



EXCLUSIVE LICENCE NO. 2013/31
FOR EXPLOITATION OF CERTAIN MINERAL RESOURCES
IN AREAS AT ISUKASIA IN WEST GREENLAND

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EXCLUSIVE LICENCE FOR EXPLOITATION OF MINERAL RESOURCES

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, (the Mineral Resources Act), the Government of Greenland hereby grants the licensee indicated below an exclusive Licence for exploitation of the mineral resource stated in Article 4. The provisions of the Mineral Resources Act and the terms set out below shall apply to the Licence.

The licensee is composed of the following company:

London Mining Greenland A/S

Imaneq 33

P.O. Box 103

3900 Nuuk

Greenland

Reg. no. A/S451801, domiciled in Nuuk, Greenland

Percentage share: 100 %

Article 1 Definitions

1.01 For the purpose of the Licence and the attached Appendices, the following terms shall have the meanings indicated below, unless otherwise apparent from the context:

- (a) "DKK" means Danish kroner
- (b) "Greenland" means the island of Greenland with surrounding islands, including the continental shelf.
- (c) "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.

- (d) "Greenland Residents" means several of the Greenland residents stated in section 1.01(c).
- (e) "Mineral Resources" means all mineral resources covered by the Mineral Resources Act, see section 5 of the Mineral Resources Act.
- (f) "Licensee" means the holder of this licence.
- (g) "MRA" means the Mineral Resource Authority which is the overall administrative authority for mineral resources and which comprises the Greenland Government, the ministry with responsibility for the mineral resources area, the Bureau of Minerals and Petroleum and the Environmental Agency for the Mineral Resources Area.
- (h) "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.
- (i) "Joint Operating Agreement" (JOA) means the agreement concluded between companies holding shares in this licence on the performance of the activities under the licence, see Article 19.

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- (j) "Licence" means this licence.
 - (k) "Licence Area" means the area covered by the licence, see Article 2.
 - (l) "Licence Period" means the period in which the licence is in force, see Article 3.
 - (m) "Supervisory Authority" means MRA or the authority, persons or companies which MRA appoints to carry out supervision of the licensee's activities under the licence, see Article 11.

Article 2 Licence Area

- 2.01 The Licence covers an area delineated by the corner coordinates indicated in Appendix 1. A map of the Licence Area is attached as Appendix 2.
- 2.02 In case of any inconsistency between the corner coordinates indicated in Appendix 1 and the map of the Licence Area in Appendix 2 the corner coordinates shall take precedence over the map of the Licence Area.
- 2.03 The Licence Area covers land areas only, unless otherwise provided in Appendix 1. 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.

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 effect of the Licence are subject to the Licensee's fulfilment of all of the following conditions:
 - (a) No later than [REDACTED] after the date the Licence is granted, the Licensee shall prepare and submit an exploitation plan and an abandonment 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 [REDACTED] after the date the Licence is granted, the Licensee shall document (substantiate) to the Greenland Government, and have obtained the Greenland Government's approval of the documentation, that the Licensee (company) has sufficient financial capacity [REDACTED].

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- (c) No later than [REDACTED], the Licensee shall have commenced exploitation of minerals under the Licence.
- 3.03 [REDACTED] 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 the Licence to the Greenland Government prior to the expiry of the Licence Period, see Article 22.
- Article 4 Mineral resources covered by the Licence**
- 4.01 The Licence covers exploitation of the mineral iron (Fe).
- Article 5 Fees**
- 5.01 The Licensee shall pay a fee of DKK 100,000 to the MRA for the granting of the 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 the Licence, see section 3.04.
- 5.03 The fees stated in sections 5.01 and 5.02 shall be adjusted every year on the basis of the change in the Greenland consumer price index from January 2013 to January in the year concerned.
- 5.04 The fees stated in sections 5.01 and 5.02 shall be paid no later than 30 days after the granting of the Licence or any extension of the Licence, as the case may be.
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Article 6 Royalty

Obligation to pay royalty and royalty rates

- 6.01 The Licensee shall pay royalty to the MRA for minerals which are exploited under the Licence and considered sold under sections 6.09-6.12.
- 6.02 The Licensee shall pay royalty to the MRA for minerals which are exploited under the Licence and considered sold under sections 6.09-6.12, irrespective of whether the actual sales price for the minerals is determined under this Article 6, including section 6.24, at a date which is subsequent to the date at which the minerals are considered sold under sections 6.09-6.12.
- 6.03 The royalty shall be paid at the annual rate stated in sections 6.05 and 6.06 for the year concerned and on the basis of the value of minerals considered sold in the year concerned.
- 6.04 In relation to calculation of royalty under this Article 6, the calendar year in which sales of exploited minerals first (initially) commences shall be considered year 1 of sales ("Year 1 of Sales"). If sales of minerals exploited commence no later than 30 June in that calendar year, Year 1 of Sales shall comprise that calendar year only. The first subsequent calendar year shall then be considered year 2 of sales ("Year 2 of Sales"), the second subsequent calendar year shall be considered year 3 of sales ("Year 3 of Sales") and the later subsequent calendar years shall be considered later years of sales (for example "Year 4 of Sales", "Year 5 of Sales" and "Year 6 of Sales"). However, if sales of minerals exploited first (initially) commence 1 July or later in a calendar year, Year 1 of Sales shall comprise that calendar year and the first

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subsequent calendar year. The second subsequent calendar year shall then be considered year 2 of sales ("Year 2 of Sales") and the later subsequent calendar years shall be considered later years of sales (for example "Year 3 of Sales", "Year 4 of Sales and "Year 5 of Sales").

