

100X IF TRUMP BUYS GREENLAND?



There may be an opportunity for the US to strike a deal with Greenland. A tiny company listed on a major Western stock exchange could hold the key for getting Denmark, Greenland, and the US to negotiate – backed by international law.

If this scenario plays out, this micro-cap could turn into a 100-bagger (or more).

Several layers of unknowns remain, but it's a tantalising story, and backed by a multi-billion investment firm that once made more than 100x from a similar situation. Beware – very limited trading liquidity!

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The danger of taking Trump literally (but not seriously)

Dear Lifetime Member,

It's year 9 since Donald J. Trump came down the escalator, but even now, not everyone has learned the basic lessons.

Amazingly, there are still people who take Trump literally but not seriously. Many seem to work in the mainstream media. At least, that's how it looked like when Trump announced that he would pursue an interest in Greenland (and Panama).

Shrieking and wailing dominated the news. Insinuating that the US might go into Greenland using military, the *BBC* headlined "[Denmark boosts Greenland defence after Trump repeats desire for US control](#)". There was hardly any real intellectual curiosity as to the reasoning behind Trump's initiative. [Only The Independent asked how the purchase would actually work.](#)

It's an interesting question, not the least since the Democratic Party president, Harry S. Truman, had already floated the same idea in 1948.

Once you start to investigate the issue, it appears there could be more substance to this entire idea than is apparent at first sight.

It's likely that someone will have briefed Trump about the incredible power of Investor-State Dispute Settlement (ISDS), a legal mechanism that private investors can use for arbitration when a nation state has done them wrong. It's been established for decades, and it's used around the world.

Sovereign states are sovereign, but ISDS can bring even the most powerful nation state to heel. ISDS cases have already produced USD 113bn of payments from nation states to investors, but it remains a little known mechanism as far as the public is concerned. What's more, ISDS could become a factor in the considerations involving Greenland.

One such arbitration case is currently playing out in Greenland. It involves a financial claim so big that the case could have massive financial and – ultimately – political consequences for the island territory. **Greenland's politicians may have bankrupted the island by blatantly disregarding laws involving a foreign investor, and the resulting finan-**

cial damage may be too big even for Denmark to rescue its former colony.

This set-up could provide an opening for rearranging Greenland's legal status. The island's future governance structure is up for review anyway, after its release into autonomy in 2009 and further steps taken towards full-blown independence. **Greenland may soon need a new arrangement to survive financially, which could pave the way for an arrangement between Greenland, Denmark, and the US – with a strong incentive for Greenland's population of 56,000 people to provide the necessary ratification of the deal.**

The mainstream media's wailing and howling over this matter will probably continue, but it's worth keeping in mind that one possible alternative is to see Greenland fall under the influence of China.

Trump will have known this since 2019 when someone who is intimately familiar with Greenland's situation (and the company that is now being named in the overall context) visited the White House. The idea to have the US purchase Greenland appeared in public shortly

Source: [Financial Review](#), 1 April 2021

How a Perth geologist convinced Trump to buy Greenland



Perth mining investor and CEO of Tanbreez, Greg Barnes, gave a consequential briefing to the White House on Greenland. **Trevor Collens**

Jacob Greber *Senior correspondent*

Apr 1, 2021 – 12.00am

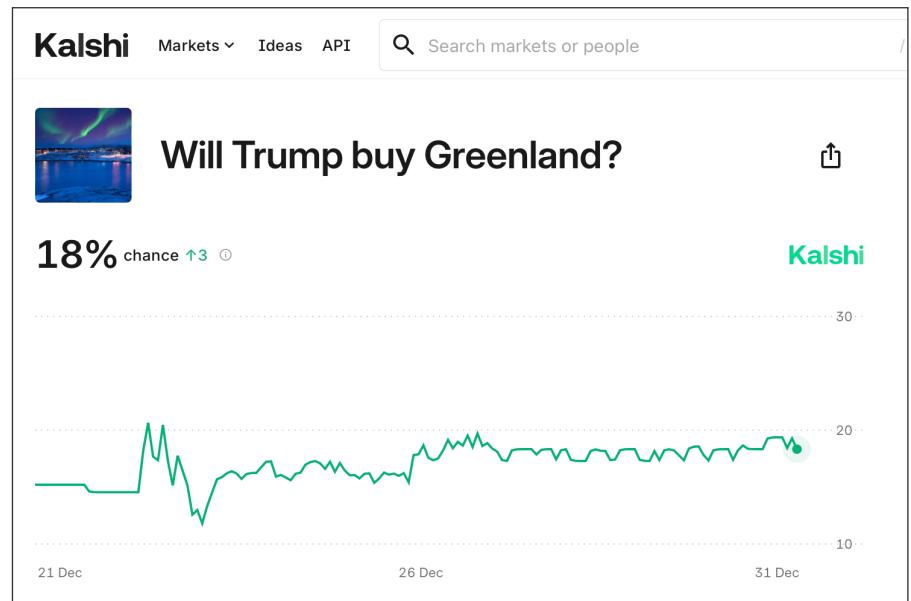


When Donald Trump mused about [buying Greenland](#) 18 months ago there were those who scoffed at the idea; not least because it wasn't for sale.

thereafter. A mere coincidence? Hardly, if you read the [\(paywalled\) article that Australian publication *Financial Review* published about the meeting on 1 April 2021.](#)

Add to it the fact that [an exhaustive survey by *Arctic Today* in Greenland in 2021](#) indicated that 69% of those asked thought that Greenland should cooperate more closely with the US. Is it any surprise that online betting is already placing an 18% likelihood on a deal of some kind during Trump's second term?

Source: [Kalshi](#)



For the avoidance of doubt, this report does not predict that any of this will unfold. **It merely spells out one possible scenario as a thought experiment, and it invites feedback.** This research report is really a discussion paper. If you disagree with the ideas laid out herein, tell me where I am wrong. I wrote it for the purpose of experimenting with an idea that the stock market has not yet priced in, and which holds broader relevance for anyone following world affairs.

Back in 2004, I broke a somewhat similar story, predicting that the Falkland Islands were going to become a significant focal point for the oil industry. Upset and consternation followed. One Austrian newspaper went as far as accusing me of inventing stuff with malicious intent – effectively calling me a criminal. As we now know, my thesis got confirmed a few years later (see my recent Weekly Dispatch "[Falkland Islands – a star is born](#)"). My 2004 research report was directionally accurate as far as the key aspects were concerned, and that's all I endeavour to achieve.

This time, too, I am bracing myself for punchy reactions. After all, Trump got the mainstream media, NGOs, and various other groupings into a complete tizzy when mentioning his interest in Greenland. It's a subject that stirs up emotions.

The sober reality may well be that all this is just a matter of money, legals, and politics. In the end, needs must. And boy, does Greenland have needs! Its potential future needs are so big that its Danish sugar-daddy may soon become tired.

Today's report provides you with a surprising story of how one tiny company could have a significant role in facilitating a new future course for Greenland, and what this would mean for its shareholders.

As ever, this information is to help you make up your own mind. The stock is dangerously illiquid, and only professional investors with experience in such an extreme, binary situation should ever consider putting a few bucks in. That said, maybe you would agree that the odds of this investment working out make it a better deal than placing an online bet?

Best regards



Swen Lorenz
Undervalued-Shares.com

P.S.: A similar situation exists in Panama, where a corporation will now go after the government for USD 55bn in compensation. In that sense, it's not surprising that Trump mentioned both Greenland and Panama as strategic assets of interest. Panama would be a separate story, though.

Executive summary

Energy Transition Minerals (ISIN AU0000250250, AU:ETM) is working to develop the Kvanefjeld resource project in Greenland, an Overseas Territory of Denmark. Kvanefjeld is known as the **world's second-largest deposit of rare earth minerals**, and the **sixth-largest uranium deposit**.

Previously named Greenland Minerals & Energy, by 2020 the Australian company readied itself for taking Kvanefjeld into production. **A political storm ensued**, prompting Greenland's new left-wing government to **reverse a legislation from 2013**, specifically to prevent Kvanefjeld from going ahead.

Kvanefjeld was supposed to be part of the solution for Greenland's challenges. The territory is half-funded by Denmark, and its economy struggles with a **lack of infrastructure and population loss**. Kvanefjeld has now become a potential death knell, though. Energy Transition Minerals has initiated a **legal case against the governments of Greenland and Denmark**, using State-Investor Dispute Settlement arbitration backed by international treaties to **claim damages of USD 11.5bn** (4x Greenland's GDP). The firm has won the financial backing of Burford Capital, the **world's leading litigation finance firm**.

With its claim, Energy Transition Minerals has not just exposed potentially serious issues in Greenland's governance but also created a **potential financial time bomb**.

Could a deal with the US provide a solution? Greenland has recently gained **new strategic importance**, not just for extraction of strategic minerals but also for shipping and military defence. In between Greenland's economic struggles, Denmark's desire to extricate itself from its territory, and the economic heft of the US, there may be an **intelligent solution** to be negotiated.

Energy Transition Minerals currently has a market cap of AUD 55m (USD 34m) and net cash of AUD 14m (USD 9m). Its **enterprise value is just AUD 41m (USD 26m)**, or **0.23% of its claim** of USD 11.5bn (and lower when factoring in that interest keeps accumulating). Much as the arbitration case is in its early phase and the company will have to share any award with its litigation funder, this seems too low a valuation relative to the case. At this stage, such a claim would usually be valued at **no less than 1%**.

Burford Capital's backing and the **prospect of a Trump presidency** bringing the Greenland issue to a head should see the stock trade higher in the foreseeable future. Energy Transition Minerals could experience repeated waves of **speculative interest**.

BEWARE: This is a **micro-cap with VERY limited trading liquidity**. If the case doesn't work out, Energy Transition Minerals could be worthless altogether.

Energy Transition Minerals at a glance	
Share price:	AUD 0.039 (= 3.9 cent)
Ticker symbol:	ETM (ASX)
ISIN:	AU0000250250
Other listings:	US (OTC, "GDLNF"), Germany (TradeGate, Frankfurt OTC, and others)
Outstanding shares:	1.4bn
Market cap:	AUD 55m / USD 34m
Major shareholders:	Shenghe Resources Holding (9%), remainder widely dispersed
Website:	https://etransmin.com



Chapter 1: A primer on Investor-State Dispute Settlement (ISDS)

What you are going to learn in this chapter:

- Which nation "invented" this arbitration system.
- How it works in real life.
- Which public companies recently benefited mightily from arbitration.

A little known but important arbitration mechanism

The international "Investment Court System" is not something that many members of the public would take an active interest in.

It's the set of rules through which foreign investors can sue sovereign nations if they have been wronged in the context of their foreign direct investment.

The world's Investment Court System evolved out of a revolutionary agreement that Germany signed with Pakistan in 1959. It has since evolved into a sprawling, complex subject.

Today, foreign direct investment is protected by a network of 2,750 (!) bilateral investment treaties, multilateral investment treaties, and free trade agreements. Many of these treaties are overlapping, and some aspects are handled differently for different countries.

An academic could spend a lifetime studying this area, i.e. any attempt to provide an overview will involve a degree of simplification.

One area of the Investment Court System is the mechanism commonly referred to as Investor-State Dispute Settlement (ISDS).

ISDS is, at its heart, a mechanism for arbitration.

