

Explanatory notes to the Bill

General explanatory notes

1. Introduction

The purpose of this Bill is to ban uranium prospecting, exploration and exploitation in connection with mineral resource activities.

The responsibility for the mineral resource area transferred to the Self-Government on 1 January 2010. At the same time as the transfer of responsibility for the mineral resource area, Greenland Parliament Act no. 7 of 7 December 2009 on mineral resources and mineral resource activities (the Mineral Resources Act) came into force. The Mineral Resources Act was adopted in order to ensure appropriate exploitation of mineral resources and utilisation of the subsoil and activities in relation thereto. Since its commencement in 2010, the Mineral Resources Act has been amended several times with a view to updating and adapting the Act to reflect developments in the mineral resource area, the mineral resources industry and society.

The Mineral Resources Act governs all aspects of mineral resource activities and exploitation of mineral resources. The aspects governed by the Act include, among other things, mineral resource activities and the environmental aspects of such activities. However, the Mineral Resources Act does not govern for which mineral resources a prospecting, exploration and exploitation licence can be obtained. In principle, therefore, mineral resource activities comprising all mineral resources may be carried out if a licence to this effect has been obtained in accordance with the provisions of the Mineral Resources Act.

Following the Greenland Parliament's abandonment of its so-called zero tolerance policy in October 2013, it has also been possible, in principle, to obtain a licence for mineral resource activities comprising radioactive elements, including uranium. However, such licences have in all cases been granted on special terms, whether granted before or after the abandonment of the zero tolerance policy in October 2013.

For many years and particularly since the abandonment of the zero tolerance policy, uranium has been a subject of much public attention. It has turned out that there is broad public opposition to uranium related mining projects. This is particularly due to the special risks associated with mining activities involving uranium. This public opposition has most recently shown itself in connection with the general election in April 2021 and in opinion polls in this connection. However, the population has also expressed support for continued mining activities so long as they do not involve uranium.

It is the Self-Government of Greenland that has the ownership rights to the subsoil and mineral resources, and it must therefore also be for the population to decide how to best exploit the mineral resources. Against this background, the Government of Greenland would with this Bill like to supplement the Mineral Resources Act with a view to introducing by Greenland Parliament Act a zero tolerance policy in respect of uranium. The Bill is intended to implement the Government of Greenland's decision in principle that no uranium is to be extracted in Greenland and no uranium extracted in Greenland is to be sold.

2. Current law

Today, there is no statutory ban on uranium prospecting, exploration and exploitation in Greenland. However, no licences to explore for or exploit radioactive minerals are available for small-scale activities under Part 8 of the Mineral Resources Act, see the second sentence of section 33(1) of the Mineral Resources Act. Furthermore, under Part 11 of the Mineral Resources Act, the right to collect and extract without a licence under sections 45 and 45a of the Mineral Resources Act does not include radioactive minerals, see section 45c of the Mineral Resources Act.

Since the transfer of responsibility for the mineral resources area and until 2013, the Self-Government has managed the mineral resources area in such a way that there have generally been no mineral resources activities directed at radioactive elements, including uranium. For more details, see section 2.1 below.

Very few licensees have been granted a licence to explore for radioactive elements, including uranium, but for those who have, special terms have been laid down in their exploration licences at the same time. Currently, there are no uranium exploitation activities in Greenland, although licences for prospecting, exploration and exploitation of uranium are in principle available under the current Mineral Resources Act. For more details, see section 2.2 below.

It should also be noted that this Bill does not relieve anyone of their obligations, duties, etc. under other legislation. Thus, mineral resource activities comprised by this Bill must be performed in accordance with the Mineral Resources Act and Greenland Parliament Act no. 33 of 9 December 2015 on ionising radiation and radiation protection.

2.1. Abandonment of zero tolerance policy

The zero tolerance policy was abandoned by the Greenland Parliament on 23 October 2013 at the 2nd reading of the "Proposal for a decision by the Greenland Parliament for the Greenland Parliament to agree with effect from the autumn session (EM13) that the "Zero tolerance" policy for the extraction of uranium and other radioactive elements will end".

On 21 October 2013, the Committee for Trade, Commerce, Mineral and Oil Resources issued a report for the 2nd reading of the proposal by the Greenland Parliament. According to section 1.1 of the report, the decision in principle formally meant that *"if the Greenland Parliament were to adopt the proposal, there will no longer be a threshold for the radioactive mineral content in connection with exploration or exploitation in Greenland."*

According to the original presentational memorandum provided to the Parliament of Greenland on 8 October 2013:

"In 2009, the responsibility for the area of mineral resources and mineral resource activities transferred to the Greenland Self-Government. Highly symbolically, it was the first area of responsibility which transferred to the Greenland Self-Government after the introduction of the Greenland Self-Government in 2009. The mineral resources area includes all minerals as nothing in the legislative basis separates the extraction of ore containing radioactive minerals from the extraction of ore containing non-radioactive minerals. For historical reasons, a political decision was made to introduce a "zero tolerance" policy towards extraction of uranium and other radioactive materials. The zero tolerance policy has meant that all exploration licences specify that the companies are allowed to explore for all minerals except for radioactive minerals."

On 16 October 2013, the then Minister for Labour and Mineral Resources answered a number of questions from the Committee for Trade, Commerce, Mineral and Oil Resources for the above mentioned report to be issued by the Committee before the Greenland Parliament's debate of the decision proposal. The then Minister replied, among other things, that the zero tolerance policy applied to exploration and exploitation activities and related licences concerning minerals whose radioactive content exceeded natural background levels. In this connection, the Minister also stated that the natural uranium content is typically between 0.0004-0.006 per cent for granitic rock. The reason given by the Minister for the wish to abandon the zero tolerance policy was, among other things, the possibility of extracting rare-earth elements.

Neither the adoption nor the abandonment of the zero tolerance policy has given rise to any written rules on prospecting, exploration or exploitation of radioactive elements or other minerals containing radioactive elements, whether above or below the natural background levels, except for the bans in relation to small-scale activities and collection and extraction without a licence under the second sentence of section 33(1) and section 45c of the Mineral Resources Act.

The zero tolerance policy was implemented, among other things, so that specific mineral resource prospecting and exploration licences have included the mineral resources specified in the adopted standard terms for prospecting and exploration licences under the Mineral Resources Act. Those standard terms have excluded radioactive elements.

Except for provisions on the payment of royalties, there have been no changes to the standard terms for licences under the Mineral Resources Act in the period since the abandonment of the zero tolerance policy in October 2013. Thus, the general policy is still that no licences are granted for mineral activities directed at radioactive elements, including uranium. Immediately before and after the abandonment of the zero tolerance policy by the Parliament of Greenland in October 2013, however, some specific exploration licences granted under the Mineral Resources Act included radioactive elements, including uranium, subject to special terms.

2.2. The Mineral Resources Act

The purpose of this Bill is to supplement the existing Mineral Resources Act with regard to uranium prospecting, exploration and exploitation.

The Mineral Resources Act was adopted in order to ensure appropriate exploitation of mineral resources and utilisation of the subsoil and activities in relation thereto. The purpose of the Mineral Resources Act is further to ensure that mineral resource activities are performed appropriately as well as in a sound manner as regards safety, health, the environment, resource utilisation and social sustainability.

The Mineral Resources Act governs all aspects of mineral resource activities and exploitation of mineral resources. Among other things, the aspects governed by the Act include mineral resource activities and the environmental aspects of such activities. However, the Mineral Resources Act does not govern for which mineral resources a prospecting, exploration and exploitation licence can be obtained, except from the bans in relation to small-scale activities and collection and extraction without a licence under the second sentence of section 33(1) and section 45c of the Mineral Resources Act. In principle, therefore, prospecting, exploration and

exploitation comprising all mineral resources is permitted – outside the scope of these provisions – if a licence to this effect has been obtained in accordance with the provisions of the Mineral Resources Act.

