



**GREENLAND  
MINERALS LTD**

**GREENLAND MINERALS LIMITED**

**ACN 118 463 004**

**CONSOLIDATED FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 30 JUNE 2022**



## Corporate Directory

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### Directors

Edward Mason	Non-Executive Chairman
Daniel Mamadou Blanco	Managing Director
Mark Saxon	Non-Executive Director
Xiaolei Guo	Non-Executive Director

### Company Secretary

Miles Guy

### Registered and head office

Unit 7, 100 Railway Road  
Subiaco WA 6008

### Greenland Office

Nuugaarmiunt B-847  
3921 Narsaq, Greenland

### Home Stock Exchange

Australian Securities Exchange, Perth  
Code: GGG

### Auditors

Deloitte Touche Tohmatsu

### Share Registry

Advanced Share Registry  
110 Stirling Highway  
Nedlands WA 6009

### Company Website

[www.ggg.gl](http://www.ggg.gl)



## **Contents**

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Directors' report	1
Auditor's independence declaration	8
Independent Auditor's Review report	9
Directors' declaration	11
Condensed consolidated statement of profit or loss and other comprehensive income	12
Condensed consolidated statement of financial position	13
Condensed consolidated statement of changes in equity	14
Condensed consolidated statement of cash flows	15
Notes to the condensed consolidated financial statements	16



The directors of Greenland Minerals Limited (“the Company”) herewith submit the consolidated financial report of Greenland Minerals Limited and its subsidiaries (“the Consolidated Group or GML”), for the half-year ended 30 June 2022.

The names of directors of the Company during or since the end of the half-year are:

Edward Mason, **Non-Executive Chairman** – appointed 24 April 2022

Daniel Mamadou Blanco, **Managing Director**

Mark Saxon – **Non-Executive Director**- appointed 24 August 2022

Xiaolei Guo, **Non-Executive Director**

Simon Cato, **Non-Executive Director** – resigned 24 April 2022

Anthony Ho, **Non-Executive Director** – resigned 31 August 2022

### Principal Activity

The principal activity of the Consolidated Group during the period was mineral exploration, project evaluation and progressing exploration licence permitting. The progressing of the permitting has included the commencement of arbitration aimed at protecting the Consolidated group’s rights. The Consolidated group has in addition been focused on assessing potential additional investments in the technology metals sector.

### Review of Operations

The net loss of the Consolidated Group after providing for income tax was \$2,589,123 (including non-cash share-based payments of \$809,292 (2021: \$189,979) compared to a net loss of \$1,332,654 for the previous corresponding period.

GML is currently focussed on enforcing the Company’s rights, either through a negotiated outcome or formal arbitration in relation to its dispute with the Greenland & Danish government over the Kvanefjeld Rare Earth Project (‘the Project’) in Southern Greenland that has arisen from the Greenland government’s decision to change legislation applicable to the Project. Specifically, the passage of Greenland Parliament Act No. 20 to ban uranium prospecting, exploration and exploitation, etc (‘the Act No. 20’).

The Project, 100% owned by GML and systematically advanced since 2007, is underpinned by a JORC-code compliant resource of >1 billion tonnes, and an ore reserve estimate of 108 million tonnes to sustain an initial 37-year mine life. Kvanefjeld offers a new, simpler path to rare earth production than traditional refractory sources.

Kvanefjeld has the potential to be developed as a large-scale, low-cost producer of critical magnet rare earths including **neodymium, praseodymium, terbium and dysprosium**.

### Permitting – White Paper

The Company on 29 October 2021, submitted its responses for the public consultation ‘White Paper’ on the Kvanefjeld project to the Government of Greenland (GoG). The White Paper provides responses to concerns raised during the public consultation process and identifies where further detail can be found in the previously published Environmental Impact Assessment (‘EIA’) and the Social Impact Assessment (‘SIA’).



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## **Directors' Report (cont'd)**

Following a multi-year review-revision process the Danish Centre for environment 'DCE' and Greenland's Institute of Natural Resources 'GINR' concluded 'that the Kvanefjeld Project is very likely to be carried out without more extensive environmental effects than described in the EIA report, provided that Best Available Technologies (BAT) and Best Environmental Practice (BEP) are used in all processes.'

