

### Several exploration licences covering the same area

The Mineral Resources Act allows granting several licences targeting different minerals in the same area, according to Section 1, §16 of the Act stating “... *exclusive licence for exploration and exploitation of one or more mineral resources*”. As such, a licensee only has an exclusive right to explore and exploit the mineral or minerals that are specifically covered by the licence.

The purpose of this provision is to optimise the exploitation of the country’s mineral resources. In this context, it may be appropriate, for example, to grant several licences covering the same area if one licensee explores for a specific mineral, and another licensee explores for another mineral. One of the main reasons for the provision, however, is that the Mineral Resources Act covers both minerals and hydrocarbons.

In theory, it is relatively unproblematic to have areas with licences covering both hydrocarbon and mineral exploration. Other lawful activities, such as agricultural, tourism and other business activities, will often take place in areas covered by an exploration licence. Exploration licence holders must respect the rights of the exercisers of these activities according to the “first in time, first in right” principal, see Section 501, §5 of the standard terms for exploration. The same principal will apply in cases, where two exploration licences have been granted under the Mineral Resources Act for the same area and the two licensees’ rights are incompatible, leading to the oldest licensee to have the first right. Conflicts of interest will rarely arise, as mineral exploration and hydrocarbon companies are not in competition with each other - a hydrocarbon company for example would have no interest in a gold deposit and vice versa. On the other hand, a mining company, which for example explores for gold, would often be interested in other minerals as well.

Based on the Standard Terms, the Government of Greenland (Naalakkersuisut) has chosen to treat certain minerals separately. As hydrocarbon activities are regulated separately, they will not be a part of a mineral exploration licence. The Government in the same way has also chosen not to grant exploration licences targeting radioactive minerals under ordinary exploration licences, unless otherwise specified in the licence text according to Section 101, §1 of the standard terms for exploration.

Radioactive minerals are excluded since a licensee has a right to be granted an exploitation licence if they have identified and delimited an exploitable deposit, according to Section 29, subsection 2 of the Mineral Resources Act. The Government of Greenland, however, has not wanted mineral exploration companies in Greenland to obtain rights to exploit radioactive minerals.

Furthermore, the latest amendment to the Mineral Resources Act (see Section 4, §29) entails a provision outlining that no other mineral resources activities can be carried out in areas covered by an exploitation licence. Since exploitation licences could potentially cover entire exploration licence areas, granting two exploration licences in the same area could result in the restriction of one of the licensee’s rights under the Mineral Resources Act.

In theory, it is possible to grant an exploration licence for radioactive minerals in an area, which is already covered by another exploration licence excluding radioactive minerals. This, however, would be contrary to the purpose of the regulations given the background described above. The Government of Greenland can therefore not be expected to approve an application for an exploration licence targeting radioactive minerals in an area that is already covered by another exploration licence excluding radioactive minerals.