Prospecting, exploration and exploitation of mineral resources may only be carried out under a licence granted by the Government of Greenland pursuant to the provisions of the Mineral Resources Act in this regard.

A mineral resource prospecting licence typically includes preliminary reconnaissance of a limited extent and is granted for a period of five years as a general rule.

A mineral resource exploration licence is granted for a period of up to 10 years as a general rule and typically concerns more detailed activities such as geological, geochemical and geophysical surveys and drilling as well as construction of tunnels and shafts, etc.

In practice, an exploration licence and an exploitation licence are granted separately. A mineral resource exploitation licence is granted on an exclusive basis, unless the project in question falls within the special rules of the Mineral Resources Act on small-scale activities. Exploitation activities are not defined in the Mineral Resources Act, but exploration and exploitation activities include all activities which are carried out by or on behalf of the licensee under the licence, including the establishment of the necessary infrastructure and activities in support of exploration or exploitation activities.

No licences for exploration or exploitation of radioactive minerals are available for small-scale activities under Part 8 of the Mineral Resources Act, c.f. the second sentence of section 33(1) of the Mineral Resources Act. Furthermore, no prospecting licences for small-scale projects are available. Moreover, the right to collect and extract without a licence under Part 11 of the Mineral Resources Act does not include radioactive minerals, c.f. section 45c of the Mineral Resources Act.

Thus, uranium is already regulated by the Mineral Resources Act with regard to small-scale activities and collection and extraction of mineral resources without a licence. Consequently, this Bill only supplements the current Mineral Resources Act in the area of mineral resource activities which are subject to a licence under section 2(2)(i) of the Mineral Resources Act.

2.3. Relations with the Danish Realm and the self-government arrangement

The Bill concerns mineral resource activities. The responsibility for the mineral resource area transferred to the Greenland Self-Government simultaneously with the adoption of the current Mineral Resources Act, and the Self-Government therefore has the power to manage, control and develop the mineral resource area. This also applies to the regulation covered by this Bill.

Prior to the planned abandonment of the zero tolerance policy in October 2013, the Danish government set up a working group in which authorities from Denmark and Greenland participated. The purpose of the working group was to look into the consequences related to the extraction and export of uranium from Greenland if the zero tolerance policy was abandoned.

The working group concluded that based on international commitments, recommendations and experience gained by other countries, it could be established that uranium extraction and export required extensive regulation and the implementation of national administrative

systems with the necessary expertise. The working group also concluded that with regard to the legal assessment of the Government of Greenland's foreign policy powers, there was disagreement between the Danish and Greenlandic authorities, which is why the working group recommended that Denmark and Greenland enter into cooperation agreements to ensure that Greenland would act in the interest of the Danish Realm as such in connection with the abandonment of the zero tolerance policy. The working group also found that it had not been clarified how powers would be allocated between Denmark and Greenland, for example, in terms of nuclear safety, radiation protection, etc. and the working group therefore recommended that Denmark and Greenland enter into cooperation agreements in these areas as well.

In January 2016, the Government of Greenland and the Danish government entered into an overall set of agreements which laid down the specific framework for Denmark's and Greenland's future cooperation and allocation of powers in relation to uranium extraction and export.

The set of agreements includes a general cooperation agreement on foreign policy, defence policy and national security policy matters relating to uranium extraction and export from Greenland. In Denmark, rules governing security and export controls were adopted against that background, based on EU regulation.

The set of agreements further includes an agreement concerning Greenland's safeguarding of nuclear safety in connection with mining activities. According to this agreement, the area of nuclear safety under the Danish Nuclear Installations Act (*atomanlægsloven*) and the Danish Act on Safety and Environmental Aspects of Nuclear Installations etc. (*lov om sikkerhedsmæssige og miljømæssige forhold ved atomanlæg mv.*) falls within the power of the Self-Government. The agreement included approval and inspection of the construction and operation of nuclear installations in connection with mining activities and related uranium and thorium processing.

The purpose of the provisions of this Bill is generally to introduce stricter legislation with regard to uranium extraction etc. The Ministry of Mineral Resources therefore does not believe that the Bill will give rise to any concerns regarding the above mentioned set of agreements or rules or the interests of the Danish Realm in other areas.

3. Contents of the Bill

3.1. The ban on uranium prospecting, exploration and exploitation

The Bill aims to ban uranium prospecting, exploration and exploitation.

Uranium may spread into the surrounding environment and such uranium leaks may potentially have critical impacts on the environment. Also, in connection with activities targeted at uranium, high-risk uranium leaks, e.g. from yellow cake, may occur in connection with production, transport, process water spills, etc. By banning activities targeted at uranium, several of these risks are eliminated.

However, mineral resource activities which are directed against mineral resources other than uranium will be permitted if the uranium content of the resource is very limited. The background to this restriction is that the general background radiation would otherwise render it difficult or impossible to carry out a number of mineral resource activities which the Government of Greenland does not intend to ban.

A uranium threshold content of 100 ppm (parts per million) by weight is proposed, which corresponds to 0.01 per cent. This threshold corresponds to the threshold that applies in Nova Scotia, Canada, which introduced a similar uranium ban in 2009.

Additionally, the threshold is set on the basis of the fact that the natural uranium background values depend on the rock type(s) and therefore vary a lot in Greenland. For granitic rock types, the background value (i.e. the naturally occurring amount) is typically 4-60 ppm by weight. The natural background value for uranium is thus estimated to be less than 100 ppm by weight. By setting the permitted threshold at 100 ppm by weight, it is ensured that this Bill will not limit the possibility of realising projects where the uranium content does not exceed natural background values. It is also ensured that this Bill will not limit the possibility of realising projects that could have been realised under the zero tolerance policy previously in force. Conversely, the assessment is that a threshold of 100 ppm by weight is sufficiently low to ensure the purpose of the Act.

3.2. Other radioactive elements

No ban is introduced for prospecting, exploration and exploitation which concerns other radioactive elements, but the Government of Greenland is given the option of extending the ban to other radioactive elements. If the ban is extended to other radioactive elements, the Government of Greenland may also set thresholds for such elements.

At the same time, an examination will be made to determine whether to introduce a ban on and with a view to setting a threshold for thorium.

3.3. The scope of the Bill and its relationship to the Mineral Resources Act

The Bill does not apply to small-scale projects under Part 8 of the Mineral Resources Act or to the collection and extraction of minerals without a licence under Part 11 of the Mineral Resources Act. This is because the Mineral Resources Act already prevents small-scale exploration and exploitation of radioactive minerals. The Mineral Resources Act also prevents collection and extraction without a licence, see Part 11 of the Mineral Resources Act, of radioactive minerals. For more details, see section 2.2 above.

The scope of this Bill also includes prospecting. However, as no prospecting licences are granted for small-scale projects or for collection and extraction without a licence, the existing provisions of the Mineral Resources Act in this regard are adequate for these activities.

The activities comprised by this Bill will still be regulated by the Mineral Resources Act in all other respects. This Bill therefore will not abolish any of the provisions of the Mineral Resources Act. Thus, licences for activities comprised by this Bill are also only available under the Mineral Resources Act. For the same reason, for example, an application for a licence under the provisions of the Mineral Resources Act may be refused even though a given project is not contrary to this Bill.

