



**GREENLAND
MINERALS LTD**

GREENLAND MINERALS LIMITED

ACN 118 463 004

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2021



GREENLAND MINERALS LTD

Corporate Directory

Directors

Anthony Ho	Non-Executive Chairman
Dr John Mair	Managing Director
Simon Cato	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



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Directors' Report

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 2021.

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

Anthony Ho, **Non-Executive Chairman**
Dr John Mair, **Managing Director**
Simon Cato, **Non-Executive Director**
Xiaolei Guo, **Non-Executive Director**

Principal Activity

The principal activity of the Consolidated Group during the period was mineral exploration and project evaluation.

Review of Operations

The net loss of the Consolidated Group after providing for income tax was \$1,332,654 (including non-cash share based payments of \$189,979 (2020: \$579,000) compared to a net loss of \$1,442,713 for the previous corresponding period.

The primary focus has been on the public consultation and permitting for the Company's 100% owned Kvanefjeld rare earth project. The statutory public consultation was initiated on 18 December 2020 and is scheduled to run through to 13th September, 2021.

In February, a snap national election was called in Greenland, that was held on 6th April 2021. This led to the formation of a new coalition government made up of the Inuit Ataqatigiit (IA) and Naleraq parties. The new coalition holds 16 of 31 seats. The IA party had previously led a coalition government in the period from 2009-2013.

The Kvanefjeld Project, 100% owned by GML, 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.

The recovery of a series of by-products during the production of a rare earth intermediate product rich in critical magnet rare earths including **neodymium**, **praseodymium**, **terbium** and **dysprosium**, will ensure low rare earth production costs.

The Kvanefjeld Project is located near the southern tip of Greenland near existing infrastructure, including an international airport, and has year-round direct shipping access to the project area.

New Government in Greenland

The new Government's leadership has publicly stated a political intention to oppose development of GML's Kvanefjeld rare earth project. However, the government has also confirmed that the public consultation, a government-managed process will continue, along with subsequent case work. As a result, the consultation period has been further extended until 13 September 2021, with a second round of meetings scheduled for late August.



Directors' Report

Background to the Licensing Process

GML has systematically advanced the Kvanefjeld Project under all governments since the commencement of operations in Greenland in 2007. The Company operates in accordance with Greenland's Minerals Act.

Acceptance of a mining license application comes after the Environmental and Social Impact Assessments were accepted as meeting the Greenland Guidelines for public consultation. With respect to the EIA, fulfilment of the Guidelines means that all aspects of the Kvanefjeld Project are based on international environmental standards and the principles of 'Best Available Technology' and 'Best Environmental Practice'.

Independent scientific reviews of the Kvanefjeld EIA were conducted by the Danish Centre for Environment (DCE) with assistance from the Greenland Institute of Natural Resources (GINR). In a comment published during the consultation period, the DCE and GINR concluded that the Kvanefjeld Project 'with a high probability can be completed without further significant adverse effects than the ones described in the EIA report.' Impacts are presented and investigated thoroughly in the EIA report and supporting technical studies, along with mitigation strategies.

The Terms of Reference (ToR) for the Kvanefjeld Project were approved in 2015, following a public consultation process undertaken in 2014. The ToR defined the scope of the impact assessments. At the end of the hearing period the Company is required to address all hearing comments in a White Paper

Kvanefjeld Public Consultation

On the 17th of December 2020 the Greenland Government approved the commencement of the statutory public consultation of the Environmental Impact Assessment (EIA) and the Social Impact Assessment (SIA) for the Kvanefjeld Project. This followed that **the key application documents** for an exploitation (mining) license met the Greenland Guidelines for public consultation.

This is an important milestone in the Greenlandic Government's formal decision-making process in relation to the issuance of an exploitation license for the Kvanefjeld Project.

The consultation documents consist of the Environmental and Social Impact Assessments in English, Greenlandic and Danish. The studies have been through comprehensive reviews by the Greenland Government and their advisors, and have been accepted as meeting the Greenland Government Guidelines.

The Greenlandic Minerals Act stipulates that it is a requirement that the EIA and SIA reports are subject to a public consultation period. The public consultation started on the 18th of December 2020 with Greenlandic, Danish, and English versions of the EIA and the SIA made available on the Greenland Governments public hearing portal (<https://naalakkersuisut.gl/en/Hearings/Current-Hearings>), and is now scheduled to run through to 13 September 2021.

