



EXCLUSIVE LICENCE NO. 2021-08
FOR EXPLOITATION OF CERTAIN MINERALS
IN AREAS AT STEENSBY LAND IN NORTH WEST
GREENLAND

Government of Greenland
Ministry of Mineral Resources
December 2020

Handwritten signatures and initials in blue ink, including "JTH", "SMS", and "HSM".

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EXCLUSIVE LICENCE FOR EXPLOITATION OF MINERALS

Under sections 16 and 29 of Greenland Parliament Act No. 7 of 7 December 2009 on Mineral Resources and Mineral Resource Activities, as amended by Greenland Parliament Act No. 26 of 18 December 2012, Greenland Parliament Act No. 6 of 8 June 2014, Greenland Parliament Act No. 16 of 3 June 2015, Greenland Parliament Act No. 34 of 28 November 2016, Greenland Parliament Act No. 16 of 27 November 2018 and Greenland Parliament Act No. 19 of 28 November 2019, the Government of Greenland hereby grants the licensee stated below this exclusive licence for exploitation of the minerals stated in Article 5 of this licence as minerals which may be exploited under this licence. The provisions of the Mineral Resources Act and the terms stated below in this licence shall apply to this Licence.

The licensee is the following company:

Dundas Titanium A/S,
a public limited liability company incorporated and existing under the laws of Greenland,
which has the company registration number (CVR number) 12905114 and
which has its registered office at Qullilerfik 2, 6., Post Box 59, 3900 Nuuk, Greenland.

Percentage share: 100%



Article 1 Definitions, interpretations and appendices

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

- (a) "Additional Payable Royalty" has the meanings stated in sections 14.37, 14.38 and 14.39, respectively, in relation to the additional payable royalty amount and the related matters stated in sections 14.37, 14.38 and 14.39, respectively. In relation to any other term on additional payable royalty in this Licence, the term "Additional Payable Royalty" means the additional payable royalty amount stated in, and refers to the related matters stated in, sections 14.37, 14.38 and 14.39, respectively, as applicable and appropriate in each matter.
- (b) "Annual Royalty Report" has the meaning stated in section 14.40.
- (c) "Basic Royalty Amount" has the meaning stated in section 14.33.
- (d) "Basic Tax Amount" has the meaning stated in section 14.38.
- (e) "Closure Plan" means a closure plan which comprises a plan for and states and describes all closure activities which the Licensee plans to perform under or in relation to this Licence and which includes all necessary activities to be performed and all necessary measures to be taken in relation to termination and closure of the activities under this Licence, including activities to be performed and measures to be taken after the termination and closure of the activities under this Licence and the termination of this Licence. See sections 7.03 and 7.04.
- (f) "Contracting Party" means the Licensee's contracting party, including the Licensee's supplier of goods, services or construction services, other service provider, adviser or contractual cooperating partner or business partner, and the Licensee's contracting party's contracting party etc.
- (g) "Corporate Dividend Withholding Tax Amount" has the meaning stated in section 14.34.
- (h) "Corporate Income Tax Amount" has the meaning stated in section 14.34.
- (i) "DKK" means Danish kroner.
- (j) "Dry Concentrator Plant" means a dry concentrator plant, as stated in section 13.10.
- (k) "EIA" means an Environmental Impact Assessment, as defined in section 1.01(m).
- (l) "EIA Report" means a report on an environmental impact assessment (EIA), as defined in section 1.01(m).
- (m) "Environmental Impact Assessment" means an environmental impact assessment (EIA) of the impacts on the environment from the performance of the activities under this Licence.
- (n) "Expert" means an expert who is appointed as an expert to make an expert determination of the value of exploited Minerals, as stated in section 32.04.

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- (o) "Expert Nominee" means a person who is nominated to be appointed as an Expert who is to make an expert determination of the value of exploited Minerals, as stated in section 32.02.
- (p) "Exploitation Plan" means an exploitation plan which comprises a plan for and states and describes all exploitation activities which the Licensee plans to perform under this Licence and which includes all necessary activities to be performed and all necessary measures to be taken in relation to exploitation of minerals under this Licence. See sections 7.01 and 7.02.
- (q) "FFS" means a Financial Feasibility Study, as defined in section 1.01(s).
- (r) "FFS Report" means a report on a Financial Feasibility Study, as defined in section 1.01(s).
- (s) "Financial Feasibility Study" means a financial feasibility study (FFS) of the financial feasibility of the performance of certain activities under this Licence, as stated in section 13.16.
- (t) "Financial Security" means a financial security (1) which provides and maintains security for the Licensee's fulfilment of all its obligations under and in relation to this Licence and activities under this Licence and (2) which is in accordance with the terms and requirements in sections 27.01, 27.04 and 27.05.
- (u) "Financial Security Amount" has the meaning stated in section 27.02.
- (v) "Fully Processed Mineral" means any Mineral which is exploited under this Licence and is processed into an end mineral, metal or compound product, including, among others, titanium dioxide (TiO₂). The MRA may set more specific provisions and terms on the definition and content of the term "Fully Processed Mineral", including terms thereon in any approval of any plan for activities under this Licence. In relation thereto, the MRA shall act in accordance with sections 2.01 and 2.02.
- (w) "Greenland" means Greenland with its surrounding islands and sea areas, including the territorial sea, the continental shelf area and the exclusive economic zone.
- (x) "Greenland Enterprise" means an enterprise which fulfils all the following cumulative conditions:
- (1) The enterprise shall be, and be registered and carry out its activities, as an enterprise (in Danish: "virksomhed") of the type of enterprise concerned with a registered office (in Danish: "hjemsted") in Greenland in accordance with Greenland law and/or Danish law on such enterprises which have their registered offices in Greenland, as applicable in Greenland at any time.
 - (2) The enterprise shall have its real (actual) head office, from where the enterprise is managed, in Greenland.
 - (3) Half (1/2) or more of the members of each management entity, including a board of directors (in Danish: "bestyrelse"), an executive board (in Danish: "direktion") and/or any

other management entity, of the enterprise shall be Danish nationals who have permanent residence in Greenland or Denmark.

- (4) The enterprise shall fulfil one or more of the following two alternative conditions:
- (i) The enterprise may neither directly nor indirectly (through one or more other enterprises, public authorities or other private or public entities) be subject to "decisive influence" (in Danish: "bestemmende indflydelse") from one or more persons, enterprises, public authorities or other private or public entities which are not a Greenland Person, a Greenland Enterprise or the Greenland Government (irrespective of whether such persons, enterprises, public authorities or other private or public entities do or do not act in agreement, concert or concord or jointly in any manner). "Decisive influence" shall have the meaning it has under Greenland or Danish company law in force in Greenland at any time.
 - (ii) The enterprise shall have a real, close and long-term connection to Greenland and the Greenland society through the enterprise's former and current commercial activities in Greenland as an enterprise providing goods and/or services to customers in Greenland, performing activities in relation thereto in Greenland, employing and using Greenland Workers in relation thereto in Greenland, and having and using offices and places of work, production and sale etc. in relation thereto in Greenland. The MRA may make a decision to the effect that an enterprise does or does not meet these requirements. The Licensee or an enterprise may request the MRA to make such a decision.
- (y) "Greenland Government" means the Government of Greenland.
- (z) "Greenland Person" 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 7 years of the last 10 years.
 - (3) The person is married to, or can prove 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 enterprise) in Greenland in accordance with Greenland law.

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.

- (aa) "Greenland Supplier" means a supplier of goods and/or services, including construction services, which is either a Greenland Person, as defined in section 1.01(z), or a Greenland Enterprise, as defined in section 1.01(x).

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- (bb) "Greenland Worker" means a Greenland Person, as defined in section 1.01(z).
- (cc) "Heavy Mineral" means ilmenite, rutile, anatase, leucoxene, ferropseudobrookite, pseudorutile, ulvospinel, Ti-hematite, hematite, zircon, magnetite, goethite, limonite, staurolite and chromite and iron silicates which has a density of 2.95 g/cm³ or more and titanium silicates which has a density of 2.95 g/cm³ or more.
- (dd) "Hydrocarbons" means Oil/Condensate and Natural Gas as defined below in sections 1.01(dd)(1) and (2):
- (1) "Oil/Condensate" means all hydrocarbons that are in a liquid state at standard atmospheric pressure (1.01325 bar) and temperature (15°C).
- (2) "Natural Gas" means all hydrocarbons that are in a gaseous state at standard atmospheric pressure (1.01325 bar) and temperature (15°C).
- (ee) "IBA" means Impact Benefit Agreement or IBA, as defined in section 1.01(ff).
- (ff) "IMO Polar Code" means the International Maritime Organization's (IMO's) International Code for Ships Operating in Polar Waters (Polar Code), adopted by the IMO in 2014, as amended or substituted by any subsequent amendment or substituting polar code for ships operating in polar waters.
- (gg) "Impact Benefit Agreement" means an impact benefit agreement (1) which is negotiated, made and performed by the Licensee, the Greenland Government and the Municipality, as defined in section 9.01, (2) which contains terms on creation and enhancement of positive effects and avoidance and mitigation of negative effects in the Greenland society in relation to social sustainability and other socioeconomic matters, including use of Greenland Workers and Greenland Suppliers in relation to performance of activities under this Licence, and (3) which is in accordance with Article 9.
- (hh) "Independent Parties" means parties which are regarded as independent parties under transfer pricing rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.
- (ii) "Licence" means this licence.
- (jj) "Licence Area" means the area comprised by this Licence, see Article 3.
- (kk) "Licence Period" means the period in which this Licence is in force, see Article 4.
- (ll) "Licensee" means the holder of this Licence or, if several parties hold shares in this Licence, the holders of the shares in this Licence, as stated at page 3 (and any subsequent page or pages, if applicable) of this Licence, jointly and individually. See also Article 25.
- (mm) "Licensee Companies" means the companies which are holders of shares of this Licence, as stated at page 3 (and any subsequent page or pages, if applicable) of this Licence. This definition only applies if several companies hold shares in this Licence.

- (nn) "Licensee Company" means the company which is the holder of this Licence, as stated at page 3 of this Licence, if one company holds all shares in this Licence. "Licensee Company" means one of the Licensee Companies, as defined in section 1.01(mm), if several companies hold shares in this Licence.
- (oo) "Light Mineral Concentrate Reject" means a mineral concentrate which (1) has been made (produced) by processing exploited Heavy Minerals in the Wet Concentrator Plant and (2) contains minerals which have a density of less than 2.95 g/cm³.
- (pp) "Magnetic Heavy Mineral Concentrate Reject" means a mineral concentrate which (1) has been made (produced) by processing exploited Heavy Minerals in the Wet Concentrator Plant and the Dry Concentrator Plant, (2) has been separated from and is not Premium Ilmenite, Standard Ilmenite, Non-Magnetic Heavy Mineral Concentrate Reject and Light Mineral Concentrate Reject, and (3) has magnetic properties.
- (qq) "Metal" and "metal" means any metal form of any Mineral, as defined in section 1.01(rr).
- (rr) "Mineral" and "mineral" means any mineral, metal, element, substance, material or part thereof which may be exploited under this Licence under Article 5.
- (ss) "Mineral Resources" means all mineral resources comprised by the Mineral Resources Act, that is minerals and hydrocarbons. See section 5 of the Mineral Resources Act. The term "mineral resources" means all mineral resources comprised by the Mineral Resources Act, unless otherwise apparent from the context.
- (tt) "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 or substituted by subsequent Acts on mineral resources, mineral resource activities and licences for performance of mineral resource activities.
- (uu) "MRA" means the Mineral Resources 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 Mineral Licence and Safety Authority, the ministry with responsibility for the environmental area and the Environmental Agency for Mineral Resources Activities.
- (vv) "Municipality" means Avannaata Municipality.
- (ww) "Non-Independent Parties" means parties which are not Independent Parties.
- (xx) "Non-Independent Party" means any of the Non-Independent Parties, as defined in section 1.01(ww).
- (yy) "Non-Magnetic Heavy Mineral Concentrate Reject" means a mineral concentrate which (1) has been made (produced) by processing exploited Heavy Minerals in the Wet Concentrator Plant and the Dry Concentrator Plant, (2) has been separated from and is not Premium Ilmenite,

Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject and Light Mineral Concentrate Reject, and (3) which does not have magnetic properties.

- (zz) "Non-Related Parties" means parties which are not Related Parties.
- (aaa) "Non-Related Party" means any of the Non-Related Parties, as stated in defined 1.01(zz)
- (bbb) "Partly Processed Mineral" means any Mineral which is exploited under this Licence and processed into a specific mineral, metal or compound product which (1) is stated in the MRA's approval of the Processing Plan, as stated in section 13.07, or approval of any other plan for activities under this Licence and (2) is not a Fully Processed Mineral. The MRA may set more specific provisions and terms on the definition and contents of the term "Partly Processed Mineral" in relation to any Mineral which is exploited under this Licence. Such terms may be set in the MRA's approval of the Processing Plan, as stated in section 13.07, or approval of any other plan for activities under this Licence. In relation thereto, the MRA shall act in accordance with sections 2.01 and 2.02.
- (ccc) "Payable Royalty" has the meaning stated in section 14.32.
- (ddd) "Plant for Further Processing" means any plant for further processing of Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject in Greenland and/or in any other state than Greenland.
- (eee) "Premium Ilmenite" means an ilmenite concentrate which (1) has been made (produced) by processing exploited Heavy Minerals in the Wet Concentrator Plant and the Dry Concentrator Plant, (2) has been separated from and is not Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject and Non-Magnetic Heavy Mineral Concentrate Reject and Light Mineral Concentrate Reject, (3) contains titanium dioxide (TiO₂) ranging between 45% and 47%, less than 1.0% of silicon dioxide (SiO₂), and (4) contains less than 0.2% of calcium oxide (CaO) and less than 1.0% of magnesium oxide (MgO), where the CaO/MgO ratio is less than 0.2.
- (fff) "Processing Plan" means the processing plan, as stated in section 13.07.
- (ggg) "Processing Plants" means the Wet Concentrator Plant, the Dry Concentrator Plant and any Plant for Further Processing, as stated in sections 13.03-13.05.
- (hhh) "Related Parties" means parties (i) which are Non-Independent Parties, as defined in section 1.01(ww), or which have one or more of the following relations to each other:
- (1) A person who in relation to another person is (1) a spouse, a civil partner or a partner in an enduring family relationship, (2) an ascendant or a descendant of the said other person or his or her spouse, civil partner or partner in an enduring family relationship, (3) a sibling of the said other person or his or her spouse, civil partner or partner in an enduring family relationship or (4) a spouse or a civil partner of, or a partner in an enduring family relationship with, an ascendant, a descendant or a sibling of the said other person.

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- (2) A company and a person where the person or his or her related party, as stated in section 1.01(hhh)(1) or 1.01(hhh)(6), directly or indirectly (1) owns more than 5.0 per cent (5.0%) of the equity capital of the company, (2) owns, is entitled to exercise or controls the exercise of more than 5.0 per cent (5.0%) of the voting rights of the company or (3) is entitled to exercise control or joint control of or exercises control or joint control of financial and operational decisions of the company.
- (3) A company and a person where the person or his or her related party, as stated in section 1.01(hhh)(1) or 1.01(hhh)(6), is a member of any part of the management of the company, including a board of directors, a management board or committee, a supervisory board or committee, a governing board or committee or an executive board or committee, or of the management of a related company, as stated in section 1.01(hhh)(2), 1.01(hhh)(4) or 1.01(hhh)(5) or 1.01(hhh)(6), is an employee in the company or any such related company.
- (4) Two companies where one of them or its related party, as stated in section 1.01(hhh)(2), 1.01(hhh)(3), 1.01(hhh)(5) or 1.01(hhh)(6), directly or indirectly (1) owns more than 5.0 per cent (5.0%) of the equity capital of the other company, (2) owns, is entitled to exercise or controls the exercise of more than 5.0 per cent (5.0%) of the voting rights of the other company or (3) is entitled to exercise control or joint control of or exercises control or joint control of financial and operational decisions of the other company.
- (5) Two companies where the same person or company or related persons or companies, as stated in section 1.01(hhh)(1), 1.01(hhh)(2), 1.01(hhh)(3), 1.01(hhh)(4) or 1.01(hhh)(6), directly or indirectly (1) own more than 5.0 per cent (5.0%) of the equity capital of both of the said two companies, (2) own, are entitled to exercise or control the exercise of more than 5.0 per cent (5.0%) of the voting rights of both of the said two companies or (3) are entitled to exercise control or joint control of or exercise control or joint control of financial and operational decisions of both of the said two companies.
- (6) Other persons, companies, partnerships, joint ventures or organisations related in a manner similar to the manner stated in section 1.01(hhh)(2), 1.01(hhh)(3), 1.01(hhh)(4) or 1.01(hhh)(5).
- (iii) "Related Party" means any of the Related Parties, as defined in section 1.01(hhh).
- (jjj) "Related Party to the Licensee" means any Related Party, as defined in section 1.01(iii), to the Licensee and/or to any Licensee Company if there are several Licensee Companies.
- (kkk) "Royalty Conversion Amount" has the meaning stated in section 14.34.
- (lll) "SIA" means a Social Impact Assessment, as defined in section 1.01(nnn).
- (mmm) "SIA Report" means a report on a social impact assessment (SIA), as defined in section 1.01(nnn).

- (nnn) "Social Impact Assessment" means a social impact assessment (SIA) of the impacts on social matters and social sustainability from the performance of the activities under this Licence.
- (ooo) "Standard Ilmenite" means an ilmenite concentrate which (1) has been made (produced) by processing exploited Heavy Minerals in the Wet Concentrator Plant and the Dry Concentrator Plant, (2) has been separated from and is not Premium Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and Light Mineral Concentrate Reject, (3) contains titanium dioxide (TiO₂) ranging between 45% and 47%, and 1.0% or more silicon dioxide (SiO₂), and (4) contains less than 0.4% of calcium oxide (CaO) and less than 1.0% of magnesium oxide (MgO), where the CaO/MgO ratio is 0.2 or more.
- (ppp) "Supervisory Authority" means the MRA or the authority, persons or companies which the MRA appoints to perform supervision of the Licensee's activities under this licence. See Article 28.
- (qqq) "Total Value of Minerals" has the meaning stated in section 14.33.
- (rrr) "Wet Concentrator Plant" means a wet concentrator plant, as stated in section 13.10.
- (sss) "WMO Sea Ice Nomenclature" means the World Meteorological Organization's (WMO's) Sea Ice Nomenclature, as amended or substituted by any subsequent amendment or substituting sea ice nomenclature.
- (ttt) "Year 1 of Sales", "Year 2 of Sales", "Year 3 of Sales", "Year 4 of Sales", "Year 5 of Sales" etc. have the meanings stated in section 14.04.
- 1.02 In this Licence, "including" means including without limitation or prejudice to the generality of any description, definition, term or expression preceding that word. In this Licence, "including" also means including but not limited to. The word "include" and its derivatives shall be interpreted accordingly.
- 1.03 In this Licence, any reference to the singular number shall include a reference to the plural number, and any reference to the plural number shall include a reference to the singular number, unless otherwise apparent from or required by the context.
- 1.04 In this Licence, the word "processing" and its derivatives in relation to processing of minerals shall include and be interpreted to include processing of minerals in any manner and by use of any processing method, any processing plant, machine, equipment and tool and any processing substance and material, unless otherwise stated or apparent from the context. In this Licence, the expression "processing of minerals" shall include processing of minerals performed by the Licensee in a processing plant owned, leased, operated or used in any other manner for processing by the Licensee and processing of minerals performed by a third party under any agreement thereon, including a tolling agreement, between the third party and the Licensee, unless otherwise stated or apparent from the context.
- 1.05 In this Licence, the word "sold" shall also mean considered sold under the terms of this Licence, unless otherwise stated or apparent from the context.

