

Standard Terms for Prospecting Licences for Minerals (Excluding Hydrocarbons) in Greenland

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§ 1. Mineral Resources Covered by the Licence

101. The licence covers prospecting for all mineral resources except hydrocarbons and radioactive elements, unless otherwise indicated in the licence. Hydropower resources are not covered (cf. chapter 6 of the Mineral Resources Act).

§ 2. Licence Area

201. The licence area is indicated in the licence.

202. The licence covers only land areas, unless otherwise indicated in the licence. The boundary between the land area and the adjoining offshore area is determined at the mean sea level.

203. The licence is not valid to the extent that exclusive licences under article 7 of the Mineral Resources Act have been granted within the licence area regarding the mineral resources indicated in [§ 1](#). Furthermore the licence lapses to the extent that exclusive licences are granted later as regards the area in question and the mineral resources in question.

§ 3. Licence Period

301. The licence is effective for the period indicated in the licence.

302. The licensee may surrender the licence with notice in writing to BMP.

§ 4. Licence Fees

401. The licensee shall pay a fee of DKK 15,000 to BMP at the granting of the licence, cf. article 6 subsection 4 of the Mineral Resources Act.

402. The licensee shall pay a fee of DKK 7,500 to BMP on approval of transfer of the licence, cf. article 6 subsection 4 of the Mineral Resources Act. Approvals under section 1504 do not require payment of such fee.

403. The fees indicated in [sections 401-402](#) will be adjusted each year on the basis of the change of the Danish Consumer Price Index from January 1992 to January in the actual year.

404. The fees under [sections 401-402](#) shall be paid upon 30 days notice.

§ 5. Activities of Other Parties in the Licence Area

501. The licensee shall respect all existing rights, and the licence does not entail restrictions of lawful activities carried out by other parties in the licence area, including the activities indicated in sections 502-504 and activities in pursuance of rights under the Mineral Resources Act.

502. The licence does not restrict the rights of residents Greenland under article 32 of the Mineral Resources Act.

503. In accordance with article 4 subsection 2 in Promulgation Order no. 39 of February 22, 1967 concerning travels to and in Greenland as amended by Promulgation Order no. 266 of May 21, 1976, the Ministry of Foreign Affairs may permit others to sample geological material within the licence area.

504. Within the licence area investigations as indicated in article 2 subsection 2 and in article 21 of the Mineral Resources Act may be undertaken.

§ 6. Exploration Obligations

601. The licensee is not obligated to spend exploration expenses regarding the licence area.

602. Expenses spent under a prospecting licence may within 3 years from the calendar year in which the expenses have been spent qualify as fulfilment of the exploration obligations for one or more exploration licences under the following conditions:

- a. The expenses are reported and documented under the same stipulations as for exploration licences, cf. [sections 605-612](#) of the Standard Terms for exploration licences.
- b. The expenses have been approved by BMP.
- c. The exploration licence covers areas which are wholly or partly lying within the prospecting licence area.
- d. The exploration licence shall have been granted, wholly or partly, to the same company which alone or together with other parties is the licensee in the prospecting licence or to a company which is an affiliate of said company. Such affiliated company shall mean
 - a company all of whose stock is directly or indirectly owned by said company (subsidiaries); or
 - a company all of whose stock is directly or indirectly owned by a company which owns directly or indirectly all of the stock of said company; or
 - a company which directly or indirectly owns all of the stock of said company (parent companies).
- e. If the licensee in the prospecting licence consists of several parties the expenses may, as regards use under [section 602](#), be distributed among the parties according to their own decision, provided BMP is informed about such distribution. At a transfer of the prospecting licence or a part of the licence to a new party such new party cannot use expenses spent prior to the application for the transfer.
- f. Expenses may only be used once as qualifying expenses for exploration licences.
- g. The expenses shall have been spent in 1992 or afterwards.

§ 7. Approvals, etc Regarding Activities

701. The following activities may be carried out by the licensee without specific approval by BMP:

- a. geological and geochemical investigations as well as sampling using handheld equipment for laboratory investigations, provided samples from each location do not exceed 500 kg and provided the total weight of the samples does not exceed 3 tons per year;
- b. drilling with handheld equipment;
- c. geophysical investigations carried out without the use of explosive materials.

702. Activities other than those indicated in [section 701](#) may be carried out, provided they have been approved by BMP. Such activities include i.a.

- a. use of explosive materials;
- b. drilling excluding drilling as indicated in [section 701.b.](#);
- c. sampling exceeding what is indicated in [section 701.a.](#);
- d. use of equipment containing radioactive sources;
- e. use of vehicles, bulldozers, etc.;

- f. levelling of the terrain and construction of installations, buildings, etc;
- g. construction of shafts, drifts, ramps, etc.

On giving approval BMP may determine that specific equipment and material may not be used or that activities may not be carried out in specific areas and periods.

