, on behalf of the Licensee or any of its Greenland or foreign contracting parties or their contracting parties etc. (contractors, subcontractors, suppliers or service providers etc.), has received a proof of employment containing all relevant information regarding the employment. This includes all information regarding salary and terms of employment and other rights and duties in the relation between the employer and the employee.

- 19.05 The Licensee shall ensure that any person employed or otherwise engaged in activities under this Licence, on behalf of the Licensee or any of its Greenland or foreign contracting parties or their contracting parties etc. (contractors, subcontractors, suppliers or service providers etc.), is ensured treatment during illness or accident, including evacuation, emergency treatment, rehabilitation and transport to the country and place of permanent residency. The Licensee shall ensure that any person employed or otherwise engaged in activities under this Licence, on behalf of the Licensee or any of its Greenland or foreign contracting parties or their contracting parties etc., is provided with comprehensive medical insurance cover, including cover of medical costs, emergency treatment and any required rehabilitation. The MRA may order the Licensee to make hospital care and service agreements with Greenland hospital care authorities and entities regarding hospital care and service.

Article 20 Impact Benefit Agreement (IBA)

- 20.01 The Licensee has an obligation to negotiate, conclude and perform an impact benefit agreement ("Impact Benefit Agreement" or "IBA"). The Licensee, the Greenland Government and the Municipality have concluded an impact benefit agreement with the title: *"Impact Benefit Agreement for the Qaqortarsuaq/White Mountain anorthosite project between Hudson Resources Greenland A/S, Qeqqata Kommunia and the Government of Greenland"*. The impact benefit agreement was signed in September 2015. The requirements in the impact benefit agreement and the appendices from time to time are considered terms for the licence in accordance with the Mineral Resources Act.

Article 21 Joint Operating Agreement

- 21.01 Under section 88(1) of the Mineral Resources Act, the MRA may approve a transfer of shares in this Licence to one or more other parties, see section 22.01.
- 21.02 Sections 21.03-21.06 only apply if several parties hold shares in this Licence.
- 21.03 If several parties hold shares in this Licence, the operation relationship between the parties concerning the performance of activities under this Licence shall be laid down in a Joint Operating Agreement (JOA). The Joint Operating Agreement shall be concluded and signed by the parties no later than either (1) 4 months after the date this Licence is granted if several parties hold shares in this Licence at that date or (2) 4 months after the MRA's approval of a transfer of shares in this Licence if shares in this Licence are transferred to one or more other parties, as stated in section 21.01.
- 21.04 The Joint Operating Agreement mentioned in section 21.03 and any addition thereto or amendment thereof shall be subject to the approval of the MRA.
- 21.05 The parties shall appoint an operator for the activities under this Licence. The MRA shall approve the

parties' appointment of an operator, change of an operator and termination of operatorship.

- 21.06 The MRA shall be entitled to attend as an observer at the meetings of the joint operating committees etc. set up under the Joint Operating Agreement. The MRA shall receive the same convening notice and the same material as the other participants in such meetings. Expenses incurred by the MRA in connection with such participation shall be reimbursed by the Licensee, see section 12.07.

Article 22 Transfer of the Licence and legal proceedings against the Licence

- 22.01 The Licence or any part of it can neither directly nor indirectly be transferred to any other party or parties, unless such transfer is approved by the Greenland Government in accordance with section 88 of the Mineral Resources Act.
- 22.02 The Licence cannot be made the subject of any legal proceedings, see section 88(2) of the Mineral Resources Act.
- 22.03 If a lender financing the Licensee's exploitation of minerals under this Licence requires that this Licence or any part hereof shall be transferable to such lender at a later date, the MRA may, in accordance with section 88 of the Mineral Resources Act, grant its prior approval of such transfer subject to specific terms and conditions, without any amendments to the terms of this Licence.

Article 23 Conditions regarding Licensee Company or Licensee Companies

- 23.01 The Licensee Company, or each Licensee Company if there are several Licensee Companies, shall ensure that it fulfils all of the following conditions and any time:
- (a) The Licensee Company shall fulfil all of the conditions for a licensee company under the Mineral Resources Act, including section 16(3), this Licence and any terms set in any approval granted or any decision made under the Mineral Resources Act or this Licence.

