



GREENLAND MINERALS LTD

Ms Beatriz Balbin
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Office of the High Commissioner for Refugees
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Dear Ms Balbin,

Thank you for your Communication Ref AL OTH 189/2021.

We have reviewed all the matters raised in your Communication at the highest level of our Company and present our responses in two parts: this letter and responses to questions 2-5 raised in the Communication, and a detailed technical response to the allegations attached as Appendix 1 (responding to the first question in the Communication).

We take our responsibilities in relation to human rights very seriously. We are deeply concerned in relation to the language used in the Communication, alleging that the activities of our Company constitute potential human rights "abuse". We acknowledge that not all stakeholders are supportive of the Kvanefjeld rare earths project (the Project), however the terminology of "human rights abuses" and "violations" conveys a gravity of impact which seems to be far beyond the nature of our activities and factual circumstances. We are dismayed that the OHCHR has chosen to use this powerful and important language in the Communication. We have no evidence to suggest the Company has generated any adverse human rights impacts from its activities to date.

A key element of the Communication relates to seeking the free, prior and informed consent (FPIC) of the indigenous Inuit peoples. We note that in connection with Denmark's accession to ILO Convention No. 169 in 1979, Denmark issued a declaration which was supported by the Greenland Parliament. The declaration contained, in part, this statement: "In Denmark there is only one indigenous people within the meaning of Convention No. 169. It concerns the indigenous people of Greenland or the Inuit". We understand that the significance and interpretation of the rights under ILO Convention No. 169 are based on the fact that Greenland today has autonomy, and thereby as a people they have the right to self-determination under international law.

88% of the electorate of Greenland identify as Inuit. This results in a de facto situation where Greenlanders who self-identify as Inuit control their own affairs through the Government of Greenland. The Greenland Self-Government has taken over a number of areas of law within the natural and raw materials area from the Danish authorities. The Self-Government - and thus the





Greenlandic people - thus has the legislative and executive power in these areas within the framework of international obligations, the Constitution, and the Greenland Self-Government Act.

It is our understanding that Indigenous peoples' rights, are first and foremost collective rights. Under Denmark's declaration, the Greenlandic population is recognised as a singular indigenous population. While the Company understands that there is discussion in relation to the existence of minority populations in the North and East of Greenland, we are not aware of any such claim in southern Greenland. We note that at no time has the Company received any complaints in relation to Indigenous representation or claims of differential rights on the basis of indigeneity in relation to Kvanefjeld and the Project area.

Within this context, the Company sought the advice of local experts on this issue and understood the Government of Greenland to be the representative body of the Indigenous Inuit, who comprise the vast majority of all Greenlanders. As such, the Company understands the consultation process established by the Government to reflect the rights of indigenous Inuit (and all Greenlanders for that manner), "where "the "consent" part of free, prior and informed consent (FPIC) in Greenland is the consent of the government as the legitimately elected representatives of the people" (Johnstone & Merrild Hansen, 2020, p. 58).

In relation to the "informed" component of FPIC, we note that each allegation made in the Communication is already comprehensively addressed in our publicly available *Environmental Impact Assessment (EIA – December 2020)* and *Social Impact Assessment (SIA – December 2020)*. Those reports, and their accompanying reference documents, were published by the Greenland Government in December 2020. The EIA and SIA are available in Greenlandic, Danish, and English. Those documents, which have been reviewed and approved by Greenland's independent technical advisors, are currently the basis for a public consultation period of 38 weeks which is scheduled to end on 13 September, 2021.

Background

Greenland Minerals Ltd (GML) is an Australian public company, listed on the Australian Securities Exchange under the code GGG. At the time of writing, we have 1.34 billion shares on issue and have a market capitalization of AUD\$128 million. The sole activity of the Company is to pursue the development of the Project in southern Greenland. The Company has about 13 permanent employees, of whom 3 are residents of Greenland, one of Denmark, and remainder are at the Company's head office in Perth, Western Australia. The Company relies extensively on independent expert contractors to provide essential advice and services.

The Kvanefjeld Project

GML, through our 100% owned Greenland company, Greenland Minerals A/S, holds Exploration Licence 2010/02 issued under the Mineral Resources Act which covers an area of approximately 80 km² in southern Greenland in mountainous terrain in the location of Narsaq. Since 2007 GML has undertaken exploration activity at Kvanefjeld to identify sufficient Proven and Probable Reserves of





rare earth oxides to support the economic development of the deposit. The only activities that GML has undertaken at Kvanefjeld between 2007-2021 have been approved exploration drilling, the establishment (and later demobilisation) of a tented exploration camp on the deposit, environmental and social monitoring and baseline data collection, and the operation of a warehouse and office in Narsaq.