- 6.05 The royalty rate shall be 1 per cent for Year 1 of Sales to Year 5 of Sales, 3 per cent for Year 6 of Sales to Year 10 of Sales, 4 per cent for Year 11 of Sales to Year 15 of Sales, and 5 per cent for all subsequent Years of Sales.
- 6.06 If the Licensee after Year 5 of Sales in a calendar year or a period of up to four consecutive calendar years intends to make a substantial investment by spending (actually paying or bearing costs of) USD 250 million (250,000,000) or more of capital expenditure on mine development, including an expansion or extension of plants and installations etc., of the mine comprised by the Licence and thereby to either (1) increase the expected annual production of minerals or (2) increase the operating life of the mine, (over and above the annual production level or the operating life of the mine as stated in the Licensee's bankable feasibility study submitted to the MRA, which states an annual production of 15 million tonnes 70.2 per cent (Fe) iron ore concentrate and an operating life of the mine of 15 years), the Licensee may decide to apply (use) a royalty rate of 1 per cent for a period of three (3) calendar years commencing 1 January in the calendar year when the Licensee spends or commences spending the said investment amount. If the Licensee decides to do so, it shall inform the MRA of the decision no later than 31 May in the year prior to the calendar year in which the Licensee intends to spend or commence spending the said investment amount. The Licensee shall be bound by its decision, and cannot revoke, annul or terminate the decision, after the Licensee has informed the MRA of the decision. However, the decision shall be considered rescinded and terminated and shall be without any effect, and the royalty rate of 1 per cent for the period of three (3) calendar years shall not apply, if the Licensee in the said calendar year or the said period of up to four consecutive calendar years (specified by the Licensee to the MRA as the year or years in which the investment will be spent) does not spend USD 250 million (250,000,000) or more of capital expenditure on mine development, including an expansion or extension of plants and installations etc., of the mine comprised by the Licence. The amount of USD 250 million or more of capital expenditure shall be considered spent in the calendar year or the period of up to four consecutive calendar years only if the Licensee for that single calendar year or the last calendar year of the period of up to four consecutive calendar years is entitled to commence depreciation of (claim capital allowance for) the full amount of USD 250 million (250,000,000) or more of capital expenditure under Greenland tax law. If the Licensee has applied the royalty rate of 1 per cent for one or more calendar years and was not entitled to do so under this section 6.06, the Licensee shall for the calendar year or years concerned make all relevant corrections to the calculations of the Basic Royalty Amount, the Royalty Conversion Amount, the Payable Royalty and any Additional Payable Royalty and submit a corrected Annual Royalty Report to the MRA. The Licensee may apply this section 6.06, and the royalty rate of 1 per cent for the period of three (3) calendar years, only once (only 1 time) during the full Licence Period.

- 6.07 The amount of USD 250 million (250,000,000) in section 6.06 shall be adjusted annually on the basis of the change in the United States Consumer Price Index for All Urban Consumers (CPI-U) (as published by the United States Department of Labor, Bureau of Labor Statistic) from January 2014 to January in the calendar year or each of the calendar years of the period of up to four consecutive calendar years specified by the Licensee to the MRA as the calendar year or the period of up to four consecutive calendar years in which the investment by the spending of the amount of USD 250 million (250,000,000) will be made.
- 6.08 The Licensee shall not pay any royalty for the last calendar year of the Licence Period.

Sale of exploited minerals

- 6.09 Subject to sections 6.10-6.12, 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.
- 6.10 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.
- 6.11 If the Licensee has informed the MRA of the Licensee's decision to make a substantial investment by spending USD 250 million or more in a calendar year or a period of up to four consecutive calendar years and to apply (use) a royalty rate of 1 per cent for a period of three (3) calendar years commencing in the calendar year when the Licensee spends or commences spending the investment, as stated in section 6.06, the volume of abnormal stock pile of exploited minerals (as defined below in this section 6.11) generated prior to the first calendar year in the period of three (3) calendar years shall be considered sold under this Article 6 no later than 31 December in the calendar year prior to the first calendar year in the period of three (3) calendar years, irrespective of whether the minerals actually have been sold or not sold. The volume of abnormal stock pile of exploited minerals at year-end in any calendar year is defined as the difference between the volume of iron ore which is exploited and not considered sold under this Article 6 at the last day of the calendar year concerned less the average volume of iron ore which is exploited and not considered sold under this Article 6 at the last day of each of the preceding four calendar years or, if the number of preceding calendar years of exploitation is less than four years, over the preceding years.
- 6.12 Any abnormal stock pile of exploited minerals (as defined in section 6.11) generated prior to the last calendar year of the Licence Period shall be considered sold under this Article 6 no later than 31 December in the calendar year prior to the last calendar year of the Licence Period, irrespective of whether the minerals actually have been sold or not sold.

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Volume of minerals sold

- 6.13 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 6.09-6.12.
- 6.14 The volume of minerals sold shall be determined with reference to the weight measured in dry metric tonnes.
- 6.15 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.
- 6.16 Subject to sections 6.15, the volume of minerals sold shall be determined in accordance with recognised best international practice for the determination of volumes of minerals under similar conditions.
- 6.17 Subject to sections 6.15-6.16, the Licensee may determine the volume of minerals sold in any manner which the Licensee, based on an objective and informed assessment, considers to be appropriate and accurate and in accordance with recognised best international practice. If the MRA, based on an objective and informed assessment, considers the Licensee's determination of the volume to be incorrect or inaccurate, the MRA may, after consulting the Licensee, determine the volume.

Value of minerals sold

- 6.18 The value of minerals sold shall be determined with reference to the volume of minerals considered sold under this Article 6, see sections 6.09-6.17.
- 6.19 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.
- 6.20 Subject to sections 6.18-6.19, the value of minerals sold shall be determined in accordance with recognised best international practice for the determination of values of minerals under similar conditions.
- 6.21 Subject to sections 6.18-6.20, 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 6.22-6.25, 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.
- 6.22 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, if there is no such market for delivery from Greenland,

from the place or country most similar to Greenland in respect of delivery of such minerals) to the place or country to which the minerals concerned are to be transported to be delivered to a purchaser or to a plant (installation) for further processing (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).

- 6.23 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), including, currently, in particular The Steel Index (TSI) and the Platts IODEX (if relevant).
- 6.24 Subject to sections 6.18-6.23, if minerals are sold by the Licensee to a purchaser independent of the Licensee, the Licensee may use the actual sales price to determine the value of the minerals if the Licensee, based on an objective and informed assessment, considers the actual sales price to be equal to the sales price obtainable in a sale in the most relevant free market, as determined in accordance with sections 6.21-6.23. 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 and informed 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, as determined in accordance with sections 6.21-6.23, the MRA may, after consulting the Licensee, determine the value of the minerals in accordance with sections 6.18-6.23.
- 6.25 Subject to sections 6.18-6.23, if minerals are sold by the Licensee to a purchaser independent of the Licensee and the value of the minerals are not determined in accordance with section 6.24, or if minerals are not sold by the Licensee to a purchaser independent of the Licensee, the Licensee shall, based on an objective and informed 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 6.21-6.23. If the MRA, based on an objective and informed 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 6.21-6.23, the MRA may, after consulting the Licensee, determine the value of the minerals in accordance with sections 6.18-6.23.

Freight costs

- 6.26 If the sales price for minerals sold, as determined in accordance with sections 6.18-6.25, does not include freight costs (consideration/payment) for transport from Greenland (or from the place or country most

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similar to Greenland in respect of transport of the minerals) to the place or country to which the minerals are to be transported to be delivered to a purchaser or to a plant (installation) for further processing (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.