In specific cases, the Bill may lead to a departure from certain principles of the Mineral Resources Act. Under section 29(2) of the Mineral Resources Act, a licensee under an exploration licence who has discovered and delineated deposits which the licensee intends to exploit and who has otherwise complied with the terms of the licence is entitled to be granted an exploitation licence. A licensee under an exploration licence which includes uranium is not entitled to be granted an exploitation licence for uranium after the effective date of this Bill,

regardless that the licensee has discovered and delineated a uranium deposit. The same applies to the grant of an exploitation licence for other discovered deposits which are in violation of the ban in section 1. This also applies to deposits of any radioactive elements for which the Government of Greenland has set provisions, cf. section 2 of the Bill.

Reference is also made to sections 1 and 2 of the Bill and the related explanatory notes.

The Bill further means that the Government of Greenland can restrict or revoke any mineral resource prospecting, exploration or exploitation licence issued after the effective date of the Bill if it is established that exploitation is not possible in accordance with the ban. The provision is relevant, among other things, in the situation where a uranium deposit exceeding the permitted threshold value was not expected when an exploration licence was granted, but is discovered in the course of the exploration activities. The provision may in theory also be relevant in the situation where the non-compliance with the threshold value is discovered in connection with extraction activities on the basis of an exploitation licence, but it must generally be assumed that a potential non-compliance is discovered in the course of the exploration activities.

Reference is also made to section 3 of the Bill and the related explanatory notes.

The Bill is not a compulsory acquisition act and therefore does not provide for the compulsory acquisition of protected property rights. A licence may therefore not be refused, restricted or revoked if this is deemed to constitute an intrusion on property protected by section 73 of the Danish Constitution.

A fine may be imposed for any violations of the ban. Under the second sentence of section 11(1) of the Criminal Code, violations of special statutes may be punishable if caused by negligence. This means that also violations caused by ordinary negligence may be subject to a fine. A consequence of this is, among other things, that a business etc. may be liable to a fine if it continues its prospecting, exploration or exploitation activities after it has or should have discovered that the ore contains such levels of uranium that exploitation is not or will not be permitted under the prohibitory regime proposed by the Bill. In this connection, it is not decisive that the business has been granted a licence under the Mineral Resources Act.

If, however, a business etc. is not at fault for the levels of uranium contained in the ore exceeding the permitted level, it will not be liable to a fine.

Reference is also made to section 4 of the Bill and the related explanatory notes.

3.4. Specifically on the effective date of the Act

It is proposed that the Act will come into force on the day after its promulgation and that the Act will apply to licences granted after its effective date. This also applies to the grant of exploitation licences in continuation of an existing exploration licence.

Reference is also made to section 5 of the Bill and the related explanatory notes.

4. Economic and administrative consequences for the public sector

The Bill may potentially prevent the realisation of future mining projects or parts thereof, which may affect the development of public finances, including future tax revenues.

The Bill does not provide for the payment of damages or other compensation to licensees whose projects may be affected by the prohibitory regime. However, it cannot be ruled out that such affected licensees may bring an action against the Self-Government to obtain damages or other compensation on other grounds.

5. Economic and administrative consequences for the business sector

The Bill will involve a certain increase in the economic and administrative burdens on the affected parts of the business sector. Among other things, as a consequence of the Bill, the standard terms for licences will require licensees to test for uranium for the purpose of regular reporting to the Government of Greenland.

6. Consequences for the environment and nature

The Bill is assessed to potentially benefit the environment and nature as the purpose of the Bill is to prevent uranium being extracted from the soil in such quantities as to involve a risk of adverse consequences for the environment and nature.

7. Administrative consequences for citizens

The Bill is primarily directed at commercial activities and regulates the possibilities of obtaining licences for mineral resource activities concerning uranium. In general, therefore, the Bill will have no consequences for citizens.

8. Consultation of authorities and organisations

In the period from 2 July 2021 to 2 August 2021, the Bill was made available on the Government of Greenland's consultation portal www.naalakkersuisut.gl.

Furthermore, the Bill was put out to consultation with the following authorities, organisations and businesses:

Asiaq – Greenland Survey, the Municipality of Avannaata, AvataQ, the Danish Centre for Environment and Energy (DCE), GEUS, Greenland Oil Spill Response A/S, the Courts of Greenland, the Greenland Business Association, the Greenland Institute of Natural Resources (GINR), the Greenland Police, ICC Greenland, the Municipality of Kujalleq, the Municipality of Qeqertalik, the Municipality of Sermersooq, the National Board of Health, the Greenland National Museum, Nuna Law Firm, Nunaoil A/S, Nunatsinni Advokatit/the Association of Greenland Lawyers, NUSUKA, Nuummi Ujaqgerituut Peqatigiiffiat – Kalaallit Nunaat (the association of small-scale miners), the Parliamentary Ombudsman, the Municipality of Qeqqata, the High Commissioner of Greenland, S.I.K., SPS, Telepost A/S, Greenland Customs, Transparency Greenland, UNESCO steering committee, the World Wildlife Fund, AVATAQ, the Association URANI NAAMIK/NO TO URANIUM in Narsaq, the Ecological Council, Sustainable Energy, Nuup Kangerluata Ikinngutai/Friends of Nuuk Fjord, the Narsaq and Qassarsuk sheep farmers organisation, NOAH Friends of the Earth Denmark, Greenland Ruby A/S, Anglo American Exploration Overseas, Greenland Minerals A/S, Greenland Feldspar Aluminium Resources, Rimbal Pty. Ltd., FBC Mining (BA) Limited, Greenland Vanadium Energy Resources ApS, Disko Exploration Ltd., Nalunaq A/S, CGRG Ltd., Skaergaard Mining A/S, North American Nickel Inc., Orano Mining, Orano Mining, Longland Resources Limited, Graphite Fields Resources Ltd., Obsidian Mining Ltd, Halmares Resources s.r.o, GEFIB s.r.o., Skaergaard Mining A/S, Greenland Silver Moly Resources ApS, Copenhagen Minerals Inc., Dundas Titanium A/S, Greenland Gold s.r.o, Bluejay Mining Plc, Zawar Natural Resources Pvt. Ltd., Resource 500 FeVTi Ltd., White Eagle Resources Limited, White Fox Resources Limited, GREENLAND RESOURCES Inc.,

Greenfields Exploration Ltd, 21st NORTH ApS, Hudson Greenland A/S, Ironbark A/S, London Mining Greenland A/S, Northground Ltd., Stallion Resources Limited, Challenge Holdings Ltd, Eclipse Metals Limited Greenland, Greenland Anorthosite Mining ApS, Black Angel Mining A/S, Bright Star Resources Limited, Alien Metals Ltd., R500 Greenmin Ltd., TANBREEZ Mining Greenland A/S, Navella AB, De Beers Marine (Pty) Ltd, Zawar Natural Resources Pvt. Ltd. and Xploration Services Greenland A/S.

The Ministry of Mineral Resources received responses from the following authorities, organisations and businesses:

The Chief Constable of Greenland, GEUS, the Municipality of Kujalleq, the Municipality of Qeqqata, the Municipality of Sermersooq, Inuit Circumpolar Council (ICC), Urani Naamik Peqatigiiffik Narsaq, CGRG s.r.o., Greenland Gold s.r.o., Nuna Law Firm, Greenland Minerals Ltd., NOAH, Sustainable Energy, Tanquem JA les Nuclears, Halmares Ressources, GEFIB s.r.o., Australian Conservation Foundation, Hudson Ressources Inc., Ironbark Zinc Ltd., AEX Gold, Transparency International Greenland, Montescola, Orano Mining, Northground s.r.o., Ressource 500 Group, the Greenland Business Association (GE) and Sulinermik Inuussutissarsiuqartut Kattuffiat (SIK).

Reference is made to the enclosed commented public consultation list.

