GREENLAND MINERALS LTD

2021 ANNUAL REPORT

RESPONSIBLY SOURCED MATERIALS FOR AN ENERGY EFFICIENT FUTURE

For personal use only

For personal use only

Contents

Corporate Directory

DIRECTORS

Anthony Ho
Non-executive Chairman

Daniel Mamadou Blanco
Managing Director

Simon Cato
Non-executive Director

Xiaolei Guo
Non-executive Director

CHIEF FINANCIAL OFFICER/COMPANY SECRETARY

Miles Guy

REGISTERED AND HEAD OFFICE

Unit 7, 100 Railway Road
Subiaco WA 6008

GREENLAND

Nuugaarmiunt B-847
3921 Narsaq, Greenland

HOME STOCK EXCHANGE

Australian Securities Exchange, Perth
Code: GGG

AUDITORS

Deloitte Touche Tohmatsu

SHARE REGISTRY

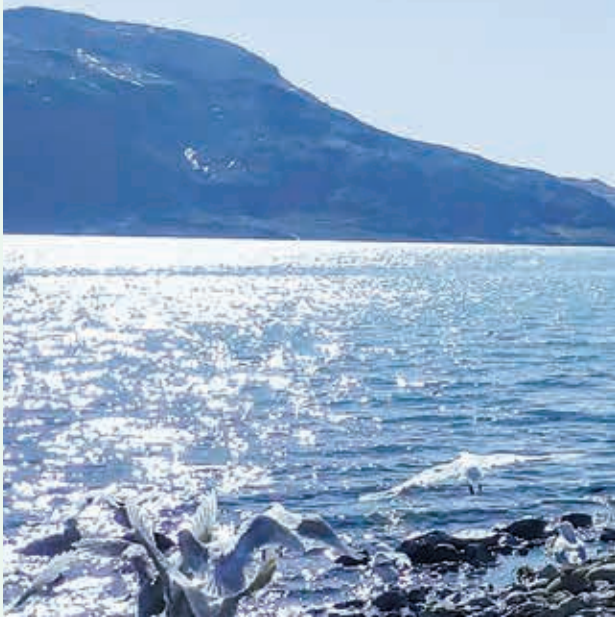
Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

COMPANY WEBSITE

www.ggg.gl

ABN

85 118 463 004



For personal use only

2021 HIGHLIGHTS

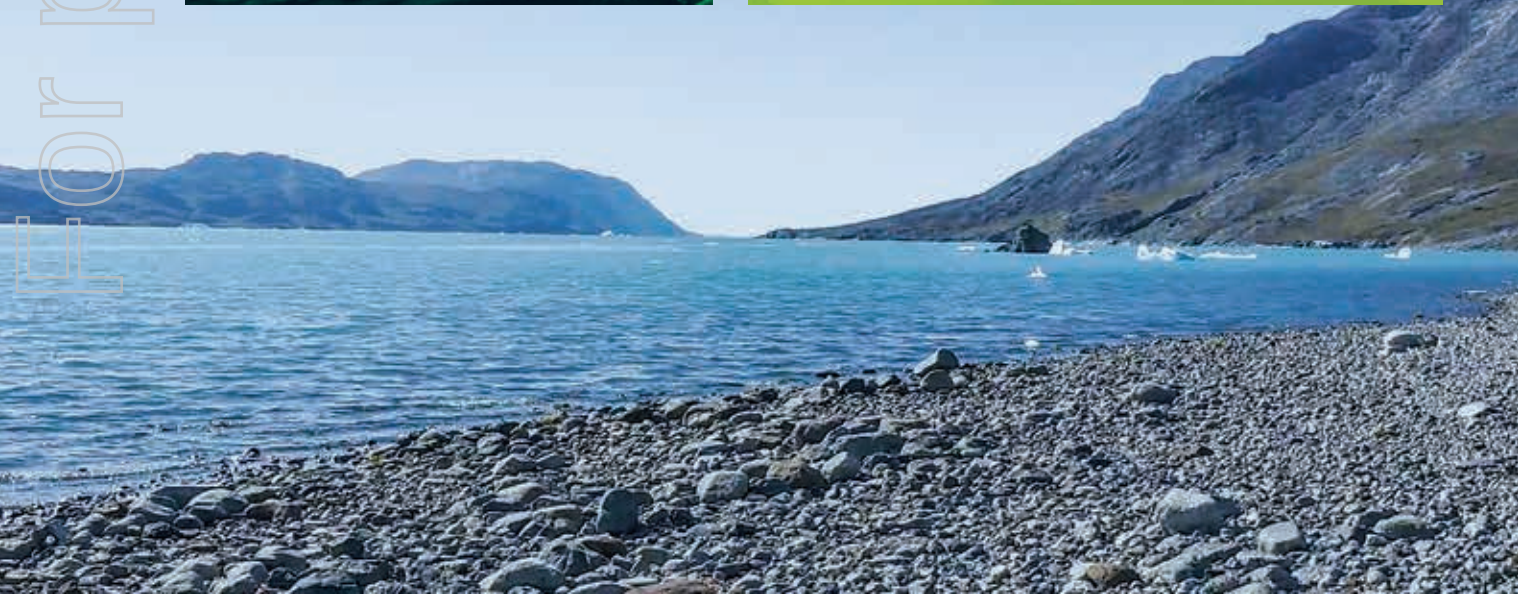
Completion of 38 week public consultation period

Two rounds of public meeting conducted

Submission of the public consultation responses towards completion of White Paper

Appointment of Daniel Mamadou as Managing Director

Continuation of environmental baseline studies



For personal use only

Chairman's and Managing Director's letter to shareholders

Dear Fellow Shareholder,

2021 was a year of mixed outcomes and transition for our Company.

Significant events during the year, all within a COVID-19 environment that saw Australia closed its international and state borders, included:

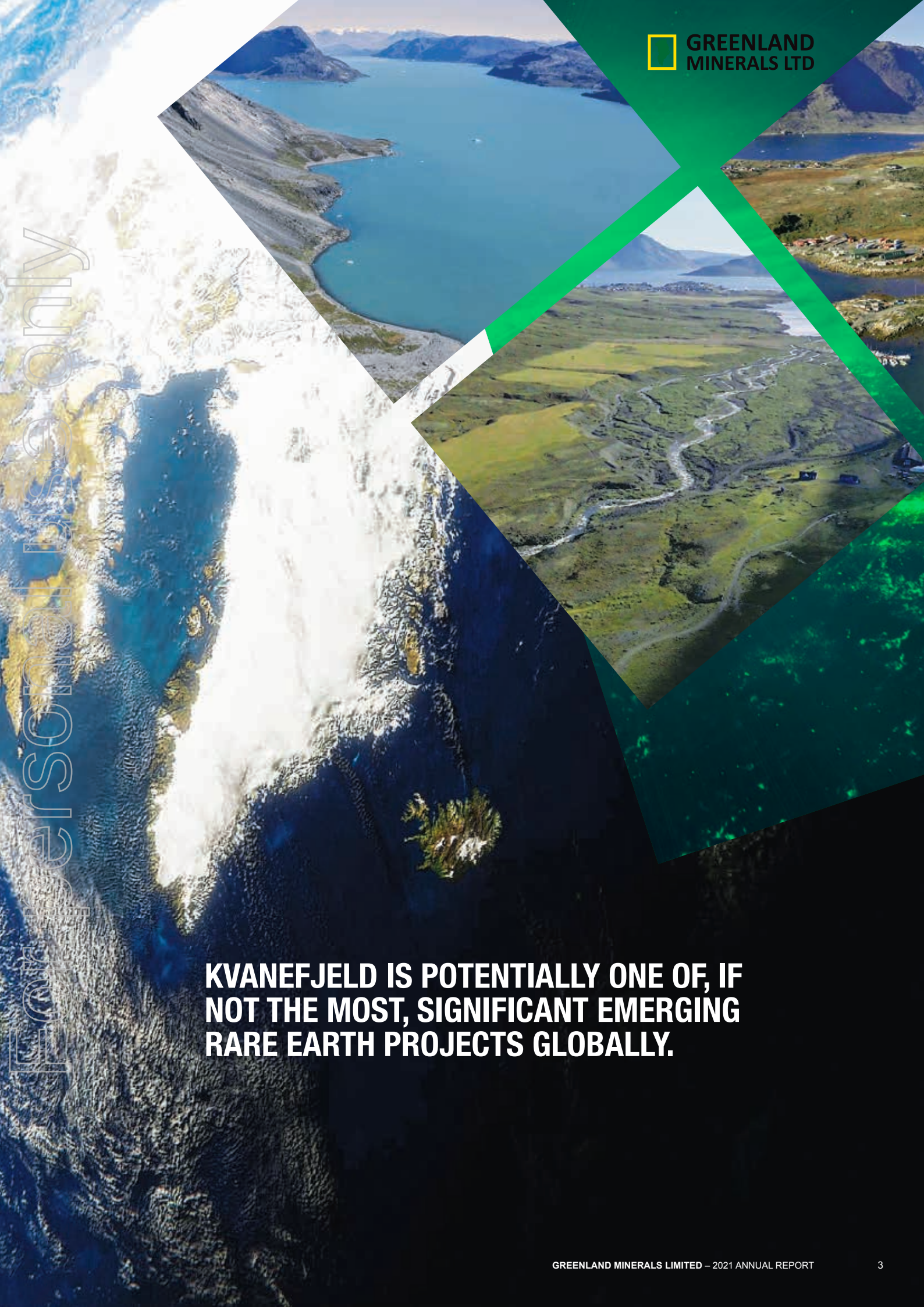
- A successful and heavily over-subscribed capital raising in December 2020 of $34 million.
- Election of a new Government in Greenland on 6 April 2021.
- The new Inuit Ataqatiglit (IA) led government confirmed that our Exploitation Licence application under the Greenland Minerals Act would continue.
- In July 2021 the IA Government released a draft Bill to ban prospecting, exploration and exploitation of radioactive materials in excess of 100 ppm.
- Completed a record 38-week public consultation period as part of the Exploitation Licence application process, in September 2021.
- On 2 December 2021 the new Uranium Act ('Act No. 20') was enacted with its ban on prospecting and exploitation of radioactive materials in excess of 100 ppm.
- Leadership change - after a search, Mr Daniel Mamadou was appointed Managing Director of the Company.
- Dialogue with the Government of Greenland commenced 15 December 2021 and into February 2022.

Details of the various events are elaborated in the Review of Operations.

Your Company has always worked within the regulatory framework of Greenland and worked collaboratively with the Government of Greenland, and will continue to do so, to conclude an outcome that will protect shareholders' interest. As reported through our ASX announcements, we are disappointed with the stance adopted by the Government of Greenland. But their formal position has provided guidance to your board as to next steps to be taken. On 22 March 2022, the Company formally invoked section 20 of the Exploration Licence issued to our wholly owned subsidiary company Greenland Minerals A/S for arbitration of the dispute. Both Government of Greenland and the Government of the Kingdom of Denmark are named respondents. Further information is on page 16 of this annual report.

The arbitration seeks determination of whether Act No. 20 applies to the current Exploration Licence issued to the Company prior to the enactment of the Act. Various courses of action will flow from that determination by the tribunal of 3 arbitrators, including compensation for expropriation expenditure.

We are committed to the Kvanefjeld project, and to ensure that it meets community expectations. The Company is also committed to protecting its rights and those of its shareholders. We will not hesitate to enforce our rights under the relevant legal framework.


GREENLAND
MINERALS LTD
For personal use only
KVANEFJELD IS POTENTIALLY ONE OF, IF NOT THE MOST, SIGNIFICANT EMERGING RARE EARTH PROJECTS GLOBALLY.

For personal use only

Chairman's and Managing Director's letter to shareholders (continued)

Global geopolitical shifts are highlighting the strategic importance of rare earths to current energy transition and de-carbonisation of the environment, where the extreme reliance on traditional sources of fossil fuels have to be addressed. In line with the current developments, the Company has adapted to this new macro environment, and to bring on fresh talent at an executive level. The appointment of Mr Daniel Mamadou as Managing Director, with his expertise and experience in technology metals is significant to the future success of the Company. Under his leadership, the Company is tasked with expansion across the technology metals spectrum, and to transitioning Greenland Minerals going forward.

The change of leadership also signals the need to refresh the board going forward. As a single focus company, we have maintained a small board. The board renewal process was also delayed by COVID-19 inter-state borders closures over the past 2 years. With travel restrictions finally lifted, the process will be accelerated to ensure that the board has the mix of skills and expertise to support the Company's strategic direction.

We also take this opportunity to thank Dr John Mair for his past leadership of the Company, as well as the team members in Australia and Greenland, and our global eminent consultants for their tireless and dedicated efforts to the Kvanefjeld project over the past 14 years.

The current political and macro-economic backdrop favours the development of critical metals upstream resources; security of supply has become a priority once again, and the current supply chains for metals and materials are being reconfigured. Over the past twelve months, we have witnessed a sustained increase in the demand of technology metals, ranging from lithium to rare earths, including other battery metals such as nickel and cobalt; the phenomenon expands to the rest of the base metals and PGM complex. Years of under-investment in upstream capacity, combined with an acceleration of the transition to the "everything electric economy" have created the perfect storm for a sustained rally in prices at every steps of the supply chain, including up, mid and downstream. Jurisdiction risk has also been redefined by the war in Eastern Europe, and has led to the stranding of material amounts of resources in some locations, and to the repricing of the risk premium in others. At the same time, there has never been more focus on the impact of the environment and social governance aspects of our sector. Companies and their boards will need to carefully navigate this new normal where globalisation is shrinking, ESG is the prime key performance indicator of management and volatility is the new normal.

Yours Sincerely,

Anthony Ho
Non-executive Chairman

Daniel Mamadou Blanco
Managing Director

For personal use only

Review of Operations

For personal use only

2021 OVERVIEW AND REVIEW OF OPERATIONS

Greenland Minerals Limited's ('GML or 'the Company') focus since 2007 has been the development of its 100%-owned Kvanefjeld project in Greenland.

Kvanefjeld is one of the world's most important emerging rare earth projects and has the potential to be a globally significant supplier of critical materials that are key to an energy efficient and environmentally sustainable future.