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

Article 2 General obligations of the MRA and the Licensee

- 2.01 The MRA shall act in accordance with and comply with Greenland law, Danish law and international law and agreements, including treaties, applicable in Greenland at any time.
- 2.02 In the MRA's making of assessments and decisions and other case processing, the MRA shall act reasonably and in accordance with the Mineral Resources Act and general rules and principles of Greenland administrative law, including the principle of objectiveness, the principle of proportionality and the principle of equal treatment. This shall apply to all assessments and decisions, including discretionary decisions and decisions on granting of approvals, setting of terms, requirements and time limits and granting of extensions of time limits.
- 2.03 The Licensee shall act in accordance with and comply with Greenland law, Danish law and international law and agreements, including treaties, applicable in Greenland at any time.
- 2.04 The Licensee's activities under this Licence shall be performed appropriately and in a proper and sound manner in relation to safety, health, the environment, appropriate resource utilisation and social sustainability. The Licensee's activities under this Licence shall be performed in accordance with recognised good national and international practice for such activities under similar conditions.

Article 3 Licence Area

- 3.01 Subject to section 3.03, this Licence comprises the area delineated by the corner coordinates stated in Appendix 1. The said area shall be the licence area of this Licence and referred to as the "Licence Area". A map of the Licence Area is contained in Appendix 2.
- 3.02 In case of any inconsistency between the corner coordinates stated 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.
- 3.03 The Licence Area comprises one or more land areas only. The boundary between a land area and the adjoining sea area shall be the mean sea level. The Licence Area does not comprise any sea area, irrespective of whether one or more sea areas are comprised by the area or areas delimited by the corner coordinates and delineation lines of the Licence Area stated in Appendix 1 or by the map of the Licence Area contained in Appendix 2.
- 3.04 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.

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Article 4 Licence Period

- 4.01 This Licence is in force and has effect for a licence period of 30 years from the day it is granted, that is the day it has been signed by the Licensee and the Greenland Government. The said licence period shall be the licence period of this Licence and referred to as the "Licence Period".
- 4.02 The granting, maintenance and effects of this Licence are subject to the Licensee's fulfilment of all the following conditions:
- (a) No later than 31 December 2022, the Licensee shall have prepared an Exploitation Plan and a Closure Plan, have submitted the plans to the MRA and have obtained the MRA's approval of the plans. See also Article 7.
 - (b) No later than 30 June 2023, the Licensee shall have provided Financial Security and a company guarantee (for each Licensee Company) for the Licensee's fulfilment of all obligations under and in relation to this Licence, including obligations under the Mineral Resources Act, other Greenland law, Danish law and international law and agreements applicable in Greenland, any plan for activities under this Licence, any approval of any such plan, any approval of surrender of this Licence or part of the Licence Area and any agreement relating thereto. See also Article 27.
 - (c) No later than 31 December 2025, the Licensee shall have commenced exploitation of Minerals under this Licence.
- 4.03 At the request of the Licensee, the MRA may grant one or more extensions of one or more of the time limits set in section 4.02.
- 4.04 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.
- 4.05 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.
- 4.06 The Licensee may surrender this Licence to the Greenland Government prior to the expiry of the Licence Period. See Article 22. The Licensee's surrender of this Licence is subject to the approval of the Greenland Government and any terms set by the Greenland Government for such approval.

Article 5 Minerals and elements comprised by this Licence

- 5.01 This Licence comprises exploitation of Heavy Minerals, as defined in section 1.01(cc).
- 5.02 This Licence does not comprise exploitation of any mineral other than the Minerals stated in section 5.01.

Article 6 Planning of development activities until commencement of exploitation of minerals

6.01 Following the granting of this Licence, the Licensee and the MRA shall jointly discuss the planning of development activities until commencement of exploitation of minerals. These discussions shall, among other matters, form the basis for preparing a joint timetable for the development activities. The timetable shall, among other matters, include the following activities and matters:

- (a) The Licensee's making of an Exploitation Plan, submission of the plan to the MRA for its approval and the MRA's approval of the plan. See sections 7.01 and 7.02 and the time limit for this under section 4.02(a).
- (b) The Licensee's making of a Closure Plan, submission of the plan to the MRA for its approval and the MRA's approval of the plan. See sections 7.03 and 7.04 and the time limit for this under section 4.02(a).
- (c) The Licensee's making of relevant specific plans for activities under this Licence and submission of the plans to the MRA for its approval and the MRA's approval of the plans before the Licensee's commencement of performance of activities under this Licence, including activities in relation to construction, operation and closure of the mine and specific plants, installations, buildings and infrastructure, and activities in relation to development, exploitation and closure and post-closure activities.
- (d) The Licensee's provision of Financial Security and a company guarantee (for each Licensee Company) as security for the Licensee's performance of its obligation at any time in relation to this Licence and activities under this Licence. See Article 27 and the time limit for this under section 4.02(b).
- (e) The MRA's case processing and making of decisions in relation to the matters stated above in letters (a)-(d).

The timetable shall specify the time limits within which the parties, in cooperation, shall seek to perform their respective tasks. The Licensee and the MRA shall use their best endeavours to perform their tasks in accordance with the timetable. The Licensee and the MRA shall discuss and agree to changes to the timetable to the extent this is necessary or required by the MRA.

6.02 Following the granting of this Licence, and based on the discussions mentioned in section 6.01, the MRA shall set reasonable time limits for the Licensee to perform the activities and obtain the approvals from the MRA as stated in sections 6.01(a)-6.01(d).

6.03 The Licensee shall commence exploitation no later than both the time limit set for this in the MRA's approval of the Licensee's Exploitation Plan under section 7.02 and the time limit set for this in section 4.02(c).

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Article 7 Exploitation Plan and Closure Plan

- 7.01 The Licensee shall prepare and submit an Exploitation Plan to the MRA which shall comprise all the following information and documents:
- (a) The Exploitation Plan shall comprise a plan for and state and describe all exploitation activities which the Licensee plans to perform under this Licence and shall include all necessary activities to be performed and all necessary measures to be taken in relation to exploitation of minerals under this Licence.
 - (b) The Exploitation Plan shall comprise all activities and matters in relation to all the following (to the extent this is relevant):
 - (1) Exploitation of the minerals stated in Article 5 under this Licence.
 - (2) Establishment, operation and use of the mining plant, processing plants, other plants, production facilities, other facilities, installations, transport facilities, infrastructure (such as electricity production plants, electricity transmission lines, pipelines, production, storage and parking areas, roads, harbours, heliports and airports) and buildings (such as buildings for the mining plant, processing plants, electricity production plants, machines, equipment, storage, offices, working, cooking, eating, living and sleeping rooms and other accommodation) etc.
 - (3) Activities in relation to exploitation, processing, testing, storage, transport, export and sale of minerals and other activities in relation thereto.
 - (4) Transport by land (cars, lorries, trucks and other vehicles), sea (ships and other vessels), air (helicopters, airplanes and other aircrafts) of persons and goods to and from the Licence Area and activities in relation thereto.
 - (5) Activities and measures in relation to safety and health matters, including medical treatment by doctors, nurses, paramedics and/or medically trained persons in the Licence Area and in hospitals and other medical clinics, centres and facilities outside the Licence Area and transport between the Licence Area and such medical treatment places outside the Licence Area.
 - (6) Protection of the environment and nature, emissions which may affect the environment or nature, prevention and mitigation of pollution and its effects, mineral waste materials (tailings) and other waste and their handling, treatment, storage and disposal.
 - (7) Contingency plans regarding safety, health, the environment, electronic communication and other relevant matters.
 - (c) The Exploitation Plan shall also comprise (1) relevant maps, drawings and other similar documents, (2) calculations or estimates of the production capacity of the mining plant and the processing plants, and (3) estimates of the types, weights and values of individual minerals and metals and minerals

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consisting of individual minerals and/or metals to be exploited, processed, stored, transported, exported and sold.

- (d) The Exploitation Plan shall also comprise a plan for the Licensee's provision and maintenance of Financial Security and a company guarantee (for each Licensee Company) as security for the Licensee's performance of its obligation at any time in relation to this Licence and activities under this Licence. The Licensee shall provide and maintain such security at any time. The Licensee's provision and maintenance of such security is subject to the approval of the MRA and any terms set for such approval. See Article 27.
- (e) A proposed time schedule for the Licensee's performance of the activities and obligations under sections 7.01(a)-7.01(d). The time schedule shall be in accordance with the time limits for the Licensee's submission and the MRA's approval of the Exploitation Plan under section 4.02(a) and for the Licensee's provision of Financial Security and a company guarantee (for each Licensee Company) as security at any time and the MRA's approval thereof under section 4.02(b).
- (f) Information and documents on the matters stated in sections 7.01(a)-7.01(e) and on such other matters as the MRA may reasonably require.

7.02 The Exploitation Plan is subject to the approval of the MRA and any terms set for such approval. The Exploitation Plan shall be updated regularly and shall furthermore be amended to reflect substantial changes in the exploitation activities or other matters relating to the plan. The MRA may also require that the Licensee shall provide additional security for the performance of the Licensee's obligations in relation to an updated or amended Exploitation Plan or changed exploitation activities. Any update or amendment of the Exploitation Plan, and any change regarding security provided or to be provided, is subject to the approval of the MRA and any terms set for such approval.

7.03 The Licensee shall prepare and submit a Closure Plan to the MRA which shall comprise all the following information and documents:

- (a) The Closure Plan shall comprise a plan for and state and describe all closure activities which the Licensee plans to perform under or in relation to this Licence and shall include all necessary activities to be performed and all necessary measures to be taken in relation to termination and closure of the activities under this Licence, including activities to be performed and measures to be taken after the termination and closure of the activities under this Licence and the termination of this Licence.
- (b) The Closure Plan shall comprise all activities and matters in relation to all the following (to the extent this is relevant):
 - (1) Termination of activities under this Licence.
 - (2) Closure and decommissioning of the mining plant, processing plants, other plants, production facilities, other facilities, installations, transport facilities, infrastructure (such as electricity production plants, electricity transmission lines, pipelines, production, storage and parking

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areas, roads, harbours, heliports and airports) and buildings (such as buildings for the mining plant, processing plants, electricity production plants, machines, equipment, storage, offices, working, cooking, eating, living and sleeping rooms and other accommodation) etc.

- (3) Performance of clean-up and rehabilitation of any damage to the environment and nature.
 - (4) Monitoring of environmental matters and other relevant matters and performance of post-closure activities and maintenance of post-closure measures in relation to environmental matters and other relevant matters.
 - (5) Transport by land (cars, lorries, trucks and other vehicles), sea (ships and other vessels), air (helicopters, airplanes and other aircrafts) of persons and goods to and from the Licence Area and the former Licence Area and activities in relation thereto, in relation to the activities stated above in numbers (1)-(4).
 - (6) Activities and measures in relation to safety and health matters, including medical treatment by doctors, nurses, paramedics and/or medically trained persons in the Licence Area and in hospitals and other medical clinics, centres and facilities outside the Licence Area and transport between the Licence Area and such medical treatment places outside the Licence Area, in relation to the activities stated above in numbers (1)-(4).
 - (7) Protection of the environment and nature, emissions which may affect the environment or nature, prevention and mitigation of pollution and its effects, mineral waste materials (tailings) and other waste and their handling, treatment, storage and disposal, in relation to the activities stated above in numbers (1)-(4).
 - (8) Contingency plans regarding safety, health, the environment, electronic communication and other relevant matters, in relation to the activities and matters stated above in numbers (1)-(7).
- (c) The Closure Plan shall include an assessment of the costs and expenses for any such closure activities, including clean-up, rehabilitation and post-closure monitoring activities and measures etc. The Closure Plan shall be updated and amended regularly by the Licensee to reflect substantial changes in the exploitation activities, society and other matters in relation to the closure and its possible effects or costs and expenses.
- (d) The Closure Plan shall also comprise a plan for the Licensee's provision and maintenance of Financial Security and a company guarantee (for each Licensee Company) as security for the Licensee's performance of closure activities at any time, as stated in sections 7.03(a) and 7.03(b), and its obligation in relation thereto. The Licensee shall provide and maintain such security. The Licensee's provision and maintenance of such security is subject to the approval of the MRA and any terms set for such approval. See Article 27.
- (e) A proposed time schedule for the Licensee's performance of the activities and obligations under sections 7.03(a)-7.03(d). The time schedule shall be in accordance with the time limits for the

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Licensee's submission and the MRA's approval of the Closure Plan under 4.02(a) and for the Licensee's provision of Financial Security and a company guarantee as security and the MRA's approval thereof under 4.02(b).

- (f) Information and documents on the matters stated in sections 7.03(a)-7.03(e) and on such other matters as the MRA may reasonably require.

7.04 The Closure Plan is subject to the approval of the MRA and any terms set for such approval. The Closure Plan shall be updated regularly and shall furthermore be amended to reflect substantial changes in the exploitation activities, planned closure activities or other matters relating to the plans. Any update or amendment of the Closure Plan is subject to the approval of the MRA and any terms set for any such approval. The MRA may also require that the Licensee shall provide additional security for the performance of the Licensee's obligations in relation to the updated or amended Closure Plan and closure activities. Any update or amendment of the Closure Plan, and any change to security provided or to be provided, is subject to the approval of the MRA and any terms set for such approval.

7.05 The Licensee may not commence any activities under or in relation to this Licence, including any building, civil engineering or other construction activity, before the MRA has approved the Exploitation Plan and the Closure Plan. See sections 19 and 43 of the Mineral Resources Act.

Article 8 Environmental Impact Assessment (EIA) and EIA Report and Social Impact Assessment (SIA) and SIA Report

8.01 The Licensee has made an Environmental Impact Assessment (EIA) and a report thereon (EIA Report). The Licensee has also made a Social Impact Assessment (SIA) and a report thereon. The EIA report and the SIA report were approved by the MRA before this Licence was granted.

8.02 Following the granting of this Licence, the Licensee and the MRA shall jointly discuss the planning of development activities until commencement of exploitation of minerals. These discussions shall, among others, form the basis for preparing a joint timetable for the development activities. See section 6.01 of this Licence. Based on this, the joint timetable for the development activities shall, among other matters, include the following activities and matters:

- (a) An evaluation of the need for any update or amendment of the Licensee's EIA report regarding the specific exploitation. The MRA may require that the Licensee shall make additional or further studies or assessments of specific matters in relation to the EIA and the EIA report, and that the Licensee shall submit an updated or amended EIA report to the MRA. Any update or amendment of the EIA report is subject to the approval of the MRA and any terms set for such approval.
- (b) An evaluation of the need for any update or amendment of the Licensee's SIA report regarding the specific exploitation. The MRA may require that the Licensee shall make additional or further studies or assessments of specific matters in relation to the SIA and the SIA report, and that the Licensee shall submit an updated or amended SIA report to the MRA. Any update or amendment of

the SIA report is subject to the approval of the MRA and any terms set for such approval. As a consequence of an update or amendment of the SIA report, the MRA may require that the Licensee shall renegotiate the IBA and make an amended IBA with the Greenland Government and the Municipality, and that the Licensee shall conclude and perform the amended IBA.

- 8.03 The Licensee shall inform the MRA of any planned activity which is not comprised by the EIA Report or the SIA Report or is planned to be performed outside the area comprised by the EIA Report or the SIA Report, respectively, and shall not commence or continue the performance of any such activity before this has been approved by the MRA. The MRA may set any terms for such approval, including terms to the effect that the Licensee shall make additional or further studies or assessments of specific matters in relation to the EIA and the EIA Report or the SIA and the SIA report, that the Licensee shall submit an updated or amended EIA Report or SIA Report to the MRA, and that the Licensee shall obtain the MRA's approval of the updated or amended EIA Report or SIA report before the Licensee commences performance of the planned activity. In relation thereto, the MRA shall act in accordance with sections 2.01 and 2.02.

Article 9 Impact Benefit Agreement (IBA)

- 9.01 The Licensee, the Greenland Government and the Municipality have made an impact benefit agreement ("Impact Benefit Agreement" or "IBA"). The Impact Benefit Agreement was made before the granting of this Licence and was signed by the Licensee, the Greenland Government and the Municipality when this Licence was signed by Licensee and the Greenland Government.
- 9.02 The Impact Benefit Agreement shall be performed by the Licensee, the Greenland Government and the Municipality.
- 9.03 The following general terms apply in relation to the Impact Benefit Agreement and any agreement on an update or an amendment of the Impact Benefit Agreement:
- (a) The Licensee shall negotiate, make, conclude and perform an impact benefit agreement ("Impact Benefit Agreement" or "IBA").
 - (b) The Impact Benefit Agreement shall be negotiated and made with the Greenland Government and the Municipality.
 - (c) The Impact Benefit Agreement shall be negotiated, made and performed on the basis of and in accordance with the Mineral Resources Act, this Licence, the MRA's Guidelines for Social Impact Assessments for mining projects in Greenland and any other provisions, terms and guidelines on an impact benefit agreement set by the Greenland Government, as applicable at any time.
 - (d) The Impact Benefit Agreement shall contain terms on creation and enhancement of positive effects and avoidance and mitigation of negative effects in the Greenland society in relation to social sustainability and other socioeconomic matters, including use of Greenland Workers and Greenland Suppliers in relation to performance of activities under this Licence. The Impact Benefit Agreement

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and its terms shall in particular promote and ensure the following objectives in relation to performance of activities under this Licence:

- (1) Employment and use of Greenland Workers in accordance with the terms and principles in Article 10.
 - (2) Contracting with and use of Greenland Suppliers in accordance with the terms and principles in Article 10.
 - (3) Creation and enhancement of positive effects and avoidance and mitigation of negative effects in the Greenland society in relation to social sustainability and other socio-economic matters.
 - (4) Social sustainability.
 - (5) Other socio-economic matters. The Impact Benefit Agreement and its terms shall be in accordance with provisions and principles of provisions in relation to such objectives and similar objectives. Such provisions include sections 1, 18, 76-78a, 83 and 84 of the Mineral Resources Act, this Article 9 and Article 10 of this Licence and the MRA's guidelines for such matters, including its Guidelines for Social Impact Assessments for mining projects in Greenland, as applicable at any time.
- (e) The Impact Benefit Agreement and any agreement on an update or an amendment of the Impact Benefit Agreement shall include terms on the following matters:
- (1) The Impact Benefit Agreement shall be subject to and governed by Greenland law and Danish law, as applicable in Greenland at any time.
 - (2) Any dispute arising out of or in relation to the Impact Benefit Agreement shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction in relation to any such dispute. A decision by any such court may be appealed according to the rules thereon.
- (f) In case of any conflict or difference in content or effect between the Impact Benefit Agreement, on the one side, and the Mineral Resources Act, this Licence or any rule, provision or term made or set under the Mineral Resources Act or this Licence, on the other side, then the latter (the Mineral Resources Act, this Licence or the rule, provision or term made or set under the Mineral Resources Act or this Licence) shall control and prevail over the Impact Benefit Agreement.
- (g) In case of any conflict or difference in content or effect between the Impact Benefit Agreement, on the one side, and any approval or other decision granted or made by the MRA in relation to any activity or matter under this Licence, on the other side, then the approval or decision shall control and prevail.
- (h) Any dispute between the Licensee and the Greenland Government arising out of or in relation to the negotiation or the making of the Impact Benefit Agreement or any agreement on an update or an amendment of the Impact Benefit Agreement shall be decided exclusively, finally and conclusively

by an arbitration tribunal under the terms of sections 35.02-35.17. The arbitration tribunal may, among other matters, set a time limit for the making of any agreement on an update or an amendment of the Impact Benefit Agreement.