Article 24 Revocation and lapse of the Licence

- 24.01 The Licence may be revoked in the following instances, see section 89 of the Mineral Resources Act:
- (a) If the Licensee or the Licensee's contracting party etc. fails to comply with the Mineral Resources Act, the terms of this Licence, provisions laid down pursuant to the Mineral Resources Act or pursuant to this Licence or terms of an approval under this Licence, or if the Licensee fails to meet specified time limits.
- (b) If the Licensee fails to perform or comply with terms of an Impact Benefit Agreement (see Article

20).

- (c) If the Licensee fraudulently misrepresents facts or information to the MRA.
- (d) If a condition for granting and/or upholding this Licence is no longer met and/or complied with, including the conditions under section 16(3) of the Mineral Resources Act and the conditions set out in section 3.02 and section 20.01.
- (e) If one or more of the companies holding shares in this Licence suspend their payments, request the opening of negotiations for a compulsory composition, are declared bankrupt, enter into liquidation or are in a similar situation.
- (f) If the Licensee does not fulfil and comply with an order issued by the MRA under this Licence.

- 24.02 The Licence shall not be revoked pursuant to section 24.01(a) or 24.01(b) if the Licensee remedies the breach, non-performance or non-compliance within a reasonable time limit set by the MRA. If the breach, non-performance or non-compliance has not been remedied within the time limit set by the MRA, this Licence may be revoked without further notice, unless otherwise stated in section 24.03.
- 24.03 The Licence shall not be revoked pursuant to section 24.01(a), 24.01(b) and/or 24.02 if the breach, non-performance, or non-compliance is due to circumstances (hindrances) which (1) make it impossible to prevent, avoid and overcome the breach or non-compliance, (2) are beyond the Licensee's control and (3) could not have been foreseen, prevented, avoided and/or overcome by the Licensee (force majeure). However, such circumstances (hindrances) shall not comprise the Licensee's illiquidity, insolvency or similar lack of means of payment or options available for payment. When such circumstances (hindrances) occur, the Licensee shall promptly give written notice thereof to the MRA, stating the nature, extent and expected duration of the circumstances (hindrances). If such circumstances (hindrances) terminate at a later time or can be prevented or overcome at a later time, and the Licensee does not bring to an end the breach, non-performance or non-compliance within a reasonable period of time thereafter, this Licence may be revoked pursuant to section 24.01(a), 24.01(b) and/or 24.02.
- 24.04 The Licence shall not be revoked pursuant to section 24.01(e) if more parties have a share in this Licence and the MRA approves the transfer of the relevant party's percentage share to one or more of the other parties holding shares in this Licence, provided that the Licensee continues to have the necessary expertise and financial resources for the activities performed under this Licence.
- 24.05 If the Licensee has not fulfilled one of the conditions set out in section 3.02(a), 3.02(b) or 3.02(c) at the end of the time limit for such condition, this Licence lapses without further notice. No later than 90 days prior to the end of the time limit for fulfilment of a condition set out in section 3.02(a), 3.02(b) or 3.02(c), the Licensee may request that the Greenland Government grants the Licensee an extension of the time limit for up to 90 days. The Greenland Government determines whether such an extension of the time limit shall be granted or not granted and, if an extension is granted, on which terms an extension shall be

granted. The Greenland Government shall not in any way be obliged to extend such time limit more than three times in the aggregate. The Licensee may apply for further extensions than the said three times in aggregate. The Greenland Government may freely refuse to grant any such extension. If the Licensee has not fulfilled the condition set out in section 3.02(a), 3.02(b) or 3.02(c) and any other terms for such an extension of the time limit at the end of such an extended time limit for fulfilment of the condition, this Licence lapses without further notice.

Article 25 Return of the Licence

- 25.01 If the Licensee intends to return this Licence to the Greenland Government before expiry of the Licence Period, the Licensee shall notify the Greenland Government thereof in writing.
- 25.02 The return of this Licence shall be subject to the approval of the Greenland Government and shall have no legal or other effect prior to (before) any such approval.
- 25.03 In connection with an approval of the Licensee's return of this Licence, the Greenland Government may lay down provisions and set terms, and require the Licensee to conclude an agreement, to the effect that the Licensee shall take measures and perform activities, including closure, clean-up, recovery and monitoring measures and activities, and that the Licensee shall provide security for performance of such measures and activities and possible future measures and activities, including monitoring of the environment and nature and performance of measures for protection and rehabilitation of the environment and nature.

