

A similar version of this article first appeared in *Mining Journal*, 18 October

MINING LEGISLATION IN THE NORDIC COUNTRIES

By Rachel Speight and Bushra Shabazz

The Nordic countries, particularly Sweden, Finland, Norway and Greenland are viewed as some of the most lucrative jurisdictions in the world for mining investment. Potential investors are attracted by significant geological potential, healthy economic growth and good infrastructure coupled with transparent legal frameworks. This article outlines the key legislation affecting mining companies in each of these territories.

Sweden

Sweden is one of the leading producers of ores and metals in the EU. The principal law in Sweden is the Swedish Minerals Act 1991 (the “Minerals Act”), however, applicants should also be aware of the Swedish Environmental Code 1998 (the “Environmental Code”), the Certain Peat Deposits Act 1985, the Planning and Building Act 2010, the Off-road Driving Act 1975 and the Cultural Heritage Act 1988.

The key mining licences available under Swedish legislation are:

- a. *Exploration permit – this provides access to the land for exploration work. It is valid for three years from date of issue and can be extended in certain circumstances to a period of 15 years.*
- b. *Exploitation concession – this is required for the extraction of certain categories of minerals and is granted for a maximum period of 25 years.*

Applicants should also be mindful of the Environmental Code which is applicable when granting a concession. Permits for exploration must be granted under both the Minerals Act and the Environmental Code.

Finland

Finland’s mining production has doubled over the past decade. The key mining legislation in Finland is the Mining Act 2011 (the “Mining Act”). A number of decrees have been issued based on the Mining Act, the most relevant being the Mining Decree 2012. The mining authority in Finland is the Finnish Safety and Chemicals Agency which is responsible for granting mining permits.

The following licences may be granted under the Mining Act:

- a. *Ore prospecting permit – necessary in certain circumstances e.g. if the activity poses any risk to people’s health or general safety. The permit is granted for a fixed term of up to four years which can be extended for up to three years at a time for a total period of 15 years.*
- b. *Mining permit – gives the authority to establish a mine and to carry on mining activities. It is granted “until further notice” or for a fixed period in certain circumstances.*

An environmental permit for mining is also required and these mining activities will be supervised by the relevant environmental body throughout their lifetime.

Norway

Norway is one of the largest producers of titanium and iron ore concentrate in the world. The key mining legislation is the Mineral Act 2010 (the “Norwegian Mineral Act”). Other notable legislation is the Planning and Building Act 1985 (as amended), the Nature Diversity



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Act 2009 and the Pollution Control Act 1981.

The central authority for mining, quarrying and mineral management is the Directorate of Mining. Licences granted by the Directorate of Mining under the Norwegian Mineral Act include:

- a. *Exploration licence – granted for a maximum period of seven years. If the licensee is able to prove the existence of claimable mineral deposits they may apply for an exploitation permit.*
- b. *Exploitation permit without a mining concession – valid for a maximum of ten years.*
- c. *Exploitation permit with a mining concession – valid for as long as the mine is continuously running.*

A thorough environmental impact assessment will be considered when evaluating any new mineral exploitation.

Greenland

Mining in Greenland has increased significantly in the past few years. There are currently four mines in Greenland and it is expected that this number will increase over the coming years.

The principal law is the Greenland Parliament Act of 7 December 2009 (as amended) on mineral resources and mineral resource activities (the “**Mineral Resources Act**”). Potential applicants also need to be aware of the Standard Terms for Exploration Licences for Minerals (Excluding Hydrocarbons) 1998. Mineral permits are administered by the Bureau of Minerals and Petroleum (“**BMP**”).

A potential applicant can apply for the following mineral licences under the Mineral Resources Act:

- a. *Mineral prospecting licence – non-exclusive (other similar licences may be granted to other parties) and granted for five years at a time.*
- b. *Mineral exploration licence – exclusive (a similar licence in the same area to another party will not be granted) and granted for a period of five years. A further new licence of five years may also be granted with a possible extension of up to six years.*
- c. *Mineral exploitation licence – If an exploration licensee finds and declares commercially viable deposits, he is entitled to an exploitation licence which will be granted if certain conditions are met including being a limited company domiciled in Greenland. The licence is valid for 30 years.*

A holder of an exploitation licence must also submit an environmental impact assessment to the BMP.

Mining investment is going from strength to strength in these jurisdictions helped by the favourable legal frameworks already discussed. In 2012, mining companies budgeted around \$150 million for exploration in Sweden, Norway, Finland and Greenland. With demand for iron ore and other minerals continuing to increase, mining interest in the Nordic countries shows no signs of slowing down.

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