

Akt oversigt:

Høringssvar til Udkast til forslag til: Inatsisartutlov nr. xx af xx. xxxx 2024 om lokale mineralaktiviteter (23628559)

- Høringssvar til Udkast til forslag til Inatsisartutlov nr. xx af xx. xxxx 2024 om lokale mineralaktiviteter
- Comment from Bluejay Mining on Bill for Local Mineral Activities 171123 signed
- Appendix 1 to comments from Bluejay Mining Plc.

Brevdato 17-11-2023

Afsender Mathias Barfod - Bluejay Mining (mba@bluejaymining.com)

Modtagere Officiel post til For Erhverv, Handel, Råstoffer, Justitsområdet og Ligestilling (Postkasse, Departementet for Råstoffer og Justitsområdet); Departementet for Landbrug, Selvforsyning, Energi og Miljø (pan@nanoq.gl); Bo Simmelsgaard (Sagsbehandler, Departementet for Råstoffer og Justitsområdet); Officiel post til EAMRA (Postkasse, Departementet for Landbrug, Selvforsyning, Energi og Miljø)

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Ansvarlig Bo Simmelsgaard

Vedlagte dokumenter Høringssvar til Udkast til forslag til Inatsisartutlov nr. xx af xx. xxxx 2024 om lokale mineralaktiviteter
Comment from Bluejay Mining on Bill for Local Mineral Activities 171123 signed
Appendix 1 to comments from Bluejay Mining Plc.

Dokumenter uden PDF-version (ikke vedlagt)

Udskrevet 20. nov 2023

Til: Officiel post til For Erhverv, Handel, Råstoffer, Justitsområdet og Ligestilling (asn@nanoq.gl), Departementet for Landbrug, Selvforsyning, Energi og Miljø (pan@nanoq.gl), Bo Simmelsgaard (bosd@nanoq.gl), Officiel post til EAMRA (eamra@nanoq.gl)
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Bilag: Comment from Bluejay Mining on Bill for Local Mineral Activities 171123 signed.pdf; Appendix 1 to comments from Bluejay Mining Plc..pdf;

Til Departementet for Erhverv, Handel, Råstoffer, Justitsområdet og Ligestilling,

Se venligst det vedhæftede høringssvar til Udkast til forslag til: Inatsisartutlov nr. xx af xx. xxxx 2024 om lokale mineralaktiviteter.

Inussiarnersumik inuulluaqqusillunga – Best regards – Venlig hilsen

Mathias Barfod

Compliance and Administration Manager



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17 November 2023

Dear Minister Nathanielsen,

Comment to the bill on local mineral activities

First of all, we would like to express our gratefulness for getting the opportunity to comment on the bill for local mineral activities. We also appreciate that you took the time to explain your position with regard to the bill during the meeting on 3 November 2023.

Bluejay Mining Plc, and its subsidiaries Dundas Titanium A/S and Disko Exploration Ltd., has been operating in Greenland since 2015 and has for most of these years had permanent residence or local residence among its permanent employees. As a company we are therefore very much aware that residents of Greenland need to benefit from our exploration activities on our 4 exploration and development projects.

However, the present bill raises some significant concerns, which can be separated into overall or general concerns and some more specific concerns.

General concerns

The Government of Greenland's legal "modernisation" on the mineral resource area, which has been disclosed since late 2022 seems to be based on a false assumption that exploration activities conducted pursuant to the present Mineral Resources Act/Act on Mineral Activities are not local and does not benefit Greenland to a sufficient degree.

In our view this is a false assumption. Bluejay Mining Plc. has since 2015, where we became active in Greenland, spent more than 400 million DKK on our exploration licenses and a lot of these expenses covers payments to Greenlandic suppliers such as Air Greenland, Polar Oil, Royal Arctic Lince, Dykkerfirma Masik, Tusass A/S, KJ Construction, Bisgaard Holding etc.

In our view then the bill on local mineral activities jeopardizes future possible revenues to these Greenlandic registered companies because Bluejay Mining Plc will in the worst case not be able to raise finance for our exploration activities in Greenland.