Article 26 Interest on amounts due (owed)

- 26.01 If the Licensee fails to pay any fee, rental, royalty in accordance with Article 6, payment to be made pursuant to Article 17 or other outstanding amount under this Licence when the said amount is due to be paid, the Licensee shall pay interest on the said amount for the period for which it remains unpaid. The rate of interest shall be determined in accordance with the legislation on interest on overdue payments etc. applicable in Greenland at any time.
- 26.02 If a matter pursuant to section 9.16 shall be decided by a decision of an arbitration tribunal in accordance with sections 32.03-32.10, and such a decision of an arbitration tribunal decides or has the effect that the Licensee shall pay a lessor (lower) royalty amount under Article 6 than the Licensee has actually paid to the MRA, the MRA shall pay interest on the royalty amount to be repaid by the MRA to the Licensee. Interest shall be paid from the day the Licensee actually paid the said royalty amount until the day the MRA repays the royalty amount to be repaid to the Licensee. The rate of interest shall be determined in accordance with the legislation on interest on overdue payments etc. applicable in Greenland at any time.

- 26.03 If a matter pursuant to section 9.16 shall be decided by a decision of an arbitration tribunal in accordance with sections 32.03-32.10, and such a decision of an arbitration tribunal decides or has the effect that the Licensee shall pay a greater (higher) royalty amount under Article 6 than the Licensee has actually paid to the MRA, the Licensee shall pay interest on the additional royalty amount to be paid by the Licensee to the MRA. Interest shall be paid from the day the Licensee should have paid the additional royalty amount to be paid until the day the Licensee actually pays the said royalty amount to the MRA. The rate of interest shall be determined in accordance with the legislation on interest on overdue payments etc. applicable in Greenland at any time.

Article 27 Liability in damages and insurance

- 27.01 The Licensee shall pay compensation for any damage caused by activities performed under this Licence, regardless of whether the damage can be considered accidental and whom the damage affects. If the injured party has contributed to the damage intentionally or with gross negligence, the claim for compensation may be reduced or extinguished.
- 27.02 The Licensee's activities under this Licence shall be covered by insurance, including third-party liability insurance, which shall always provide reasonable cover for any insurance risks. At the end of each calendar year or at request, the MRA shall be informed of the existing insurance cover and the main insurance terms. The MRA may require the Licensee to submit all insurance policies and terms and to take out and maintain additional insurance or coverage. The Licensee shall comply with any rules, regulations and terms regarding insurance and documentation requirements laid down by the MRA. Insurance shall be taken out with an internationally recognised first class insurance company.
- 27.03 The Licensee shall ensure, that the following requirements are met:
- (a) Ships and vessels used in connection with activities under this Licence shall in the Greenland territorial sea and the Greenland continental shelf area meet, observe and comply with all requirements under national and international laws, regulations and agreements for ships and vessels of a gross tonnage exceeding 500 GRT engaged in international trade, including IMO Guidelines for ships operating in polar waters, at any time in force or otherwise applicable for Greenland.
 - (b) Ships and vessels mentioned in section 27.03(a) shall be classified with a classification company approved by the EU. The ships and vessels shall, as a minimum, meet the requirements applying to Polar Class 4 (as defined in the IMO Guidelines for ships operating in polar waters of 2 December 2009 (IMO Resolution A.1024(26)) or similar classification, unless otherwise required or approved by the MRA and the Danish Maritime Authority.
 - (c) The managing owner of the ship or vessel shall take out and maintain insurance coverage ("P & I

insurance" or similar) for the shipping company's liability for damage and loss arising from or in connection with the operation and/or use of the ship or vessel, with salvage and/or with the raising, removal, destruction and/or demolition of the ship or vessel, its equipment and cargo and other objects which have been on board. The liability insurer shall be a member of the International Group of P & I Clubs, unless the MRA permits departure from this requirement. The cover shall be on customary and complete terms for such ship or vessel.

- (d) The managing owner of the ship or vessel shall have a valid certificate or similar document showing that the above liability insurance ("P & I insurance" or similar) of the shipping company's liability for damage and loss has been taken out and is effective.

The Licensee shall compensate any damage and loss arising as a consequence of, or in connection with, one or more of the above requirements not being met.