We note that within the Communication, the Kvanefjeld Project is frequently mis-characterised as a “uranium mining project”. In the documentation which we will refer to in Appendix 1, as well as in all public communication about our Project, it is clear that the Project is a rare earth mine and processing plant, as acknowledged in the report of the official country visit to Denmark and Greenland of The Special Rapporteur on Toxics and Human Rights in 2017. Uranium production arises because the uranium in the ore must be separated from the rare earths to produce a saleable rare earth product. The uranium will be sold, in accordance with international safeguards, on the commercial uranium market. GML has always noted that uranium comprises approximately 5% of likely Project revenue and would represent about 1% of global uranium production. In the absence of the rare earth minerals, this Project would not be viable as a uranium mine.

The legal process in Greenland to convert an Exploration Licence into a duly authorised mining project is complex and thorough and is described in detail in Chapter 4 of the *EIA* and *SIA*. In summary, the process involves multiple sequential steps:

1. Scoping Study – baseline data collection and draft terms of reference (project description).
2. Public pre-consultation.
3. Terms of Reference.
4. Preparation and submission of draft EIA and SIA.
5. Public consultation – minimum of 8 weeks.
6. Preparation of a White Paper.
7. Preparation of Final EIA & SIA, White Paper, and Impact Benefit Agreement (IBA) negotiation.
8. IBA Concluded.
9. Political decision on grant of exploitation licence under S 16 of Mineral Resources Act.
10. Political decision on grant of approvals necessary under SS 19, 43 and 86 of the Mineral Resources Act.

The Project is currently in step 5 of this process and the public consultation period is currently expected to span 38 weeks (approximately five times longer than the statutory minimum).

Our Response

As noted earlier, we have taken the concerns raised extremely seriously and our response comprises two parts. The first, a response to questions 2-4 raised in the Communication follows immediately after this letter. The second, a detailed response to all the concerns raised in the Communication, comprising an answer to Question 1, is contained in Appendix 1 with some supplementary information contained in 2 other appendices.





We would like to take this opportunity to reflect on five points.

Firstly, the EIA and SIA did not identify any actual human rights impacts to date. A number of salient issues were assessed as part of these impact assessments and are reported on in the publicly available documents. We have not received any subsequent evidence of actual or potential human rights impacts. If we do, we are committed to investigate any allegation based on credible evidence. Your Communication has highlighted the need to expedite the formalization of our Human Rights Due Diligence (HRDD) approach.

Secondly, the Project has been designed according to Best Environmental Practice (BEP) and utilising Best Available Technology (BAT) to avoid, and where not possible to avoid, minimise and mitigate social and environmental impacts. We stand behind the rigour of the EIA and SIA documents and their identification of all salient impacts, the independent international expertise which has informed these documents, and the review process conducted by the Government of Greenland and their technical specialists (Danish Centre for Environment).

Thirdly, in the process of preparing our response and reflecting on our commitment to respect human rights, we have decided to accelerate the planned roll-out of the Company grievance mechanism and advance with a Human Rights Due Diligence assessment in the near future as a first step in our ongoing Due Diligence process.

Fourthly, we note that some of the allegations presented in the Communication sit within the purview of the Government of Greenland and we register our concern that this Communication was not shared with the Government in the first instance.

Finally, all of the information presented in our response has been publicly available in three languages (Greenlandic, Danish and English) since December 2020 on the websites of the Government of Greenland and the Company.

We trust that this response will address any concerns in relation to our Project and remain available to answer questions of clarification as necessary.

Regards

John Mair
Managing Director
Greenland Minerals Limited



Answers to Questions 1-5

Question 1 “Please provide information on the above-mentioned allegations regarding the uranium mining project in Southern Greenland, mentioned above and potential human rights abuses of the local community related to a right to a safe and healthy environment”

In responding to this question, the Company has identified 22 concerns within the body of the Communication, 4 concerns raised in an earlier Danish Country Report prepared by the Office of the Special Rapporteur on the Rights of Indigenous Peoples, and one “special concern”. Each of these concerns is addressed in detail in Appendix 1. Appendix 2 provides an annotated version of the Communication to identify the source of each concern. Appendix 3 provides a summary community consultation log for the Project to date.

