



GREENLAND

MINERALS AND ENERGY LTD



Raw materials for
a clean and energy
efficient future

2015

ANNUAL
REPORT

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Corporate Directory

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Non-executive Chairman

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Managing Director

Simon Cato
Non-executive Director

Michael Hutchinson
Non-executive Director

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2015

Highlights

- Kvanefjeld Feasibility Study complete, confirming the project can be developed to be a highly profitable, low-cost diversified producer of rare earth products, uranium, zinc and fluorspar
- Maiden Ore Reserve Estimate established – 108 million tonnes, to underpin initial 37 year mine-life, with clear potential to expand capacity and increase mine life
- Two large-scale pilot plant operations successfully conducted in Finland in association with the EURARE program. The first pilot plant tested the beneficiation circuit and generated two tonnes of mineral concentrate. The second pilot plant successfully operated the refinery circuit, and demonstrated higher than expected recoveries. The pilot plant operations confirmed Kvanefjeld's status as one of the most advanced rare earth and uranium projects globally
- Pre-hearing white paper completed and approved by Government of Greenland, along with Terms of Reference. This sets an agreed development strategy
- Significant progress made by the Government of Greenland on enhancing their regulatory framework to effectively manage the production and export of uranium in accordance with international best-practice. Landmark agreement reached between Greenland and Denmark on uranium exports in early 2016
- Completion of the environmental and social impact assessments, which together with the Feasibility study, constitute an exploitation (mining) license application. The application was then lodged with the Government of Greenland to commence the guidance phase which provides feedback prior to finalising material for public hearings

Chairman's Letter

Dear Shareholder,

In 2015 our Company made major progress toward securing a mining license for our key exploration license in Greenland that hosts Kvanefjeld and related rare earth and uranium deposits. Against the negative headwinds that have affected much of the resource sector globally, this was both an all-important and transformative development.

Securing a license to operate is critical to any successful mining venture, and, as is widely known, projects that involve uranium have heightened levels of scrutiny and attention. We are confident that the Kvanefjeld project is well-positioned for the current low ebb in the mining cycle with major technical studies complete and a focus on permitting. This will have the Company well placed to commercialise the Kvanefjeld project, with the aim of having permits in place as sector interest rejuvenates.

I believe Kvanefjeld has strong appeal to major industrial groups operating in the rare earth and uranium sectors, owing to the expansive resource inventories, long-projected mine life, and low operating costs. This has been reiterated by the cross section of groups that our Company continues to engage and advance discussions with. With the permitting process underway, increased confidence in political support and timelines will continue to de-risk the project, and assist in securing strong strategic partners to facilitate the projects development.

Kvanefjeld is arguably Greenland's highest profile mining project, and significant political capital has now been invested over a number of years to establish the regulatory framework that is required to see the project developed. Based on the achievements of 2015, it is safe to say, the Kvanefjeld project has never been better positioned. However, in recognising the challenging market conditions the Company has cut costs significantly, with the aim of working through the permitting phase as efficiently, and cost-effectively as possible.

While rare earth prices along with uranium prices have remained low, and many sector peers have stalled or retreated, we have maintained focus. By virtue, Kvanefjeld's status as one of the most advanced rare earth and uranium projects globally has been further consolidated. Importantly, we have managed to reach this point while still maintaining 100% control of the project.

Yours sincerely



Anthony Ho
Non-executive Chairman





“ Based on the achievements of 2015, it is safe to say, the Kvanefjeld project has never been better positioned.”



Review of Operations

Greenland Minerals and Energy Limited (GMEL) complete a successful year through the achievement of key objectives and milestones. The year concluded with the completion and lodgment of a mining license application for the Kvanefjeld Project. This represented the culmination of work conducted on and associated with the project since 2007 across technical, corporate and stakeholder focused areas.

GMEL's key license in southern Greenland is held through a full owned subsidiary, Greenland Minerals and Energy (Trading) A/S. The license has three delineated deposits that collectively comprise a global JORC (2012) resource estimate of 1 billion tonnes, containing 593 Mlbs U_3O_8 , and 11Mt rare earth oxide and 5.3 Blbs zinc (ASX Announcement, 12 February, 2015). The deposits remain open, and represent one of the world's largest undeveloped resources of rare earth metals and uranium.

The initial development strategy focuses on a subset of Kvanefjeld, the most advanced of the three deposits. A 108 Mt ore reserve (ASX Announcement, 3 June, 2015) has been established, and is sufficient to sustain a 37 year mine life.

The project is set to produce a rare earth product containing praseodymium, neodymium, dysprosium and terbium (the key permanent magnet components), uranium oxide, zinc concentrate and fluorspar. The processing of the mining license application for Kvanefjeld is a key focus in 2016. In addition, the Company will look to identify and pursue further value add initiatives afforded by the broader project area and contained mineral resources.

Mineral Resource Estimate Update for the Kvanefjeld Project

A new estimate was completed in February 2015 and was undertaken following an increase in the density of geochemical data at the Kvanefjeld deposit that was generated from assay program in late 2014 on historically-drilled cores. The resource estimates for the Sørensen and Zone 3 deposits remained unchanged. All mineral resources are compliant with the JORC-code 2012.

Kvanefjeld Deposit:

- Increase in overall resources to 673 million tonnes (8.7% increase), containing 368 million pounds U_3O_8 (5% increase), 7.4 million tonnes Total Rare Earth Oxide (12% increase)
- 143 million tonnes in 'Measured' category @ 303ppm U_3O_8 , 1.2% TREO and 0.24% zinc
- This includes 54 million tonnes @ 403ppm U_3O_8 , 1.4% TREO and 0.24% zinc
- Measured category resources form the uppermost part of the Kvanefjeld deposit, and are readily accessible for mining

Global Resources (All Three Deposits)

- Project global resources now stands at 1.01 billion tonnes containing 593 million pounds U_3O_8 , 11.13 million tonnes TREO

The Kvanefjeld deposit will be the starting point of mining operations. In conjunction with the outcomes of feasibility study components, the measured category resources provided the basis for establishing the initial mine reserve.

The mineral resource estimate was carried out by SRK Consulting, who also produced the mine schedule. Drill intercepts from outside Kvanefjeld, Sørensen and Zone 3 resource shells highlight the extent of widespread mineralisation throughout the northern Ilimaussaq Complex, and the resource upside (Figure 1).

The mineral resource update confirmed that GMEL's 100% controlled license contains one of the world's largest undeveloped JORC-code (2012) compliant resources of both rare earth elements and uranium.



“ The deposits remain open, and represent one of the world’s largest undeveloped resources of rare earth metals and uranium.

