April 4, 2019

To: Najaaraq Demant-Poort
Head of Agency
The Environmental Agency for Mineral Resource Activities (EAMRA)

Re: EIA Process Regarding the Kvanefjeld Project

Dear Najaaraq,

Thank you for your letter dated 21-03-2019 Ref 10348204, which is a disappointing response to our complaints about the EIA process.

Your letter is itself an example of the problems GML has encountered during the EIA process for the Kvanefjeld project. You fail to acknowledge the serious shortcomings in your administration of the environmental impact assessment process and instead choose to hide behind bureaucracy. If, as you say, “environmental protection has a very high priority”, why is your Agency not better resourced so it can assess proposals at the level of competence that a project deserves, in a timely manner, and with professional respect for the scientific work presented by a proponent? You quote “best international practices under similar conditions” but resolutely ignore the realities of best practice principles in your own work.

The most startling admission in your letter is the sentence: “Furthermore, it should be noted that the Kvanefjeld project is a highly complex project involving substantial environmental risks” (italics added). This is statement of extreme subjectivity which assumes and pre-empt the statutory EIA process and is not an objective conclusion. This bias against objectivity explains why EAMRA is allowing its advisers to repeatedly demand additional data and analysis on issues which are not relevant, or are trivial, or are just misguided and mischievous.

The drafting of this letter coincided with the receipt of the latest DCE correspondence attached to your email dated 29 March. Two of those topics graphically illustrate EAMRA’s lack of control and perspective.

1. **Air Quality**

The first air quality assessment was undertaken by an international and independent consultant in June 2015. The result of their work was that dust and other gases generated by the Project will be below Greenlandic and other relevant guidelines. This was summarised in Kvanefjeld’s 2015 EIA document which was submitted to EAMRA in **November 2015**.

Comprehensive feedback was received in **November 2016**. GML provided EAMRA’s comments directly and without editing to our air quality consultants. A series of 6 reviews-and-comments cycles occurred between 2017 and 2019. Version 7 of the Air Quality Assessment Report was provided by independent consultant ERM on **30 January 2019**. The final report repeats the conclusions of the first report. **The process has taken 3 years and 4 months at a cost of over DKK 1.2M**.

This is a scandalous waste of time and resources. ERM has written to EAMRA to complain about the process, saying the rounds of comments have been “**cyclical, redundant, and have not changed the reports intent or recommendations**”. The letter from ERM is attached.
2. **Radiation Impact**

The pattern is remarkably similar to (1).

The first radiation impact report was prepared by the independent consultant Arcadis in **October 2015**. The conclusion was that the increase in radiation exposure to the environment and people due to the Project would be “insignificant”. This was summarised in the **EIA 2015** submitted to EAMRA in **November 2015**. As with Air Quality (above), comprehensive feedback from EAMRA was received in **November 2016** and was transmitted to the consultant unedited by GML. The feedback cycle was repeated 4 times between **2017 and 2019**. In each iteration, EAMRA raised new issues, **none of which was relevant to the significance of radiation exposure to the environment or people**. Version Five of the radiation report is now being prepared. Arcadis is a highly qualified expert consultancy with good familiarity with Greenland. Dr Doug Chambers has written to GML (letter attached) pointing out that the process has been “a continuous loop”. The assessment at the beginning of the process is the same at the end: “...the Kvanefjeld Project is expected to release only small amounts of additional (beyond natural background) radioactivity to the environment and is not expected to result in an adverse effect, or significant harm, to wildlife or people that live in or visit the area. Moreover, it is expected that the radiation exposure will not be significantly different than current natural background conditions”.

That process has taken three years and 4 months at a cost of over DKK 1.6M.

This pattern of quasi-scientific ping-pong is not justified by pre-conceptions of project “complexity” or “substantial environmental risks”. It is either woeful mismanagement, intentional obstructionism, or a simple inability to discharge your duties professionally under the legislation and guidelines you have quoted in your letter.

The only possible sources of “complexity” in our Project are in the chemical refinery, which was included at the insistence of the Greenland government for the purpose of additional value-add, and in the sheer mass of data that EAMRA has demanded in the name of environmental assessment which contributes little to a meaningful outcome. **Rigorous investigation should not be confused with great complexity, and if anything, should be commended.** It is nothing short of prejudice to say the project represents substantial environmental risks. None has been identified by the EIA process that is specifically designed to investigate the risks.