Article 10 Use of workers and suppliers of goods and services, including construction services

- 10.01 The Licensee and its Contracting Parties shall employ and use Greenland Workers to perform work in the performance of the Licensee's activities under this Licence. However, the Licensee and its Contracting Parties may employ and use other workers if Greenland Workers with the necessary qualifications do not exist or are not available in Greenland. See section 18(1) of the Mineral Resources Act. The employment and use of Greenland Workers shall be in accordance with the Impact Benefit Agreement.
- 10.02 The Licensee and its Contracting Parties shall make contracts with and use Greenland Suppliers to supply goods and services, including construction services, in the performance of the Licensee's activities under this Licence. However, the Licensee and its Contracting Parties may make contracts with and use other suppliers if Greenland Suppliers do not have the necessary technical and professional abilities or are not commercially competitive. See section 18(2) of the Mineral Resources Act. The use of Greenland Suppliers shall be in accordance with the Impact Benefit Agreement.
- 10.03 At least once a year, the Licensee shall submit plans to the MRA for the Licensee's implementation and use of measures and procedures ensuring that the Licensee and its Contracting Parties provide for the greatest possible employment and use of Greenland Workers and the greatest possible contracting with and use of Greenland Suppliers. The plans shall include programmes for the Licensee's recruitment, employment, use and education of Greenland Workers and programmes for the Licensee's invitations for tender for contracts, award of contracts and making of contracts with and use of Greenland Suppliers. The plans and programmes are subject to the approval of the MRA. The submission and the contents of the plans and programmes shall be in accordance with any provisions and terms thereon set by the MRA and in the Impact Benefit Agreement.
- 10.04 The MRA may set provisions and terms on the Licensee's and its Contracting Parties' recruitment, employment, use and education of Greenland Workers. The MRA may set provisions and terms on the Licensee's and its Contracting Parties' invitations to tender for contracts, award of contracts and making of contracts with Greenland Suppliers, to ensure Greenland Suppliers have opportunities to tender for, be awarded and perform contracts and subcontracts for provisions of goods and services, including construction services.
- 10.05 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in activities under this Licence 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.
- 10.06 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in activities under this Licence is ensured medical treatment in relation to any illness, sickness or accident,

including evacuation, emergency treatment, rehabilitation and transport to the country and place of permanent residency if this is necessary.

10.07 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in activities under this Licence is provided with comprehensive medical insurance cover, including cover of medical costs, emergency treatment and any required rehabilitation.

10.08 If the Licensee contracts with and use other suppliers than Greenland Suppliers, then the Licensee shall ensure that the other suppliers are aware of and comply and act in accordance with the Mineral Resources Act, this Licence, plans under this Licence and approvals of plans under this Licence and any other provisions, terms and guidelines applicable in Greenland at any time.

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

11.01 The Licensee's activities under this Licence shall be performed appropriately and in a proper and sound manner in relation to safety, health, the environment, appropriate resource utilisation and social sustainability. See also section 1(2) of the Mineral Resources Act.

11.02 The Licensee's activities under this Licence shall be performed in accordance with recognised good national and international practice for such activities under similar conditions. See also section 1(2) of the Mineral Resources Act.

11.03 The Licensee's activities under this Licence shall be performed in accordance with the Mineral Resources Act, other statutes and rules, this Licence, the approved Exploitation Plan and Closure Plan, the MRA's approvals of the Exploitation Plan and the Closure Plan, the terms of the Impact Benefit Agreement and decisions of the MRA under the Mineral Resources Act and this Licence. In addition to the Exploitation Plan, see section 7.01, and the Closure Plan, see section 7.03, the Licensee shall make other relevant plans for its activities under this Licence and submit the plans to the MRA for its approval. The MRA may require the Licensee to submit a plan for specific activities or matters to the MRA for its approval.

11.04 All plans are subject to the approval of the MRA and any terms set by the MRA for any such approval. All plans shall include pollution contingency measures to the extent this is relevant. An activity may not be commenced unless the MRA has approved the relevant plan or plans regarding the activity. In its approval, the MRA may determine that specific types of plants, equipment and material etc. may not be used, or that certain activities may not be performed or not performed in specific areas or in specific periods. The MRA may set specific terms for the approval, including with respect to safety, health, the environment, resource utilisation and socio-economic matters, including social sustainability and the making of agreements thereon. In relation thereto, the MRA shall act in accordance with sections 2.01 and 2.02. The MRA may order the Licensee to monitor biological, environmental and physical conditions concerning areas affected by the activities under this Licence.

11.05 All the plans under section 11.03 shall be updated regularly and shall furthermore be amended to reflect substantial changes in the exploitation activities or other matters relating to the plans. Any update or

amendment of a plan under section 11.03 is subject to the approval of the MRA and any terms set by the MRA for any such approval. See sections 19, 43(4) and 86 of the Mineral Resources Act. The MRA may require the Licensee to submit an updated or amended plan to the MRA for its approval.

- 11.06 The MRA may set specific provisions and terms on the performance of activities under this Licence in and outside the Licence Area, including provisions and terms regarding technical, health, safety, environmental, social sustainability and resource matters. See section 84 of the Mineral Resources Act.
- 11.07 The Licensee may establish, operate and use the mining plant, processing plants, other plants, production facilities, other facilities, installations, transport facilities, infrastructure (such as electricity production plants, electricity transmission lines, pipelines, production, storage and parking areas, roads, harbours, heliports and airports) and buildings (such as buildings for the mining plant, processing plants, electricity production plants, machines, equipment, storage, offices, working, cooking, eating, living and sleeping rooms and other accommodation) etc. in and outside the Licence Area. However, the Licensee may only do so after this has been approved by the MRA. The MRA may set terms for any such approval. See sections 19 and 86(1) of the Mineral Resources Act.
- 11.08 Building, civil engineering and other construction activities shall be performed safely and in accordance with best national and international practices for performance of activities under similar conditions. Plants, facilities, installations, infrastructure and buildings etc. shall be in a fully safe, satisfactory and functional working order.
- 11.09 The Licensee shall perform all relevant activities and take all relevant measures to ensure that activities under this Licence and plants, facilities, installations, infrastructure and buildings etc. which are established, operated and used in relation to activities under this Licence do not create a risk of damage to persons or third-party property. The Licensee shall, among others, perform activities and take measures to prevent unauthorized access to the mining plant etc. and any other part of the Licence Area which is posing a special risk to persons entering the plants etc. or areas concerned.
- 11.10 The Licensee shall take all necessary measures to ensure that the risk of pollution and other harmful effects on the environment in and outside the Licence Area is reduced as much as possible.
- 11.11 The Licensee shall take measures to minimize any degrading of plant and wildlife conditions in the areas which are directly or indirectly affected by activities comprised by this Licence. The MRA may set further provisions and terms thereon.
- 11.12 If the Licensee discovers any not previously known cultural heritage sites, the Licensee shall immediately notify the MRA thereof and discontinue activities which may affect the site in any manner. See the Greenland Parliament act no. 11 of 19 May 2010 on the preservation and other cultural heritage protection of cultural sites (Cultural Sites Protection Act), as amended or replaced by any subsequent act.
- 11.13 When this Licence is granted, the Licensee has identified certain cultural heritage sites which have been notified to the MRA and the Greenland National Museum. These identified cultural heritage sites are stated in Appendix 4.

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- 11.14 The Licensee shall also notify the MRA and discontinue activities if any known cultural heritage site in the Licence Area is damaged, destroyed, moved, changed or affected in any manner.
- 11.15 If the Licensee's activities under this Licence create a risk of damage to persons or third-party property, or if the risk of pollution or harmful effects on the environment exceeds a level acceptable to the MRA, the MRA may order the Licensee to remedy the situation and rectify any damage within a time limit set by the MRA. If it is considered necessary by the MRA, the MRA may further order the Licensee to suspend activities in whole or in part until the Licensee has remedied the situation and rectified any damage. Moreover, the MRA may order the Licensee to prepare a plan for remedying the situation. If the Licensee does not comply with an order or does not do so within a time limit set by the MRA, the MRA may implement the order and take any necessary preventive, remedial and/or rectifying measures at the Licensee's expense and risk.
- 11.16 If the Licensee fails to comply with an order issued under section 11.15 the Licensee shall compensate any damage, loss and cost incurred as a result thereof, irrespective of whether such damage, loss or cost is incurred by the Greenland Self-Government, the Danish State and/or any third party.
- 11.17 The Licensee shall continuously perform necessary clean-up and rehabilitation of any affected area, vegetation, environment and nature.
- 11.18 The Mineral Resources Act, the terms of this Licence, the approved Exploitation Plan and Closure Plan, the MRA's approvals of the Exploitation Plan and Closure Plan and any other provisions, terms and approvals, applicable to the Licence or the activities under the Licence shall continue to apply to activities and matters comprised by this Licence notwithstanding the termination or expiry of this Licence for any reason.
- 11.19 After termination of this Licence, the former Licensee (the former Licensee Company or Licensee Companies) shall continue to perform activities and fulfil obligations in relation to the former Licence and the activities and obligations under the former Licence, to the extent the former Licensee has an obligation to do so under the Mineral Resources Act, the former Licence or any approval of surrender of the former Licence or any other decision of the MRA.

Article 12 Third party activities in the Licence Area and Licensee's exclusive exploitation right

- 12.01 The Licensee shall respect all existing rights, including rights under licences for prospecting, exploration and/or exploitation of mineral resources (minerals or hydrocarbons). This Licence shall not entail any restrictions in the right of third parties to perform lawful activities in the Licence Area, including the activities mentioned in section 12.02. However, the Licensee may close off limited onshore areas, to the extent necessary, for the purpose of performing specific activities under this Licence, provided that the MRA has given prior permission thereto.
- 12.02 Within the Licence Area, other parties than the Licensee may be granted the following licences and approvals and may perform the following activities etc.:

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- (a) Other parties may perform 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 in sections 2(3), 2(4) and 49 of the Mineral Resources Act.
- (b) Other parties may be granted a licence for prospecting for, exploration for and/or exploitation of Hydrocarbons, as provided in the Mineral Resources Act.

12.03 When the MRA grants a licence to or an approval of the activities under sections 12.02, then the licence or the approval will include terms stating that the activities shall be performed in a manner which does not interfere unnecessarily with the activities of the Licensee under this Licence. The Licensee shall also ensure that its activities under this Licence do not interfere unnecessarily with such third party activities in the Licence Area.

Article 13 Processing and sale etc. of Minerals

Application of terms of this Article 13

- 13.01 This Article 13 shall apply in relation to processing and sale etc., in Greenland and in other states than Greenland, of all Minerals exploited under this Licence unless otherwise stated or apparent from the context. Section 13.10 only applies in relation to processing of Minerals in Greenland, and sections 13.11-13.19 apply in relation to processing of Minerals in Greenland or in other states than Greenland, unless otherwise stated or apparent from the context. Sections 13.20-13.29 contain other general terms on processing and sale of Minerals and related matters, including calculation of royalty, buy-back of Minerals and use of Minerals as security for financing etc.
- 13.02 The terms of this Article 13 on processing of Minerals shall apply to any processing of Minerals, including processing of Minerals performed by the Licensee and/or a Related Party to the Licensee in a processing plant owned, leased, operated or used in any other manner for processing by the Licensee and/or a Related Party to the Licensee and processing of Minerals performed by a third party under any agreement thereon, including a tolling agreement, between the third party and the Licensee and/or a Related Party to the Licensee, unless otherwise stated or apparent from the context.

Application of terms on Wet Concentrator Plant, Dry Concentrator Plant, any Plant for Further Processing and Processing Plants

- 13.03 The terms of this Licence on the Wet Concentrator Plant and the Dry Concentrator Plant shall apply to the activities under this Licence.
- 13.04 The terms of this Licence on the Processing Plants shall apply to the Wet Concentrator Plant and the Dry Concentrator Plant when the terms of this Licence on any Plant for Further Processing do not apply to the activities under this Licence. The term "Processing Plants" shall then only comprise the Wet Concentrator Plant and the Dry Concentrator Plant and the terms "Wet Concentrator Plant" and "Dry Concentrator Plant".

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- 13.05 The terms of this Licence on the Processing Plants shall only apply to the Wet Concentrator Plant, the Dry Concentrator Plant and any Plant for Further Processing when the terms of this Licence on the Wet Concentrator Plant, the Dry Concentrator Plant and any Plant for Further Processing all apply to the activities under this Licence. The term "Processing Plants" shall then comprise the Wet Concentrator Plant, the Dry Concentrator Plant and any Plant for Further Processing and the terms "Wet Concentrator Plant", "Dry Concentrator Plant" and "Plant for Further Processing".

Processing and sale etc. of Minerals

- 13.06 All Minerals exploited under this Licence shall be processed and sold etc., and may only be used as security for financing, in accordance with the terms of this Article 13 and with the other terms of this Licence, unless such other terms cannot be applied to such activities.

Processing plan

- 13.07 The Licensee shall prepare a plan for the processing of all Minerals exploited under this Licence ("Processing Plan"). The Processing Plan shall comprise the establishment, operation and closure of the Wet Concentrator Plant and the Dry Concentrator Plant. See section 13.10. Subject to this Article 13, the Processing Plan shall also comprise the establishment, operation and closure of any Plant for Further Processing if the Licensee has applied for and the MRA has granted an approval to the effect that some or all Minerals exploited under this Licence shall or may be further processed in one or more Plants for Further Processing in and/or outside of Greenland and informed the Licensee of this, including that the terms of this Licence on Plants for Further Processing shall apply to the activities under this Licence. The Licensee shall submit the Processing Plan to the MRA for its approval. The Processing Plan shall be a part of the Exploitation Plan and the Closure Plan and subject to the terms for those plans and the MRA's approvals of those plans. The Processing Plan is subject to the approval of the MRA and any terms set for the approval of the plan. The processing of all Minerals exploited under this Licence and the establishment, operation and closure of the Processing Plants shall be performed in accordance with the approved Processing Plan and any terms set for the approval of the plan.
- 13.08 The Processing Plan mentioned in section 13.07 shall be regularly updated and shall furthermore be amended to reflect substantial changes in the exploitation activities, the processing activities or other matters relating to the Processing Plan. The MRA may request the Licensee to submit an updated or amended Processing Plan to the MRA for its approval. The Processing Plan shall be amended if the Processing Plan shall also comprise any Plant for Further Processing in or outside of Greenland for further processing of exploited Minerals, including Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject. See section 13.07. Updates of and amendments to the Processing Plan are subject to the approval of the MRA and any terms set for such approval. See sections 19 and 43(4) of the Mineral Resources Act.

Environmental Impact Assessment and Social Impact Assessment in relation to processing and Processing Plants

- 13.09 The processing of all Minerals exploited under this Licence and the establishment, operation and closure of the Processing Plants shall be comprised by and integrated in the Environmental Impact Assessment

(EIA) and the Social Impact Assessment (SIA) and updated and amended versions of the EIA Report and SIA Report. The MRA may require that the EIA Report and/or the SIA Report shall be updated or amended if it, in the opinion of the MRA, is not adequate, including if it is not adequate in relation to the activities performed and to be performed under this Licence, including any exploitation and mining activities, and/or processing of all Minerals exploited under this Licence, the establishment, operation and closure of the Processing Plants or other matters relating to the processing activities. The EIA Report and the SIA Report shall be amended if the Processing Plan shall also comprise activities and areas which are not included in the EIA Report and the SIA Report, including any further processing of exploited Minerals in any Plant for Further Processing. See section 13.07. Updates of and amendments to the EIA, the EIA Report, the SIA and/or the SIA Report are subject to the approval of the MRA and any terms set for such approval.

Processing of Minerals in Greenland

- 13.10 All exploited Minerals shall be processed in a wet concentrator plant ("Wet Concentrator Plant") and thereafter in a dry concentrator plant ("Dry Concentrator Plant") in Greenland. In the Wet Concentrator Plant, the Minerals are processed by being screened for oversize material, mixed with saltwater and then heated for de-icing and then washed and separated in one or more gravity separators or in any other mechanical process approved by the MRA. In the Wet Concentrator Plant, the Minerals are processed and separated into two (2) fractions: (1) a fraction with heavy ilmenite mineral concentrate and (2) a fraction with Light Mineral Concentrate Reject. The heavy ilmenite mineral concentrate shall be further processed in the Dry Concentrator Plant in which the heavy ilmenite mineral concentrate shall be processed and separated by using magnetic separation or in any other mechanical process approved by the MRA. In the Dry Concentrator Plant, the heavy ilmenite mineral concentrate shall be processed and separated into Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject and Non-Magnetic Heavy Mineral Concentrate Reject. The Wet Concentrator Plant and the Dry Concentrator Plant shall be situated in the Licence Area, see Article 3, unless the MRA approves that the said plants are situated at another place in Greenland.

Processing of Minerals into Fully Processed Minerals or Partly Processed Minerals in Greenland or in other states than Greenland

- 13.11 Subject to section 13.12, the Licensee and/or any Related Party to the Licensee do not have a right to further process Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject or Light Mineral Concentrate Reject into Fully Processed Minerals or Partly Processed Minerals in Greenland or in one or more other states than Greenland when this Licence is granted by the Greenland Government to the Licensee.
- 13.12 The Licensee may apply for and the MRA may or may not grant an approval to the effect that some or all Minerals exploited under this Licence may be further processed in one or more Plants for Further Processing in which the Premium Ilmenite, the Standard Ilmenite, the Magnetic Heavy Mineral Concentrate Reject, the Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject can be processed into Fully Processed Minerals and/or Partly Processed Minerals. Any Plant for Further

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Processing shall be situated in the Licence Area, see Article 3, unless the MRA approves that the Plant for Further Processing is situated at another place in Greenland or in another state than Greenland.

- 13.13 If the Licensee applies for an approval to the effect that some or all Minerals exploited under this Licence may be further processed from Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject into Fully Processed Minerals and/or Partly Processed Minerals in Greenland, the MRA shall decide whether to grant such an approval in accordance with sections 13.15-13.16.
- 13.14 If the Licensee applies for an approval to the effect that some or all Minerals exploited under this Licence may be further processed from Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject into Fully Processed Minerals and/or Partly Processed Minerals in one or more other states than Greenland, the MRA shall (1) decide whether to grant an approval to the effect that some or all Minerals exploited under this Licence may be processed into Fully Processed Minerals and/or Partly Processed Minerals in accordance with sections 13.15-13.16 and (2) whether such further processing may be performed in one or more other states than Greenland in accordance with section 13.17. If the MRA decides that an approval to the effect that some or all Minerals exploited under this Licence shall or may be further processed from Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject into Fully Processed Minerals and/or Partly Processed Minerals may be granted in accordance with sections 13.15-13.16 but that such processing shall be performed in Greenland and may not be performed in one or more other states than Greenland in accordance with sections 13.12 and 13.17, the MRA shall then grant an approval to the effect that some or all Minerals exploited under this Licence shall or may be processed into Fully Processed Minerals and/or Partly Processed Minerals in Greenland if the Licensee requests the MRA to grant such an approval.
- 13.15 The MRA may, in accordance with sections 2.01 and 2.02, decide whether it will grant or not grant an approval to the effect that some or all Minerals exploited under this Licence may be further processed from Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject into Fully Processed Minerals and/or Partly Processed Minerals as stated above in sections 13.12-13.14 and may set any terms for an approval. Any such terms shall be set in accordance with sections 2.01 and 2.02. Such terms may include terms to the effect that any such processing shall be subject to and performed in accordance with the Mineral Resources Act, executive orders and other regulations and provisions set and decisions made under the Mineral Resources Act, this Licence, approvals of plans for activities under this Licence and any other terms set and decisions made under this Licence. The objectives and contents of the terms of an approval under sections 13.12-13.14 shall be in accordance with the objectives and provisions of the Mineral Resources Act and the objectives and terms of this Licence. Subject to the terms stated above in this section 13.15, the terms of an approval under sections 13.12-13.14 shall not regulate the establishment, operation or closure of any processing plant in another state than Greenland.