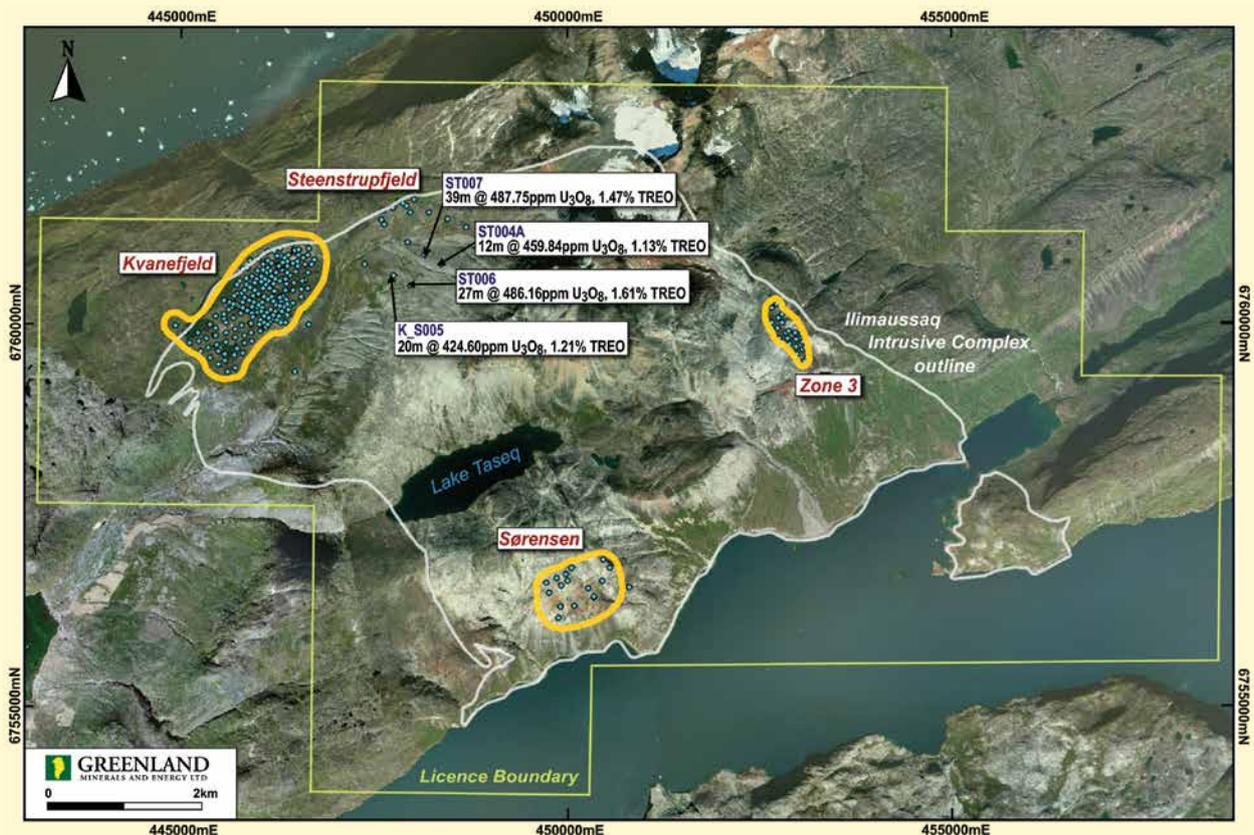


Figure 1: Overview of GMEL’s 100% controlled licence over the northern Ilimaussaq Complex in southern Greenland. Three JORC code-compliant mineral resources have been established from an ore seam that persists over >50²km. Widespread mineralisation has been demonstrated to occur outside established resource envelopes. The initial development strategy, that is now in the permitting phase, is focussed on just the Kvanefjeld Deposit, where a ore reserve estimate has been established that is sufficient to sustain an initial 37 year mine life.

Review of Operations (continued)

Kvanefjeld Feasibility Study

GMEL completed the Feasibility Study in May 2015, the Study proposes a development strategy to mine 3 million tonnes per annum to produce 250,000 tonnes of rare earth and uranium rich mineral concentrate, and 15,000 tonnes of zinc concentrate (sphalerite). The rare earth and uranium rich mineral concentrate is then refined to produce:

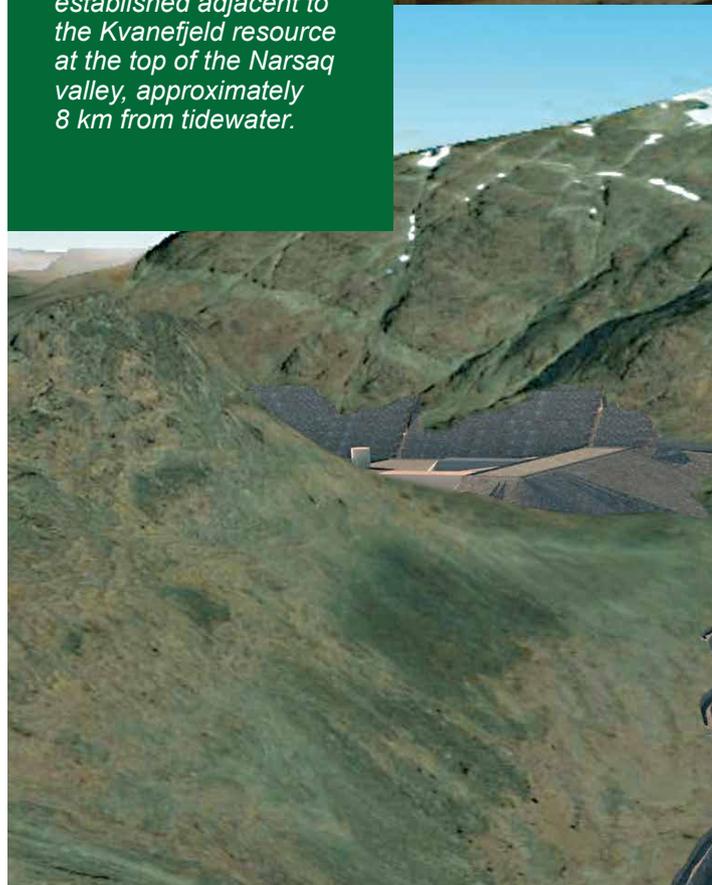
- 7,900 tonnes of high-purity critical mixed rare earth concentrate (Nd, Pr, Eu, Tb, Dy, Y)
- 512 tonnes of uranium oxide
- Lanthanum and cerium by-products
- Fluorspar is recovered from the flotation circuit

The production of the above products will take place in Greenland. The key strengths of the project include:

- A world-class multi-element resource base that remains open to expansion, allowing for further development opportunities
- A simple process flow sheet that has been rigorously developed, which concentrates the key value minerals into a low-mass, high grade mineral concentrate for efficient refining
- Unlike many projects in the rare earth sector (developed or emerging), the mineral concentrate can be treated by a simple atmospheric acid leach circuit, without complex and costly mineral cracking, presenting significant cost benefits with reduced technical risk
- By-product credits reduce the costs of rare earth production significantly
- Incremental cost of recovering uranium is low at less than \$5.80/lb U_3O_8
- Ability to land lanthanum and cerium products in Europe for <US\$2kg of Rare Earth Oxide
- Long term price forecast for the critical mixed rare earth concentrate of \$78.6/kg, which provides a high margin to the net unit operating cost of US\$8.56/kg critical rare earth oxide (net of by-product credits)



Figure 2. Processing infrastructure will be established adjacent to the Kvanefjeld resource at the top of the Narsaq valley, approximately 8 km from tidewater.



After completing the Feasibility Study, GMEL initiated a series of optimisation studies targeting capital cost reductions and efficiency enhancements. The first point of focus has been on the project lay-out.

The Kvanefjeld Feasibility Study was based on the use of two separate process plant sites, one for the Concentrator, and one for the Refinery, with the run-of-mine (ROM) ore stockpile located within the footprint of the Concentrator site. A detailed review of potential plant layouts has subsequently taken into consideration the impact of plant modularisation, the impact of potential recovery improvements and the requirement to provide flexibility for future capacity expansions.

GMEL established that by moving the ROM ore stockpile from the concentrator site to the mining area, by reconfiguring the concentrator and refinery plants and by removing common equipment and facilities, the concentrator and refinery plants can be accommodated within the originally identified concentrator site.

The reduction in capital cost resulting from site consolidation is US\$118.3M. This cost saving is driven by reduced blasting, excavation

and hauling. There are also reduced pipeline requirements, which together with the sharing of facilities, also contribute to the reduction in capital cost. The cost saving of approximately US\$118M is equivalent to a 14% of the total plant direct capital cost.

In addition, consolidating the Refinery and Concentrator in a single site produces operating cost savings from operational synergies and sharing facilities. The total operating cost saving resulting from combining the sites is estimated to be US\$2.12M per year.

Further material improvements to the project come as a result of improved metal recoveries which were confirmed by the pilot plant operation of the refinery circuit.

GMEL will look to provide an update on the project's economic metrics in 2016, based on optimisation efforts and the outcomes of work programs conducted in 2015, after the Feasibility Study was finalised.



“ The reduction in capital cost resulting from site consolidation is US\$118.3M. ”

Review of Operations (continued)

Maiden Ore Reserve Estimate

Following the release of the Feasibility Study, the Company released a maiden Ore Reserve Estimate for the Kvanefjeld Project (JORC-code, 2012). The Ore Reserves are situated in the upper part of the Kvanefjeld Deposit, the largest of three defined mineral resources within the broader project area. At the projected production rate of 3 million tonnes per annum, the initial reserves would sustain 37 years of operation, inclusive of ramp-up. The resource base of greater than 1 billion tonnes will allow for both capacity expansions, and mine-life extensions.

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

The Ore Reserves Estimate considers metal prices as of Q1, 2015, which for both rare earths and uranium are well below the projected trend. This provides a clear indication of the economic justification and strength of the Kvanefjeld Project.

Pilot Plant Operation – Concentrator Circuit

GMEL continued its association with EURARE during 2015, which included the successful operation of two large-scale pilot plants, piloting the concentrator circuit and the refinery process.

During Q2, GMEL conducted a successful pilot plant operation of the concentrator (beneficiation) circuit. The pilot plant operation was conducted through the EURARE program, at the laboratories of GTK Finland. The Kvanefjeld concentrator circuit utilises froth flotation to produce a mineral concentrate rich in rare earth elements and uranium, and a zinc concentrate.

The primary aim of this pilot plant operation was to generate 2 tonnes of rare earth-rich mineral concentrate as feed for upcoming refinery and separation pilot plants, also to be conducted through the EURARE program. This presented the opportunity to further test the flotation circuit at a larger scale, providing valuable information.

The concentrator pilot plant processed 26 tonnes of ore over 100 hours to produce 2 tonnes of rare earth-rich mineral concentrate; the targeted amount. Following ramp-up, the pilot plant operated at feasibility design criteria. The next test work stage will produce high-purity rare earth concentrates that will benefit the EURARE program by providing feed for the subsequent rare earth separation work.

This was the third pilot plant operation of the concentrator circuit, with each run conducted at an increasing scale. The beneficiation circuit has been rigorously developed over a number of years. Extensive test work confirms the ability to cost-effectively concentrate the main rare earth minerals into less than 10% of the original ore mass, using a single, low-risk method in froth flotation. The second and third (most recent) pilot plants have incorporated Jameson Cell technology.

