
Decision Received on Amended Exploitation Licence Application for Kvanefjeld Project, Greenland

Energy Transition Minerals Ltd (the **Company** or **ETM**) (ASX:ETM) advises that a final decision on the Company's amended exploitation application for the Kvanefjeld Project has been received from Greenland's Ministry of Mineral Resources and Justice. The final decision states "[t]he Government of Greenland refuses the application of 16 December 2022 for the alternative exploitation licence for the Kuannersuit [Kvanefjeld] project".

The Company is disappointed the Government of Greenland has made a final decision to reject the amended application and strongly disagrees with the Government's conclusions. Amongst the many other shortcomings that the Company pointed out when the decision was provided in draft, the final decision appears to be little more than a reproduction of the Government of Greenland's previous decision to reject the Company's original exploitation licence application, without any meaningful consideration of the merits of the Company's alternative development proposal or the Company's legal rights and legitimate expectations.

By way of background, as previously announced, on 16 December 2022, the Company lodged an amendment to the existing application for an exploitation licence for the Kvanefjeld project (**Amended Application**). The Amended Application was for an alternative development scenario, where the Company would only exploit rare earth elements, zinc and fluorspar, and uranium would be treated as an impurity, safely separated and stored in the Tailings Storage Facility.

On 27 July 2023, the Ministry of Mineral Resources and Justice provided the Company with a draft decision on its Amended Application and invited the Company to forward any comments for consideration by the Ministry. Following a formal request for access to the materials upon which the draft decision was based, the Ministry of Mineral Resources and Justice provided the Company with some additional documents and information. On 1 September 2023, the Company submitted its comments on the draft decision. A copy of the Company's comments is available at the link below:

<https://etransmin.box.com/v/ETM-Response-01Sep2023>

The final decision is nearly identical to the draft decision – suggesting that the Government of Greenland did not give proper consideration to the significant issues raised in the Company's comments. The final decision therefore contains all the errors that the Company pointed out in respect of the draft decision, including:

- the Government of Greenland's finding that Act No. 20 applies to the Amended Application. The final decision is based solely on Act No. 20 – it expressly states that the Government of Greenland has not considered whether the Amended Application



could be granted under the Mineral Resources Act. However, according to the Explanatory Note to Act No. 20, the Act does not apply if its application would result in interference with property rights protected by the Danish Constitution (i.e., expropriation). In the final decision, the Government of Greenland has asserted that Act No. 20 does apply because its application would not interfere with an existing property right of the Company. The Company disagrees and notes that the question of whether Act No. 20 applies is the subject of the ongoing arbitration between the Company's subsidiary, Greenland Minerals A/S, and the governments of Greenland and Denmark;

- the Government's finding that the Amended Application concerns the same project as the original exploitation licence application that the Company submitted (and which the Government of Greenland rejected in June 2023) and should be rejected on essentially the same grounds. As the Company pointed out in its comments on the draft decision, this is incorrect: the Amended Application is for a different project, involving no exploitation of uranium; and
- the Government's finding that because the area covered by the Amended Application contains more than 100 ppm of uranium, the Amended Application necessarily involves the 'exploitation' of uranium within the meaning of Act No. 20. As the Company pointed out in its comments on the draft decision, this interpretation of the term 'exploitation' ignores the essential element of exploitation, i.e., *commercialisation*, and would mean that 'exploitation' includes any act by which any mineral is handled – even where the mineral will not be processed for sale and will instead be safely stored in tailings. In its comments on the draft decision the Company noted that the Government of Greenland's interpretation was wrong and was inconsistent with common understanding of the meaning of the word 'exploitation'. For example, in its submission on the Consultation Bill for Act No. 20, the Greenland Government's Department of Business, Trade, Foreign Affairs and Climate stated that "*it has been a known main principle that exploitation in the Minerals Act meaning must be understood as commercial exploitation*".

The Company is considering its legal options with respect to the final decision rejecting the Amended Application and will provide a further update in due course.

**Authorised for release by the Board of Energy Transition Minerals Ltd.
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ABOUT ENERGY TRANSITION MINERALS LTD.

Energy Transition Minerals Ltd (ASX: ETM) is an exploration and development company focused on developing high-quality mineral projects globally. One of the Company's projects is the Kvanefjeld Rare Earth Project. A comprehensive feasibility study was completed in 2015. The studies outlined the potential for Kvanefjeld to be developed as a long-life, low cost, and large-scale producer of rare earth elements. The company is also involved in the Villasrubias lithium project. Villasrubias is an early-stage exploration project located in the region of Castille and Leon in Spain. The company continues to assess other opportunities globally with the aim to get involved in the development of critical metals projects with a view to become a key enabler of the energy transition.

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