Kvanefjeld 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. Recovery of several by-products in addition to neodymium, praseodymium, terbium and dysprosium during the production of a rare earth intermediate product rich in critical magnet rare earths will ensure low rare earth production costs.

During 2021 the primary focus was the advancement of the permitting process, through the public consultation and assessing the implications of Greenland Parliament Act No. 20 of 1 December 2021 to ban uranium prospecting, exploration and exploitation, ('Act No. 20'), also known as the Uranium Act, introduced by the newly elected Greenland Government.

For personal use only

Background to the Licensing Process for Kvanefjeld

GML operates in accordance with Greenland's Minerals Act. Acceptance of a mining license application comes after the Environmental ('EIA') and Social Impact Assessments ('SIA') 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 by and during the consultation period, the DCE and GINR conclude that the Kvanefjeld Project *'with a high probability can be completed without further significant adverse effects that 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 project scope for Kvanefjeld was established in 2012-2013 following extensive stakeholder engagement at community and government level. Project development options were presented including the location of key infrastructure items, and how much processing would take place in Greenland. Scenario 1 (concentrator only) involved the production of a rare earth mineral concentrate, with the by-production of zinc concentrate and fluorspar. Scenario 2 (concentrator and refinery circuit) involved the additional step of chemical processing of the rare earth mineral concentrate in Greenland to produce a higher-value intermediate rare earth product (carbonate or chloride).

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.

In establishing the ToR, GML was requested by the government to, at the very least, conduct some chemical processing of rare earth minerals in Greenland for the purpose of value add (Scenario 2). To create a high-purity intermediate rare earth product, impurities are removed, and in cases be recovered as a by-product, such is the case with uranium for which there is an established market. Considerable work has been undertaken by previous governments to establish the necessary legislative framework to manage the by-production of uranium, in accordance with international best practice, and in consideration of the development of critical metal projects.

For personal use only

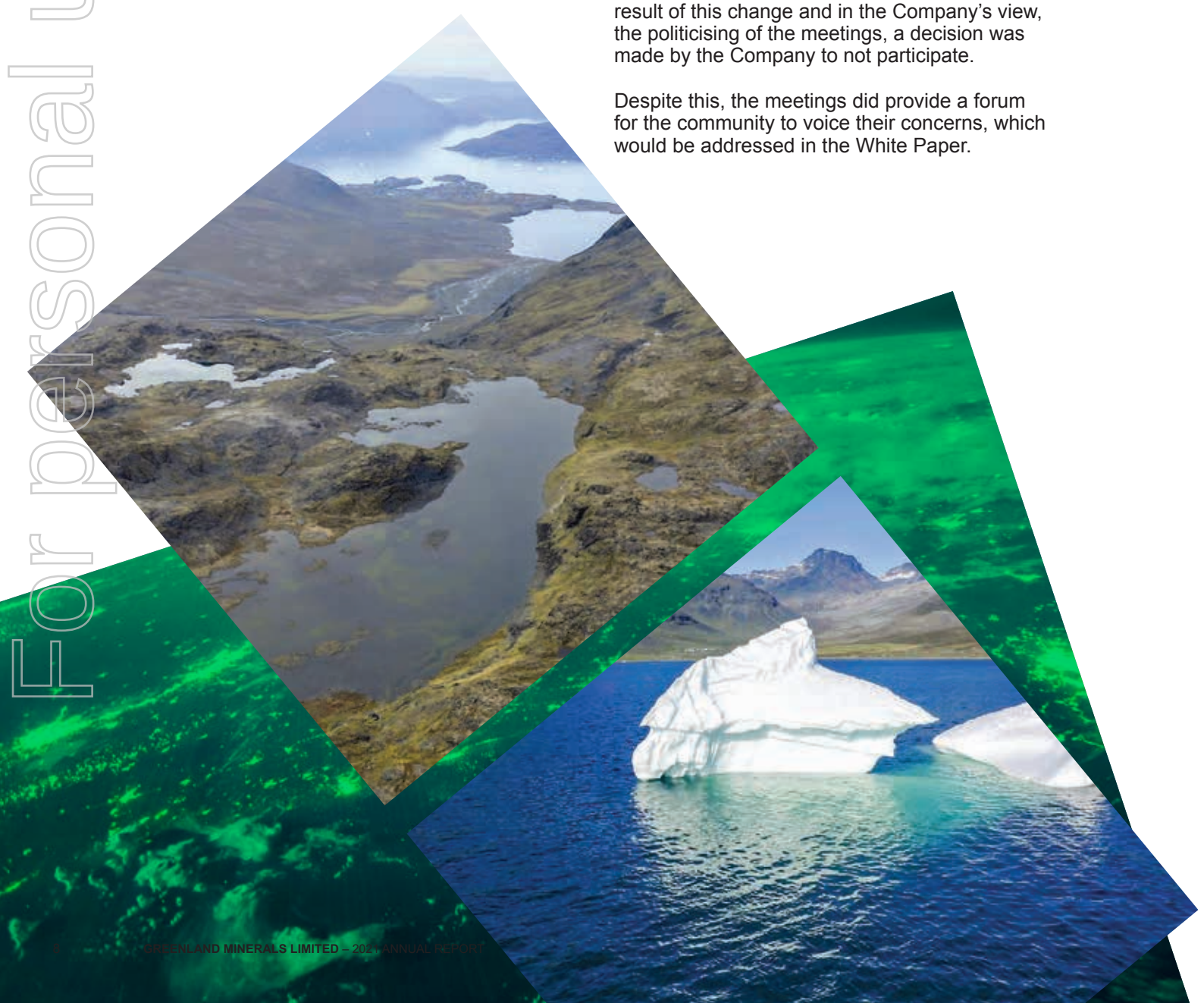
Public consultation

The public consultation period commenced on 17th December 2020 and was initially scheduled to be a 12 week period with community meetings held in early February 2021. The consultation period initially extended to 1 June 2021 due to COVID travel restrictions. The travel restrictions limited the ability for specialist advisors and independent experts to attend public meetings. The newly elected government, extend the public consultation period further to 13 September 2021, an unprecedented 38 week. With the extension, a second round of community meetings was held in late August.

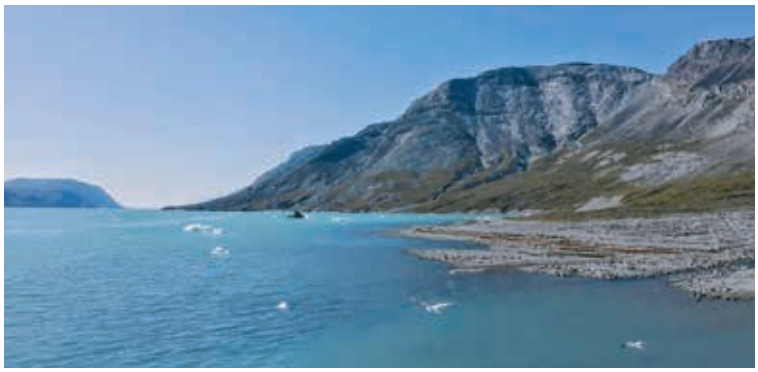
The first round of public meetings was held between February 5th to 9th. The meetings were managed by Greenland's administration and were attended by representatives of the Ministry for Mineral Resources, the Environmental Agency for Minerals Resource Activities, a representative of the Danish Centre for Environment (independent advisor to the Greenland Government), and Company representatives. The meetings represent an important part of the stakeholder engagement process to explain and discuss the outcomes of the environmental and social impact assessments. In addition, the meetings provided a forum for community members to have their concerns heard and addressed.

A second round of community meetings was held in late august 2021. Prior to the meetings, the Company became aware of 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. As a result of this change and in the Company's view, the politicising of the meetings, a decision was made by the Company to not participate.

Despite this, the meetings did provide a forum for the community to voice their concerns, which would be addressed in the White Paper.



For personal use only



White Paper

The Company submitted the White Paper to the Greenland Government ('GoG') on 29 October 2021. The White Paper addresses feedback and concerns lodged via the Greenland Government's online portal during the public consultation period, and those raised during public meetings. Both the Company and the GoG are required to comment on submissions prior to the publication of the White Paper.

The Company acknowledges community concerns and debate around the Kvanefjeld and the stakeholder interest, during the consultation period. However, after working through all the feedback carefully, the Company is satisfied that every relevant specific issue raised has already been identified and comprehensively addressed in the EIA or SIA. The EIA and associated technical reports contained an extensive amount of information, and the consultation feedback highlighted the challenges of effectively conveying the detailed information.

In the White Paper, GML aims to provide a response to the concerns raised and identify where further detail can be found in the EIA and SIA, that will address the concern. The Company has made the White Paper available on the Company's website, as it provides an important guidance to where relevant information can be accessed. The document will be updated as and when responses are received from the GoG.

The Government of Greenland's responses to the White Paper and the completion of the Impact Benefit Agreement remained the two outstanding statutory requirements under Greenland's Mineral Resources Act, for the Company to be legally entitled to an exploitation licence, subject to the new Uranium Act that came into force on 2 December 2021.

Environmental baseline studies

Through the Greenland summer, the Company completed additional environmental baseline studies. These studies were conducted in the broader project area to further increase the understanding of chemical dispersion by natural process. This is designed to provide stakeholders with a greater understanding of the Kvanefjeld project.

GML had intended to conduct an extensive field program during the 2021 year. The program had been carefully planned with input from Greenland's independent scientific advisors, with approvals obtained from Greenland's Mining License and Safety Authority, for the planned drilling and engineering studies. The drilling was planned to generate data for the next steps in permitting beyond an exploitation licence, as well as generate geotechnical data for engineering studies. The program was suspended as a result of the uncertainty created by the change of the Greenland Government.

For personal use only

New Greenland Government

In February 2021, a snap national election was called in Greenland, and was held on 6th April 2021. This led to the formation of a new coalition government made up of the Inui Attaqatigitt (IA) and Naleraq parties. The new coalition holds 16 of 31 seats. The IA party previously led a coalition government in the period from 2009 to 2013. The Company had worked constructively with the previous IA led coalition to establish significant aspects of the framework that enabled the Kvanefjeld project to advance to a world class rare earth project.

During the 2021 election campaign, part of the IA's election platform was to oppose the development of the Kvanefjeld project. On forming government, this position was maintained, however it was also acknowledged that the Company had legal rights under the Mineral Resources Act, which included a right to continue with the exploitation licence application process including the public consultation. In acknowledging this, the Government stated that although it was the Government's desire to stop the development of the project, it could not guarantee the project would not proceed.

Act No. 20 (the 'Uranium Act')

In July 2021, the Greenland Government released a draft Act No. 20, which was widely criticized by industry participants during the public consultation period. Act No. 20 was passed without any significant amendment by the Greenland parliament on the 9th November 2021 and signed into law by Greenland's Prime Minister on 2nd December 2021.

Act No. 20 prohibits preliminary investigation, exploration and exploitation of uranium, which Act No. 20 defines as uranium content which occurs at 100 parts per million or greater, on average in the total resource and applies to mineral licences issued after 2nd December 2021.

There are no active primary uranium projects in Greenland. Therefore, the legislation negatively affects the production of rare earth materials and other critical metals, where it is common for ores to contain radioactive elements including uranium and thorium. The Company met with Greenland's Department of Minerals Resources and Justice via video conference on 15 December 2021, to discuss the effect of Act No. 20 on the development of its Kvanefjeld rare earths project. Further meetings in person were also held in Copenhagen on 8 and 9 February 2022.

The GoG has confirmed that it would not issue an exploitation licence, pursuant to the current ongoing exploitation licence application, because it would be prevented from doing so by Act No. 20. On 22 March, the Company formally invoked Section 20 of the Exploration Licence, issued to our wholly owned subsidiary, Greenland Minerals A/S for arbitration of the dispute. Both Government of Greenland and the Government of the Kingdom of Denmark are named respondents.

GML's Kvanefjeld rare earth project is underpinned by a JORC code compliant ore reserve estimate that contains 108 million tonnes at 1.43% rare earth oxide, 0.26% zinc, and 0.036% uranium oxide. Under the currently proposed development strategy for Kvanefjeld, uranium oxide, if recovered as a by-product of rare earth production, would contribute approximately 5% of project revenues.

The Company is not aware of any technical, radiological, or health and safety reasons why the Greenland Government has selected a threshold level of 100ppm uranium for the Act.

THE COMPANY REMAINS COMMITTED TO THE DEVELOPMENT OF KVANEFJELD

For personal use only

Summary of meetings with Greenland Government

According to the terms of Act No. 20, it is to apply to licences issued after its effective date (2 December 2021). GML's current exploration licence EI 2010/02 was issued before this date and is the basis of the Company's application for an exploitation licence for the Kvanefjeld project. However, the GoG advised that granting of an exploitation licence would be considered as a separate, new licence, and therefore subject to Act No. 20. According to the GoG, based on this interpretation, the Company's exploitation licence application would not be granted, based on its current development proposal for Kvanefjeld. The Company was advised of two options for Kvanefjeld, which are:

1. To maintain the present exploitation licence application, to which it should expect a refusal, or
2. To recall the application and potentially hand in a revised application, in which the Company would need to demonstrate that it can comply with the 100 ppm uranium threshold limit in Act No. 20.

The Company acknowledges the Greenland Parliament has the sovereign prerogative to enact legislation, Act No. 20, as explained by the GoG, appears to deprive the Company of its acquired rights (including under the Company's exploration licence) and effect an expropriation without compensation.

The Company met with representatives from the Department on 8 February 2022 and Greenland's Minister for Finance, Minerals, Justice and Gender Equality, Ms Naaja H Nathanielsen on 9 February 2022.

The Company is disappointed by the position being adopted by the current Greenland Government, a position that is a complete reversal of the cooperative approach of previous successive Greenland Government's. Previous Governments for over a decade have promoted the Kvanefjeld project as one of the country's top mineral projects and have supported the development of Kvanefjeld through the implementation of a variety of regulatory and legislative initiatives to encourage further investment and allow for the development of Kvanefjeld into one of the world's leading pre-development rare earth projects.