Explanatory notes to the individual provisions of the Bill

To section 1

This section provides the ban proposed by the Bill. The purpose of the Bill is to ban any kind of prospecting, exploration and exploitation of uranium.

To subsection (1)

Under subsection (1), prospecting, exploration and exploitation of uranium are not permitted. This applies regardless of whether uranium is the main product of the project or a by-product.

Uranium occurs naturally in rocks and sediments, and any licence area or potential licence area will therefore always include a certain amount of uranium. A genuine zero tolerance policy in respect of any uranium extraction would therefore prevent the realisation of mining projects even where the uranium content is so low that it must be assumed that the project may be realised without significant radiation or risk of other effects impacting on health, nature, the environment, etc.

The ban imposed in subsection (1) should therefore be read in connection with subsection (2) of the Bill, which provides that mining projects fall outside the scope of the prohibitory regime if it is necessary to extract uranium under the permitted threshold in order to realise projects which are directed against mineral resources other than uranium.

The prohibitory regime of the provision does not include small-scale projects and the collection and extraction of minerals without a licence cf. Parts 8 and 11 of the Mineral Resources Act. Radioactive minerals, including uranium, are already excluded from these activities under the Mineral Resources Act. For more details, see also sections 2.2 and 3.3 above.

Furthermore, the prohibitory regime of the provision does not apply to scientific surveys falling within the scope of section 2(3) and (4) as well as Part 12 of the Mineral Resources Act.

Furthermore, the prohibitory regime of the provision does not apply to the extent that the ban may be considered an intrusion on property protected by section 73 of the Danish Constitution. For more details, see also section 3.3 above.

To subsection (2)

According to subsection (2) of the Bill, the ban under subsection (1) does not apply if the average uranium content is less than 100 ppm by weight, corresponding to 0.01 per cent, *and* if the ore is extracted for purposes other than uranium prospecting, exploration and exploitation.

The exclusion in subsection (2) contains two cumulative conditions.

Thus, mineral resource prospecting, exploration and exploitation is only permitted if the total uranium content of the resource is lower than the permitted threshold and if the ore is extracted for purposes other than uranium prospecting, exploration and exploitation.

Thus, no targeted uranium prospecting, exploration or exploitation is permitted. In other words, it must not be possible to capitalise on uranium from Greenland. This applies even where the level of uranium is lower than the threshold mentioned in subsection (2). Uranium is therefore not permitted as one of the mineral resources comprised by a licence under the Mineral Resources Act. Furthermore, this applies regardless of whether uranium is the main product of the project or a by-product. However, it does not apply where an exploration method using uranium as a trace element is used with the aim of finding deposits of other mineral resources, but where the project is not otherwise directed at uranium (and such an activity is thus not included in the ban as long as the permitted threshold, see immediately below, is not exceeded).

Furthermore, there can be no prospecting, exploration, or exploitation of any other mineral resources if the average uranium content exceeds the permitted threshold.

The purpose of the exception is to allow the realisation of mineral resource projects which comprise exploitation of other mineral resources than uranium, but where in the course of the activities a certain amount of uranium will be extracted as a result of the natural background values in the ore.

The provision should be read in the context of the permitted threshold. Thus, the total resource must not have an average uranium content which exceeds the permitted threshold.

The calculation of whether this is the case must be based on the average uranium content in the total resource. The purpose is to prevent that a project cannot be realised if a few of the activities of the project, including in connection with rock samples, drill cores or the like, involve levels of uranium which exceed the permitted threshold. Basically, the uranium content may vary depending on the composition of the ore in different parts of the licence area, and a licence area should thus be expected to have different concentrations of uranium in different places.

The calculation will be based on the total discovered resource. The proportionate uranium content of the total resource must not exceed the permitted threshold. The resource does not (necessarily) include everything that will be extracted if the project is realised, as it does not include waste rock, tailings, etc.

A more detailed description of the resource will usually be provided in a feasibility study. As a result of the 2019 amendment of the Mineral Resources Act, there is no longer a requirement for a feasibility study, but it is still a requirement that the licensee describes the resource of the licence area by way of a report, drill cores or in another way.

It is assumed that the licensee will describe the resource and its uranium content based on the same standards as those that apply to the discovery of deposits under the Mineral Resources Act. The licensee must thus use internationally acknowledged methods and standards for examining and assessing the resource. Furthermore, a licensee must apply good and internationally acknowledged reporting standards for the mineral industry when preparing and submitting reports to the Government of Greenland on the resource.

Such reporting standards are often referred to as mineral reporting standards and they provide general provisions on how licensees must report on resources and various other matters to investors, potential investors and their advisers. Thus, for example, the licensee may use the

Australian reporting standard known as the JORC Code, the Canadian reporting standard known as National Instrument 43-101 Standards of Disclosure for Mineral Projects, which refers to the CIM Definition Standards on Mineral Resources and Mineral Reserves, the CIM Definition Standards, the South-African reporting standard known as the SAMREC Code or the pan-European reporting standard known as the PERC Reporting Standard. In this connection, it is also a requirement that the licensee can specify the total uranium content of the resource.

As a clear main rule, the assessment of whether the mineral resource activities are in accordance with section 1 will be made against the above mentioned background, which will often imply that it will only be during the course of the exploration activities that it can be established if the threshold has been complied with. However, mineral resource activities will not be permitted to continue if it is clear or should be clear to the licensee in other ways that the activities cannot be carried out in accordance with section 1.

The authorities are charged with the task of monitoring and may if necessary make decisions regarding the licensees calculations of resources and the uranium content therein. One of the reasons for this is to avoid circumvention of the permitted uranium threshold content or of the permitted thresholds set for other radioactive elements pursuant to section 2 of the Bill. The authorities may make such decisions on the basis of draft decisions or orders from the authorities' technical consultants.

It is emphasised that the provisions of the Mineral Resources Act apply correspondingly, and the licensee is therefore subject to a duty to provide information to the Government of Greenland. Reference is also made to section 3 of the Bill, which provides that the Government of Greenland may restrict or revoke a licence if it is established that exploitation is not possible in accordance with section 1. Licensees will thus also be subject to a duty to inform the Government of Greenland of any matters that may be relevant to the assessment of whether a licence should be restricted or revoked.

As a consequence of the prohibitory regime, any uranium that has been extracted in connection with mineral resource activities will have to be handled in accordance with the provisions of the Mineral Resources Act in force at any time, including the rules on appropriate exploitation of mineral resources. It is thus for the authorities and the Government of Greenland as usual to determine whether to grant approval of a given project under the Mineral Resources Act, and the handling of residual products, other waste etc. will, as previously, be a factor in this determination. Thus, no prospecting, exploration or exploitation licences are available under this Bill. It is therefore also not a given that a project will be approved under the Mineral Resources Act although it is not contrary to the prohibitory regime of this Bill. By way of example, there may be situations where, from an environmental perspective, the requirements that will have to be made to the handling of tailings containing uranium will have to be so stringent that the implementation of a project will not be economically viable. This applies even if the uranium content is lower than the threshold mentioned in section 1(2).

To section 2

This section proposes to authorise the Government of Greenland to lay down provisions to the effect that the ban in section 1 also applies to other radioactive elements, and also to authorise the Government of Greenland to set the permitted thresholds for such radioactive elements.

At the same time, an examination will be made to determine whether to introduce a ban on and with a view to setting a threshold for thorium.

This section proposes to authorise the Government of Greenland to introduce provisions according to which the ban in section 1 will apply to other radioactive elements than uranium.

A ban on other radioactive elements laid down under the provision will have effect at the earliest from the date when a executive order to that effect is issued. Future bans on other radioactive elements will thus not affect existing licences.