When a foreign investor feels wronged, they may address the issue through that country's court system. However, they may find that their

Source: [European Journal of International Law](#)

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International Investment Protection Made in Germany? On the Domestic and Foreign Policy Dynamics behind the First BITs

Ingo Venzke* and Philipp Günther**

Abstract

The investment protection treaty concluded between Germany and Pakistan in 1959 is generally regarded as a milestone in the development of international investment law. It has entered the collective memory as the first bilateral investment treaty (BIT). In this article, we analyse archival sources to investigate why Germany and Pakistan concluded this agreement at that specific time and what makes this treaty the first of its kind. Through historical analysis, we trace the domestic and related foreign policies that led to the BIT and discuss the negotiation process. Our analysis shows that the BIT was so closely linked with the German federal investment guarantee scheme (Bundesgarantien) that it is best understood as an extension of that policy. This also helps us to specify the underlying rationale for the treaties. We further highlight the influence of the financial industry – especially of Hermann Josef Abs – on the genesis of the BIT, which was less decisive than is often suggested. We identify features of the 1959 BIT that do characterize it as a new international legal instrument, but nuance claims about its degree of innovation as well as underlying motivations, and counter considerable retrospective myth making.

1 Introduction

The Treaty between the Federal Republic of Germany and Pakistan for the Promotion and Protection of Investments, concluded in 1959, is generally regarded as a

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host country's court system is not geared towards handling such cases, or that it's outright politically manipulated.

Major parts of the current ISDS system used around the world were implemented in the 1980s, with heavy involvement of the World Bank and other multilateral organisations. At the time, many developing or underdeveloped nations would not have had the court system to handle a case brought by a large foreign investor. In the absence of a reliable mechanism for resolving legal conflicts, large investors would have shied away from investing in the first place.

To facilitate foreign direct investment in poorer parts of the world, ISDS seemed like a brilliant solution.

Here is how it works.

A practical overview of the arbitration procedure

For a foreign investor to be allowed to bring a dispute under ISDS, the nation that is at the receiving end of the claim needs to have signed up to this system. Most, but not all, nations around the world have done so.

Several options exist to bring about such a case, but the most frequently used one involves the [International Centre for Settlement of Investment Disputes \(ICSID\)](#), which sits underneath the World Bank. The ICSID is the world's leading institution devoted to international investment dispute settlement, and it has operated since 1966.

Most international treaties on investment provide considerable legal protection to foreign investors. The obvious right established in such treaties is the right to not be expropriated – an all too frequent issue during the 1960-1980s, when less developed countries often saw confiscating assets owned by foreign investors as a legitimate means to an end.

In today's world, outright expropriation is less of an issue, and maltreatment of foreign investors tends to be more complex. E.g., it often involves a government trying to retroactively change the economics of a project or not following through on legal obligations that it had committed to. This has better optics overall and gets you less criticism from the media because the intricacies are far more difficult to explain. It has the same effect on investors, though.

International treaties are written to deal with changing circumstances and standards. Often, key parts of such treaties are framed in vague terms, such as rights to "*fair and equitable treatment*" or "*full protection and security*". It is then up to judges – or arbitrators – to interpret these terms in the context of a specific case, using the commonly accepted standards and circumstances of that era.

In practical terms, a foreign investor will have to decide whether to try and use a country's legal system. Alternatively, they can take a case straight to arbitration using a body like the ICSID.

Interestingly, even if the host country's court system decides against the foreign investor, it's still possible to take the case to international arbitration.

The ins and outs of this system are as complex as any legal system that has grown and evolved over the decades. One key aspect is that such arbitration cases almost always involve three arbitrators:

- One arbitrator gets chosen by the claimant.
- One arbitrator gets chosen by the defendant.
- A third arbitrator gets chosen jointly by the claimant and the defendant.

If the two warring parties cannot agree on the third arbitrator, that in turn can be decided by one of the international arbitration bodies.

Just like any court case, the arbitrators then run through a legal process that sees both parties submitting their evidence and a decision deriving at the end.

Over the past two decades, the international arbitration system has helped unlock significant payments to international investors, often involving the shareholders of publicly listed companies.

Source: [Columbia Center on Sustainable Investment](#)

Primer on International Investment Treaties and Investor-State Dispute Settlement

A printable version of this primer is also available [here](#). [French](#), [Spanish](#), and [Khmer](#) versions are also available.

The illustrations used in this primer were developed in collaboration with Picture Human Rights. You can download the illustrations and use them in accordance with their license at [this link](#).

[Updated as of January 2022]

What is Foreign Direct Investment (FDI)?

FDI occurs when an individual or corporation in one country ("home state") sets up or buys all or a significant part of a company that is incorporated in a different country ("host state"). Companies invest abroad to access land-based resources including mining, more affordable labour for instance in manufacturing, and new markets, among other reasons. Many countries seek to attract FDI in order to realize benefits in the form of tax revenues, technology transfer, jobs, and other economic linkages. The figure below illustrates the concept of FDI, as well as some of the sectors and industries into which it flows.

Litigation funders have discovered a lucrative niche

Statistics about this sector are difficult to obtain. Many such claims are resolved behind closed doors, it's not easy for the media to judge or even cover the intricate details of often very complex cases, and the entities administering such cases are on the more obscure end of the spectrum of international bodies. Entities such as the London Court of International Arbitration (LCIA), the International Chamber of Commerce (ICC), the Hong Kong International Arbitration Centre (HKIAC), or the United Nations Commission on International Trade Law (UNCITRAL) don't appear in the public eye often.

Still, some statistics are available, and they point to a certain direction.

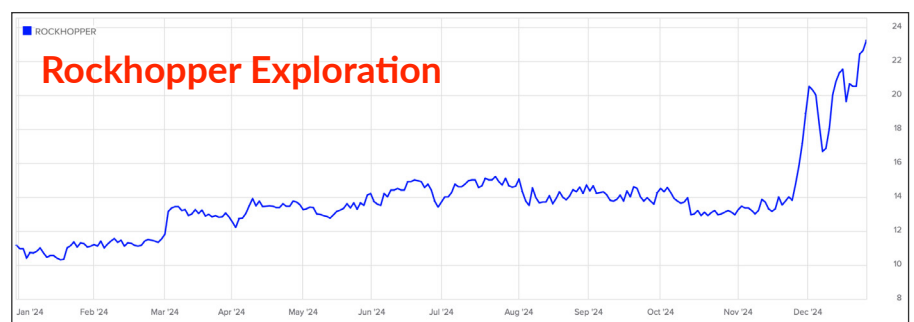
Kudos for collecting large sets of data on this area goes to an organisation that opposes the very existence of ISDS, a collective of NGOs involved with social movements and climate change. Its website "[Global ISDS Tracker](#)" contains not just figures but also a summary of cases that the organisation finds particularly contentious.

Source: [Global ISDS Tracker](#)



One such case will be familiar to Undervalued-Shares.com Lifetime Members: **Rockhopper Exploration** (ISIN GB00B0FVQX23, UK:RKH), a London-listed oil explorer that originally started in the Falkland Islands but then temporarily invested in Italy. The Italian government did not deliver on its legal obligations to the company and closed down the exploration project. Rockhopper Exploration felt wronged and brought a claim under ISDS.

The company eventually got awarded EUR 160m in damages, which provided a major financial boost for its plans to get back into the Falklands oil business, [now that this industry has woken up from its multi-year slumber](#). For Rockhopper Exploration shareholders who invested before the ISDS case was decided and before the Falklands got back on the agenda for fossil fuel projects, this has worked out rather well.



The highest-quality reporting about ISDS that I was able to locate comes from journalist Katie Surma at *Inside Climate News*. Surma practiced law before she became a journalist, specialising in commercial litigation. Her work is backed up by her LLM in international rule of law

and security. The level of detail of her reporting on the sector is nothing short of impressive and highly recommended (Surma has published an eight-part series of articles about ISDS cases).

Source: [Inside Climate News](#),
14 January 2024

How Wealthy Corporations Use Investment Agreements to Extract Millions From Developing Countries

A case in point: When Ecuador placed a windfall tax on foreign oil operations, French and U.S. companies filed claims—and were awarded more than \$800 million.

By Nicholas Kusnetz, Katie Surma
January 14, 2024



Anival Tanguila, a Quichua leader from the Corazón del Oriente Community, stands next to decommissioned Perenco oil infrastructure in the Ecuadorian Amazon on March 22, 2023. Credit: Katie Surma/Inside Climate News

Cashing Out: *Second in a series on the secretive system disrupting climate action and forcing big payouts to fossil fuel companies.*

QUITO, Ecuador—When Rafael Correa entered Ecuador’s presidency in 2007, the nation faced an opportunity and a challenge. Ecuador’s economy depended on oil, and global crude prices were near a record high. Much of the oil was extracted by foreign companies, however, so as prices surged more wealth began flowing overseas.

Given that there is no public register of such cases, it's difficult to assess how many of them prevail. One often-cited study from 2012 concluded that out of 244 cases analysed, 42% were decided in favour of the host state, 31% in favour of the investor, and 27% settled out of court. Given that a settlement out of court more often than not means the investor got paid a percentage of the damages claimed, it suggests that about half of these cases end with at least a partial win for the investor.

Over the past 15 years, so-called litigation funders have discovered ISDS claims as a highly profitable niche. Litigation funders finance legal

cases on behalf of a claimant in exchange for a percentage of the claim if the case is won. The biggest such litigation funder is Guernsey-based **Burford Capital** (ISIN GG00BMGYLN96, UK: BUR), which claims to have delivered a win or partial win for 92% of its cases.

Burford Capital's biggest claim to fame is the so-called Petersen/YPF case. In 2015, the firm spent USD 18m on acquiring a legal claim against the government of Argentina, stemming from the country's effective expropriation of shareholders of NYSE-listed **YPF** (ISIN US9842451000, NYSE: YPF). This was a highly complex case, which required fronting legal bills in the hundreds of millions.

In 2023, Burford Capital won the case and was awarded USD 16bn in damages (888x times what it had paid for the claim – not counting legal costs, though). Additional interest is now accumulating while the payment has not yet been made by Argentina, meaning another two million dollars are added each day. Along the way, Burford Capital sold parts of its claim at a higher valuation to financial investors, thereby recouping its investment and getting cash for the legal case while retaining the remainder of the claim.

How much money Burford Capital had invested in the case and what amount it will realise at what point remains unclear, not the least since Argentina is trying to contest the ruling. However, it's probably fair to say that Burford Capital will have made at least over 100x on its investment. It could realise the investment even now, as there will be specialised funds that would purchase such a claim at a discount. Burford Capital turned a neglected legal claim into a spectacularly successful case of litigation finance, which stoked envy among competitors, and led to growing interest as to how one can get in on the act at an early stage.

Surma recently covered this lucrative niche within public market investing in her long-form article ["How to Buy a Piece of a Lawsuit and Impoverish a Country"](#).

Evidently, the system has its critics. NGOs that make their money from issues such as so-called climate change are unhappy that countries need to stick to rules and laws instead of pulling the rug out from underneath certain investment projects that don't fit their policies and ideology. E.g., the entire case of Rockhopper Exploration happened because Italy decided in the context of "net zero" policies to not honour an agreement that it had made with the company for exploring a potential oil resource. This resulted in a EUR 160m compensation award for the investments that Rockhopper Exploration had made in good faith. For the Italian taxpayer, this case was not net zero, but a net negative. Still, some politicians will have gained a short-term win in the form of virtue-signalling and media coverage – and it'll be someone else who has to clean up their mess.