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- 13.16 The MRA shall only make a decision on whether it will grant or not grant an approval as stated above in sections 13.12-13.14 if the Licensee has submitted all relevant documents and information to the MRA. The documents shall include an updated Environmental Impact Assessment (EIA), an **updated** and amended versions of the EIA Report, an updated Social Impact Assessment (SIA) and an updated and amended versions of the SIA Report. The said reports shall be made in accordance with the Mineral Resources Act, this Licence and acknowledged best national and international practices, provisions and guidelines for such reports. The Licensee shall submit the EIA Report, the SIA Report to the MRA and have obtained the MRA's approval of the EIA Report, the SIA Report. The EIA, the EIA Report, the SIA, the SIA Report shall comprise the processing activities and the other exploitation activities under this Licence, including all relevant matters in relation to the further processing of Minerals in Greenland or in one or more other states than Greenland. The EIA Report and the SIA Report are subject to the approval of the MRA. The MRA may request the Licensee to submit updated or amended versions of the EIA Report, the SIA Report to the MRA for its approval. The MRA may also demand that the Licensee submits additional documents and information and performs studies and investigations to the extent this is necessary to consider the application and make the decision, in the opinion of the Greenland Government. Such additional documents, information, studies and investigations may include studies and reports on financial matters, as demanded by the MRA acting in accordance with section 2.02. In relation to an application for an approval of further processing outside Greenland, such additional documents, information, studies and investigations may also include a financial feasibility study (FFS), in full or in part, and a FFS report thereon, as demanded by the MRA acting in accordance with section 2.02.
- 13.17 Any Plant for Further Processing shall be situated in the Licence Area, see Article 3, unless the MRA approves that one or more Plants for Further Processing is situated at another place in Greenland or in one or more other states than Greenland. See section 13.11. Subject to sections 13.12 and 13.14, the Licensee may apply for and the MRA may grant an approval to the effect that some or all Minerals exploited under this Licence shall or may be processed into Fully Processed Minerals and/or Partly Processed Minerals in one or more other states than Greenland. If the Licensee submits such an application to the MRA, the Licensee shall then, as soon as possible, provide the MRA with all information and documents which are relevant for the MRA or requested by the MRA to make it possible for the MRA to make a decision on the matter, including information and documents in relation to the following matters (which are not stated in any order of priority):
- (a) Whether processing of the Minerals concerned in Greenland will result in greater benefits or detriments in relation to public interests, including the protection of the environment and the other public interests stated in sections 13.17(b)-13.17(g), than processing of the Minerals in the other state or states concerned.
 - (b) The Greenland Government's interest in ensuring and supporting a transparent and controllable process and scheme for the processing and sale of exploited Minerals.
 - (c) The Greenland Government's interest in promoting and ensuring or supporting processing in Greenland of exploited Minerals.

- (d) The Greenland Government's interest in promoting and ensuring or supporting processing and sale of exploited Minerals in a manner which results in the greatest (highest) government take, including royalty under Article 14 and direct and indirect taxes, for the Greenland Government.
- (e) The Greenland Government's interest in ensuring appropriate and effective exploitation of mineral resources and their values and social sustainability and protection of the environment.
- (f) The Greenland Government's interest in ensuring and supporting employment of Greenland Workers and business creation and development in Greenland and performance of value adding processes in Greenland.
- (g) Whether processing of the Minerals concerned in Greenland will result in higher or lower sales payments (sales prices) than processing of the Minerals in the other state or states concerned.
- (h) Whether processing of the Minerals concerned in Greenland will result in any substantial loss for the Licensee in relation to any investments of the Licensee in any existing Plant for Further Processing of the Minerals in one or more other states than Greenland.
- (i) Whether processing of the Minerals concerned in Greenland will result in substantially greater costs or detriments and/or greater or lesser profits for the Licensee than processing of the Minerals concerned in one or more other states than Greenland.

13.18 An approval as stated above in sections 13.12-13.14 may be an approval to the effect that some specific exploited Minerals shall be processed into specific Fully Processed Minerals and/or Partly Processed Minerals in Greenland and then may be exported from Greenland.

13.19 An approval as stated above in sections 13.12-13.14 may be granted as part of the MRA's approval of the Licensee's Exploitation Plan and Closure Plan or an updated Exploitation Plan and an updated Closure Plan. If an approval as stated above in sections 13.12-13.14 is granted as part of the MRA's approval of an updated Exploitation Plan and an updated Closure Plan, the approval as stated above in sections 13.12-13.14 may then be granted in an addendum to the initial approval of the Exploitation Plan and the Closure Plan or in an updated approval of the updated Exploitation Plan and the updated Closure Plan.

Other general terms on processing and sale of Minerals and related matters, including calculation of royalty

13.20 Subject to the Processing Plan as approved by the MRA and the MRA's approval of the Processing Plan under sections 13.07 and 13.08 and any decision of the MRA under sections 13.12-13.14 and section 13.17, the following terms shall apply:

- (a) All Minerals exploited under this Licence shall be processed into Premium Ilmenite, Standard Ilmenite, Magnetic Heavy Mineral Concentrate Reject, Non-Magnetic Heavy Mineral Concentrate Reject and/or Light Mineral Concentrate Reject in Greenland as further approved or decided by the MRA. The MRA may set any terms for any such approval or decision. See sections 13.11-13.19 of this Licence and the Mineral Resources Act, including its sections 19, 43 and 86. In relation thereto, the MRA shall act in accordance with sections 2.01 and 2.02.

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- (b) Any Mineral exploited under this Licence may not be processed further or in any other manner than stated above in letter (a) in or outside Greenland by the Licensee, any Related Party to the Licensee, any Contracting Party of the Licensee or any Contracting Party of any Related Party to the Licensee, unless otherwise approved by the MRA. The MRA may set any terms for any such approval. See sections 13.11-13.19 of this Licence and the Mineral Resources Act, including its sections 19, 43 and 86. In relation thereto, the MRA shall act in accordance with sections 2.01 and 2.02.

- 13.21 Subject to sections 13.28 and 13.29, if a Mineral is processed or to be processed by the Licensee, a Related Party to the Licensee, a Contracting Party of the Licensee or a Contracting Party of a Related Party to the Licensee in Greenland or another state than Greenland in accordance with an approval of the MRA under this Licence, then the Licensee shall not in any manner sell, pledge, mortgage, charge, lease, transfer, exchange, swap, barter, dispose of, or otherwise legally deal with, the said Mineral until the Mineral has been processed in accordance with the said approval or decision, all other approvals of plans for activities under this Licence and this Article 13. See also sections 13.25-13.29.
- 13.22 If a Mineral is processed by the Licensee, a Related Party to the Licensee, a Contracting Party of the Licensee or a Contracting Party of a Related Party to the Licensee in Greenland or another state than Greenland, then the Licensee shall calculate and pay royalty under Article 14 for the Mineral when it is sold or considered sold under Article 14 after the said processing and on the basis of the weight and value of the Mineral when it is sold or considered sold under Article 14 after the said processing. This applies irrespective of whether the Mineral is processed by the Licensee or the Related Party to the Licensee in any processing plant, including Processing Plants, owned, leased, operated or used in any other manner for processing by the Licensee or the Related Party or the Mineral is processed by a third party under an agreement thereon, including a tolling agreement, between the third party and the Licensee or the Related Party. In addition to the royalty, the Licensee shall in relation to the said Mineral report and pay any direct and indirect taxes, including corporate income tax and corporate dividend withholding tax, under Greenland tax law in force at any time.
- 13.23 The processing of all Minerals exploited under this Licence shall be performed, and the Processing Plants and any related installations, buildings and infrastructure shall be established, operated and closed, in accordance with the Mineral Resources Act and other applicable law, this Licence, approvals of plans for activities under this Licence and any other rule, regulation, provision, term and agreement applicable to this Licence, activities under this Licence, the processing activities, the Processing Plants and related installations etc. or activities relating to the Processing Plants and related installations etc.
- 13.24 Subject to sections 13.06-13.23 and 13.25-13.29, all minerals exploited under this Licence shall be processed in accordance with best national and international practices and procedures.
- 13.25 Subject to sections 13.28 and 13.29, the Licensee shall not in any manner sell, pledge, mortgage, charge, lease, transfer, exchange, swap, barter, dispose of or otherwise legally deal with any Mineral exploited under this Licence until the Mineral has been processed in accordance with this Article 13. If the Licensee irrespective of this sells, pledges, mortgages, charges, leases, transfers, exchanges, swaps, barters, disposes

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of or otherwise legally deals with any Mineral exploited under this Licence, any such sale or other legal act or disposition shall be invalid and have no effect until the Mineral has been processed in accordance with this Article 13. If, irrespective of the second sentence of this section 13.25, a Mineral cannot be processed in accordance with this Article 13, the said Mineral shall be considered lost and thereby considered sold as stated in section 14.12 in relation to calculation and payment of royalty under Article 14 and the weight and the value shall be determined by the MRA as the weight and the value of the Mineral if it had been processed in accordance with this Article 13. The MRA may decide that the weight and the value shall be determined by the MRA in any other manner which in the opinion of the MRA is appropriate. The MRA may for example decide that the weight and value shall be determined by the MRA as its assessment of the weight and value when the Minerals were sold, pledged, mortgaged, charged, leased, transferred, exchanged, bartered, disposed of or otherwise legally dealt with. If the Licensee considers that MRA's determined weight and/or value of the Minerals is not determined correct in accordance with this section 13.25, the Licensee may request that the weight and/or value of the Minerals shall be decided in accordance with this section 13.25 by an arbitral tribunal in accordance with sections 35.11-35.16. The Licensee shall provide the MRA with a notice in writing of the request for such decision and the notice in writing shall be received by the MRA no later than twenty-eight (28) days after the Licensee received information in writing of the MRA's determined weight and/or value of the Minerals.

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

- 13.26 Any sale of any Mineral exploited under this Licence shall be made in accordance with transfer pricing rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time. If a sale is not made in this manner, a sales price and other sales terms which are in accordance with the said transfer pricing rules, principles and guidelines shall be used in the calculation of any royalty under Article 14 and any other amount in relation thereto. The sales price and other sales terms to be used in this manner shall be set by the MRA, based on an objective, informed and substantiated assessment. If the Licensee, based on an objective, informed and substantiated assessment, considers the MRA's determination of the sales price and other sales terms to be used to be incorrect or inaccurate, the Licensee may commence proceeding to have the sales price and other sales terms to be used decided by a decision of an arbitration tribunal in accordance with Article 35 [sections 35.11-35.16]. Such a decision shall be made in accordance with this Licence, including in particular this section 13.26. Such proceedings shall not suspend the effects of the MRA's determination of the sales price and other sales terms to be used. If a decision made in accordance with Article 35 [sections 35.11-35.16] determines another sales price and/or other sales terms to be used than the sales price and other sales terms determined by the MRA, the said other sales price and/or other sales terms apply in relation to calculation of royalty under Article 14.

Buy-back of Minerals

- 13.27 The Licensee and/or any Related Party to the Licensee may not buy-back (repurchase) any Mineral which has been sold or is considered sold in relation to calculation of royalty under sections 14.09-14.12, unless otherwise approved by the MRA.

Use of Minerals as security for financing etc.

- 13.28 The Exploitation Plan may contain statements to the effect that some or all Minerals exploited under this Licence shall or may be used to provide security, including by pledging, mortgaging or charging the Minerals, to one or more specific parties on specific terms, including terms ensuring the following:
- (a) That any such security and its contents and effects shall be in accordance with this Licence, including in particular this Article 13 and Article 14, and all approvals by the MRA of plans for activities under this Licence.
 - (b) That any such security and its contents and effects shall respect and be subject to any obligation in relation to processing and sale etc. of the Minerals under this Article 13 and all approvals by the MRA of plans for activities under this Licence.
 - (c) That any such security and its contents and effects shall be in accordance with the Mineral Resources Act, including among other matters sections 1, 2, 16-19, 42-43 and 83-87.
 - (d) That any such security and its contents and effects shall respect and be subject to any right and authority of the Greenland Self-Government and the MRA in relation to the Minerals, including the exploitation, processing, handling, storage, transport and sale of the Minerals.

Any such statements and their effects and any such terms on the matters stated in letters (a)-(d) are subject to the approval of the MRA and any terms set for such approval, as stated in section 13.29.

- 13.29 The MRA may approve that some or all Minerals exploited under this Licence shall or may be used to provide security, including by pledging, mortgaging or charging the minerals, to one or more specific parties on specific terms, including terms ensuring the matters stated in sections 13.28(a)-13.28(d). In determining whether to grant such an approval, the MRA may take into consideration any relevant matter. The MRA may set any terms for such an approval, including terms ensuring the matters stated in sections 13.28(a)-13.28(d). The MRA shall only make a decision on an application for such an approval if the Licensee has submitted an application with all relevant documents and information to the MRA. The MRA may demand that the Licensee submits additional documents and information to the extent this is necessary to consider the application and make the decision, in the opinion of the MRA.

Article 14 Royalty*Obligation to pay royalty and royalty rates*

- 14.01 The Licensee shall pay royalty to the MRA for Minerals which are exploited under this Licence and sold or considered sold under sections 14.09-14.12.
- 14.02 The Licensee shall pay royalty to the MRA for Minerals which are exploited under this Licence and sold or considered sold under sections 14.09-14.12, irrespective of whether the actual sales price for the Minerals

is determined under this Article 14, including section 14.19, at a date which is subsequent to the date at which the Minerals are sold or considered sold under sections 14.09-14.12.

14.03 The royalty shall be paid annually at the annual rates stated in section 14.05 for the year and on the basis of the weight and value of Minerals sold and Minerals considered sold in the year concerned.

14.04 In relation to calculation of royalty under this Article 14, the calendar year in which any exploited Minerals first (initially) are sold or considered sold under this Article 14 shall be considered year 1 of sales ("Year 1 of Sales"). The first subsequent calendar year shall 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").

14.05 The following royalty rates shall apply and be paid by the Licensee to the MRA:

- (a) In Year 1 of Sales, the royalty shall be 1.0 per cent (1.0%).
- (b) In Year 2 of Sales, the royalty rate shall be 2.0 per cent (2.0%).
- (c) In Year 3 of Sales and all subsequent years of sales (that is Year 3 of Sales and all subsequent calendar years), the royalty rate shall be 2.5 per cent (2.5%).

Calculation, reporting and payment of royalty for exploited Minerals

14.06 In the calculation of royalty for any calendar year, the Royalty Conversion Amount may only be deducted one (1) time in total in the calculation of Payable Royalty under section 14.34, the calculation and making of any corrections under section 14.35, the calculation of any Additional Payable Royalty under section 14.36 and any other calculations in relation to royalty under this Article 14.

14.07 See also section 14.32 on calculation of royalty and Appendix 5 to this Licence which contains illustrative examples of calculation of royalty under this Article 14, taking into account Corporate Income Tax and Corporate Dividend Withholding Tax.

14.08 The MRA may set more specific provisions and terms on the matters mentioned in sections 14.06 and related matters. In relation thereto, the MRA shall act in accordance with sections 2.01 and 2.02.

Sale of exploited Minerals

14.09 Subject to sections 14.10-14.12, Minerals shall be considered sold under this Article 14 when the Licensee under Greenland tax law is considered to have acquired the right to payment of the sales price (consideration) for the Minerals under the sales agreement with the purchaser (in Danish: "har erhvervet ret til at modtage købesummen (vederlaget) for mineralerne efter købsaftalen med køberen"). In relation to this, Greenland tax law shall include rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.

14.10 Minerals shall be considered sold under this Article 14 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.

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- 14.11 Section 14.10 shall not apply in relation to any Minerals which are processed in another state than Greenland if the said processing is, or should have been, performed in accordance with an approval of the processing granted by the MRA under section 13.17. Section 13.22 shall then apply.
- 14.12 A Mineral shall be considered sold under this Article 14 when the Mineral is lost or damaged after it has been loaded on board a ship or vessel for the transport from Greenland to another state and thereby cannot be sold, irrespective of the cause or causes of the loss or damage. For example, a Mineral may be lost by theft or loss or damaged during transport from Greenland to another state.

Weight of Minerals sold

- 14.13 The weight of Minerals sold shall be determined with reference to the time when the Minerals are sold or considered sold under this Article 14, see sections 14.09-14.12.
- 14.14 The weight of Minerals sold shall be determined with reference to the weight measured in kilogram or metric tonnes.
- 14.15 Subject to sections 14.16-14.17, the Licensee may determine the weight of Minerals sold in any manner which the Licensee, based on an objective, informed and substantiated assessment, considers to be appropriate and accurate and in accordance with recognised best international practice. If the MRA, based on an objective, informed and substantiated assessment, considers the Licensee's determination of the weight to be incorrect or inaccurate, the MRA may, after consulting the Licensee, determine the weight in accordance with sections 14.16-14.17. If the Licensee considers that the MRA's determined weight of the Minerals sold is not determined correct in accordance with sections 14.16-14.17, the Licensee may request that the weight of the Minerals shall be determined or decided in accordance with sections 14.16-14.17 by an Expert in accordance with sections 32.02-32.08 or an arbitrational tribunal in accordance with sections 35.11-35.16. The Licensee shall provide the MRA with a notice in writing of the request for such determination or decision and the notice in writing shall be received by the MRA no later than twenty-eight (28) days after the Licensee received information in writing of the MRA's determined weight of the Minerals.
- 14.16 The weight of Minerals sold shall be determined in accordance with Greenland tax law, including rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.
- 14.17 The weight of Minerals sold shall be determined in accordance with recognised best international practice for the determination of weights of Minerals sold under similar conditions.

Value of Minerals sold

- 14.18 The value of Minerals sold shall be determined with reference to the weight of Minerals sold or considered sold under this Article 14, see sections 14.09-14.17.
- 14.19 Subject to sections 14.18 and 14.21-14.25, if Minerals are sold by the Licensee to a Non-Related Party in relation to the Licensee, the Licensee may use the actual sales price to determine the value of the Minerals if the Licensee, based on an objective, informed and substantiated assessment, considers the actual sales

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price to be equal to the sales price obtainable in a sale in the most relevant free market between Non-Related Parties, as determined in accordance with sections 14.23-14.25. 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 14. 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 14, for such Minerals sold under similar circumstances and in similar qualities and quantities in the trade concerned between Independent Parties. If the MRA, based on an objective, informed and substantiated assessment, considers the Licensee's actual sales price not to be equal to the sales price obtainable in a sale in the most relevant free market between Independent Parties, as determined in accordance with sections 14.23-14.25, the MRA may, after consulting the Licensee, determine the value of the Minerals in accordance with sections 14.18 and 14.21-14.25. If the Licensee considers the MRA'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 14.23-14.25, the Licensee may decide that the value of the Minerals shall be determined in accordance with sections 14.23-14.25 by an Expert or an arbitral tribunal in accordance with sections 35.11-35.16.