The GoG were also required to provide responses in the White Paper to submissions made during the consultation period that are relevant to the government, the GoG have not to date provided any responses.

The completion of the White Paper and the Impact Benefit Agreement ('IBA') are the final statutory requirements to be completed by the Company, under the Minerals Resource Act to be entitled to receive an exploitation licence.

### **Government Meetings**

Following on from the December 2021 meeting, GML in February 2022 met in Copenhagen with senior members of the Greenland Department of Mineral Resources. The Company sought available options and remedy mechanisms in light of the passage of Greenland Parliament Act No. 20 to ban uranium prospecting, exploration and exploitation, etc ('the Act No. 20').

The meetings were attended in person by the Minister for Mineral Resources, the Deputy Minister, and the Department of Mineral Resources' legal advisors, together with the Company's Managing Director accompanied by Company staff and legal advisers from Clifford Chance. The Company was again advised that, as a result of the Act (which came into effect on 2 December 2021), it would not be granted an exploitation licence for the Kvanefjeld project.

GML considers that the Government is adopting a position that is inconsistent with the terms of the exploration licence, and the Company firmly stated that the Government's position would not be accepted.

### **Toronto Meetings**

Daniel Mamadou and the Company's newly appointed chairman, Ed Mason accepted an invitation from the Greenland Business Association to attend the Greenland Day conference and reception, that was part of the PDAC mining conference held in June 2022. This took place on the 14<sup>th</sup> June 2022 and was followed on the 15<sup>th</sup> by a meeting held at the Danish Consulate in Toronto, attended by a small delegation of mining company representatives, including Greenland Minerals and the Greenland Government.

These meetings provided a forum for the industry representatives to meet with the GoG, including the recently appointed Minister of Mineral Resources and Justice, Aqqaluaq B. Egede, and discuss issues relevant to the mining industry in Greenland. Although constructive, the meetings didn't provide any scope for a resolution to GML's dispute with the Government.

### **Commencement of Dispute Resolution**

Through its subsidiary, Greenland Minerals A/S ('GMAS'), the Company on 23 March 2022, requested arbitration in its dispute with the Government of Greenland and the Government of the Kingdom of Denmark. The dispute that the Company has referred to arbitration concerns the exploration licence held by GMAS for the Kvanefjeld project and the effect (if any) of Greenland Parliament Act No. 20 of 1 December 2021 to ban uranium prospecting, exploration and exploitation, etc on GMAS' entitlement



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## Directors' Report (cont'd)

to an exploitation licence under Section 14 of the exploration licence.

GML has taken the step of initiating these legal proceedings after its discussions with the Greenland Government failed to deliver any viable solution.

GML's primary objective in the arbitration is to protect its investments in the Project and to obtain the exploitation licence that is required for the Project to proceed. To that end, GMAS is maintaining its application for an exploitation licence and, in the arbitration, GMAS is seeking an independent legal ruling on whether Act No. 20 applies to GMAS' exploration licence. GMAS is taking this approach because it wishes to see the Kvanefjeld Project through and believes that it is legally able and entitled to do so in circumstances where Act No. 20 explicitly states that it does not apply to existing licences (of which GMAS' exploration licence is one). The explanatory note to Act No. 20 emphasises that Act 20 does not apply if its application would result in an expropriation (which would be the case, if GMAS were deprived of its entitlement to an exploitation licence).

GML's position is that, if Act No. 20 does not apply to GMAS' exploration licence, then GMAS retains its entitlement to an exploitation licence for Kvanefjeld and GMAS' existing application for an exploitation licence must be granted by the Government of Greenland. If it is determined that Act No. 20 does apply to GML's exploration licence, GML will claim compensation for expropriation in an amount that takes into account the fair market value of the Project.