Question 2: Please provide information about the human rights due diligence policies and processes put in place by your company to identify, prevent, mitigate and account for how you address adverse human rights impacts of your activities, in line with the UN Guiding Principles on Business and Human Rights (UN Guiding Principles)

As an exploration project, the impacts of the Kvanefjeld Project to date have been minimal (comprising a tented exploration camp, drilling activity between 2007 and 2011, etc). We have no evidence to suggest the Company has generated any adverse human rights impacts from its activities to date, and as such, the primary focus of the company has been on the prevention and mitigation of human rights risks (consistent with Principle 17). The primary mechanisms through which risks and impacts have been identified and assessed, with their impacts either avoided or mitigated, have been through the Social Impact Assessment (SIA) and Environmental Impact Assessment (EIA). To provide an example of how this process was undertaken, a summary of the development process and impacts considered in the SIA is outlined below. A similar process occurred with the EIA.

Consistent with Greenlandic legislation, an extensive consultation process was undertaken to define the Terms of Reference for both impact assessments (a community consultation log is provided as Appendix 3). Drawing on these consultation workshops (conducted in 2011 and 2013), Guidelines from the BMP (2009) and international best practice, the following aspects were identified for inclusion in the SIA:

- National, regional and local economy (including public revenues)
- Public service, sector, plans and infrastructure
- Employment and labour conditions
- Local business opportunities (benefit from local suppliers)
- Potential risks for local business
- Education and training
- Social conditions
- Socio-cultural values



- Health
- Cumulative impacts

The approved Terms of Reference for the SIA were published on the Naalakkersuisut website [www.naalakkersuisut.gl] in October 2015. A draft SIA was prepared according to this framework and submitted for Government review in 2015. Feedback was received on this draft submission in early 2016.

In 2016, updated Guidelines on the process and preparation of the SIA report for mineral projects were released by the Government of Greenland (GoG). The new Guidelines provided additional guidance on the nature of positive and negative impacts which should be considered in the SIA report. In responding to the feedback received from the GoG on the draft SIA, the company took the opportunity to incorporate new Project details and present the analysis in a format consistent with the updated guidance from the GoG and international practice. All of the impacts previously identified were included in the updated version of the SIA, and additional impacts were specifically assessed. The updating of the SIA was undertaken by a social practitioner with more than twenty years of experience working on social impacts in the extractive sector, in more than forty countries.

The updated version of the SIA was submitted in 2018 and again in 2020 to reflect additional comments from the GoG. It was approved by the GoG for public consultation on December 18, 2020.

The impacts considered in the SIA are listed below:

- National and local economy
 - Greenlandic employment and procurement
 - Greenlandic processing
 - Government revenue
 - Inequitable distribution of benefits
- Employment and labour conditions
 - Greenlandic employment levels
 - Training and work skills capacity building
 - Indirect employment and local procurement
 - Labour conditions
 - Workforce accommodation
- Land-Use and Land Based Livelihoods
 - Economic displacement due to land occupation and land access restrictions
 - Ecosystem services
 - Tourism
- Ocean resources and Ocean-based Livelihoods
 - Economic displacement due to access restrictions and impacts to ocean resources
- Occupational health and safety
 - Risk of accidents



- Radiation exposure (occupational health impact)
- Community health, safety and security
 - Dust and air quality (health impact)
 - Noise exposure
 - Radiation exposure (health impact)
 - Traffic safety
 - Communicable diseases
 - Non-communicable diseases
 - Social and emotional well-being
- Social structures and community life
 - In-migration
 - Infrastructure, services and government delivery capacity
 - Protection and promotion of traditional knowledge
 - Vulnerable groups and social issues
- Cumulative impacts

The assessment of human rights risks and impacts is typically addressed in one of two manners in impact assessments: a standalone human rights due diligence / impact assessment is conducted, or a human rights lens is applied to the SIA and EIA with a view to ensuring these documents identify and assess the potential human rights risks and impacts associated with a project. The Kvanefjeld Project has used the second approach. As is evident in the list of impacts which have been assessed, human rights considerations have been strongly represented in the risks and impacts which were identified and assessed.

Question 3: Please provide information on how your company has conducted meaningful consultation with affected stakeholders on the mining project. Please indicate whether any steps were taken to avoid negative social, cultural and environmental impacts on the communities located in the area of the project, in particular to the indigenous Inuit peoples, including by seeking their free, prior and informed consent for the project on their lands.

88% of the electorate of Greenland identify as Inuit. This results in a de facto situation where Greenlanders who self-identify as Inuit control their own affairs through the Government of Greenland, including natural resource governance Johnstone and Merrild Hansen (2020). The former UN special rapporteur on the rights of indigenous peoples, James Anaya, considers that the term “indigenous” refers broadly to the living descendants of pre-invasion inhabitants of lands now dominated by others (Anaya, 2004). It is not appropriate for GML to cast an opinion on the indigeneity of the Greenlandic Inuit population, but rather to note the Government of Greenland’s position on this matter, as articulated by (Johnstone & Merrild Hansen, 2020, p. 57);

“The Greenland government’s view is that the government and the parliament are the representative institutions of the Greenlanders. The civil service in Greenland does not





mainstream indigenous rights in its working methods.... Their view is that indigenous rights do not apply in Greenland because the (indigenous) Greenlanders are not underrepresented. The government voice is purportedly the voice of all Greenlanders. Further, they assume that Inuit values are necessarily integrated into decision-making simply because the decision-makers are themselves Inuit."