14.20 Subject to sections 14.18 and 14.21-14.25, if Minerals are sold by the Licensee to a Non-Related Party in relation to the Licensee and the value of the Minerals are not determined in accordance with section 14.19, or if Minerals are sold by the Licensee to a Related Party to the Licensee, the Licensee shall, based on an objective, informed and substantiated assessment, determine the value of the Minerals as the sales price obtainable in a sale in the most relevant free market between Independent Parties, as determined in accordance with sections 14.23-14.25. If the MRA, based on an objective, informed and substantiated assessment, considers the Licensee's determined value of the Minerals not to be equal to the sales price obtainable in a sale in the most relevant free market between Independent Parties, as determined in accordance with sections 14.23-14.25, the MRA may, after consulting the Licensee, determine the value of the Minerals in accordance with sections 14.18 and 14.21-14.25. If the Licensee considers the MRA'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 14.23-14.25, the Licensee may request that the value of the Minerals shall be determined in accordance with sections 14.23-14.25 by an Expert in accordance with sections 32.02-32.08 or an arbitral tribunal in accordance with sections 35.11-35.16. The Licensee shall provide the MRA with a notice in writing of the request for such determination or decision and the notice in writing shall be received by the MRA no later than twenty-eight (28) days after the Licensee received information in writing of the MRA's determined value of the Minerals.

14.21 The value of Minerals sold shall be determined in accordance with Greenland tax law, including rules, principles and guidelines of Greenland tax law and of international tax law agreements, rules, principles and guidelines applicable in Greenland at any time.

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- 14.22 Subject to sections 14.18 and 14.21, the value of Minerals sold shall be determined in accordance with recognised best international practice for the determination of values of Minerals sold under similar conditions.
- 14.23 Subject to sections 14.18 and 14.21-14.22, 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 14.24-14.25, for the weight of Minerals sold under this Article 14. 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 14, for such Minerals sold under similar circumstances and in similar qualities and quantities in the trade concerned between Independent Parties.
- 14.24 The most relevant free market shall be the most recognised and representative free market for sale of the Minerals concerned (or, if there is no free market for sale of the Minerals concerned, for sale of the most similar Minerals) for delivery from Greenland or another country from which the Minerals are to be delivered (or, if there is no such market for delivery from Greenland or the said other country, from the place or country most similar to Greenland in respect of delivery of such Minerals) to the place or country where the Minerals concerned are delivered or to be delivered to a purchaser (or, if there is no such market for delivery to the said place or country of delivery, to the place or country most similar to the said place or country of delivery in respect of delivery of such Minerals).
- 14.25 The sales price obtainable for a sale in the most relevant free market shall be determined by reference to the most relevant sales price or prices of the most recognised and representative market price index (list) or indexes (lists) if there is any such price or prices of any such index or indexes.

Freight costs

- 14.26 If the sales price for Minerals sold or considered sold, as determined in accordance with sections 14.18-14.25, does not include freight costs (consideration/payment) for transport from Greenland or another country from which the Minerals are to be delivered (or from the place or country most similar to Greenland or the said other country in respect of transport of the Minerals) to the place or country to which the Minerals are transported or to be transported to be delivered to a purchaser (or to the place or country most similar to the said place or country of delivery in respect of transport of the Minerals), freight costs shall not be deducted from the said sales price in the calculation of the value of the Minerals sold or considered 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 2020, or Free On Board (FOB) (named port of shipment/loading), Incoterms 2020.
- 14.27 If the sales price for Minerals sold or considered sold, as determined in accordance with sections 14.18-14.25, includes freight costs (consideration/payment) for transport from Greenland or another country from which the Minerals are to be delivered (or from the place or country most similar to Greenland or the said other place or country in respect of transport of the Minerals) to the place or country to which the Minerals are transported or to be transported to be delivered to a purchaser (or to the place or country most similar to the said place or country of delivery in respect of transport of the Minerals), the freight costs may be

deducted from the said sales price in the calculation of the value of the Minerals sold or considered 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 2020, or Cost, Insurance and Freight (CIF) (named port of destination/delivery), Incoterms 2020.

- 14.28 Subject to section 14.30, the freight costs which may be deducted under section 14.27 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.
- 14.29 Subject to section 14.30, if the transport of the Minerals sold or considered sold has been performed by a carrier which is a Non-Related Party to the Licensee and the purchaser of the Minerals, the Licensee may use the actual freight paid to determine the freight costs which may be deducted under sections 14.27, 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 14.28. 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 section 14.28, the MRA may, after consulting the Licensee, determine the freight costs in accordance with section 14.28. If the Licensee considers the MRA's determined freight costs for transport of the Minerals sold or considered sold not to be equal to the freight costs to be paid when the freight is determined in accordance with section 14.28, the Licensee may request that the freight costs shall be determined or decided in accordance with section 14.28 by an Expert in accordance with sections 32.02-32.08 or an arbitral tribunal in accordance with sections 35.11-35.16. The Licensee shall provide the MRA with a notice in writing of the request for such determination or decision and the notice in writing shall be received by the MRA no later than twenty-eight (28) days after the Licensee received information in writing of the MRA's determined freight costs.
- 14.30 The freight costs which may be deducted under sections 14.27 and 14.28 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

- 14.31 In the determination of the value of Minerals sold or considered sold, no deduction shall be made for any cost, expense or other amount (including any sales commission, cash rebate or other rebate, any insurance cost, any financial cost or any cost or expense of processing of the Minerals in Greenland or outside Greenland), except for freight costs in accordance with sections 14.26-14.30.

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Basic Royalty Amount, Royalty Conversion Amount and Payable Royalty

- 14.32 The royalty to be paid by the Licensee to the MRA ("Payable Royalty") shall be calculated annually for each calendar year.
- 14.33 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 rates, as set in section 14.05, to the total (aggregate) sum of all values of all weights of all Minerals sold and all Minerals considered sold in the said calendar year concerned ("Total Value of Minerals"). The weights of the Minerals shall be determined in accordance with sections 14.13-14.17. The values of the Minerals shall be determined in accordance with sections 14.18-14.31.
- 14.34 In the calculation of Payable Royalty (and for this purpose only and with no other effect), a royalty conversion amount ("Royalty Conversion Amount") shall be calculated for the calendar year concerned. The Royalty Conversion Amount shall be the total (aggregate) sum of (1) an amount corresponding to the Licensee's actually paid or to be paid (if actually paid subsequently when due) corporate income tax under Greenland tax law in force any time (calculated at the tax rate in force any time and not including interest, penalty charges for late payment or other additional fees or charges) ("Corporate Income Tax Amount") and (2) an amount corresponding to the Licensee's actually paid or to be paid (if actually paid subsequently when due) corporate dividend withholding tax under Greenland tax law in force any time (calculated at the tax rate in force any time and not including interest, penalty charges for late payment or other additional fees or charges) ("Corporate Dividend Withholding Tax Amount").
- 14.35 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. The Payable Royalty and the Royalty Conversion Amount shall be calculated by using iterative (repeated) calculations and an appropriate calculation system or model therefore. The iterative calculations may for example be made by using the functions for iterative calculations in a Microsoft Excel spreadsheet. The iterative calculations shall be made in accordance with the terms on royalty and calculation of the Payable Royalty and the Royalty Conversion Amount in this Licence. Appendix 5 to this Licence contains illustrative examples of calculation of the Payable Royalty and the Royalty Conversion Amount under this Article 14 of this Licence, taking into account corporate income tax and corporate dividend withholding tax.
- 14.36 If subsequent corrections are made to the Basic Royalty Amount calculated for a calendar year, these corrections shall be referred back to the calendar year to which the corrections relate. The Licensee shall

make any required updated calculations of corporate income tax and shall make corrected calculations of the Corporate Income Tax Amount, the Corporate Dividend Withholding Tax Amount, the Royalty Conversion Amount and the Payable Royalty. If subsequent corrections are made to the corporate taxable income and/or the corporate taxable dividend for a calendar year, these changes shall be referred back to the calendar year to which the corrections relate (for the purpose of royalty calculation). The Licensee shall make corrected calculations of the Corporate Income Tax Amount, 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.

- 14.37 The total (aggregate) sum of the Payable Royalty, the Corporate Income Tax Amount and the Corporate Dividend Withholding Tax Amount for a calendar year shall not be less than the Basic Royalty Amount for that calendar year. 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 under the terms of this section 14.37. The Additional Payable Royalty shall be calculated as the Basic Royalty Amount less (that is with deduction of) the total (aggregate) amount calculated by adding the Payable Royalty, the Corporate Income Tax Amount and the Dividend Withholding Tax Amount. If the result of the calculation of the Additional Payable Royalty is a negative amount or nil (zero), no Additional Payable Royalty shall be paid by the Licensee to the MRA. If the result of the calculation of the Additional Payable Royalty is a positive amount, that amount shall be the Additional Payable Royalty under the terms of this section 14.37 and shall be paid by the Licensee to the MRA in addition to the Payable Royalty, subject to section 14.39.
- 14.38 The total (aggregate) sum of the Payable Royalty, the Corporate Income Tax Amount and the Corporate Dividend Withholding Tax Amount for a calendar year also shall not be less than the sum of (1) the Licensee's corporate income tax amount to be paid under Greenland tax law in force for that calendar year (calculated at the tax rate in force for that calendar year and not including interest, penalty charges for late payment or other additional fees or charges), but calculated without deduction of the Payable Royalty in the calculation of the Licensee's corporate taxable income, and (2) the Corporate Dividend Withholding Tax Amount for that calendar year ("Basic Tax Amount" means the sum of the two said amounts mentioned as numbers (1) and (2)). 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 Tax Amount for that calendar year, the Licensee shall pay an additional royalty amount ("Additional Payable Royalty") to the MRA under the terms of this section 14.38. The Additional Payable Royalty shall be calculated as the Basic Tax Amount less (that is with deduction of) the total (aggregate) amount calculated by adding the Payable Royalty, the Corporate Income Tax Amount and the Dividend Withholding Tax Amount. If the result of the calculation of the Additional Payable Royalty is a negative amount or nil (zero), no Additional Payable Royalty shall be paid by the Licensee to the MRA. If the result of the calculation of the Additional Payable Royalty is a positive amount, that amount shall be the

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Additional Payable Royalty under the terms of this section 14.38 and shall be paid by the Licensee to the MRA in addition to the Payable Royalty, subject to section 14.39.

- 14.39 If the Licensee shall pay Additional Payable Royalty amounts under sections 14.37 and 14.38, respectively, then the Licensee shall only pay one Additional Payable Royalty amount which shall be an amount which is equal either (1) to the greatest (largest) of the two Additional Payable Royalty amounts under sections 14.37 and 14.38, respectively, if the two amounts are different, or (2) to one of the two Additional Payable Royalty amounts under sections 14.37 and 14.38, respectively, if the two amounts are the same (equal amounts).

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

- 14.40 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 weight of Minerals sold, including separate information for Minerals actually sold and for Minerals considered sold under this Article 14.
- (b) The time of sale of Minerals, including separate information for Minerals actually sold and for Minerals considered sold under this Article 14.
- (c) The value of Minerals sold, including separate information for Minerals actually sold and for Minerals considered sold under this Article 14.
- (d) Freight costs (if relevant), including separate information for Minerals actually sold and for Minerals considered sold under this Article 14.
- (e) Minerals exploited and neither sold nor considered sold under this Article 14.
- (f) Basic Royalty Amount.
- (g) Corporate Income Tax Amount.
- (h) Corporate Dividend Withholding Tax Amount.
- (i) Royalty Conversion Amount.
- (j) Payable Royalty.
- (k) Additional Payable Royalty (if any is to be paid).

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

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- 14.41 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.
- 14.42 The Annual Royalty Report for a calendar year shall have been audited in accordance with section 14.43 when the Annual Royalty Report is submitted by the Licensee to the MRA in accordance with sections 14.40 and 14.41.
- 14.43 The Licensee shall appoint a state authorised public accountant to perform an annual audit of the Annual Royalty Report and the accounting records which form the basis of the Annual Royalty Report and of the calculation of the royalty. The state authorised public accountant's audit for any calendar year shall be completed and the audit report issued and submitted to the MRA no later than 1 May the subsequent calendar year or the later date in the subsequent calendar year at which the Licensee submits its annual tax return for the said calendar year and may do so under Greenland tax law. The audit shall be performed in accordance with International Standards on Assurance Engagements (ISAE 3000) and the audit report shall provide reasonable assurance that the Annual Royalty Report is complete, accurate and free from any material misstatement. The MRA shall be entitled to perform an independent outside audit and may appoint a state authorised public accountant or other auditor to participate in or perform the independent outside audit. The costs of auditors shall be paid by the Licensee.
- 14.44 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.
- 14.45 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

- 14.46 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

- 14.47 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.
- 14.48 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 MRA 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.

- 14.49 The Licensee shall, in addition to the Payable Royalty and any Additional Payable Royalty for a calendar year under this Article 14, pay any direct and indirect taxes, including corporate income tax and corporate dividend withholding tax, under Greenland tax law in force any time.
- 14.50 Subject to section 14.49, 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 weight 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 14 from the date of coming into force of such statute if the Licensee has an obligation to pay and actually pays such Statutory Fee for Minerals exploited and sold under this Licence or for this 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, under Greenland tax law in force any time. If the Greenland Parliament passes a statute on payment of fees or charges etc. not comprised by this section 14.50, the Licensee shall still pay Payable Royalty and any Additional Payable Royalty under this Article 14. Examples of such fees or charges etc. not comprised by this section 14.50 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 14.50 include, but are not limited to, a special royalty to be paid for and calculated on the basis of the weight or value of a specific mineral exploited and sold under mineral exploitation licences, a special surplus royalty to be paid for and calculated on the basis of profit derived from the exploitation and sale of a specific mineral under mineral exploitation licences, or a special area fee to be paid for and calculated on the basis of the licence area comprised by licences for exploitation of a specific mineral.

Further provisions and decisions on royalty matters

- 14.51 Subject to sections 14.01-14.50, the MRA may set further provisions and make decisions on procedures, documentation and administrative matters relating to sections 14.01-14.50. If there is a conflict or an inconsistency between sections 14.01-14.50 and a provision set or a decision made under this section 14.51, sections 14.01-14.50 shall take precedence over the said provision or decision. In determining whether to set further provisions and make decisions on procedures, documentation and administrative matters relating



to sections 14.01-14.50, the MRA shall consult with the Licensee and act in accordance with sections 2.01 and 2.02.

Article 15 Further training of employees of the MRA

- 15.01 For each of the calendar years 2021, 2022 and 2023, the Licensee shall reimburse the MRA for annual expenses of up to DKK 300,000 (three hundred thousand) for the further training etc. of employees doing work related to relevant mineral activities in the calendar year concerned. The reimbursement shall be in accordance with the terms stated in Appendix 3.
- 15.02 For the calendar year 2024 and each subsequent calendar year of the Licence Period under this Licence, the Licensee shall reimburse the MRA for annual expenses up to DKK 500,000 (five hundred thousand) for the further training etc. of employees doing work related to relevant mineral activities in the calendar year concerned. The reimbursement shall be in accordance with the terms stated in Appendix 3.
- 15.03 In connection with any extension of the Licence Period, see section 4.05, an agreement shall be made regulating the Licensee's obligations with respect to the further training etc. of employees of the MRA in the extended Licence Period. The agreement may include terms to the effect that the Licensee for each calendar year of the extended Licence Period shall reimburse the MRA for annual expenses of up to DKK 500,000 (five hundred thousand) for the further training etc. of employees doing work related to relevant mineral activities in the calendar year concerned. Such reimbursement shall be in accordance with the terms stated in Appendix 3.
- 15.04 The Licensee shall only reimburse annual expenses for further training etc. to be reimbursed for a calendar year as stated in sections 15.01-15.03 to the extent such expenses for further training etc. have been incurred by the MRA in the calendar year concerned.
- 15.05 The amount payable according to sections 15.01-15.03 and Appendix 3 shall be adjusted every year with effect from 1 January on the basis of the change in the Greenland consumer price index from July 2019 to July in the year preceding the year concerned.

Article 16 Reporting etc.

- 16.01 For all activities performed under this Licence, the Licensee shall regularly submit reports and raw and processed data etc. to the MRA regarding all relevant matters, including exploration, mine development and mining activities, mineral processing and processing procedures, mineral sale and export and operational and corporate matters and matters in relation to geology, geochemistry, geophysics, technology and engineering, environment, health, finance and socio-economy, to the extent the matters are relevant in relation to the Licence Area and/or activities under this Licence. At the MRA's request, the Licensee shall submit geological samples to the MRA, including drill cores.
- 16.02 If the Licensee discovers any mineral resource which may not be exploited under this Licence in the Licence Area, then the Licensee shall report this as soon as possible to the MRA.

- 16.03 The Licensee shall submit quarterly and annual reports on the activities performed and to be performed under this Licence and/or in respect of the Licence Area in a quarter of a calendar year and/or in a calendar year, and any relevant matter in relation thereto. The annual report is subject to the approval of the MRA and any terms set for such approval. The Licensee shall provide information and documents to the MRA regarding this Licence, activities or specific activities performed or to be performed under this Licence and/or any matter in relation thereto if the MRA requests the Licensee to do so.
- 16.04 The MRA may set provisions and terms, including terms in approvals of plans for activities and decisions of the MRA, on the Licensee's reporting on activities performed under this Licence, including time limits for reporting, reporting on financial matters, and on the types of documents, information, data, interpretations, samples and other matters to be included in the reports. The Licensee shall provide any document, information, data, sample and other relevant material in relevant, safe and updated forms and formats, including technology forms and formats, and in accordance with standards approved and requirements set by MRA. The MRA may demand further documents, information, data and samples etc. from the Licensee regarding the activities performed under this Licence and matters in relation thereto.
- 16.05 All costs and expenses in relation to the Licensee's making and submission of reports, documents, information, data, and samples etc. under this Licence shall be paid and borne by the Licensee.

Article 17 Confidentiality

- 17.01 All raw and processed data, reports, documents and information which have been made or obtained by the Licensee and are to be submitted to the MRA under sections 16.01 and 16.02, shall be confidential for a period of five years from the submission date set or approved by the MRA or the expected date of submission as provided or stated by the MRA, whichever date is the earlier. Confidential business information may be kept confidential by the MRA if the MRA finds that the Licensee has documented material sensitivity of the confidential business information in relation to the Licensee's business activities and this is in accordance with the act on public access to documents in public files (in Danish: "offentlighedsloven").
- 17.02 However, the period of confidentiality shall terminate on the date of termination of this Licence or the date of surrender of this Licence if the Greenland Government has approved the surrender of this Licence in accordance with Article 22. Confidential business information may be kept confidential by the MRA if the MRA finds that the Licensee has documented material sensitivity of the confidential business information in relation to the Licensee's business activities and this is in accordance with the act on public access to documents in public files.
- 17.03 Notwithstanding the provisions of section 17.01, 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 this Licence, based on the material submitted by the Licensee. The MRA may use general information and data, including, for example, annual production information and data with information and data regarding, among other matters, volume of exploited ore, grade of exploited

ore and volume of exported minerals, for publication in an anonymous form for any reasonable purpose, including marketing.