GMAS has brought the arbitration under Section 20 of the exploration licence, which provides for disputes between GMAS and the Government of Greenland to be resolved by arbitration before a tribunal of three arbitrators seated in Copenhagen. GMAS has named the Government of the Kingdom of Denmark as a respondent in the arbitration on the basis of the Danish Government's involvement in the exploration licence and the wider Project.

In the arbitration, GMAS is represented by a team of investor-State arbitration specialists at UK law firm, Clifford Chance, with Danish law firm Plesner, acting as co-counsel.

Following the Company filing the Request for Arbitration in March 2022, it was agreed between the parties that Professor, Dr Torsten Iversen should be appointed the Tribunal President. Former Supreme Court President, Poul Søgård was appointed as the Government's appointed arbitrator, who joins Dr Veijo Heiskanen as the Company's appointed arbitrator.

The first case management conference was held on 28<sup>th</sup> June 2022, the conference dealt with mainly procedural matters, including setting dates and timelines for the provision of information by the parties and timing of future case management conferences.

### Litigation funding

On 30 June 2022, GML entered into a litigation funding agreement with Woolridge Investments LLC, a wholly-owned subsidiary of Burford Capital Limited, to fully fund the arbitration costs in the dispute with the Government of Greenland and the Government of the Kingdom of Denmark.

This funding agreement will underwrite the entire budgeted legal and associated costs of the arbitration case. The agreement is entered into on a non-recourse basis with funding being repayable out of proceeds or award from a successful outcome of the arbitration process.



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## Directors' Report (cont'd)

The amount payable to Woolridge, which is contingent on a favourable outcome, is variable and cannot be reliably estimated until a settlement is reached as the amount ultimately payable is dependent on a number of factors including: the amount of funding provided; the time taken to reach a successful outcome; and the value of any award or proceeds.

Entering a litigation funding agreement, which includes backfilling of costs already incurred, enables the Company to preserve its cash reserves as it seeks other investments in the technology metals sector. GML will be reimbursed for the costs incurred up to 30 June 2022 during the September quarter.

### Notification from Greenland Government

On 6 May 2022, the Company received a notification from the Greenland Government (Naalakkersuisut) that the Greenland Government "has decided to stop informing the matter of [the Company's] application for an exploitation licence and start making a decision on whether or not to grant an exploitation licence, based on the material currently available". The notification also stated that it will be assessed "whether granting an exploitation licence conflicts with Act No. 20 of 2 December 2021 to ban uranium prospecting, exploration and exploitation, etc". Finally, the notification explains that a final decision will be made by the Government within the next six months, and that, prior to this, the Greenland Government will provide a draft of the decision and "any material in the ['Ministry of Mineral Resources'] possession, that has been prepared or procured in relation to the processing of the application".

The Company noted that the Greenland Government's notification made no mention of the outstanding statutory steps in the exploitation licence application process, which form part of the Standard Terms of the Exploration Licence, namely:

- (a) the completion of the White Papers (a compilation of the results of community consultation regarding the Kvanefjeld project), on which the Greenland Government is still to provide its feedback, and
- (b) the Impact Benefit Agreement.

The Company wrote to the Greenland Government to formally protest the approach outlined in the notification.

### 2022 Field season

In May GML received approval from Greenland's Mineral Licence and Safety Authority ('MLSA') to conduct field activities on the project in the northern summer. This work commenced in August 2022 and is expected to be completed by the end of September 2022.

The scope of the programme of activities involves:

- Dust monitoring
- Water sampling
- Radon monitoring, and
- Sea bed sampling.

These activities are being undertaken pursuant to recommendations made by the Danish Centre for Environment and Greenland Institute for Natural Resources ('DCE/GINR'), with the knowledge of the Environmental Agency for Mineral Resources ('EAMRA'), and as noted above, with the approval of the MLSA. The aim of the work program is to address some of the "type 2 issues" that were agreed previously with the Greenland Government, would be addressed prior to development approval.



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## Directors' Report (cont'd)

To assist in the field activities GML has engaged the services of Arcadis and WPS, companies of international repute. Both have extensive project knowledge having been significant contributors to the Company's Environmental Impact Assessment. The radon and dust monitoring programmes will run for 12 months.