ISDS is currently coming to the public's attention for the first time, in no small part because of the tremendous success that litigation funders have had with pouring money into the sector. Many of the legal disputes created as a consequence of political actions are so obviously in violation of existing laws and treaties that they have proven to be low-hanging fruit for litigation funders.

As Surma wrote in her seminal article:

"The 2008 financial crisis proved to be a watershed moment. Hedge funds, pension funds and other institutional investors searching for alternatives to volatile financial markets began plowing billions into litigation-funding companies—and generating outsized profits.

Burford, the largest publicly listed litigation finance firm, reported a 26 per cent gross internal rate of return over 15 years ending in September. This measure of the company's annual performance is roughly double the S&P 500's return for the same period, according to James Hollier, a portfolio manager at Silver Beech Capital Management, an asset manager invested in Burford.

'That is a higher return combined with a longer track record than almost any other private investment I can think of,' Hollier said."

Outsized returns always attract attention, and politicians don't like being held to account for not adhering to laws. Besides, there is valid criticism of the system. Some aspects of it could well be outdated, as with any complex set of regulations that originated decades ago.

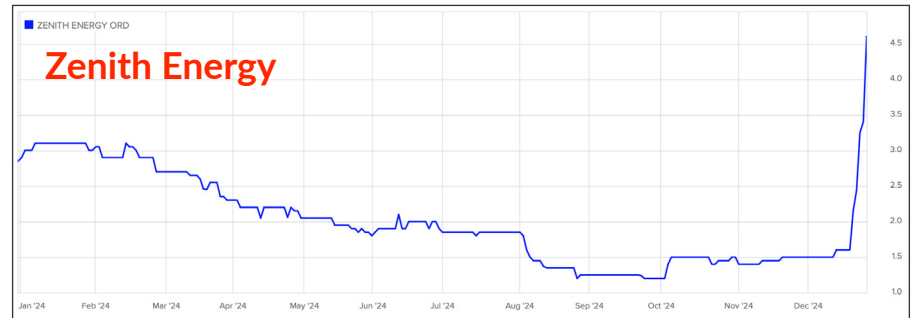
In 2015, the European Union got onto the case of lobbying for a reform of ISDS, stating a need for modernisation.

However, laws cannot be applied retroactively, binding contracts have to be just that (binding), and disregarding property rights has generally worked out badly (cue the recent such experiment carried out by Venezuela). No matter how hard some pressure groups would like to suspend the rule of law for the purpose of managing a perceived or real threat (or for their own financial benefit), this is not going to happen at scale.

International dispute settlements for foreign investments will remain a part of the landscape, and a growing number of investors is likely to latch onto them while they provide outsize returns.

Just recently, **Zenith Energy** (ISIN CA98936C8584, UK:ZEN) provided another case study. The company had brought two separate ISDS arbitration cases against Tanzania and Tunisia, respectively. The case against Tunisia was decided in Zenith Energy's favour with an award of USD 9.7m. In the complex, multi-layered case against Tanzania, where the company is asking to be awarded USD 639.5m, an important milestone

was just achieved. When separate news about the advances in these two cases hit the market within a few days of each other, the share price skyrocketed from 1.50 pence to 5.50 pence. Speak of a seemingly dead asset roaring back to life. (Check [this sponsored research report from 31 December 2024](#) for a useful summary of the background.)



There is another such penny stock out there, and one that should also soon get more attention.

It has brought a case against Greenland, and its claim amounts to no less than 4x the island's GDP. When it comes to the size of an arbitration claim relative to the entire economy of the host nation, this case is probably without equal.

Energy Transition Minerals is an Australia-listed micro-cap that few will have ever heard of, but which could soon make international headlines.

Chapter 2: How Energy Transition Minerals championed an opportunity

What you are going to learn in this chapter:

- What makes Greenland a unique territory.
- How Greenland's government first supported, then opposed the venture.
- What made Energy Transition Minerals bring an arbitration case.

An island of superlatives

Greenland is an unusual case of a "country".

It starts with its name, which dates back to a scam. Erik the Red, an Icelandic murderer who was exiled to the island, wanted to attract settlers to his new home. He believed that giving the island an attractive name would help doing so – at least, that's the story as transmitted by 13th century folklore. The last time Greenland was truly green would have been 2.5m years ago. Today, 80% of its massive landmass is covered by ice.

Technically speaking, Greenland is an autonomous territory of the Kingdom of Denmark. Initially settled by indigenous people from Alaska and Canada as far back as 4,500 years, the island became associated with Europe in 986. Until the 17th century, it was ruled by the Kingdoms of Denmark and Norway, which were in a union that lasted from 1536-1814. When the two kingdoms separated, Greenland was first transferred to the Danish crown. In 1953, it became integrated into the Danish state under the constitution of Denmark. The "Greenlanders" became Danes, but the cultural differences and geographic distance didn't make for an easy union. Tiny Denmark effectively acting as colonial ruler of a faraway territory wasn't going to last. Somewhat counterintuitively, Denmark actually never "claimed" Greenland – it was just called upon by the United Nations to administer a territory that at the time had no governance structure in place and was inhabited by perceivedly "primitive" people.

In 1979, the Danes granted home rule to Greenland, i.e. Greenlanders were allowed to operate their own government for anything but foreign policy and defence. This was the first step towards becoming an independent nation eventually. For now, Greenland is an Overseas Territory of Denmark. Importantly, in 1985 Greenland made a conscious decision to secede from the EU, and has since enjoyed a special association with the union.

Within this complex set-up and history sits a rather unique treasure. Greenland is one of the most resource-rich territories on the planet.

This is also owed to Greenland's size: it is the world's largest island that is not a continent in itself. It's ten times the size of the UK. With just 56,000 residents, it's also the least populated self-governing territory on Earth. Its capital, Nuuk, has 20,000 residents while only one other town in Greenland has more than 5,000 residents.

There are lots of superlatives, and they have interested foreign powers for decades.

Floating a speculative, foresightful venture

Greenland was never an easy place to do business, or even to visit. It's one of the few places on Earth where tourism didn't exist until fairly recently, not the least since there was no suitable airport to service large jetliners. Only during the last couple of years did Greenland start to open up to foreign visitors.

Roderick McIlree is one of those people who was ahead of the times. In 2006, McIlree tried to sell the idea of utilising Greenland's vast mineral resources to investors in his native Australia. Not many investors Down Under shared his enthusiasm, though.

In Europe and the US, McIlree found a more receptive audience:

- For American investors, the territory is not just geographically close. Many Americans involved in mining will know that in terms of the Earth's geological history, Greenland is part of the North American tectonic plate.
- Europeans are familiar with Greenland because of Denmark's involvement in governing the territory in modern times.

In 2006, McIlree floated what was then "Greenland Minerals & Energy" on the Australian Stock Exchange. The placement had heavy involvement of non-Australian investors.

In 2007, the company secured an exploration for Kvanefjeld, one of the best known areas for potential mineral exploitation in Greenland which was first explored by Danish physicist Niels Bohr in the 1950s.

Source: [The Times](#), 12 December 2024

You can now fly (easily) to Europe's most remote and captivating capital

A new flight — and airport — have finally opened up Nuuk, Greenland's biggest city, and its spectacular Arctic surrounds to transatlantic flights



Nuuk is dotted with colourful houses and churches

ALAMY

Sean Connolly

Thursday December 12 2024, 12.01am GMT, The Sunday Times

When the first flight from Copenhagen touched down in the Greenland capital at the end of November, the isolated north Atlantic island officially entered a new era, bringing with it sky-high expectations — along with a few clouds of uncertainty. At about ten times the size of Britain, Greenland is the world's largest island, yet also the least densely populated — 57,000 people live here; fewer than on Guernsey.

Source: [Wikipedia](#)



Rare earth elements as strategic resource

Acquiring 100% of Kvanefjeld should have been an immediate boon for Greenland Minerals & Energy. It is, after all, known as the world's second-largest deposit of rare earth minerals and the sixth-largest deposit of uranium.

However, Greenland Minerals & Energy faced one major hurdle, and one that was known by investors from the outset.

The Kvanefjeld area was first explored for valuable minerals in 1955, and then again in 1962, 1969, and 1977. At the time, Denmark as colonial power was particularly interested in the potential to exploit uranium. However, when Denmark folded its ambitions to have its own nuclear programme, the Danish government's exploration programme in Greenland was wound down altogether.

Between 1983 and 2007, Kvanefjeld was dormant.

When Greenland Minerals & Energy surfaced with the idea of exploring the area again, it was done primarily with the idea of exploiting so-called rare earth elements (REE), also called rare earth metals.

REEs are increasingly used in electrical and electronic components, lasers, glass, magnetic materials, and industrial processes. The term "rare earth" is somewhat of a misnomer because these minerals are not actually that scarce and occur all over the Earth's crust. However, they don't often occur in concentrations that make it viable to extract them.


Source: [Springer Nature Link](#)
(paywalled)

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ORIGINAL PAPER

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Greenland mineral exploration history

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Abstract
Greenland has a long mining and mineral exploration history and offers interesting possibilities for investors. There is still optimism in the mineral business, but successful examples are surprisingly few in the new millennium. Based on numerous new tables compiling information on companies, periods, targets, licenses, and costs, this paper gives a description of the past and present activities, the exploration companies involved, their main targets, their limited financial power, and their continued need for and search of investors and large industrial partners. An analysis of the key drivers at different levels is presented: analogues with Canada and elsewhere, dedicated prospectors looking for profit, specific strategic projects, commodity prices, new research results, co-financing, strategies, and regulations by authorities in Greenland and Denmark. Changes in political agenda in Greenland, Denmark, and internationally have had a strong influence on exploration activities in Greenland compared to other countries with an exploration industry, in some cases creating good incentives for investors, in other cases being showstoppers for future exploration and mining. This paper provides, for the first time ever, a summary of the total costs for mineral exploration in Greenland and the total revenue for the governments, and compares these numbers with the public investments in research, data acquisition, and direct investments in national companies.

Keywords Greenland · Mining · Mineral exploration · Companies · Investments · Drivers · Political agenda

JEL Classification L61 · L72 · O13 · O38 · P48 · Q02 · Q34


Introduction

Greenland is a large country with an area of more than 2 million square kilometers. Although most of Greenland is covered by the Inland Ice, the ice-free part along the coasts comprises more than 400,000 km²; this is much larger than most European countries, slightly smaller than Sweden, and slightly larger than Norway and Germany. With a complex and several billion years old geological history, Greenland offers interesting possibilities for exploitation of many different commodities in a variety of geological terrains. Despite optimism and policy-driven marketing and hype in the Greenland society in the new millennium, successful examples are, however, few, but why? To answer this question, an analysis of the historical and ongoing mineral exploration focuses on description and analysis of drivers at many different levels, ranging from simple profit for owners

and shareholders to specific political agendas with focus on strategically important resources, beginning with cryolite, followed by uranium, and more recently rare earth elements (REE) together with other specialty metals (see definitions in Table 1).


In contrast to the Nordic countries Finland, Norway, and Sweden (Eilu et al. 2012; Weiheid 2022), Greenland never developed a permanent mining industry driven by society's need for base metals and other commodities. Such lack of continuity makes it difficult for industry to invest due to lack of a qualified labor force and limited experience in the political system of the long-term economical fluctuations of mining projects.