27.04 The Licensee shall indemnify the Greenland Self-Government and the Danish State for any claims made by third parties against the Greenland Self-Government and/or the Danish State as a consequence of or in connection with activities under this Licence, provided that the Licensee was given an opportunity in due time to participate in the defence against such claims and that the matter was decided by:

- (a) a settlement previously approved by the Licensee,
- (b) a final judgment,
- (c) an arbitral award, provided that the party making the claim was entitled to refer disputes to arbitration prior to the occurrence of the damage, or
- (d) an arbitral award, provided that the Licensee has accepted the referral of the dispute to arbitration.

Article 28 Joint and several liability

28.01 If more than one party holds shares in this Licence, such parties shall be jointly and severally liable for the fulfilment of any obligation under this Licence, including the obligation to pay compensation for any damage caused by activities performed under this Licence, regardless of the size of the parties' shares in this Licence.

Article 29 Financial security and company guarantee

General terms on Financial Security

29.01 The Licensee shall provide and maintain financial security ("Financial Security") for the Licensee's fulfilment of all obligations under or in relation to this Licence, including obligations under the Mineral Resources Act, other Greenland law and Danish law applicable in Greenland, any plan for activities under

this Licence, any approval of any such plan, any approval of surrender of this Licence or part of the area comprised by this Licence and any agreement relating thereto. The said obligations shall among others include obligations under sections 42-44, 63-72 and 92 of the Mineral Resources Act and sections 27.01, 27.03 and 27.04 of this Licence. The said obligations shall among others also include obligations in relation to activities under this Licence in and outside the Licence area and obligations in relation to closure and environmental monitoring and liability after closure.

Financial Security Amount

29.02 The Financial Security shall be provided and maintained by the Licensee in an amount set by the MRA ("Financial Security Amount"). The MRA shall set the Financial Security Amount on the basis of an assessment of all relevant matters. Such matters shall in particular include expected, probable and possible obligations and liabilities of the Licensee under or in relation to this Licence, including the obligations stated in section 29.01. The MRA may decide that the Financial Security Amount shall be changed when this, in the assessment of the MRA, is required due to changed circumstances or other matters relation to the Licensee's provision and maintenance of security for the Licensee's fulfilment of its obligations and liabilities under or in relation to this Licence, including the obligations stated in section 29.01.

Provision and maintenance of Financial Security

29.03 No activities under this Licence may commence or continue before the Licensee has provided and established the Financial Security in the Financial Security Amount, as stated in sections 29.01 and 29.02, and this has been approved by the MRA. The MRA may set terms for such approval.

29.04 The Licensee shall provide and maintain the Financial Security in the Financial Security Amount by establishing and maintaining one or more of the following securities in an aggregate (total) amount equal to the Financial Security Amount:

- (a) One or more segregated and interest bearing escrow accounts of monies in one or more banks.
- (b) One or more segregated securities escrow accounts, including yield accounts, in one or more banks.
- (c) One or more guarantees issued by one or more guarantor banks or other financial institutions approved by the MRA.

29.05 The Licensee shall prepare and submit to the MRA a proposal for providing and maintaining the Financial Security in the Financial Security Amount by establishing and maintaining one or more of the securities stated in section 29.04 in one or more specific amounts and in an aggregate (total) amount equal to or greater than the Financial Security Amount. Based on this proposal and any other relevant matters, the MRA decides in which manner the Financial Security in the Financial Security Amount shall be provided and maintained by establishing and maintaining one or more of the securities stated in section

29.04 in one or more specific amounts and in an aggregate (total) amount no less than the Financial Security Amount.

29.06 Notwithstanding sections 29.03-29.05, the MRA may change the Financial Security Amount or decide that the Licensee shall change the Financial Security, including by providing additional or other security as Financial Security or by changing the terms of or other matters relating to the Financial Security.

29.07 Any provision and maintenance of any Financial Security, including any security stated in section 29.04, and any change relating thereto are subject to the approval of the MRA and any terms set for such approval.

Company guarantee

29.08 In order to ensure fulfilment of the Licensees' obligations under or in relation to this Licence, including the obligations stated in section 29.01, each company holding a share in this Licence shall provide one or more guarantees prior to the date this Licence is granted. Such guarantee(s) shall be subject to the approval of the MRA and any terms set for such approval. The guarantee(s) shall cover the fulfilment of all obligations to Greenland and Danish public authorities under or in relation to this Licence, including the obligations stated in section 29.01, and the Mineral Resources Act, including its sections 42-44, 63-72 and 92. If a company holding a share in this Licence is owned by one or more other companies, the MRA will generally require a guarantee from its ultimate parent company and/or from other companies which are ultimate owners of material holdings of shares of the company holding a share in this Licence. Guarantors shall be jointly and severally liable with the companies holding shares in this Licence, see section 28.01. Upon approving plans for the exploitation activities in accordance with sections 10.04 and 11.02, the MRA may determine that the guarantees be changed or supplemented.