Within this context, the Company sought the advice of local experts on this issue and understood the Government of Greenland to be the representative body of the Indigenous Inuit, who comprise the vast majority of all Greenlanders. As such, the Company understands the consultation process established by the Government to reflect the rights of indigenous Inuit (and all Greenlanders for that manner), "where he "consent" part of free, prior and informed consent (FPIC) in Greenland is the consent of the government as the legitimately elected representatives of the people" (Johnstone & Merrild Hansen, 2020, p. 58). It is also the company's understanding that while there are questions raised in relation to minority populations in the North and East of Greenland (Johnstone & Merrild Hansen, 2020), there are no such identified minority groups located in proximity to the Kvanefjeld Project for whom specific and differential rights may be applicable. As such, the company understands the consultation process established by the Government to reflect the rights of all Greenlanders, "where "the "consent" part of FPIC in Greenland is the consent of the government as the legitimately elected representatives of the people" (Johnstone & Merrild Hansen, 2020, p. 58)

The engagement process applied by the company has followed the requirements laid out in the Mineral Resources Act, bolstered by additional voluntary updates and meetings coordinated by the company. A brief history of the phases and scope of engagement is provided below, and additional details are contained in the appendix.

2007	Initial engagement
Dec 2013 – Oct 2015	Engagement in relation to the development of the Terms of Reference for the SIA
2016 – 2019	Updates on Project status to interested communities through a combination of DCE led engagement (formal Town Hall meetings) and company-led engagement.
2020 – 21	Covid-19 has limited the amount of consultation and engagement undertaken in the past 15 months. The formal Public Consultation phase, initially scheduled to commence in January, was delayed until February as a result of Covid-19. As a government led activity, any questions in relation to the revised schedule for this consultation process should be directed to the GoG.

For consultation to be considered meaningful it should be possible to demonstrate how the consultation has effected change or influenced decisions. There are many examples documented in





the EIA and SIA where such change has occurred as a result of community consultation. Examples include the layout of the Project (including location of the port, the processing plant etc). Alternative configurations of the Project and the decision process which led to the proposed Project design are discussed in detail in Chapter 5 of the EIA.

The premise of the impact assessment approach documented in the EIA and SIA (and supported by extensive appendices) has been to identify and avoid where possible, or if not possible to avoid, minimise and mitigate the social, cultural and environmental impacts of the Project.

Question 4: Please describe the measures that your company has taken or is planning to take, to prevent recurrence of such situations in the future.

The Company has conducted robust social and environmental impact assessments, informed by assessments conducted by experts in their respective fields. While not necessarily framed in the language of human rights, they have clearly addressed the salient issues, as evidenced by the inclusion of risks and impacts associated with in-migration, vulnerable populations, impacts to culture etc. We have not received any subsequent evidence of actual or potential human rights impacts. If we do, we are committed to investigate any allegation based on credible evidence.

Given the seriousness with which the company views its human rights responsibilities, as articulated in the UNGP's, the company will commission a human rights due diligence (HRDD) assessment in the near future as a first step in our ongoing Due Diligence process.

Question 5: Please provide information on whether your company has established or participated in an effective operational-level grievance mechanism to address adverse human rights impacts caused by its operations, in line with the UN Guiding Principles. Please also provide any information on whether such a mechanism has been used to address any concerns or impacts arising out of the mining project, as well as information on any outcomes or remedies provided as a result.

The SIA defines a proposed grievance mechanism to be implemented by the Project prior to the commencement of construction. In the absence of this formal mechanism already having been implemented, the Project maintains offices in Narsaq and in Nuuk which are open for queries and questions. It is acknowledged that with the advent of Covid-19 and subsequent travel limitations, the Narsaq office has not been open for much of 2020.

In response to this complaint, the Company will accelerate the roll-out of the Grievance Mechanism.

References

Anaya, J. (2004). *Indigenous Peoples in International Law* (2nd Edition ed.). Oxford: OUP.
Johnstone, R. L., & Merrild Hansen, A. (Eds.). (2020). *Regulation of Extractive Industries Community Engagement in the Arctic*. Abingdon: Routledge.