- (b) The MRA is entitled to use and publish, without any restrictions or conditions, data, reports, documents and information regarding environmental, health, socio-economic, **technical**, navigational, meteorological and glaciological matters, including bathymetric maps, if this is considered to be in the general interest of the community in the MRA's opinion, but excluding any material patented or in the process of being patented and material comprised by the Licensee's intellectual property (IP) rights under IP laws and IP regulations applicable in Greenland at any time.
- (c) The MRA is entitled to use and publish material submitted by the Licensee regarding general geological, geophysical and technical conditions, including generalized interpretations.

17.04 Prior to making a decision on whether to publish any material under section 17.03(a), 17.03(b) or 17.03(c), the MRA shall notify the Licensee thereof. The MRA shall also consult with the Licensee regarding any concern of the Licensee in relation thereto, if the licensee informs the MRA of any such concern, and then also consult with the Licensee when the MRA determines whether the concern of the Licensee is or is not more important than the benefits of publishing the material. If the MRA determines that the concern of the Licensee is more important than the benefits of publishing the material, then the MRA shall not publish the material. Confidential business information may be kept confidential by the MRA if the MRA finds that the Licensee has documented material sensitivity of the confidential business information in relation to the Licensee's business activities and this is in accordance with the act on public access to documents in public files.

Article 18 Reporting on capitalisation and trading on arm's length terms

18.01 The MRA may require that the Licensee demonstrates the following to the MRA within a specific and reasonable time limit set by the MRA:

- (a) That the Licensee (each Licensee Company) is not more thinly capitalised than the group of which the Licensee Company (each Licensee Company) forms part of. However, the Licensee Company's (each Licensee Company's) loan capital may exceed its shareholders' equity up to a ratio of 2:1.
- (b) That the Licensee Company (each Licensee Company) trades at arm's length prices and on arm's length terms.

18.02 The MRA may require that the Licensee (each Licensee Company) provides any relevant information and documents in relation to the requirements under section 18.01.

18.03 The information and documents provided by the Licensee (each Licensee Company) to the MRA under sections 18.01 and 18.02 may be provided by the MRA to other entities of the Greenland Government, including the tax authorities.

18.04 If the Licensee does not meet the requirements under sections 18.01 and 18.02 before expiry of the time limit set by the MRA, the MRA may disclose this and other relevant information and documents to the tax

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authorities in Greenland. If the Licensee has not met the said requirements within another reasonable time limit set by the MRA, the MRA may also notify the Licensee that the MRA may order the Licensee to suspend its activities under this Licence until the Licensee has met the requirement under sections 18.01 and 18.02. If the Licensee has not met the said requirements within the said other time limit set by the MRA, the MRA may order the Licensee to suspend its activities under this Licence until the Licensee has met the requirements under sections 18.01 and 18.02.

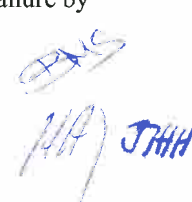
Article 19 Reporting on direct and indirect taxes etc.

- 19.01 In this Article 19, "Taxes" means any direct taxes and indirect taxes, including payroll tax, corporate tax, and dividend tax, and "tax laws" and "tax regulations" means tax laws and tax regulations regarding such Taxes.
- 19.02 Enterprises and persons performing activities and work in Greenland shall observe and act in accordance with tax laws and tax regulations applicable in Greenland at any time.
- 19.03 The Licensee and its Contracting Parties shall observe and act in accordance with tax laws and tax regulations applicable in Greenland at any time, including requirements on reporting and payment of Taxes set or decided by the tax authorities in Greenland.
- 19.04 The Licensee and its Contracting Parties shall also observe and act in accordance with provisions and terms on reporting and payment of Taxes under the Mineral Resources Act and this Licence, including requirements on reporting and payment of Taxes set or decided by the MRA.
- 19.05 For each reporting period set by the tax authorities in Greenland and no later than the due date for reporting of information relating to Taxes set by the tax authorities in Greenland, the Licensee shall demonstrate to the MRA that the Licensee has reported information relating to Taxes to the tax authorities in Greenland, as required under Greenland law. The Licensee shall furthermore send copies to the MRA of the information relating to Taxes which the Licensee has reported to the tax authorities in Greenland.
- 19.06 For each payment period set by the tax authorities in Greenland and no later than the due date for payment of Taxes set by the tax authorities in Greenland, the Licensee shall demonstrate to the MRA that the Licensee has paid Taxes to the tax authorities in Greenland and the amounts paid. The Licensee shall furthermore send copies to the MRA of documents showing the payments of Taxes which the Licensee has made to the tax authorities in Greenland.
- 19.07 In the Licensee's agreements with its Contracting Parties, the Licensee shall require that its Contracting Parties shall report information relating to Taxes and pay Taxes to the tax authorities in Greenland, as required under Greenland law. In the Licensee's agreements with its Contracting Parties, the Licensee shall also require that its Contracting Parties shall send documentation relating to reporting and payment of Taxes to the MRA and the Licensee. Information in the documentation relating to Taxes, which the Contracting Parties considers to be sensitive, may be hidden in the documentation sent to the Licensee. The Contracting Parties shall also send the said documentation to the MRA and the tax authorities with no hidden

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information. The Licensee shall provide its Contracting Parties with all necessary information in relation to their reporting of information relating to Taxes and payment of Taxes.

- 19.08 For each reporting period set by the tax authorities in Greenland and no later than the due date for reporting of information relating to Taxes set by the tax authorities in Greenland, the Licensee shall check and ensure that the Licensee's Contracting Parties have reported information relating to Taxes to the tax authorities in Greenland, as required under Greenland law, and have sent copies of the reported information and documentation to the MRA and the Licensee. If the MRA informs the Licensee that the MRA has not received the said copies of the reported information and documentation from a Contracting Party within the said time limit, the Licensee shall take all reasonable measures to ensure that the MRA receives the said information and documentation from the said Contracting Party as soon as possible. The MRA may order the Licensee to do so within a specified time limit.
- 19.09 For each payment period set by the tax authorities in Greenland and no later than the due date for payment of Taxes set by the tax authorities in Greenland, the Licensee shall check and ensure that the Licensee's Contracting Parties have paid Taxes to the tax authorities in Greenland, as required under Greenland law, and have sent documentation for the payment to the MRA and the Licensee. If the MRA informs the Licensee that a Contracting Party has not sent the said documentation for the payment to the MRA or has not paid Taxes as required under Greenland law, the Licensee shall take all reasonable measures to ensure that the Contracting Party sends the said documentation for payment to the MRA and/or pays the Taxes as required under Greenland law, as applicable, as soon as possible. The MRA may order the Licensee to do so within a specified time limit.
- 19.10 The MRA may demand that the Licensee ensures that the MRA and the tax authorities receives further information from the Licensee and Contracting Parties concerning reporting of information relating to Taxes and payment of such Taxes to the tax authorities in Greenland, as required under Greenland law. The Licensee shall then ensure that the MRA and the tax authorities receives the requested information from the Licensee or the Contracting Parties, as applicable.
- 19.11 The Licensee shall ensure that any Contracting Party is registered in the Central Business Register for Greenland (the CVR Register) with a company registration number (CVR number) if the Contracting Party is required to be registered under Greenland law or Danish law applicable in Greenland. If a Contracting Party is required to be registered, the Contracting Party shall not perform any activity under or in relation to this Licence before the Contracting Party is registered.
- 19.12 The Licensee shall ensure that any Contracting Party is registered as an employer in the register of employers (Sulinal) if the Contracting Party is required to be registered under Greenland law. If a Contracting Party is required to be registered, the Contracting Party shall not perform any activity under or in relation to this Licence before the Contracting Party is registered.
- 19.13 If the Licensee or any of the Licensee's Contracting Parties fails to fulfil the requirements under sections 19.02-19.12 or fails to report or pay Taxes to the tax authorities in Greenland, then the MRA may order the Licensee to take remedial action within a specified time limit. If the Licensee has not remedied a failure by



the Licensee before expiry of the specified time limit, the MRA may order the Licensee either to take remedial action within a reasonable time limit or to discontinue activities under this Licence. If the Licensee has not remedied a failure by a Contracting Party before expiry of the specified time limit, the MRA may order the Licensee to take remedial action within a reasonable time limit, to discontinue one, more or all activities under this Licence or to immediately terminate the Licensee's agreement and any transactions with the Contracting Party. If the Licensee fails to take remedial action before expiry of the time limit, fails to discontinue activities under this Licence or fails to immediately terminate the Licensee's agreement and any transactions with the Contracting Party, as applicable, the MRA may take and complete the actions which are necessary to make the Licensee discontinue the activities under this Licence or otherwise cause the activities to be discontinued for the account and at the risk of the Licensee. If such action gives rise to any claim for damages or compensation from any party against the Greenland Self-Government, the Licensee shall defend the Greenland Self-Government against the claim for damages or compensation and indemnify the Greenland Self-Government against any liability for any damage or loss.

- 19.14 The provisions on the Licensee's Contracting Parties shall apply similarly to the employees of the Licensee and its Contracting Parties.
- 19.15 The Licensee may apply for and the MRA may grant an exemption from the application of the terms in sections 19.02-19.04 and 19.07-19.14 for specific identified Contracting Parties which are domiciled in Greenland, are fully liable to taxation to Greenland, are registered in the Central Business Register with a CVR number and are registered as employers in the Greenland register of employers (Sulinal). The MRA may set any terms for such an exemption.
- 19.16 Reports shall be submitted electronically in a format and design approved by the MRA prior to the first submission. Changes in reporting shall be pre-approved by the MRA and may be required by the MRA.
- 19.17 The Licensee shall also act in accordance with any additional terms on reporting and payment of Taxes set by the MRA in an approval or a decision thereon.

Article 20 Transfer of this Licence and legal proceedings against this Licence

- 20.01 This Licence or any part of it can neither directly nor indirectly be transferred to any other party or parties, unless such transfer has been approved by the MRA. A transfer is made if this Licence is transferred by a direct transfer from the Licensee to a new licensee, or if this Licence is transferred by an indirect transfer where the Licensee Company, or a Licensee Company if there are several Licensee Companies, is the subject of the transfer. An indirect transfer will, for example, be any transfer of ownership interests in the Licensee Company which will have an impact on the controlling interest-in the Licensee Company. The MRA may set terms for any such approval. See section 88 of the Mineral Resources Act.
- 20.02 This Licence cannot be made the subject of any legal proceedings. See section 88(2) of the Mineral Resources Act.

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- 20.03 If a lender financing the Licensee's exploitation of Minerals under this Licence requires that this Licence or any part hereof shall be transferable to the lender at a later date, the MRA may grant its prior approval of such transfer subject to specific terms. See section 88 of the Mineral Resources Act.

Article 21 Revocation and lapse of this Licence

- 21.01 This Licence may be revoked in the following instances:

- (a) If the Licensee fails to comply with the Mineral Resources Act, this Licence, provisions or terms set under the Mineral Resources Act or this Licence or terms of an approval or a decision of the MRA under the Mineral Resources Act or this Licence, or if the Licensee fails to meet specific time limits.
- (b) If the Licensee fails to perform or comply with terms of an Impact Benefit Agreement.
- (c) If the Licensee does not comply with an order issued by the MRA under this Licence.
- (d) If the Licensee fraudulently misrepresents facts or information to the MRA.
- (e) If a condition for granting and/or upholding this Licence is no longer met and/or complied with, including the conditions under section 16(3) of the Mineral Resources Act and the conditions set in section 4.02.
- (f) If the Licensee, or one of the Licensee Companies if there are several Licensee Companies, suspend its payments, request the opening of negotiations for a compulsory composition, is declared bankrupt, enter into liquidation or is in a similar situation.

- 21.02 This Licence may not be revoked under section 21.01(a), 21.01(b) or 21.01(c) if the Licensee remedies the breach, non-performance or non-compliance within a reasonable time limit set by the MRA. If the breach, non-performance or non-compliance has not been remedied within the time limit set by the MRA, this Licence may be revoked without further notice, unless otherwise provided in section 21.03.

- 21.03 This Licence may not be revoked under section 21.01(a), 21.01(b) or 21.01(c) or 21.02 if the breach, non-performance or non-compliance is due to circumstances (hindrances) which (1) make it impossible to prevent, avoid and overcome the breach or non-compliance, (2) are beyond the Licensee's control and (3) could not have been foreseen, prevented, avoided and/or overcome by the Licensee (force majeure). However, such circumstances (hindrances) shall not comprise the Licensee's illiquidity, insolvency or similar lack of means of payment or options available for payment. When such circumstances (hindrances) occur, the Licensee shall promptly give written notice thereof to the MRA, stating the nature, extent and expected duration of the circumstances (hindrances). If such circumstances (hindrances) terminate at a later time or can be prevented, avoided and/or overcome at a later time, and the Licensee does not bring to an end the breach, non-performance or non-compliance within a reasonable period of time thereafter, this Licence may be revoked under section 21.01(a), 21.01(b) or 21.01(c) or 21.02.

- 21.04 This Licence may only be revoked under section 21.01(a), 21.01(b) or 21.01(c) if the Licensee's breach or non-performance of or non-compliance with one or more terms or obligations under or in relation to this Licence is a fundamental or substantial breach, non-performance or non-compliance.
- 21.05 This Licence may not be revoked under section 21.01(f) if there are several Licensee Companies and the MRA approves the transfer of the licence share of the Licensee Company concerned to the other Licensee Company or to one or more of the other Licensee Companies if there are several other Licensee Companies, provided that the Licensee continues to have the necessary professional and technical ability and financial capacity to perform the activities under this Licence and fulfil the obligations in relation to this Licence and the activities under this Licence.
- 21.06 If the Licensee has not fulfilled a condition set in any of the sections 4.02(a)-4.02(c) within the time limit set for fulfilment of the condition, then this Licence lapses without further notice. No later than 90 days prior to the end of the time limit set in sections 4.02(a)-4.02(c) for the condition concerned, the Licensee may request the MRA to grant the Licensee an extension of the time limit for a specific period of up to 90 days. The MRA determines freely and at its sole discretion whether such an extension of the time limit shall be granted or not granted and, if an extension is granted, on which terms an extension shall be granted. The MRA may extend such time limit one or more times. If the Licensee has not fulfilled the condition set in one of the sections 4.02(a)-4.02(c) or any other terms for such an extension of the time limit at the end of such an extended time limit for fulfilment of the condition, then this Licence lapses without further notice.

Article 22 Surrender of this Licence

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

Article 23 Obligations on termination of activities

- 23.01 On termination of the activities under this Licence, the Licensee shall do the following:
- (a) Remove all plants, buildings, installations, roads, pipelines, production facilities, processing facilities, storage and transportation facilities and infrastructure etc., in and outside the Licence Area,

which have been established in connection with activities under this Licence, unless the non-removal of such plants etc. has been approved by the MRA in the Closure Plan or otherwise.

- (b) Perform final and full clean-up and rectification of any damage to and impact on the environment, nature, vegetation and wildlife in and outside of the Licence Area and other affected areas. The clean-up and rectification are subject to approval by the MRA and any terms set for such approval.

23.02 If plants etc. have served their purpose before termination of this Licence, measures according to sections 23.01(a) and 23.01(b) shall be taken for these plants etc. and the affected areas, immediately on termination of use. If a Closure Plan has been made by the Licensee and approved by the MRA, the measures stated above shall be performed in accordance with the Closure Plan.

23.03 If the Licensee fails to comply with orders to implement the measures mentioned above within a time limit set by the MRA, the MRA may have such measures performed 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.

23.04 On termination of the exploitation activities, the Licensee shall perform the closure activities in accordance with the Closure Plan. Prior to commencement, the closure activities shall have been approved by the MRA. If the Licensee exceeds a time limit for implementation of closure activities and fails to comply with an order to carry out these activities within a time limit set by the MRA, the MRA may have such activities performed at the Licensee's expense and risk. See section 42(3) of the Mineral Resources Act.

23.05 Prior to commencement of the closure activities, the Licensee is entitled to sell or otherwise transfer plants, buildings, installations, roads, pipelines and infrastructure etc., established for performance of activities under this Licence, to other parties, including Greenland authorities. Any such sale or transfer is subject to approval of the MRA and to the other parties assuming closure obligations corresponding to the Licensee's obligations, unless the MRA approves any change to such obligations. Plants, buildings, installations, roads, pipelines and infrastructure etc. for which sale or transfer is approved shall be excluded from the Licensee's Closure Plan.

Article 24 Liability in damages, insurance and indemnification

24.01 The Licensee shall pay compensation for any damage and loss caused by activities performed under this Licence, regardless of whether the damage or loss can be considered accidental and whom the damage or loss is suffered by. If a party suffering damage or loss 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 this Licence shall be comprised by insurance, including third-party liability insurance, which shall always provide reasonable cover for any insurance risks. At the end of each calendar year or at the request of the MRA, the Licensee shall inform the MRA of the existing insurance cover and



the main insurance terms. The MRA may require the Licensee to submit all insurance policies and terms and to take out and maintain additional insurance or insurance coverage. The Licensee shall comply with any provisions and terms set by the MRA regarding insurance and documentation of insurance. Insurance shall be taken out with an internationally recognised first class insurance company.

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

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

Article 25 Joint and several liability of Licensee Companies and application of terms to each Licensee Company if there are several Licensee Companies

25.01 If there are more than one Licensee Company, then each Licensee Company shall be jointly and severally liable for the fulfilment of any obligation under this Licence, including any obligation to pay compensation for any damage or loss caused by activities performed under this Licence.

25.02 If there are more than one Licensee Company, then any term of this Licence on the Licensee or the Licensee Company shall apply to each Licensee Company, unless otherwise stated or apparent from the context. Any such term shall then apply to each Licensee Company in the same manner as the term would apply to the Licensee Company if it were the Licensee and the only Licensee Company, unless otherwise stated, 3apparent from the context or required to give effect to the term in accordance with its objectives and contents.

Article 26 Requirements regarding ships and vessels

26.01 The Licensee shall ensure that the following requirements regarding ships and vessels are met:

- (a) Ships and vessels which are used in connection with activities under this Licence shall in the Greenland territorial sea, exclusive economic zone and continental shelf area meet, observe and comply with all requirements under national and international laws, regulations and agreements for ships and vessels of a gross tonnage exceeding 500 gross register tons (GRT) engaged in international trade, which at any time are in force or otherwise applicable for Greenland, and under the IMO Polar Code.