This section proposes to authorise the Government of Greenland to set permitted thresholds for other radioactive elements if the authorisation to include other radioactive elements in the ban in section 1 is utilised.

The permitted threshold in section 1(2) of the Bill thus only concerns uranium and is not necessarily appropriate for other radioactive elements that may be included under the Bill.

The Government of Greenland may further lay down rules on restriction and revocation of prospecting, exploration and exploitation licences for the relevant radioactive elements.

To section 3

This section proposes to authorise the Government of Greenland to revoke or amend prospecting, exploration and exploitation licences under the Mineral Resources Act if it is established that the activities under the licence are not or cannot be carried out in accordance with section 1 of the Bill.

Thus, the Government of Greenland may decide to amend a licence or to revoke a licence in its entirety if the Government of Greenland assesses that it will not be possible later to exploit mineral resources without at the same time extracting uranium above the permitted threshold.

The authorisation to revoke or restrict a licence under this provision will be available only in cases where prospecting, exploration and exploitation activities will not be permitted under section 1 of the Bill.

Licensees who in connection with their activities and on suspicion or discovery of uranium deposits are unsure whether it would be legal to continue the mineral resource activities may contact the Ministry of Mineral Resources for clarification. However, the Ministry will generally only be able to give a final opinion on the legality of a project's mineral resource activities once a detailed examination of the resource is available. It should also be noted that tests for uranium will be required as part of the regular reporting which licensees already send to the Ministry of Mineral Resources, and that the Ministry will therefore enter into an ongoing dialogue with licensees if the uranium content gives cause to do so.

The Bill applies in its entirety only to licences issued after the effective date of the Bill, see section 5. For the same reason, the uranium testing requirements referred to do not apply to existing licences. However, the Bill applies to all licences granted after the effective date of the Bill, including exploitation licences granted in extension of existing exploration licences. It must therefore also be expected that the granting of exploitation licences after the effective

date of the Bill will be conditional on the necessary tests for uranium, etc. being carried out, even in cases where the exploration licence was granted before the effective date of the Bill.

The provision does not change the Government of Greenland's authority to lay down provisions on revocation or restriction of licences, standard terms, etc. and, similarly, the Government of Greenland will still be authorised to revoke or restrict licences to the extent that this is possible in accordance with the general rules of administrative law in this regard.

It is presupposed that the Government of Greenland will not make any decisions under this provision which are more intrusive than necessary. By way of example, a licence should not be revoked as a general rule if section 1 of the Bill can be complied with by restricting the licence area or by excluding certain mineral resources from the licence.

The Bill is not a compulsory acquisition act and, as a result, the provision does not apply to the extent that the restriction or revocation will be considered an intrusion on property protected by section 73 of the Danish Constitution. For more details, see also section 3.3 above.

No provisions are laid down on compensation to licensees for revoked or restricted licences. Thus, the provisions of the Bill do not permit compensation to licensees for lost or restricted licences.

To section 4

This section concerns the imposition of sanctions for violations of the provisions of the Bill.

Under this section, sanctions will not be imposed in connection with all mineral resource activity involving uranium, including uranium above the permitted thresholds. Mineral resource activities may occur, e.g. in connection with rock samples or drill cores in the exploration phase, where on an isolated basis uranium exceeding the permitted thresholds is extracted, but where it is still assumed that, the overall project may be carried out in accordance with the prohibitory regime. The provision on sanctions should thus be read in the context of the calculation of the uranium amount which is made under section 1(2) of the Bill.

In this connection, it should be noted that licensees under the Mineral Resources Act are subject to a duty to inform and that compliance with this duty is assumed when uranium occurrences are discovered. Thus, licensees who in connection with their activities and on suspicion or discovery of uranium deposits are unsure whether it would be legal to continue the mineral resource activities may and are encouraged to contact the authorities for clarification.

Furthermore, it should be noted that one of the standard terms for the granting of exploration licences will be that uranium content measurements must be carried out.

To subsection (1)

This subsection implies that sanctions may be imposed in the form of a fine for activities carried out contrary to section 1 of the Act.

To subsection (2)

This subsection provides that legal persons etc. violating subsection (1) may also be subject to a fine for such violation.

To subsection (3)

This subsection establishes that any fines imposed will accrue to the Treasury.

To subsection (4)

It follows from this provision that in rules issued under section 2, rules may be laid down for a fine to be imposed for any violation of the ban.

To section 5

This subsection concerns the effective date and transitional provisions of the Bill.

To subsection (1)

It is proposed that the Act will come into force on the day after its promulgation. This corresponds to what applies under section 31(1) of the Greenland Parliament Act on the Greenland Parliament and the Government of Greenland, according to which Greenland Parliament acts come into force at the beginning of the day following the day of promulgation of the relevant Greenland Parliament Act.

To subsection (2)

Subsection (2) proposes that the Bill only applies to licences granted after the effective date of the Act, cf. subsection (1).

The provision means that licences, standard terms, etc. already granted will not be affected by the Bill. An exploration licence comprising uranium will thus survive the adoption of this Bill.

Conversely, as a result of the transitional provision, no new licences comprising uranium can be granted after the effective date of the Bill. This also applies to the grant of exploitation licences in continuation of an existing exploration licence. As a consequence, it must be expected that the granting of exploitation licences after the effective date of the Bill will be conditional on the necessary tests for uranium, etc. being carried out, even in cases where the exploration licence was granted before the effective date of the Bill.

Thus, after the effective date of the Bill, no uranium exploitation licence can be granted to licensees who, prior to the effective date of the Bill, held an exploration licence comprising uranium. This applies regardless that the licensees will usually have a conditional right to obtain an exploitation licence for uranium deposits discovered under section 29(2) of the current Mineral Resources Act.

Consultation memorandum

Consultation of authorities and organisations

A draft Bill was sent out to consultation with the following authorities, organisations, etc. in the period from 2 July 2021 to 2 August 2021:

Asiaq – Greenland Survey, the Municipality of Avannaata, AvataQ, the Danish Centre for Environment and Energy (DCE), GEUS, Greenland Oil Spill Response A/S, the Courts of Greenland, the Greenland Business Association, the Greenland Institute of Natural Resources (GINR), the Greenland Police, ICC Greenland, the Municipality of Kujalleq, the Municipality of Qeqertalik, the Municipality of Sermersooq, the National Board of Health, the Greenland National Museum, Nuna Law Firm, Nunaoil A/S, Nunatsinni Advokatit/the Association of Greenland Lawyers, NUSUKA, Nuummi Ujaqkerituut Peqatigiiffiat – Kalaallit Nunaat (the association of small-scale miners), the Parliamentary Ombudsman, the Municipality of Qeqqata, the High Commissioner of Greenland, S.I.K., SPS, Telepost A/S, Greenland Customs, Transparency Greenland, UNESCO steering committee, the World Wildlife Fund, AVATAQ, the Association URANI NAAMIK/NO TO URANIUM in Narsaq, the Ecological Council, Sustainable Energy, Nuup Kangerluata Ikinngutai/Friends of Nuuk Fjord, the Narsaq and Qassarsuk sheep farmers organisation, NOAH Friends of the Earth Denmark, Greenland Ruby A/S, Anglo American Exploration Overseas, Greenland Minerals A/S, Greenland Feldspar Aluminium Resources, Rimbal Pty. Ltd., FBC Mining (BA) Limited, Greenland Vanadium Energy Resources ApS, Disko Exploration Ltd., Nalunaq A/S, CGRG Ltd., Skaergaard Mining A/S, North American Nickel Inc., Orano Mining, Orano Mining, Longland Resources Limited, Graphite Fields Resources Ltd., Obsidian Mining Ltd, Halmares Resources s.r.o, GEFIB s.r.o., Skaergaard Mining A/S, Greenland Silver Moly Resources ApS, Copenhagen Minerals Inc., Dundas Titanium A/S, Greenland Gold s.r.o, Bluejay Mining Plc, Zawar Natural Resources Pvt. Ltd., Resource 500 FeVTi Ltd., White Eagle Resources Limited, White Fox Resources Limited, GREENLAND RESOURCES Inc., Greenfields Exploration Ltd, 21st NORTH ApS, Hudson Greenland A/S, Ironbark A/S, London Mining Greenland A/S, Northground Ltd., Stallion Resources Limited, Challenge Holdings Ltd, Eclipse Metals Limited Greenland, Greenland Anorthosite Mining ApS, Black Angel Mining A/S, Bright Star Resources Limited, Alien Metals Ltd., R500 Greenmin Ltd., TANBREEZ Mining Greenland A/S, Navella AB, De Beers Marine (Pty) Ltd, Zawar Natural Resources Pvt. Ltd., and Xploration Services Greenland A/S.