- 6.27 If the sales for minerals sold, as determined in accordance with sections 6.18-6.25, includes freight costs (consideration/payment) for transport from Greenland (or from the place or country most similar to Greenland in respect of transport of the minerals) to the place or country to which the minerals are to be transported to be delivered to a purchaser or to a plant (installation) for further processing (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.
- 6.28 Subject to section 6.30, the freight costs which may be deducted pursuant to section 6.27 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.
- 6.29 Subject to section 6.30, if the transport of the minerals sold has been performed by a carrier independent of the Licensee, the Licensee may use the actual freight paid to determine the freight costs which may be deducted pursuant to sections 6.27, 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 sections 6.28. 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 sections 6.28, the MRA may, after consulting the Licensee, determine the freight costs in accordance with sections 6.28.

- 6.30 The freight costs which may be deducted pursuant to sections 6.27 and 6.28 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

- 6.31 In the determination of the value of minerals sold, no deduction may be made for any cost, expense or other amount (including any sales commission, cash rebate, insurance cost or financial cost), except for freight costs in accordance with sections 6.26-6.30.

Independent parties

- 6.32 Independent parties shall mean parties which are not affiliated parties and 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. The Licensee shall declare to the MRA whether the Licensee considers a contract for sales or transport (if relevant) made with an independent party or a non-independent party.

Basic Royalty Amount, Royalty Conversion Amount and Payable Royalty

- 6.33 The royalty to be paid by the Licensee to the MRA ("Payable Royalty") shall be calculated annually for each calendar year.
- 6.34 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 for the calendar year concerned, as set in sections 6.05 and 6.06, 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 6.13-6.17. The values of the minerals shall be determined in accordance with sections 6.18-6.32.
- 6.35 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 corporate income tax pursuant to Greenland tax law in force from time to time (calculated at the tax rate in force from time to time, currently 30 per cent, 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 corporate dividend withholding tax pursuant to Greenland tax law in force from time to time (calculated at the tax rate in force from time to time, currently 37 per cent, and not including interest, penalty charges for late payment or other additional fees or charges) ("Corporate Dividend Withholding Tax Amount").

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- 6.36 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.
- 6.37 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 will 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 to the MRA.
- 6.38 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.

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

- 6.39 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, including separate information for iron ore and for iron ore concentrate.
- (f) The Basic Royalty Amount.
- (g) The Corporate Income Tax Amount.
- (h) Corporate Dividend Withholding Tax Amount.
- (i) The Royalty Conversion Amount.
- (j) The Payable Royalty.
- (k) If the Licensee intends to make or makes a substantial investment as stated in section 6.06, information on such investment and its expected effects in relation to the annual production of minerals and/or the operating life of the mine.

For minerals sold which have been loaded on board a ship or vessel to be transported from Greenland to another place or country or which have been transported on a ship or vessel from Greenland 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) to (d) above for each pile or other accumulation of such minerals as well as for all such minerals.

- 6.40 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.
- 6.41 The Annual Royalty Report for a calendar year shall have been audited in accordance with section 6.42 when the Annual Royalty Report is submitted by the Licensee to the MRA in accordance with sections 6.39 and 6.40.
- 6.42 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 perform the independent outside audit. The costs of auditors shall be paid by the Licensee.
- 6.43 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.

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- 6.44 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

- 6.45 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

- 6.46 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.
- 6.47 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.

Obligation to pay direct and indirect taxes etc.

- 6.48 The Licensee shall, in addition to 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 from time to time.
- 6.49 Subject to section 6.48, 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 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 from time to time. If the Greenland Parliament passes a statute on payment of fees or charges etc. not comprised by this section 6.49, 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 6.49 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 6.49 include, but are not limited to, a special royalty to be paid for and calculated on the basis of the volume or value of iron ore 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 iron ore 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 iron ore.

Illustrative examples of calculation of royalty in Appendix 4

- 6.50 Illustrative examples of calculation of royalty are set out in Appendix 4. If there is any difference or inconsistency between the Licence, including this Article 6, and Appendix 4, the Licence shall take precedence over Appendix 4.

Further provisions and decisions on royalty matters

- 6.51 Subject to sections 6.01-6.50, the MRA may lay down further provisions and make decisions on procedures, documentation and administrative matters relating to sections 6.01-6.50. If there is a conflict or an inconsistency between sections 6.01-6.50 and a provision laid down or a decision made under this section 6.51, section 6.01-6.50 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 6.01-6.50, 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 [REDACTED] for the further training etc. of employees doing work related to mineral resource activities. The reimbursement shall be in accordance with the terms stated in Appendix 3.
- 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 reimburse the MRA for annual expenses of up to DKK [REDACTED] 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 Appendix 3.
- 7.03 The amount payable according to section 7.01 and 7.02 and Appendix 3 shall be adjusted every year on the basis of the change in the Greenland consumer price index from January 2013 to January in the year concerned.
- 7.04 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.

Article 8 Third party activities in the Licence Area

- 8.01 The Licensee shall respect all rights that exist at the time of signing this Licence, including rights under licences for prospecting, exploration and exploitation of mineral resources [REDACTED]
- 8.02 [REDACTED] .
- 8.03 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 8.04. 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.

- 8.04 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 mineral resources stated in Article 4 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 pursuant to the Mineral Resources Act.
 - (c) Other parties may be granted an approval for the construction and operation of plants, buildings, installations, pipelines, 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.
- 8.05 When the MRA approves the activities stated in sections 8.04(a)-8.04(e), the approval will include terms stating that the activities shall be carried out in a manner which does not interrupt the ordinary operations of the Licensee under the Licence. Likewise, the Licensee shall ensure that its activities under the Licence do not interrupt the ordinary operations of such third party in the Licence Area.

Article 9 Exploitation plan (development, production and abandonment)

- 9.01 Following the granting of the 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 9.02 comprising development, production and abandonment. To the extent possible, the material shall be prepared and submitted in such a manner that the overall exploitation plan is submitted first.
 - (b) The Licensee's preparation of an Environmental Impact Assessment (EIA) regarding the specific exploitation. The EIA shall be submitted as part of the material mentioned in section 9.01(a). The MRA may demand that the EIA shall be amended or expanded if it is not adequate, in the opinion of the MRA.

- (c) The MRA's processing of the Licensee's exploitation plan, including the abandonment plan. To the extent possible, this processing shall be carried out in such a manner that, based on the material mentioned in section 9.01(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.