- (b) Ships and vessels which are used in connection with activities under this Licence in the Greenland territorial sea, exclusive economic zone or continental shelf area shall at all times abide by and comply with the IMO International Code for Ships Operating in Polar Waters (Polar Code)
- (c) Ships and vessels shall at all times meet the classification requirements under the IMO Polar Code for such ships and vessels operating in polar waters in the areas and under the conditions in and under which the said ships and vessels are used in connection with the activities under this Licence. The classification requirements shall be in accordance with a classification company or society which is approved by the European Union (EU) or a member of the International Association of Classification Societies (IASC) and at all times carry a Polar Ship Certificate.
- (d) Ships and vessels which are used in connection with activities under this Licence shall in the Greenland territorial sea, exclusive economic zone and continental shelf area meet, observe and comply with all requirements for operations and operational matters under national and international laws, regulations and agreements, which at any time are in force or otherwise applicable for Greenland, and under the IMO Polar Code. Such requirements shall include requirements on having and using on board the ship or vessel an approved and certified pilot or crewmember which has the qualifications and experience to control the ship or vessel which is used in connection with activities under this Licence. The approved and certified pilot or crewmember shall also have a documented and approved experience in navigating in the Greenland territorial sea, exclusive economic zone and continental shelf area.
- (e) The managing owner of a ship or vessel used in connection with activities under this Licence shall establish and maintain insurance coverage ("P & I insurance" or similar insurance) for the shipping company's liability for damage and loss arising from or in connection with the operation and/or use of the ship or vessel, with salvage and/or with the raising, removal, destruction and/or demolition of the ship or vessel, its equipment and cargo and other objects which have been on board. The liability insurer shall be a member of the International Group of P & I Clubs, unless the MRA permits departure from this requirement. The insurance cover shall be on customary and complete terms for such ship or vessel.
- (f) The managing owner of the ship or vessel used in connection with activities under this Licence shall have a valid certificate of insurance or similar document showing that the liability insurance ("P & I insurance" or similar insurance) of the shipping company's liability for damage and loss, as stated in section 26.01(e), has been established and is maintained and effective.

26.02 The Licensee shall compensate any damage and loss, which arises out of or as a consequence of one or more of the requirements in section 26.01 not being met.

Article 27 Financial security and company guarantee*General terms on Financial Security*

27.01 The Licensee shall provide and maintain Financial Security for the Licensee's fulfilment of all its obligations under and in relation to this Licence and activities under this Licence, including obligations under the Minerals Resources Act, other Greenland law, Danish law and international law and agreements applicable in Greenland, the Exploitation Plan, the Closure Plan and any other plan for activities under this Licence, any approval by the MRA of any such plan, any approval by the MRA of surrender of this Licence or part of the Licence Area and any agreement in relation thereto, all as applicable in Greenland at any time. The said obligations shall, among other matters, include any obligations in relation to closure of plants, facilities, installations and buildings etc. and activities under this Licence, environmental liability, and any other liability under or in relation to this Licence. The said obligations shall, among other matters, also include obligations in relation to activities under this Licence in and outside the Licence Area and obligations in relation to closure and environmental monitoring and liability after closure.

Financial Security Amount

27.02 The Financial Security shall be provided and maintained by the Licensee in a financial security amount ("Financial Security Amount") set by the MRA. The MRA shall set the Financial Security Amount on the basis of an assessment of all relevant matters. Such matters shall in particular include expected, probable and possible obligations and liabilities of the Licensee under and in relation to this Licence, including the obligations stated in section 27.01. The MRA may decide that the Financial Security Amount shall be changed when this, in the assessment of the MRA, is required due to changed circumstances or other matters in relation to the Licensee's provision and maintenance of security for the Licensee's fulfilment of its obligations and liabilities under and in relation to this Licence, including the obligations stated in section 27.01.

Provision and maintenance of Financial Security

27.03 No activities under this Licence may commence or continue before the Licensee has provided and established the Financial Security in the Financial Security Amount, as stated in sections 27.01 and 27.02, and this has been approved by the MRA, unless the MRA approves that the Licensee may provide and establish the Financial Security in the Financial Security Amount at a later time. The MRA may set terms for any of these approvals.

27.04 Subject to section 27.05, the Licensee shall provide and maintain the Financial Security in the Financial Security Amount by establishing and maintaining one or more of the following securities in an aggregate (total) amount equal to the Financial Security Amount:

- (a) One or more segregated and interest-bearing escrow accounts of monies in one or more banks.
- (b) One or more segregated securities escrow accounts, including yield accounts, in one or more banks.

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- (c) One or more guarantees issued by one or more guarantor banks or other financial institutions approved by the MRA.
- (d) One or more other securities proposed by the Licensee and approved by the MRA or decided by the MRA after consultation with the Licensee to receive any comments thereto which the Licensee may have. The MRA may set any terms for any such approval or decision.

- 27.05 The Licensee shall prepare and submit to the MRA a proposal for providing and maintaining the Financial Security in the Financial Security Amount by establishing and maintaining one or more of the securities stated in section 27.04 in one or more specific amounts and in an aggregate (total) amount equal to or greater than the Financial Security Amount. Based on this proposal and any other relevant matters, the MRA decides in which manner the Financial Security in the Financial Security Amount shall be provided and maintained by establishing and ~~maintaining~~ one or more of the securities stated in section 27.04 in one or more specific amounts and in an aggregate (total) amount no less than the Financial Security Amount.
- 27.06 The MRA may set terms to the effect that the Financial Security shall be provided and maintained on the basis of standard terms or model terms and other documents made by the MRA. In relation thereto, the MRA may for example set terms to the effect that the banks under sections 27.04(a)-27.04(c) shall meet certain requirements. The MRA may also set other provisions and terms on the provision and maintenance of the Financial Security in the Financial Security Amount.
- 27.07 Notwithstanding sections 27.03-27.06, the MRA may decide to change the Financial Security Amount or decide that the Licensee, within a specific and reasonable time limit, shall change the Financial Security, including by providing additional or other security as Financial Security or by changing the terms of or other matters relating to the Financial Security, when this, in the assessment of the MRA, is required due to changed circumstances or other matters.
- 27.08 Any provision and maintenance of any Financial Security, including any security stated in section 27.04, and any change relating thereto are subject to the approval of the MRA and any terms set for such approval.
- 27.09 The MRA shall set a timetable for the provision and establishment of the Financial Security in the Financial Security Amount. The Licensee shall submit an application thereon to the MRA and provide relevant information and documents in relation thereto to the MRA as requested by the MRA. The timetable shall be set by the MRA on basis of an assessment of all relevant matters. Such matters shall include the status of specific activities, including development, exploitation, closure and post-closure activities, and phases of the construction, operation and closure of the mine and specific plants, installations, buildings and infrastructure. The MRA may set the timetable in its approval of the Closure Plan or another plan for activities under this Licence or in a decision thereon.
- 27.10 The MRA may set terms to the effect that the Financial Security shall be established and maintained in a specific Financial Security Amount which is increased or decreased one or more times with effect from one or more specific dates or days for commencement or conclusion of one or more specific activities, including development, exploitation, closure and/or post-closure activities, and/or phases of the construction, operation and/or closure of the mine and/or specific plants, installations, buildings and infrastructure etc.

Such terms shall generally have the effect that any increase or decrease in the specific Financial Security Amount shall correspond to any increase or decrease in a Financial Security Amount set by the MRA under section 27.02. The MRA shall make a decision on whether to set such terms if the Licensee submits an application thereon to the MRA and provides relevant information and documents in relation thereto to the MRA as requested by the MRA. The MRA may set such terms in its approval of the Closure Plan or another plan for activities under this Licence or in a decision thereon.

Company guarantee

- 27.11 In order to ensure fulfilment of the Licensees' obligations under and in relation to this Licence, including the obligations stated in section 27.01, the Licensee (each Licensee Company) shall provide one or more guarantees to the MRA. Such guarantee(s) shall be subject to the approval of the MRA and any terms set for such approval. The guarantee(s) shall cover the Licensee's fulfilment of all obligations to Greenland and Danish public authorities under and in relation to this Licence, including the obligations stated in section 27.01 and any obligation under the Mineral Resources Act. If the Licensee (a Licensee Company) is owned by one or more other companies, the MRA will generally require a guarantee from its ultimate parent company and/or from other companies which are ultimate owners of material holdings of shares in the Licensee (a Licensee Company). A guarantor shall be jointly and severally liable with the Licensee (each Licensee Company). In relation to the MRA's approval of plans for the exploitation activities, the MRA may determine that the guarantee(s) shall be changed or supplemented.
- 27.12 The guarantee(s) to be provided under section 27.11 cannot be terminated by a unilateral declaration or act of the guarantor(s). The MRA may release the guarantee(s) based on an assessment of all relevant matters, including the specific grounds for the request for release of the guarantee(s). The MRA will usually release the guarantee(s) 3 months after the MRA has approved that the Licensee has fulfilled all obligations and liabilities under and in relation to this Licence, including the obligations stated in section 27.01.

Article 28 Supervision and orders

- 28.01 The MRA supervises (in Danish: "fører tilsyn med") the Licensee's activities under this Licence. See section 86(2) of the Mineral Resources Act. The MRA may appoint one or more authorities, persons or enterprises etc. as supervisory authority ("Supervisory Authority") (in Danish: "tilsynsmyndighed"), to supervise the Licensee's activities under this Licence. See section 95 of the Mineral Resources Act. The Supervisory Authority shall in all respects be entitled to supervise all the Licensee's activities and to demand information and documents from the Licensee regarding the Licensee's activities under this Licence. Against due evidence of authority and without a prior court order, the Supervisory Authority shall at all times have access to any part of the Licensee's activities under this Licence, to the extent required for the performance of the supervision.
- 28.02 The Supervisory Authority may take samples from geological material obtained as part of the Licensee's activities under this Licence.

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- 28.03 The Supervisory Authority may issue orders in case of non-observation of or non-compliance with legislation, regulations set under such legislation, terms of this Licence, including non-compliance with obligations under the Impact Benefit Agreement, see Article 9, terms of approvals under this Licence or any other law, rule or regulation applicable to the Licensee's activities under this Licence, all as applicable in Greenland at any time.
- 28.04 The Supervisory Authority may issue such orders as the Supervisory Authority finds necessary, including for the Licensee to immediately discontinue activities under this Licence. Such orders may also be issued under section 28.03.
- 28.05 If the Licensee fails to comply with an order issued under section 28.03 or 28.04, the Licensee shall compensate any damage and loss incurred as a result thereof, irrespective of whether such damage or loss is suffered by the Greenland Self-Government, the Danish State and/or any third party, including a private individual or a private enterprise.
- 28.06 In connection with the Supervisory Authority's inspection in 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 the Licence Area to the extent necessary.
- 28.07 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 under this Licence. The reimbursement shall be made in accordance with the provisions of Article 30 and applicable law, including section 86(5) of the Mineral Resources Act and any executive order set by the Greenland Government on a licensee's reimbursement of costs and expenses incurred by the MRA and the Supervisory Authority in connection with supervision and inspection of activities under the licensee's licence. Reimbursement in accordance with Article 30 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 29 Fees

- 29.01 The Licensee shall pay a fee of DKK 100,000 to the MRA for the granting of this Licence. See the Mineral Resources Act.
- 29.02 The Licensee shall pay a fee of DKK 200,000 to the MRA on each extension of this Licence. See section 4.05.

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29.03 The fee stated in section 29.02 shall be adjusted every year with effect from 1 January on the basis of the change in the Greenland consumer price index from July 2019 to July in the year preceding the year concerned.

29.04 The fees stated in sections 29.01 and 29.02 shall be paid no later than 30 days after the granting of this Licence or any extension of this Licence, respectively.

Article 30 The Licensee's payment of the Mineral Resource Authority's costs and expenses in connection with authorities processing

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

30.02 The costs and expenses which shall be paid by the Licensee to the MRA under section 30.01 shall be calculated and administered on the basis of the provisions and terms thereon set at any time by the Greenland Government or the MRA. See section 86(5) of the Mineral Resources Act. The payments may be claimed and collected as fees or reimbursements of costs and expenses. The payments may be claimed and collected according to the provisions and terms thereon set at any time by the Greenland Government or the MRA. Such provisions include any executive order set by the Greenland Government on a licensee's reimbursement of costs and expenses of the MRA relating to its case processing, supervision and other administrative work and administration in connection with the licensee's licence and activities under the licence.

Article 31 Interest on amounts due (owed)

31.01 If the Licensee does not pay any amount due under or in relation to this Licence, including any fee, reimbursement amount, royalty amount, compensation amount or other amount due under this Licence, when the said amount is due to be paid, then the Licensee shall pay interest on the said amount for the period for which it remains unpaid. The rate of interest shall be determined in accordance with the legislation on interest on overdue payments etc. applicable in Greenland at any time.

Article 32 Expert determination

32.01 If the Licensee considers that the MRA's determined weight of Minerals sold or considered sold is not determined correctly under section 14.15, that the MRA's determined value of Minerals sold or considered sold is not determined correctly under section 14.20 and/or that the MRA's determined freight costs for transport of Minerals sold or considered sold are not determined correctly under section 14.29, then the Licensee may request that the weight and/or value of the Minerals sold or considered sold and/or the freight costs for transport of the Minerals sold or considered sold, as applicable, shall be determined or decided in

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accordance with sections 14.13-14.17 as regards weight, sections 14.18-14.25 as regards value and/or sections 14.27-14.30 as regards freight costs, as applicable, by an Expert in accordance with sections 32.02-32.08 or an arbitral tribunal in accordance with sections 35.11-35.16. The Licensee shall provide the MRA with a notice in writing of the request for such determination or decision and the notice in writing shall be received by the MRA no later than twenty-eight (28) days after the Licensee received information in writing of the MRA's determined value and/or weight of the Minerals sold or considered sold and/or freight costs for transport of the Minerals sold or considered sold, as applicable.

- 32.02 If the Licensee, in accordance with section 32.01, requests that an Expert shall determine the weight of Minerals sold or considered sold in accordance with sections 14.13-14.17, the value of Minerals sold or considered sold in accordance with sections 14.18-14.25 and/or the freight costs for transport of Minerals sold or considered sold in accordance with sections 14.27-14.30, as applicable, then the MRA and the Licensee shall each nominate one or more persons as expert nominees ("Expert Nominees") who each can be appointed as the Expert and, based on an objective, informed and substantiated assessment, can determine the weight in accordance with sections 14.13-14.17, the value in accordance with sections 14.18-14.25 and/or the freight costs in accordance with sections 14.27-14.30, as applicable.
- 32.03 Before the appointment of an Expert under section 32.02, any Expert Nominee shall sign a statement of acceptance, availability, impartiality and independence and submit the statement to the MRA and the Licensee. The statement shall be made in a statement document made or approved by the MRA. Furthermore, an Expert Nominee shall immediately disclose in writing to the MRA and Licensee any facts or matters which may be of such a nature as to call into question the Expert Nominee's independence in the eyes of the MRA and/or the Licensee, as well as any matters that may give rise to reasonable doubts as to the Expert Nominee's impartiality.
- 32.04 The MRA and the Licensee shall jointly appoint one of the Expert Nominees as an expert ("Expert") who shall determine the weight of Minerals sold or considered sold in accordance with sections 14.13-14.17, the value of Minerals sold or considered sold in accordance with sections 14.18-14.25 and/or the freight costs for transport of Minerals sold or considered sold in accordance with sections 14.27-14.30, as applicable. The expert shall base this determination on an objective, informed and substantiated assessment. If the MRA and the Licensee are unable to agree on the appointment of an Expert within twenty-eight (28) days of the MRA's receipt of the Licensee's written request to have the weight, value and/or freight costs, as applicable, determined by an Expert, then each of the parties may either nominate one or more other persons as new Expert Nominees in accordance with sections 32.02-32.03 or refer the matter to an arbitration tribunal to have the matter decided by the arbitration tribunal in accordance with sections 35.11-35.16.
- 32.05 An appointed Expert shall (1) make a determination of the weight of Minerals sold or considered sold in accordance with sections 14.13-14.17, the value of Minerals sold or considered sold in accordance with sections 14.18-14.25 and/or the freight costs for transport of Minerals sold or considered sold in accordance with sections 14.27-14.30, as applicable, (2) base this determination on an objective, informed and substantiated assessment and (3) make a decision in writing, in the English language, on the determination

of the weight, value and/or freight costs, as applicable, and the basis for the determination. The Expert is not an arbitrator of the dispute and shall not act or be deemed to be acting in an arbitral capacity. The Expert, once appointed, shall not have or make any communication with any of the parties, concerning the Expert determination or the underlying dispute, without the full participation of the other party in the communication. The parties agree to cooperate fully in the expeditious conduct of such expert determination and to provide the Expert with access to all facilities, books, records, documents, information and personnel necessary to make a fully informed decision in an expeditious manner. Before issuing the final decision, the Expert shall issue a draft report and allow the parties to comment on it.

- 32.06 The Expert's fees and any costs properly incurred by the Expert in its determination of the weight, value and/or freight costs, as applicable, and its making of the decision thereon, in accordance with section 32.05, shall be borne and paid in equal shares by the Greenland Government and the Licensee.
- 32.07 The Expert shall endeavour to resolve the matter within fourteen (14) days after the appointment of the Expert, taking into account the circumstances requiring an expeditious resolution of the matter, and shall in any event resolve it no later than twenty-eight (28) days after the appointment of the Expert.
- 32.08 If the MRA or the Licensee considers that the Expert's determined weight of Minerals sold or considered sold is not determined correctly in accordance with sections 14.13-14.17, that the Expert's determined value of Minerals sold or considered sold is not determined correctly in accordance with sections 14.18-14.25 and/or that the Expert's determined freight costs for transport of Minerals sold or considered sold are not determined correctly in accordance with sections 14.27-14.30, as applicable, then each of the parties may within twenty-eight (28) days of the date when the Expert's final decision has been received by the parties refer the matter to an arbitration tribunal to have the matter decided by the arbitration tribunal in accordance with sections 35.11-35.16. In such arbitration proceedings, the Expert shall not be appointed to act or act as an arbitrator or as adviser to any of the parties.

Article 33 Relationship to other legislation

- 33.01 This Licence is subject to the rules of law applicable in Greenland at any time. See section 34.01. This Licence shall not restrict the general right of the Greenland Self-Government to levy taxes or set general provisions concerning exploitation activities or other activities under this Licence.
- 33.02 This Licence shall not exempt the Licensee from obtaining such approvals and permits etc. as are required under the Mineral Resources Act or any other rule of law applicable in Greenland at any time. See section 34.01.

Article 34 Applicable law

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

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under this Licence shall be decided in accordance with Greenland law and Danish law as applicable in Greenland at any time.

Article 35 Courts of Greenland and arbitration

Courts of Greenland

- 35.01 Any decision to be made at the discretion or order of the Greenland Government, the MRA or other Greenland or Danish authorities, under the applicable law under section 34.01 or under this Licence, cannot be submitted to arbitration. Any dispute regarding any such decision shall be brought before and decided by the Greenland court with jurisdiction in Nuuk, Greenland. A decision by any such court may be appealed according to the rules thereon.

Arbitration

- 35.02 Any other dispute between the Greenland Self-Government and the Licensee arising out of or in relation to this Licence or activities under this Licence shall be decided exclusively, finally and conclusively by an arbitration tribunal under sections 35.03-35.10.
- 35.03 Subject to sections 34.01 and 35.04-35.10, the arbitration tribunal shall apply Greenland law to decide any procedural matter relating to the arbitration proceedings.
- 35.04 Subject to sections 34.01 and 35.05-35.10, the arbitration shall be administrated by the Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Danish Institute of Arbitration and in force at the time when the arbitration proceedings are commenced.
- 35.05 The arbitration tribunal shall have its place of arbitration (seat) in Nuuk, Greenland.
- 35.06 The arbitration tribunal shall consist of three members (arbitrators). The president and the two other member of the arbitration tribunal shall hold Greenland or Danish law degrees and shall be Danish nationals.
- 35.07 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 thirty (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 sixty (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.
- 35.08 The arbitration tribunal shall make its decision by a majority of votes.
- 35.09 The arbitration tribunal shall make an order as to the parties' payment of costs in the arbitration.
- 35.10 The right to submit a dispute to arbitration under this Licence shall remain in force after its termination, including expiry or surrender.