The Company remains committed to the development of Kvanefjeld and remains open to discussions with the Greenland Government on ways this can be achieved. The Company reserved all rights available to protect the Company and its shareholders investment and has lodged a Request for Arbitration with the Government of Greenland and the Government of the Kingdom of Denmark.

For personal use only

Capitalised exploration and evaluation expenditure

Taking into consideration the current Greenland Government's position on the Kvanefjeld project, and pending negotiated outcome, the Company is required under Australian Accounting Standards to recognise an allowance against the capitalised exploration and evaluation asset.

The Company has historically capitalised the exploration and evaluation expenditure, and at 31 December 2021 the value of this asset was AU$91 million. An allowance against the recovery, equal to the capitalised value has been recognised against the asset at 31 December 2021. This allowance has no cash implications. The allowance does not diminish the Company's commitment to develop the Kvanefjeld project, for the benefit of all stakeholders.

In the interim, the Company has advised the Greenland Government of the Company's expectation that the exploitation licence application process continues to proceed.

Appointment of Daniel Mamadou

The Company appointed Daniel Mamadou as its Managing Director on 6 December 2021 to drive the next phase of its growth and development, following the resignation of Dr John Mair. Dr Mair continued to work in an advisory capacity with Mr Mamadou, who is based in Singapore, to transition the Company effectively.

Mr Mamadou holds an MSc in international securities and investment banking from the University of Reading, UK. He is the founder of Welsbach Holdings Pte Ltd, a Singapore-based company which specialises in the financing and development of technology metals supply chains. He founded and was Managing Director of Talaxis Ltd (Noble Group's technology metals division, in Hong Kong) from 2015 until 2020. During this period, he drove the development and growth acceleration of technology metals supply chains, gaining expertise across rare earths, lithium, cobalt, and graphite along with a range of other critical materials. He is also a Non-Executive Director of TSX-listed Medallion Minerals Limited.

Prior to that, Mr Mamadou held various senior positions with Deutsche Bank, Goldman Sachs and Nomura, with more than two decades across EMEA and Asia-Pacific. He has established and nurtured relationships with key stakeholders and decision makers across the specialty metals sector. His global network includes upstream companies in Europe, America's, Asia and Africa, and midstream in China, South Korea and Japan.

Daniel Mamadou is tasked with implementing the Company's strategy of broadening its project portfolio and seeking new opportunities in related technology minerals and metals sectors, to create shareholder value.

Dr Mair joined the Board of GML in 2011 and was appointed Managing Director in 2014. During this period GML has established an internationally diverse shareholder base, and Kvanefjeld has emerged to be one of the most significant rare earth projects globally, with an established JORC code compliant ore reserve of 108 million tonnes to underpin an initial 37-year mine life.

Outlook

The Company is in a strong cash position at 31 December 2021, with a cash balance of $30.3 million. The Company remains committed to the development of the Kvanefjeld project and looks forward to working with the Greenland Government on viable development paths. The Company will continue to work with Greenland communities to address their concerns and develop the Kvanefjeld project in a manner that will minimise environmental impacts and provide benefits to the Greenland for decades ahead.

For personal use only

GREENLAND MINERALS LTD

2021 ANNUAL FINANCIAL REPORT

For personal use only

DIRECTORS' REPORT

The directors of Greenland Minerals Limited (the Company) submit herewith the annual financial report of Greenland Minerals Limited and its subsidiaries (the Consolidated Group) for the financial year ended 31 December 2021, pursuant to the provisions of the *Corporations Act 2001*. The directors report the following:

Directors
The names of directors in office at any time during or since the end of the financial year are:

Anthony Ho, Non-Executive Chairman
Daniel Mamadou Blanco, Managing Director – appointed 6 December 2021
John Mair, Managing Director – resigned 6 December 2021
Simon Cato, Non-Executive Director
Xiaolei Guo, Non-Executive Director

Chief Financial Officer/Company Secretary
The following person held the position of Company Secretary at the end of the financial year:

Miles Simon Guy – *M.Com(PA), MIPA, FCG(CS), FGIA, MAICD* is a qualified accountant with more than 25 years' experience in both public practice and commerce.

Mr. Guy is also the Chief Financial Officer for Greenland Minerals Limited.

Principal Activities
The principal activity of the Consolidated Group during the financial year was mineral exploration and project evaluation. Specifically, the continued evaluation and permitting of the Kvanefjeld project, located in Southern Greenland.

There were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

Operating Results
The net loss after providing for income tax amounted to $93,135,348 (2019: loss $3,075,973).

Review of operations
Refer to the Operations Report on pages 4 to 8.

COVID-19 TO BE UPDATED
The Consolidated Group acknowledges the impact COVID-19 has had on the global community. 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. These travel restrictions have prevented the Company's from having Perth based personnel attend face to face meetings in Greenland.

Significant Changes in State of Affairs
Other than as reported in the Review of Operations, during the financial year, there were no other significant changes in the state of affairs of the Consolidated Group.

Shares
During the year ended 31 December 2021, 5,005,800 ordinary shares of Greenland Minerals were issued, as detailed in Note 17 to the financial report.

The total number of ordinary shares on issue at 31 December 2021 was 1,344,077,346 (31 December 2020: 1,339,071,546).

For personal use only

DIRECTORS' REPORT

The Company has only one class of shares on issue and the Company has no unissued shares, other than those registered to options and performance rights holders which are disclosed in the next section.

No shares issued during the year or shares issued since the end of the financial year were issued as a result of exercised options.

Anti-dilution rights
Le Shan Shenghe Rare Earth Company Limited (Le Shan) has anti-dilution or top-up rights under the Subscription Agreement entered into with the Company. Le Shan has the right to subscribe for top-up shares to maintain its existing percentage interest where the Company issues additional shares which increases the existing share capital by greater than 0.5%. The subscription price, under the top-up right, will be the same price as any additional shares issued under a capital raising (in the event of a cash capital raising) or, in any other event (such as non-cash consideration), the volume weighted average price of the shares calculated over the last 10 days on which sales of shares were recorded before the day on which the additional shares were issued. The top-up right is subject to Le Shan maintaining at least a minimum share interest of 6.5% of shares in the Company and ceases to operate where Le Shan's Share interest or voting power exceeds 19.9%. In addition, the top-up right will cease on the date the ASX considers that the strategic relationship between the Company and Le Shan or Shenghe Resources Holding Co. Limited changes in such a way so as to effectively cease.

Options
During the year ended 31 December 2021 there were no options or performance rights of Greenland Minerals Limited issued, for details of outstanding options and performance refer to Note 25 to the financial report.

Details of unissued shares or interests under option and employee rights at the date of this report are:

Issuing entity	Number of shares under option	Number of Shares under employee rights	Class of shares	Exercise price of option	Expiry date of option/right
Greenland Minerals Limited	6,000,000	-	Ordinary Shares	$0.35	31 January 2023

The holders of these options do not have the right, by virtue of being holders, to participate in any share issue or interest issue of the Consolidated Group or of any other body corporate.

Financial Position
The net assets of the Consolidated Group were $29,881,357 as at 31 December 2021 (2020: $124,771,456).

Dividends
During the financial year ended 31 December 2021, no dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year. No dividends were paid in the comparative period ended 31 December 2020.

Environmental Regulations
The Consolidated Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, customers, employees and suppliers. The Consolidated Group's exploration activities are currently regulated by significant environmental regulation under laws of Greenland and the Commonwealth and states and territories of Australia. The Consolidated Group is committed to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

Future Developments

The Consolidated Group will continue to evaluate the Kvanefjeld project and the development alternatives for the project, as in the Operations Report on pages 6 to 12.

Subsequent Events

On 22 March 20222, the Consolidated Group requested arbitration proceedings in its dispute with the Government of Greenland and the Government of the Kingdom of Denmark, through the Company's wholly owned subsidiary, Greenland Minerals A/S. The dispute concerns the effect of Act No. 20 on the Consolidated Group's entitlements under its existing exploration licence, including its entitlement to an exploitation licence for the Kvanefjeld rare earths project.

The Consolidated Group's intention is to proceed with the Kvanefjeld project by obtaining binding confirmation that Act No. 20 has no effect on the Consolidated Group's existing exploration licence, including the provision entitling the Company to an exploitation licence. Alternatively, the Consolidated Group will seek compensation and damages for expropriation. During the arbitration process, it will be necessary for the Consolidated Group to apply for renewal of its exploration licence EL 2010/02, which is due to expire on 31 December 2022. The Consolidated Group expects that in accordance with the GoG's obligation to maintain the status quo, the GoG will renew the Consolidated Group's exploration licence in the ordinary course of business.

There have been no other matters or circumstances occurring subsequent to the financial year 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.

For personal use only

For personal use only

DIRECTORS' REPORT

Information on Directors

Anthony Ho (Tony) - Non-Executive Chairman - Appointed 9 August 2007

Special responsibilities
Member of the Audit Committee

Qualifications
B.Com (UNSW), CA, FAICD, FCG(CS), FGIA

Experience
Mr Tony Ho is an experienced company director having held executive directorships and chief financial officer roles with a number of ASX listed companies. Tony was executive director of Arthur Yates & Co Limited, retiring from that position in April 2002. His corporate, general management and governance experience includes being chief financial officer/finance director of M.S. McLeod Holdings Limited, Galore Group Limited and the Edward H O'Brien group of companies.

Tony is currently the chairman of ASX listed Bioxyne Limited (ASX: BXN), Truscreen Group Limited (NZX and ASX:TRU) and Cannasouth Limited (NZX:CBD). He was previously the non-executive chairman of Credit Intelligence Limited (ASX:CI1).

Tony was the past non-executive chairman of St. George Community Housing Limited (November 2002 to December 2009) where he successfully grew the NGO to be one of New South Wales leading community housing companies.
Prior to joining commerce, Tony was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young.

Tony holds a Bachelor of Commerce degree from the University of New South Wales and is a member of Chartered Accountants Australia New Zealand and a fellow of the Australian Institute of Company Directors, Chartered Governance Institute and Governance Institute of Australia.

Interest in shares & options
4,132,798 Ordinary Shares

Other board positions held
Non-executive Chairman – Bioxyne Limited (ASX:BXN) – November 2012
Non-executive Chairman – Truscreen Group Limited (NZX and ASX:TRU) – October 2018
Non-executive Chairman – Cannasouth Limited (NZX:CBD) - June 2019

Board positions held in the last 3 years
Non-executive Chairman Credit Intelligence Limited – June 2018 – April 2020

For personal use only

DIRECTORS' REPORT

Information on Directors

Daniel Mamadou Blanco – Managing Director - Appointed 6 December 2021

Qualifications
MSc (inter. Sec. Bank), BA (Bus. Man.)

Experience
Daniel Mamadou is the founder of Welsbach Holdings Pte Ltd, a Singapore-based company which specialises in the financing and development of technology metals supply chains. He founded and was Managing Director of Talaxis Ltd (Noble Group's technology metals division, in Hong Kong) from 2015 until 2020. During this period, he drove the development and growth acceleration of technology metals supply chains, gaining expertise across rare earths, lithium, cobalt, and graphite along with a range of other critical materials. He is also a Non-Executive Director of TSX-listed Medallion Resources Limited.

Prior to that, Daniel held various senior positions with Deutsche Bank, Goldman Sachs and Nomura, with more than two decades across EMEA and Asia-Pacific. He has established and nurtured relationships with key stakeholders and decision makers across the specialty metals sector. His global network includes upstream companies in Europe, America's, Asia and Africa, and midstream in China, South Korea and Japan.

Interest in shares, options and performance rights
Nil

Directorships held in other listed entities
Executive director – Welshbach Technology Metals Acquistion Corp (NASDAQ:WTMA) – December 2021

Former directorships in other listed entities in the last 3 years
Non-executive director – Medallion Resources Limited (TSX:MDL) – August 2021 – March 2022

John Mair – Managing Director – Appointed 7 October 2011 – Resigned 6 December 2021

Qualifications
PhD (Geol), MAus IMM

Experience
John has been a director of GML since 2011 and Managing Director from September 2014. John has played a key role in the Company's successful engagement with strategic entities, the political interface with the Greenland and Danish governments and stakeholder groups, as well as driving a number of significant funding initiatives, and the technical direction of the Company's activities in Greenland.

Interest in shares & options
8,364,062 Ordinary Shares

Other board positions held
Non-executive director – Rox Resources Limited – 24 October 2019

For personal use only

DIRECTORS' REPORT

Information on Directors

Simon Cato – Non-Executive Director – Appointed 21 February 2006

Special responsibilities
Chairman of the Audit Committee

Qualifications
B.A. (USYD)

Experience
Mr Simon Cato has over 30 years' experience in the capital markets in broking, regulatory roles and as director of listed companies.

He was initially employed by the ASX in Sydney and then in Perth. From 1991 until 2006 Simon was an executive director and/or responsible executive of three stockbroking firms. During that time Simon was involved in the formation of a number of companies, including writing prospectuses and managing the listing process and has been through the process of IPO listing in the dual role of broker and director.

Since 2006 he has been an executive and non-executive director of a number of public companies with a range of different business activities and was a founding director of Greenland Minerals Limited.

Currently Simon holds a number of non-executive director roles with listed companies in Australia.

Interest in shares & options
6,389,594 Ordinary shares

Other board positions held
Non-executive Chairman - Advanced Share Registry Limited - August 2007.
Non-executive director – Bentley Capital Limited – January 2015

Positions held in the last 3 Years
Non-executive director – Keybridge Capital limited – July 2016 to January 2020

Xiaolei Guo – Non-executive Director – Appointed 12 October 2017

Special responsibilities
Nil

Qualifications
BA.Law(CnU)

Experience
Mr Xiaolei Guo completed a Bachelor of Arts, major in law at China University of Political Science and Law and was admitted to the Bar in China.

He was previously a judge assistant in Tianjin Hexi District People's Court from July 2004, then joined King & Wood Mallesons in September 2007, working in the securities department specialising in providing securities and investment services to clients. He was extensively involved in IPOs, M&A bond issues bankruptcy and other corporate matters.

Information on Directors

Xiaolei Guo (cont'd)

In early 2014, he joined Shenghe Resources Holding Co., Ltd as General Manager Assistant and Manager of the investments and development department. In this role, Mr Guo focused on the acquisition of rare earth projects and played a key role in selecting and evaluating project and participated in the negotiation and legal aspects of acquisitions.