Bluejay Mining Plc assesses that the current wording of the act at least will result in a reduction of exploratory activities in Greenland because investors will invest in exploration projects located outside of Greenland in jurisdictions where the law to a higher degree safeguards their assets and thereby also ensures a return on their investments. We therefore have two questions to the Minister:

- a) *Has a complete investigation been made on the consequences of the proposed bill on the possibility for raise investments and financing for activities carried out under regulated exploration and exploitation licenses?*
- b) *Has a cost-benefit analysed been made on the consequences for local Greenlandic suppliers, service, and contracting companies, both local and larger companies, if the proposed bill would cease/decrease investments into Greenland?*

Furthermore, the investigations, studies and data acquisitions that are carried out by the larger exploration, resource development and mining companies are every year raising the knowledge base. The investment in these activities matures the land areas and provides the underlying and prerequisite knowledge needed for developments of mining projects in Greenland and there also economic growth. The knowledge is increased not only when it comes to geology, but also when it comes to environment, nature, socio-economic aspects and infrastructural data, e.g. navigational and other base-line data from remote areas that otherwise not would be surveyed. It is the foundation for future developments and are essential and beneficial for the Greenland society, a future development of a larger and solid Greenland mineral sector and also other industrial sectors in Greenland. The current bill jeopardizes these investments and thereby in our view also risk being detrimental for the government's goal of developing the mineral resource section in Greenland as an industry, which significantly contributes to the Greenlandic society.

Hence, if the Government of Greenland wants to ensure growth, developments, job creation and revenue to the public/society in Greenland, then the Government of Greenland should withdraw the bill in its present form and make a more open and inclusive process on how the interest of residents not employed by Bluejay Mining Plc can be reconciled with our interest as licensees, whose investors have invested a lot of money in identifying mineral resources in Greenland, and we will continue to be dependent on such investors in the future.

The expressed purposes and wish with the current proposed bill can be achieved in a much better, more constructive, more collaborative way that will be aligned with the Mineral Resource Act/Act on Mineral Activities, societal, political and local interest – and aligned with good standards and be seen as positive when trying to attract investments to Greenland. The alternative solution is given later in this letter.

Bluejay Mining and its subsidiaries, Dundas Titanium A/S and Disko Exploration Ltd, fully support those activities carried out by small-scale operators and locals, including local prospecting, exploration, and small-scale exploitation activities, which must be developed in a manner, which will benefit the Greenland society as well as the mineral sector. We see the

promotion of these activities as the purpose of the law, which was also expressed by the Minister for or Business, Trade, Mineral Resources, Justice, and Equality in a meeting with current holders of exploration and exploitation licenses in Greenland and the Greenland Business Association on 3 November 2023.

But this must under no circumstances be achieved or realized with a deterioration of conditions for license holders of exploration and exploitation license. Likewise, it must not be realized on the expense of the ability to attract international funding, a professional development of the Greenlandic mineral sector or on the expense of environment, health & safety, social sustainability, legal certainty and good governance. The proposed bill is unfortunately doing this unwanted!

There are large investments associated with license-based and commercially anchored major exploration and development projects. Greenland needs to protect and support this commercial development. The license holder's exclusivity ensures that investments still can be attracted to Greenland. The current bill in its current form goes directly against this!

Specific concerns

Under the heading "Specific concerns" is listed some of our preliminary and significant concerns with regards to the bill. This is not an exhausted list of concerns.

1. *Infringement on the exclusivity of our exploration licenses.*

One of our main concerns is that section 6(1) of the bill on local mineral activities, which has the following wording (In Danish):

"§ 6. En fastboende kan, med respekt for anden lovgivning, uden tilladelse dertil, foretage indsamling af løstliggende mineraler samt brydning af mineraler med håndholdte hjælpemidler jf. dog §§ 8 og 10"

The wording above specifies that extraction with handheld tools can take place without a licence issued by the authorities. Furthermore, because the exclusive exploration licenses are not mentioned in section 8 of the bill, this means that extraction without permit/licence can also take place on any of our exploration licenses. Page 5 in the exploratory notes to the bill specifies what kind of extraction there can take place on our already granted licenses. The explanatory notes has the following wording (in Danish):

"Efter forslaget kan fastboende fremadrettet anvende håndholdte mekaniske hjælpemidler, når de indsamler og bryder mineraler. Ligeledes kan fastboende efter forslaget udføre denne aktivitet i områder, hvor et selskab er meddelt tilladelse til efterforskning efter Inatsisartutlov om mineralaktiviteter"

In other words, as we understand the bill then mechanical tools such as mechanical (hydraulic and pneumatic) drilling machines e.g. SDS Plus, SDS Max, SDS Top, etc. can be used to explore and extract rocks from any of our exploration licenses without the need to obtain our approval.

It has been expressed that the activities will be more or less unmonitored. This raises the concerns on how authorities will control the local activities and that e.g. only handheld mechanical tools are used for the extraction? What would the consequence be if a violation is happening. Also, which authority will monitor environmental, and labour-conditions associated with these activities.