The Ministry of Mineral Resources received responses from the following authorities, organisations and businesses:

The Chief Constable of Greenland, GEUS, the Municipality of Kujalleq, the Municipality of Qeqqata, the Municipality of Sermersooq, Inuit Circumpolar Council (ICC), Urani Naamik Peqatigiiffik Narsaq, CGRG s.r.o., Greenland Gold s.r.o., Nuna Law Firm, Greenland Minerals Ltd., NOAH, Sustainable Energy, Tanquem JA les Nuclears, Halmares Ressources, GEFIB s.r.o., Australian Conservation Foundation, Hudson Ressources Inc., Ironbark Zinc Ltd., AEX Gold, Transparency International Greenland, Montescola, Orano Mining, Northground s.r.o., Ressource 500 Group, the Greenland Business Association (GE) and Sulinermik Inuussutissarsiuqartut Kattuffiat (SIK).

The main points of the consultation responses received are set out below. The comments of the Ministry of Mineral Resources on the consultation responses are in italics.

A number of organisations etc. support the introduction of a ban on prospecting, exploration and exploitation of uranium. These are: Inuit Circumpolar Council (ICC), Urani Naamik Peqatigiiffik Narsaq, NOAH, Sustainable Energy and Tanquem JA les Nuclears, Australian Conservation Foundation, Montescola and the Municipality of Sermersooq. At the same time, a number of organisations etc. oppose the Bill or have made a number of critical comments or questions, while some organisations etc. have only made more technical comments.

GEFIB s.r.o. asks whether the real aim of the Bill is to end all geological exploration activities.

The Government of Greenland supports mining activities and has a vision that the mineral resource area will in future represent a larger part of Greenland's economy for the benefit of the entire population. The Bill is solely intended to implement the Government of Greenland's decision in principle that no uranium is to be extracted in Greenland and no uranium extracted in Greenland is to be sold.

The Greenland Business Association, Nuna Law Firm, Ressource 500 Group and Halmares Ressources as well as Ironbark Zinc Ltd., Greenland Minerals Ltd. and CGRG s.r.o. note that the Bill creates uncertainty and reduces willingness to invest in the mining industry.

The Government of Greenland understands that the proposed ban renders certain investments in the mining industry impossible as licences for mining projects targeting uranium or with a uranium content above 100 ppm can now not be obtained. At the same time, the Government of Greenland supports mining activities and has a vision that the mineral resource area will in future represent a larger part of Greenland's economy for the benefit of the entire population. The Government of Greenland therefore continues to welcome investments in the mining industry as long as they are in accordance with the Mineral Resources Act and this Bill. The Government of Greenland still has a vision that the mineral resource area will in future represent a larger part of the economy for the benefit of all citizens. The Government of Greenland understands that the Bill may prevent certain mining projects in the short term, but is also convinced that a responsible policy within the area of radioactive elements will benefit society in the long term.

The Greenland Business Association notes that uranium is no more harmful to the environment than other elements, and that lead and fluorine, for example, are more difficult to manage in environmental terms. In this context, the Greenland Business Association suggests that the Bill should not set requirements for specific elements, but rather focus more on health and safety, the environment and resource utilisation as well as social sustainability. The Greenland Business Association has recommended the establishment of a think tank or committee in this connection.

The Government of Greenland has a political wish to stop uranium extraction in Greenland. The Ministry of Mineral Resources therefore considers it most appropriate to lay down clear rules in this respect. It is not the aim of this Bill to lay down rules on health and safety, the environment, resource utilisation, etc., as these considerations are covered by the Mineral Resources Act, which remains in force and applies to the activities covered by this Bill. Prior to the granting of licences, the mineral resource authorities will continue to consult with

external consultants to ensure that the mineral resource activities can be carried out in accordance with these considerations. This also applies to the handling of, for example, lead and fluorine.

Greenland Minerals Ltd. and CGRG s.r.o. propose to set a higher threshold than 100 ppm.

Setting the threshold at 100 ppm is a political choice. It involves the balancing of various conflicting considerations, including the interests of industry against environmental and safety interests and, public wishes, etc. By setting the threshold at 100 ppm, the Government of Greenland is of the opinion that mining operations targeting mineral resources other than uranium will to a large extent be possible.

Orano Mining and Greenland Minerals Ltd. note that imposing a maximum threshold of 100 ppm would be too restrictive in connection with, for example, prospecting and exploring for gold or copper deposits, which may be locally associated with uranium grades significantly above the threshold.

The Government of Greenland does not want mining projects where the average uranium content of the total resource exceeds the 100 ppm threshold and therefore exceeds natural background values. It will still be possible to prospect and explore for as well as exploit gold and copper, for example, as long as the uranium content of the resource is below 100 ppm. This applies even if there are isolated uranium deposits above 100 ppm in, for example, soil samples and drill cores.

Northground s.r.o., GEFIB s.r.o. and CGRG s.r.o. find it problematic to introduce a uniform uranium standard for the whole of Greenland, as Greenland is large and has many different geological structures. In this connection, as an alternative to a threshold above 100 ppm, CGRG s.r.o. suggests the introduction of a uranium threshold based on the rock type.

It is a political decision to set the threshold at 100 ppm, which at the same time provides clear and transparent conditions for the industry. In setting the threshold at 100 ppm, account has also been taken of the fact that the natural occurrence of uranium may vary according to geography, rock types, etc.

NOAH, Sustainable Energy and Grup de Científics i Tècnics per un Futur No Nuclear / Group of Scientists and Engineers for a Non-Nuclear Future note that the proposed uranium threshold of 100 ppm is too high and have proposed a 50 ppm uranium and thorium limit.

The Bill is a balancing of different interests and considerations. The Government of Greenland is of the opinion that the 100 ppm uranium threshold is a sufficiently low and defensible threshold to ensure the main objectives of the Bill. At the same time, the threshold allows mining to continue to a large extent in Greenland. It is noted that the Government of Greenland will initiate a study for a possible thorium threshold.

NOAH, Sustainable Energy and Grup de Científics i Tècnics per un Futur No Nuclear / Group of Scientists and Engineers for a Non-Nuclear Future propose, with reference to Finnish rules, to impose an annual limit of 10 tons as the total amount of uranium accumulated.

The Ministry of Mineral Resources is of the opinion that setting the threshold at 100 ppm is sufficient to ensure the objectives of the Bill. However, it should be noted that the handling of

uranium forms part of the overall assessment of whether a project should be granted a licence under the Mineral Resources Act (and, if so, the form of the licence), regardless of the average content of uranium in the resource.