Xiaolei is Le Shan Shenghe Rare Earth Company Limited's nominee to the Company's board.

Interest in shares & options
Nil Ordinary shares

Directorships held in other listed entities
Nil

Remuneration Report – Audited

This remuneration report, which forms part of the directors' report, details the nature and amount of remuneration for each director and other key management personnel (KMP) of Greenland Minerals Limited, for the financial year ended 31 December 2021.

Director and key management personnel details
The following persons acted as directors and other KMP of the Company during or since the end of the financial year and unless otherwise stated, positions were held for the full year ended 31 December 2021 and continued to be held at the date of this report:

Directors

Anthony Ho, Non-Executive Chairman
Daniel Mamadou Blanco, Managing Director – appointed 6 December 2021
John Mair, Managing Director – resigned 6 December 2021
Simon Cato, Non-Executive Director
Xiaolei Guo, Non-Executive Director

Key management personnel

Miles Guy, Chief Financial Officer and Company Secretary
Jørn Skov Nielsen, Executive General Manager, Greenland Minerals A/S – resigned 31 October 2021

Remuneration Policy
The remuneration policy of Greenland Minerals Limited is to align director and senior management objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short and long-term incentives based on meeting service period requirements and share price vesting hurdles. The board of Greenland Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best senior management and directors to run and manage the Consolidated Group, as well as create alignment of interests between directors, senior management and shareholders.

Greenland Minerals Limited does not have a separate remuneration committee, with the role of the remuneration committee being the responsibility of the board. The board considers this appropriate given the current size and structure of the board and the Company.

For personal use only

For personal use only

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Consolidated Group is as follows:

- All senior management receive a market rate base salary (which is based on factors such as length of service and experience).
- The Australian directors and senior management, where applicable receive a superannuation contribution, which is currently 10% and do not receive any other retirement benefits.
- All remuneration paid to directors and senior management is valued at the cost to the Consolidated Group and expensed. Options and rights granted to directors and senior management as part of remuneration are valued at grant date using appropriate valuation techniques.
- Vesting hurdles attached to options or share rights are structured to ensure an alignment with an increase in shareholder value.
- The board policy is to remunerate non-executive directors with a base fee and an additional fee at market rates for time for any additional commitment and responsibilities. The board as a whole determines payments to the non-executive directors and reviews their remuneration annually, based on market rates, their specific duties and responsibilities. Additional consultancy fees may be payable where the non-executive director has additional responsibilities associated with specific tasks or responsibilities outside of their normal duties. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The current shareholder approved cap on these fees is $400,000 per annum. Fees for non-executive directors are not linked to the performance of the Consolidated Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Cash based payments

Salary and fees
All directors and senior management receive a cash based salary or director fees. No bonuses or additional similar benefits were paid during the year ended 31 December 2021.

Post-employment benefits
Directors and senior management, where required also receive superannuation contribution of 10% (9.5% up to 30 June 2021) on their gross salary. There are no entitlements to other additional post-employment benefit.

Long-term remuneration
The managing director and senior management are entitled to receive long service leave after 10 years continuous service, with a pro-rata entitlement after 7 years. A provision for this payment is recognised, however with the exception of John Mair whose accrued long service leave entitlement was paid out on his resignation, no actual payments for long service leave were made in the year ended 31 December 2021.

Share based payments

Short term incentives (STI)
The Consolidated Group does not have a short term incentive scheme that is in addition to the short term employee benefits. The Consolidated Group considers that short term incentive schemes would not be consistent with shareholder value at the Consolidated Group's current stage of development.

Remuneration Report – Audited (cont'd)

Long term incentives (LTI)
No long term incentive schemes were provided during the year ended 31 December 2021. During the prior year ended 31 December 2020, the board approved the issue of Employee Performance Rights to Jørn Skov Nielsen, these Employee Performance Rights lapsed on the resignation of Jørn Skov Nielsen on 31 October 2021.

Termination payments
Director and senior management are not entitled to any termination payment other than statutory entitlements and notice period payment. There are no notice period requirements for Non-executive Directors and the notice period requirements for Executive Directors and Senior Management are disclosed key terms of employment contracts, on pages 26 to 28.

Details of Remuneration
The remuneration for the directors and senior management of the Company during the current financial year was as follows:

	Short term benefits		Post-employment benefits	Long –term remuneration	Share Based payments			
2021	Salary & fees $	Other (ii) $	Super-annuation $	Provision for long service leave $	STI $	Rights (v) $	Total Remuneration $	% Performance based
Executive Director								
D Mamadou (i)	29,805	-	-	-	-	-	29,805	-
J Mair (ii)	326,583	177,181 (iv)	46,896	10,200	-	-	560,860	-
Non-executive Director								
A Ho	100,000	-	9,750				109,750	-
S Cato	50,000	-	4,875	-	-	-	54,875	-
X Guo	40,000	-	-	-	-	-	40,000	-
Senior Management								
M Guy	220,000	8,461 (vi)	21,450	3,664	-	-	253,575	-
JS Nielsen (iii)	223,135	-	-	-	-	(149,044) (v)	74,091	-
TOTAL	**989,523**	**185,642**	**82,971**	**13,864**	**-**	**(149,044)**	**1,122,956**	**-**

(i) Daniel Mamadou was appointed as Managing Director on 6 December 2021, Daniel Mamadou's cash remuneration is paid in Singaporean Dollars (SGD), the amount disclosed above represents the AUD value at the time of payment.

(ii) John Mair resigned as managing director on 6 December 2021, following on from his resignation, he was engaged as a consultant for an initial two month period, commencing 7 December 2021, For the year ended 31 December 2021 $23,413 was paid to John Mair for consulting services, payments for these services are not included in the above table.

(iii) Jørn Skov Nielsen resigned from the subsidiary, Greenland Minerals A/S on 31 October 2021. Jørn Skov Nielsen's cash remuneration is paid in Danish Krone (DKK), the functional currency of the subsidiary, an average rate of DKK4.71033 to AU$1.00 has been applied to the cash remuneration

(iv) Recognition of 6 months salary paid in lieu of notice period, being $175,000 and $2,181, a recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken. John Mair's termination payment, in addition to amounts disclosed above, included the payment of $209,418 in accrued annual leave and $75,822 in accrued long service leave. The accrued leave entitlements have been recognised in previous remuneration reports.

For personal use only

For personal use only

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

(v) Reversal of previously recognised Employee Performance Rights balance due to the expiry of the rights.

(vi) Recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken.

2020	Short term benefits		Post-employment benefits	Long –term remuneration	Share Based payments		Total Remuneration $	% Performance based
	Salary & fees $	Other (ii) $	Super-annuation $	Provision for long service leave $	STI $	Rights (i) $		
Executive Director								
J Mair	350,000	26,924	33,250	2,914	-	-	413,088	-
Non-executive Director								
A Ho	100,000	-	9,500	-	-	-	109,500	-
S Cato	50,000		4,750	-	-	-	54,750	-
X Guo	40,000	-	-	-	-	-	40,000	-
Senior Management								
M Guy	220,000	9,308	20,900	1,833	-	118,223	370,264	31.9%
JS Nielsen (iii)	138,913	2,084	-	-	-	(iv) 149,045	290,042	51.4%
TOTAL	**898,913**	**38,316**	**68,400**	**4,747**	**-**	**267,268**	**1,277,644**	**20.9%**

(i) Rights issued are Employee Performance Rights that are Long Term Incentives and are subject to service period and share price vesting hurdles which are detailed further in Note 25 of the financial statements. The rights do not vest into fully paid shares unless vesting conditions are satisfied.

(ii) Recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken.

(iii) Jørn Skov Nielsen commenced as Executive General Manager, Greenland Minerals A/S on 1 July 2020. Jørn Skov Nielsen's cash remuneration is paid in Danish Krone (DKK), an average rate of DKK4.49922 to AU$1.00 has been applied to the cash remuneration.

(iv) At 31 December 2020 the rights granted to Jørn Skov Nielsen remained unvested and as a result, the rights represent no value to monetary value to the holder.

Rights issued

No rights were issued during the year ended 31 December 2021.

The following performance rights were issued during the prior financial year ended 31 December 2020.

Jørn Skov Nielsen	Grant date	Number	Fair value @ grant date $	Expiry date	Number vested
Tranche 1	10/08/2020	2,000,000	469,200	15/08/2024	Nil
Tranche 2	10/08/2020	2,000,000	451,000	15/08/2024	Nil
Total		**4,000,000**	**920,200**		**Nil**

Remuneration Report – Audited (cont'd)

Rights – vested
No rights vested during the current year ended 31 December 2021.

During the prior year ended 31 December 2020, the following performance rights satisfied the vesting conditions, each exercised performance right was converted to one fully paid ordinary share:

KMP	Grant date	Opening balance	Vested	Fair value @ grant date $	Closing balance	Expiry date
Miles Guy	10/07/2019	1,500,000	1,500,000	214,800	Nil	31/07/2021
Total		**1,500,000**	**1,500,000**	**214,800**	**Nil**	

(i) The weighted average share price at date of vesting was $0.28

Rights lapsed
The following performance rights lapsed during the year ended 31 December 2021:

KMP	Grant date	Number	Fair value @ grant date $	Date lapsed
Jørn Skov Nielsen				
Tranche 1	10/08/2020	2,000,000	469,200	31/10/2021
Tranche 2	10/08/2020	2,000,000	451,000	31/10/2021
Total		**4,000,000**	**920,200**	

The rights were issued in 2 tranches, tranche 1 was subject to a 24 month service period and tranche 2 was subject to a 36 month service period. In addition the tranches were subject to the following share price performance hurdle:

Tranche	20 Trading Day VWAP share price hurdle	Number
Tranche 1	$0.30	2,000,000
Tranche 2	$0.35	2,000,000

Jørn Skov Nielsen resigned prior to service periods being satisfied.

The following performance rights lapsed during the prior year ended 31 December 2020:

Director	Grant date	Number	Fair value @ grant date $	Date lapsed
J Mair				
Tranche 1	31/05/2017	1,200,000	106,800	31/05/2020
Tranche 2	31/05/2017	4,800,000	384,000	31/05/2020
Total		**6,000,000**	**490,800**	

For personal use only

For personal use only

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

The rights were issued in 2 tranches with both tranches being subject to a 12 month service period and the following share price performance hurdle:

Tranche	10 Day VWAP share price hurdle	Number
Tranche 1	$0.182	1,200,000
Tranche 2	$0.242	4,800,000

In addition to the share price performance hurdle, tranche 2 was subject to the additional performance hurdle of the Consolidated Group being granted a mining licence for the Kvanefjeld project.

Rights cancelled
No rights were cancelled during the current year ended 31 December 2021 or during the prior year ended 31 December 2020.

Options exercised
No options issued to directors or senior management were exercised during the year ended 31 December 2021 or during the prior year ended 31 December 2020.

KMP inducements
No director or senior management person appointed during the current or prior period received a payment as part of his consideration for agreeing to hold the position.

No cash bonuses were paid to any directors or senior management during the current year ended 31 December 2021, or during the prior year ended 31 December 2020

Key management personnel equity holdings
Refer to Note 28 for full details of key management personnel equity holdings.

Transactions with related parties
John Mair resigned as managing director on 6 December 2021, following on from his resignation, he was engaged as a consultant for an initial two month period, commencing 7 December 2021, For the year ended 31 December 2021 $23,413 was paid to John Mair for consulting services (Dec 2020: Nil).

Daniel Mamadou is engaged through a Singapore registered company, DMB Capital Solutions Pte Ltd., a company controlled by Daniel Mamadou. Payments to DMB Capital Solutions Pte. Ltd. are for services provided by Daniel Mamadou as managing director, there are no other transactions with DMB Capital Solutions Pte. Ltd. For the year ended 31 December 2021 $29,805 was paid to DMB Capital Solutions Pte. Ltd. (Dec 2020: Nil)

Simon Cato is a Non-executive Director and Chairman of Advanced Share Registry Limited. Advanced Share Registry Limited provides share registry services to Greenland Minerals Limited. These services are supplied on normal commercial terms and Mr Cato does not receive any remuneration from Advanced Share Registry Limited based on the supply of share registry services to the Consolidated Group. For the year ended 31 December 2021 $73,139 was paid to Advance Share Registry Limited for services provided (Dec 2020: $91,762).

Remuneration Report – Audited (cont'd)

Consolidated Group performance, shareholder wealth and director and senior management remuneration

The remuneration policy is designed to align the interests of shareholders, directors and senior management. To achieve this aim, the entity may issue options and/or rights to directors and senior management. Any issue of options is based on the performance of the Consolidated Group and or individual and is limited to the achievement of clearly defined benchmarks and milestones. These benchmarks and milestones may include:

- Share price and or the market capitalisation of the Company exceeding pre-determined levels.
- Completion of specific projects or pre-determined stages of projects.
- Periods of service with the Company.
- Accretion of shareholder value.

The following table shows the gross revenue and profits for the period from 31 December 2016 to 31 December 2021 for the listed entity, as well as the share price at the end of each financial period.

Remuneration Report	12 month period ended 31 Dec 2021	12 Month period ended 31 Dec 2020	12 Month period ended 31 Dec 2019	12 Month period ended 31 Dec 2018	12 Month period ended 31 Dec 2017
Revenue	$161,631	$158,341	$63,920	$132,661	$126,547
Net loss before and after tax	($93,135,348)	($3,075,973)	($2,851,390)	($2,829,697)	($2,488,863)
Share price at beginning of period	$0.27	$0.13	$0.07	$0.10	$0.07
Share price at end of period	$0.08	$0.27	$0.13	$0.07	$0.10
Dividend	-	-	-	-	-
Basic loss per share	$0.69	$0.03	$0.03	$0.03	$0.03
Diluted loss per share	$0.69	$0.03	$0.03	$0.03	$0.03

Key terms of employment contracts

Directors

Anthony Ho, Non-*executive Chairman*

- Director fee of $100,000 per annum.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Superannuation at 10% (9.5% up to 30 June 2021) is payable on the base director's fee.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, entertainment, accommodation, meals and telephone.
- No fixed term.

