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# GREENLAND MINEX News

GREENLAND MINERAL EXPLORATION NEWSLETTER

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# Changes in mineral exploration licence conditions

***Towards alleviating Greenland exploration deflation***
***Opportunity for new companies***

In the last few years, a leading topic in all news media of the mining industry has been the general fall in prices of metals and minerals that has led to worldwide reduction in exploration and mining activity. Greenland has not escaped this deflation and there has been a marked decrease in the number of new licences granted and in areas staked for exploration, with a corresponding fall in exploration expenditure. With immediate effect, two changes are announced.

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## 50% reduction in exploration obligations

In an attempt to alleviate the deflation effect, exploration commitments have been reduced. For all exploration licences for minerals issued, there is a 50% reduction in exploration commitments for 1999. This is a temporary measure, the effect of which will be reviewed in the fall of this year, in anticipation of renewal for 2000. Companies will be informed about the actuality of the renewal for 2000 by December 15, at the latest.

## 3-month rule: no immediate re-application after relinquishment

Another change announced by the Bureau of Minerals and Petroleum clarifies procedures in connection with re-applications for land areas after relinquishment, the intention being to increase the opportunities for new companies to get involved in staking promising areas. Following relinquishment of an area or a licence, a 3-month restrictive period is introduced during which the area is *only* open for licence application by others. In this context, financially-related companies or joint venture partners to the relinquishing company, are excluded from applying for all or part of the relinquished area. The 3-month period is calculated from the date at which the relinquishment is made public on the BMP homepage (www.bmp.gl).

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# The diamond search, and company optimism, continue

***New macrodiamond finds in West Greenland***

New exciting results of diamond exploration in Greenland were reported in an April 7 press release from the Dia Met Minerals Ltd. – Monopros Ltd. joint venture in the region south-west of Kangerlussuaq (Søndre Strømfjord) in southern West Greenland (66°N). A total of 558 kg of kimberlitic rock from six localities yielded 493 microdiamonds (smaller than 0.5 mm) and 5 macrodiamonds. All the macrodiamonds and 474 of the microdiamonds come from a 140 kg sample representing material of some 200 kimberlitic blocks that lie on a lineament and appear to outline an underlying dyke. Further results of the processing of kimberlitic samples from the region are pending. This encouraging news marks an optimistic beginning of the fifth consecutive field season of intensive diamond exploration in Greenland.

As of June 1, seven other companies are involved in diamond prospecting in western Greenland.

# Rio Tinto joins Platinova in the Far North

***Summer drilling of the zinc-lead-silver Washington deposit***

Platinova A/S has signed a joint venture agreement with Rio Tinto Mining and Exploration Limited, a subsidiary of London-based Rio Tinto PLC, to conduct a 1999 programme of diamond drilling and other exploration on a Platinova-held zinc-lead-silver prospect in Washington Land, western North Greenland (80°30′N). In 1997 a GEUS reconnaissance team discovered a series of showings with blocks of zinc-lead-silver-mineralised, strongly dolomitised carbonate rocks. Samples with up to 25% zinc, 13% lead and 170 ppm silver were collected (see Jensen & Schønwandt 1998, cited below). The fault-related mineralisation is within Lower Palaeozoic carbonate rocks of the Franklinian Basin and comparisons with the geological setting of the Polaris deposit – in the western continuation of the carbonate province in Canada – have been put forward.

In 1998 Platinova extended the length of the 250-m wide zone of mineralisation to about 4 km, and reported surface grab samples with up to 42% zinc and 258 ppm silver. Ground geophysics proved a gravity anomaly under the western part of the mineralised trend.

The results of a government-financed airborne geophysical survey conducted over parts of Washington Land, including the new zinc-lead-silver prospect, were released on March 1, 1999 (see Rasmussen 1999, cited below). Platinova's licence area was recently enlarged to include areas with geophysical anomalies detected by this survey.

Rio Tinto can earn a 60% interest in the licence by funding all exploration work up to the point of a feasibility study, with a minimum expenditure in 1999 of $ 500,000 (US) and $ 700,000 per year in following years. For expenses incurred prior to the 1999 field season Rio Tinto has made a cash payment of $ 175,000 to Platinova.

**Literature available from GEUS**

Jensen, S.M. & Schønwandt, H.K. 1998: A new carbonate-hosted Zn-Pb-Ag occurrence in Washington Land, western North Greenland. Danmarks og Grønlands Geologiske Undersøgelse Rapport **1998/3**, 31 pp.

Rasmussen, T.M. 1999: Airborne electromagnetic and magnetic survey in Washington Land and Daugaard-Jensen Land, western North Greenland. Results from project AEM Greenland 1998. Danmarks og Grønlands Geologiske Undersøgelse Rapport **1999/10**, 19 pp. + appendices.