Furthermore, the bill does not mention any criteria on how many or what kind of activities can be conducted by residents on our exploration licences. The lack of a more precise delineation of extractive activities conducted by residents makes it everyone's guess on how many local mineral activities there can take place in any of our exploration licences. With the present wording of bill there is no limit on how many persons, who can extract minerals from our exploration licences. Neither does the act specify how much residents - not employed by Bluejay Mining Plc - can extract from our exploration licences (e.g. in kg or metric tonnes). Due to the lack of clearly definite limits Bluejay Mining Plc. assesses that there is no limit. If the Minister for Business, Trade, Mineral Resources, Justice, and Equality is of a different opinion and can specify where the bill sets a limit for how much a resident under the bill can extract then we will be pleased to know.

Because we are not able to identify a limit for how a much a resident can extract from our exploration licences with the help of mechanical handheld tools, we are of the perception that there is no limit. This constitutes an infringement on the exclusivity on our exploration licenses. This infringement will make it extremely difficult for Bluejay Mining Plc to attract future investors, which are required for financing our exploratory activities.

Furthermore, If the bill becomes law with its present wording and if the unlicensed mineral activities are conducted on one of our exploration licenses, we will, if the unlicensed mineral activity has devaluated our license(s) (assets), ask for compensation from the Government of Greenland. If the Government of Greenland, in such a scenario, refuses to compensate Bluejay Mining Plc., we will thoroughly investigate whether we can take legal steps against the Government of Greenland in the pursuit of our compensation.

2. Peculiar perception of what is considered local mineral activities.

As mentioned above under our "general concern" then the bill seems to be drafted on a peculiar perception of that activities conducted on exploration licenses issued since 2010, when the Government of Greenland become the responsible authority for mineral resource activities in Greenland, are not local. Bluejay Mining Plc does not agree with this perception. Among our permanent employees we presently have two who are residents of Greenland and two others who each have been residents in Greenland for more than 30 years. Bluejay Mining Plc is currently in the exploration and development phase with its projects in Greenland. The number of local residents will increase significantly under exploitation which is carried out by a Greenland registered company which in accordance with the Act on Mineral Activities will have it majority of its management in Greenland etc.

This again raises the peculiar perception related to use of the term “local(-s)” in the bill. The bill will create two definitions of “locals” in Greenland where some locals apparently are more equal than other locals when it comes to extraction of mineral resources.

In addition, we have each summer employed residences in Greenland for our field programs. The use of the term “local” sends a peculiar signal from the Government of Greenland to our employees who permanently resides in Greenland. Are they not considered locals?

3. No approval for residents to export of minerals is jeopardizing public revenues.

Furthermore, we are also concerned with the wording of section 6(2) of the bill, which states that no export approval is needed for a resident of Greenland, when she/he wants to export minerals from Greenland. Again, this means that there is no limit on how much a resident potentially can export of minerals, which have been extracted on areas covered by our exploration licences. This will without a doubt increase the incentive for residents, who are not employed by Bluejay Mining Plc, to extract valuable minerals from one of our exploration licences. In other words, this increases the likelihood of a materialisation of the infringement described under No. 1. above.

However, this lack of approval for or limits on residents to export minerals from our exploration licences does not only constitute a risk for our assets but is also a possible risk for the public revenues, which can be generated from any export of minerals from Greenland. This is illustrated by a small-scale licensee, who obtained 9,600 USD for one specimen/sample (one stone) of tugtupite from Greenland (See appendix 1).

Bluejay Mining Plc cannot see how the present wording of the bill ensures that the whole Greenlandic society gets its fair share of revenues generated from such sales of minerals, which with all likelihood will increase if the bill becomes law.

4. Lack of openness when issuing licenses for local mineral activities

Bluejay Mining Plc finds it peculiar that there is no need for public consultation before a license for local mineral activities is issued (See section 12 of the bill) and before possible exploitation activities can be conducted by a licensee (See part 4 of the bill).

Bluejay Mining Plc finds it very odd that an application for an exploration license pursuant to the Act on Mineral Activities is subject to a public consultation for at least 21 days while for local exploitative/extractive activities conducted pursuant to a possible future Local Mineral Act does not give the public and stakeholders an opportunity to comment on such activities.

In our view then extractive activities constitute a bigger risk for impacting the environment than exploration, and it will therefore be reasonable if the public gets an opportunity to comment on an application for a local mineral licence before a possible exploitation can commence.

- c) *Has the implications on environmental disturbances and risk associated with increased local activities covered by the bill been evaluated? Has environmental authorities,*

research institutions and NGO's been consulted on this and have international practice and experience with unmonitored extractive local (artisanal) activities been evaluated?