Public consultation meetings, an important part of the broader public consultation process for the Kvanefjeld rare earth project were held in three major towns in southern Greenland between February 5th to 9th. The meetings are managed by Greenland's administration, and were attended by representatives of the Ministry for Mineral Resources, the Environmental Agency for Mineral Resource Activities, a representative of the Danish Centre for Environment (independent advisor to the Greenland Government), and Company representatives but without political representation. The meetings represent an important part of the stakeholder engagement process to explain and discuss the outcomes of the environmental and social impact assessments.



Directors' Report

A second round of public meetings are planned to be held in weeks 34 and 35 (late August), and will be held in Igaliku, Nanortalik, Narsaq, Narsarsuaq, Qaqortoq and Qassiarsuk in southern Greenland. These meetings will have political representation.

Public Consultation White Paper

Following completion of the consultation period, the Company and the Government must each respond to issues raised during the process. These responses are then collated in a document referred to as the White Paper.

To date, issues raised in public meetings held in communities in southern Greenland during February 2021 have been directly lodged via the Government's online portal for the project consultation. Additional questions are expected to arise from the second round of public meetings in August.

To ensure that the process proceeds as efficiently as possible, the Company has commenced preparation of detailed responses to each of these issues for the White Paper with support from key consultants. Responses are being prepared primarily by reference to material already contained in the impact assessments themselves or in the consultant's reports prepared to support the assessments (also available).

To date all submissions received have either related to matters that have been comprehensively addressed in the impact assessments or the supporting documents or are issues not relevant to the impact assessments.

Environmental Baseline Studies Continue

Through the Greenland summer, the Company has completed additional environmental baseline studies in the broader project area to further increase its understanding of chemical dispersion by natural processes. This is designed to assist with stakeholder understanding of the Kvanefjeld Project.

GML had intended to conduct an extensive field program this year that was carefully planned with input from Greenland's independent scientific advisors, with approvals in place for the planned drilling and engineering studies from Greenland's Mining License and Safety Authority. The drilling was planned to generate data for the next steps in permitting beyond an exploitation licence (operations and closure approvals), as well as geotechnical data for engineering studies. With the change in political sentiment and resulting uncertainty, GML deferred the drilling program until there is political clarity.

Greenland's Role in New RE Supply Chains

GML has been operating in Greenland, with a focus on the Kvanefjeld rare earth project since 2007. The project has been systematically investigated, and today, Kvanefjeld is one of the world's most important emerging rare earth projects, and is well positioned to see Greenland become a globally significant supplier of materials that are key to an energy efficient, and environmentally sustainable future.

The Kvanefjeld Project is founded on a unique geological environment in southern Greenland, that contains vast mineral resources enriched in critical rare earth metals. At a planned processing rate of 3 million tonnes/year, Kvanefjeld will be a globally significant producer of light RE magnet metals neodymium and praseodymium (combined Nd-Pr oxide of 5,690t/a) as well as being a significant producer of the strategically significant heavy RE's terbium and dysprosium (44t/a and 270t/a respectively). Rare earth production costs will be low owing to favourable metallurgy, coupled with additional revenue streams generated through the by-production of uranium, zinc and fluorspar (metspar).



Directors' Report

Kvanefjeld has an initial mine life of 37 years, based on a 108 million tonne ore reserve (JORC 2012), however, this represents only 10% of the broader resource based. There is clear scope to expand production and extend the project mine life.

The Kvanefjeld Project has been systematically put together drawing on a collective of specialist expertise from around the world. This includes leading technical and metallurgical input from major shareholder (9.5%) and leading international rare earth company Shenghe Resources Holding Co. Extensive stakeholder engagement has shaped the development strategy. Studies into environmental and social impacts have been undertaken by independent specialist consultancies in close communication with Greenland regulatory bodies.

Draft Legislation in Consultation Concerning Uranium

The Greenland Government has put forward draft legislation for consultation to ban the exploration and exploitation of uranium, which would reverse some of the steps implemented by previous governments that aimed to establish a critical minerals industry in Greenland.