### Strategic Update

The Company is reviewing new business opportunities in the resources sector which leverage off the Group's skills, expertise, and existing assets; and maintain the Group's strong balance sheet and ensure all expenditure is aligned with the creation of shareholder value.

The Company has continued to assess a number of potential alternative technology metals investments, this included the Villasrubias lithium project in Spain. The Company announced on 14<sup>th</sup> July 2022 that it had entered into a binding heads of agreement with Technology Metals Europe SL ('TME') and its sole shareholder Welsbach Holdings Pte Ltd ('Welsbach'), for the right to earn-in a 51% interest in TME ('Transaction').

TME is the sole owner of an exploration permit in Spain prospective for lithium Tenement, known as the Villasrubias project.

The Company can earn its interest in TME by spending AU\$3,000,000 on a jointly agreed works program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction.

Welsbach is a related party of Greenland Minerals Limited by virtue of being an entity controlled by Mr Daniel Mamadou, Managing Director of GML, one of three directors of Welsbach and owner of a controlling shareholding interest in Welsbach.

The Transaction remains conditional, including on completion of due diligence by Greenland on TME and its assets, including the Tenement, to the satisfaction of the Company, and the Company obtaining shareholder approval pursuant to ASX Listing Rule 10.1.

A notice of meeting, including an independent expert's report assessing the fairness and reasonableness of the Transaction, will be distributed to shareholders in due course with the Company targeting a meeting date in early October 2022.

### Board Changes

On the 19th April, 2022, Greenland Minerals announced the appointment of Mr Ed Mason as Non-Executive Chairman of the Company. Simon Cato resigned as a Non-Executive Director and Anthony Ho stepped down as Non-Executive Chairman to Non-Executive Director. Mr Ho resigned as a Non-executive Director on 31 August 2022.

The Board would once again like to thank Mr. Cato and Mr. Ho for their long services and contributions to the Company.





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## Subsequent events to balance date

### Villasrubias transaction

On 14 July 2022, the Company announced that a binding Heads of Agreement ('HoA') had been entered into with Technology Metals Europe SL (TME) and its sole shareholder Welsbach Holdings Pte Ltd (Welsbach), for the right to earn-in a 51% interest in TME (Transaction). TME is the sole owner of an exploration permit in Spain prospective for lithium (Tenement), known as the Villasrubias project. The Company can earn its interest in TME by spending AU\$3,000,000 on a jointly agreed works program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction.

Welsbach is a related party of Greenland by virtue of being an entity controlled by Mr Daniel Mamadou, Managing Director of Greenland, one of three directors of Welsbach and owner of a controlling shareholding interest in Welsbach. The Transaction remains conditional, including on completion of due diligence by Greenland on TME and its assets, including the Tenement, to the satisfaction of Greenland, and Greenland obtaining shareholder approval pursuant to ASX Listing Rule 10.1.

### Draft exploitation licence decision

The Company on 22 July 2022 received a draft decision on the Company's application for an exploitation licence for the Kvanefjeld Project ('draft decision'). In the draft decision, the Greenland Ministry of Mineral Resources and Justice proposes to reject the Company's exploitation licence application. According to the draft decision, the Company's exploitation licence application cannot be granted because it would involve exploitation of an ore body that contains more than 100 ppm of uranium (the threshold that was introduced in Greenland Parliament Act No. 20 of 2 December 2021 to ban uranium prospecting, exploration and exploitation, etc ('Act No. 20')).

The Company has lodged an objection to the draft decision. It is the Company's position that, in accordance with general principles of law, the draft decision and any subsequent final decision should have no lawful bearing on the arbitration process. The arbitral tribunal was held on 7 September 2022 to hear an application by the Company for interim measures (and other procedural issues). The interim measures application being made by the Company seeks to have the status quo maintained and ensure that the legal process for determination of the Company's exploitation licence application is respected while the arbitration is ongoing.