Daniel Mamadou Blanco, *Managing Director*, - appointed 6 December 2021

- Term and type of agreement – Consultancy service agreement with Daniel Mamadou and his private company, DMB Capital Solutions Pte Ltd for no fixed term, subject to annual review.
- Consultancy fee – total cost of S$400,000 per annum paid in arrears monthly.
- Subject to annual remuneration review.
- Either the Company or the employee may terminate his engagement without cause by giving the other party six months written notice, there are no other specific payout clauses.
- Entitled to be reimbursed for all out-of-pocket expenses necessarily incurred in the performance of services including reasonable expenses relating to accommodation, meals, telephone and travelling.

For personal use only

For personal use only

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

John Mair, *Managing Director* – resigned 6 December 2021

- Term and type of contract – service agreement subject to annual review.
- Base salary, of $350,000 per annum and is paid monthly two weeks in advance and two weeks in arrears.
- Subject to an annual remuneration review.
- Superannuation at 10% (9.5% up to 30 June 2021) is payable on the base salary.
- Either the Company or the employee may terminate his engagement without cause by giving the other party six months written notice, payment may be paid in lieu of notice period there are no other specific payout clauses.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, entertainment, accommodation, meals and telephone.

Simon Cato, *Non-Executive Director*

- Director fee of $50,000 per annum.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Superannuation at 10% (9.5% up to 30 June 2021) is payable on the base director's fee.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, entertainment, accommodation, meals and telephone.
- No fixed term.

Xiaolei Guo, *Non-Executive Director*

- Director fee of $40,000 per annum.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, entertainment, accommodation, meals and telephone.
- No fixed term.

Senior Management

Miles Guy, *Chief Financial Officer and Company Secretary*

- Term and type of contract – service agreement subject to annual review.
- Base salary, of $220,000 per annum and is paid monthly two weeks in advance and two weeks in arrears.
- Superannuation at 10% (9.5% up to 30 June 2021) is payable on the base salary.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, entertainment, accommodation, meals and telephone.
- Either the Company or the employee may terminate his engagement without cause by giving the other party three months written notice, payment may be made in lieu of notice period, there are no other specific payout clauses
- Remuneration will be reviewed every 12 months or as otherwise agreed between the parties.

Remuneration Report – Audited (cont'd)

Jørn Skov Nielsen, *Executive General Manager*, Greenland Minerals A/S - resigned 31 October 2021

- Term and type of contract – service agreement subject to annual review.
- Base salary, of DKK1,250,000 per annum and is paid monthly in arrears.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, entertainment, accommodation, meals and telephone.
- Either the Company or the employee may terminate his engagement without cause by giving the other party three months written notice, there are no other specific payout clauses

Remuneration Report – Audited - END

Meetings of Directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

Directors Meetings		
Director	Number of meetings eligible to attend	Number attended
A Ho	13	13
D Mamadou Blanco	1	1
J Mair	12	12
S Cato	13	13
X Guo	13	13

Audit and Risk Committee

The audit and risk committee members are Simon Cato (Chairman) and Anthony Ho. The audit and risk committee is to meet at least twice a year and must have a quorum of two members. There were 2 audit and risk committee meetings held during the current financial year, as follows:

Audit Committee Meetings		
Member	Number of meetings eligible to attend	Number Attended
S Cato	2	2
A Ho	2	2

Indemnifying Officers

During or since the end of the financial period the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premium to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the director of the Consolidated Group, other than conduct involving a willful breach of duty in relation to the Consolidated Group.

Proceedings on Behalf of Consolidated Group

No person has applied for leave of court to bring proceedings on behalf of the Consolidated Group or intervene in any proceedings to which the Consolidated Group is a party for the purpose of taking responsibility on behalf of the Consolidated Group for all or any part of those proceedings.

The Consolidated Group was not a party to any such proceedings during the period.

For personal use only

For personal use only

DIRECTORS' REPORT

Non-audit Services
Details of amounts paid to the auditors of the Company, Deloitte Touche Tohmatsu and its related practices for audit and any non audit services for the year, are set out in note 31.

Auditor's Independence Declaration
The auditor's independence declaration for the year ended 31 December 2021 has been received and is included on page 30 the financial report.

Corporate governance statement
The Board of Directors of Greenland Minerals Limited is responsible for the corporate governance of the Consolidated Group. The Company's board and the executives of the Consolidated Group recognises the need to formulate corporate governance policies that establish and maintain the highest standards of ethical behaviour and accountability and for the policies to meet the requirements of the market regulators and the expectations of members and other stakeholders.

The corporate governance policies are regularly reviewed to ensure they are appropriate as the Company and corporate governance expectations evolve. The Company's corporate governance policy has been structured taking into consideration the fourth edition of the ASX Corporate Governance Council Principles and Recommendations. The policy was approved by the board on 25 March 2020 and is available on the Company's website: http://www.ggg.gl/investors/corporate-governance/

Rounding off of amounts
The Consolidated Group is a Consolidated Group of the kind referred to in ASIC Instrument 2016/191, dated 28 March 2016. In accordance with that Instrument amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors, made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors.

Daniel Mamadou
Managing Director
30 March 2022

For personal use only

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

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

30 March 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 audit of the financial report of Greenland Minerals Limited for the year ended 31 December 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation

Member of Deloitte Asia Pacific Limited and the Deloitte organisation

For personal use only

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Greenland Minerals Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2021, [the consolidated statement of profit or loss and other comprehensive, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2021 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Liability limited by a scheme approved under Professional Standards Legislation

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

For personal use only

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of Exploration and Evaluation Assets As at 31 December 2021 an allowance for impairment of $90.5 million has been recognised for the full carrying value of exploration and evaluation assets as disclosed in Note 13. The Group's accounting policy in respect of exploration and evaluation assets is disclosed in Note 2. Significant judgement was applied in determining the allowance for impairment in accordance with the relevant accounting standards, including the following: • whether the group has the right to tenure of the area of interest at 31 December 2021; • the likelihood of the exploration licence being renewed; • the status and results of current exploration programmes; • the planned future work programmes and budgeted expenditure on the area of interest; • the application and impact of the newly passed Greenland Parliament Act no. 20 of 1 December 2021 (the "*Uranium Act* ") on the ability of the Group to develop the project as disclosed in Note 13, including the ability to obtain an exploitation license for the project; and • management's intention with respect to progressing the exploitation licence application.	Our procedures included, but were not limited to: • confirming whether the rights to tenure of the area of interest remained current at balance sheet date, • assessing the status of ongoing exploration and evaluation programmes, and the exploitation licence application process for the respective area of interest, • assessing evidence of the future intention for the area of interest, including reviewing future budgeted expenditure and related work programmes; • reviewing summary minutes of meetings held between the Group and the respective representatives from the Greenland Government; • evaluating legal advice with respect to the interpretation of the Group's rights under the *Mineral Resources Act*, and existing exploration licence EL 2010/02; • Assessing the facts and circumstances surrounding the current lack of ability of the Group to obtain the exploitation licence and in turn, the appropriateness of the allowance for impairment raised by the Group; and • confirming the Group's intentions with respect to the pursuit of an exploitation licence. We also assessed the appropriateness of the disclosures in Note 13 and 32 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

For personal use only

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 24 of the Directors' Report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Greenland Minerals Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants
Perth, 30 March 2022

For personal use only

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;

(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, as at 31 December 2021 and performance of the Consolidated Group for the financial year ended on that date;

(c) the attached financial statements and notes thereto, are in compliance with International Financial Reporting Standards as stated in note 2 of the financial statements; and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Daniel Mamdou
Managing Director
Subiaco, 30 March 2022

For personal use only

For personal use only

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021

	Note	Dec 2021 $' 000	Dec 2020 $' 000
Other income	5	161	158
Expenditure			
Director and employee benefits	6(a)	(981)	(1,728)
Professional fees	6(b)	(803)	(809)
Listing costs	6(c)	(195)	(119)
Finance costs	6(d)	(28)	(24)
Allowance against recovery of exploration & evaluation expenditure	6(e)	(90,482)	-
Other expenses	6(f)	(808)	(554)
Loss before tax		(93,136)	(3,076)
Income tax expense	7	-	-
Loss for year		(93,136)	(3,076)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of foreign operations		(1,978)	339
Income tax relating to components of comprehensive income	7	-	-
Other comprehensive income for the year		(1,978)	339
Total comprehensive (loss)/gain for the year		(95,114)	(2,737)
(Loss) attributable to:			
Owners of the parent		(93,136)	(3,076)
		(93,136)	(3,076)
Total comprehensive (loss)/gain attributable to:			
Owners of the parent		(95,114)	(2,737)
		(95,114)	(2,737)
Basic loss per share – cents per share	21	6.90	0.26
Diluted loss per share – cents per share		6.90	0.26

Notes to the financial statements are included on pages 40 to 70

For personal use only

Consolidated statement of financial position as at 31 December 2021

	Note	Dec 2021 $' 000	Dec 2020 $' 000
Current Assets			
Cash and cash equivalents	8	30,309	36,438
Trade and other receivables	9	29	185
Other assets	10	73	93
Total Current Assets		30,412	36,716
Non-Current Assets			
Property, plant and equipment	11	684	761
Right of use assets	12	685	448
Capitalised exploration and evaluation expenditure	13	-	89,343
Total Non-Current Assets		1,369	90,552
Total Assets		31,781	127,268
Current Liabilities			
Trade and other payables	14	661	1,259
Lease liability	15(a)	148	188
Provisions	16(a)	463	703
Total Current Liabilities		1,272	2,150
Non-Current Liabilities			
Lease liability	15(b)	603	302
Provisions	16(b)	24	44
Total Non-Current Liabilities		627	346
Total Liabilities		1,899	2,496
Net Assets		**29,881**	**124,772**
Equity			
Issued Capital	17	405,560	404,688
Reserves	18	(33,702)	(31,075)
Accumulated Losses	20	(341,977)	(248,841)
Total Equity		**29,881**	**124,772**

Notes to the financial statements are included on pages 40 to 70

Consolidated statement of changes in equity for the year ended 31 December 2021

	Issued capital $' 000	Option reserve $' 000	Foreign currency translation reserve $' 000	Non - Controlling interest acquisition reserve $'000	Accumulated losses $' 000	Total $' 000
Balance at 1 January 2020	371,808	883	7,236	(39,672)	(245,765)	94,490
Net loss for the year	-	-	-	-	(3,076)	(3,076)
Other Comprehensive income	-	-	339	-	-	339
Total comprehensive for the year	-	-	339	-	(3,076)	(2,737)
Issue of shares net of transaction costs	31,945	-	-	-	-	31,945
Issue of shares- exercise of options	65	(18)	-	-	-	47
Issue of shares- vesting of employee rights	870	(870)	-	-	-	-
Recognition of share based payments - employees	-	827	-	-	-	827
Recognition of share based payments - other	-	200	-	-	-	200
Balance at 31 December 2020	404,688	1,022	7,575	(39,672)	(248,841)	124,772
Balance at 1 January 2021	404,688	1,022	7,575	(39,672)	(248,841)	124,772
Net loss for the year	-	-	-	-	(93,136)	(93,136)
Other Comprehensive income	-	-	(1,978)	-	-	(1,978)
Total comprehensive for the year	-	-	(1,978)	-	(93,136)	(95,114)
Issue of shares- exercise of options	511	(139)	-	-	-	372
Issue of shares- vesting of employee rights	361	(361)	-	-	-	-
Recognition of share based payments - employees	-	(149)	-	-	-	(149)
Balance at 31 December 2021	405,560	373	5,597	(39,672)	(341,977)	29,881

Notes to the financial statements are included on pages 40 to 70

For personal use only

For personal use only

Consolidated statement of cash flows for the year ended 31 December 2021

	Note	31 Dec 2021 $' 000	31 Dec 2020 $' 000
Cash flows from operating activities			
Receipts from customers		55	4
Government assistance		-	117
Payments to suppliers and employees		(3,343)	(1,602)
Interest – leased assets		(29)	(24)
Net cash used in operating activities	24	(3,317)	(1,505)
Cash flows from investing activities			
Interest received		90	42
Payments for exploration and development		(3,354)	(3,151)
Proceeds from R&D refund		257	667
Payments for plant and equipment		(14)	(42)
Net cash used in investing activities		(3,021)	(2,484)
Cash flows from financing activities			
Proceeds from issue of shares/options, net of capital raising costs		372	31,992
Payments on lease liabilities		(163)	(164)
Net cash from financing activities		209	31,828
Net increase/(decrease) in cash and equivalents		(6,129)	27,839
Cash and equivalents at the beginning of the financial year		36,438	8,599
Cash and equivalents at the end of the Financial year	8	30,309	36,438

Notes to the financial statements are included on pages 40 to 70

For personal use only

Notes to the accounts

1. General information

Greenland Minerals Limited is a public Company listed on the Australian Securities Exchange, incorporated in Australia and operating in Greenland with its head office in Perth.

Greenland Minerals Limited's registered office and its principal place of business are as follows:

Registered office	Principal place of business
Unit 7, 100 Railway Road Subiaco WA	Unit 7, 100 Railway Road Subiaco WA

The Company's principal activities are mineral exploration and evaluation.

2. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the consolidated financial statements of the group.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Consolidated Group comply with International Financial Reporting Standards ('IFRS') . The Consolidated Group is a for-profit entity for the purpose of preparing the financial statements.
The financial statements were authorised for issue by the directors on 30 March 2022.

Basis of preparation

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. All amounts are presented in Australian dollars, unless otherwise noted.
The Company is a company of the kind referred to in ASIC Corporations instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Consolidated Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgements in applying the entity's accounting policies, and key sources of estimation uncertainty.

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 the year end.
The adoption of these standards and interpretations did not have a material impact on the Consolidated Group.