Critical minerals are those classed as being important to future technologies and in particular 'green industries' (renewable energy, electric vehicles) with projected future supply shortfalls (i.e., rare earths). It is common for such projects to contain elevated concentrations of the naturally occurring radioactive elements uranium and thorium. As the proposed Act is currently in draft form and in consultation, the Company is not able to advise how the draft legislation could potentially affect the Kvanefjeld development proposal (as guided by the Terms of Reference), nor how it would impact other mining projects in Greenland, or the exploration for a variety of mineral deposit types.

Detailed radiological studies were conducted on the Kvanefjeld Project as part of the EIA, led by independent specialist consultancy Arcadis. The Arcadis report, reviewed in detail by the Danish Centre for Environment, concluded *"Overall, the Kvanefjeld Project is expected to release only small amounts of additional radioactivity to the environment and is not expected to result in an adverse effect, or significant harm, to wildlife or people that live or visit the area. It is expected that the radiation exposure will not be significantly different than current conditions (background)."*

COVID-19

As a result of COVID-19, both the Australian and Greenland governments have imposed stringent international travel restrictions, that are subject to change with little or no notice. There is no indication as to when these international travel restrictions will be eased. These travel restrictions have prevented the Company's from having Perth based personnel attend face to face meetings in Greenland.

Subsequent events to balance date

The Company places a strong emphasis on community engagement and consultation, however after careful consideration, the Company elected to not participate in the second round of community meetings that were held during the week commencing 23rd Augusts 2021, because:

- Changes to the format and conduct of the meetings which highlighted a political emphasis given that key government advisory groups (Danish Centre for Environment and the Greenland Institute of Natural Resource) would not be directly participating in the meetings either via presentation or panel participation



Directors' Report

- Concerns for the well-being of Company representatives and consultants who were to attend, which arose following briefings on the meeting format held in Nuuk on August 17 and 18
- There being no formal obligation for the Company to participate in a second round of public meetings which have been scheduled primarily for politicians from the new Government to discuss the project with the various communities

The non-attendance of these meetings is not expected to adversely affect the public consultation process or the completion of the White Paper.

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



John Mair
Managing Director
Perth, 9th September 2021



Competent Person Statement – Mineral Resources Ore Reserves and Metallurgy

The information in this report that relates to Mineral Resources is based on information compiled by Mr Robin Simpson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Simpson is employed by SRK Consulting (UK) Ltd ("SRK") and was engaged by Greenland Minerals Ltd on the basis of SRK's normal professional daily rates. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. Mr Simpson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robin Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the statement that relates to the Ore Reserves Estimate is based on work completed or accepted by Mr Damien Krebs of Greenland Minerals Ltd and Mr Scott McEwing of SRK Consulting (Australasia) Pty Ltd. The information in this report that relates to metallurgy is based on information compiled by Damien Krebs.

Damien Krebs is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the type of metallurgy and scale of project under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

Scott McEwing is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

The mineral resource estimate for the Kvanefjeld Project was updated and released in a Company Announcement on February 12th, 2015. The ore reserve estimate was released in a Company Announcement on June 3rd, 2015. There have been no material changes to the resource estimate, or ore reserve since the release of these announcements.



Greenland Minerals Limited
Consolidated Financial Report
For the half-year ended 30 June 2021

Statement of Identified Minerals Resources, Independently Prepared by SRK Consulting (February 2015)