If the Government issues a final decision, the Company will need to review the recognition of the allowance recognised against the full value of the capitalised exploration and evaluation expenditure at 31 December 2021. A final decision to reject the Company's application for an exploitation licence (even though the decision will be challenged) would require the allowance against the value of the capitalised exploration and evaluation expenditure to be recognised as an impairment due to the increased uncertainty of recovering the expenditure from the development or sale of the project.

### Board changes

On 24 August 2022, the Company appointed Mr. Mark Saxon as a Non-Executive Director and Mr. Anthony Ho resigned as a Non-Executive director on 31 August 2022. Refer to ASX announcement 22 August 2022. Mr Ho will be engaged as an advisor for a 6 month period, following his resignation.



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### **Subsequent events to balance date (Cont'd)**

Other than the forementioned, there have not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

### **Auditor's Independence Declaration**

The Auditor's independence declaration is included on page 6 of the half-year financial report.

Signed in accordance with a resolution of the directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of Directors

**Daniel Mamadou Blanco**  
**Managing Director**

Perth, 13 September 2022

The Board of Directors  
Greenland Minerals Limited  
Ground Floor  
Unit 7, 100 Railway Road  
Subiaco WA 6008

13 September 2022

Dear Board Members

**Greenland Minerals Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Greenland Minerals Limited.

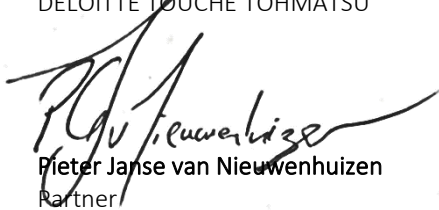
As lead audit partner for the review of the financial statements of Greenland Minerals Limited for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) Any applicable code of professional conduct in relation to the audit review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Pieter Janse van Nieuwenhuizen  
Partner  
Chartered Accountant

## Independent Auditor's Review Report to the members of Greenland Minerals Limited

We have reviewed the half-year financial report of Greenland Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

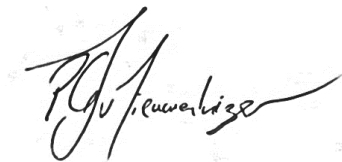
## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



**Pieter Janse van Nieuwenhuizen**

Partner

Chartered Accountants

Perth, 13 September 2022



## **Directors' declaration**

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The directors declare that:

- a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Group.

Signed in accordance with a resolution of the directors made in pursuant to s303(5) of the Corporations Act 2001.

On the behalf of the Directors

**Daniel Mamadou Blanco**  
**Managing Director**

Perth, 13 September 2022



**Condensed consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2022**

	Note	30-Jun-22 \$' 000	30-Jun-21 \$' 000
<b>Revenue from continuing operations</b>			
Other income		151	40
<b>Expenditure</b>			
Directors' and employee benefits		(581)	(454)
Professional fees	4,7	(185)	(174)
Depreciation		(133)	(129)
Finance costs – lease liabilities		(15)	(14)
Share based payments		(809)	(190)
Exploration and evaluation expenditure		(643)	-
Other expenses		(374)	(412)
Loss before tax		(2,589)	(1,333)
Income tax expense		-	-
<b>Loss for period</b>		(2,589)	(1,333)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit and loss:</b>			
Exchange difference arising on translation of foreign operations		3	(1,032)
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income		3	(1,032)
<b>Total comprehensive income for the period</b>		(2,586)	(2,365)
Loss attributable to:			
Owners of the parent		(2,589)	(1,333)
		(2,589)	(1,333)
Total comprehensive income attributable to:			
Owners of the parent		(2,586)	(2,365)
		(2,586)	(2,365)
Basic loss per share – cents per share		0.19	0.10
Diluted loss per share – cents per share		0.19	0.10

The accompanying notes from part of this financial report on pages 16 to 20.