It should be emphasised that without the refinery component, which does not involve extensive infrastructure and is not overly complex, Kvanefjeld is a simple mineral concentration process no different to Isua, Citronen or Tandbreez. If the government requests additional project components to add value, this should in turn be supported through the permitting process rather than being used against it.

Every project has sensitivity points of environmental impact, and it is widely known at Kvanefjeld that these are uranium (and thorium), and fluorine. At Citronen the sensitivity points would relate to heavy metals and acid drainage. At a gold project it could be heavy metals, arsenic, antimony, and acid drainage.

But the radioactive elements are not in high concentrations at Kvanefjeld, and do not pose a risk to communities, workers or environment as clearly demonstrated by rigorous independent studies. More importantly, it should be clear up front, at the low concentration levels, risks will always be very low, rather than the assuming that they will be high. Similarly, fluorine can be readily managed
without posing risk. These conclusions are supported by the EIA data and analysis, using multiple approaches.

The result of EAMRA’s endless demand for further data has been indecision and hesitancy bordering on obstructionism. Some of EAMRA’s demands are because you ignore background/baseline conditions at Kvanefjeld and have a poor knowledge of the locality. You also seem to lack history and are bringing forward matters that have been dealt with thoroughly in the past. Your flexible interpretation of the Terms of Reference and your general disregard for the extensive public consultations is alarming.

We should not be held accountable for the high-turnover of staff, as there should have been an effective hand-over process.

GML has been diligently complying with Greenland’s legislation and “guidelines” for project development since 2009. We understand your legislation, as do our consultants. We have employed world class experts in the various environmental components of the project to undertake independent assessment and reporting. We engaged the globally experienced GHD (who recently completed an EIA process on a rare earths project in Australia) to re-write the final draft EIA in an internationally accepted format to facilitate the approvals process at the suggestion of senior Greenland officials. EAMRA is now complaining that the updated format is an impediment to assessment. We will make editorial amendments where they will improve readability of the EIA, and improve the referencing system, but only when the EIA process is completed.

Each of the items which you list as being outstanding (page 11) are now in the realm of unreasonableness. Nevertheless, we have responded to your latest demands regarding geochemistry, air quality, radiation and hydrology and await your formal comments. A consistent theme of our criticism is that “EAMRA is never satisfied”. The two issues dealt with above shows EAMRA is failing to exercise informed judgement based on science and practical expertise.

One other matter that is of extreme concern is EAMRA’s interpretation of its own “Guidelines”.

In your letter you carefully qualify the binding nature of the guidelines by using the word “generally”, but then in reference to tailings method you say the word “alternatives” extends to mean extensive studies into “alternatives” which were initially considered, and rejected, in the pre-feasibility and Terms of Reference stage of project planning. There must be some objective quality about an “alternative”, not just a subjective opinion that something should be examined.

The guidelines actually say we should “include a discussion of environmental impacts”, which we have done in the EIA. It is a fundamental and unjustified attempt to “move the goal posts” in relation to project design and commercial feasibility to ask GML to undertake extensive studies into “alternative” tailings sites and methodology which are not true “alternatives” when taking account of project location, geology, and topography. We think EAMRA has uncritically accepted poorly informed comments provided by a consultant that lack context and disregard GML’s work which fully supports the selection of Taseq for sub-aqueous deposition. This is a problem created by EAMRA drawing on the opinion of their third-party consultants that was established without the provision of proper scope, background and context, and the company being unable to communicate with the consultant on these matters. There should also be more respect for the work of our consultants, all of whom possess more experience in their respective fields than GML or EAMRA.

In our opinion, which has not been formed lightly, EAMRA is hiding behind a bureaucratic smokescreen to evade responsibility for administering a pointlessly drawn out, subjective, biased,
and scientifically ill-informed process which is destroying investor confidence and risks depriving Greenland of an opportunity to build a modern “technology minerals” mine and processing facility which will create employment, income, training, and growth in southern Greenland. The production of a small amount of uranium is a distraction from the primary objective of Kvanefjeld: rare earth elements, which are in growing demand by the international new-technology and electronics industry. In many jurisdictions such an opportunity would be championed by the government in order to secure the opportunities.