The Jameson Cell technology has been utilised twice within the concentrator flowsheet, and the results confirm the suitability of the Jameson Cell technology for both applications. The results confirm that the Jameson Cell is able to produce target grade concentrates, is easy to operate, and delivers consistent performance.

Previous leach test work on the mineral concentrates demonstrates high extraction levels of both heavy rare earths and uranium.



The Jameson Cell technology is clearly well-suited to the Kvanefjeld ore-type. The benefits include:

- High throughput and efficiency, with a small footprint
- No moving parts; simple to install and maintain
- Suited to the fast flotation kinetics seen with the unique Kvanefjeld ore
- Simplifies the flotation circuit, producing final grade concentrate in a single flotation step and reducing the number of high intensity conditioning and cleaning stages required, thereby minimising operational costs
- Proven in multiple pilot plant operations on Kvanefjeld to be simple and producing a consistent operation
- Importantly the Jameson cell is a commercially proven technology capable of direct scale-up from pilot to full operational scale. The hydrodynamic conditions for particle collection inside the downcomer and the separation in the tank are identical between laboratory, pilot plant and full-scale Jameson cells, thus scale-up is direct and proven.
- The technology has over 20 years of commercialisation with more than 300 installations across a range of mining applications globally.



The Kvanefjeld concentrator circuit utilises froth flotation to produce a mineral concentrate rich in rare earth elements and uranium, and a zinc concentrate.

Review of Operations (continued)

Refinery Pilot Plant

In October 2015 and in collaboration with Outotec and EURARE, GMEL successfully completed the piloting the Kvanefjeld refinery process. The work was partly funded by the EURARE program, and aimed to produce a high-purity rare earth concentrate free of impurities, for separation test work that will be the next stage of the EURARE program.

The pilot plant operations were completed at Outotec Pori Research Laboratories. The Pori Research laboratories are part of Outotec, the provider of leading technologies and services for the sustainable use of Earth's natural resources.

Outotec Pori Research Laboratories have extensive experience with atmospheric leaching having invented and developed the HydroCopper® process. This process consists of a counter current leach of copper sulphide concentrates to directly produce LME quality copper products. The experience and equipment in developing this process was applied to the Kvanefjeld refining process.

Pilot Plant Overview

The refinery process was piloted in four main phases to convert the mineral concentrate produced by the concentrator circuit, into a rare earth intermediate product.

The first phase in the refinery process is atmospheric leaching with sulphuric acid. Here the uranium is extracted and separated away from the rare earths along with many of the impurities. This initial refinery pilot stage met and exceeded feasibility design parameters, with rare earth extractions from mineral concentrate of 95% being notably higher than feasibility study design criteria (77% extraction). Uranium extraction measured approximately 85%, broadly in line with Feasibility Study assumptions. High plant availabilities were also observed. Samples were taken during operation to confirm the design parameters for thickening, reagent selection and filtration.

The second phase consisted of conditioning the filtered leach residues from the atmospheric sulphate leaching. The residues are conditioned with caustic to change the chemical form of the rare earths in the residue. This allows the rare earths to leach easily from the residue, in the next stage.

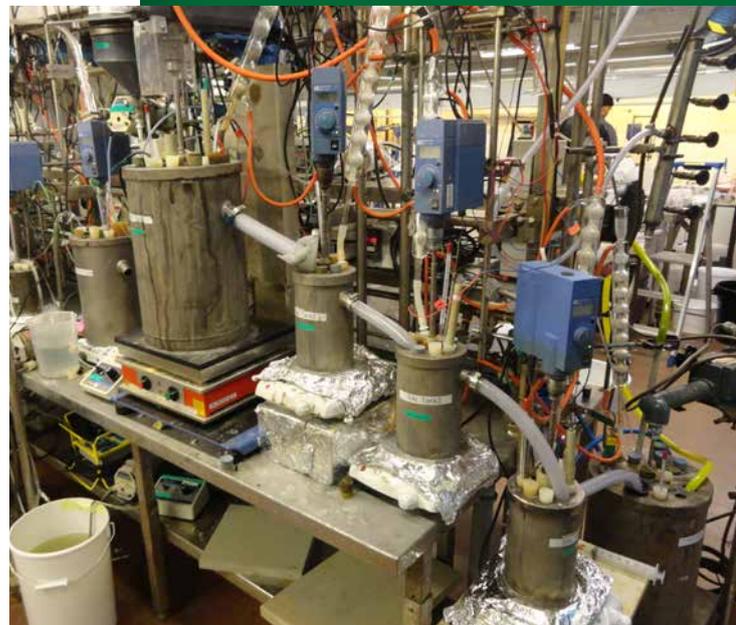
The third phase leaches the rare earths from the conditioned residues into a chloride solution. Impurities are removed from the rare earth chloride solution produced by precipitation. The leach conditions are atmospheric and mild.

The last and fourth phase produces a mixed rare earth carbonate product. This is achieved by dosing caustic soda into the purified rare earth chloride solution produced in the previous step. Rare earths precipitate as a mixed rare earth carbonate which is separated from the chloride solution by thickening and filtration.

Approximately 25 kilograms (dry and dehydrated basis) of rare earth carbonate were produced for further evaluation. This intermediate product contains a mixture of all 15 rare earths extracted by the process. The EURARE project will use the material to test further refining of the rare earths to produce final rare earth products.

The rare earth carbonate will be dispatched to MEAB Aachen, Germany for separation test work. The separation test work will involve the use of solvent extraction to produce individual rare earth oxides.

Atmospheric leaching circuit being performed at Outotec's Pori Research Centre in Finland during 2015. The grey cylinders are weak acid leach (WAL) tanks treating Kvanefjeld rare earth- and uranium-rich mineral concentrate.



Environmental Impact Assessment

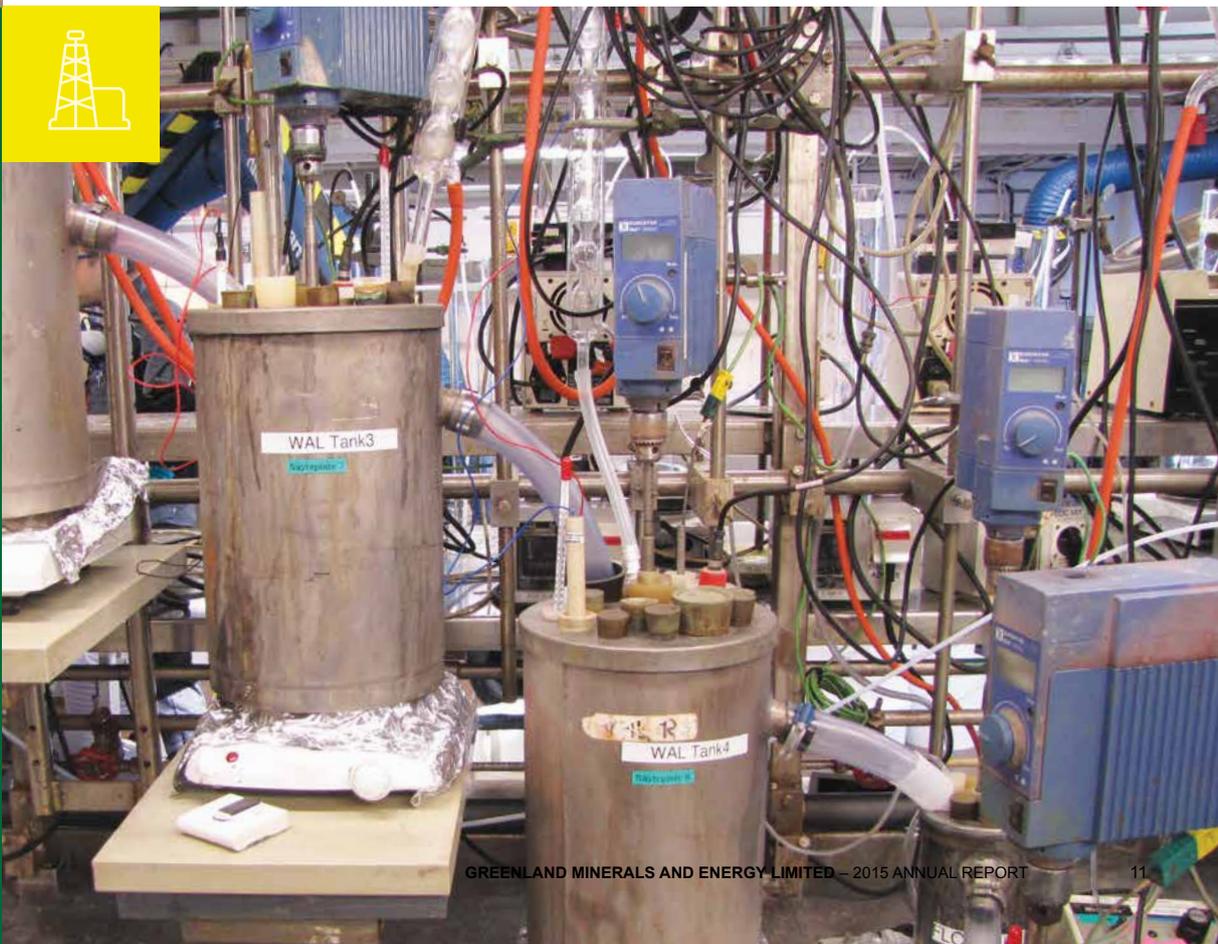
The environmental impact assessment report (“EIA”) was finalised in November 2015. The EIA ensures the project complies with the provisions of the Mineral Resources Act on environmental protection, nature conservation and climate protection. The EIA has identified areas of potential risk and mitigated these risks by providing environmental solutions. The entire project lifecycle is covered from construction, operations, closure and post closure rehabilitation.