For personal use only

Notes to the accounts

2. Significant accounting policies (cont'd)

Date issued	Standard/Interpretation	Effective for annual reporting periods beginning on or after
Various	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (summary, illustrative disclosure)	1-Jan-22
Mar-20/ Aug20	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (summary, illustrative disclosure)	1-Jan-23
Jun-21	AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (summary, illustrative disclosure)	1-Jan-22
Apr-21	AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021 (summary, illustrative disclosure)	1-Apr-21
Mar-21	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (summary, illustrative disclosure)	1-Jan-23
Jun-21	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (summary, illustrative disclosure)	1-Jan-23

The Consolidated Group has not elected to early adopt any new standards or amendments and do not expect the adoption of these standards/interpretations to have a material impact on the financial statements in future periods.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Consolidated Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

2. Significant accounting policies (cont'd)

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Consolidated Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Consolidated Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Foreign currency

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Greenland Minerals Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Consolidated Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Consolidated Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(d) Revenue

Revenue is recognised when control of a good or service transfers to a customer.

<u>Interest income</u>

Interest income is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

For personal use only

For personal use only

Notes to the accounts

2. Significant accounting policies (cont'd)

Rental income

Revenue from operating sub-leases is recognised as income at the commencement of the relevant rental period.

Government assistance

Government assistance is not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the assistance will be received.

The assistance amounts are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the assistances are intended to compensate. Amounts that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(e) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of an appropriate valuation method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions are in note 25.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Group's estimate of equity instruments that will eventually vest.

At each reporting date, the Consolidated Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(f) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures except where the Consolidated Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible

2. Significant accounting policies (cont'd)

temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised in profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(g) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

(h) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit and loss.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Consolidated Group's business model for managing them. The Consolidated Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through the profit or loss, transaction costs.
In order for a financial asset to be classified and measured at amortised costs or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to the SPPI test and is performed at an instrument level.
The Consolidated Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flow, selling the financial assets or both.
Financial assets are recognised at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
Upon initial recognition, the Consolidated Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument by instrument basis.
Gains and losses on these financial assets are never recycled to profit and loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Consolidated Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded to OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.
Financial assets at fair value through profit and loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit and Loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the

For personal use only

For personal use only

Notes to the accounts

2. Significant accounting policies (cont'd)

purpose of selling in the short term with an intention of making a profit, or a derivative, or (ii) designated as such upon initial recognition where permitted.

Impairment of financial assets

The Consolidated Group recognises an allowance for expected credit losses ("ECL") for any debt instrument not held at fair value through profit and loss. All ECLs are based on the difference between the contractual cash flows due in accordance with the contract and cash flows that the Consolidated Group expects to receive, discounted at an approximation of the original interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposure for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

At each reporting date, the Consolidated Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Consolidated Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its expected recoverable cash flows the asset is considered impaired and written down to its recoverable amount.

(i) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation on plant and equipment is calculated on a diminishing value basis so as to write off the net cost or other devalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the diminishing value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Right of use assets are depreciated on a straight line method, over the period of the lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

Leasehold improvements	10 – 15 years
Plant and equipment	4 – 10 years
Buildings	20 years
Right-of-use assets	1-4 years

(j) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2. Significant accounting policies (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of long-lived assets excluding goodwill' policy.

For personal use only

For personal use only

Notes to the accounts

2. Significant accounting policies (cont'd)

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

(k) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits, are measured as the present value of the estimated future cash outflows to be made by the Consolidated Group in respect of services provided by employees up to reporting date.

(l) Financial instruments issued by the Consolidated Group

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either 'other financial liabilities' or are irrevocably designated as 'fair value through profit or loss'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(m) Impairment of long-lived assets excluding goodwill

At each reporting date, the Consolidated Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2. Significant accounting policies (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Capitalisation of exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:
(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
(b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.
Where research and development ("R&D") rebates are claimed on eligible expenditure, these are offset against the capitalised exploration and evaluation expenditure asset to the extent that the associated expenditure was also capitalised as such. Where the associated expenditure has been expensed, the R&D rebate is also recognised within the Statement of Profit or Loss.
Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(o) Provisions

Provisions are recognised when the Consolidated Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Consolidated Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

For personal use only

For personal use only

Notes to the accounts

2. Significant accounting policies (cont'd)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3: Critical accounting estimates and judgments

In preparing this Financial Report the Consolidated Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

a) Significant accounting judgments

In the process of applying the Consolidated Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Carrying value of exploration and evaluation expenditure

The Consolidated Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the Areas of Interest. If ultimately the area of interest is abandoned or is not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would be written down to its recoverable amount. As at 31 December 2021, an allowance against the recovery of the carrying value of the exploration and evaluation expenditure was recognised see Note b below.

Deferred tax assets

The Consolidated Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable at this point in time, that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Carrying value of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Consolidated Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset expenditures through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal and political changes, (including obtaining the right to mine and changes to environmental restoration obligations) and changes to commodity prices.

As at 31 December 2021, the carrying value of capitalised exploration expenditure is $90,482,189 (2020: $89,343,422), an allowance equal to the carrying value of the capitalised exploration and evaluation expenditure has been recognised at 31 December 2021 due to the ongoing discussions with the Greenland Government and the uncertainty regarding obtaining the right to mine, refer to note 13.

3: Critical accounting estimates and judgments (cont'd)

Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of an appropriate valuation method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions.

4: Segment information

AASB8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the managing director (chief operating decision maker) in order to allocate resources to the segment and assess performance.

The Consolidated Group undertakes mineral exploration and evaluation in Greenland.

Given the Consolidated Group has one reporting segment, operating results and financial information are not separately disclosed in this note.

5: Other income

	31 Dec 2021 $' 000	31 Dec 2020 $' 000
Interest - Bank deposits	89	37
Other revenue	72	4
Government grants	-	117
	161	158

6: Expenditure

	31 Dec 2021 $' 000	31 Dec 2020 $' 000
(a) Director and employee benefits		
Directors' fees	(199)	(199)
Director's and employee salary and wage expense	(673)	(637)
Employee share based payments	149	(827)
Director's and employee post-employment benefits	(258)	(65)
	(981)	(1,728)
(b) Professional fees:		
Audit, accounting and taxation expense	(218)	(151)
Legal fees	(303)	(57)
Marketing and public relations	(282)	(401)
Share based payment (refer to note 25)	-	(200)
	(803)	(809)

For personal use only

For personal use only

Notes to the accounts

6: Expenditure (cont'd)

	31 Dec 2021 $' 000	31 Dec 2020 $' 000
(c) Listing costs:		
Stock exchange fees	(122)	(69)
Share registry fees	(73)	(50)
	(195)	(119)
(d) Finance Costs		
Interest expense – lease assets	(28)	(24)
	(28)	(24)
(e) Allowance against recovery of exploration and evaluation recovery		
Allowance against recovery of exploration and evaluation recovery (refer to note 13)	(90,482)	-
	(90,482)	-
(f) Other		
Depreciation expense – property, plant & equipment	(64)	(70)
Depreciation expense – leased assets	(187)	(180)
Insurance	(67)	(63)
Payroll tax	(151)	(13)
Other expenses	(339)	(228)
	(808)	(554)

7: Income tax

		31 Dec 2021 $' 000	31 Dec 2020 $' 000
(a)	Tax expense	-	-
	Current tax	-	-
	Deferred tax	-	-
		-	-
b)	The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expenses in the financial statements as follows:		
	Loss for period	(93,135)	(3,076)
	Prima facie tax benefit on loss at 30% (2020: 30%)	(27,941)	(923)

7: Income tax (cont'd)

	31 Dec 2021 $' 000	31 Dec 2020 $' 000
Add/(Deduct)		
Tax effect of:		
Non-assessable, non-exempt (NANE) expenditure	262	281
Share based payments	(45)	248
Movement in deferred tax balance not recognised	579	(861)
Other non-deducible expenditure	(27,145)	-
Change in tax rate and difference in tax rate	-	332
Income tax expense	-	-
The following deferred tax balances have not been recognised:		
Deferred tax assets:		
Australian tax losses	10,053	9,992
Greenland tax losses (at 25% (2020: 25%))	21,978	21,950
Other accruals and provisions	406	419
	32,437	32,361
Less: offset against deferred tax liability	(23,365)	(23,013)
	9,072	9,348

The above deferred tax assets will only be recognised when:

(i) The Consolidated Group derives future assessable income of a nature and amount sufficient to enable the benefits to be utilised,

(ii) The Consolidated Group continues to comply with the conditions of deductibility imposed by law, and

(iii) No change in income tax legislation adversely affects the Consolidated Group's ability to utilise the benefits.

	31 Dec 2021 $' 000	31 Dec 2020 $' 000
Deferred tax liabilities:		
Exploration, evaluation and development expenditure (at 25%/30% (2020: 25%/30%))	23,168	22,812
Other	197	201
	23,365	23,013
less offset against deferred tax assets	(23,365)	(23,013)
	-	-

For personal use only

For personal use only

Notes to the accounts

8: Cash and equivalents

	Dec 2021 $' 000	Dec 2020 $' 000
Cash at bank	406	495
Cash on deposit at call	29,511	33,575
Cash on deposit	392	2,368
	30,309	36,438

The Consolidated Group's financial risk management objectives and policies are discussed further at note 26.

9: Trade and other receivables

	Dec 2021 $' 000	Dec 2020 $' 000
Accrued interest	-	1
Trade debtors	17	-
GST refundable	12	184
	29	185

10: Other assets

	Dec 2021 $' 000	Dec 2021 $' 000
Deposit bonds	9	10
Prepayments	64	83
	73	93

11: Property, plant and equipment

	Dec 2021 $' 000	Dec 2020 $' 000
Plant and Equipment (cost)	1,212	1,349
Accumulated depreciation	(1,030)	(1,129)
Buildings (cost)	915	939
Accumulated depreciation	(413)	(398)
	684	761

(a) Movements in the carrying amounts

Movement in the carrying values for each class of property, plant and equipment between the beginning and the end of the period.

11: Property, plant and equipment (cont'd)

	Dec 2021 $' 000	Dec 2020 $' 000
Plant and Equipment		
Carrying value at beginning of year	220	219
Acquisitions	14	42
Disposals	(10)	-
Effects of currency translation	(4)	-
Depreciation expense	(38)	(41)
Carrying value at end of year	182	220
Buildings		
Carrying value at the beginning of year	541	566
Effects of currency translation	(13)	4
Depreciation	(26)	(29)
Carrying value at end of year	502	541
Total property, plant and equipment carrying value at end of period	684	761

12: Right-of-use assets

	Dec 2021 $' 000	Dec 2020 $' 000
Balance at beginning of year	448	522
Additions	424	106
Depreciation	(187)	(180)
Balance at end of year	685	448

(i) Recognition of property leases in accordance with AASB 16.

13: Capitalised exploration and evaluation expenditure

	Dec 2021 $' 000	Dec 2020 $' 000
Balance at beginning of year	89,343	85,886
Exploration and/or evaluation phase in current period:		
Capitalised expenses	3,355	3,145
Effects of currency translation (i)	(1,959)	312
Refundable research & development rebate	(257)	-
Allowance against recovery of capitalised expenditure (ii)	(90,482)	-
Balance at end of year	-	89,343

For personal use only

For personal use only

Notes to the accounts

13: Capitalised exploration and evaluation expenditure (cont'd)

(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 has been recognised, that results in a nil carrying value at 31 December 2021.

(iii) EL2010/02 is due to be renewed on or before 31 December 2022, Refer to Note 32 for further details.

(iv) The Consolidated Group disagrees with the Greenland Government's application of Act No. 20 and will protect it's legal right to an exploitation licence. The Consolidated Group has advised the Greenland Government of the expectation that the current exploitation licence application continue. The remaining statutory requirements are the completion of the Government's contribution to the White Paper and the completion of an Impact Benefit Agreement. The Consolidated Group is working with the Greenland Government and other stakeholders to progress the mining licence application to move to development in accordance with both Greenland Government and local community expectations.

14: Trade and other payables

	Dec 2021 $' 000	Dec 2020 $' 000
Accrued expenses (i)	187	358
Trade creditors (ii)	146	754
Sundry creditors (ii)	328	147
	661	1,259

(i) Accrued expenses related to services and goods provided to the Consolidated Group prior to the period end, but the Consolidated Group was not charged or invoiced for these goods and services by the supplier at period end. The amounts are generally payable and paid within 30 days and are non-interest bearing.

(ii) Trade and sundry creditors are non-interest bearing with the exception of amounts owed on corporate credit cards and after 30 days interest is charged at rates ranging between 15% and 18%. All trade and sundry creditors are generally payable on terms of 30 days.

(iii) The financial risk related to trade and other payables is managed by ensuring sufficient at call cash balances are maintained by the Consolidated Group to enable the settlement in full of all amounts as and when they become due for payment.

15: Lease Liability

	Dec 2021 $' 000	Dec 2020 $' 000
(a) Current		
Balance at beginning of year	188	138
Interest on lease liabilities	29	24
Lease repayments	(192)	(188)
Lease additions	-	34
Transfer from Non-current to current	123	180
Balance at end of year	148	188
(b) Non-current		
Balance at beginning of year	302	410
Lease additions	424	72
Transfer from Non-current to current	(123)	(180)
Balance at end of year	603	302

The undiscounted maturity analysis of lease liabilities

	Within 1 year $' 000	1-2 Years $' 000	2-3 Years $' 000	3-4 Years $' 000	4-5 Years $' 000
31 December 2021					
Lease payments	178	140	157	165	192
Finance charges	(26)	(21)	(16)	(10)	(4)
Net present value	148	119	141	155	187
31 December 2020					
Lease payments	205	158	136	23	-
Finance charges	(17)	(10)	(4)	(1)	-
Net present value	188	148	132	22	-

16: Provisions

	Dec 2021 $' 000	Dec 2020 $' 000
(a) Current		
Provision for annual leave	285	553
Provision for long service leave	178	150
	463	703
(b) Non-current		
Provision for long service leave	24	44
	24	44

For personal use only

For personal use only

Notes to the accounts

17: Issued capital

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Consolidated Group does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Dec 2021		Dec 2020	
	No ' 000	$' 000	No ' 000	$' 000
Balance brought forward	1,339,071	404,688	1,190,982	371,808
Issue of ordinary shares through capital raising	-	-	141,695	34,007
$0.15 exercise price options	2,481	511	319	65
Vesting of employee performance rights	2,525	361	6,075	870
Less costs associated with shares issued	-	-	-	(2,062)
Balance at end of financial year	1,344,077	405,560	1,339,071	404,688

18: Reserves

a) Option reserve	Dec 2021 $' 000	Dec 2020 $' 000
Balance brought forward	1,022	883
Recognition of performance rights - employees	(149)	827
Recognition of share based payments - consultants	-	200
Transfer of value of options exercised	(139)	(18)
Transfer of values of vested employee performance rights	(361)	(870)
Balance at end of financial year	373	1,022

(i) Refer to note 25 for further information.