Perhaps EAMRA is improperly responding to political controversy and ill-informed claims of NGO’s by amplifying perceived environmental impacts? Certainly, your obligation of proportionality and equal treatment is not being exercised in some areas. Sharing information with NGOs, the media, and private citizens part way through the EIA process is a travesty of impartiality and fairness. Your structured licensing system mandates public consultation at the start, and public consultation at the end. Except, that is, for those people you decide to provide with information in the interim. They have the right to a private “public consultation” at any time without the company having any rights to ensure information is used honestly and accurately.

We regret having to write to you in this manner, but we do not see any end to the cycle of pedantry and subjectivity which is driving the requests for more information.

We understand that the laws of Greenland apply in Greenland. The laws do not preclude the ability to make decisions in a timely manner, nor do they justify frustration by delay.

We respect the legislative scheme which posits EAMRA as an “independent” agency. That is not dissimilar to other jurisdictions. However, “independence” is not a licence for obstructionism, and it is not an excuse for wasting time and resources by refusing to make decisions. Even independent agencies have to be accountable to someone.

Conclusion and Recommendations

Contrary to the assumptions made in your letter, the Kvanefjeld Project is in reality a straightforward mining and processing operation with significant and fortuitous attributes which seem to have been lost in the environmental assessment quagmire.

- The ore body is large and outcrops to the surface offering simple, conventional mining techniques.
- The mineralisation is amenable to a comparatively orthodox separation process.
- The waste streams are not hazardous.
- All emissions and discharges, including radionuclides, processing chemicals and reagents, and natural elements such as fluorine, as well as airborne particulates and possible accidental spillage sources have been measured and accounted for in the EIA and are either environmentally insignificant or capable of simple but effective mitigation.
- The location of the ore body and the surrounding topography means mining and processing will be undertaken on site with minimal interference to the existing environment or people.
- The Project is fortuitously located with the ore-body adjacent to a large impervious basin which provides a natural repository for safe, secure tailings management and long-term storage.
➢ The Project will produce rare earth products which are in high demand in modern green and advanced technology applications.

➢ Uranium will be extracted in small quantities (less than 0.008% of world current commercial uranium production) and converted to a commercial product which has the double benefit of reducing radioactive tailings and boosting Project by-product revenue.

It is absolutely essential that the EIA process is now finalised quickly so we can proceed to the next phases of our project with enough confidence to justify what will be a significant investment. Otherwise the damage to the Project and to Greenland’s reputation as a mining destination may be irreparable.

Unfortunately, the world will not wait.

Sincerely,

John Mair
Managing Director
Greenland Minerals Ltd
Appeal

On January 28, 2019 Greenland Minerals Limited (GML, the Company) was advised of a decision by EAMRA in respect of the release of confidential, Company documents (the Documents) to NOAH Friends of the Earth Denmark (NOAH), a Danish NGO.

Details of the decision are contained in:

"Final decision regarding access to information request 29 January 2019, concerning documents related to the Kuannersuit/Kvaneefjeld project

Letter date: 27-03-2019 Case nu. 2019 – 2894"

Under the terms of the Public Access Act No. 9 of 13 June 1994 (the Act) on open government the Company is entitled to appeal this decision.

Chapter 4 Treatment and outcome of requests for access.

Clause 15 (2) Decisions on access issues may be appealed separately to the authority's appeals body in relation to the decision or treatment: otherwise of the case, the request for access concerns

The Company hereby appeals both the decision itself and the treatment of the case.

A precis of correspondence in relation to this matter is appended as Annexure 1 – The Timeline

1 The decision to release the documents

It is GML’s position that the Documents are s12 Exempt Information under the terms of the Act. The Documents “include information on ... operational or business conditions ... which are of major economic significance” to GML and are therefore exempt under s12 (2).

The suite of documents provided to EAMRA in the course of preparing GMEL’s EIA comprise a cohesive and comprehensive body of work which has been undertaken within a framework agreed with the Government of Greenland [e.g. Terms of Reference and associated public pre-hearing White Paper approval/acceptance, November 2015.] under the auspices of the Greenland Parliament Act No. 7 of 7 December 2009 - the Mineral Resources Act (MRA.).