Condensed consolidated statement of financial position  
As at 30 June 2022

		Consolidated	
	Note	30-Jun-22 \$' 000	31-Dec-21 \$' 000
<b>Current Assets</b>			
Cash and cash equivalents	3	27,024	30,309
Trade and other receivables	4	2,264	29
Other assets		50	73
<b>Total Current Assets</b>		<b>29,338</b>	<b>30,412</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		635	684
Right of use lease assets		708	685
Capitalised exploration and evaluation expenditure	5	-	-
<b>Total Non-Current Assets</b>		<b>1,343</b>	<b>1,369</b>
<b>Total Assets</b>		<b>30,681</b>	<b>31,781</b>
<b>Current Liabilities</b>			
Trade and other payables		1,445	661
Lease liability		161	148
Provisions		334	463
<b>Total Current Liabilities</b>		<b>1,940</b>	<b>1,272</b>
<b>Non-Current Liabilities</b>			
Lease liability		624	603
Provisions		13	24
<b>Total Non-Current liabilities</b>		<b>637</b>	<b>627</b>
<b>Total Liabilities</b>		<b>2,577</b>	<b>1,899</b>
<b>Net Assets</b>		<b>28,104</b>	<b>29,881</b>
<b>Equity</b>			
Issued capital		405,560	405,560
Reserves		(32,890)	(33,702)
Accumulated losses		(344,566)	(341,977)
<b>Total Equity</b>		<b>28,104</b>	<b>29,881</b>

The accompanying notes from part of this financial report on pages 16 to 20.





**Condensed Consolidated Statement of Changes in Equity**  
**For the half-year ended 30 June 2022**

	Share capital \$' 000	Option reserve \$' 000	Foreign currency translation reserve \$' 000	Non-controlling Interest Acquisition reserve \$' 000	Accumulated losses \$' 000	Total \$' 000
<b>Balance at 1 Jan 2021</b>	404,688	1,022	7,575	(39,672)	(248,841)	124,772
Net loss for the period	-	-	-	-	(1,333)	(1,333)
Other Comprehensive Income	-	-	(1,032)	-	-	(1,032)
Total Comprehensive income for the period	-	-	(1,032)	-	(1,333)	(2,365)
Issue of shares – exercise of options	510	(138)	-	-	-	372
Recognition of share-based payments	-	190	-	-	-	190
<b>Balance at 30 June 2021</b>	405,198	1,074	6,543	(39,672)	(250,174)	122,969
<b>Balance at 1 Jan 2022</b>	405,560	373	5,597	(39,672)	(341,977)	29,881
Net loss for period	-	-	-	-	(2,589)	(2,589)
Other Comprehensive income	-	-	3	-	-	3
Total Comprehensive income for the period	-	-	3	-	(2,589)	(2,586)
Recognition of share-based payments	-	809	-	-	-	809
<b>Balance at 30 June 2022</b>	405,560	1,182	5,600	(39,672)	(344,566)	28,104

The accompanying notes from part of this financial report on pages 16 to 20.



## Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2022

	Consolidated	
	30-Jun-22 \$' 000	30-Jun-21 \$' 000
<b>Cash flows from operating activities</b>		
Receipts from customers	78	3
Payments to suppliers and employees	(3,270)	(1,373)
Interest - lease liabilities	(15)	(14)
Net cash from/(used) in operating activities	(3,207)	(1,384)
<b>Cash flows from investing activities</b>		
Interest received	17	38
Payments for exploration and development	-	(2,287)
Payments for plant & equipment	(1)	(13)
Net cash from/(used) in investing activities	16	(2,262)
<b>Cash flows from financing activities</b>		
Payments on lease liabilities	(94)	(84)
Proceeds issue of shares	-	372
Net cash from/(used in) financing activities	(94)	288
<b>Net (decrease)/increase in cash and equivalents</b>	(3,285)	(3,358)
Cash and equivalents at the beginning of the financial period	30,309	36,438
<b>Cash and equivalents at the end of the financial period</b>	<b>27,024</b>	<b>33,080</b>

The accompanying notes from part of this financial report on pages 16 to 20.



## Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2022

### Note 1: Statement of significant accounting policies

#### Statement of compliance

The half-year report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and ASX announcements.