29.09 The guarantee(s) to be provided under section 29.08 cannot be terminated by a unilateral declaration or act of the guarantor(s). The MRA may release the guarantee(s) based on an evaluation of all matters, including the specific grounds for the request for release of the guarantee(s). The MRA will usually release the guarantee(s) three (3) months after the MRA has approved that the Licensee has fulfilled all obligations and liabilities under or relation to this Licence, including the obligations stated in section 29.01.

Article 30 Relationship to other legislation

30.01 The Licence is subject to the rules of law applicable in Greenland at any time, see section 31.01. The Licence shall not restrict the general right of the Greenland Self-Government to levy taxes or lay down general provisions concerning exploitation activities. The Licence shall not exempt the Licensee from obtaining such approvals and permits as are required pursuant to the Mineral Resources Act and other

legislation.

Article 31 Choice of law

- 31.01 The Licence is subject to and shall be governed by Greenland and Danish law as applicable in Greenland at any time. Any dispute arising out of or in connection with this Licence or activities performed under this Licence shall be decided in accordance with Greenland and Danish law as applicable in Greenland at any time.

Article 32 Jurisdiction and arbitration

- 32.01 Any decision to be made at the discretion or the order of the Greenland Government, the MRA or other Greenland or Danish authorities according to applicable law, see section 31.01, or to this Licence cannot be submitted to arbitration. Any dispute regarding such a decision shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction in relation to any such dispute. The Court of Greenland in Nuuk shall be the court of first instance. A decision by any such court may be appealed according to the rules thereon.
- 32.02 Any other dispute between the Greenland Self-Government and the Licensee arising out of or in relation to this Licence or activities under this Licence shall be decided finally and conclusively by an arbitration tribunal pursuant to sections 32.03-32.09.
- 32.03 Subject to sections 31.01 and 32.04-32.09, the arbitration tribunal shall apply Greenland law to decide any procedural matter relating to the arbitration proceedings.
- 32.04 Subject to sections 31.01 and 32.05-32.09, the arbitration shall be administrated by the Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Danish Institute of Arbitration and in force at the time when the arbitration proceedings are commenced.
- 32.05 The arbitration tribunal shall sit in Nuuk, Greenland.
- 32.06 The arbitration tribunal shall consist of three members (arbitrators). The president and the two other members of the arbitration tribunal shall hold Danish law degrees and shall be Danish nationals.
- 32.07 The Greenland Government and the Licensee shall each appoint one member (arbitrator). If the Greenland Government or the Licensee has not appointed its member within 30 days of the other party appointing its member, then the President of the Danish Supreme Court shall appoint that member. The Greenland Government and the Licensee shall jointly appoint the president of the arbitration tribunal. If the parties fail to reach an agreement on the appointment of the president of the arbitration tribunal within

60 days of a party proposing a person for president of the arbitration tribunal, then the President of the Danish Supreme Court shall appoint the president of the arbitration tribunal.

- 32.08 The arbitration tribunal shall make its decision by a majority of votes. The arbitration tribunal shall make an order as to the parties' payment of costs in the arbitration.
- 32.09 The right to submit a dispute to arbitration pursuant to this Licence shall remain in force after its termination, including expiry or return.
- 32.10 If a matter pursuant to section 9.16 shall be decided by a decision of an arbitration tribunal, any dispute regarding that matter shall be decided finally and conclusively by an arbitration tribunal pursuant to sections 32.03-32.09 and as soon as possible and to the greatest extent possible within three months of the commencement of the arbitration proceedings. The Greenland Government, the Licensee and the arbitration tribunal shall all seek to complete the arbitration proceedings as soon as possible and no later than three months after the commencement of the arbitration proceedings. In relation to determination of royalty under Article 6 and for no other purpose and not in relation to any other matter, this section 32.10 shall apply irrespective of whether a matter to be decided by arbitration pursuant to section 9.16 should otherwise not be decided by arbitration pursuant to section 32.01.