- 9.02 Following the granting of the Licence, the Licensee shall submit an exploitation plan to the MRA, comprising development, production and abandonment activities in accordance with sections 19 and 43 of the Mineral Resources Act. The exploitation plan shall contain all requisite specific plans for the activities under the Licence, including activities relating to development, production, storage, waste disposal etc. transportation and abandonment. The abandonment plan shall include cost estimates for the abandonment activities, see section 12.05.
- 9.03 In connection with the granting of the Licence and based on the discussions mentioned in section 9.01, the MRA will fix a time limit [REDACTED] for the Licensee's submission of an exploitation plan, see section 9.02. 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.
- 9.04 Prior to commencement of development and production, the plans mentioned in section 9.02 shall have been approved by the MRA.
- 9.05 The Licensee shall commence exploitation within the time fixed in the approval under section 9.04. 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.
- 9.06 [REDACTED].

Article 10 Performance and approval of activities under the Licence etc.

- 10.01 The Licensee's activities under the Licence shall be carried out in accordance with recognised good international practice for exploitation activities under similar conditions. Furthermore, the Licensee's activities under the Licence shall be carried out in an appropriate manner and in a manner which ensures and protects safety, health, the environment and social sustainability in accordance with the Mineral Resources Act, other statutes and rules, the terms of the Licence, approvals under the Licence and other regulations applying from time to time.
- 10.02 The Licensee shall submit plans for its activities under the Licence to the MRA, including the following plans:

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- (a) An exploitation plan, see Article 9.
 - (b) Health, safety, contingency and environmental plans.
 - (c) Plans for socio-economic studies and plans for socially sustainable exploitation.
 - (d) A development plan.
 - (e) Production, storage, waste disposal and transportation plans.
 - (f) An abandonment plan.

All plans are subject to approval by the MRA. 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 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.

- 10.03 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 area, 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 the Licence.
- 10.04 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.
- 10.05 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. The Licensee shall also take 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.
- 10.06 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 [REDACTED], the MRA may order the Licensee to remedy the situation and rectify any damage within a reasonable 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.
- 10.07 If the Licensee fails to comply with an order issued according to section 10.06, the Licensee shall compensate any damage and loss incurred as a result thereof by the Greenland Self-Government, the Danish State and/or any third party, including a private individual or a private enterprise.

- 10.08 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 [REDACTED] .

Article 11 Supervision

- 11.01 The MRA supervises the Licensee's activities under the Licence, see section 86(2) of the Mineral Resources Act. MRA may appoint one or more authorities, persons or enterprises etc. to supervise the Licensee's activities under the Licence. The Supervisory Authority shall in all respects be entitled to monitor all the Licensee's activities and to demand information and documents from the Licensee regarding the Licensee's activities under the 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 the Licence, to the extent required for the performance of the supervision.
- 11.02 The Supervisory Authority may take samples from geological material obtained as part of the Licensee's activities under the Licence.
- 11.03 The Supervisory Authority may issue orders in case of disregard of or non-compliance with any legislation applicable from time to time in Greenland, regulations laid down pursuant to such legislation, terms of the Licence, including non-compliance with obligations under the Impact Benefit Agreement, see Article 18, terms of approvals under the Licence or any other law, rule or regulation applicable to the Licensee's activities under the Licence, as applicable from time to time in Greenland.
- 11.04 The Supervisory Authority may issue such orders as the Supervisory Authority finds necessary, including an order that the Licensee shall immediately discontinue activities under the Licence [REDACTED] .
- 11.05 If the Licensee fails to comply with an order issued according to section 11.04, the Licensee shall compensate any damage and loss incurred as a result thereof by the Greenland Self-Government, the Danish State and/or any third party, including a private individual or a private enterprise.
- 11.06 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.
- 11.07 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 the Licence. The reimbursement shall be made in accordance with the provisions of Article 15 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 15 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, 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 12 Obligations on termination of activities

- 12.01 On termination of the activities under the Licence, the Licensee shall do the following:
- (a) Remove all plants, buildings, installations, pipelines, production facilities, storage and transportation facilities etc. within and outside the Licence Area, which have been established in connection with activities under the Licence, unless the non-removal of such plants etc. has been approved by the MRA in the abandonment 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.
- 12.02 If plants etc. have served their purpose before termination of the Licence, measures according to sections 12.01(a) and (b) shall be taken for these plants etc. and the affected areas, immediately on termination of use. If an abandonment plan has been prepared, see sections 9.02 and 10.02, the measures mentioned above shall be carried out in accordance with that plan.
- 12.03 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.
- 12.04 The abandonment plan, see sections 9.02 and 10.02, shall be regularly updated and shall furthermore be revised to reflect substantial changes in the exploitation activities. Amendments to the abandonment plan are subject to approval by the MRA, see sections 43(4) of the Mineral Resources Act. The MRA may request the Licensee with a reasonable notice to submit a revised abandonment plan for the MRA's approval.

- 12.05 In connection with approval of the abandonment plan, see sections 9.04, 10.02 and 12.04, the financing of the abandonment 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 abandonment activities are commenced, including provision of security, see section 42(2) of the Mineral Resources Act.

The Licensee shall submit a proposal for financing of the abandonment plan.

- 12.06 As part of the reporting required according to section 13.01, the Licensee shall every year submit a statement of provisions made for implementation of the abandonment plan. The statement is subject to approval by the MRA.
- 12.07 Any suspension of the exploitation activities for a period of time with a view to subsequent resumption of the activities under the Licence requires the MRA's approval in accordance with section 44 of the Mineral Resources Act.
- 12.08 On termination of the exploitation activities, the Licensee shall carry out the abandonment activities in accordance with the abandonment plan. Prior to commencement, the abandonment activities shall have been approved by the MRA, see sections 9.04, 10.02 and 12.04. If the Licensee exceeds a deadline for implementation of abandonment activities and fails to comply with orders to carry out these activities within a deadline 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.
- 12.09 Prior to commencement of the abandonment activities, the Licensee is entitled to sell or otherwise transfer plants, buildings, installations, pipelines and infrastructure etc. established for performance of the activities under the 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 abandonment obligations corresponding to the Licensee's obligations, unless the MRA approves any changes to such obligations. Plants, buildings, installations, pipelines and infrastructure etc. for which sale or transfer is approved shall be excluded from the Licensee's abandonment plan.
- 12.10 The total provisions for abandonment activities shall belong to the Licensee, but may only be used for abandonment purposes. If the cost of the abandonment activities is lower than the amount provided, the remainder of the provision shall be at the Licensee's disposal when the abandonment activities have been completed. If the cost of the abandonment activities exceeds the amount provided, the Licensee shall pay the excess cost, once the claim for payment or reimbursement of the costs falls due.
- 12.11 In connection with approval of the abandonment plan, see sections 9.04, 10.02 and 12.04, 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 abandonment (closure) obligations and other related obligations under the Licence, see in particular section 42(2) of the Mineral Resources Act. No activities under the Licence may commence before the MRA has approved the security for the Licensee's fulfilment of abandonment (closure) obligations and other related obligations under the Licence. Any security and any change relating to a security are subject to the approval of the MRA.

