

Being in the right place at the right time

IN MANY WAYS it has all been in the timing for one Australian junior as it consolidates its early mover status in what is arguably one of the world's last great mineral frontiers.

Since acquiring its flagship Kvanefjeld rare earth element (REE), uranium and sodium fluoride play in southern Greenland during August 2007, Greenland Minerals and Energy Ltd has quickly pushed the project into the pre-feasibility stage, with two major drilling programs confirming both its historical resource as well as a significant upside potential for the deposit.

The company's arrival in the under-explored country came just 18 months before the nation's reasonably small population of 55,000 decided in a referendum that they wanted self-determination from Denmark – a move that will now see Greenland retain its mineral rights.

With this has come the in-principle acceptance of uranium mining as a by-product by the country's parliament, whose members discussed the issue (and reached the favourable conclusion) during November.

Bright outlook

When put together, this not only means that the junior will one day be able to wholly-own any of the future tenements it may apply for (it currently owns 61% of Kvanefjeld, which can be increased to 100% with a \$60 million payment), but now – from mid-2009 at least – it shall not have worry about any Danish bias vis-à-vis uranium.

"It is a very important signal to the exploration community that the Greenlandic parliament has had this discussion in principle," GME non

executive director and the country's former minister for mines, Dr Hans Kristian Schonwandt, said during a recent visit to Australia.

"We in GME know there are a couple of uncertainties out there, and we know that we have to participate strongly in discussions with the community and the entire political system over the next year to get this through, and so far we have been very open in our discussions."



Some of the players in Kvanefjeld project: (from left) Ole Ramlau Hansen (Greenland Mining Services A/S), Rod McIlree (GME MD), Dr Hans Kristian Schonwandt (GME non-executive) and Dr John Mair (GME projects manager).

GME managing director Rod McIlree said the PFS work on Kvanefjeld, which is located 8 kilometres north of the coastal town of Narsaq, should be completed in the second half of 2009, with an updated resource penciled in for some time early next year.

The company he explained, had also had some "metallurgical breakthroughs" in 2008 and was now looking to have a flowsheet in place for the project during 2009.

Testwork on the ore was being carried out by SGS Mineral Services in WA.

As it stands, GME currently has a JORC-compliant inferred resource of 334 million tonnes of uranium oxide at 302 parts per million – a significant increase on the 126 Mt at 400 ppm uranium oxide initially established by the Danish Atomic Energy Agency.

It has the potential, according to the company, to be one of the world's largest stand-alone REE mines as well as a uranium deposit of global significance.

"It will be the premier project of its kind ... it is multi-element and it has numerous value drivers, so it's not going to be the subject to the vagrancies of single element mines," McIlree said.

Diverse geology

GME general manager of projects, Dr John Mair, said the original work conducted by the Danish Government during the 1980s was only subjected to spectral analysis – a technique which revealed uranium only.

Chemical assaying conducted by GME, however, showed Kvanefjeld to be a multi-element ore body.

"Very quickly you could see there was scope for a lot more – it just hadn't been tested," Dr Mair explained.

"Greenland represents possibly the last great frontier in mineral discovery.

"It's a politically stable place, it's opening itself up to mining in a big way, and it has promoted itself very heavily – to the Canadians in particular.

"The other important thing about Greenland as well is it's very highly prospective ... it's got very diverse geology and is prospective for a whole suite of commodities."

By Mark Fraser