Montescola notes, among other things, that the proposed uranium threshold of 100 ppm is only partly rooted in health and environmental concerns, and that the Ministry of Mineral Resources should reserve the right to administratively lower the threshold if the health and environmental impacts of the threshold of 100 ppm substantiates the need to do so.

Health and environmental considerations in relation to mineral resource activities continue to be regulated in the Mineral Resources Act. It is for the mineral resource authorities, in consultation with the authorities' technical advisers, to decide whether a project can be licensed, including for health and environmental reasons, and, if so, on what terms. The uranium threshold of 100 ppm does not change this. A project may thus also be rejected under the Mineral Resources Act, even if the uranium content is below 100 ppm, if health and environmental considerations so require.

CGRG s.r.o. suggests that an international team of independent specialists, selected on the basis of a tender, comment on the set threshold in the bill.

Setting the threshold at 100 ppm is a political choice. The background to the threshold is explained in more detail in the explanatory notes to the Bill.

Ressource 500 Group suggests that instead of a threshold for mineral resource activities a threshold be set for the content of radioactive minerals in tailings dams.

The content of radioactive elements, including uranium, in tailings dams is already part of the assessment of a project by the environmental authorities and their technical advisors in the context of the application process under the Mineral Resources Act. Depositing, as stated in the explanatory notes to the Bill, is already regulated by the Mineral Resources Act and will continue to be so.

Orano Mining proposes that uranium prospecting and exploration be allowed, and that special terms be included in uranium prospecting and exploration licences providing that this does not give the right to exploit uranium.

The Government of Greenland does not want uranium to be exploited in Greenland, and the purpose of this Bill is to introduce rules to this effect. It does not seem expediently for neither the authorities nor the industry to do as proposed by Orano Mining as the aim of prospecting and exploration must invariably be to result in exploitation. As uranium exploitation will not be permitted, allowing uranium prospecting and exploration without the possibility of subsequent exploitation could, in the Government of Greenland's opinion, contribute to a waste of assets.

Greenland Minerals Ltd. points out that the Bill should distinguish between uranium mining projects and other projects in which uranium only occurs in low concentrations.

In the Government of Greenland's opinion the Bill does just that. For the Government of Greenland, the objective is that no uranium is to be extracted in Greenland and no uranium extracted in Greenland is to be sold, and to avoid mining operations where the average

uranium content in the resource is above 100 ppm. Thus, section 1(1) of the Bill bans any project targeting uranium, while section 1(2) of the Bill allows other projects where uranium is present in "smaller" concentrations (below 100 ppm on average).

GEUS recommends clarifying that the term uranium refers to the element uranium, as opposed to uranium oxides, which geochemical analyses commonly indicate.

In the opinion of the Ministry of Mineral Resources, it is sufficiently clear that "uranium" means the element uranium. This also follows from the context of the Bill, in particular as section 2 allows the Bill to be extended to cover "other radioactive elements" than uranium.

Resource 500 Group suggests that all radioactive metals covered by the Bill be named.

It is currently only uranium which is covered by the proposed ban.

In relation to section 1(2), GEUS expresses the view that the term 'average' is not well defined. In the exploration phase, knowledge of the uranium content will typically be based on individual samples, drill cores, etc. According to GEUS, average values of individual samples are only meaningful if the samples are taken in a relevant context, and there may be situations where the uranium content of an individual sample or collections of individual samples exceeds the threshold, but where the overall resource meets the conditions. In this connection, GEUS also proposes to formulate an exemption from the 100 ppm uranium threshold for all rock samples and drill cores taken, provided that the licensee can demonstrate that the activities are carried out in connection with the exploration for non-radioactive mineral resources.

It is now explicitly clear from section 1(2) of the Bill that the average uranium content must be calculated on the basis of the total resource, and it is also stated in the explanatory notes to the provision that the presence of uranium in excess of the threshold in individual drill cores, etc. does not prevent a project from being carried out. For the same reason, it is not considered necessary to introduce a specific derogation from the threshold for rock samples and drill cores.

According to GEUS, the term 'ore' in section 1(2) cannot be used in the context of prospecting and the early exploration, as the calculation of ore grade is dynamic.

The provision and the explanatory notes now state that it is the average uranium content of the "resource" and not the "ore being extracted" that must be below the threshold.

GEUS proposes to set a time by which the uranium grade of the resource should be measured. Alternatively, GEUS has proposed that it be clarified that a change in the grade above the threshold will cause a licence to be revoked.

It is assumed in the explanatory notes to the provision that the description of the resource and its uranium content will be based on the same standards as those that apply to the discovery of deposits under the Mineral Resources Act. At the same time, the explanatory notes emphasise that the licensee must apply good and internationally acknowledged reporting standards in this respect. In addition, the explanatory notes emphasise that the authorities will supervise and, where necessary, make a decision regarding the resource calculations of licensees, including through the involvement of the authorities' technical advisors. It is

therefore not considered necessary or expedient to further clarify the calculation of the resource.

The Ministry of Mineral Resources is aware and recognises that in the early stages of a project it may be difficult to ascertain compliance with the 100 ppm threshold. Under section 1(2) of the Bill, the average uranium content of the total resource must be below 100 ppm for a project to be carried out. As will be seen from the explanatory notes to the provision, it is typically only when a feasibility study or other report is prepared that the average uranium content of the resource is established. As it further follows from the explanatory notes, it is usually against this background, and therefore also at this stage, that it is assessed whether the threshold can be complied with. If it is clear or should be clear to the licensee at an earlier stage that the threshold is not or cannot be complied with, it would nevertheless be contrary to the provision to continue prospecting, exploration and exploitation. This prevents licensees from circumventing the ban on the grounds that a final report on the uranium content of the resource has not yet been prepared.

GEUS proposes not to impose a disposal obligation for uranium in connection with rock samples and drill cores that may be of research value.

The Bill does not establish a disposal obligation. This has been clarified by changing the word "disposed of" to "handled" in the explanatory notes to section 1(2). According to the new wording of the explanatory notes, uranium must be handled in accordance with the relevant provisions of the Mineral Resources Act in force at any time, including on the handling of waste and appropriate exploitation of mineral resources.

Nuna Law Firm proposes that the possibility of contacting the authorities for clarification of whether specific mineral resource activities can legally continue, as mentioned in the explanatory notes, should be clarified and included in the actual wording of the Act.

In the opinion of the Ministry of Mineral Resources, such a provision would not create rights or obligations that do not already follow from the rules of administrative law. It is also specified in the explanatory notes that the Ministry will generally only be able to give a final opinion on the legality of a project's mineral resource activities once a detailed examination of the resource is available. Furthermore, it has been added to the explanatory notes that tests for uranium will be required as part of the regular reporting which licensees already send to the Ministry of Mineral Resources, and that the Ministry will therefore enter into an ongoing dialogue with licensees if the uranium content gives cause to do so.

Nuna Law Firm states that the Government of Greenland should not be authorised to issue rules banning other radioactive elements and relevant thresholds in this respect. According to Nuna Law Firm, it should only be possible to introduce such rules by way of an amendment to the Act.

When the Bill is submitted to the Parliament, the legislators will consider the main purpose of the Bill. If studies and subsequent knowledge show that it is necessary, for example for environmental or safety reasons, to issue bans on other radioactive elements, the Ministry of Mineral Resources considers it most appropriate that such rules can be issued as quickly and flexibly as possible. This is why it is proposed that the Government of Greenland may issue provisions to the effect that the ban in section 1(1) of the Bill also applies to other radioactive elements.

CGRG s.r.o. expresses concern about the Government of Greenland using the enabling provision to add more elements, including rare earth elements.