Article 13 Reporting etc.

- 13.01 For all activities performed under the 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, see section 86(4) of the Mineral Resources Act and section 13.03. At the MRA's request, the Licensee shall submit geological samples to the MRA, including drill cores.
- 13.02 If the Licensee discovers mineral resources other than those covered by the Licence, this shall be reported to the MRA.
- 13.03 The MRA may lay down rules and regulations concerning reporting on activities performed under the 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 define the form and media for submitting such data etc. The MRA may demand further information and documents from the Licensee concerning the activities performed under the Licence.
- 13.04 All expenses for the preparation and submission of reports and samples under the Licence shall be paid by the Licensee.

Article 14 Reporting on direct and indirect taxes etc.

- 14.01 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.
- 14.02 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.
- 14.03 If it is considered necessary by the MRA, the MRA may demand further information from the Licensee concerning the Licensee's reporting of information relating to direct taxes and indirect taxes. The Licensee shall ensure that the MRA receives the requested information.

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- 14.04 If the Licensee fails to fulfil the requirements under sections 14.01-14.03 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.
- 14.05 The provisions in this Article 14 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.
- 14.06 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. The Licensee shall, furthermore, require the contracting parties to report such information relating to direct taxes and indirect taxes to the Licensee as determined by the MRA. [REDACTED] The Licensee shall pass on the information received by its contracting parties to the MRA no later than the 15th of each month.
- 14.07 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.
- 14.08 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. [REDACTED]
- 14.09 If it is considered necessary by the MRA, the MRA may demand further information from the Licensee concerning 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.
- 14.10 If the Licensee's contracting party fails to fulfil the requirements under sections 14.05-14.09 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. [REDACTED]
- 14.11 The provisions in this Article 14 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.
- 14.12 The MRA may lay down further provisions on the matters mentioned in this Article 14, including provisions on times or periods for reporting, demonstration of payment of taxes and sending of copies to the MRA. [REDACTED] .

14.13 [REDACTED] .

Article 15 The Licensee's payment of the Mineral Resource Authority's costs and expenses in connection with authorities processing

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

15.02 The costs and expenses which shall be paid by the Licensee under section 15.01 shall be calculated and administered on the basis of the orders and rules laid down from time to 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 laid down from time to 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 16 Confidentiality

16.01 All data and any reports submitted in accordance with section 13.01 shall be treated as confidential by the MRA for a period of five years from the date when the reports were received by the MRA.

16.02 [REDACTED] .

16.03 However, the period of confidentiality shall terminate no later than the date of termination of the Licence or the date of return of the Licence if the Greenland Government has approved the return of the Licence in accordance with Article 22.

16.04 Notwithstanding the provisions of section 16.01, the MRA shall be entitled to the following:

- (a) The MRA is entitled to make general statements concerning the Licence Area and the activities under the Licence, based on the material submitted by the Licensee.
- (b) The MRA is entitled to use and publish, without any restrictions and conditions, data of an environmental, health, socio-economic, 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 in the process of being patented.
- (c) The MRA is entitled to use and publish material submitted by the Licensee regarding general geological, geophysical and technical conditions, including generalized interpretations.

Prior to publishing any material under section 16.04(b) and (c), the MRA shall notify the Licensee hereof [REDACTED].

Article 17 Workers and contractors, suppliers and service providers etc.

- 17.01 In carrying out activities under the Licence, the Licensee shall use and employ Greenland workers. However, to the extent necessary for its activities, the Licensee may use and employ workers from other countries if Greenland workers with similar qualifications do not exist or are not available in Greenland.
- 17.02 In carrying out activities under the 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. Greenland enterprises shall mean enterprises domiciled in Greenland who have genuine ties to the Greenland community through their commercial activities in Greenland.
- 17.03 At least once a year the Licensee shall submit plans for the implementation of measures and procedures ensuring that the Licensee provides for the greatest possible use and employment of Greenland workers, [REDACTED] and the greatest possible use of Greenland enterprises as contractors, subcontractors, suppliers and service providers [REDACTED] see section 17.01-17.02. The plans and programs shall be approved by the MRA. The Impact Benefit Agreement (IBA) mentioned in Article 18 shall include terms on cooperation in connection with the implementation of the plans on socio-economic studies and plans for socially sustainable exploitation, see section 10.02(c). The plans shall include programmes for the Licensee's recruitment, employment and education of Greenland workers and programmes for the Licensee's invitations for tender for contracts, award of contracts and conclusion of contracts with Greenland enterprises, including contractors and subcontractors, suppliers and service providers.
- 17.04 The MRA may lay down rules and regulations regarding the Licensee's recruitment, employment and education of workers in accordance with section 17.01 and 17.03 as well as rules and regulations regarding the Licensee's invitations to tender for contracts, award of contracts and conclusion of contracts with Greenland enterprises, including contractors and subcontractors, suppliers and service providers, with a view to giving Greenland enterprises an opportunity to carry out contracts and subcontracts, provide supplies and deliver services, [REDACTED] see section 18 of the Mineral Resources Act and sections 17.02 and 17.03 of the Licence. Such rules and regulations must not be contrary to any concluded and signed Impact Benefit Agreement (IBA). If the Licensee concludes contracts with foreign enterprises, the Licensee shall ensure that the foreign enterprises are aware of and comply and act in accordance with the Mineral Resources Act, the Licence, approvals under the Licence and any other legislation, rules and guidelines applicable in Greenland from time to time.
- 17.05 The Licensee shall ensure that any person employed to perform activities under the 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.

17.06 Subject to section 17.07, the Licensee shall ensure that any person employed or otherwise engaged in activities under the 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 the 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 the hospital care authorities regarding hospital care and service.

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Article 18 Impact Benefit Agreement (IBA)

18.01 The Licensee shall negotiate, conclude and perform an Impact Benefit Agreement (IBA).

18.02 The Impact Benefit Agreement shall be concluded

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18.03 The Impact Benefit Agreement shall be negotiated and concluded with the Greenland Government, Kommuneqarfik Sermersooq (Sermersooq Municipality) and Qeqqata Kommunua (Qeqqata Municipality).

