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## Reforms boost Greenland miners

As Aim-traded Angel Mining prepares to commence gold production from its Nalunaq mine, recent government reforms should help Angel and its fellow Greenland miners to accelerate their projects. Greenland wants to exploit its mineral wealth to diversify its fishing-reliant economy and ultimately support independence from its 3bn kroner (1.1bn) annual handout from Denmark.

After 300 years of governance by Denmark, Greenland assumed self-rule last June. The passing of a mining law and transfer of mineral rights from 1 January 2010 enables Greenland's Bureau of Minerals and Petroleum to issue licences and permits after approval from only the Greenland government. Applications had previously needed approval from a joint committee comprising members from both Greenland and Denmark.

Nalunaq is the first new mine to be developed in Greenland for over 30 years, and others are in the pipeline, not least Angel's flagship, the Black Angel zinc and lead mine that could also be in production by the year-end. Angel's chief executive Nicholas Hall is seeing a difference following the reforms and describes the company as well-placed with its permitting.

Fellow Aim-traded London Mining should also benefit from the reforms. Non-executive director Hans Schnwandt anticipates reduced bureaucracy and a much faster handling of applications and a simpler, easier approval process. This should speed development of London's substantial Isua iron ore project, which in December confirmed a resource of 574m tonnes at 37 per cent iron ore. The group is currently finalising a pre-feasibility study that expects to publish it in February.

Australia-listed Greenland Minerals and Energy is developing the Kvanefjeld multi-element project, which is not only showing strong potential in high demand uranium, but even more crucially in rare earth elements. The US Geological Survey describes these as 'critical for high technology', such as superconductors and hybrid car components, with inferior or unknown substitutes. But China controls 95 per cent of the global supply of rare earths and export quotas could threaten their availability to external users. If Kvanefjeld can develop into a significant rare earths producer, this alone would put Greenland firmly on the global mining map.

### IC VIEW:

Oil and gas will probably generate higher near-term revenues for Greenland, although mining will contribute to employment and longer-term income. Angel Mining is good value at 6p. Greenland Minerals and Energy have planned a London flotation in late 2010 which could be worth looking out for.

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