The enabling provision only applies to radioactive elements. In this context, a study will be launched to clarify whether thorium should also be regulated.

The Municipality of Kujalleq and Montescola propose that the ban in section 1 of the Bill also be extended to thorium.

At this stage, the Government of Greenland will only propose a ban on uranium. However, as mentioned above, a study will be launched at the same time to clarify whether thorium should also be regulated and, if so, what the permitted threshold should be.

Transparency International Greenland suggests that the explanatory notes to the Bill should state that the Government of Greenland will ensure involvement, transparency and predictability for all stakeholders, including citizens, before any thresholds are introduced for other radioactive elements.

Any draft executive orders containing rules on other radioactive elements will be submitted for consultation, and the Government of Greenland will work to involve both industry and the public in the drafting of such rules.

Northground s.r.o, CGRG s.r.o and Ironbark Zinc Ltd. note that the right of the authorities under section 3 of the Bill to restrict or revoke licences contributes to uncertainty about the feasibility of mining projects.

Under the general rules of administrative law, a licence may also be restricted or revoked in certain cases. A simple and straightforward prohibitory regime is introduced in section 1 and it is only in cases where licensees cannot comply with this prohibition that a licence can be restricted or revoked under section 3 of the Bill. Section 3 of the Bill thus simply ensures that the authorities can effectively enforce the prohibitory regime set out in section 1 of the Bill and contributes to clarity for licensees as to whether continued activities would be contrary to the ban.

Nuna Law Firm points out that, according to the explanatory notes to section 1 of the Bill, licensees have a duty to inform the Government of Greenland in the event that it is "clear or should be clear" to the licensee that exploitation cannot take place in accordance with section 1 of the Bill. In this regard, Nuna Law Firm has argued that this imposes a subjective assessment on the licensee, which also leads to uncertainty as to when the Government of Greenland can revoke a licence under section 3 or when measures can be imposed on the licensee under section 4. Nuna Law Firm argues that taking into consideration due process of law, it is worrying that criminal sanctions are based on subjective assessments.

In the opinion of the Ministry of Mineral Resources, the matters raised give rise neither to doubts nor to concerns as to due process of law. The above-mentioned comments on the duty to provide information refer to the existing duty of licensees under the Mineral Resources Act to provide information. Licensees must thus inform the Government of Greenland in good faith of material facts. This obligation does not follow from this Bill. The obligation to provide information to the Government of Greenland, however, already follows from section

86(3) of the Mineral Resources Act. Violation of this duty to provide information is sanctioned under section 96(2)(i) of the Mineral Resources Act, according to which a fine may be imposed on anyone who intentionally or with gross negligence provides false or misleading information or withholds information to which an authority is entitled under the Mineral Resources Act. This Bill only provides for the possibility of imposing fines for activities carried out in breach of section 1 of the Bill. This applies if the illegal activity is carried out intentionally or negligently.

The Greenland Business Association argues that the Bill is in the nature of a compulsory acquisition act as companies with rights under section 29(2) of the Mineral Resources Act are deprived of these rights. Northground s.r.o., CGRG s.r.o. and GEFIB s.r.o. as well as Nuna Law Firm and Halma Resources argue that the Bill does not provide for compensation. In this context, Nuna Law Firm has suggested that a compensation scheme covering exploration costs and annual licence fees be considered.

The Bill is not a compulsory acquisition act and therefore does not provide for the compulsory acquisition of protected property rights. The Bill therefore does not include any provisions on compensation for expropriation. The Government of Greenland also sees no reason to introduce a compensation scheme on any other basis.

CGRG s.r.o. states that the Bill is likely to result in internationally based disputes and arbitrations.

The Bill will only affect licences under the Greenlandic Mineral Resources Act. The granting of licences under the Mineral Resources Act is a matter of Greenland's sovereignty and, under international law, cannot be tested before the courts of other countries and is not subject to arbitration. This also follows from section 3(4) of the Mineral Resources Act, according to which decisions on matters covered by the Mineral Resources Act can only be brought before the courts having jurisdiction in Greenland. It also follows from the provision that a decision brought before the ordinary courts must be brought before the Court of Greenland as the court of first instance.

Nuna Law Firm notes that the Bill may have retrospective effect on existing licences as an exploitation licence cannot be granted in extension of an exploration licence if the exploitation would be contrary to section 1. Nuna Law Firm has suggested that further consideration be given to the effect of the Act on existing licences. CGRG s.r.o. states that the Act will have retroactive effect. The Greenland Business Association states that the public consultation on Kuannersuit becomes illusory with this Bill.

The Bill neither has nor will have any retroactive effect. The Bill will only apply to licences granted after its effective date. This means that licences already granted, standard terms, etc. will not be affected by the Bill. An exploration licence comprising uranium will thus survive the adoption of this Bill. Conversely, no new licences comprising uranium can be granted after the effective date of the Bill. This also applies to the grant of exploitation licences in continuation of an existing exploration licence. The Government of Greenland is aware that this implies that after the effective date of the Bill, no uranium exploitation licence can be granted to licensees who, prior to the effective date of the Bill, held an exploration licence comprising uranium. This applies regardless that the licensees would ordinarily have a conditional right under section 29(2) of the current Mineral Resources Act to obtain an exploitation licence for uranium deposits discovered. This also applies where the exploitation

is for purposes other than uranium but where the uranium content exceeds the permitted threshold.

It should also be noted that the outcome of the consultation on Kuannersuit could, of course, be taken into account in connection with the reading of the Bill.

The Chief Constable of Greenland proposes that section 2(1) of the Bill be worded as follows: The Government of Greenland may issue provisions to the effect that the ban in section 1(1) also applies to other radioactive elements. The Chief Constable also points out that section 4(2) differs significantly from the normal way of drafting corporate liability provisions.

The provisions in question have subsequently been adjusted so that their content corresponds in essence to that proposed by the Chief Constable of Greenland.

Transparency International Greenland suggests that the complaints procedure be included in the Bill.

The Mineral Resources Act applies additionally to all licences and activities falling within the scope of this Bill, and therefore the right to complain and the right to a judicial review follow from Part 1 of the Mineral Resources Act.

Orano Mining suggests that the uranium ban be limited in time (e.g. 4 years), with the possibility of reviewing the situation at the end of that period, either to extend it or to terminate it.

The Government of Greenland sees no reason to set an expiry date for the Bill as the Government of Greenland does not want uranium extraction in Greenland. If, contrary to expectations, the Government of Greenland should change its position, the Government of Greenland may submit a new bill to the Parliament to lift the ban.

AEX Gold notes that the Bill does not factor in exploration obligations. AEX Gold finds this problematic as licensees under an exploration licence, which under the Bill cannot be translated into an exploitation licence due to the uranium content, have no incentive to invest in exploration activities. In this connection, AEX Gold has proposed that the exploration obligations be set to nil for the exploration licences in question and that any investments in exploration activities should be shown as a credit on the exploration account. Alternatively, AEX Gold has proposed that the exploration obligation remain the same but that if the obligation was not met this would not lead to the revocation of the exploration licence. AEX Gold also proposes that any credit on the exploration account should be valid indefinitely rather than for 3 years.

The Government of Greenland does not see any reason to propose that specific rules on derogation from exploration obligations are laid down as part of the Bill.

Greenland Gold s.r.o. requests to be provided with all documents etc. related to the Bill from the authorities and at the same time requests to be given more time to familiarise themselves with the Bill and to comment on it.

A draft bill has been put out to public consultation with a four week consultation period. This is considered a sufficient consultation period. Moreover, the company's request for access to

documents will be considered by the Ministry of Mineral Resources as a public access request.

UNOFFICIAL TRANSLATION