
KVANEFJELD RARE EARTHS PROJECT, GREENLAND – UPDATE ON LEGAL PROCEEDINGS

- Greenland Minerals A/S (GMAS) commenced legal proceedings in the Danish and Greenlandic courts relate to the Greenlandic government’s decisions to refuse to grant either of GMAS’ applications for an exploitation licence. The proceedings are in parallel to the arbitration proceedings commenced by GMAS against the Greenlandic and Danish Governments.
- The legal proceedings were initiated by GMAS to avoid being time-barred. The proceedings were instituted against a number of defendant entities of the Greenlandic government and Danish government so that GMAS would not be without a remedy for procedural reasons as there are some complexities as to the proper jurisdictional forum.
- The Defendants have filed their defences in both the Danish and Greenlandic proceedings.
- GMAS seeks to have the proceedings in the Courts stayed pending the outcome of the Arbitration. The Governments oppose a stay being granted.
- Next stages:
 - Greenlandic proceedings:
 - Decision on whether the case will be referred to the High Court of Greenland
 - Other preliminary aspects, including the stay application: resolution expected during Q2 2025
 - Danish proceedings:
 - Case management call to be convened

Energy Transition Minerals Ltd (Company) (ASX: ETM) provides the following update on its ongoing legal proceedings in relation to its Kvanefjeld Rare Earth Element Project (**Project**) in Greenland.

As previously outlined, ETM is focused on enforcing its rights in relation to the Kvanefjeld Project, either through a negotiated outcome or formal arbitration, following the Greenland Government’s decision to change legislation applicable to the Project.

Parallel Court Proceedings in Denmark and Greenland

Since March 2022 the Project has been subject to arbitration proceedings between the Company’s subsidiary, Greenland Minerals A/S (**GMAS**), and the Governments of Greenland and Denmark before an Arbitration Tribunal seated in Copenhagen, Denmark (**Arbitration**).

As announced on 27 May 2024, GMAS initiated court proceedings in parallel to the Arbitration by filing writs in the Court of Greenland and the District Court of Copenhagen against the Government of Greenland (**Naalakkersuisut**), the Greenland Legislature (**Inatsisartut**), various ministries and agencies within the Government of Greenland, as well as the



Government of Denmark, represented by the Ministry of Climate, Energy and Utilities (**Defendants**).

As previously advised, a deadline to file court proceedings is potentially applicable within one year from Naalakkersuisut's decisions of 1 June and 8 September 2023 dismissing GMAS' requests to reinstate its Exploitation Licence for the Project. This deadline is stipulated in the Greenlandic Mineral Resources Act.

The deadline may have been triggered because Naalakkersuisut chose to issue the decisions before there was a decision in the pending Arbitration pertaining to GMAS' right to an Exploitation Licence (and related matters). Consequently, GMAS was constrained to commence the court proceedings in parallel to the ongoing Arbitration.

Because the deadline potentially prevents GMAS from challenging Naalakkersuisut's decisions and having GMAS' exploitation right confirmed in court (if necessary), GMAS filed the court proceedings to further safeguard GMAS's rights in relation to the Project.

This means that GMAS can continue to pursue its claims in the event that all or certain issues will ultimately not be decided in the Arbitration, but would then have to be decided in court.

Through the court proceedings, GMAS is seeking to have determined/confirmed:

- The existence and scope of its right to an Exploitation Licence for the Project;
- The invalidity or inapplicability of Act No. 20 (the **Uranium Act**) in relation to GMAS and the Project, including because of a violation of the Constitution of the Kingdom of Denmark;
- Annulment of the Government of Greenland's decisions of 1 June 2023 and 8 September 2023 rejecting GMAS' applications for an Exploitation Licence;
- The Court's correction of the above-mentioned decisions of the Government of Greenland, or, in the secondary alternative, the Court's referral of the matter back to the Government of Greenland for reconsideration based on the Court's finding concerning GMAS' right to an Exploitation Licence and the invalidity or inapplicability of the Uranium Act to GMAS and the Kvanefjeld Project; and
- The authorities' liability to GMAS for the financial loss suffered, including loss stemming from the delay in being able to start exploitation activities.

GMAS has requested a stay of the legal proceedings in Greenland and Denmark pending the outcome of the Arbitration. The purpose of this is to minimise costs and procedural inefficiencies by avoiding having to debate the case in multiple forums at the same time.

GMAS is also seeking to have the legal proceedings in the Court of Greenland and the District Court of Copenhagen referred to the High Court of Eastern Denmark, or, alternatively, the High Court of Greenland in first instance given the principled issues involved.



A Hearing within a higher court shall also reduce the time and costs of the overall proceedings by limiting the number of potential court instances to two (High Court and Supreme Court) instead of three (District Court, High Court and Supreme Court).

Recent Developments

The Defendants submitted their Statements of Defence on 10 July 2024 in the Greenland case and on 27 August 2024 in the Danish case. In both litigations, the Defendants have limited their Statements of Defence to procedural and formal points, reserving their position on the merits for a later stage.