703. Samples under [sections 701.a](#) and [702.c](#) may not be sold or otherwise transferred to a third party, unless this is approved by BMP.

704. Hunting and fishing is not allowed in connection with the activities.

705. In accordance with article 24 of the Mineral Resources Act rules may be laid down governing the carrying out of activities comprised by exploration licences within and outside of the licence area, including rules regarding technical, safety, environmental and resource aspects.

706. The licensee shall take all necessary measures to ensure that the activities do not endanger persons or third-party property. Likewise, the licensee shall take measures to minimize the risk of pollution and the risk of harmful effects on the environment within as well as outside of the licence area.

707. If the licensee's activities endanger persons or third-party property or are liable to cause pollution or have a harmful effect on the environment exceeding what is acceptable in the opinion of BMP, BMP may order the licensee to take remedial action and to remedy any damages within a time-limit determined by BMP. If BMP deems it necessary, BMP may further order the licensee to suspend the activities, wholly or partly, until the licensee has taken such remedial measures.

708. The licensee shall currently undertake clean up operations and remedy damages to terrain and vegetation where necessitated by the activities of the licensee.

§ 8. Inspection

801. BMP may undertake inspection of the licensee's activities under this licence and may appoint other parties to carry out the inspection. The inspection personnel shall be entitled in all respects to follow all activities of the licensee and to demand from the licensee all information relating to the licensee's activities under a licence. The inspection personnel shall have access at any time to all parts of the activities without a court decree to the extent required to enable them to carry out the inspection.

802. The inspection personnel may take out samples of geological material, which has been obtained as part of the licensee's activities.

803. The inspection personnel may protest against any infringement of legislation or other provisions applicable to the licensee's activities and may issue such orders as they deem necessary, cf. [section 707](#).

804. The licensee shall pay reasonable expenses connected with the transportation of inspection personnel between the place to be inspected and the nearest airport or heliport in Greenland with scheduled flights and shall, according to agreement, arrange such transportation. The same applies to accommodation for the inspection personnel at the site

and transportation in the licence area, if necessary.

§ 9. Obligations at the Termination of the Activities

901. The licensee shall within 12 months from the termination of the activities under the licence or a new licence granted in continuation of this licence

- a. remove all installations, buildings, stored items, etc. in the area which have been established for the activities under the licence, except when the non-removal of these installations, etc., has been approved by BMP; and
- b. carry out final clean up activities in the affected areas and remedy any remaining damage to the terrain and vegetation caused by the activities.

If the licensee does not comply with orders regarding carrying into effect measures as indicated above before the expiry of a time-limit stipulated by BMP such measures may be carried out at the licensee's expense and risk, cf. article 18 subsection 3 of the Mineral Resources Act.

§ 10. Reporting

1001. Not later than 1 month after termination of field work the licensee shall forward a field report to BMP regarding the work including notice of any essential finds of mineral resources.

1002. The licensee shall forward reporting to BMP regarding all geological, geochemical, geophysical, technical, environmental and other investigations which have been carried out regarding the licence area during a calendar year. The reporting shall be submitted not later than April 1 in the following year. The reporting shall i.a. include the following:

- a. Description of the exploration performed including geological maps and profiles, maps of sample locations, drilling logs and geophysical maps and profiles.
- b. Reporting regarding any kind of analysis and data processing made on the samples collected including all raw data as well as the results of any beneficiation tests.

At BMP's request the licensee shall submit geological samples to BMP.

1003. BMP may lay down rules concerning the reporting of activities carried out under prospecting licences including specifications of the types of data and information which shall be included in the reporting under [sections 1001-1002](#). BMP may demand further information from the licensee concerning the activities under a licence.

1004. All expenses regarding preparation and submission of reports and samples under a licence shall be paid by the licensee.

§ 11. Confidentiality

1101. Reporting submitted in accordance with [sections 1001-1003](#) shall be treated as confidential by BMP for a period of 5 years from the date when the reporting was submitted to BMP. However, the period of confidentiality will terminate at the expiry of the prospecting licence or a new licence granted in continuation of this licence.

1102. Confidential material may be released with the licensee's written consent. The licensee shall not without good reason withhold such consent.

1103. BMP is entitled to make general statements concerning the licence area and the activities under the licence. Furthermore, BMP may, without restrictions or conditions, make use (including publication) of material that in the opinion of BMP has a general public interest, including data and considerations of an environmental and meteorological nature, topographical maps and aerial photographs.

§ 12. Information to Local Authorities

1201. The licensee shall inform the Municipality about his presence in the area prior to start-up of field work in the area.

§ 13. Personnel, Supplies, etc

1301. The licensee shall in carrying out activities under a licence use his reasonable endeavours to employ manpower from Greenland or Denmark when employees are hired. However, to the extent necessary for the activities the licensee may employ staff from other countries, if manpower with similar qualifications does not exist or is not available in Greenland or Denmark.

