

Good Afternoon,

Please find below our comment on the proposed Uranium Bill.

Under the proposed Bill, existing licensees with an exploration licence covering uranium are allowed to continue exploration activities.

As we understand it, for uranium licences already issued prior to the date of the passing of this Bill, exploration obligations will still continue to accrue in line with the published fee structure which applies to all exploration licences. Commercially it seems inequitable that the system that is being proposed will require licensees to meet these obligations or lose the licence notwithstanding the fact that under the proposed bill it will not be possible to move these licences to the exploitation phase, so there is little incentive for companies to continue investing in this type of Greenlandic exploration activity.

We would like to suggest that there is a separate system for calculating exploration expenditure for this type of licence. Either:

- The exploration obligation could be set to nil and if companies choose to invest in exploration work despite there being no ability to use this work to apply for an exploitation licence, then this amount should be shown as a credit on the exploration account.

or

- The exploration obligation could continue to accrue in line with the current standard terms but if the obligation was not met this would not be a trigger for the licence being rescinded and again any credit would accrue on the exploration account

In either scenario, any credit on an exploration account should be able to be carried forward indefinitely rather than the current standard terms of 3 years. In this way, should there be a change in approach towards uranium deposits, licensees will be able to recoup some of their surplus investment by offsetting it against any future licence obligations. There will be some companies who wish to continue to do some exploration work, even if it seems there will be no immediate benefit, so the system should not penalise them for wanting to make that investment in Greenland.

We respectfully ask that you take the above comments into consideration.

Kind regards,

Joan



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