The present paper systematically reviews the mining and exploration history of Greenland with a compilation of all historical information of licenses. Focus is on drivers and the many different companies that have been involved over time and their total investments. Large international companies have been active from time to time, but Greenland has had long periods without any active mining, and numerous companies have been established and closed again and have been

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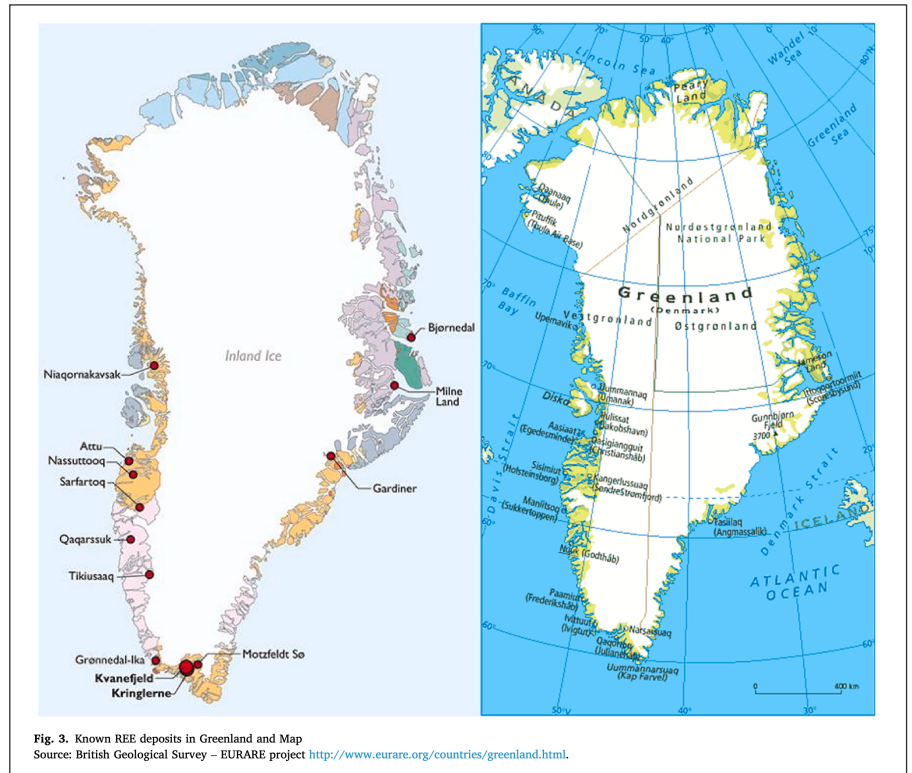
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The so-called renewable energy sector also requires REEs, but they are considered a strategic resource by the world's leading industrial nations for reasons that go well beyond the use of REEs in batteries or wind turbines. China has been making a conscious effort to get control of these resources, and now controls about 80% (!) of the world's exploitable REE districts.

The likely future of REEs as a valuable specialty metal and geopolitically important resource was already widely known in the late 2000s, but McIlree was one of the few people to act on it.

Source: British Geological Survey -
[EURARE project](#)



By founding Greenland Minerals & Energy and acquiring the Kvanefeld exploration license, he created an entity that could single-handedly make a significant difference for securing the Western world's access to REEs.

McIlree's company did have to swallow a toad, though, at least initially. It was fully understood by everyone at the time that the REEs of the Kvanefeld resource would come with a certain percentage of radioactive materials as by-product. This was relevant as Greenland had banned the production of radioactive materials at the time, even if they were only a by-product of extracting other resources. Greenland Minerals & Energy made a move on a potentially very worthwhile resource, but regulation concerning the inevitable by-product rendered it impossible to actually put these resources into production.

Until the developments of 2011-13, that is.

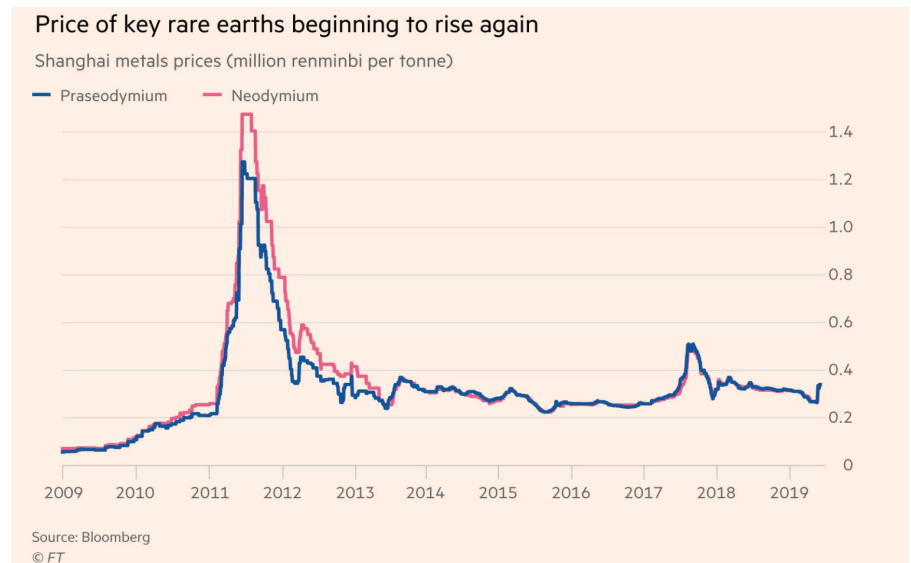
The local parliament that Greenland created following the changes of 2009 voted to grant permission to produce radioactive materials under certain conditions. This legislation was specifically passed to give Greenland Minerals & Energy the green light to go ahead with the Kvanefeld project. When the market first caught wind of this development, the share price of Greenland Minerals & Energy rallied from AUD 0.30 to AUD 1.40.

However, the boom times weren't going to last for the company's backers.

Greenland's parliament only latched onto the emerging theme of REEs when the first cycle of that boom was already in its dying days.

Shortly after Greenland authorised the exploitation of Kvanefjeld even if it involved digging up a degree of radioactive materials, the entire REE hype fizzled out. By the time Greenland's parliament acted on the matter, prices for REEs were already in free fall. They subsequently remained flat near their lows until 2017 and even then only staged a temporary recovery.

Source: [Financial Times](#), 4 June 2019



Greenland Minerals & Energy did what any self-respecting exploration venture does during such a period. It carried on, gradually working through its deliverables and hoping for better times.

One lesser known twist of exploration legislation used around much of the world is that an exploration venture can have an automatic right to a production license if it delivered on a pre-determined set of deliverables. Obviously, hardly any exploration venture would agree to invest in costly exploration if there wasn't a high degree of clarity and certainty that it was going to be granted a production license if or when resources were discovered. In less developed jurisdictions, in particular, exploration investors often insist on such regulation being in place.

In Greenland, when Greenland Minerals & Energy put its contracts in place, this type of regulation also existed.

However, Greenland Minerals & Energy was going to experience a rug pull, courtesy to a Greenland politician.

Politics turned on the project

Mining is an extractive industry and as such disruptive to the communities that live nearby. Digging up vast quantities of toxic and non-toxic

resources comes with risks for health and the environment, and it often brings division and conflict to communities.

This becomes an even more sensitive issue once radioactive materials are involved.

All of these risks can be assessed and managed using today's technology. Anyone checking back to Greenland Minerals & Energy's 2008 annual report will see that the company always endeavoured to live up to the highest standards of governance and stewardship.

Indeed, had it not been deemed a reliable operator, Greenland's parliament would not have changed the rules in 2011/2013 to specifically allow Kvanefjeld to go ahead.

However, the winds in politics change often, and sometimes violently. When Greenland Minerals & Energy prepared a public consultation on starting production, it led to a dramatic change in local politics. A civic movement headed by Mariane Paviasen, a resident of the nearby village, started to lobby against Kvanefjeld going ahead. The issue turned into a public firestorm. In April 2021, the green-leaning Inuit Ataqatigiit (Community for the People) party won the territory's elections with 37% of the votes and appointed a new prime minister.

The new administration moved on to change legislation. It didn't outright ban the extraction of minerals if radioactive materials were brought to the surface as a result, but it lowered the amount of permitted radioactivity to 100 parts of radioactivity per million, which was decidedly above the 300 parts per million threshold required for the Kvanefjeld to go ahead. In more practical terms, this is 100 grams (3.5 ounces) of uranium per metric ton of ore extracted in mining operations.

The day this decision was announced, the stock of Greenland Minerals & Energy fell 44%.

However, it's exactly this type of conflict that ISDS was created for.

Greenland Minerals & Energy has since filed a case for arbitration under ISDS rules, claiming damages of USD 11.5bn (which will already have surpassed USD 12bn by now since interest keeps accumulating).

The company has also rebranded, and now goes under the name Energy Transition Minerals. The new name is also to underline its potential major role in enabling the policy goals of certain nations that plan to transform their energy sector.

Yet another arbitration claim

Energy Transition Minerals claims that it was wronged by the government of Greenland. According to its interpretation of the legal situa-

tion, Greenland was not entitled to retroactively change the rules. In turn, the company feels that it fulfilled all deliverables that entitled it to switch its exploration license to a production license.

It's an arbitration case that bears many similarities to past cases fought by other companies in other jurisdictions. It also goes to the heart of one of the most contentious issues surrounding ISDS, as pointed out by critiques such as Surma at *Climate News Insider*.

One of the little known peculiarities of ISDS is that it can be seen as limiting a sovereign nation's ability to legislate for its territory. This is the argument that Greenland is making. In the view of the government of Greenland, the territory had its parliament make a decision based on its democratic mandate, and that's tough luck for the investors in the mining project.

In fact, the EU's interest in changing the rules governing ISDS specifically aim at this point, too. The EU sympathises with the idea that policy priorities should trump investor interests, and all the more so during times of the so-called climate emergency.

Who is right and who is wrong?

In public debate and Internet fora, the matters of legals and policy often get intermingled rather chaotically:

- "The majority rules", some say. (As if rape should be legal if 51% of the voters say so.)
- "Governments need sovereignty", is another argument. (If this was taken to its logical conclusion, not a single contract in the world would stand if a government felt inconvenienced.)
- "Greenland should live off fishing and tourism", yet others believe. (It could decide to do so but would forever remain dependent on handouts from Denmark.)

Such conflicts between the political interests of governments and the contractual agreements under which investors committed capital were the reason why ISDS was created in the first place.

Those who have been on the inside of this system will likely see many similarities to cases that the investors subsequently won. At least, that's the conclusion you can draw from **Burford Capital** (ISIN GG00BMGYLN96, UK:BUR) getting involved.

Even though it's been kept relatively quiet beyond the necessary legal disclosure, it's not a secret that the world's largest litigation funder has joined Energy Transition Minerals in pursuing this case. Burford Capital is backing Energy Transition Minerals financially, [as the company](#)

[reported to its shareholders in a press release on 5 July 2022](#). A highly experienced litigation financier like Burford Capital will only do so after extensive due diligence of the case. The firm will have had advance sight of the 1,900 pieces of evidence that Energy Transition Minerals has filed as part of its arbitration case. There can be no doubt that the experts at Burford Capital concluded that Energy Transition Minerals has a case worth pursuing. Historically, Burford Capital has had a 92% litigation success rate, which also provides a first judgment on the merits of this case.

Curiously, Energy Transition Minerals allegedly does not actually want the financial compensation but instead be allowed to continue working on the project as agreed under the contracts with the government. The financial claim was probably taken to the highest possible level to give Greenland a strong incentive to settle the case by letting the Australian-listed company get on with matters.

