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Greenland Minerals Lines Itself Up For A Serious Role In The Global Supply Of Rare Earth Elements

By Alastair Ford

“Greenland”, says John Mair, “is a big question mark in the global minerals world”. He’s in a position to know, since he’s described at the bottom of his own emails as “General Manager, Projects”, for Greenland Minerals and Energy Limited. It becomes apparent during the course of a phone call with Minesite, however, that he actually does a bit more than that. He’s pretty up to speed on the corporate side of things too. There’s no disputing the tenor of his initial statement, though. Prolific in minerals, yes. But it’s still far from clear whether Greenland will ever develop into the major minerals destination that near neighbour Canada has become over the years.

A far from exhaustive trawl through the recent history of companies that have sought but never quite delivered the goods in Greenland throws up plenty of familiar names. Angus and Ross, for example, once had a tantalum project up in Greenland, about which little has been heard for years – it’s spent much of its time lately messing about with the old Black Angel zinc mine and achieving very little. And it took Galahad Gold a long time to realize that the world famous Skaergaard deposit had been studied by academics for decades but never mined, precisely because it was interesting geologically, but not economically. International Molybdenum had a no-hoper of a project up on the eastern side too, but that actually worked out very well, since someone else apparently disagreed and bought the company out at a profit. Even London Mining, which is probably the most successful and upright of the rogues gallery that we present here, mentions its Greenland projects after it’s through talking about China and Saudi Arabia, which goes to show just about where Greenland sits on people’s radars.

It’s partly because hardly anybody’s from Greenland. Less than 60,000 people inhabit a landmass of over two million square kilometers, the 13th largest country or sovereign territory in the world. Still, amongst that limited population, Greenland Minerals and Energy has at least been making some influential friends. The company announced last month that it had appointed a former prime minister, Lars Emil Johansen, as chairman of its local operating subsidiary. It’s widely thought that Mr Johansen will play a key role as Greenland moves towards full independence from Denmark, and he in turn is hoping that establishing a strong mining sector will play a key role in allowing Greenland to stand on its own two feet.

So he should be a useful man to have around when Greenland Minerals and Energy starts to get serious about development at its key Kvanefjeld rare earths project. A recent resource update showed a JORC resource 457 million tonnes of ore containing 4.79 million tonnes of rare earth oxide (REO) at Kvanefjeld, much of it in the indicated category. Rare Earth Elements (REEs) are a group of specialty metals generally held to include the

15 lanthanide elements, as well as yttrium and scandium, and which have unique physical, chemical and light-emitting properties. REEs are likely to be increasingly in demand, owing to their application in cutting edge technologies such as hybrid cars, liquid crystal displays, fibre optic tubes and cables, and specialized magnets that enable the miniaturization of electronic components. While global consumption of REEs has been steadily increasing, supply has tightened dramatically. For the past 10 years, China has dominated global supply, but owing to the importance of REE availability to internal industries, China is prioritizing its domestic markets through steadily increasing export taxes on REEs. At the same time it's reducing export quotas. As a result, REEs are in short supply, and, with demand forecast progressively to increase, the world drastically needs new suppliers of REEs.

All of which means that it's nice for Greenland Minerals and Energy that Kvanefjeld turns out to be one of the largest REE deposits in the world. What's more, it's not been completely drilled off yet either. Thus far, Kvanefeld, which outcrops at surface, has been drilled down to 270 metres in depth. It's still open further down, though, and in two other directions. There are, says John Mair, plans afoot for Greenland Minerals to increase its wider resource base, but as things stand the company has got plenty enough tonnage be cracking on with the next stage, which is work on a pre-feasibility study. "One of the key things the market wants to see", says John Mair, "is that this ore can be viably mined. We've made significant advances beyond work done by the Danes". The prefeasibility study should be complete by the end of the year, and John is surely right when he says, "a lot of people will be interested to see the results of it".

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