Article 33 Obligations on termination of the Licence

- 33.01 The termination, including expiry or return, of this Licence shall not release the Licensee from fulfilling obligations imposed by legislation, this Licence and any other applicable agreement, provisions, terms, conditions and orders.
- 33.02 Within one year after the termination of this Licence, the MRA may free of charge take over all data, drill cores and other samples acquired by the Licensee or on its behalf in respect of this Licence Area. After this period of time the Licensee may at any time discard such data, drill cores and other samples.
- 33.03 The MRA's right to take over data, drill cores and other samples pursuant to section 33.02 may be postponed if an agreement is made between the Licensee and the MRA regarding satisfactory safekeeping of and third-party access to the data, drill cores and other samples concerned.

Article 34 Coming into force

- 34.01 The Licence shall come into force on 24 September 2015.

Article 35 Licence language and translation

35.01 The Licence has been drawn up in the English language. Any translation hereof shall have no validity.

For and on behalf of Hudson Greenland A/S

Name: James Robert Tuer

Date of signing: 22 September 2015

For and on behalf of Hudson Greenland A/S

Name: James Kenneth Cambon

Date of signing: 22 September 2015

For and on behalf of the Government of Greenland

Name: Andreas Uldum

Minister for Mineral Resources

Place of signing: Nuuk

Date of signing: 24 September 2015

Licence Area

Delineation of the Licence Area, see Article 2.

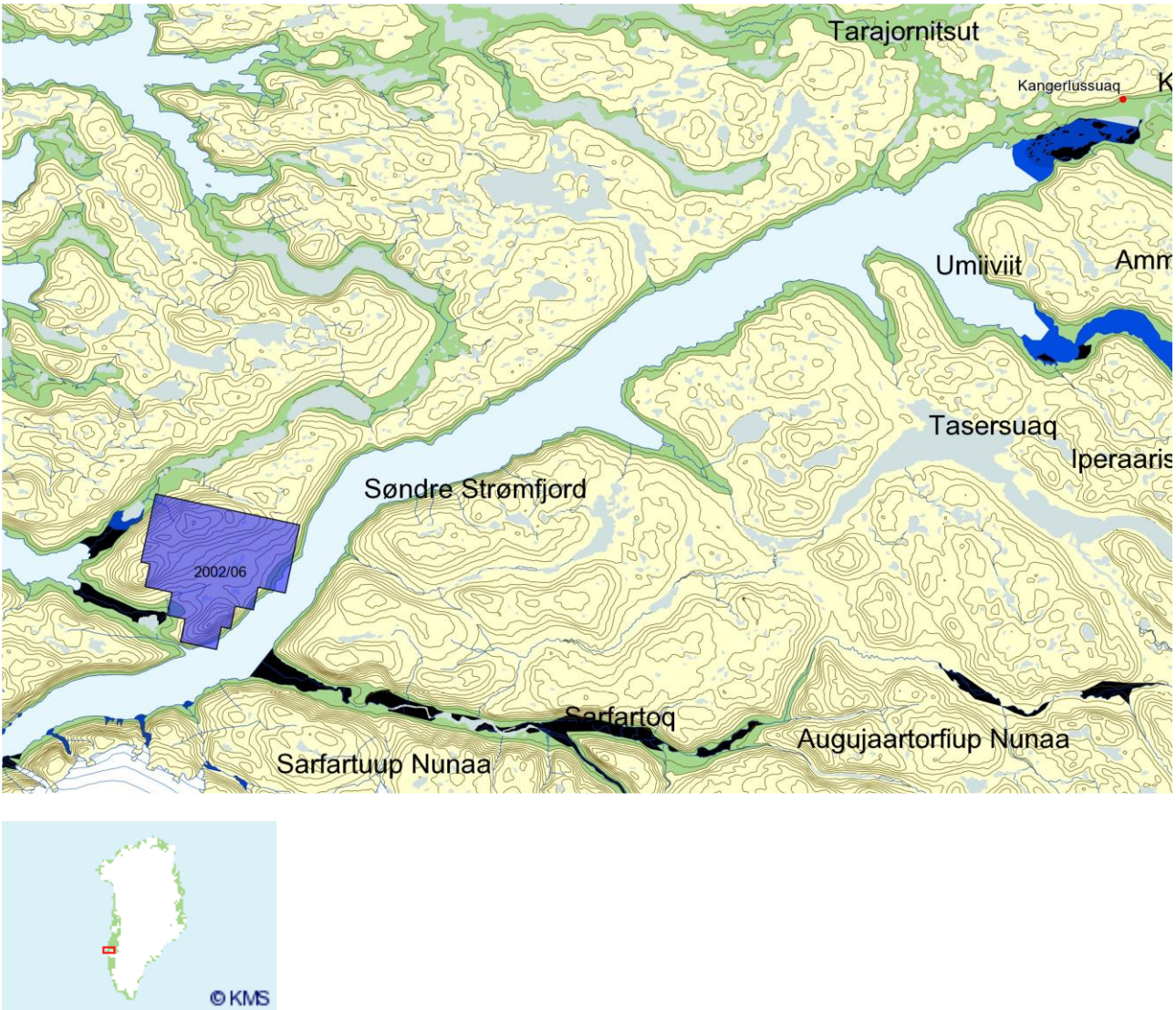
The Licence Area covers the land area or land areas delineated by connecting the corner coordinates in the order mentioned below by latitudes or longitudes. See the map of the Licence Area in 0.