The information contained in the report is the culmination of several years of studying the natural environment around the project area, technical studies and public consultation. Refer to the company announcement dated 11th of August 2015 for more information on the extensive environmental baseline studies. The EIA was written and compiled by the independent Danish consultant Orbicon. Specialist technical contributions were also performed by the following independent consultants: Arcadis, Danish Hydraulic Institute, Pacific Environment and the Technical University of Denmark.

Social Impact Assessment

The social impact assessment (“SIA”) activities and reporting was completed by the Danish independent consultant NIRAS. The studies have been performed to meet Greenland guidelines based on best international practice and earlier experiences from stakeholder processes. The report documents baseline data before the project is initiated and analyses the impact of the project. Actions to reduce negative impacts and enhance positive impacts are analysed. Relevant stakeholders were involved throughout the process to gain necessary feedback.

“ The inclusion of Greenlandic labour and opportunities for local enterprises from the project are identified and discussed.



Review of Operations (continued)

Regulatory Developments

Public pre-hearing

The Greenland Government introduced a public pre-hearing period for mining projects as part of the approval of the Terms of Reference (ToR). This allowed increased input from individuals and stakeholder groups, as part of establishing a preferred development strategy, before projects move into the permitting phase.

Through the latter half of 2013 and early 2014, GMEL conducted a number of workshops with representatives of Greenland's Minerals Licencing and Safety Authority (MLSA), the Ministry of Industry and Mineral Resources, the Environmental Agency for the Mineral Resources Area (EAMRA) and the Kommune Kujalleq (Southern Municipality), to discuss the various development options available.

On the basis of these workshops, and in order to meet the requirements of Greenland's Mineral Resources Act that necessitates maximum possible in-country processing, GMEL set the preferred development strategy in mid-2014, with both the concentrator and refining stages to be conducted in Greenland.

Further information on the path to setting the ToR and the extensive studies that contribute to the environmental and social impact assessments were outlined in a Company announcement released on August 11th, 2015.

GMEL lodged the ToR documents to the government in late 2014, and conducted a 35 day public hearing period. Comments from 13 stakeholder groups, non-government

organisations (NGO's) and individuals were compiled by Greenland's MLSA, and forwarded to GMEL.

Responses to the questions and comments were compiled by the Company then reviewed by the MLSA and advisory bodies prior to translation to Danish and Greenlandic. The White Paper and ToR were then approved by the Greenland Government during the parliamentary sitting in the latter half of 2015.

GMEL is the first company to have a project participating in a pre-hearing process and the outcomes from the process provided valuable input into finalising the EIA and SIA, allowing for the concerns raised by various stakeholders to be addressed in the final studies.

Regulatory Advances in Greenland

Since 2013, the Governments of Greenland and Denmark have been undertaking work to identify the respective responsibilities, and required regulatory advances, associated with Greenland being able to produce and export uranium in accordance with international best practice. Major progress has been made in this area, with key developments taking place in 2015, and early 2016.

During the fall sitting of parliament in late 2015, the Government of Greenland ratified its accession to a series of international conventions that relate to the safety and handling of radioactive materials. The conventions had been identified through work programs by the Greenland and Danish governments on the regulation of uranium production and export.



International Conventions Implemented by Greenland Government

- International Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management
- International Atomic Energy Agency (IAEA) Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency
- Amendment to the IAEA Convention on the Physical Protection of the Nuclear Materials
- International Convention for the Suppression of Acts of Nuclear Terrorism.
- International Labour Organization (ILO) Convention No. 115; Radiation Protection Convention (Convention concerning the Protection of Workers against Ionising Radiations)
- The IAEA Convention on Nuclear Safety

On January 19th 2016, the Government of Denmark and the Government of Greenland announced that a formal agreement had been reached to establish an internal framework within the Kingdom of Denmark regarding the special foreign, defense, and security policy issues related to the mining and export of uranium from Greenland. This will lead to Danish legislation to implement safeguards and export regulations for uranium produced in Greenland.

These key regulatory developments are significant, and a demonstration of the efforts and progress by the Greenland Government to ensure Kvanefjeld can be developed in compliance with international safety conventions and best-practice.

Work programs by the Greenland and Danish governments on regulatory matters concerning radioactive materials have taken place in parallel to establishing a development strategy for the Kvanefjeld rare earth – uranium project, and completing a mining (exploitation) license application.

During Q4 2015, GMEL completed an exploitation (mining) license application for the Kvanefjeld Project. The completion of a mining license application represents the culmination of rigorous technical studies, onsite surveys and community consultation conducted since 2007. The application includes a definitive feasibility study, and environmental and social impact assessments. The documents were handed over to Greenland's Minerals Licensing and Safety Authority in December.

The application documents have been distributed to relevant government departments and advisory agencies, for the initial phase referred to as the guidance period. Input from the guidance period is then incorporated into the application for the public hearing phase. GMEL has since received quarter by quarter cost estimates for the processing of the application through 2016.



During Q4 2015, GMEL completed an exploitation (mining) license application for the Kvanefjeld Project.



Review of Operations (continued)

Corporate

NFC

Following 12 months of highly constructive cooperation, a second Memorandum of Understanding (“MoU”) was signed with China Non-Ferrous Metal Industry’s Foreign Engineering and Construction Co. Ltd. (NFC), during a visit to Beijing by Mr. Tony Ho, Chairman and Dr. John Mair, Managing Director of GMEL April 2015.

The dialogue between GMEL and NFC (“the Parties”) commenced in 2013 and both companies concluded that co-operation between them represented a unique opportunity. The combination of the GMEL’s potential to cost-competitively produce critical rare earth intermediate products from Kvanefjeld (“the Project”) and NFC’s expertise in rare earth separation and expanding separation capacity could form the basis of a globally significant rare earth business. An initial MoU was signed in March, 2014 with the objective of investigating the opportunity to establish a fully integrated rare earth supply business from mine to separated high-purity critical rare earth products.

Since signing the initial MoU there have been a number of key developments. These include:

- Extensive exchange of technical data relating to the Kvanefjeld Project
- Meetings between senior representatives of both parties in Perth, Beijing and Greenland
- Visits to Perth-based laboratories where major test work programs have taken place by senior NFC representatives and technical experts
- Meetings in Greenland between senior NFC representatives and key Greenland government ministers and officials, as well as representatives of important stakeholder groups

Continuous engagement between the Company and NFC has enabled NFC to develop a thorough understanding of the Project from a variety of perspectives that include technical, logistical and economic. The extent to which co-operation between the Company and NFC has developed is evidenced by the fact that NFC provided the capital cost estimate that was incorporated in the final Study report.

NFC is also a highly-regarded engineering, procurement and construction (EPC) contractor

and has the capacity to both produce accurate capital cost estimates for construction projects and to take a key role in the engineering and construction of mine and processing facilities for Kvanefjeld.

Royalty

In March 2015, GMEL finalised the acquisition of a 2% net profit royalty on exploration license 2010/02, which covers the Kvanefjeld project and associated mineral resources in southern Greenland. Following the acquisition the Company holds all royalty agreements associated with license 2010/02. The Company acquired the 2% royalty on the net profits of Greenland Minerals and Energy (Trading) A/S (GME A/S) for a purchase consideration of 13,690,000 ordinary shares and 13,690,000 listed GGGOA options.

GME A/S is the Greenlandic subsidiary company that holds the exploration license 2010/02 over the northern Ilimaussaq Intrusive Complex in Greenland. GME A/S was established through the formation in 2007 of a joint venture between GMEL and Westrip Holdings Limited (Westrip). At the inception of the joint venture, a 5% net profit royalty existed on license area 2010/02. GMEL moved to 100% ownership of GME A/S, and, therefore, exploration license 2010/02 in 2012.

The Company then purchased 3% of the net profit royalty in 2012 (announced 2nd December 2011), and is pleased to have acquired the outstanding 2% royalty. The consideration paid on the royalty is referenced to an independent expert report from BDO Corporate Advisory (included in the Notice of Meeting announced 16 December 2011). A total of 17,500,000 shares were issued as consideration for the purchase of the 3% royalty with the independent expert report determining this to be fair and reasonable based on a share price at the time of \$0.57.