5. Possible breach of IFC standards will lower the investments in Greenland

The IFC standards ('International Finance Corporation Performance Standards') set principles for how companies must navigate environmental and social risks associated with mineral resource developments projects in order to be able to prevent and limit these risks. The standards are used in relation to secure financing agreements for different infrastructure or mining projects. Most international banks, lenders, export credit agencies and financial institutions – both commercial and governmental – follow the IFC standards.

When an exploration or exploitation licence holder lose their exclusivity and control over their license areas, new uncertainties and risks are introduced. This will have a major impact on access to financing, because license holders cannot, or find it more difficult to, comply with the desired IFC standards, which as mentioned above, are required for obtaining finance.

Furthermore, IFC standards define that exploitation projects must not have a negative impact on local exploitation activities. If locals are given a general permission to carry out exploration and/or exploitation activities in undefined land-areas, and without any underlying licenses or other agreement/contract, a possible effect could be that a commercial exploitation project can be judged as having a negative impact on locals' undefined exploitation activities. The consequence of this would be that it would not be possible to finance commercial exploitation projects through international banks, lenders, export credit agencies and financial institutions. It will moreover be very unlikely that major developments partners, e.g. major mining companies, will participate in projects located in jurisdiction where this will be the case.

Not only will it have an impact on the exploitation/mining projects already in the exploration phase, but it will also likely increase the risk/uncertainty in relation to be able to convince investors or partners, e.g. major mining companies, about investments and partnering in the exploration and development phase. Even local activities (without any underlying licenses or other agreement/contract) in neighbouring land-areas to an exploration or exploitation license could give rise to a non-compliance issue with the standard of not affecting local exploitation activities.

During last year's public consultation for the bill for on Mineral Activities our subsidiary Dundas Titanium A/S recommended specifically that before the legislation was adopted that the Ministry had acquired an assessment of whether the present mineral resource legislation in force in Greenland is compliant with standards such as IFC Performance Standards, OECD Common Approaches and the Equator Principles. This was in the material which was submitted to the parliament summarised as illustrated below (see the screenshot below with the Ministry's response to the recommendation in italics).

Dundas Titanium A/S opfordrer, med henvisning til forslaget § 1, stk. 2, til, at man får foretaget en vurdering af om Grønlands nuværende regelsæt lever op til internationale standarder.

Nærværende forslag bygger bl.a. på vurderinger, foretaget af tredjemand, af i hvilket omfang den nuværende lovgivning lever op til internationale standarder.

We find that the response, which also was put in front of the legislative body, is insufficient and not documented in any detailed manner. If the minister had given a more specific and accurate reply on the specific standards, which are mentioned in the above-mentioned comment from us last year the concerns on compliancy on IFC standards could already have been addressed in a dialogue with the industry. The results of such dialogue could have been a proposal for a procedure/legislation which promotes investment in Greenland's mineral resource sector and also takes into account local interest for extractive activities.

d) Has the proposed bill been thoroughly investigated and evaluated accordingly to international best practice and standards, including the IFC, OECD Common Approaches and the Equator Principles?

6. Health & Safety and Environmental concerns/liability

With more people and activities within a given area, the risk of accidents increases, especially when there is an unregistered use of fuel, machinery and potential also chemicals.

The bill consequently could likely result in lower priority is given to safety for people, for the environment, for nature, and wildlife, when it comes to the impacts from local extractive activities. This will be considered a general devaluation of the standards that are otherwise are seen as fundamental for Greenland and cannot be in society's interest.

Furthermore, in the event of an accident or a harmful impact on the environment, e.g. in the event of a spill of fuel or chemicals, questions also arise about the "burden of proof. In the situation that the accident or mishap has occurred within an exploration license, the burden of proof will very likely be imposed on the license holder as this is the only one with registered mineral related activity in the area. This will also affect the possibilities for the license holder to attract investment and for license holders' ability to insure its activities.

7. Conflict, polarization and no dialogue between licensees and locals

Finally, there is no incentive for licensees to engage in dialogue with local operators or support their prospecting or extractive activities in an area – both with knowledge, direct assistance/support, and funding/collaboration. Such a dialogue could result in license holders losing the exclusivity on their licenses, giving rise to uncertainties and risks giving rise to unregistered local extractive activities.

Nor is it aligned with the wish for getting more local employees in the activities carried out by the holders of exploration licenses. A local employee will gain an insight into the license

holders' activities and operations. Afterwards a possible end of employment the local can use the information to carry out local extractive activities before an exploitation license has been granted.

