

SUMMARY OF SMALL SCALE MINING LICENCE REGULATION IN GREENLAND:

INTRODUCTION

The current legislation on small scale mining for mineral resources in Greenland was launched in March 2009 by the Government of Greenland. The Bureau of Minerals and Petroleum in Greenland (BMP) is the authority to award and inspect these small scale licences. The licences are separated into exploration and exploitation licences. The BMP has the authority to conduct any inspection visits.

1 LICENSEE OR LICENSEES

The licences are awarded to persons living and are fully taxable in Greenland for the last 5 years. The licensee must be of age, not under guardianship and be in full control of his/her estate (i.e. not in bankrupt or in suspension of payments). The licensee must not have more than 5 small scale mining permits. Only the licensee or a member of the licensee's household is allowed to perform activities in the awarded licence area unless special permission from the BMP is awarded. A licence can be awarded to a joint group (not more than 5 persons) of which all members are liable to follow the permit. The BMP may demand that the joint group is part in a cooperative agreement approved by the BMP.

2 EXPLORATION PERMIT

The objective of the exploration permit is to prove and define the deposit.

An application form can be found at the Government of Greenland's internet portal www.nanoq.gl.

The application for the rectangle-formed licence area must not be more than 1 km² and not more than 2 km length on one side. The permit is awarded for 2 calendar years. It is possible to apply for a new licence when it expires.

The application fee for a small scale exploration licence is currently DKK 1000.

The activities permitted in a small scale licence are:

- Geologically investigative activities
- Exploration activities using handheld tools
- Drilling and mining using handheld tools
- Short term storage of minerals or fuel or other materials for exploration purposes
- Transport of persons or goods to and from the licence area using smaller, light weight vehicles or vessels

It is the licensee's obligation to make sure all activities are done according to sound safety, health, and environmental friendly manner.

Activities using mobile exploration tools and equipment, long term storage, change of terrain (road access, storage area, accommodation etc.) must be exceptionally permitted by the BMP.

Any use of explosives, use of chemical methods for exploration or separation of minerals, and use of radioactive material is prohibited.

The licensee is obligated to hand in a yearly report by January 15 the following year and a full completion report at the end of the licence period.

All information received by the BMP is confidential for 5 years after receipt or as long as exploration or exploitation is withheld.

The licensee is obliged to hand in any mineral samples, minerals etc. to the BMP if requested.

Other persons besides the licensee may be in the licence area, but may not participate in the exploration activities.

3 EXPLOITATION PERMIT

In order to apply for an exploitation licence the mineral deposit in the licence area must have been verified and defined.

The permit gives the right to mine and sell minerals appointed in the application.

The application for the rectangle-formed licence area must not be more than 1 km² and not more than 2 km length on one side. The permit is awarded for 30 years. It is possible to apply for a new licence when it expires.

The application fee for a small scale exploration licence is currently DKK 5000.

The activities permitted in a small scale licence are:

- Geologically investigative activities

- Mining activities using handheld tools
- Drilling or mining using handheld tools
- Short term storage of minerals or fuel or other materials for exploitation purposes
- Transport of persons or goods to and from the licence area using smaller, light weight vehicles or vessels

It is the licensee's obligation to make sure all activities are done according to sound safety, health, and environmental friendly manner.

Activities using mobile exploitation tools and equipment, long term storage, placing of accommodation facilities, change of terrain (road access, storage area, accommodation etc.), and use of explosives must be exceptionally permitted by the BMP.

Any use of chemical methods for exploitation or separation of minerals, and any use of radioactive material is prohibited.

The licensee is obligated to hand in a yearly report by January 15 the following year and a full completion report at the end of the licence period.

All information received by the BMP is confidential for 5 years after receipt or as long as exploration or exploitation is withheld.

By export of minerals the licensee must send in a copy of the Government Tax Agency's export declaration and a copy of invoices and export permit to the BMP.

The licensee is obliged to hand in any mineral samples, minerals etc. to the BMP if requested.

Other persons besides the licensee may be in the licence area, but may not participate in the exploitation activities.

4 FIELD RULES

All field work must be done according to the field work guidelines made by the BMP. Generally all field work must be done according to these following guidelines (www.nanoq.gl):

- Activities must be done according to sound safety manners
- Animal life may not be unnecessarily disturbed
- Surface and vegetation may not be unnecessarily disturbed.
- The risk for pollution and other harmful impact on the environment must be kept at a minimum
- The activities must not cause any danger for other persons or other persons property
- Hunting and fishing or other work must not be disturbed or obstructed unnecessarily
- Ancient monuments or relics, survey points and measuring stations may not be damaged

5 CURRENT LAWS AND CONDITIONS TO BE FOLLOWED

- Greenland Parliament Act no. 7 of December 7, 2009, on mineral resources and mineral resource activities (the Mineral Resources Act)
- Rules for field work and reporting regarding mineral resources (excluding hydrocarbons) in Greenland. November 2009
- Standard terms for permits for mall scale exploration for mineral resources
- Standard terms for permits for small scale exploitation for mineral resources

6 REFERENCES

Råstofdirektoratet. Minedrift i lille skala – kom godt i gang. Nuuk, 2009.

Råstofdirektoratet. Standardvilkår for tilladelser til småskala efterforskning efter mineraler 2009. Nuuk, 2009.