The acquisition consolidated the Company’s 100% ownership and control of the exploration license 2010/02, and all future potential revenue derived from the license.

Long State

To provide additional funding options, the Company secured an equity placement facility with Hong Kong-based investment group, Long State Investment Limited (‘Long State’).

Under the terms of the facility, GMEL may, at its discretion, call for Long State to subscribe for shares in the Company at any time over the next 24 months, up to a total Placement amount of \$20,000,000. GMEL may require Long State to pay a placement amount of up to \$500,000 in any period of 10 trading days (and up to \$1,000,000 with the prior consent of Long State).

Shares issued to Long State will be priced at 95% of the average daily volume weighted average prices (VWAP) of GMEL shares traded on each of

the 5 trading days prior to the Placement Notice Date specified by GMEL. A cash discount of 5% will be payable by GMEL to Long State at the time of issue. Subsequently the price will be adjusted based upon the 95% of the average VWAPs for the 5 trading days prior to the Placement Date and the 5 trading days subsequent to the Placement Date, with Long State either making an additional payment to GMEL, or the Company making an additional payment or issuing additional shares to Long State.

Importantly, the agreement is highly flexible and allows for GMEL to pursue other funding sources at any point. The timing of any draw-downs are at the company's discretion, and there are no break clauses or obligations if GMEL chooses to pursue alternate funding sources.

Two placements were made to long State during the year for a total net amount after commission of \$950,000.

Rights issue

On October 14th, GMEL announced the successful completion of the underwritten portion of the non-renounceable rights issue, under the prospectus issued on 9 September 2015. The rights issue was managed by Patersons Securities Limited, with CPS Capital Group Pty Ltd and RM Capital as co-managers.

The rights issue raised \$3Mil through the issue of 85,724,822 shares and 85,724,822 free attached options with an exercise price of \$0.08, exercisable on or before 30 September 2018.

Cost reductions

At the end of 2015, GMEL initiated a significant cost reduction program including a reduction in staffing levels. Savings made through this process will dramatically reduce the cash burn rate as GME moves through the mining license approval process.

The ability to reduce costs was due to the completion of major work programs associated with the feasibility study and the EIA and SIA. In addition the Company recognised the current difficult financial markets and the need to preserve shareholder value.

Summary

2015 proved to be a highly successful year for the Group, with the culmination of major multi-year work programs that allowed for a mining license application to be completed, and the permitting phase to commence. This represents an all-important transition, as permitting is a fundamental key to commercializing the world-class asset, and generating shareholder value.

Through 2016, GMEL will continue to work with the Greenland authorities and other stake holders through the mining license permitting process.

Project optimisation work will continue with the other area of focus being on establishing strategic partner relationships for the development of the Kvanefjeld project.



“ Based on the achievements of 2015, it is safe to say, the Kvanefjeld project has never been better positioned.



Table of Identified Mineral Resources

Statement of Identified Mineral Resources, Kvanefjeld Multi-Element Project (Independently Prepared by SRK Consulting)

Multi-Element Resources Classification, Tonnage and Grade										Contained Metal				
Cut-off (U ₃ O ₈ ppm) ¹	Classification	M	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO	HREO	Y ₂ O ₃	U ₃ O ₈	Zn
		tonnes Mt								Mt	Mt	M lbs	Mt	
Kvanefjeld - February 2015														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	222	10,000	205	8,800	365	9,200	793	2,180	2.22	0.08	0.18	100.45	0.48
150	Total	673	10,900	248	9,600	400	10,000	881	2,270	7.34	0.27	0.59	368.02	1.53
200	Measured	111	12,900	341	11,400	454	11,800	1,048	2,460	1.43	0.05	0.12	83.19	0.27
200	Indicated	172	12,300	318	10,900	416	11,300	970	2,510	2.11	0.07	0.17	120.44	0.43
200	Inferred	86	10,900	256	9,700	339	10,000	804	2,500	0.94	0.03	0.07	48.55	0.22
200	Total	368	12,100	310	10,700	409	11,200	955	2,490	4.46	0.15	0.35	251.83	0.92
250	Measured	93	13,300	363	11,800	474	12,200	1,105	2,480	1.24	0.04	0.10	74.56	0.23
250	Indicated	134	12,800	345	11,300	437	11,700	1,027	2,520	1.72	0.06	0.14	101.92	0.34
250	Inferred	34	12,000	306	10,800	356	11,100	869	2,650	0.41	0.01	0.03	22.91	0.09
250	Total	261	12,900	346	11,400	440	11,800	1,034	2,520	3.37	0.11	0.27	199.18	0.66
300	Measured	78	13,700	379	12,000	493	12,500	1,153	2,500	1.07	0.04	0.09	65.39	0.20
300	Indicated	100	13,300	368	11,700	465	12,200	1,095	2,540	1.34	0.05	0.11	81.52	0.26
300	Inferred	15	13,200	353	11,800	391	12,200	955	2,620	0.20	0.01	0.01	11.96	0.04
300	Total	194	13,400	371	11,900	471	12,300	1,107	2,530	2.60	0.09	0.21	158.77	0.49
350	Measured	54	14,100	403	12,400	518	12,900	1,219	2,550	0.76	0.03	0.07	47.59	0.14
350	Indicated	63	13,900	394	12,200	505	12,700	1,191	2,580	0.87	0.03	0.07	54.30	0.16
350	Inferred	6	13,900	392	12,500	424	12,900	1,037	2,650	0.09	0.00	0.01	5.51	0.02
350	Total	122	14,000	398	12,300	506	12,800	1,195	2,570	1.71	0.06	0.15	107.45	0.31
Sørensen - March 2012														
2.67	0.10	0.22	162.18	0.63	9,700	398	10,100	895	2,602	2.67	0.10	0.22	162	0.63
2.15	0.07	0.17	141.28	0.52	10,200	399	10,600	932	2,802	2.15	0.07	0.17	141	0.52
1.75	0.06	0.14	122.55	0.43	10,500	407	10,900	961	2,932	1.75	0.06	0.14	123	0.43
1.44	0.05	0.12	105.23	0.36	10,700	414	11,100	983	3,023	1.44	0.05	0.12	105	0.36
1.14	0.04	0.09	85.48	0.28	11,000	422	11,400	1,004	3,080	1.14	0.04	0.09	85	0.28
Zone 3 - May 2012														
150	Inferred	95	11,600	300	10,200	396	10,600	971	2,768	1.11	0.04	0.09	63.00	0.26
200	Inferred	89	11,700	310	10,300	400	10,700	989	2,806	1.03	0.04	0.09	60.00	0.25
250	Inferred	71	11,900	330	10,500	410	10,900	1,026	2,902	0.84	0.03	0.07	51.00	0.20
300	Inferred	47	12,400	358	10,900	433	11,300	1,087	3,008	0.58	0.02	0.05	37.00	0.14
350	Inferred	24	13,000	392	11,400	471	11,900	1,184	3,043	0.31	0.01	0.03	21.00	0.07
Project Total														
Cut-off (U ₃ O ₈ ppm) ¹	Classification	M	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO	HREO	Y ₂ O ₃	U ₃ O ₈	Zn
		tonnes Mt								Mt	Mt	M lbs	Mt	
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	559	10,700	264	9,400	384	9,800	867	2,463	6.00	0.22	0.49	325.66	1.38
150	Grand Total	1010	11,000	266	9,700	399	10,100	893	2,397	11.14	0.40	0.90	592.84	2.42

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

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

Note: Figures quoted may not sum due to rounding.

Competent Person Statement – Mineral Resources and Ore Reserves

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

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

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

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

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



GREENLAND

MINERALS AND ENERGY LTD

ACN 118 463 004



Raw materials for
a clean and energy
efficient future

2015

ANNUAL
FINANCIAL
REPORT

for the year ended 31 December 2015.

DIRECTORS' REPORT

The directors of Greenland Minerals and Energy Limited (the Company) submit herewith the annual financial report of Greenland Minerals and Energy Limited and its subsidiaries (the Consolidated Group) for the financial year ended 31 December 2015, 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
John Mair, Managing Director
Simon Kenneth Cato, Non-Executive Director
Michael Hutchinson, Non-Executive Director
Jeremy Sean Whybrow, Non-Executive Director – Resigned 29 March 2016

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., MAICD* is a qualified accountant with 20 years' experience in both public practice and commercial environments. Mr Guy is also currently the Chief Financial Officer for Greenland Minerals and Energy Limited.

Principal Activities

The principal activity of the Consolidated Group during the financial year was mineral exploration and project evaluation. Specifically the continued evaluation of the Consolidated Group's 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 \$4,091,615 (2014: loss \$5,062,999). The loss for the current year included total share based payments for the acquisition of the royalty of \$846,983, compared to share based payments for director and employee benefits in the prior year of \$1,625,433. The loss for the current year also included impairment of capitalised exploration and evaluation expenditure of \$594,214, compared to nil for the prior year.