In the Greenlandic litigation, the Defendants assert that Naalakkersuisut is the sole correct defendant. Therefore, the Danish Ministry and the other Greenlandic entities seek dismissal of the case without prejudice, arguing that they are improper defendants. The Danish Ministry adds that Greenland is an improper forum for it to be sued.

On the merits, Naalakkersuisut seeks to uphold its decisions of 2023 denying GMAS an Exploitation Licence for the Project or, subsidiarily, to process and decide GMAS' requests for an Exploitation Licence in a new administrative procedure (this is similar to GMAS' own secondary alternative claim mentioned above).

In the Danish litigation, the Greenlandic defendants seek dismissal of the case without prejudice, arguing that they are improper parties, and that Denmark is an improper forum for them to be sued. Subsidiarily, these parties request acquittal from all GMAS' claims on the merits. Again, Naalakkersuisut seeks to uphold its decisions of 2023 denying GMAS an exploitation licence for the Project or, subsidiarily, to process and decide GMAS' requests for an exploitation licence in a new administrative procedure (similar to GMAS' own secondary alternative claim mentioned above). The Danish Ministry seeks dismissal of the case without prejudice and subsidiarily acquittal on the merits.

In the Greenlandic litigation, it is the expectation that the case is referred to the High Court of Greenland for the time being, pending a decision on whether the case should ultimately be referred to Denmark. In the Danish litigation, it seems that the parties will have to debate whether that case should start in the High Court of Eastern Denmark since the Defendants have so far opposed that.

GMAS' Exploration Licence was issued at a time when Greenland had not yet assumed full control over the mineral resources sector, and so the Danish Government had a veto right on any issuance of licences at the time. The arbitration agreement contained in GMAS' Exploration Licence – which was drafted solely by the Danish/Greenland authorities – stipulates that any case not falling within the scope of arbitration shall be referred to the courts of Denmark (not Greenland).

However, at the same time, the Greenlandic Mineral Resources Act stipulates that challenges to decisions of Naalakkersuisut shall be brought before the Greenlandic courts. This inconsistency in the present case forced GMAS to initiate court proceedings in both forums



to avoid potentially jeopardizing its legal position if the authorities argue that proceedings had been commenced in the wrong forum and could no longer be filed in time at the correct forum.

The Defendants have so far denied an invitation from GMAS to agree to the court case proceeding in a single forum (Greenland or Denmark) against all parties to save overall costs, and so GMAS is forced to pursue the two litigations going forward.

In both litigations, the Defendants have indicated that they are opposed to a stay being granted, because they prefer to have the entire case heard in the courts rather than in the Arbitration.

At the same time, the Defendants have made the highly unusual request for declaratory relief that would compel GMAS to discontinue the Arbitration, arguing that the issues are non-arbitrable and outside the scope of the arbitration agreement. The Defendants seek to have this request decided at an early stage of the proceedings.

Current Stage and Next Steps

GMAS is currently awaiting the Court of Greenland's decision on the referral of that case to the High Court of Greenland, and a decision is expected shortly. GMAS expects that the other preliminary aspects of the Greenlandic litigation, including the issue of the stay application, will be resolved by Q2 2025.

The Copenhagen District Court is expected to convene a case management call in the near future in the Danish case and, following this, ETM can likely provide an update on the procedure and timing of this case.

In parallel, ETM is awaiting the bifurcation decision from the Arbitral Tribunal about whether jurisdiction should be discussed separately or together with the remainder of the issues in the case. The timing of the decision has been slightly delayed and is now expected in the course of September 2024.

Commitment to Legal Rights and Responsible Development

Managing Director, Daniel Mamadou, said:

“We will continue to keep our stakeholders informed as the legal proceedings evolve. The Company respects Greenland's legislative process and is dedicated to engaging constructively with Greenlandic authorities to achieve a resolution that harmonizes environmental stewardship with the protection of legal rights.”

ETM remains steadfast in our belief that the Kvanefjeld Project can be a cornerstone of economic growth, welfare, and prosperity for Greenland. By harnessing Greenland's rich natural resources, we would be not only developing rare earths essential to the global green



transition but also creating opportunities for local communities, from job creation to infrastructure development.

ABOUT ENERGY TRANSITION MINERALS LTD.

Energy Transition Minerals Ltd (ASX: ETM) is an exploration and development company focused on developing and financing supply chains for the metals and materials that are critical to the decarbonization of the world, with a special focus on high-quality mineral projects globally. The Company is managing exploration projects in Western Europe, North America, and Greenland. The Company is involved in the Villasrubias Lithium-Tantalum exploration project in the province of Salamanca, in the region of Castille and Leon in Spain; it is expecting the grant of several additional exploration licenses in Castilla y Leon, Extremadura, and Madrid. The Company also holds the Solo and Good Setting lithium projects in James Bay, Quebec. The Kvanefjeld rare earths project remains subject to arbitration procedures in the Arbitration Tribunal in Copenhagen.

**Authorised for release by the Managing Director of Energy Transition Minerals Ltd.
-ENDS-**

**Daniel Mamadou
Managing Director
+618 9382 2322**