The option reserve arises from the grant of share options attached to shares issued under rights issues, and share options and performance rights to executives, employees and consultants. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to directors and senior management is made in note 25 to the financial statements.

b) Foreign currency translation reserve	Dec 2021 $' 000	Dec 2020 $' 000
Balance brought forward	7,575	7,236
Current period adjustment from currency translation of foreign controlled entities	(1,978)	339
Balance at end of year	5,597	7,575

The foreign currency translation reserve records the foreign currency differences arising from the translation of the foreign subsidiary's accounts from Danish Kroner, the functional currency of Greenland Minerals A/S, to Australian dollars.

c) Non-controlling interest acquisition reserve	Dec 2021 $' 000	Dec 2020 $' 000
Balance brought forward	(39,672)	(39,672)
Balance at end of year	(39,672)	(39,672)

The non-controlling interest acquisition reserve records the acquisition of the non-controlling interests in Greenland Minerals A/S.

d) Total reserves	Dec 2021 $' 000	Dec 2020 $' 000
Option reserve	373	1,022
Foreign currency translation reserve	5,597	7,575
Non-controlling interest acquisition reserve	(39,672)	(39,672)
	(33,702)	(31,075)

19: Dividends

No dividends have been proposed or paid during the year ended 31 December 2021 or the prior year ended 31 December 2020.

20: Accumulated losses

	Dec 2021 $' 000	Dec 2020 $' 000
Balance at beginning of financial year	(248,841)	(245,765)
Loss attributable to members of parent entity	(93,135)	(3,076)
Balance at end of financial year	(341,979)	(248,841)

21: Loss per share

	Dec 2021 Cents Per share	Dec 2020 Cents Per share
Basic loss per share		
From continuing operations	6.90	0.26
Diluted loss per share		
From continuing operations	6.90	0.26

Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of the basic and diluted loss per share are as follows;

	Dec 2021	Dec 2020
Loss for year ($)	93,135,348	3,075,972
Weighted average number of shares used in the calculation of basic and diluted loss per share (Number)	1,342,481,651	1,202,289,119

For personal use only

For personal use only

Notes to the accounts

21: Loss per share (cont'd)

(i) There were 6,000,000 potential ordinary shares on issue at 31 December 2021 (31 December 2020: 16,205,800) that are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.

22: Commitments for expenditure

Exploration commitments: EL 2010/02 is located in Greenland. The tenement expenditure incurred during the year ended 31 December 2021 and prior years exceeded the minimum expenditure required to maintain the tenement in good standing. The excess expenditure can be carried forward for 3 years. The amount carried forward is sufficient to meet the minimum expenditure requirements over this period.

23: Subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest Dec 2021 %	Ownership interest Dec 2020 %
Chahood Capital Limited	Isle of Man	100	100
Greenland Minerals A/S	Greenland	100	100

(i) Greenland Minerals Limited directly owns 100% of the issued shares of Chahood Capital Limited. 61% of the issued shares of Greenland Minerals A/S are held by Chahood Capital Limited and 39% are held directly by Greenland Minerals Limited.

24: Notes to the statement of cash flows

Reconciliation of loss for the year to net cash flows from operating activities.

	Year ended 31 Dec 2021 $' 000	Year ended 31 Dec 2020 $' 000
Loss for the year	(93,135)	(3,076)
Depreciation- property, plant & equipment	64	70
Depreciation – leased assets	187	180
Equity-settled share-based payments	(149)	1,027
Interest income received and receivable	(89)	(37)
Allowance for recovery of exploration and evaluation expenditure	90,482	-
(Increase)/decrease in assets		
Trade and other receivables	156	(133)
Increase (decrease) in liabilities		
Trade and other payables	(573)	291
Provisions	(260)	173
Net cash used in operating activities	(3,317)	(1,505)

The Consolidated Group has not entered into any other non-cash financing or investing activities.

25: Share based payments

There were no share based payment arrangements entered into during the year ended 31 December 2021.

The following unlisted options were exercised during the current year ended 31 December 2021:

Options	Opening balance	Exercised	Expired	Closing Balance
$0.15 exercise price	3,680,800	2,480,800	1,200,000	-

(i) The weighted average share price at date of exercise was $0.20

The following unlisted options were exercised during the current year ended 31 December 2020:

Options	Opening balance	Exercised	Expired	Closing Balance
$0.15 exercise price	4,000,000	319,200	-	3,680,800

(ii) The weighted average share price at date of exercise was $0.28

The total options (quoted and unquoted) outstanding as at 31 December 2021 was 6,000,000 as shown below:

Options	Number	Exercise price	Expiry date	Exercisable @ 31 Dec 2021
Unlisted options	6,000,000	$0.35	31/01/2023	6,000,000

1,200,000 options expired during the year ended 31 December 2021, no options expired during the prior year ended 31 December 2020.

Rights issued
No rights were issued during the year ended 31 December 2021.

The following performance rights were issued during the previous financial year ended 31 December 2020.

Jørn Skov Nielsen	Grant date	Number	Fair value @ grant date $	Expiry date	Number vested
Tranche 1	10/08/2020	2,000,000	469,200	15/08/2024	Nil
Tranche 2	10/08/2020	2,000,000	451,000	15/08/2024	Nil
Total		**4,000,000**	**920,200**		**Nil**

For personal use only

For personal use only

Notes to the accounts

25: Share based payments (cont'd)

Rights – vested

During the year ended 31 December 2021, the following performance rights satisfied the vesting conditions, each exercised performance right was converted to one fully paid ordinary share:

KMP	Grant date	Opening balance	Vested	Exercised	Fair value @ grant date $	Closing balance	Expiry date
Employees	10/07/2019	2,525,000	2,525,000	2,525,000	361,580	Nil	31/07/2021
Total		**2,525,000**	**2,525,000**	**2,525,000**	**361,580**	**-**	

(i) All rights vested were converted to an equal number of fully paid ordinary shares.
(ii) The weighted average share price at date of vesting was $0.09.

During the prior year ended 31 December 2020, the following performance rights satisfied the vesting conditions, each exercised performance right was converted to one fully paid ordinary share:

KMP	Grant date	Opening balance	Vested	Exercised	Fair value @ grant date $	Closing balance	Expiry date
Miles Guy	10/07/2019	1,500,000	1,500,000	1,500,000	214,800	Nil	31/07/2021
Employees	10/07/2019	7,100,000	7,100,000	4,575,000	1,016,720	2,525,000	31/07/2021
Total		**8,600,000**	**8,600,000**	**6,075,000**	**1,231,520**	**2,525,000**	

(iii) All rights vested were converted to an equal number of fully paid ordinary shares.
(iv) The weighted average share price at date of vesting was $0.28.

Rights lapsed

The following performance rights lapsed during the year ended 31 December 2021:

KMP	Grant date	Number	Fair value @ grant date $	Date lapsed
Jorn Skov Nielsen				
Tranche 1	10/08/2020	2,000,000	469,200	31/10/2021
Tranche 2	10/08/2020	2,000,000	451,000	31/10/2021
Total		**6,000,000**	**920,200**	

The rights were issued in 2 tranches, tranche 1 was subject to a 24 month service period and tranche 2 was subject to a 36 month service period. In addition the tranches were subject to the following share price performance hurdle:

Tranche	20 Trading Day VWAP share price hurdle	Number
Tranche 1	$0.30	2,000,000
Tranche 2	$0.35	2,000,000

25: Share based payments (cont'd)

Jørn Skov Nielsen resigned prior to service periods being satisfied.

The following performance rights lapsed during the prior year ended 31 December 2020:

Director	Grant date	Number	Fair value @ grant date $	Date lapsed
J Mair				
Tranche 1	31/05/2017	1,200,000	106,800	31/05/2020
Tranche 2	31/05/2017	4,800,000	384,000	31/05/2020
Total		**6,000,000**	**490,800**	

The rights were issued in 2 tranches with both tranches being subject to a 12 month service period and the following share price performance hurdle:

Tranche	10 Day VWAP share price hurdle	Number
Tranche 1	$0.182	1,200,000
Tranche 2	$0.242	4,800,000

In addition to the share price performance hurdle, tranche 2 was subject to the additional performance hurdle of the Consolidated Group being granted a mining licence for the Kvanefjeld project.

Rights cancelled
No rights were cancelled during the prior year ended 31 December 2021 or the prior year ended 31 December 2020.

26: Financial instruments

(a) Capital risk management

The Consolidated Group manages its capital in order to maintain sufficient funds are available for the Consolidated Group to meet its obligations and that the Group can fund its exploration and evaluation activities as a going concern.

The Consolidated Group's overall strategy remains unchanged from December 2020.

The capital structure of the Consolidated Group consists of fully paid shares and options as disclosed in notes 17 and 18 respectively. None of the Consolidated Group's entities are subject to externally imposed capital requirements.

(b) Categories of financial instruments

	Dec 2021 $' 000	Dec 2020 $' 000
Financial assets		
Cash and equivalents	30,309	36,438
Trade and other receivables - current	29	185
Financial liabilities		
Trade and other payables	661	1,295

For personal use only

For personal use only

Notes to the accounts

26: Financial instruments (Cont'd)

(c) Financial risk management objectives

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at low risk to the Consolidated Group. For the year under review, it is the Consolidated Group's policy not to trade in financial instruments.

The main risks arising from the Consolidated Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(i) **Interest Rate Risk**

The Consolidated Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Consolidated Group does not have short or long term debt, and therefore this risk is minimal.

There was no change in managing interest rate risk or the method of measuring risk from the prior year.

(ii) **Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Consolidated Group has no significant credit risk exposure to any single counterparty or any Consolidated Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit – ratings assigned by international rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for credit losses, represents the Consolidated Group's maximum exposure to credit risk.

There was no change in managing credit risk or the method of measuring risk from the prior year.

(iii) **Liquidity Risk**

Liquidity risk refers to maintaining sufficient cash and cash equivalents to meet on going commitments, as and when they occur. The primary source of liquid funds for the Consolidated Group, are funds the Consolidated Group holds on deposit with varying maturity dates.

The Consolidated Group monitors its cash flow forecast and actual cash flow to ensure that present and future commitments are provided for. As well as matching the maturity date of funds invested with the timing of future commitments.

There was no change in managing credit risk or the method of measuring risk from the prior year.

(iv) **Foreign Currency Risk**

The Consolidated Group's risk from movements in foreign currency exchange rates, relates to funds transferred by the Company to the Greenland subsidiary and the funds are held in Danish Krone (DKK). This risk exposure is minimised by only holding sufficient funds in DKK, to meet the immediate cash requirements of the subsidiary. Once funds are converted to DKK they are only used to pay expenses in DKK.

26: Financial instruments (Cont'd)

(d) Liquidity risk

The following table details the Consolidated Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company/Consolidated Group anticipates that the cash flow will occur in a different period.

	Weighted Average Effective interest rate %	< 6 Months $' 000	6 – 12 Months $' 000	1 - 5 Years $' 000	> 5 Years $' 000	Total $' 000
Dec 2021						
Cash and equivalents	0.3	30,021	288	-	-	30,309
Trade and receivables - current	-	29	-	-	-	29
		30,050	288	-	-	30,338
Dec 2020						
Cash and equivalents	0.5	36,096	252	-	-	36,348
Trade and receivables - current	-	185	-	-	-	185
		36,096	252	-	-	36,533

The following table details the Consolidated Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective interest rate %	< 6 Months $' 000	6 – 12 Months $' 000	1 – 5 Years $' 000	> 5 Years $' 000	Total $' 000
Dec 2021						
Trade and other payables	-	661	-	-	-	661
Other liabilities	-	-	-	-	-	-
		661	-	-	-	661
Dec 2020						
Trade and other payables	-	1,259	-	-	-	1,259
Other liabilities	-	-	-	-	-	-
		1,259	-	-	-	1,259

(i) Refer to note 15 for maturity profile of lease liabilities.

For personal use only

For personal use only

Notes to the accounts

26: Financial instruments (cont'd)

(e) Interest rate risk

The Consolidated Group is exposed to interest rate risk because it places funds on deposit at variable rates. The risk is managed by the Consolidated Group by monitoring interest rates.

The Consolidated Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity post tax which could result from a change in these risks. In the analysis a 1% or 100 basis points movement has been applied on the assumption that interest rates are unlikely to move up more than that and less likely to fall. This is taking into account the current interest rate levels and general state of the economy.

There has been no change in managing credit risk or the method of measuring risk from the prior year.

Interest Rate Sensitivity Analysis

At 31 December 2021, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Dec 2021 $' 000	Dec 2020 $' 000
Change in profit		
Increase in interest rate by 1% (100 basis points)	333	84
Decrease in interest rate by 1% (100 basis points)	(333)	(85)

A 1% or 100 basis points variable has been applied to the interest rate sensitivity analysis, after giving consideration to the current interest rate levels and general state economy.

Fair value of financial instruments

The carrying value of all financial instruments is the approximate fair value of the instruments. This is based on the fact that all financial instruments have either a short term date of maturity or are loans to subsidiaries.

27: Key management personnel compensation

The aggregate compensation made to key management personnel of the Consolidated Group is set out below:

	Year ended 31 Dec 2021 $	Year ended 31 Dec 2020 $
Short-term employee benefits	989,523	898,913
Other benefits (i)	10,642	38,316
Post-employment benefits	82,971	68,400
Payment in lieu of notice period	175,000	-
Other long-term benefits – provision for long service leave	13,864	4,747
Share-based payment	(149,044)	267,268
	1,112,956	1,277,644

(i) Recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken by the respective KMP.

Refer to the remuneration report included in pages 20 to 28 of the Directors report for more detailed remuneration disclosures.