Cut-off (U ₃ O ₈ ppm) ¹	Classification	Multi-Element Resources Classification, Tonnage and Grade								Contained Metal				
		M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
<i>Kvanefjeld - February 2015</i>														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	222	10,000	205	8,800	365	9,200	793	2,180	2.22	0.08	0.18	100.45	0.48
150	Total	673	10,900	248	9,600	400	10,000	881	2,270	7.34	0.27	0.59	368.02	1.53
200	Measured	111	12,900	341	11,400	454	11,800	1,048	2,460	1.43	0.05	0.12	83.19	0.27
200	Indicated	172	12,300	318	10,900	416	11,300	970	2,510	2.11	0.07	0.17	120.44	0.43
200	Inferred	86	10,900	256	9,700	339	10,000	804	2,500	0.94	0.03	0.07	48.55	0.22
200	Total	368	12,100	310	10,700	409	11,200	955	2,490	4.46	0.15	0.35	251.83	0.92
250	Measured	93	13,300	363	11,800	474	12,200	1,105	2,480	1.24	0.04	0.10	74.56	0.23
250	Indicated	134	12,800	345	11,300	437	11,700	1,027	2,520	1.72	0.06	0.14	101.92	0.34
250	Inferred	34	12,000	306	10,800	356	11,100	869	2,650	0.41	0.01	0.03	22.91	0.09
250	Total	261	12,900	346	11,400	440	11,800	1,034	2,520	3.37	0.11	0.27	199.18	0.66
300	Measured	78	13,700	379	12,000	493	12,500	1,153	2,500	1.07	0.04	0.09	65.39	0.20
300	Indicated	100	13,300	368	11,700	465	12,200	1,095	2,540	1.34	0.05	0.11	81.52	0.26
300	Inferred	15	13,200	353	11,800	391	12,200	955	2,620	0.20	0.01	0.01	11.96	0.04
300	Total	194	13,400	371	11,900	471	12,300	1,107	2,530	2.60	0.09	0.21	158.77	0.49
350	Measured	54	14,100	403	12,400	518	12,900	1,219	2,550	0.76	0.03	0.07	47.59	0.14
350	Indicated	63	13,900	394	12,200	505	12,700	1,191	2,580	0.87	0.03	0.07	54.30	0.16
350	Inferred	6	13,900	392	12,500	424	12,900	1,037	2,650	0.09	0.00	0.01	5.51	0.02
350	Total	122	14,000	398	12,300	506	12,800	1,195	2,570	1.71	0.06	0.15	107.45	0.31



Greenland Minerals Limited
Consolidated Financial Report
For the half-year ended 30 June 2021

Multi-Element Resources Classification, Tonnage and Grade										Contained Metal				
Cut-off (U ₃ O ₈ ppm) ¹	Classification	M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
Sørensen - March 2012														
150	Inferred	242	11,000	304	9,700	398	10,100	895	2,602	2.67	0.10	0.22	162.18	0.63
200	Inferred	186	11,600	344	10,200	399	10,600	932	2,802	2.15	0.07	0.17	141.28	0.52
250	Inferred	148	11,800	375	10,500	407	10,900	961	2,932	1.75	0.06	0.14	122.55	0.43
300	Inferred	119	12,100	400	10,700	414	11,100	983	3,023	1.44	0.05	0.12	105.23	0.36
350	Inferred	92	12,400	422	11,000	422	11,400	1,004	3,080	1.14	0.04	0.09	85.48	0.28
Zone 3 - May 2012														
150	Inferred	95	11,600	300	10,200	396	10,600	971	2,768	1.11	0.04	0.09	63.00	0.26
200	Inferred	89	11,700	310	10,300	400	10,700	989	2,806	1.03	0.04	0.09	60.00	0.25
250	Inferred	71	11,900	330	10,500	410	10,900	1,026	2,902	0.84	0.03	0.07	51.00	0.20
300	Inferred	47	12,400	358	10,900	433	11,300	1,087	3,008	0.58	0.02	0.05	37.00	0.14
350	Inferred	24	13,000	392	11,400	471	11,900	1,184	3,043	0.31	0.01	0.03	21.00	0.07
All Deposits – Grand Total														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	559	10,700	264	9,400	384	9,800	867	2,463	6.00	0.22	0.49	325.66	1.38
150	Grand Total	1010	11,000	266	9,700	399	10,100	893	2,397	11.14	0.40	0.90	592.84	2.42

¹There is greater coverage of assays for uranium than other elements owing to historic spectral assays. U₃O₈ has therefore been used to define the cut-off grades to maximise the confidence in the resource calculations.

²Total Rare Earth Oxide (TREO) refers to the rare earth elements in the lanthanide series plus yttrium.

Note: Figures quoted may not sum due to rounding.

Kvanefjeld Ore Reserves Estimate – April 2015

Class	Inventory (Mt)	TREO (ppm)	LREO (ppm)	HREO (ppm)	Y ₂ O ₃ (ppm)	U ₃ O ₈ (ppm)	Zn (ppm)
Proven	43	14,700	13,000	500	1,113	352	2,700
Probable	64	14,000	12,500	490	1,122	368	2,500
Total	108	14,300	12,700	495	1,118	362	2,600

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

9 September 2021

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 2021, 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



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 2021, 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 as set out on page 12.