#### Basis of preparation

The Consolidated Group is of a kind referred to in ASIC Instrument 2016/191, dated 24 March 2016 and in accordance with that Class Order, all financial information presented has been rounded to the nearest thousand dollars, unless otherwise stated. All amounts are presented in Australian dollars unless otherwise stated.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 31 December 2021, (except for the impact of the Standards and Interpretations described below). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### Litigation Funding Agreement – reimbursable costs

The Consolidated Group has entered into a litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. The funding agreement will underwrite the entire budgeted legal and associated costs of the arbitration case in the dispute with the Government of Greenland and the Government of the Kingdom of Denmark.

Amounts paid or payable, and received or receivable in respect of the arbitration costs are shown on a gross basis within the Statement of Financial Position and Statement of Cash Flows. Within the Statement of Profit or Loss and Other Comprehensive Income, the amounts reimbursable by Woolridge have been offset against the related costs, thus legal and associated disbursement costs relating to the arbitration process are presented on a net basis.

#### Adoption of new and revised accounting standards

The Consolidated Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Consolidated Group's operations and effective for half year. The adoption of these Standards and Interpretations did not have any effect on the financial position of the Consolidated Group.

There currently no standards on issue, not yet effective that are expected to have a material impact on the Group.



## Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2022

### Note 2: Segmented reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment to assess its performance.

The Consolidated Group undertakes mineral exploration and evaluation in Greenland; one operating segment is identified, which is unchanged from that identified at 31 December 2021.

### Note 3: Cash and cash equivalents

	Consolidated	
	30-Jun-22 \$' 000	31-Dec-21 \$' 000
Cash at bank	6,634	406
Cash on deposit at call	20,102	29,511
Cash on deposit	288	392
	<u>27,024</u>	<u>30,309</u>

### Note 4: Trade & other receivables

	Consolidated	
	30-Jun-22 \$' 000	31-Dec-21 \$' 000
Litigation expenses reimbursable (i)	2,120	-
Other receivables	144	29
	<u>2,264</u>	<u>29</u>

- (i) The Consolidated Group is entitled to reimbursement of legal costs incurred under the litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. Refer to note 7 for further details.



## Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2022

### Note 5: Capitalised exploration and evaluation expenditure

Balance at beginning of period

Add:

Exploration and/or evaluation phase in current period:

Capitalised expenses

Effects of currency translation

Refundable research & development rebate

Balance at end of period

Less:

Balance at beginning of period

Allowance against recovery of capitalised expenditure

Effects of currency translation

Balance at end of period

Balance of capitalised exploration and evaluation  
expenditure at the end of period

- (i) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals A/S, the 100% owned Greenlandic subsidiary. All capitalised exploration and evaluation expenditure has been recognised in the Greenlandic subsidiary and at reporting date has been translated at the closing Australian dollar/Danish kroner exchange rate with the movement being recognised in the foreign currency translation reserve.
- (ii) As a result of the political developments in Greenland during 2021, including the passing of the Act No. 20 to prohibit mineral activity where the uranium content in an ore body exceeds 100ppm, there is uncertainty surrounding the recovery of the capitalised exploration and evaluation expenditure. As required by Australian Accounting Standards, an allowance against the recoverability of the expenditure was recognised in the prior year, that results in a nil carrying value at 30 June 2022.
- (iii) EL2010/02 is due to be renewed on or before 31 December 2022. An application for the renewal has been registered with Greenland's Mineral Licence and Safety Authority on 28 July 2022 and is subject to a 3 month processing period.
- (iv) The Consolidated Group disagrees with the Greenland Government's application of Act No. 20 and will protect its legal right to an exploitation licence. The Consolidated Group has referred the dispute to arbitration to establish what if any effect Act No.20 has on the Kvanefjeld project and on GMAS' entitlement to an exploitation licence under Section 14 of the exploration licence. The Consolidated Group will continue to work with the Greenland Government and other stakeholders to progress the mining license application to move to development in accordance with both Greenland Government and local community expectations.



## Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2022

### Note 5: Capitalised exploration and evaluation expenditure (cont'd)

**Table of exploration licenses held at 30 June 2022**

Exploration Licence	Location	Ownership
EL 2010/02	Southern Greenland	100% held by Greenland Minerals A/S

### Note 6: Dividends

No Dividends have been paid or proposed during the half-year ended 30 June 2022.