For personal use only

For personal use only

28: Key management personnel equity holdings

Fully paid ordinary shares of Greenland Minerals Limited

	Balance at beginning of year	Granted as compensation	Received on vesting of performance rights	Net other change (i)	Balance at end of year	Balance held nominally
	No.	No.	No.	No.	No.	No.
Dec 2021						
A Ho	4,032,798	-	-	100,000	4,132,798	-
D Mamadou	-	-	-	-	-	-
J Mair (ii)	8,364,062	-	-	-	8,364,062	-
S Cato	6,389,594	-	-	-	6,389,594	-
X Guo	-	-	-	-	-	-
M Guy	2,941,775	-	-	(2,841,775)	100,000	-
JS Nielsen	-	-	-	-	-	-
Dec 2020						
A Ho	3,875,610	-	-	157,188	4,032,798	-
J Mair	8,364,062	-	-	-	8,364,062	-
S Cato	6,389,594	-	-	-	6,389,594	-
X Guo	-	-	-	-	-	-
M Guy	1,803,650	-	1,500,000	(361,875)	2,941,775	-
JS Nielsen	-	-	-	-	-	-

(i) Net other change relates to shares subscribed for though share placement, purchased or sold either on market through the ASX, or purchased or sold through third party off market transactions.

(ii) Shares held by J Mair at the date of resignation, 6 December 2021.

For personal use only

Notes to the accounts

28: Key management personnel equity holdings (cont'd)

Employee Rights of Greenland Minerals Limited

	Balance at beginning of year No.	Granted as compensation No.	Converted No.	Lapsed No	Net other change No.	Balance at end of year No.	Balance vested at end of year No.	Vested and convertible No.	Rights vested during year No.
Dec 2021									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	-	-	-	-	-	-	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
X Guo	-	-	-	-	-	-	-	-	-
M Guy	-	-	-	-	-	-	-	-	-
JS Nielsen	4,000,000	-	-	4,000,000	-	-	-	-	-
Dec 2020									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	6,000,000	-	-	6,000,000	-	-	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
X Guo	-	-	-	-	-	-	-	-	-
M Guy	1,500,000	-	1,500,000	-	-	-	-	-	1,500,000
JS Nielsen	-	4,000,000	-	-	-	4,000,000	-	-	-

(i) Under the terms of issue, the performance rights can not be bought sold or otherwise dealt with, therefore are not subject to other changes.

For personal use only

Notes to the accounts

29: Transactions with related parties

John Mair, following on from his resignation as managing director, was engaged as a consultant for an initial two month period, commencing 7 December 2021, For the year ended 31 December 2021 $23,413 was paid to John Mair for consulting services (Dec 2020: Nil)

Daniel Mamadou is engaged through a Singapore registered company, DMB Capital Solutions Pte. Ltd., a company controlled by Daniel Mamadou. Payments to DMB Capital Solutions Pte. Ltd. are for services provided by Daniel Mamadou as managing director, there are no other transactions with DMB Capital Solutions Pte. Ltd. For the year ended 31 December 2021 $29,805 was paid to DMB Capital Solutions Pte. Ltd. (Dec 2020: Nil)

Simon Cato is a Non-executive Director and Chairman of Advanced Share Registry Limited. Advanced Share Registry Limited provides share registry services to Greenland Minerals Limited. These services are supplied on normal commercial terms and Mr Cato does not receive any remuneration from Advanced Share Registry Limited based on the supply of share registry services to the Consolidated Group. For the year ended 31 December 2021 $73,139 was paid to Advance Share Registry Limited for services provided (Dec 2020: $91,762).

30: Parent company information

	Parent	
	Dec 2021 $' 000	Dec 2020 $' 000
Financial position		
Total Current Assets	30,302	36,486
Total Non-Current Assets	809	89,768
Total Assets	31,112	126,254
Total Current Liabilities	705	1,734
Total non-current liabilities	1,063	463
Total Liabilities	1,768	2,197
Net Assets	29,344	124,057
Equity		
Issued Capital	405,560	404,688
Reserves	19,930	20,579
Accumulated Losses	(396,146)	(301,210)
Total Equity	29,344	124,057
Financial Performance		
Profit (Loss) for the year	(94,936)	(2,198)
Total comprehensive income	**(94,936)**	**(2,198)**

Contingent liabilities
The parent company has no contingent liabilities as at 31 December 2021 or 2020.

30:Parent company information (Cont'd)

Guarantees
Greenland Minerals Limited has guaranteed the provision of funding and support to the Company's 100% held subsidiary, Greenland Minerals A/S). This funding forms part of the Consolidated Group's approved budgeted expenditure.

Greenland Minerals Limited placed $220,000 into a deposit account with the Company's bank. This deposit is held by the bank as security over the Company's corporate credit cards on issue.

A deposit of $32,604 is held as a bank guarantee on the Company's leased office in Perth.

31: Remuneration of auditors

Auditor of the parent entity	Dec 2021 $	Dec 2020 $
Audit or review of the financial report	96,500	91,075
Additional audit fees	6,500	-
Other assurance services	8,400	8,400
Taxation services	21,262	-
	132,662	99,475

Related practice of the parent entity auditor	Dec 2020 $	Dec 2019 $
Audit or review of the financial report	31,486	40,814
Additional audit fees	11,965	-
Non-audit services – taxation	1,889	4,325
Non-audit services – other	2,414	4,215
	47,745	49,354

The auditor of Greenland Minerals Limited is Deloitte Touche Tohmatsu.

32: Subsequent Events

On 22 March 20222, the Consolidated Group requested arbitration proceedings in its dispute with the Government of Greenland and the Government of the Kingdom of Denmark, through the Company's wholly owned subsidiary, Greenland Minerals A/S. The dispute concerns the effect of Act No. 20 on the Consolidated Group's entitlements under its existing exploration licence, including its entitlement to an exploitation licence for the Kvanefjeld rare earths project.

The Consolidated Group's intention is to proceed with the Kvanefjeld project by obtaining binding confirmation that Act No. 20 has no effect on the Consolidated Group's existing exploration licence, including the provision entitling the Company to an exploitation licence. Alternatively, the Consolidated Group will seek compensation and damages for expropriation. During the arbitration process, it will be necessary for the Consolidated Group to apply for renewal of its exploration licence EL 2010/02, which is due to expire on 31 December 2022. The Consolidated Group expects that in accordance with the GoG's obligation to maintain the status quo, the GoG will renew the Consolidated Group's exploration licence in the ordinary course of business.

There have been no other matters or circumstances occurring subsequent to the financial year 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.

For personal use only

For personal use only

Additional stock exchange information as at 21st February 2022

Consolidated Group secretary
Miles Guy

Registered office
Unit 7, 100 Railway Road, Subiaco
Western Australia, 6008

Principal administration office
Unit 7, 100 Railway Road, Subiaco
Western Australia, 6008

Share registry
Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia, 6009

Table of exploration licences

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

Number of holders of equity securities
Ordinary share capital
1,344,077,348 fully paid ordinary shares are held by 7,681 individual shareholders.

For personal use only

Additional stock exchange information as at 21st February 2022

Substantial Shareholders

Shareholder		Number	Percentage
1.	HSBC Custody Nominees (Australia) Limited	176,450,841	13.1%
2.	Citicorp Nominees Pty Limited	132,110,321	9.8%
3.	BNP Paribas Nominees Pty Limited ACF Clearstream	127,218,321	9.5%
4.	Le Shan Shenghe Rare Earth Company Limited	125,000,000	9.3%

Distribution of holders of quoted shares

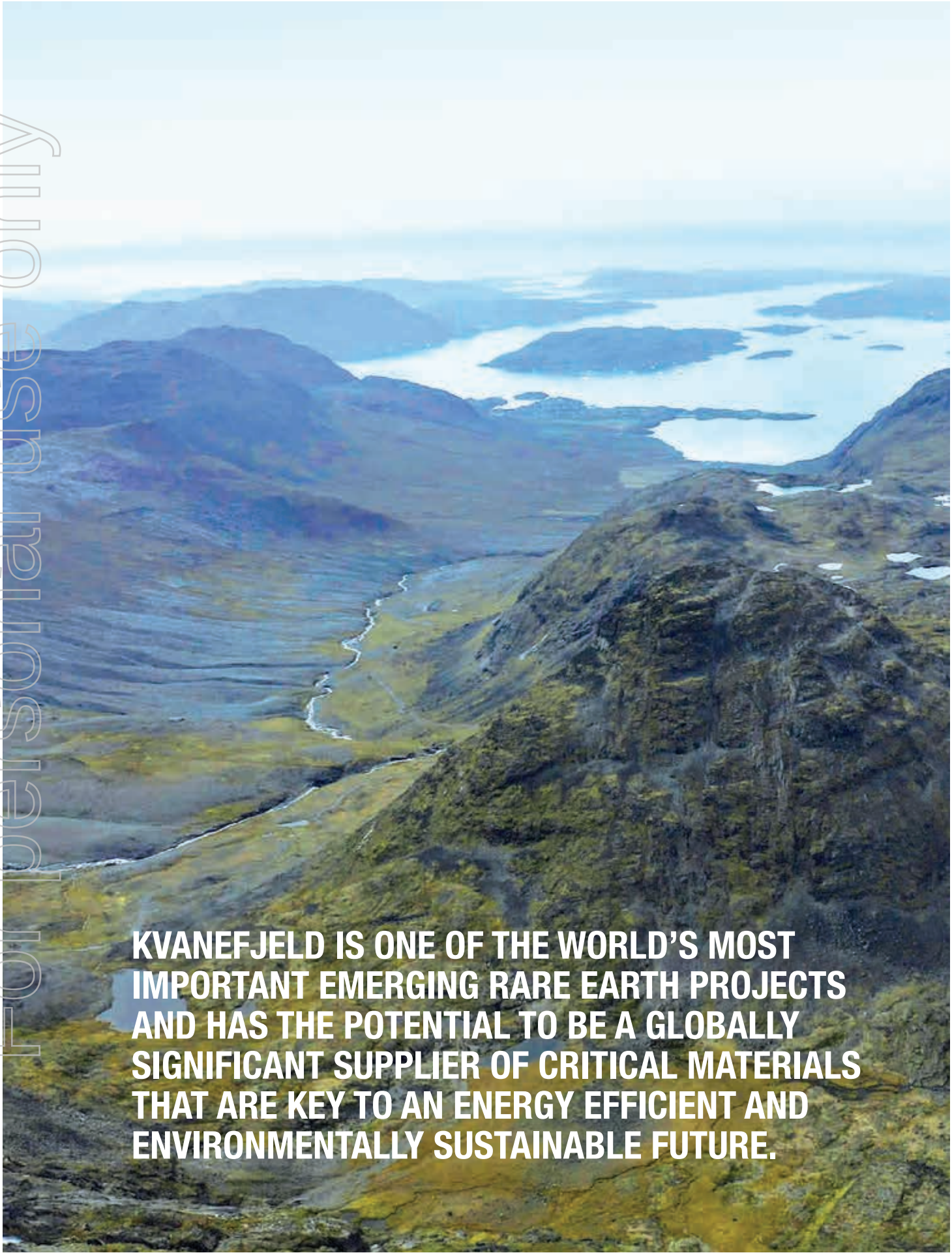
Share Spread	Holders	Units	Percentage
1 – 1,000	416	131,920	0.01%
1,001 – 5,000	1,314	4,429,180	0.33%
5,001 – 10,000	1,379	11,100,782	0.83%
10,001 – 100,000	3,565	135,464,689	10.08%
100,001 and over	1,007	1,192,950,775	88.75%
	7,681	**1,344,077,346**	**100%**

Twenty largest holders of quoted shares

		Fully paid ordinary shares	
Ordinary shareholders		Number	Percentage
1.	HSBC Custody Nominees (Australia) Limited	176,450,841	13.1%
2.	Citicorp Nominees Pty Limited	132,110,321	9.8%
3.	BNP Paribas Nominees Pty Limited ACF Clearstream	127,218,321	9.5%
4.	Le Shan Shenghe Rare Earth Company Limited	125,000,000	9.3%
5.	BNP Paribas Nominees Pty Limited SIX SIS Ltd <DRP A/C>	66,166,100	4.9%
6.	BNP Paribas Nominees Pty Limited HUB24 Custodial Serv Ltd	46,038,560	3.4%
7.	Merrill Lynch (Australia) Nominees Pty Limited	33,112,097	2.4%
8.	Peto Pty Ltd <1953 Super Fund A/C>	32,800,000	2.4%
9.	OCJ Investments (Australia) Pty Ltd	28,900,000	2.2%
10.	GEJJ Super Pty Ltd <GEJJ Superannuation Fund A/C>	10,933,137	0.8%
11.	John Mair	8,364,062	0.6%
12.	HSBC Custody Nominees (Australia) Limited	8,216,135	0.6%
13.	YW Ho & KKL Ho <Vic & Kathy Super Fund A/C>	7,525,000	0.5%
14.	Red Eaight Pty ltd <Richardson Family A/C>	7,500,000	0.5%
15.	JP Morgan Nominees Pty Limited	7,418,807	0.5%
16.	Melda Super Pty Ltd <Melda Super Fund A/C>	6,513,125	0.5%
17.	Simon Cato	6,389,594	0.5%
18.	Urmas Aavelaid	6,107,372	0.5%
19.	Harvey Stern	5,966,290	0.4%
20.	Anthony Ho	4,132,798	0.3%
		846,762,560	**62.7%**

GREENLAND MINERALS LTD

For personal use only



KVANEFJELD IS ONE OF THE WORLD'S MOST IMPORTANT EMERGING RARE EARTH PROJECTS AND HAS THE POTENTIAL TO BE A GLOBALLY SIGNIFICANT SUPPLIER OF CRITICAL MATERIALS THAT ARE KEY TO AN ENERGY EFFICIENT AND ENVIRONMENTALLY SUSTAINABLE FUTURE.

For personal use only

GREENLAND MINERALS LIMITED

Registered Office & Principal Place of Business
Unit 7, 100 Railway Road,
Subiaco, Western Australia, 6008

Postal Address
PO Box 2006,
Subiaco, Western Australia, 6904

Tel: +61 8 9382 2322
Fax: +61 8 9382 2788

www.ggg.gl