Management and large shareholders will realise that Greenland could hardly afford the envisaged compensation. The territory has a GDP of USD 3.2bn per annum and relies on Denmark for USD 500m of state support per year, which is equivalent to almost 20% of GDP and about 50% of the annual government budget. If Energy Transition Minerals succeeded with even just a percentage of its claim, it would bankrupt Greenland.

Given that Denmark has been working since 2009 to shift Greenland to even bigger autonomy and eventual independence, what's the likelihood of the Danish treasury stepping into the fold and providing the necessary Danish taxpayer money to fund a multi-billion bail-out of Greenland?

Some say that Greenland will be on its own when it comes to finding a way out of the mess its politicians have created. Autonomy means self-rule, but also taking responsibility for your own actions. Barely a teenager in its current form of governance, Greenland may be about to learn a painful but important lesson on its way to growing up.

Of course, there is an interesting alternative.

If Greenland, Denmark, and the US were to strike a deal, even the upper end of Energy Transition Minerals' financial claim could easily be paid-for by the United States treasury. Trump would happily lick a stamp and post a cheque to Nuuk if this got the US involved in the future of Greenland.

Is this the opportunity that Trump, author of "[Trump: The Art of the Deal](#)", has spotted?

Chapter 3: Why (and how) a deal could come about

What you are going to learn in this chapter:

- What legal experts are saying about Energy Transition Minerals' case.
- How the US could be involved in a deal that benefits all parties.
- What it all means for Energy Transition Minerals shareholders.

China's interest in Greenland

Remote and inhospitable as Greenland is, it's been attracting a lot of interest lately.

Among the nations that have been trying to get strategic footholds in Greenland is China. Known to be on a quest to secure resources and influence around the world, the Middle Kingdom has long included Greenland in its plan of a "Polar Silk Road", one of its mega-scale connectivity projects.

A joint effort of China and Russia, the Polar Silk Road was first announced in 2017. It tied in seamlessly with the better known Belt and Road Initiative, which China had announced in 2013. Both connectivity projects are characterised by infrastructure investment along economic corridors, with a particular interest in potential resource extraction, food security, and sea transport – to name but a few.

The Arctic region has received a lot of attention of late because new shipping routes may be opening up if the ice caps shrink in size. This could make for much shorter sea routes linking Europe via the eastern coast of North America to Asia. The so-called Greenland-Iceland-United Kingdom Gap could become navigable, which could enable new sea routes that can cut the shipping distances of vessels currently using the Panama Canal and Suez Canal. It's no surprise that some geopolitics experts feel that Greenland is being drawn into a new "Great Game" where the world's superpowers jostle for influence, resources, and strategic advantages. Some say that Arctic seal-

anes could become the 21st-century Panama and Suez canals. It's all speculative and up for debate, but Greenland now finds itself at the cross-section of these competing interests.



In this context, Greenland was an obvious territory for China to start taking an interest in:

- Greenland has a lot of rare earth minerals, a resource that China made a conscious effort to control more of than any other nation on Earth.
- Greenland has abundant fish resources, which could help feed the Chinese voracious appetite for animal protein.
- Greenland could play a role in determining future shipping lanes and/or become an important place for a military base.

Indeed, China has tried to establish a presence in Greenland in all of these areas.

By the mid-2010s, there were four Chinese-financed mining projects on the island:

- The Isua Iron ore project.
- Gold exploration close to Ittoqqortoormiit.
- Gold exploration at Citronen Fjord.
- Rare earth metals development near Kvanefjeld.

Royal Greenland, one of the world's largest suppliers of North Atlantic seafood, nowadays delivers massive amounts of fish to China.

Source: [ScienceDirect](#) (paywalled)

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Original article

Chinese investment in Greenland's mining industry: Toward a new framework for foreign direct investment

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ABSTRACT

This paper examines the dynamics of Chinese investment in Greenland's mining industry, drawing on findings from interviews with representatives from selected companies, organizations, and financial institutions. Support from the central government, along with political stability and an abundance of high-quality mineral resources, has facilitated Chinese investment in Greenland's mining sector in recent years. Chinese mining companies now operating in Greenland have, however, faced a number of problems along the way. A dearth of international management skills and stringent social and environmental legislation in particular have proved to be major challenges for Chinese mining companies investing in Greenland.

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1. Introduction

Since the end of the twentieth century, the pronounced summer melting of sea ice in the Arctic Ocean has triggered much speculation about the opening of much shorter sea routes linking Europe via the eastern coast of North America to Asia (Borgerson, 2008; Pelletier and Lasserre, 2012; Kämpylä and Mikkola, 2013). Traditionally, there has been little interest from Asian, European, and North American shipping companies in developing regular shipping lines through the Arctic (Borgerson, 2008; Lasserre and Pelletier, 2011; Lasserre, 2014; Beveridge et al., 2016; Lasserre et al., 2016). With the recent surge of interest in the vast mineral potential of the Arctic, however, this view has changed (Arnarsson et al., 2014; Farré et al., 2014; Têtu et al., 2015a; Beveridge et al., 2016; Lasserre et al., 2016).

This bodes well for China, where demand for raw materials has increased significantly over the past 30 years (Zweig and Juianbai, 2005). To satisfy the country's appetite for minerals and fuels, Chinese mining companies have financed a number of mining projects across the globe, including in new frontiers such as the Arctic and Greenland more specifically (Wilson and Stammler, 2016). China's interest in the Arctic is not new (Ebinger and Zambetakis, 2009; Chen, 2012; Li and Bertelsen, 2013); it began to intensify in the early-1990s when Beijing launched its first 5-year scientific research program in the Arctic Ocean in cooperation with German universities in Kiel and Bremen (Huang et al., 2014: 36; Bertelsen et al., 2016). This, however, has not stopped Scandinavian media outlets from portraying the growing scientific, economic, and diplomatic interests of China in Greenland very negatively (Reynolds, 2005; Shoumatoff, 2008; Izundu, 2010; Breum and Chemnitz, 2013). Moreover, Western portrayals of Chinese companies serving as Trojan horses for state interests have found their way into local media outlets (Alexeeva and Lasserre, 2012; Lajeunesse and Lackenbauer, 2016; Taagholt and Brooks, 2016). Some commentators have condemned China's geopolitical strategy in Greenland outright and the Arctic more generally, while others have speculated on the potential impacts of arriving Chinese workers (Anonymous, 2013; Hansen et al. 2016) and Beijing's efforts to facilitate long-term access to the region's resources (Boersma and Foley, 2014).

In 2009, the Government of Denmark passed the *Act on Greenland Self-Government* (Act 473), the product of an agreement forged between it and the Government of Greenland (Government of Greenland, 2009). The act aims to provide more autonomy to Greenlanders, including freedom to manage the country's mining industry (Bjørst, 2016). The intentions and uncertainty surrounding the strategies of Chinese companies investing in Greenland's mining industry dominated discussions leading up to the passing of the act. Foremost among these was: given that Greenland's self-government strategy aims 'to maintain a high level of mineral exploration activity to increase benefits in the form of new jobs and increased income for Greenlanders' (Government of Greenland,

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China also tried to build three airports in Greenland, and in 2016 attempted to purchase an old American naval base, a move that required the Danish government to step in.

Scandinavian countries, in particular, have long viewed the Chinese interest in their wider region with suspicion, fearing that even private Chinese mining companies could be acting as Trojan Horses.

The contracts for financing the three airports in Greenland were eventually handed to Nordic companies, specifically to avoid China controlling strategic infrastructure in Greenland. The Pentagon reportedly had a hand in this decision.

The resource projects advanced, but with mixed results. Greenland is an extremely challenging jurisdiction for resource extraction projects. The bare land that is not covered by ice makes for relatively easy geo-

logical surveys, but the lack of infrastructure, the tiny local labour pool, and the cold climate tend to make work in this region more difficult than elsewhere. While some previous hindrances have been overcome by technology (such as StarLink, which has resolved the lack of communication), exploiting the island's mineral riches requires more than sticking a shovel into the ground.

China's plans for a Polar Silk Road have also gone quieter, making some observers wonder whether it remains a priority at all.

Still, it's clear that China has an eye on Greenland – and it's not alone.

Gates, Bezos, and Bloomberg are investing

As a remote territory, Greenland has attracted the interest of explorers, adventurers, and pioneer capitalists for centuries. It's the sort of geography where an investment can deliver extraordinary returns, and the higher risk is seen by some as part of the adventure.

The latest batch of such pioneer capitalists includes Bill Gates, Jeff Bezos, and Michael Bloomberg who are funding "[a massive treasure hunt](#)", as CNN called it.

The band of billionaires is "*betting that below the surface of the hills and valleys on Greenland's Disko Island and Nuussuaq Peninsula there are enough critical minerals to power hundreds of millions of electric vehicles.*"

The billionaire club is financially backing Kobold Metals, a mineral exploration company and California-based startup, the company's representatives told CNN.

'We are looking for a deposit that will be the first- or second-largest most significant nickel and cobalt deposit in the world,' Kurt House, CEO of Kobold Metals, told CNN.'

It's not just Democrat-supporting American billionaires who are looking to get their foot in the door, but also the EU.

Brussels has identified Greenland's great untapped potential for 25 of the 34 minerals that are on its critical raw material (CRM) list and needed for Europe's so-called energy transition. In November 2023, the EU signed a "Strategic Partnership on Sustainable Raw Materials Value Chains" with Greenland, and in March 2024 opened a flagship office in the island's capital. Greenland had seceded from the EU in 1985, and even though it always retained a special association with the EU, it's a territory for which Brussels will have to make an extra effort to stay involved.

In the meantime, American interest in Greenland wasn't limited just to the Trump administration. During the last year of his first term, Trump

had offered a USD 12m financial package to Greenland and initiated the establishment of a consulate. This package was intended to "jump-start" US engagement in the territory – or to revive it, given the US had had a consulate in Greenland from 1940-53 when the US kept Greenland out of the hands of the Nazis (while Denmark was occupied).

The Biden administration continued to pursue the initiative that Trump had started. Secretary of State Antony J. Blinken personally visited Greenland within months of Biden's inauguration, bringing along a delegation of US officials who pledged to help Greenland improve trade, education, and the mining industry. Under the Biden administration, Washington also signed a 12-year, USD 3.95bn deal to retain its military forces at the Pituffik Space Base, formerly known as Thule Air Base (much of this had been negotiated by Blinken's predecessor, Mike Pompeo). The US realised that it had some catching up to do. In 2021, of the 41 foreign companies that held operating licenses for projects in Greenland, not a single one was US-owned.