1302. The licensee shall in carrying out activities under a licence use his reasonable endeavours to assign contracts, sub-contracts, purchases of supplies and services to Greenland enterprises. However, the licensee may assign such contracts, purchases of supplies and services to other enterprises provided Greenland enterprises are not technically or commercially competitive. Greenland enterprises are defined as enterprises which are domiciled in Greenland and which by virtue of the commercial activities they perform have a true connection to the Greenland community.

§ 14. Transfer of the Licence

1401. The licence or parts hereof can neither directly nor indirectly be transferred to other parties unless the transfer is approved in accordance with article 27 of the Mineral Resources Act.

1402. The licence can not be attached by creditors.

§ 15. Revocation of the Licence

1501. The licence may be revoked in the following situations, cf. article 28 of the Mineral Resources Act:

- a. If the licensee breaches the terms of the licence or the provisions laid down pursuant to the Mineral Resources Act or pursuant to the licence, or if the licensee fails to meet specified time-limits.
- b. If the licensee acts fraudulently while submitting information to BMP.
- c. If one (or more) of the parties participating in the licence goes into liquidation or is declared bankrupt.

1502. Revocation pursuant to [section 1501.a](#) is not to take place if the licensee has remedied the default within a time-limit stipulated by BMP. If the default has not been remedied within the time-limit, the licence will be revoked.

1503. If the default which under [section 1501.a](#) leads to revocation of the licence is caused by events which could not be prevented by the licensee (force majeure), the licence can not be revoked as long as the hindrance caused by the force majeure continues.

1504. In the event indicated in [section 1501.c](#) BMP intends to approve a transfer of the percentage of the party in question to one or more of the other parties participating in the licence. In that case the licence will not be revoked in pursuance of [section 1501.c](#).

§ 16. Liability and Security

1601. The licensee shall be liable for loss and damages caused by activities comprised by the licence according to the enactments and general rules of Danish law regarding liability for loss and damages.

1602. BMP may request that the licensee provides security for the fulfilment of his obligations, cf. [sections 901](#) and [1601](#).

1603. BMP may request the licensee to hold an insurance during field work covering costs in connection with rescue operations or to provide another type of security regarding such costs.

§ 17. Liability

1701. If more than one party participate in the licence these parties are liable for the fulfilment of any obligation under the licence in proportion to their respective participating percentages in the licence.

§ 18. Relationship to Other Legal Requirements

1801. The licence is subject to the laws of Greenland and Denmark in force at any time. The licence does not exempt the licensee from obtaining such approvals and permits as are required pursuant to the Mineral Resources Act and other legislation.

§ 19. Arbitration

1901. Decisions, which according to stipulations of the licence depend on the judgement or resolve of the Minister for Environment and Energy or BMP, are not subject to arbitration. This stipulation does not exclude ordinary review by Danish courts.

1902. In any other case disputes arising between the Government of Greenland and Energy and the licensee regarding questions concerning the licence will be finally decided upon by a board of arbitration, appointed pursuant to [sections 1903-1906](#).

1903. The board of arbitration consists of 3 members and will be seated in Copenhagen. In its decision the board of arbitration will apply Danish law.

1904. Of the 3 members of the board of arbitration, the Government of Greenland and the licensee will each appoint 1 member. The Government of Greenland and the licensee appoints jointly the chairman of the board of arbitration. If a part has not appointed his member within 30 days after the date on which the other part has appointed his member, then this member is appointed by the Chief Justice of the Danish Supreme Court. If the two parties have not reached agreement upon the choice of chairman of the board of arbitration within 60 days after one of the two parties has suggested a chairman, the chairman will be appointed by the Chief Justice of the Danish Supreme Court. The chairman of the board of arbitration must be a Danish citizen.

1905. The board of arbitration makes its decision by a majority of votes. The board of arbitration will lay down its own rules of procedure for the consideration of the case including rules of providing evidence of technical nature, and it will decide which part shall pay the expenses connected with the arbitration.

1906. The right to bring in a case before the board of arbitration pursuant to the licence will endure after its expiry.

§ 20. Obligations at the Termination of the Licence

2001. The licensee's obligations according to the licence which have not been fulfilled at the termination of the licence remain in force regardless of the termination.

2002. At expiry of the licence BMP may within 1 year after the expiry take over, free of charge, all data, drill cores and other samples acquired by the licensee or on his behalf regarding the part of the licence area which is not covered by exploration or exploitation licences granted to the same licensee, wholly or partly. Transportation expenses will be paid by BMP. After this time-limit the licensee may at any time scrap such data, drill cores and other samples.

§ 21. Translations

2101. The licence and the Standard Terms are in Danish and translations of these have no validity.