	Latitude				Longitude			
	Degrees	Minutes	Seconds	North/south	Degrees	Minutes	Seconds	East/west
1	66	33	0	N	52	6	0	W
2	66	32	0	N	52	6	0	W
3	66	32	0	N	52	8	0	W
4	66	31	0	N	52	8	0	W
5	66	31	0	N	52	9	0	W
6	66	30	0	N	52	9	0	W
7	66	30	0	N	52	13	0	W
8	66	31	0	N	52	13	0	W
9	66	31	0	N	52	15	0	W
10	66	32	0	N	52	15	0	W
11	66	32	0	N	52	18	0	W
12	66	33	0	N	52	18	0	W
13	66	33	0	N	52	19	0	W
14	66	36	0	N	52	19	0	W
15	66	36	0	N	52	3	0	W
16	66	33	0	N	52	3	0	W

All longitudes and latitudes are stated with geodetic reference to the World Geodetic System datum 1984 (WGS-84). If possible, the Licence Area is delineated by connecting the corner coordinates in the above mentioned order by latitudes or longitudes. Otherwise the points are connected by geodetic lines.

The Licence Area covers 96 square kilometres.

Map of the Licence Area



Further training obligations

Further training obligations during the Licence Period, see Article 7.

Further training

The Licensee shall reimburse the MRA for annual expenses of up to DKK 125,000 in the first 3 years and increasing with DKK 50,000 annually in year 4 and with additional DKK 50,000 in year 5 and with additional DKK 25,000 in year 6 (the reimbursement will thus from year 7 amount to DKK 250,000 annually) in connection with participation in courses and further training etc. of employees. Such further training shall be targeted at employees with a technical or scientific education or employees with an administrative, legal or financial background doing work related to mineral resource activities.

The further training may consist of the following:

- Participation in courses, in-house as well as external.
- On-the-job training at the Licensee's premises.

On-the-job training shall be defined as full-time employment which includes the performance of tasks commensurate with the trainee's education and background and representative of the mineral resource industry.

If the annual expenses for further training are less than DKK 125,000 in the first 3 years and increasing with DKK 50,000 annually in year 4 and with additional DKK 50,000 in year 5 and with additional DKK 25,000 in year 6 (the reimbursement will from year 7 amount to DKK 250,000 annually) the unutilised funds are automatically transferred to the next year. The MRA shall forward a statement of the unutilised funds to the Licensee.

Expenses

Expenses associated with the employee's participation in courses or on-the-job training, includes travel, local transport, meals and accommodation, as well as insurance and attendance fees, the cost of the employee's gross salary etc., as documented by the employee's contract of employment with the MRA. Expenses for travel, local transport, meals and accommodation shall be paid in accordance with the rules established by the Greenland Government for the payment of per diem allowances on official trips. The MRA shall forward invoices for the amounts to be reimbursed. Payment shall be effected no later than 30 days after the invoice date.

Period

The training and other obligations assumed hereunder shall be upheld until they have been fulfilled, regardless of whether the Licence terminates prior to their fulfilment.

Confidentiality

The persons participating in activities under this Appendix shall sign a confidentiality agreement where this is required

due to the nature of the job. However, the participants shall subsequently be entitled to unrestricted use of the expertise acquired.