18.04 The Impact Benefit Agreement shall be negotiated, concluded and performed on the basis of and in accordance with the Mineral Resources Act, this Licence, the Bureau of Minerals and Petroleum's Guidelines for Social Impact Assessments for mining projects in Greenland and any other applicable rule, regulation, decision and guideline of the Greenland Government (as applicable from time to time). The Impact Benefit Agreement shall in particular pursue (but not be limited to pursuing) the following objectives: employment and use of Greenland workers, contracting with and use of Greenland enterprises (contractors, suppliers and service providers), social sustainability and other socio-economic matters. The Impact Benefit Agreement shall be in accordance with provisions and principles of provisions relation to such objectives and similar objectives. Such provisions shall include (but not be limited to) sections 1, 18, 76-78a, 83 and 84 of the Mineral Resources Act, Article 17 and this Article 18 of this Licence and the Bureau of Minerals and Petroleum's Guidelines for Social Impact Assessments for mining projects in Greenland (as applicable from time to time).

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- 18.05 [REDACTED].
- 18.06 [REDACTED].
- 18.07 The Licensee shall not commence or perform any activity under the Licence before the Impact Benefit Agreement has been concluded.
- 18.08 The Greenland Government shall not and will not grant an approval of any activity or any plan for any activity under this Licence (including an approval of an exploitation plan under section 19 of the Mineral Resources Act, an approval of an abandonment plan under section 43 of the Mineral Resources Act or an approval of any activity under section 86 of the Mineral Resources Act) before the Impact Benefit Agreement has been concluded.

Article 19 Joint Operating Agreement

- 19.01 Under section 88(1) of the Mineral Resources Act, the MRA may approve the transfer of shares in the Licence to one or more new parties, see section 20.01.
- 19.02 If several parties acquire shares in the Licence, the operation relationship between the parties concerning the performance of activities under the Licence shall be laid down in a Joint Operating Agreement (JOA).
[REDACTED].
- 19.03 The Joint Operating Agreement mentioned in section 19.02 and any addition thereto or amendment thereof shall be subject to approval by the MRA.
- 19.04 The parties shall appoint an operator for the activities under the Licence. The MRA shall approve the parties' appointment of an operator, change of an operator and termination of operatorship.
- 19.05 The MRA is entitled to attend, as an observer, 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 11.07.

Article 20 Transfer of and legal proceedings against the Licence

- 20.01 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.
- 20.02 The Licence cannot be made the subject of any legal proceedings, see section 88(2) of the Mineral Resources Act.

- 20.03 If a lender financing the Licensee's exploitation of mineral resources under the Licence requires that the 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 conditions, without any amendments to the terms of this Licence.

Article 21 Revocation and lapse of the Licence

- 21.01 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 the Licence, provisions laid down pursuant to the Mineral Resources Act or pursuant to the Licence or terms of an approval under the Licence, or if the Licensee fails to meet specified time limits.
 - (b) If the Licensee fraudulently misrepresents facts or information to the MRA.
 - (c) If a condition for granting and/or upholding the Licence is no longer met and/or complied with, including the conditions under section 16(3) of the Mineral Resources Act.
 - (d) If one or more of the companies holding shares in the Licence suspend their payments, request the opening of negotiations for a compulsory composition, are declared bankrupt, go into liquidation or are in a similar situation.
 - (e) If the Licensee does not fulfil and comply with an order issued by the MRA under the Licence.
- 21.02 The Licence shall not be revoked pursuant to section 21.01(a) if the Licensee remedies the breach or non-compliance within a reasonable time limit set by the MRA. If the breach or non-compliance has not been remedied within the time limit set, the Licence may be revoked without further notice, unless otherwise stated in section 21.03.
- 21.03 The Licence shall not be revoked pursuant to section 21.01(a) and/or 21.02 if the breach 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 hindrances shall not comprise the Licensee's illiquidity, insolvency or similar lack of means of payment or options available for payment. When such hindrances occur, the Licensee shall promptly give written notice thereof to the MRA, stating the nature, extent and expected duration of the hindrances. If such 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 or non-compliance within a reasonable period of time thereafter, the Licence may be revoked pursuant to section 21.01(a) and/or 21.02.
- 21.04 The Licence shall not be revoked pursuant to section 21.01(d) if more parties have a share in the 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 the Licence, provided that the Licensee continues to have the necessary expertise and financial resources for the activities performed under the Licence.

21.05



Article 22 Return of the Licence

22.01 If the Licensee intends to return the Licence to the Greenland Government before expiry of the Licence Period, the Licensee shall notify the Greenland Government thereof in writing.

22.02 The return of the 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.

22.03 In connection with an approval of the Licensee's return of the 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 abandonment, clean-up and recovery 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 23 Interest on amounts due (owed)

23.01 If the Licensee fails to pay fees, rentals, royalties in accordance with Article 6, payments after Article 15 or other outstanding amounts in due time, the Licensee shall pay annual interest on the amount due (owing). The rate of interest shall be determined in accordance with the legislation on interest on overdue payments etc. applicable from time to time.

Article 24 Liability in damages and insurance

24.01 The Licensee shall pay compensation for any damage caused by activities performed under the 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.

24.02 The Licensee's activities under the 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 on 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 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.

24.03 [REDACTED] the Licensee shall ensure that the following requirements [REDACTED] are met:

- (a) Ships and vessels used in connection with activities under the Licence shall in the Greenland territorial sea or Greenland continental shelf area meet, observe and comply with the relevant requirements in national and international laws and regulations for ships and vessels of a gross tonnage exceeding 500 GRT engaged in international trade.
- (b) [REDACTED] ships and vessels mentioned in section 24.03(a), [REDACTED] shall be classified with a classification company approved by the EU and/or that the ships and vessels shall, as a minimum, meet specific classification requirements and/or similar rules or guidelines accepted by the MRA.
- (c) The managing owner of the ship or vessel shall take out and maintain insurance coverage ('P & I insurance') for the shipping company's liability for damage and loss arising from or in connection with the operation or use of the ship or vessel, with salvage or with raising, removal, destruction or demolition of the ship or vessel, its equipment or cargo or 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') 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.

24.04 The Licensee shall indemnify the Greenland Self-Government and the Danish State for any claims made by third parties against the Greenland Self-Government or the Danish State as a consequence of or in connection with activities under the 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 25 Joint and several liability and guarantees

- 25.01 If more than one party holds shares in the Licence, such parties shall be jointly and severally liable for the fulfilment of any obligation under the Licence, including the obligation to pay compensation for any damage caused by activities performed under the Licence, regardless of the size of the parties' shares in the Licence.
- 25.02 In order to ensure fulfilment of the Licensees' obligations under the Licence, each company holding a share in the Licence shall provide guarantees within [REDACTED] the Licence being granted. Such guarantees shall be approved by the MRA. The guarantees shall cover the fulfilment of all obligations towards Greenland and Danish public authorities as well as any liability in damages pursuant to section 24.01, 24.03 and 24.04. If a company holding a share in the Licence is owned by other companies, the MRA will usually require a guarantee from the ultimate parent company of each individual company holding a share in the Licence, and/or from other companies that are ultimate owners of material holdings of shares of the participating company. Guarantors are generally required to be jointly and severally liable with the participating companies, see section 25.01. Upon approving plans for the exploitation activities in accordance with sections 9.04 and 10.02, the MRA may request that the guarantees be changed or supplemented, subject to six months' prior notice.
- 25.03 The guarantee(s) to be provided under section 25.02 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 release the guarantee(s) three (3) months after the MRA has approved that the Licensee has fulfilled all obligations and liabilities arising out of or in connection with or pertaining to the Licence and activities under the Licence, including obligations and liabilities under the Mineral Resources Act, other applicable legislation, all rules and orders issued under the Mineral Resources Act and applicable legislation, abandonment plans, and environmental monitoring plans and other approved plans.