[A feature published by *The Economist* on 31 October 2024](#) makes it clear just why there is this level of interest by the world's great powers and some of the richest people on Earth:

Source: [The Economist](#), 31 October 2024

Greenland faces one of history's great resource rushes—and curses

The territory sits on an astounding number of critical minerals

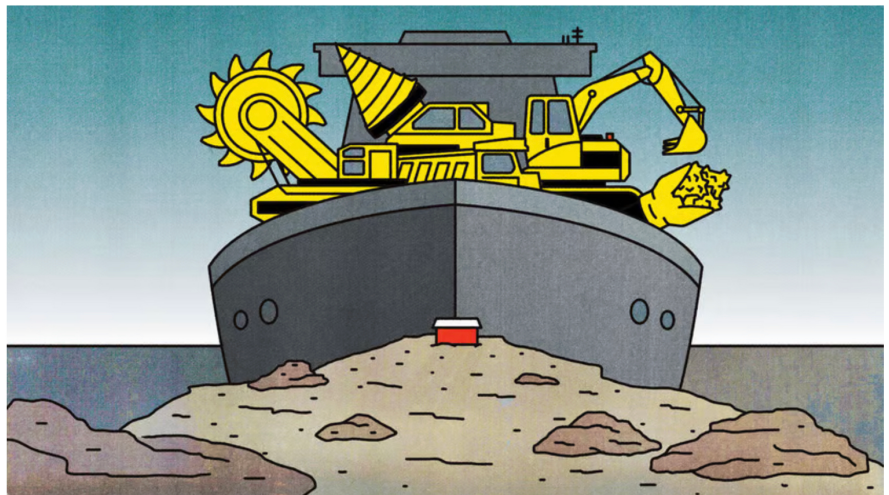


ILLUSTRATION: GEORGE WYLESOL

Oct 31st 2024

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A BILLION YEARS ago, as one tectonic plate ripped apart from another, two chambers of magma were sealed off beneath what would later become Greenland. As thousands of years passed, the magma cooled, each layer crystallising under rarefied conditions. Today the Ilimaussaq intrusion is a giant fold of rock beneath Gardar, in south-west Greenland. By a stroke of luck, it is home to 30 of the world's most desired raw materials.

"The territory sits on an astounding number of critical minerals

There are, in total, 50 'critical minerals', according to a list maintained by the American government. At present, these are mostly supplied by China. Without them a modern economy and armed forces would be crippled. Therefore Greenland's supplies are of extraordinary importance. Add in deposits in the east, and the territory has known reserves of 43 of the 50 minerals.

...

Although extraction in Greenland is still at an early stage, things are accelerating. Firms are now drilling at 170 sites, up from 12 a decade ago."

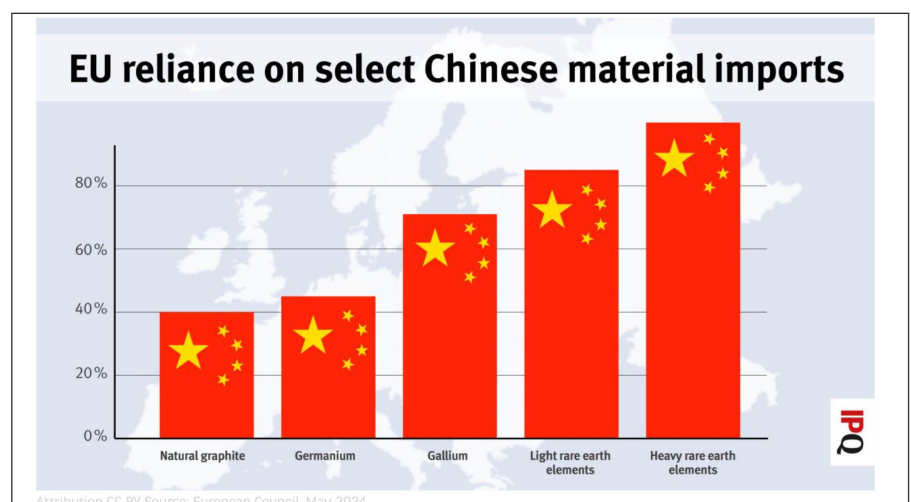
Clearly, the world wants Greenland's minerals – all the more so since China has achieved a near-monopolistic control over the current supply of many strategically important resources.

[A feature published in June 2024 in Internationale Politik Quarterly](#) emphasises just how serious this situation has become:

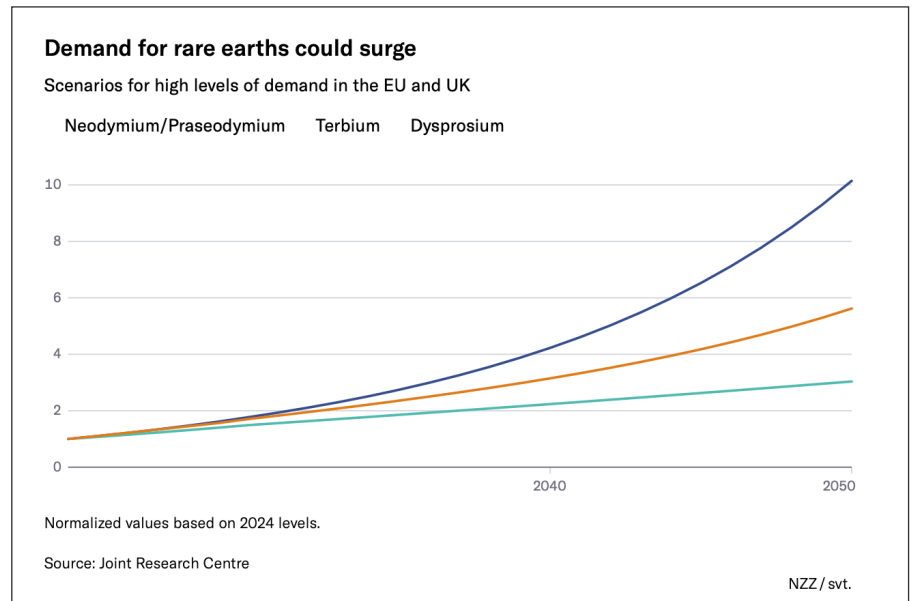
"In 2021, China produced roughly 98 percent of global gallium, 82 percent of global natural graphite, and 60 percent of processed rare earth elements. But it is not just China's saturation of the global mineral market that jeopardizes security; it is also the degree of US and European Union import reliance that has yielded a system highly vulnerable to supply bottlenecks and geopolitical extortion. China accounts for 72 percent of American import sources for rare earth compounds and 42 percent for graphite. Europe relies on Chinese imports for 100 percent of its heavy rare earth supply. This reliance poses a threat to national security as geopolitical tensions could endanger the US and EU's ability to manufacture technologies essential to the energy transition."

It's not just batteries for electric vehicles that rely on a supply of rare earth minerals, but also the construction of nuclear reactors and the

Source: [Internationale Politik Quarterly](#), 26 June 2024



Source: [Neue Zürcher Zeitung](#),
14 November 2024



production of high-tech military weapons. Demand for these rare earth minerals is only predicted to grow further as additional applications are discovered (see chart above).

National security concerns are quite likely to make the dependence on Chinese supply chain a priority in the incoming Trump administration. Several bills on critical and rare earth minerals have been receiving bipartisan support.

Greenland could help out. According to some estimates, Kvanefjeld would have the necessary scale to satisfy 20-30% of the need from European and North American markets (or 100% that of the EU).

The question is, how receptive are the Greenlanders to it, and can it all be done?

Did Greenland shoot itself in the foot?

Greenland made a lot of international headlines following its April 2021 national election. The campaign was heavily fought around the question of the Kvanefjeld project, and it brought a hitherto less established party into power. Greenland's government went from centre-left to left with a green hue, comparable to the Greens winning the national election in Germany.

The new government reversed the 2013 decision to allow the production of uranium as a by-product of other resource extraction. Retroactively changing legislation was always going to cause a lot of collateral damage. Is Greenland even interested in resource extraction? Can it ever be a jurisdiction where investors back ambitious, challenging exploration projects and take them to actual production?

Interestingly, all seven of Greenland's political parties back mining.

The territory of 56,000 people is wealthy in some ways, with an average GDP per capita of USD 57,000 – higher than that of Germany or Canada.

On the other hand, half (!) of Greenland's government budget consists of an annual handout from Denmark. Its people are currently dependent on welfare for survival. Also, sustaining a decent lifestyle is extraordinarily expensive in such an extreme territory.

Greenland has barely any infrastructure, and any infrastructure development will come with a much higher price tag given the remoteness of the territory.

Even its government doesn't have enough resources. E.g., the government's planning department needs to oversee hundreds of licenses with just 16 staff members. In a territory that has zero unemployment and where educated young people have a high likelihood of leaving, it's not easy to build the necessary capacity to run a successful economy (or government).

Demographics have taken a turn for the worse. In the village that is located near Kvanefjeld, the population has shrunk from 2,000 to now 1,500 since 1991. At the going rate, Greenland could become a dying nation before it has even become one.

In 2009, Denmark granted Greenland autonomy in all areas except defence and foreign policy. There is a strong consensus in Greenland that the territory should eventually achieve full independence. However, an island with an ageing population where half of the insufficient government budget is dependent on the former colonial power does not have that great a prospect for achieving independence.

Fishing can be part of the answer, given Greenland's vast territorial waters.

Tourism can also be part of the answer, but requires more infrastructure to be funded first.

Mining is widely recognised as the only industry that could bring in enough money to help Greenland become a viable sovereign entity.

Too bad, then, that one of Greenland's highest-profile and most advanced mining projects just had its lights blown out by the government – and with a potential multi-billion dollar claim now coming the way of Greenland's treasury.

Would Denmark agree to bail out Greenland?

Exploration for minerals is one of the highest-risk economic activities, and raising money for exploration relies on a reliable legal framework.

Australia's Energy Transition Minerals feels that it has done everything to stick to the contractual agreement with Greenland, and that its investors have been wronged by the island's new government.

After trying other avenues to resolve the current situation, the company filed a Statement of Claim with the arbitral tribunal on 19 July 2023. The Statement of Claim comprises a detailed account of the company's activities in Greenland over its entire history, supported by independent expert reports, witness statements, and 1,900 other pieces of evidence.

According to estimates by Sekretariat, a specialist Canadian firm, Energy Transition Minerals is entitled to compensation of USD 7.5bn, plus interest based on the interest rate due under Danish law. By now, the claim runs to USD 11.5bn – and interest keeps accumulating with each day, meaning it must now already be above USD 12bn.

This compares to Greenland's current GDP of USD 3.2bn – or 24x the annual USD 500m subsidy that Greenland receives from Denmark.

If this claim came to pass because the arbitration panel sided with Energy Transition Minerals, it would bankrupt Greenland.

Would Denmark come to its rescue?

That'd be doubtful. After all, the Danes have been working to gradually rid themselves of their obligations towards Greenland. Denmark only ended up with it because the United Nations was looking for a guardian for the practically ungoverned territory – with Denmark being the prime suspect because of the role Danish missionaires had played in the 17th century. There is a complex history, including the dark chapter of Denmark effectively stealing babies from Greenland to hand them to Danish families for adoption. In many ways, it's peculiar to consider Greenland a part of Europe, given that the landmass is part of the North American tectonic plate and Nuuk is closer to Washington than to Copenhagen. Never mind the Greenlanders being ethnically related to people in Alaska and Canada (who in turn previously arrived from Russia through the Bering Strait).

In any event, Greenland's politicians knowingly breaking a contract with a mining investor and then asking to be bailed out if found to have been in violation of laws is not likely to go down well with Danish voters or Denmark's treasury.

Source: [Arctic Today](#), 5 October 2022

The largest ever probe into possible historical Danish wrongdoings in Greenland is about to begin

The sweeping investigation will cover the period since World War II, with an aim to foster reconciliation.

By **Martin Breum**

October 5, 2022

👁 2619



Houses are pictured in Ilulissat, Greenland on September 14, 2021. (Hannibal Hanschke / Reuters)

The largest ever investigation into possible abuses in Greenland by the former Danish colonial powers or more recent Danish governments is about to begin.

It could well lead to a watershed moment and Denmark saying "something has to give".

The long history of deals involving sovereign territories

Trump has his own way of going about things, and this includes going into negotiations with an outsized ask.