This suite of documents is not simply a collection of individual documents, which when gathered together form the Company’s environmental impact assessment (EIA). It is an integrated package of information being developed for the purpose of supporting an application for an Exploitation License for the Kvaneefjeld project. It is not possible to properly, fairly and objectively review individual elements of the package in isolation.

In addition to the s12 (2) exemption from the provisions of the Act, GML maintains that:

(1) The Documents describe technical matters and contain data and analysis which is unique to the Kvaneefjeld project and which were provided to the EAMRA solely for the purposes of enabling a review of the Company’s EIA.
The iterative and consultative nature of the EIA review process means that the Documents are in the form of confidential disclosures made to enable informed consideration of specific issues. The premature release of the Documents (i.e. the release of documents in draft or unrevised form) has the potential to cause economic damage to GME and the Kvanefjeld project and therefore is “of major economic significance” to GML.

The premature release of the Documents represents a form of public consultation, with a privileged few individuals with an insight into the mechanisms of the Act, in respect of narrowly focused material from the Company’s EIA. The Company is however precluded from any form of public consultation with any party on any part of its own EIA. This is prejudicial and unfair.

Premature disclosure has the potential to cause economic damage if incomplete, or contestable issues are the subject of releases which adversely affect investors’ opinions in respect of GML’s capacity to successfully secure an exploitation license.

Premature disclosure has the potential to make material, which may be, amongst other things incomplete, draft and confidential, available to partisan actors who have the objective of preventing or frustrating the development of the Project.

Premature disclosure has the potential to negatively impact the attitude of investors towards Greenland as a jurisdiction for investment. In other mining jurisdictions a government or government agency would not release the types of documents subject to this request while an appeal over a decision is being considered.

Investors regard very negatively jurisdictions where it is apparent that the regulatory framework and those agencies charged with regulating are not aligned with the interests of the proponents of viable projects. This directly affects the Company’s ability to continue to attract financial support.

If the confidentiality of commercial negotiations and other commercially sensitive material cannot be guaranteed in a legal jurisdiction, investors will regard investments in such a jurisdiction to be relatively more risky and therefore require higher returns on investment or financing. This will cause economic damage to both the project and to Greenland.

By way of general supporting remarks the Company would like to draw your attention to the fact that a copy of a document (a draft of the Company’s EIA) released by EAMRA in 2017, over the most strenuous objections of the Company, is currently available on the website of NOAH who are clearly a partisan actor in this environment given that one of their objectives is to prevent the development of the Kvanefjeld project. Facilitating access to this document is unambiguously of significant detriment to the Company.

It is the risk of precisely this type of development that informs the Company’s objections listed above to the release of, amongst other things, draft, confidential and proprietary documents.

EAMRA is entirely responsible for this material being in the hands of NOAH and, through NOAH’s website, available to anyone with access to the internet. EAMRA either released the document directly to NOAH or they failed to prevent the dissemination of the document after release. The Act creates
circumstances where material may be made available to applicants but it does not confer on these applicants the right to make this material available to others.

2 The treatment of the case

The Company considers that the treatment of the case falls well below standards that would be expected from mature and objective administrative systems.

EAMRA consistently adopts positions contrary to the interests of the Company and, where subjective decisions are made, almost always decides against the Company.

1 EAMRA has been subjective, capricious and inconsistent

The Company has been subjected to two requests for access to its confidential documents, the current application and one in 2017.

In 2017 the identity of the applicants was revealed when the Company was initially advised of EAMRA's draft decision in respect of access. In 2019 the identity was obscured and only revealed after a complaint by the Company and after an acknowledgement by EAMRA of inconsistency in their approach.

There was no change to circumstances which justified EAMRA's arbitrary reversal of its 2017 position in respect of applicant identity.

The arbitrary reversal favored the applicant over the Company and was contrary to the Company's interests.

2 EAMRA use of the concept of “customary practice”.

The Company's EIA is the only impact assessment for a mining project that has been subject to requests under the terms of the Act and the Mineral Resources Act.

For a practice to be customary it should be in common usage in its context and established by custom. To suggest that having received only 2 requests to date, refusing to advise the Company when requests are made for access to Company documents on the basis of “customary practice” is untenable.