Review of operations

Refer to the Operations Report on pages 4 to 16

Significant Changes in State of Affairs

During the financial year, there were no significant changes in the state of affairs of the Consolidated Group.

The directors are not aware of any particular or significant environmental issues, which have been raised in relation to the Consolidated Group's operations during the period covered by this report.

Shares

During the year ended 31 December 2015, the following ordinary shares of Greenland Minerals and Energy Limited were issued, as detailed in Note 16 to the financial report.

DIRECTORS' REPORT

The total number of ordinary shares on issue at 31 December 2015 was 787,708,978 (31 December 2014: 669,389,552).

The total number of shares issued during the current financial year was 118,319,426.

There is no other class of shares issued by the Company and the Company has no un-issued shares, other than those registered to options and performance rights which are disclosed in the next section.

Details of shares issued during the year or shares issued since the end of the financial year as a result of exercised options are:

Issuing entity	Number of shares issued	Class of share	Amount paid for/ fair value of shares	Amount unpaid on shares
Greenland Minerals and Energy Limited	13,690,000	Ordinary shares	\$0.057	-
Greenland Minerals and Energy Limited	9,532,646	Ordinary shares	\$0.84	-
Greenland Minerals and Energy Limited	7,952,270	Ordinary shares	\$0.07	-
Greenland Minerals and Energy Limited	1,400,000	Ordinary shares	\$0.069	-
Greenland Minerals and Energy Limited	85,724,800	Ordinary shares	\$0.035	-
Greenland Minerals and Energy Limited	16,840	Ordinary shares	\$0.20	-
Greenland Minerals and Energy Limited	2,848	Ordinary shares	\$0.08	-

Options

During the year ended 31 December 2015 the number of options and performance rights of Greenland Minerals and Energy Limited that were issued are detailed in Note 24 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 and Energy Limited	7,500,000	-	Ordinary shares	\$0.20	24 February 2018
Greenland Minerals and Energy Limited	7,500,000	-	Ordinary shares	\$0.25	24 February 2018
Greenland Minerals and Energy Limited	105,657,865	-	Ordinary shares	\$0.20	30 June 2016
Greenland Minerals and Energy Limited	100,693,512	-	Ordinary shares	\$0.08	30 September 2018
Greenland Minerals and Energy Limited	-	9,685,500	Ordinary shares	-	30 September 2016

The holders of these options and employee rights 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.

DIRECTORS' REPORT

Financial Position

The net assets of the Consolidated Group were \$75,169,486 as at 31 December 2015 (2014: \$74,228,576).

Dividends

In respect of the financial year ended 31 December 2015, 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 2014.

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 aims 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 referred to elsewhere in this report, particularly in the Operations Report on pages 4 to 16.

Subsequent Events

The Company on 16 February 2016 issued 15,000,000 GGGOB options. These options were issued under the Secondary Trading Prospectus issued on 2 February 2016. The options were issued to Corporate Advisers for corporate advisory services to be provided.

Other than the matters above, there have been no matters or circumstances occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

DIRECTORS' REPORT

Information on Directors

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

Qualifications

B.Comm, CA, FAICD, FCIS, FGIA

Experience

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

Tony was the past non-executive chairman of St. George Community Housing Limited (November 2002 to December 2009) where he was also a member of the Audit and Remuneration Committees. Prior to joining commerce, Mr Ho was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young.

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

Interest in shares & options

2,487,500 Ordinary Shares
450,000 Listed GGGOA options
337,500 Listed GGGOB options

Other board positions held

Non-executive director - Hastings Technology Metals Limited - March 2011 and chairman of the Audit Committee

Non-executive Chairman – Bioxyne Limited – November 2012

Non-executive Chairman – Mooter Media Limited – November 2015

Board positions held in the last 3 years

Non-executive Chairman – Metal Bank Limited, October 2011 to August 2013

Non-executive director - Apollo Minerals Limited - July 2009 to March 2016

Non-executive Chairman – Esperance Minerals Limited – 12 October 2015 to March 2016

John Mair – Managing Director – Appointed 7 October 2011

Qualifications

PhD (Geol), MAus IMM

Experience

John Mair is a minerals industry professional with international experience across technical, corporate and managerial roles. John holds a PhD in economic geology from the University of Western Australia, and was a post-doctoral research fellow at Mineral Deposit Research Unit, UBC, Vancouver, working in close association with the US Geological Survey.

John has been a director of GMEL since 2011, and Managing Director since September 2014. John has played a key role in the Company's successful 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.

DIRECTORS' REPORT

Information on Directors

John Mair (cont'd)

John presents on the Company's behalf in commercial, technical, and political forums internationally. He is a Member of the Australian Institute for Mining and Metallurgy (AusIMM) and the Society for Economic Geologists (SEG).

Interest in shares, options and performance rights

7,989,062 Ordinary Shares
500,000 Listed GGGOA options
1,597,813 Listed GGGOB options

Other board positions held

Nil

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 had over 30 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and then in Perth.

From 1991 until 2006 he was an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he was also involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently Simon holds a number of non-executive roles with listed companies in Australia.

Interest in shares, options and performance rights

5,843,984 Ordinary shares
100,000 listed GGGOA options
981,786 listed GGGOB options

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

Queste Communications Limited – February 2008 to 3 April 2013
Transaction Solutions International Limited – February 2010 to 30 September 2013

DIRECTORS' REPORT

Michael Hutchinson - Non-Executive Director – Appointed 25 November 2008

Special responsibilities

Member of the Audit Committee

Qualifications

BSc (Hons) Geography

Experience

Mr Michael Hutchinson has had a distinguished career in resources and commodity trading, having served as Director of the London Metal Exchange, the world's largest market in options and futures contracts on base and other metals.

Michael was previously Chairman of RBS Sempra Metals Limited, and Wogen PLC; a trader of off-exchange metals that sources metals worldwide for industrial end users. In addition, Michael previously served as a director of MG PLC.

Interest in shares, options and performance rights

921,276 Ordinary shares

500,000 Listed GGGOA options

Directorships held in other listed entities

Non-executive chairman – Noricum Gold Limited – November 2013

Former directorships in other listed entities in the last 3 years

Mecom Plc – April 2009 – 21 February 2015

Jeremy Sean Whybrow – Non-executive director – Appointed 21 February 2006 – Resigned 29 March 2016

Special responsibilities

Member of the Audit Committee

Qualifications

B.Sc. (Mineral Exploration and Mining Geology), G.Cert(Minerals Economics), M.Aus.I.M.M

Experience

Mr Jeremy Whybrow graduated from Curtin University of Technology in 1996 with a Bachelor of Science degree (Mineral Exploration and Mining Geology), and has had over 15 years' experience in the minerals industry both domestically and internationally.

Jeremy has worked for companies such as Sons of Gwalia Ltd, PacMin Ltd, Teck Australia Ltd, Mount Edon Gold Mines Ltd and Croesus Mining NL. His experience has been mainly in the operational environment and includes significant exposure to exploration and mining operations, project evaluation and feasibility studies.

Jeremy also has extensive international exploration experience having worked in China, Africa and the Philippines as well as numerous localities in Australia.

As a founding director of Greenland Minerals and Energy, Jeremy has been instrumental in conducting the exploration programs that have seen the Kvanefjeld project emerge as the world's largest resource of rare earth elements (as defined by internationally recognized reporting standards). Drawing on his solid foundation of operational experience Jeremy put in place many of the systems critical to generating the high-quality datasets that underpin the projects mineral resources.

DIRECTORS' REPORT

Jeremy Sean Whybrow (Cont'd)

Interest in Shares, options and performance rights

6,260,200 Ordinary shares

250,000 GGGOA options

Directorships held in other listed entities

Executive Director - Noricom Gold Limited – November 2010

Positions held in the last 3 Years

Nil

Remuneration Report – Audited

This remuneration report, which forms part of the directors' report, details the nature and amount of remuneration for each director of Greenland Minerals and Energy Limited and senior management, for the financial year ended 31 December 2015.

Director and senior management details

The following persons acted as directors of the Company during or since the end of the financial year:

Anthony Ho, Non-Executive Chairman

John Mair, Managing Director

Simon Kenneth Cato, Non-Executive Director

Michael Hutchinson, Non-Executive Director

Jeremy Sean Whybrow, Non-Executive Director – Resigned 29 March 2016

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted above, the named persons held their current position for the whole of the financial year and since the end of the financial period:

Miles Guy, Chief Financial Officer and Company Secretary

Remuneration report – first strike

At the Company's 2015 Annual General Meeting, a resolution to adopt the remuneration report was passed but more than 25% of the votes cast were against the adoption of the report. This constitutes a First Strike against the remuneration report under the Corporations Act.