### Note 7: Contingent liability

On 30 June 2022, the Consolidated Group entered into a litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. The funding agreement will underwrite the entire budgeted legal and associated costs of the arbitration case in the dispute with the Government of Greenland and the Government of the Kingdom of Denmark.

The agreement is entered into on a non-recourse basis with funding being repayable out of proceeds or award from a successful outcome of the arbitration process. The amount payable to Woolridge, which is contingent on a favourable outcome, is variable and cannot be reliably estimated until a settlement is reached as the amount ultimately payable is dependent on a number of factors including: the amount of funding provided; the time taken to reach a successful outcome; and the value of any award or proceeds. In the event that proceeds received through a successful outcome are less than the amount provided by Woolridge Investments LLC as funding, the cash outflow is capped at the amount awarded.

As outlined in note 4, a receivable of \$2.1 million has been recognised for legal costs incurred to date which are reimbursable or funded under the agreement, and form part of the overall funding allowance.

### Note 8: Subsequent events to balance date

#### Villasrubias transaction

On 14 July 2022, the Company announced that a binding Heads of Agreement ('HoA') had been entered into with Technology Metals Europe SL (TME) and its sole shareholder Welsbach Holdings Pte Ltd (Welsbach), for the right to earn-in a 51% interest in TME (Transaction). TME is the sole owner of an exploration permit in Spain prospective for lithium (Tenement), known as the Villasrubias project. The Company can earn its interest in TME by spending AU\$3,000,000 on a jointly agreed works program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction.

Welsbach is a related party of Greenland by virtue of being an entity controlled by Mr Daniel Mamadou, Managing Director of Greenland, one of three directors of Welsbach and owner of a controlling shareholding interest in Welsbach. The Transaction remains conditional, including on completion of due diligence by Greenland on TME and its assets, including the Tenement, to the satisfaction of Greenland, and Greenland obtaining shareholder approval pursuant to ASX Listing Rule 10.1.

## Notes to the condensed consolidated financial statements



For the half-year ended 30 June 2022

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**Note 8: Subsequent events to balance date (cont'd)**

**Draft exploitation licence decision**

The Company on 22 July 2022 received a draft decision on the Company's application for an exploitation licence for the Kvanefjeld Project ('draft decision'). In the draft decision, the Greenland Ministry of Mineral Resources and Justice proposes to reject the Company's exploitation licence application. According to the draft decision, the Company's exploitation licence application cannot be granted because it would involve exploitation of an ore body that contains more than 100 ppm of uranium (the threshold that was introduced in Greenland Parliament Act No. 20 of 2 December 2021 to ban uranium prospecting, exploration and exploitation, etc ('Act No. 20')).

The Company has lodged an objection to the draft decision. It is the Company's position that, in accordance with general principles of law, the draft decision and any subsequent final decision should have no lawful bearing on the arbitration process. The arbitral tribunal was held on 7 September 2022 to hear an application by the Company for interim measures (and other procedural issues). The interim measures application being made by the Company seeks to have the status quo maintained and ensure that the legal process for determination of the Company's exploitation licence application is respected while the arbitration is ongoing.

If the Government issues a final decision, the Company will need to review the recognition of the allowance recognised against the full value of the capitalised exploration and evaluation expenditure at 31 December 2021. A final decision to reject the Company's application for an exploitation licence (even though the decision will be challenged) would require the allowance against the value of the capitalised exploration and evaluation expenditure to be recognised as an impairment due to the increased uncertainty of recovering the expenditure from the development or sale of the project.

**Board changes**

On 24 August 2022, the Company appointed Mr. Mark Saxon as a Non-Executive Director and Mr. Anthony Ho resigned as a Non-Executive director on 31 August 2022. Refer to ASX announcement 22 August 2022. Mr Ho will be engaged as an advisor for a 6 month period, following his resignation.

Other than the forementioned, there have not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated group, the results of those operations, or the state of affairs of the Consolidated Group in future years.