The decision was contrary to the Company's interests and was denial of a reasonable request justified on spurious grounds.

3 EAMRA has shown bias against the interests of the Company

Example 1

See 1 above, reversal of a previously held position in respect of confidentiality.

Example 2

The Company was not afforded the opportunity to comment on EAMRA’s final decision to release material, it was only invited to comment on a draft of the decision. However, being an
interim document, a draft is of itself no particular consequence. It is the final decision that should be the subject of review by those affected by the decision.

The Company indicated in writing that it would provide a formal response to the final decision.

"We would however prefer to respond to EAMRA's final decision rather than comment on a draft of that decision and as such we will not be making any comments on the draft that was attached to your email of February 19. (as amended). We will however be providing a formal response to the final decision after we have taken appropriate time to review it."

In an unbiased process, after reviewing feedback on a draft, a decision would have made and communicated to GML. GML would then have been afforded a period of time to review the decision.

Denial of a right of response to EAMRA’s final decisions does not appear to be in the statutes or regulations and is simply a subjective decision made by EAMRA which is clearly contrary to the Company’s interests.

Example 3

EAMRA made its decision and immediately released the documents that were the subject of the application. GML was not given the opportunity to comment on, respond to or appeal EAMRA’s final decision before the documents were released.

GML has consistently maintained that the premature release of documents has the potential to cause economic harm to the Company and to compromise the prospects of the Project. An appeal process exists but it is clearly of little benefit to the Company as the harm that the Company will suffer occurs upon the release of the material in question. Release occurs before the appeal can be lodged ensuring that the appeal process is of limited benefit to the Company.

In an unbiased process, if the Company had indicated that an appeal would be forthcoming, the Company would have been afforded a period of time to review the decision and submit its appeal. Once the appeal had been heard and a decision made the documents would have been released and not before.

The requirement to release documents in advance of an appeal that has been foreshadowed by the Company does not appear to be in the statutes or regulations and is a simply a subjective decision made by EAMRA which is clearly aligned with the interests of the applicants and contrary to the Company’s interests.

With the knowledge that the Company would appeal the release of any documents and aware of the Company’s consistently articulated position that release of confidential and proprietary documents is damaging to the Company, EAMRA, contrary to the Company’s interests, immediately released the documents.

The effect of examples 2 and 3 has been to deny the Company natural justice and procedural fairness.
Facilitating the formulation of requests for document access.

EAMRA has adopted the widest possible interpretation of its obligations under section 7(1) of Greenland Parliament Act no 8 of 13 June 1994 on case processing the following is stated (Unofficial translation):

"An administrative authority shall advise and assist, to the extent required, any person consulting them on areas within their purview."

EAMRA has taken the extreme view that “to the extent required” includes assisting applicants to formulate and target their requests for Company information in the full knowledge that the Company has a very strongly held view that any of its documents submitted as part of the EIA review process are proprietary, confidential, potentially incomplete and not suitable for public disclosure.

We would assert that there are interpretations of “to the extent required” available to EAMRA that do not align so completely with the interests of the applicant and which afford some more protection to, and respect for, the interests of the Company.

Assisting the applicant in this way is not the only course of action available to EAMRA and is clearly contrary to the Company’s interests.

ERAMRA have previously advised that “Decisions made by EAMRA must be in accordance with general rules and principles of Greenland public law, including the principles of objectiveness, proportionality and equal treatment”.

The Company’s position is that there is little evidence of these principles in EAMRA’s management of applications for access Company material.
Annexure 1 - The timeline

In correspondence dated February 20 the Company received advice from EAMRA that it had made a draft decision in respect of a request for release of the Documents. EAMRA declined to reveal who had made the request citing confidentiality and further made unreasonable demands in respect of the time by which a response was required.

In correspondence dated February 20 the Company responded raising 4 issues:

1. The initial request for access was dated January 29 and it took until February 20 for EAMRA to prepare its response. EAMRA was proposing to allow the Company 1 week to respond. The Company objected to the unreasonable timeframe given the importance that the Company attaches to premature release of documents. EAMRA were well aware of GML’s concerns in the regard.