Article 26 Relationship to other legislation

- 26.01 The Licence is subject to the rules of law from time to time in force in Greenland. Thus, this Licence shall not restrict the general right of the Greenland Self-Government to levy taxes or lay down general provisions concerning the 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 27 Arbitration

- 27.01 Decisions to be made at the discretion or on the order of the MRA or other Greenland or Danish authorities according to the Licence terms cannot be submitted to arbitration. Disputes regarding such decisions shall be brought before and settled by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The courts' decisions may be appealed according to the rules thereon.
- 27.02 Any other dispute between the Greenland Self-Government and the Licensee arising out of or in relation to the Licence or activities under the Licence shall be decided finally and conclusively by an arbitration tribunal pursuant to sections 27.03-27.09.
- 27.03 [REDACTED]
- 27.04 [REDACTED]
- 27.05 The arbitration tribunal shall use Greenland law for its decision.
- 27.06 The arbitration tribunal shall consist of three members (arbitrators). The president and the two other member of the arbitration tribunal shall hold Danish law degrees and shall be Danish subjects.
- 27.07 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.
- 27.08 The arbitration tribunal shall make its decision by a majority of votes. The arbitration tribunal shall lay down its own rules of procedure for hearing the case, including the rules on producing evidence of a technical nature, and shall make an order as to the parties' payment of costs in the arbitration.
- 27.09 The right to submit a dispute to arbitration pursuant to the Licence shall remain in force after its termination.

Article 28 Choice of law

- 28.01 The Licence is subject to and governed by Greenland and Danish law as applicable from time to time in Greenland. Any dispute arising out of or in connection with this Licence or activities performed under the Licence is to be determined in accordance with Greenland and Danish law applicable from time to time in Greenland.

Article 29 Obligations on termination of the Licence

- 29.01 The termination of this Licence shall not release the Licensee from fulfilling the obligations imposed by legislation, the Licence and any other applicable provisions, conditions or orders.
- 29.02 Within one year after the termination of the 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 the Licence Area. After this period of time, the Licensee may at any time discard such data, drill cores and other samples.
- 29.03 The MRA's right to take over data, drill cores and other samples pursuant to section 29.02 may be postponed if an agreement is made between the Licensee and the MRA regarding satisfactory safekeeping of and third-party access to the relevant data, drill cores and other samples.

Article 30 Translations

- 30.01 The Licence has been drawn up in the English language. Any translations hereof shall have no validity.

For and on behalf of London Mining Greenland A/S

Government of Greenland

Name: David Graeme Neil Hossie

Jens-Erik Kirkegaard

Member of board of directors of

Minister for Industry and Mineral Resources

London Mining Greenland A/S

Place of signing:

Address: 107 Ledbury Road, London W11 2AQ, United Kingdom

Date of signing:

Nationality: British

Passport no.:

Driving licence no.:

Place of signing:

Date of signing:

For and on behalf of London Mining Greenland A/S

Name:

Title:

Address:

Nationality:

Passport no.:

Driving licence no.:

Place of signing:

Date of signing:

Appendix 1 Licence Area

Delineated of the Licence Area, see Article 2.

The Licence Area covers 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 Appendix 2.



Nr.	Længde-grad	Længde-minut	Længde-sekund	Ø/V	Breddegrad	Bredde-minut	Bredde-sekund	N/S
1	50	07	00	V	65	13	00	N
2	49	59	00	V	65	13	00	N
3	49	59	00	V	65	12	00	N
4	49	49	00	V	65	12	00	N
5	49	49	00	V	65	14	00	N
6	49	43	00	V	65	14	00	N
7	49	43	00	V	65	11	00	N
8	49	46	00	V	65	11	00	N
9	49	46	00	V	65	06	00	N
10	49	55	00	V	65	06	00	N
11	49	55	00	V	65	10	00	N
12	49	58	00	V	65	10	00	N
13	49	58	00	V	65	11	00	N
14	50	08	00	V	65	11	00	N
15	50	08	00	V	65	10	00	N
16	50	10	00	V	65	10	00	N
17	50	10	00	V	65	09	00	N
18	50	13	00	V	65	09	00	N

19	50	13	00	V	65	08	00	N
20	50	15	00	V	65	08	00	N
21	50	15	00	V	65	07	00	N
22	50	21	00	V	65	07	00	N
23	50	21	00	V	65	06	00	N
24	50	23	00	V	65	06	00	N
25	50	23	00	V	65	05	00	N
26	50	26	00	V	65	05	00	N
27	50	26	00	V	65	04	00	N
28	50	29	00	V	65	04	00	N
29	50	29	00	V	65	03	00	N
30	50	32	00	V	65	03	00	N
31	50	32	00	V	65	02	00	N
32	50	33	00	V	65	02	00	N
33	50	33	00	V	65	01	00	N
34	50	37	00	V	65	01	00	N
35	50	37	00	V	65	00	00	N
36	50	39	00	V	65	00	00	N
37	50	39	00	V	64	59	00	N
38	50	40	00	V	64	59	00	N
39	50	40	00	V	64	58	00	N
40	50	41	00	V	64	58	00	N
41	50	41	00	V	64	57	00	N
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44	50	44	00	V	64	55	00	N
45	50	44	00	V	64	51	00	N
46	50	50	00	V	64	51	00	N