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 2021 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*.

Emphasis of Matter – Recoverability of Capitalised Exploration and Evaluation Asset

We draw attention to Note 4 of the half-year financial report, which describes matters that may impact the ultimate recoverability of the Group's Capitalised Exploration and Evaluation Expenditure with a carrying value at 30 June 2021 of \$90.6m. Our conclusion is not modified in respect of this matter.

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 2021 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.

A stylized, handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to be "Ian Skelton", written in a cursive style.

Ian Skelton

Partner

Chartered Accountants

Perth, Western Australia

9 September 2021



Directors' declaration

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

A handwritten signature in black ink, appearing to read 'John Mair', written over a faint circular stamp or watermark.

John Mair
Managing Director

Perth, 9th September 2021



**Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2021**

	Note	30-Jun-21 \$' 000	30-Jun-20 \$' 000
Revenue from continuing operations			
Government grants		-	50
Other income		40	29
Expenditure			
Directors' and employee benefits		(454)	(451)
Professional fees		(174)	(214)
Depreciation		(129)	(126)
Interest – lease liabilities		(14)	(13)
Share based payments		(190)	(579)
Insurance		(33)	(31)
Payroll tax		(87)	(18)
Other expenses		(292)	(90)
Loss before tax		(1,333)	(1,443)
Income tax expense		-	-
Loss for period		(1,333)	(1,443)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange difference arising on translation of foreign operations		(1,032)	1,881
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income		(1,032)	1,881
Total comprehensive income for the period		(2,365)	438
Loss attributable to:			
Owners of the parent		(1,333)	(1,443)
		(1,333)	(1,443)
Total comprehensive income attributable to:			
Owners of the parent		(2,365)	438
		(2,365)	438
Basic loss per share – cents per share		0.01	0.012
Diluted loss per share – cents per share		0.01	0.012

The accompanying notes from part of this financial report on pages 17 to 20.



Condensed consolidated statement of financial position
As at 30 June 2021

	Note	Consolidated	
		30-Jun-21 \$' 000	31-Dec-20 \$' 000
Current Assets			
Cash and cash equivalents	3	33,080	36,438
Trade and other receivables		26	185
Other assets		63	93
Total Current Assets		33,169	36,716
Non-Current Assets			
Property, plant and equipment		729	761
Right of use lease assets		777	448
Capitalised exploration and evaluation expenditure	4	90,609	89,343
Total Non-Current Assets		92,115	90,552
Total Assets		125,284	127,268
Current Liabilities			
Trade and other payables		697	1,259
Lease liability		185	188
Provisions		764	703
Total Current Liabilities		1,646	2,150
Non-Current Liabilities			
Lease liability		647	302
Provisions		22	44
Total Non-Current liabilities		669	346
Total Liabilities		2,315	2,496
Net Assets		122,969	124,772
Equity			
Issued capital		405,198	404,688
Reserves		(32,055)	(31,075)
Accumulated losses		(250,174)	(248,841)
Total Equity		122,969	124,772

The accompanying notes from part of this financial report on pages 17 to 20.



Condensed Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2021

	Share capital \$' 000	Option reserve \$' 000	Foreign currency translation reserve \$' 000	Non- controlling Interest Acquisition reserve \$' 000	Accumulated losses \$' 000	Total \$' 000
Balance at 1 Jan 2020	371,808	883	7,236	(39,672)	(245,765)	94,490
Net loss for the period	-	-	-	-	(1,443)	(1,443)
Other Comprehensive income	-	-	1,881	-	-	1,881
Total comprehensive income for the period			1,881	-	(1,443)	438
Recognition of share based payments	-	579	-	-	-	579
Balance at 30 June 2020	371,808	1,462	9,117	(39,672)	(247,208)	59,507
Balance at 1 Jan 2021	404,688	1,022	7,575	(39,672)	(248,841)	124,772
Net loss for period	-	-	-	-	(1,333)	(1,333)
Other comprehensive income for the period	-	-	(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
Balance at 30 June 2021	405,198	1,074	6,543	(39,672)	(250,174)	122,969

The accompanying notes from part of this financial report on pages 17 to 20.



Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2021

	Consolidated	
	30-Jun-21 \$' 000	30-Jun-20 \$' 000
Cash flows from operating activities		
Receipts from customers	3	1
Government subsidies	-	50
Payments to suppliers and employees	(1,373)	(987)
Interest - lease liabilities	(14)	(13)
Net cash used in operating activities	(1,384)	(949)
Cash flows from investing activities		
Interest received	38	30
Payments for exploration and development	(2,287)	(1,398)
Research and development rebate	-	667
Payments for plant & equipment	(13)	(4)
Net cash used in investing activities	(2,262)	(705)
Cash flows from financing activities		
Payments on lease liabilities	(84)	(86)
Proceeds issue of shares	372	-
Net cash from/(used in) financing activities	288	(86)
Net (decrease)/increase in cash and equivalents	(3,358)	(1,740)
Cash and equivalents at the beginning of the financial period	36,438	8,599
Cash and equivalents at the end of the financial period	33,080	6,859

The accompanying notes from part of this financial report on pages 17 to 20.



Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2021

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.

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 2021

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-21 \$' 000	31-Dec-20 \$' 000
Cash at bank	253	495
Cash on deposit at call	32,339	33,575
Cash on deposit	488	2,368
	<u>33,080</u>	<u>36,438</u>

Note 4: Capitalised exploration and evaluation expenditure

	Consolidated	
	30-Jun-21 \$' 000	31-Dec-20 \$' 000
Balance at beginning of period	89,343	85,886
Add:		
Exploration and/or evaluation phase in current period:		
Capitalised expenses	2,287	3,145
Effects of currency translation	(1,021)	312
Balance at end of period	<u>90,609</u>	<u>89,343</u>

- (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) The recoverability of the Consolidated Group's carrying value of the capitalised exploration and evaluation expenditure relating to EL 2010/02 is subject to the successful development and exploitation of the exploration property. The Consolidated Group has completed a feasibility study and environmental and social impact studies. These studies have been submitted to the relevant Greenland authorities, as a commencement of the process for an application for the right to mine.



Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2021

Note 4: Capitalised exploration and evaluation expenditure (Cont'd)

- (iii) The Consolidated Group is currently in the public consultation period that forms part of the exploitation licence process. Greenland an application for an exploitation (mining) license for the Kvanefjeld project. The application included the environmental impact assessment, social impact assessment and navigational safety investigation study for the project.
- (iv) A Greenland general election on 6 April 2021 resulted in Inuit Ataqatigiit (IA) and Naleraq political parties forming a new coalition government. During the election campaign, one of the IA's campaign policies was to cease the development of the Kvanefjeld project. Following the election, the government has provided further clarification by stating the project will be processed in accordance with the Minerals Resource Act and the special terms issued to the project.

The new Greenland government has released draft legislation aimed at prohibiting any feasibility study, exploration and exploitation of uranium, the draft legislation is open for consultation. It is uncertain what the provisions of the final legislation will be and therefore it is not possible to assess the impact on the Company's project.

The Company has obtained legal advice from senior Danish legal counsel, on the Company's right to obtain an exploitation licence and the right to asset protection. The Company will be looking to work with the Greenland government to finalise the exploitation licence application process while at the same protecting the Company's legal rights.

Table of exploration licenses held at 30 June 2021

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

Note 5: Subsequent events to balance date

The Company places a strong emphasis on community engagement and consultation, however after careful consideration, the Company elected to not participate in the second round of community meetings that were held during the week commencing 23rd Augusts 2021, because:

- Changes to the format and conduct of the meetings which highlighted a political emphasis given that key government advisory groups (Danish Centre for Environment and the Greenland Institute of Natural Resource) would not be directly participating in the meetings either via presentation or panel participation



Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2021

Note 5: Subsequent events to balance date (Cont'd)

- Concerns for the well-being of Company representatives and consultants who were to attend, which arose following briefings on the meeting format held in Nuuk on August 17 and 18
- There being no formal obligation for the Company to participate in a second round of public meetings which have been scheduled primarily for politicians from the new Government to discuss the project with the various communities

The non-attendance of these meetings is not expected to adversely affect the public consultation process or the completion of the White Paper.

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.

Note 6: Dividends

No Dividends have been paid or proposed during the half-year ended 30 June 2021.