Based on an analysis of the votes there were two main sources of the votes against the remuneration report. A substantial shareholder, holding 39mil shares at the time, voted in favour of one resolution and against all other five resolutions including the remuneration report. The shareholder has subsequently ceased to be a substantial shareholder and has reduced its holding to 20.8Mil shares (refer to page 75). The Company was also advised that proxy advisory firms were recommending institutional investors to vote against the Company's remuneration report. Based on feedback, it is the Company's understanding that this position was primarily due to an insufficient independence of non-executive directors, based on the criteria for director independence set out in ASX Corporate Governance Principles and Recommendations and similar publications.

As part of the board renewal process, the Company intends to evolve the board with independent non-executive directors who have experience and skills that are more relevant to the Company's primary focus areas pertaining to project development.

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

As a result of the board and management restructure in 2014, there has been a significant reduction in the remuneration payments to directors and senior management in the year ended 31 December 2015 compared to the previous year. In the year ended 31 December 2015 the total remuneration being reported in the remuneration report is \$882,808 compared to \$1,519,332 for cash settled remuneration and \$2,230,662 in total remuneration for the year ended 31 December 2014.

In further response to the First Strike, the Company carried out an internal review and comparison of current director and senior management remuneration compared to peer companies. The peer companies used for comparison, where exploration companies with a market capitalisation of between \$19Mil and \$139Mil, a compatible corporate structure and projects in similar stage development. Comparing individual remuneration across the four categories of managing director, chairman, non-executive and senior management, the Company's current remuneration for cash based payments was on average 11.5% less than the average payments of the comparative peer group.

Remuneration Policy

The remuneration policy of Greenland Minerals and Energy Limited has been designed to align director and senior management objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on meeting service period requirements and share price vesting hurdles. It is the Board's opinion that significant project advancements would be required for the share price vesting hurdles to be met and therefore increasing value to all stakeholders. The board of Greenland Minerals and Energy 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.

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) and superannuation.
- The directors and senior management, where applicable receive a superannuation guarantee contribution required by the government, which is currently 9.5% 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.
- 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 had additional responsibilities associated with specific tasks or responsibilities outside 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.

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

Remuneration –Cash payment

Cash payments is the recognition of short term remuneration and the provision for long term remuneration that has or will be settled in cash payments.

Short term incentives

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 – Share based payments

The share based payments are also the recognition of long term remuneration that does not provide a present value to the directors and senior management. The value of the long term remuneration has been realised over the service vesting period and are subject to the satisfying of vesting and other conditions.

At 31 December 2015, all of the outstanding employee rights remained un-vested as the share price vesting conditions had not been satisfied.

Separation payments

Director and senior management are not entitled to any separation 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 30 to 31.

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		Total Remuneration	% Consisting of share based payments
	Salary & fees	Other	Super-annuation	Provision for long service leave	STI	Rights		
2015	\$	\$	\$	\$	\$	\$	\$	
Executive Director								
J Mair	350,000	-	33,250	5,833	-	-	389,083	-
Non-executive Director								
A Ho	108,250	-	9,500	-	-	-	117,750	-
S Cato	51,250	-	5,225	-	-	-	56,475	-
M Hutchinson	45,000	-	-	-	-	-	45,000	-
J Whybrow	60,600	-	-	-	-	-	60,600	-
Senior Management								
M Guy	180,000	-	17,100	16,800	-	-	213,900	-
TOTAL	795,100	-	65,075	22,633	-	-	882,808	0%

DIRECTORS' REPORT
Remuneration Report – Audited (cont'd)

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

2014	Short term benefits		Post-employment benefits	Long –term remuneration	Share Based payments		Total Remuneration	% Consisting of share based payments
	Salary & fees	Other	Super-annuation	Provision for long service leave	STI (iii)	Rights (iv)		
Executive Director								
J Mair	256,250	-	24,062	37,942	58,062	-	376,316	15%
R McIlree (i)	268,249	145,633(ii)	-	-	(12,774)	-	401,108	-
Non-executive Director								
A Ho	72,894	-	6,055	-	-	-	78,949	-
S Cato	46,413	-	4,218	-	-	-	50,631	-
M Hutchinson	100,000	-	-	-	53,865	-	153,856	35%
J Whybrow	95,800	-	-	-	-	-	95,800	-
Senior Management								
S Bunn (v)	223,462	-	41,479	-	127,745	279,282	671,969	61%
M Guy	180,000	-	16,875	-	45,568	159,590	402,033	51%
TOTAL	1,243,068	145,633	92,689	37,942	272,466	438,872	2,230,662	32%

- (i) Mr McIlree resigned on the 11 September 2014, payments includes \$117,519 pay out on termination of employment contract, inclusive of \$15,750 unused annual leave accrued in the current and prior years and \$2,965 long service leave entitlement accrued in the year ended 31 December 2014.
- (ii) Payment of expense allowance related to the payment of rent for R McIlree in the UK.
- (iii) Shares were issued to directors and senior management as compensation for the directors and senior management agreeing to a reduction in salary and other employment entitlements that would have otherwise been payable in cash. The shares were issued in up to four tranches over a two year period, the values stated above represent the fair value of tranches vested during the current year. Refer to note 24 for further details
- (iv) All rights are Long Term Incentives that are subject to service period and share price vesting conditions which are detailed further in note 24 to the financial statements. The rights do not vest into fully paid shares unless the vesting conditions are satisfied. At 31 December 2015 all rights remain unvested and as a result the rights represent no immediate monetary value to the holder of the rights, at this date, with a monetary benefit only arising if the vesting conditions are satisfied prior to the expiry date. The above share based payment values are for reporting purposes only.
- (v) Mr Bunn resigned on the 31 December 2014.

Employee rights plan

In September 2013 the Remuneration Committee and the Board approved the Employee Rights Plan (“ERP”) and approved the issue of Employee Rights under the plan. All employees of the Consolidated Group were invited to participate in the ERP (excluding directors). The number of rights being offered to employees was determined by the seniority of the employee, with three levels of seniority being established and a factor based on the seniority being applied to the employee’s base salary.

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

During the financial year, the following share-based payment arrangements were applicable;

Rights series	Grant date	Expiry date	Grant date fair value \$	Vesting date
Employee Rights	04/10/2013	30/09/2016	578,270	(i)

- (i) The employee rights are subject to a 1 year service period vesting requirement and Company share price hurdles. The performance rights will vest in 3 tranches subject to the Company share price based on the volume weighted average price ('VWAP') exceeding the following price hurdles:

Tranche	5 Day VWAP share price hurdle
Tranche 1	\$0.50
Tranche 2	\$0.75
Tranche 3	\$1.00

- (ii) The employee rights value at grant date includes the \$367,990 being the value of employee rights issued to Shaun Bunn who resigned on 31 December 2014. The 1 year service period vesting requirement was satisfied prior to Mr Bunn's resignation, therefore Mr Bunn retains his entitlement to the employee rights which are still subject to the share price hurdles.

Options exercised

No options issued to directors or senior management were exercised during the year ended 31 December 2015 or the previous financial year ended 31 December 2014.

Rights expired

During the current financial year ended 31 December 2015 the following un-vested Employee Performance Rights expired due to failing to meet the share price vesting hurdles. The Rights were issued in 2012 and fully expensed proportionately over the years ended 31 December 2012 to 31 December 2013.

Directors	Number	Value @ grant date \$	Expiry date	Value @ expiry date
A Ho	1,000,000	460,000	23/01/2015	-

During the previous financial year ended 31 December 2014 the following un-vested Employee Performance Rights expired due to failing to meet the share price vesting hurdles. The Rights were issued in 2011 and fully expensed proportionately over the years ended 31 December 2011 to 31 December 2013.

Directors	Number	Value @ grant date \$	Expiry date	Value @ expiry date
R McIlree	2,700,000	1,650,664	15/05/2014	-
J Mair	2,100,000	1,283,660	15/05/2014	-
M Hutchinson	1,400,000	482,858	15/05/2014	-
S Cato	600,000	196,884	15/05/2014	-
A Ho	600,000	209,540	15/05/2014	-
J Whybrow	1,000,000	342,646	15/05/2014	-

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

Rights cancelled

No un-vested Employee Performance Rights were cancelled in during the current financial year ended 31 December 2015 or the previous financial year ended 31 December 2014.

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 or prior period.

Key management personnel equity holdings

Refer to note 27 for full details of key management personnel equity holdings.

Transactions with related parties

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 and Energy 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 2015 \$73,365 was paid to Advance Share Registry Limited for services provided (Dec 2014: \$83,333).

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

The remuneration policy has been tailored to align the interests of shareholders, directors and senior management. To achieve this aim, the entity may issue options 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 bench marks and milestones. These bench marks 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 2011 to 31 December 2015 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 2015	12 Month period ended 31 Dec 2014	12 Month period ended 31 Dec 2013	12 Month period ended 31 Dec 2012	6 Month period ended 31 Dec 2011
Revenue	\$193,508	\$760,583	\$297,067	\$351,106	\$1,116,879
Net loss before and after tax	(\$4,091,615)	(\$5,062,999)	(\$8,768,670)	\$(17,344,250)	\$(14,209,550)
Share price at beginning of period	\$0.07	\$0.21	\$0.27	\$0.46	\$1.20
Share price at end of period	\$0.03	\$0.07	\$0.21	\$0.27	\$0.46
Dividend	-	-	-	-	-
Basic loss per share	\$0.06	\$0.08	\$0.20	\$0.04	\$0.04
Diluted loss per share	\$0.06	\$0.08	\$0.20	\$0.04	\$0.04

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

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 9.5% 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.