2. The Company suggested that, in the future, as a matter of courtesy, EAMRA promptly advises GML when it receives a request for public access to Company documents. We suggest that the first notice of a request for public access that we receive should not be the receipt of a draft decision from EAMRA.

3. The redaction of the identity of the applicant.

4. The role played by EAMRA in framing or refining the details of the request for information.

In correspondence dated February 27 the Company received a response to its letter of February 20 from EAMRA.

The response to the issues raised by the Company were as follows:

1. EAMRA granted an extension of time for the Company to consider any response to the draft decision.

   EAMRA advised that, immediately after the expiry of the extension of time, it will decide “to what extent” it will grant access to the documents mentioned in the draft decision.

2. EAMRA denied the Company’s request to be notified upon receipt of requests for access to its confidential information rather than at the time a draft decision had been reached.

3. EAMRA declined to identify the identity of the applicant and the identity of the organisation on whose behalf the application was being made.

   EAMRA cited the need to protect personal data as the reason for declining the request.

   EAMRA also claimed that the identities are “... of no relevance to the assessment of the disclosure request and the review of the documents comprised by the disclosure request.”

4. EAMRA cited section 7(1) of Greenland Parliament Act no 8 of 13 June 1994 as the basis for advising the applicant in respect of its application.

"An administrative authority shall advise and assist, to the extent required, any person consulting them on areas within their purview."
In correspondence dated March 18 the Company responded to EAMRA’s letter of February 27.

In this letter we advised EAMRA that their response to our concerns did not adequately deal with the issues we had raised.

In particular we drew attention to inconsistencies between the approach EAMRA took to revealing the identity of applicants for a request for access to documents in 2017 and this instance. Despite citing the need to protect personal data as the reason for declining to identify the applicants on February 27, EAMRA had no such concerns revealing the same information in two different documents in 2017.

In this correspondence the Company also challenged EAMRA’s reliance on “customary practice” as a justification for its decisions on the basis that “customary practice” seemed to work at odds with a key principle of the system of government in Greenland, namely transparency.

In correspondence dated March 20 the identity of the applicants was finally revealed by EAMRA.

In correspondence dated March 27 the Company advised EAMRA that, for reasons clearly stated in previous correspondence, GML has not changed its view that the EIA, and all related supporting documentation so far provided to the GoG, are exempt from disclosure under the terms of the “Landstingslov nr. 9 of 13 juni 1994”, the Transparency Act of Greenland, (the Act).

GML also advised that, rather than commenting on a draft decision, we would respond to EAMRA’s final decision and would be providing a formal response after appropriate time for review.

In correspondence dated March 27 EAMRA advised the Company that it would release a number of documents to NOAH. It also denied the Company the opportunity to meaningfully respond to this decision by immediately releasing the Documents.

On Thursday March 28 an email was sent to EAMRA responding to the decision and the release.

Excerpts from the email:

Referring to the release in general.

“Stakeholders … ask us, how is it possible that … EAMRA will readily release information relating to the Company’s EIA on request by anyone, thereby effectively providing consultation to specific parties, while … the same authorities maintain the position that the EIA is not ready for public consultation”

Referring to this specific instance.

“GML were invited to comment on a draft decision in respect of a request for public access to documents. Unfairly, and inconsistent with past practice, the identity of the applicants was initially obscured from us. Once the identities were revealed we declined to comment on a draft preferring, quite reasonably, to provide a response to the decision itself.”

“a draft of a decision is of itself no particular consequence, it is only an interim document and it is the final decision that should be the subject of review by those affected by the decision.
“It should have been clear from my letter of March 26 that GML wanted to and was intending to provide a formal response to EAMRA’s final decision.

“We will ... be providing a formal response to the final decision after we have taken appropriate time to review it.”

“GML was not given the opportunity to comment on, respond to or appeal EAMRA’s final decision before the documents were released. ... In a fair process, after reviewing feedback on a draft, a decision would have been made and communicated to GML. GML would have been afforded a period of time to review the decision and appeal it if necessary. Once those steps, including a potential appeal, had been completed and the decision ratified, the documents would have been released and not before.”

We also asked that released documents be recalled until the result of the Company’s appeal is determined.

**On Tuesday April 2** an email was received from EAMRA in response.

The response did not acknowledge the validity of any of the comments contained in our email of March 28.