47	50	50	00	V	64	50	00	N
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49	50	52	00	V	64	49	00	N
50	50	54	00	V	64	49	00	N
51	50	54	00	V	64	48	00	N
52	50	55	00	V	64	48	00	N
53	50	55	00	V	64	47	00	N
54	50	57	00	V	64	47	00	N
55	50	57	00	V	64	45	00	N
56	51	01	00	V	64	45	00	N
57	51	01	00	V	64	43	00	N
58	51	06	00	V	64	43	00	N
59	51	06	00	V	64	44	00	N
60	51	05	00	V	64	44	00	N
61	51	05	00	V	64	45	00	N
62	51	03	00	V	64	45	00	N
63	51	03	00	V	64	46	00	N
64	51	01	00	V	64	46	00	N
65	51	01	00	V	64	47	00	N
66	50	58	00	V	64	47	00	N
67	50	58	00	V	64	48	00	N
68	50	56	00	V	64	48	00	N
69	50	56	00	V	64	49	00	N
70	50	55	00	V	64	49	00	N
71	50	55	00	V	64	50	00	N
72	50	53	00	V	64	50	00	N
73	50	53	00	V	64	51	00	N
74	50	51	00	V	64	51	00	N

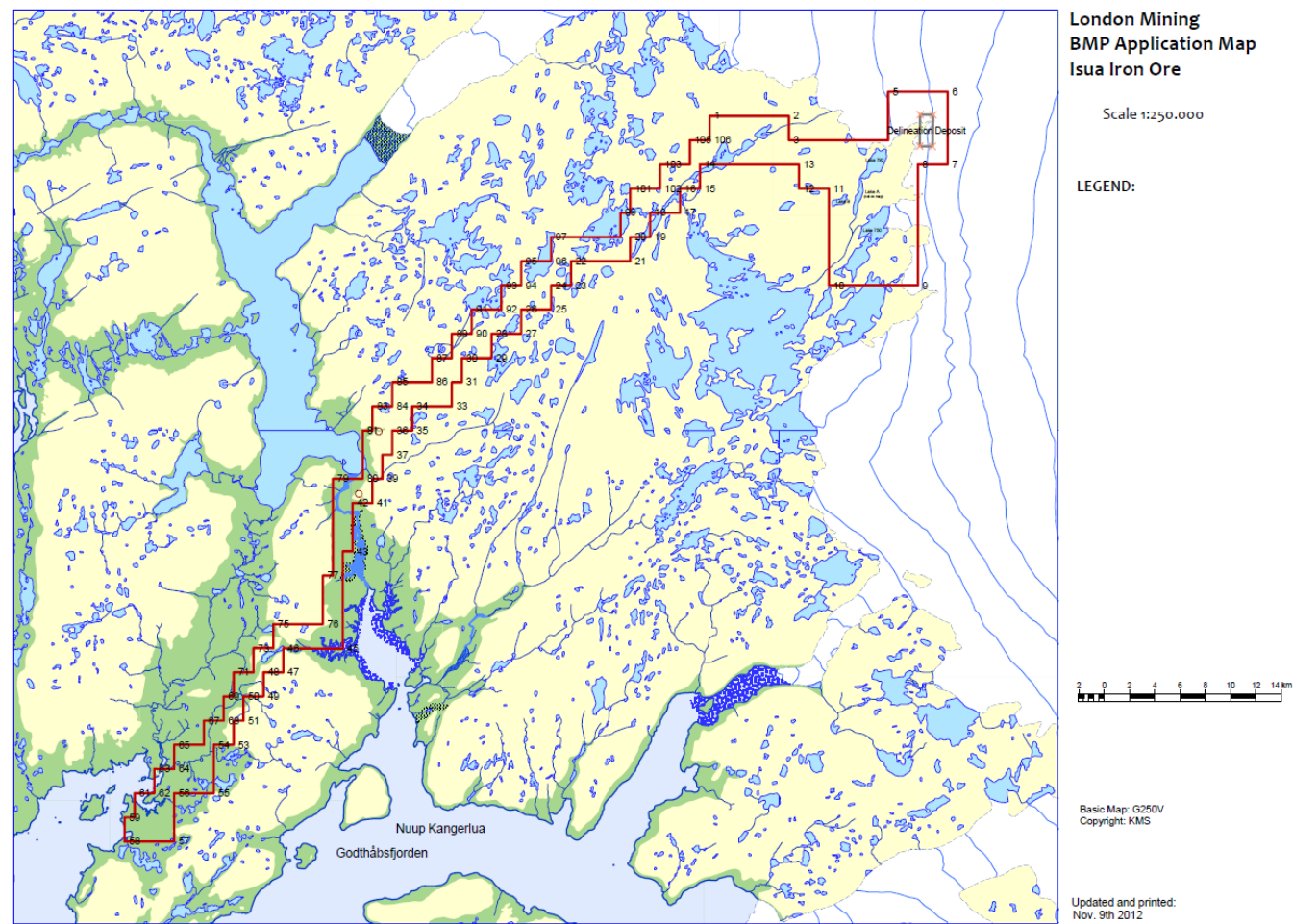
75	50	51	00	V	64	52	00	N
76	50	46	00	V	64	52	00	N
77	50	46	00	V	64	54	00	N
78	50	45	00	V	64	54	00	N
79	50	45	00	V	64	58	00	N
80	50	42	00	V	64	58	00	N
81	50	42	00	V	65	00	00	N
82	50	41	00	V	65	00	00	N
83	50	41	00	V	65	01	00	N
84	50	39	00	V	65	01	00	N
85	50	39	00	V	65	02	00	N
86	50	35	00	V	65	02	00	N
87	50	35	00	V	65	03	00	N
88	50	33	00	V	65	03	00	N
89	50	33	00	V	65	04	00	N
90	50	31	00	V	65	04	00	N
91	50	31	00	V	65	05	00	N
92	50	28	00	V	65	05	00	N
93	50	28	00	V	65	06	00	N
94	50	26	00	V	65	06	00	N
95	50	26	00	V	65	07	00	N
96	50	23	00	V	65	07	00	N
97	50	23	00	V	65	08	00	N
98	50	16	00	V	65	08	00	N
99	50	16	00	V	65	09	00	N
100	50	15	00	V	65	09	00	N
101	50	15	00	V	65	10	00	N
102	50	12	00	V	65	10	00	N

103	50	12	00	V	65	11	00	N
104	50	09	00	V	65	11	00	N
105	50	09	00	V	65	12	00	N
106	50	07	00	V	65	12	00	N

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 order mentioned above by latitudes or longitudes. Otherwise the points are connected by geodetic lines.

The Licence Area covers 290 square kilometres.

Appendix 2 Map of the Licence Area



Appendix 3 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 [REDACTED] 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 resources activities.

The further training may consist of the following:

- Participation in courses, in-house as well as external.
- On-the-job training at London Mining Greenland A/S.

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

If the expenses for further training are less than DKK [REDACTED] in any one year, 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 Self-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 30 days at the latest 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.

Appendix 4 Illustrative examples of calculation of royalty under Article 6 of the Licence taking into account Corporate Income Tax and Corporate Dividend Withholding Tax



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