Outright "buying Greenland" is unlikely to happen. It's widely agreed that the notion of a country acquiring more territory is one of the past. Even though one-third of the US entire landmass consists of territory acquired by contract in exchange for a monetary payment, the last such case happened in 1917 when the US purchased what was then the Danish West Indies from Denmark – now known as the US Virgin Islands.

The US would also face considerably internal hurdles to get such a transaction done, even if Greenland put up a "For Sale" sign (which it won't).

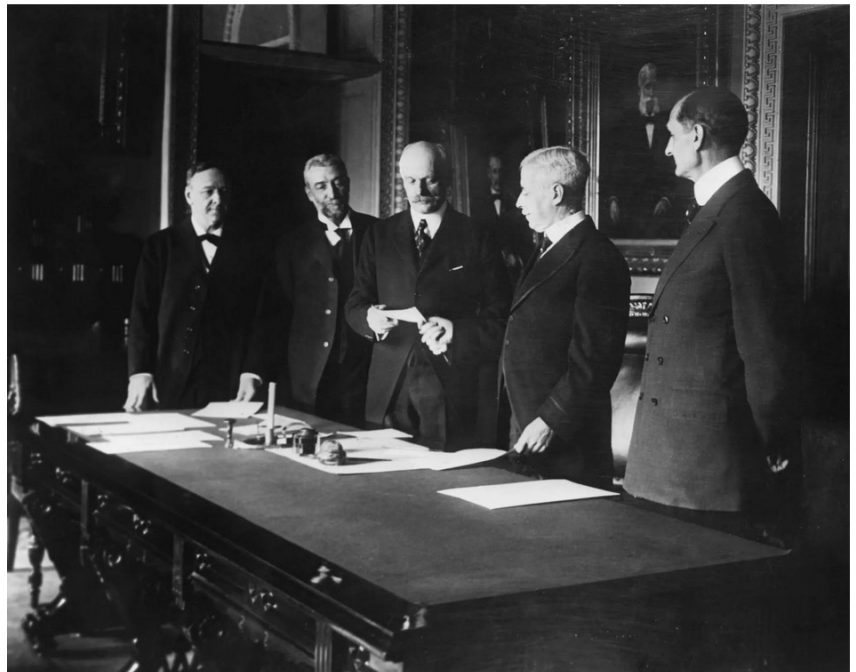
Source: [The New York Times](#),
27 August 2019

Greenland Aside, Buying Foreign Land Used to Be Common

Greenland officials have rebuffed President Trump's plan to buy the island, but the United States has a history of purchasing lands from other countries.



Share full article



Robert Lansing, the United States secretary of state, second from right, handing over a \$25 million draft for the purchase of the Danish West Indies in 1917. Bettmann, via Getty Images



By **Mariel Padilla**

Published Aug. 27, 2019 Updated Aug. 30, 2019

The last time the United States bought a foreign territory — through a monetary transaction and not just a signed treaty — was in 1917, when the Virgin Islands were acquired from Denmark.

Several territories that are associated with the US but have not been formally accepted yet into the union of states have become but a headache financially. Puerto Rico is the most famous case, and it's not the only difficult overseas asset that Uncle Sam needs to deal with.

Even the seemingly successful case of Hawaii was not entirely straightforward. It's taken 60 years for the group of islands to gain statehood.

For a more technical discussion of how all this works, check the article by *The Independent* linked to below.

Source: [The Independent](#),
25 December 2024

Trump wants to purchase Greenland. How would that actually work?

President-elect has indicated the U.S. will make Greenland purchase a priority in post about new ambassador to Denmark

John Bowden in Washington, D.C.

• Wednesday 25 December 2024 16:36 GMT •  Comments



The re-emergence of **Donald Trump's territorial ambitions related to Greenland** has added another **strange new wrinkle** to the presidential transition process.

However, creative solutions always exist.

Argentina once engaged in such a thought experiment in the case of the Falkland Islands. After losing the Falklands War, the Argentineans toyed with the idea of offering each resident of the Falklands USD 800,000 in cash if they voted in a referendum to join Argentina. This was in 1995, when such an offer represented a tempting sum.

With just 56,000 residents, it would be a rounding error within the US budget to make a tempting offer to the Greenlanders. How about USD 10m in cash for every resident? That would come to USD 560bn, a veritable sum but only equivalent to one week's worth of US GDP or 8% of Washington's annual budget. Thanks to its vastly superior economic system, the US has become so overwhelmingly successful financially that its government can mobilise almost any means. At what point could this tempt Greenland's government, the Greenlanders, and Denmark? Cynics would pose the question whether Denmark's initial outrage at the proposal could be just as much a negotiating ploy as Trump's initial anchoring statement.

Source: [The New York Times](#), 8 June 1995

Argentina Weighs Offer to Buy Falkland Islanders' Allegiance

Share full article

By Calvin Sims
June 8, 1995



The New York Times Archives

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Thirteen years after losing a war to Britain over the Falkland Islands, Argentina is as determined as ever to gain control of the disputed islands, even if it means buying out the 2,100 people who live there.

See the article in its original context from June 8, 1995, Section A, Page 13 | [Buy Reprints](#)

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After all, Greenland will be aware how well off Greenlanders would already be had a deal happened in the 1950s when president Truman and his Democratic Party offered a package. The US would not just have paid USD 100m (in gold), but also granted Greenland a part of Alaska. As it turned out, this part of Alaska included Point Barrow, where in 1967 the biggest oil discovery in US history took place. Denmark passed on the deal, and as a result has to keep sending cheques to the territory to this very day.

Ironically, the Democratic administration's rationale was almost verbatim to what Trump floated. [As AP News reported](#):

"In April 1946, State Department official John Hickerson attended a meeting of the planning and strategy committee of the Joint Chiefs of Staff and reported that 'practically every member ... said that our real objective as regards to Greenland should be to acquire it by purchase from Denmark.'

"The committee indicated that money is plentiful now, that Greenland is completely worthless to Denmark (and) that the control of Greenland is indispensable to the safety of the United States,' Hickerson said in a memo."

More likely than outright bribery, however, might be for Greenland, Denmark, and the US to negotiate a deal that'd involve:

- Greenland gaining full independence, which is the declared goal of both Denmark and Greenland.
- Financial issues taken care of by the US, because the Greenlanders can't and the Danes don't want to. This could be done in a combination of facilitating private investment and granting some government support to get things off the ground.
- The US, Greenland, Denmark, and the EU agreeing to collaborate in a mutually beneficial way. The US doing the heavy lifting to open up the Greenland opportunity for everyone could be a welcome relief for the financially stretched leaders of various European capitals. There could also be an element of the US helping out militarily, both in Greenland and Denmark.

Any deal would of course have to be subject to Greenlanders voting and agreeing to the solution. Denmark, too, will have to agree – but it may be more than happy to shed responsibilities for its Nordic trouble child.

Interestingly, Trump has nominated someone as ambassador to Denmark who will have experience in both private industry and politics. Ken Howery is one of the co-founders of PayPal and of the Founders Fund, but he also previously already served as ambassador to Sweden. The 49-year-old's involvement in the entire subject could bring some fresh angles into the debate.

Set within all this is the Kvanefjeld project and its owner, ASX-listed Energy Transition Minerals.

The case of Energy Transition Minerals

Naturally, Energy Transition Minerals believes that it was wronged.

Was it really, though?

Burford Capital seems to think so. Through its subsidiary, Woolridge Investments LLC, the world's largest litigation funder provides the necessary financial means to pursue the case. This is outside of Energy Transition Minerals's reported cash reserves of AUD 14m (USD 9m) as per 30 June 2024. When the company was asked in January 2024 to make a ASD 5.5m (USD 3.4xm) guarantee with the Danish legal system, it was able to do based on its own means, which amounted to a net cash reserve at the time (though it's likely that Burford Capital paid for it).

The risk of Greenland losing the case was highlighted in a [long-read article in Danwatch](#), an award-winning Danish independent media and research centre specialised in investigative journalism on global issues:

"Experts warn that Greenland is gambling with its own future.

Poul Hauch Fenger is a lawyer with expertise in international law.

As a lawyer, he has had insight into several arbitration cases and believes that from the outside it seems as if Greenland has adopted the new uranium law in an attempt to stop the mining project in Kvanefield.

In his opinion, this creates a 'Gordian knot' for Energy Transmission Minerals, because the mining project has been organized according to an existing legislation and is now suddenly presented with a completely new and stricter legislation.

*'With the proviso that I do not know the finer details of the case, I would say that the existing legislation must be stronger than the new legislation. **Therefore, my immediate thought would be that mining company has a good case**', he says, also issuing a warning to Greenland: 'When companies consider throwing millions or billions of dollars into a project, they do so based on the expectation that their investment will be returned. But if they can see that the political climate means that a new, blocking legislation can suddenly be adopted, they could find themselves on thin ice and become very reluctant to invest,' says Poul Hauch Fenger.*

Former Deputy Director of the research institution GEUS (Geological Survey of Denmark and Greenland) Flemming Christiansen agrees. He believes the case presents Greenland with a 'credibility problem'.

'As a matter of principle, you don't legislate retroactively, as I believe has happened here. Previously, it would have been the case that you would automatically get an exploitation license if you had first obtained an exploration license and at the same time met the requirements laid down,' says Flemming Christiansen."

Another valuable piece written about the case is an [article by three legal experts led by Jacques Hartmann](#), Professor of International Law at Dundee Law School, Scotland. The article does not draw a clear con-

clusion but it shows how the case has similarities to favourable decisions made elsewhere while also facing a set of hurdles and unknowns.

Obviously, if the case was entirely clear-cut, the share price of Energy Transition Minerals would no longer be trading on its current level.

Overall, it appears that the case will be coming to a head soon, and it'll all be set within the much broader context of Greenland trying to chart out its future. It's also seemingly a case with a lot of merit. For Greenland, going into this arbitration is a major risk, and one that could even kill its dream of eventual independence. It's notable how the share price got moving exactly when Trump won the election.



Could it all end with a deal, instead of the arbitration process having to run all the way?

Not an easy case

For Greenland, Kvanefjeld is an extreme case to deal with.

Its sheer size is overwhelming. If the project went ahead as projected, it could contribute USD 22.8bn to Greenland's treasury over its expected lifespan of 37 years. Such numbers are difficult to get your head around but are clearly a potential game changer for the future of the struggling jurisdiction.

Just as much, it's no surprise that it carries an emotional element. Mining is a highly disruptive industry, with a history of causing environmental damage and catastrophic accidents. Large mining projects are the ultimate case for NIMBYism. Just like with the idea of more housing, everyone is in favour as long as it doesn't change anything within their own neighbourhood.

Greenland is facing challenges that many countries in Africa were facing when they got released from colonial rule. With an underdeveloped civil service and powerful international investors knocking on their door, many African countries engaged in a somewhat chaotic back-and-forth about large-scale investment projects. That's why the World Bank and others created ISDS in the first place, and it's now once again having a role in a dispute that involves a former colony seeking to gain nationhood.

What's new, really?

In fact, Energy Transition Minerals had already faced the potential end of the Kvanefjeld project several times. Each time, it found a solution to keep it moving forward. Also, governments change. German readers will have a current insight into a country electing a feel-good "green" government, only to later find that gravity economic reality cannot be suspended for long.

No doubt, each party will have to swallow a toad for any deal to happen. Energy Transition Minerals allegedly has not done well enough with its public relations campaign, and some accuse the company of not sticking to details of the agreement. This may or may not be true – it's difficult to judge from the outside.