Alternative solution – achieving and supporting what is wanted for all parties:

The Ministry for Business, Trade, Mineral Resources, Justice, and Equality expressed that the intention with the proposed bill was to support and facilitating small-scale local activities when it comes to prospecting and possibilities for extracting/selling minerals/commodities or raw materials – and the wish for increasing a local Greenland-based industry.

As outlined above, it is our opinion that the proposed bill most likely will have the opposite effect.

This intention is already supported by the existing legislation, and it seems a disproportionate step to take to remove the need for prior permissions/agreements to access an exclusive exploration area.

As it is now all exploration and exploitation licenses are subject to a consultation ('hearing') period. In such a period local/ small-scale operators can express their interest or need to carry out local extractive activities towards pre-defined raw material/commodities or minerals/mineral specimens. This allows the license holder to enter into a dialogue and in good faith from both parties formulate an agreement – a 'contract' – that would cover the wish for local activities.

Outside the consultation period the license holder can still be approached. A designated contact point (email/phone) to the license holder can facilitate such a contact between the license holder and the local individuals that wish to carry out local extractive activities.


Such an agreement would be beneficial in multiple ways and for all parties involved. It would pre-defined the raw material/commodities or minerals/mineral specimens concerned for the local extractive activities, it would/could more specifically define which area(-s) that are of interest, it would outline the tools/methods being used, it would set some conditions for the environmental and safety aspects, it would ensure a record of activities – and not at least, it would set the scene for a closer dialogue and cooperation between license holders and locals which would support the development of a local anchored mineral sector in Greenland.

The consultation period for applications for exploration licenses, which comes into force with the Act on Mineral Activities improve the framework for concluding agreements between licensees regulated by the Act on Mineral Activities and small-scale miners in Greenland.

In conclusion, we sincerely hope that the proposed bill will be reconsidered and withdrawn in its present form – and just as eagerly propose that a framework for procedures that under or

with amendments to the current legislation can reach the same goal – for the benefit for local extractive activities, the license holders and the Greenland society.

Yours faithfully



Bo Møller Steensgaard
Chief Executive Officer
Bluejay Mining Plc

and on behalf of it's subsidiaries Dundas Titanium A/S & Disko Exploration Ltd.



DUNDAS
TITANIUM



DISKO
EXPLORATION LIMITED

Tugtupit: Prisen stiger på tugtupit

Ice Cold Gems fik i år 9.600 US dollars for en tugtupit af høj kvalitet på engrosmarkedet i forbindelse med Tucson 2019.



Ilannguaq L. Olsen håber på at kunne starte en virksomhed med 20 beskæftigede til næste år, der skal udvinde, producere og sælge tugtupit. – potentialet er enormt, vurderer han, der har arbejdet med markedsføring af tugtupit siden 2015.

Leiff Josefsen

REDAKTIONEN | Søndag, 07. april 2019 - 15:20

Der er stigende interesse for tugtupit, på det internationale marked mere kendt som tuktu, og formanden for »Nuummi Ujaqquerituut Peqatigiiffiat« Ilannguaq Lennert Olsen, som også har firmaet Ice Cold Gems, og i øvrigt er entreprenør i AK Montage Aps., mener, at der er store fremtidsmuligheder for eksport af denne særlige grønlandske smykkesten.

Det skriver avisen Sermitsiaq.

– Potentialet er enormt. Der er ubegrænsede muligheder for en lokal produktion og eksport, hvis vi griber tingene rigtig an og sikrer, at det kun er lokalbefolkningen, der må udnytte og sælge denne særlige smykkesten, som har sin helt egen historie i Grønland. Netop historien og fortællingen er vigtig i dette salgsarbejde, understreger han overfor avisen Sermitsiaq.

På årets store smykkestensmesse i Tucson, Arizona, blev en sleben sten solgt for 9.600 amerikanske dollars, og det var gennem en engros-forhandler i AGTA, American Gem Trade Association.

– Hvad prisen bliver ude på markedet, kan vi kun fantasere om. Men det er den højeste pris, vi har oplevet for en sleben tugtupit i høj kvalitet, der vejer omkring 1 gram, fortæller Ilannguaq Lennert Olsen.

Han oplyser, at han i alt har eksporteret 4,27 kilogram tugtupit for at skabe det, der er skabt gennem markedsføring, testsalg, videnskabelige undersøgelser, salg og nu en salgskanal, hvor igennem vi kan sælge til internationale smykkeproducenter i hele verden.

Du kan læse hele artiklen i avisen Sermitsiaq ved at trykke på linket nedenfor:



Sermitsiaq Uge 14 2019

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