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Arbitration in relation to determination of weight, value, sales price and/or other sales terms of Minerals sold and/or freight costs for transport of Minerals sold

- 35.11 If the determination of the weight, value, sales price and/or other sales terms of Minerals sold or considered sold and/or the determination of the freight costs for transport of Minerals sold or considered sold shall be decided by a decision of an arbitration tribunal under section 13.25, 13.26, 14.15, 14.20 and/or 14.29, any dispute regarding that matter shall be decided finally and conclusively by an arbitration tribunal in accordance with sections 35.03-35.05, 35.09-35.10 and 35.12-35.16.
- 35.12 The arbitration tribunal shall consist of a sole (one) arbitrator, unless a party requests in writing that the arbitration tribunal shall consist of three members (arbitrators).
- 35.13 Where the arbitration tribunal shall consist of a sole (one) arbitrator, the appointment of the arbitrator shall be made in accordance with section 35.14 and the arbitration shall be carried out in accordance with sections 35.11 and 35.16.
- 35.14 Where the arbitration tribunal shall consist of a sole (one) arbitrator, the Greenland Government and the Licensee shall jointly appoint the arbitrator. If the parties fail to reach an agreement on the appointment of the arbitrator within sixty (60) days of a party proposing a person as arbitrator, then the President of the Danish Supreme Court shall appoint the arbitrator.
- 35.15 Where the arbitration tribunal shall consist of three members (arbitrators), the appointment of the three members (arbitrators) shall be made in accordance with sections 35.06-35.07 and the arbitration shall be carried out in accordance with sections 35.08, 35.11 and 35.16.
- 35.16 The dispute regarding the determination of the value of the Minerals sold or considered sold shall be decided as soon as possible and to the greatest extent possible within three (3) months after the commencement of the arbitration proceedings. The Government of Greenland, the Licensee and the arbitration tribunal shall all seek to carry out and end the arbitration proceedings as soon as possible and no later than (3) three months after the commencement of the arbitration proceedings.

Judgment and arbitration award

- 35.17 Any judgment or arbitration award pronounced against the Licensee under this Article 35 shall be directly binding on and enforceable against the Licensee (the Licensee Company or each of the Licensee Companies, if there are several Licensee Companies) and any asset of the Licensee (the Licensee Company or each of the Licensee Companies, if there are several Licensee Companies) without any further judgment, arbitration award or order or decision of any court, arbitration tribunal or other authority being required. This shall apply regardless of the state in which the Licensee (the Licensee Company or each of the Licensee

Companies, if there are several Licensee Companies) is domiciled and of the state in which any of its assets is located.

Article 36 Obligations on termination of this Licence

- 36.01 The termination, including expiry or surrender (return), of this Licence shall not release the Licensee from fulfilling its obligations in relation to this Licence and activities under this Licence, including obligations under the applicable law under section 34.01.
- 36.02 Within one (1) year after the termination of this Licence, the MRA may free of charge take over all data, drill cores and other samples acquired by the Licensee or on its behalf in respect of this Licence Area. After this period of time, the Licensee may at any time discard such data, drill cores and other samples. If the MRA decides to take over any such data or drill core etc., the Licensee shall deliver such data or drill core etc. at one or more places designated in Greenland by the MRA and shall do so free of charge for the MRA or reimburse the MRA's costs and expenses in connection with transport of the data or drill core etc. to the place or places designated by the MRA.
- 36.03 The MRA's right to take over data, drill cores and other samples under section 36.02 may be postponed if an agreement is made between the Licensee and the MRA regarding satisfactory safekeeping of and third party access to the data, drill cores and other samples concerned.

Article 37 Coming into force

- 37.01 This Licence shall come into force on the day when this Licence has been signed by the Licensee and the Government of Greenland.

Article 38 Licence language and translation

- 38.01 This Licence has been drawn up in the English language. Any translation of this Licence shall have no effect or validity.

[Signatures are stated on the following page(s).]

For and on behalf of

Dundas Titanium A/S

Government of Greenland



Name: Hans Jensen

Title: CEO, DUNDAS TITANIUM

Address: OULENSEVEJ 201A
5600 Faaborg

Nationality: Danish

Passport no.:

Driving licence no.:

Place of signing: Frederiksberg, Denmark

Date of signing: 14/12/2020



Name: Jens-Frederik Nielsen

Minister for Industry and Mineral Resources

Place of signing: Nuuk, Greenland

Date of signing: 14/12/2020



Name: Bo Møller Stensgaard

Title: CEO, Executive Director Bluegray Mining Plc.
Board member Dundas Titanium A/S

Address: Goldschmidtvej 23, DK-2800 Frederiksberg, Denmark

Nationality: Danish

Passport no.:

Driving licence no.:

Place of signing: Frederiksberg, Denmark

Date of signing: 14/12/2020



Appendix 1 Licence Area

Delineation of the Licence Area.

See Article 3 of the Licence.

The Licence Area comprises land areas delineated by connecting the corner coordinates in the order stated below by latitudes and longitudes. See the map of the Licence Area in Appendix 2.

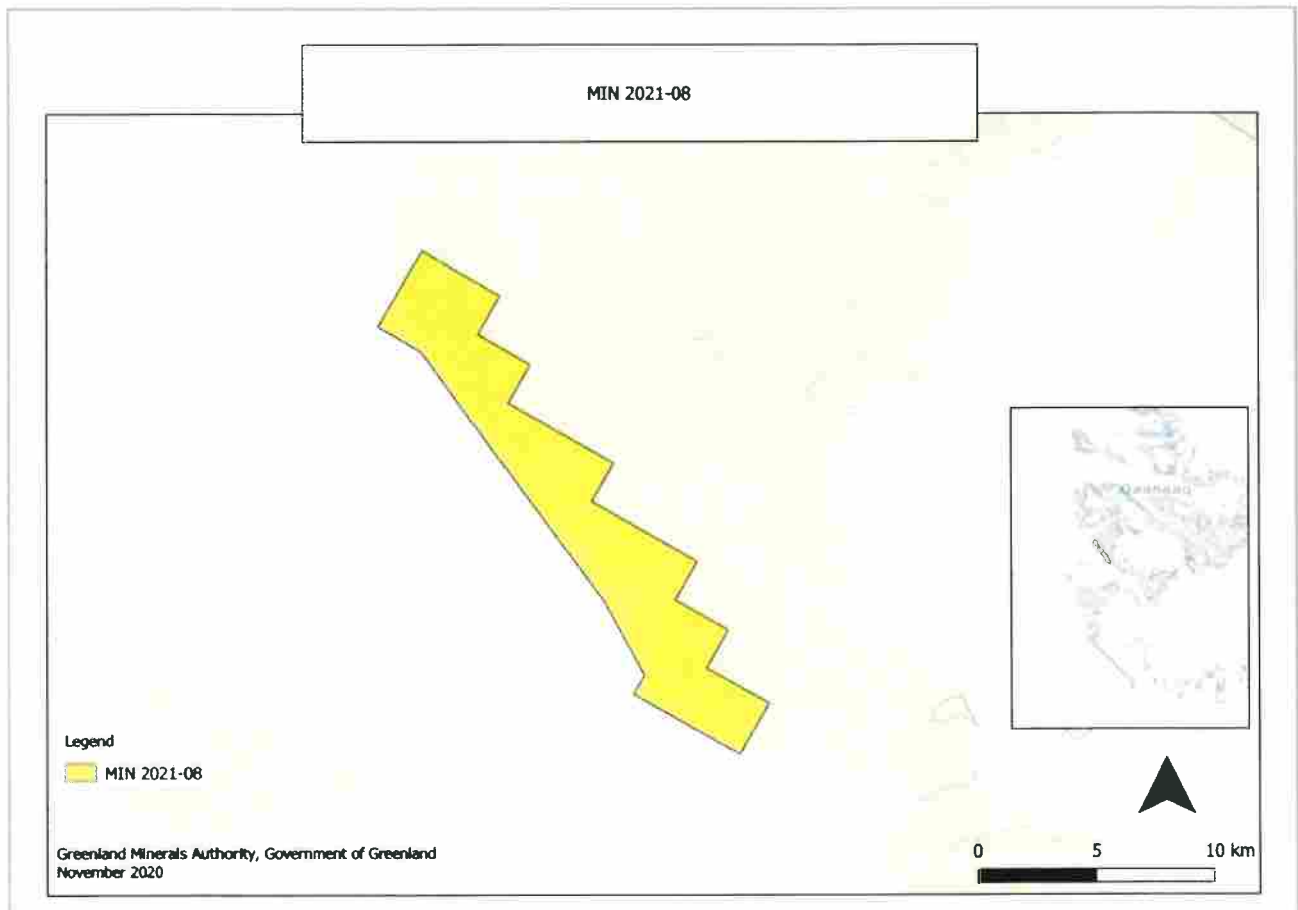
ORDER	LAT DEG	LAT MIN	LAT	EW	LONG DEG	LONG	LONG	NS
1	76	47	00	W	69	57	00	N
2	76	47	00	W	69	48	00	N
3	76	46	00	W	69	48	00	N
4	76	46	00	W	69	42	00	N
5	76	45	00	W	69	42	00	N
6	76	45	00	W	69	30	00	N
7	76	44	00	W	69	30	00	N
8	76	44	00	W	69	18	00	N
9	76	43	00	W	69	18	00	N
10	76	43	00	W	69	12	00	N
11	76	42	00	W	69	12	00	N
12	76	42	00	W	69	5	00	N
13	76	40	40	W	69	5	00	N
14	76	40	40	W	69	17	00	N
15	76	41	10	W	69	17	00	N
16	76	42	10	W	69	24	00	N
17	76	45	00	W	69	52	00	N
18	76	45	00	W	69	57	00	N
19	76	47	00	W	69	57	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 stated above by latitudes and longitudes. Otherwise the points are connected by geodetic lines.

The Licence Area comprises 64 square kilometres.

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Appendix 2 Map of Licence Area



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Appendix 3 Further training obligations

Further training obligations during the Licence Period.

See Article 15 of the Licence.

Article 1 Further training

- 1.01 For each of the calendar years 2021, 2022 and 2023, the Licensee shall reimburse the MRA for annual expenses of up to DKK 300,000 (three hundred thousand) for the further training etc. of employees doing work related to relevant mineral activities in the calendar year concerned.
- 1.02 For the calendar year 2024 and each subsequent calendar year of the Licence Period under this Licence, the Licensee shall reimburse the MRA for annual expenses up to DKK 500,000 (five hundred thousand) for the further training etc. of employees doing work related to relevant mineral activities in the calendar year concerned.
- 1.03 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 activities.
- The further training may consist of the following:
- (a) Participation in courses, in-house as well as external.
 - (b) Participation in courses, held by or with the Licensee.
 - (c) On-the-job training in the Licensee's company.
 - (d) Leadership and management courses.
- 1.04 On-the-job training shall be defined as full-time employment which includes the performance of tasks commensurate with the trainee's education and background and representative of the mineral resource industry.
- 1.05 The MRA shall before any training of employees in accordance with Article 15 of the Licence and this Appendix 3, notified the Licensee before commencement of the training.
- 1.06 The Licensee shall for each of the calendar years stated in Article 15 and this appendix 3, only reimburse annual expenses for further training etc. to the extent such expenses have been incurred by the MRA up to the amount stated in Article 15 and this Appendix 3.

Article 2 Expenses

- 2.01 Expenses associated with the employee's participation in courses or on-the-job training includes expenses for travel, local transport, meals and accommodation, as well as insurance and attendance fees, the cost of the employee's gross salary etc., as documented by the employee's contract of employment with the MRA. Expenses for travel, local transport, meals and accommodation shall be paid in accordance with the rules

established by the Greenland Government for the payment of daily (per diem) allowances on official trips. The MRA shall forward invoices for the amounts to be reimbursed. Payment shall be made no later than 30 days after the invoice date.

Article 3 Period

- 3.01 The training and other obligations under this Appendix 3 and Article 15 of this Licence shall remain in force and continue to have full effect until they have been fulfilled, regardless of whether the Licence expires or is terminated prior to their fulfilment.

Article 4 Confidentiality

- 4.01 The persons participating in activities under this Appendix 3 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 Identified cultural heritage sites

When the Licence is granted, the Licensee has identified the following cultural heritage sites:

Name of site	Latitude	Longitude
MRQ087	76.76076	69.91932
MRQ062	76.74151	69.73082
MRQ055	76.73667	69.69389
MRQ043, 044	76.71976	69.53634
MRQ040, 041	76.71934	69.5186
MRQ049	76.71627	69.47083
MRQ026	76.71324	69.4428
MRQ029	76.71159	69.43398
MRQ030	76.71075	69.42902

All longitudes and latitudes are stated with geodetic reference to the World Geodetic System datum 1984 (WGS-84).

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Appendix 5 Illustrative examples of calculation of royalty under Article 14 of the Licence taking into account corporate income tax and corporate dividend withholding tax

See Article 14 of the Licence.

In this Appendix 5, illustrative examples of calculation of royalty are provided with the purpose of giving examples and understanding of the mechanisms of calculation of royalty under Article 14 of the Licence.

Full Conversion

	Year 1 of Sales	Year 2 of Sales	Year 3 of Sales
Revenues (sum of all Minerals sold and all Minerals considered sold)	200	200	200
Corporate taxable income before deduction of dividend distribution and Payable Royalty	150.0	150.0	150.0
Dividend distribution (not less than zero)	135.0	135.0	135.0
Payable Royalty	0.0	0.0	0.0
Corporate taxable income after deduction of dividend distribution and Payable Royalty	15.0	15.0	15.0
Royalty rate	1.0%	2.0%	2.5%
Basic Royalty Amount	2.0	4.0	5.0
Basic Tax Amount	52.4	52.4	52.4
Corporate Income Tax Amount (25% of corporate taxable income)	3.8	3.8	3.8
Corporate Dividend Withholding Tax Amount (36% of dividend distribution)	48.6	48.6	48.6
Royalty Conversion Amount	52.4	52.4	52.4
Basic Royalty Amount	2.0	4.0	5.0
Royalty Conversion Amount (deduct)	52.4	52.4	52.4
Basic Royalty Amount less Royalty Conversion Amount	-50.4	-48.4	-47.4
Payable Royalty Amount (Basic Royalty Amount less Royalty Conversion Amount, but not less than zero)	0.00	0.00	0.00
Corporate Income Tax Amount (25%) (not less than zero)	3.8	3.8	3.8
Corporate Dividend Withholding Tax Amount (36%) (not less than zero)	48.6	48.6	48.6
Payable Royalty	0.0	0.0	0.0
Total government take	52.4	52.4	52.4

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Partly Conversion

	Year 1 of Sales	Year 2 of Sales	Year 3 of Sales- A
Revenues (sum of all Minerals sold and all Minerals considered sold)	200	200	200
Corporate taxable income before deduction of dividend distribution and Payable Royalty	5.0	5.0	5.0
Dividend distribution (not less than zero)	5.0	5.0	5.0
Payable Royalty	0.2	2.2	3.2
Corporate taxable income after deduction of dividend distribution and Payable Royalty	-0.2	-2.2	-3.2
Royalty rate	1.0%	2.0%	2.5%
Basic Royalty Amount	2.0	4.0	5.0
Basic Tax Amount	1.8	1.8	1.8
Corporate Income Tax Amount (25% of corporate taxable income)	0.0	0.0	0.0
Corporate Dividend Withholding Tax Amount (36% of dividend distribution)	1.8	1.8	1.8
Royalty Conversion Amount	1.8	1.8	1.8
Basic Royalty Amount	2.0	4.0	5.0
Royalty Conversion Amount (deduct)	1.8	1.8	1.8
Basic Royalty Amount less Royalty Conversion Amount	0.2	2.2	3.2
Payable Royalty Amount (Basic Royalty Amount less Royalty Conversion Amount, but not less than zero)	0.20	2.20	3.20
Corporate Income Tax Amount (25%) (not less than zero)	0.0	0.0	0.0
Corporate Dividend Withholding Tax Amount (36%) (not less than zero)	1.8	1.8	1.8
Payable Royalty	0.2	2.2	3.2
Total government take	2.0	4.0	5.0

Partly Conversion

	Year 3 of Sales- B	Year 3 of Sales- C	Year 3 of Sales- D
Revenues (sum of all Minerals sold and all Minerals considered sold)	200	200	200
Corporate taxable income before deduction of dividend distribution and Payable Royalty	10.0	0.0	-10.0
Dividend distribution (not less than zero)	0.0	10.0	10.0
Payable Royalty	3.3	1.4	1.4
Corporate taxable income after deduction of dividend distribution and Payable Royalty	6.7	-11.4	-21.4
Royalty rate	2.5%	2.5%	2.5%
Basic Royalty Amount	5.0	5.0	5.0
Basic Tax Amount	2.5	3.6	3.6
Corporate Income Tax Amount (25% of corporate taxable income)	1.7	0.0	0.0
Corporate Dividend Withholding Tax Amount (36% of dividend distribution)	0.0	3.6	3.6
Royalty Conversion Amount	1.7	3.6	3.6
Basic Royalty Amount	5.0	5.0	5.0
Royalty Conversion Amount (deduct)	1.7	3.6	3.6
Basic Royalty Amount less Royalty Conversion Amount	3.3	1.4	1.4
Payable Royalty Amount (Basic Royalty Amount less Royalty Conversion Amount, but not less than zero)	3.33	1.40	1.40
Corporate Income Tax Amount (25%) (not less than zero)	1.7	0.0	0.0
Corporate Dividend Withholding Tax Amount (36%) (not less than zero)	0.0	3.6	3.6
Payable Royalty	3.3	1.4	1.4
Total government take	5.0	5.0	5.0

No Conversion

	Year 1 of Sales	Year 2 of Sales	Year 3 of Sales
Revenues (sum of all Minerals sold and all Minerals considered sold)	200	200	200
Corporate taxable income before deduction of dividend distribution and Payable Royalty	-10.0	-10.0	-10.0
Dividend distribution (not less than zero)	0.0	0.0	0.0
Payable Royalty	2.0	4.0	5.0
Corporate taxable income after deduction of dividend distribution and Payable Royalty	-12.0	-14.0	-15.0
Royalty rate	1.0%	2.0%	2.5%
Basic Royalty Amount	2.0	4.0	5.0
Basic Tax Amount	0.0	0.0	0.0
Corporate Income Tax Amount (25% of corporate taxable income)	0.0	0.0	0.0
Corporate Dividend Withholding Tax Amount (36% of dividend distribution)	0.0	0.0	0.0
Royalty Conversion Amount	0.0	0.0	0.0
Basic Royalty Amount	2.0	4.0	5.0
Royalty Conversion Amount (deduct)	0.0	0.0	0.0
Basic Royalty Amount less Royalty Conversion Amount	2.0	4.0	5.0
Payable Royalty Amount (Basic Royalty Amount less Royalty Conversion Amount, but not less than zero)	2.00	4.00	5.00
Corporate Income Tax Amount (25%) (not less than zero)	0.0	0.0	0.0
Corporate Dividend Withholding Tax Amount (36%) (not less than zero)	0.0	0.0	0.0
Payable Royalty	2.0	4.0	5.0
Total government take	2.0	4.0	5.0