If or when Energy Transition Minerals makes a deal to get things back on track, it'll likely have to involve concessions that give the Greenland government a "win". Some were already offered, such as the idea of shipping certain material off-site to have it processed somewhere other than the Kvanefjeld site and its nearby village, Narsaq.

In the end, everyone will have to give in to some extent. Most likely, there will be an element of grey, and all parties involved will have to recognise that.

For now, both Denmark and Greenland have adopted a head-in-the-sand attitude with regards to the legal case. Denmark was made a party to the lawsuit because the purchase of the Kvanefjeld license took place before Greenland was released into home rule, meaning Energy Transition Minerals will have bought into the project on the back of trusting Denmark's legal system.

There are also complex overlapping aspects. E.g., much as Denmark has given Greenland the right to autonomy over its mineral resources, it has kept Greenland under its tutelage for the purpose of defence. If Denmark and the EU urgently needed rare earth minerals for defence purposes, could Denmark still overrule Greenland and order the mine to be exploited?

Energy Transition Minerals has been adamant that it did not even like the idea of financial compensation but wanted to be allowed to take

the Kvanefjeld project to production as agreed in its contracts. There also hasn't been any suggestion that the company worked with the US government in any way, or that it even has as much as a view on the question of Greenland's overall future as a territory or nation.

However, the Australian mining investor who used to own the Kvanefjeld license and sold it to what was then Greenland Minerals & Energy, Greg Barnes, visited the White House in 2019, which reportedly set off a flurry of activity in Trump's team. There is no suggestion that Barnes was speaking on behalf of Energy Transition Minerals; in fact, he has publicly criticised the company (though he is also conflicted through his ownership of a competing project in Greenland, which has its own set of problems).

Still, the advisors in the White House (then and now) will take all of these different projects and claims into consideration.

It has now been 2.5 years since this legal case came into existence. The comparably contentious legal case of London-listed **GreenX Metals** (ISIN AU0000198939, UK:GRX), which sued the government of Poland, took four years before the arbitration tribunal unanimously found that Poland breached its obligations and owed GBP 252m of compensation and interest. Poland continues to contest the award, meaning the case will drag on further still.

According to Energy Transition Minerals' official publications, neither government has so far made much effort to advance the case. The last advance took place in October 2024, when the arbitral court ordered that the case be heard both in Greenland and Denmark – something that both defendants had tried to argue against. As the company's subsequent statement put it, *"this decision marks a key procedural milestone in the ongoing arbitration"*.

For Energy Transition Minerals shareholders, ANY kind of conclusion could bring potentially explosive upside – all the more so since the stock is trading on such a bombed-out level following years of investor neglect.

Seizing up the upside for shareholders

The bad news first, it's currently almost impossible to establish a price target with any degree of precision:

- Energy Transition Minerals would have to share the damages awarded by an arbitration tribunal with its litigation funder, and the details of this agreement are not known.
- If the company regained control over the project, it would probably involve a degree of negotiating the economics with the government of Greenland.

- The usual situation of the exploration company yet having to raise the funding for constructing the mine operation adds another layer of complexity.

It is, however, entire feasible to make a judgment on the order of magnitude of the stock's potential upside.

In 2020, when Energy Transition Minerals seemed near the end of its preparatory phase, the company had a market cap of around AUD 500m.

Following its IPO in 2006, it reached a market cap as high as AUD 2bn.

With 1.4bn shares outstanding, the company currently has a market cap of AUD 55m (USD 34m). As of 30 June 2024, it had cash reserves of AUD 14m (USD 9m). The enterprise value currently stands at AUD 41m (USD 26m).

Valuing such litigation claims is an art and a science. Energy Transition Minerals is currently valued at just 0.23% of its USD 11.5bn claim. Even at an early stage, claims of this type would typically trade at no less than 1% of the total. Once a case really gets rolling, it can trade at 2-5% of the claim. One could argue that the company's claim of USD 11.5bn is somewhat inflated. Then again, with the potential upside being what it is, it appears that the stock has an excellent risk/reward ratio, provided someone is looking for (and experienced with) binary bets.

Besides the Kvanefjeld project, Energy Transition Minerals also owns two embryonic projects to explore for lithium in Spain and a gold mine in Canada. It's probably safer to assume they are currently worth zero, though.

The company also has an interesting twist in its shareholder base. The fourth-largest shareholder with a 9% stake is Shenghe Resources Holding, a rare earth mining giant from China. Shenghe's largest shareholder in turn is a research institute linked to the Chinese government. Shenghe will be seen as both China having a foot in the door of the company, and potentially contributing invaluable expertise – given that it's widely regarded as a leader in rare earth processing and an established supplier to international end users. (An earlier option for Shenghe to acquire up to 60% of Energy Transition Minerals has expired.)

Shenghe could even be the largest individual shareholder. The top three shareholders shown in Energy Transition Minerals' annual report are HSBC, Citicorp, and BNP Paribas. They will not own these shares on their own books, but act as nominees for many smaller shareholders.

Energy Transition Minerals is a stock with a strong of retail following. When the most recent annual report was published, 905 sharehold-

ers held 90% of the share capital, with the remaining 10% dispersed between 5,500 shareholders.

Interest among FinTwits is also seemingly growing. Polish FinTwit Marcin Michalek, who frequently comments on mining disputes around the world from an investment perspective, provided a brief summary of the same idea presented in this report. His 24 December 2024 tweet about Energy Transition Minerals, Trump and Greenland got 110,000 views.

Source: [Twitter account of Marcin Michalek](#) (posted 24 December 2024, auto-translated from Polish)

← Post

Both Greenland and Panama are facing bankruptcy during Donald Trump's upcoming term, something few people are really aware of. This is because both of these small, and therefore few, countries have been sued in international arbitration proceedings for blocking promising mining projects, with claims running into billions of dollars.

Greenland once imposed a ban on uranium mining, specifically targeting the Kvanefjeld project of Australian company Energy Transition Minerals. Meanwhile, the company had an exploration license, also for uranium, that gave it the right to convert it to a mining license, also for uranium, which it applied for before the ban was introduced. Greenland rejected the application, retroactively applying the ban, and ETM is seeking up to \$11 billion in damages.

Recently, Panama has also seen serious social unrest over copper mining in the country. First Quantum Minerals was effectively expropriated from its Cobre Panama mine. Orla Mining, Franco Nevada, suffered a similar fate. Claims are said to exceed \$50 billion.


If these claims are recognized by the tribunals, they will turn into gigantic liabilities that these small countries will not be able to cope with. Especially Greenland - it is doubtful that Denmark, as it still has sovereignty over the Island to some extent, would want to jointly take over these obligations, certainly not without concessions from the Greenlandic authorities in the sphere of independence from it.

Of course, the claims are not yet receivables, but they are extremely interesting and have their merits. Perhaps some settlements will be reached before they are finally resolved, although at the moment this seems doubtful. However, if the worst-case scenarios were to come true, as we can see, a buyer could appear with a suitcase full of money, willing to take over these receivables in exchange for the realization of his geopolitical aspirations.

The subject is also actively discussed on *HotCopper*, an Australian chat board for investors.

And a reader who is specialised in litigation investments emailed me over Christmas: *"After reading the weird Trump remarks on Greenland (and Panama), I am getting interesting in Greenland Minerals (once, now Energy Transition Minerals, in US and AUS it can be bought). ... 11 bn claim, Burford as a lit finance (as far as I know). Maybe a real geopolitically motivated settlement comes in time..."*

Source: [HotCopper](#)



LaVitaBella
1,384 Posts
489
Posted: 31/12/24
Time: 02:52
Post #: 77222781

Howdy Zch ~ The odds on whether the United States Under President Trump will take over Greenland or negotiate some sort of a Long Term Lease deal with Denmark will vertically augment as 47's inauguration date get nearer, because he's very very serious about securing this side of the Arctic.

I submit to you if an outright purchase is not achieved, a deal will be made to achieve the following:

1- Expand Military protection with a stronger framework with Denmark

2- Obtain a General Power to mine for minerals

in summation, a favorable deal for all parties (U.S, Denmark and Greenland) will be made; Its a mathematical certainty 100%.

Hang Tough, great things are coming to ETM.

La Vita is Always Bella!

ETM


Price at posting: 4.3¢ Sentiment: None Disclosure: Held

Upvote

Great analysis

Report

How long until we have memes about Energy Transition Minerals and Greenland, rather than Trump and Greenland?



National security concerns are also likely to make the issue a priority in the incoming Trump administration, with several bills on critical and rare earth minerals receiving bipartisan support.

In the days prior to publishing this report, the stock of Energy Transition Minerals already got moving, gaining about 30% on the Australian Stock Exchange and with a few million shares of turnover. The fact that USD 11.5bn translates to AUD 13.20/USD 8.20 per share has already gotten some investors interested. Even after sharing the spoils with Burford Capital, there is a HUGE arbitration claim that investors can currently buy into at a valuation that is lower than what comparable cases would trade for at this stage. It's the sort of opportunity where many investors will want to chuck in USD 1,000 or 5,000 just to be part of it, and with a potentially significant pay-off even in abso-

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lute terms if the investment case does come together in some shape or form.

Will the interest continue to grow?

After a look through Greenland-related stocks, it appears that this is the one with the most interesting background story.

Since October 2024, it also involves one of Greenland's most respected businessmen and former political advisors, [Svend Hardenberg, who joined Energy Transition Minerals as strategic advisor to the board:](#)

"Mr Hardenberg is a highly respected and well-known figure in Greenland, with a track record of successful engagement and positive achievements in both the public and private sectors. Born in 1969 and residing primarily in Nuuk, he has made substantial contributions to Greenland's economic and social development as well as in helping the nation achieve global recognition.

His extensive experience includes serving as the Permanent Secretary at the Premier's Office under the leadership of Alleqa Hammond of the Siu-mut Party, where he contributed to significant national projects and policy development.

Moreover, Mr Hardenberg has demonstrated a strong commitment to local communities and economic development as the Chief of the Qaas-uitup Municipality, home to 17,000 people, where he played a key role in regional planning and development.

... In his role as Greenland Strategic Advisor, Mr Hardenberg will bring invaluable insights, networks, and expertise to ETM. He will play a crucial role in guiding the Company's strategic initiatives and enhancing its relationships within Greenland, helping to secure access to senior levels within the business and government communities."

With Burford Capital's backing and the active support of someone like Hardenberg, what are the chances that Energy Transition Minerals' claim will prove entirely without merit?

As to the percentage chance of this thesis coming to fruition and just what the stock's potential would then be, this is very much in the eye of the beholder.

Next time someone emails me about Greenland-related investments, at least I have an answer. And the public's interest makes me think that there'll probably be waves of speculative money for this stock.

On 20 January 2025, Trump is going to get into office.

Less than three months later (by 5 April 2024), Greenland has to hold a national election.

Chances are that more headlines about Greenland, Kvanefjeld, and the Americans' interest will follow.

Risks and challenges

Politics: for now, politics holds a strong influence on the project. Despite its difficult situation, Greenland could choose to keep everything as is – and drag matters out for years.

Commodity prices: any mining project depends on demand trends and prices. The broad interest in so-called renewable energy is seemingly waning, which could affect prices for some of the minerals that Energy Transition Minerals intends to mine based on current plans.

Liquidity: this is a stock with very limited trading liquidity and potentially very high volatility.

Financing: Energy Transition Minerals has yet to raise funding for taking Kvanefjeld into production, and the company may not be able to raise the money on good terms – or at all.

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