John Mair, Managing Director

- 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.
- Superannuation at 9.5% is payable on the base salary.
- Either the Company or the employee may terminate his engagement without cause by giving the other party twelve 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 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 9.5% 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.

Michael Hutchinson, Non-Executive Director

- Director fee of \$45,000 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.

Jeremy Whybrow, Non-Executive Director

- Director fee of \$45,000 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.

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

Senior Management

Miles Guy, *Chief Financial Officer and Company Secretary*

- Term and type of contract – service agreement subject to annual review.
- Base salary, of \$180,000 per annum and is paid monthly two weeks in advance and two weeks in arrears.
- Superannuation at 9.5% 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, there are no other specific payout clauses
- Remuneration will be reviewed every 12 months or as otherwise agreed between the parties.

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

Director	Directors Meetings	
	Number of meetings eligible to attend	Number attended
A Ho	12	12
J Mair	12	12
S Cato	12	12
M Hutchinson	12	10
J Whybrow	12	12

Audit and Risk Committee

The audit committee members are Simon Cato (Chairman), Michael Hutchinson and Jeremy Whybrow. 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:

Member	Audit Committee Meetings	
	Number of meetings eligible to attend	Number Attended
S Cato	2	2
M Hutchinson	2	1
J Whybrow	2	1

DIRECTORS' REPORT

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.

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 30.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2015 has been received and is included on page 33 the financial report.

Corporate governance statement

The board of Directors of Greenland Minerals and Energy 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 third edition of the ASX Corporate Governance Council Principles and Recommendations. The policy was approved by the board on XX March 2016 and is available on the Company's website: www.ggg.gl/investor-information/corporate-governance/

Rounding off of amounts

The Consolidated Group is a Consolidated Group of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998. In accordance with that Class Order 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.



John Mair
Managing Director

The Board of Directors
Greenland Minerals and Energy Limited
Ground Floor,
Unit 6, 100 Railway Road,
Subiaco WA 6008

30 March 2016

Dear Board Members

Greenland Minerals and Energy 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 and Energy Limited.

As lead audit partner for the audit of the financial statements of Greenland Minerals and Energy Limited for the financial year ended 31 December 2015, 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



David Newman
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited.

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

Report on the Financial Report

We have audited the accompanying financial report of Greenland Minerals and Energy Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 36 to 73.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Greenland Minerals and Energy Limited would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Greenland Minerals and Energy Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a loss of \$4,091,000 (2014: \$5,063,000) and experienced net cash outflows from operating and investing activities of \$6,445,000 (2014: \$8,237,000) for the year ended 31 December 2015. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity and company to continue as going concerns and therefore, the consolidated entity and company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 31 of the directors' report for the year ended 31 December 2015. 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.

Opinion

In our opinion the Remuneration Report of Greenland Minerals and Energy Limited for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.


DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountants
Perth, 30 March 2016

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 and performance of the Consolidated Group;
- (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



John Mair
Managing Director
Subiaco, 30 March 2015

**Consolidated statement of profit or loss and other comprehensive income
 for the year ended 31 December 2015**

	Note	Dec 2015 \$' 000	Dec 2014 \$' 000
Revenue from continuing operations	5	194	761
Expenditure			
Director and employee benefits	6(a)	(1,062)	(3,035)
Professional fees	6(b)	(497)	(895)
Occupancy expenses	6(c)	(322)	(338)
Listing costs	6(d)	(138)	(177)
Royalty acquisition cost	6(e)	(847)	-
Impairment of capitalised exploration and evaluation expenditure	6(f)	(594)	-
Other expenses	6(g)	(825)	(1,379)
Loss before tax		(4,091)	(5,063)
Income tax expense	7	-	-
Loss for year		(4,091)	(5,063)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of foreign operations		38	(2,015)
Income tax relating to components of comprehensive income	7	-	-
Other comprehensive income for the year		38	(2,015)
Total comprehensive (loss)/income for the year		(4,053)	(7,078)
Loss attributable to:			
Owners of the parent		(4,091)	(5,063)
		(4,091)	(5,063)
Total comprehensive (loss)/ income attributable to:			
Owners of the parent		(4,053)	(7,078)
		(4,053)	(7,078)
Basic loss per share – cents per share	20	0.058	0.82
Diluted loss per share – cents per share		0.058	0.82

Notes to the financial statements are included on pages 41 to 73

**Consolidated statement of financial position
as at 31 December 2015**

	Note	Dec 2015 \$' 000	Dec 2014 \$' 000
Current Assets			
Cash and cash equivalents	8	2,706	5,569
Trade and other receivables	9	43	172
Other assets	10(a)	587	219
Total Current Assets		3,336	5,960
Non-Current Assets			
Property, plant and equipment	11	1,166	1,311
Capitalised exploration and evaluation expenditure	12	71,815	68,031
Other assets	10(b)	185	41
Total Non-Current Assets		73,166	69,383
Total Assets		76,502	75,343
Current Liabilities			
Trade and Other Payables	13	987	786
Other liabilities	14	-	85
Provisions	15(a)	249	192
Total Current Liabilities		1,236	1,063
Non-Current Liabilities			
Provisions	15(b)	97	50
Total Non-Current Liabilities		97	50
Total Liabilities		1,333	1,113
Net Assets		75,169	74,230
Equity			
Issued Capital	16	348,361	344,349
Reserves	17	(8,564)	(9,582)
Accumulated Losses	19	(264,628)	(260,537)
Total Equity		75,169	74,230

Notes to the financial statements are included on pages 41 to 73

**Consolidated statement of changes in equity
 for the year ended 31 December 2015**

	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 2014	336,950	24,888	4,538	(39,672)	(255,474)	71,230
Net loss for the year	-	-	-	-	(5,063)	(5,063)
Other Comprehensive income	-	-	(2,015)	-	-	(2,015)
Total comprehensive for the year	-	-	(2,015)	-	(5,063)	(7,078)
Issue of shares						
Net of transaction costs	6,302	2,135	-	-	-	8,437
Issue of shares from Recognition of share based payments	1,081	545	-	-	-	1,626
Issue of shares from option exercise	16	(1)	-	-	-	15
Balance at 31 December 2014	344,349	27,567	2,523	(39,672)	(260,537)	74,230
Balance at 1 January 2015	344,349	27,567	2,523	(39,672)	(260,537)	74,230
Net loss for the year	-	-	-	-	(4,091)	(4,091)
Other Comprehensive income	-	-	38	-	-	38
Total comprehensive for the year	-	-	38	-	(4,091)	(4,053)
Issue of shares						
Net of transaction costs	2,519	-	-	-	-	2,519
Recognition of share based payments – acquisition of royalty	780	67	-	-	-	847
Recognition of share based payments – cost of Long State facility	408	193	-	-	-	601
Recognition of share based payments – rights issue	205	720	-	-	-	925
Recognition of share based payments – consultants	96	-	-	-	-	96
Issue of shares from option exercise	4	-	-	-	-	4
Balance at 31 December 2015	348,361	28,547	2,561	(39,672)	(264,628)	75,169

Notes to the financial statements are included on pages 41 to 73

**Consolidated statement of cash flows
for the year ended 31 December 2015**

	Note	31 Dec 2015 \$' 000	31 Dec 2014 \$' 000
Cash flows from operating activities			
Receipts from customers		22	508
Payments to suppliers and employees		(2,219)	(3,747)
Net cash used in operating activities	23	(2,197)	(3,239)
Cash flows from investing activities			
Interest received		101	183
Payments for property, plant and equipment		(8)	(47)
Payments for exploration and development		(5,416)	(6,312)
Proceeds from government grants and rebates		1,075	1,188
Net cash used in investing activities		(4,248)	(4,988)
Cash flows from financing activities			
Proceeds from issue of shares/options		3,749	8,843
Payment for shares/options issue costs		(167)	(390)
Net cash from financing activities		3,582	8,453
Net (decrease)/increase in cash and equivalents			
Cash and equivalents at the beginning of the financial year		(2,863)	226
Cash and equivalents at the end of the Financial year	8	5,569	5,343

Notes to the financial statements are included on pages 41 to 73

Notes to the accounts

1. General information

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

Registered office

Unit 6, 100 Railway Road Subiaco WA

Principal place of business

Unit 6, 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 2016.

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 Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The consolidated entity incurred a loss of \$4,091,000 (2014: \$5,063,000) and experienced net cash outflows from operating and investing activities of \$6,445,000 (2014: \$8,237,000) for the year ended 31 December 2015. Cash and cash equivalents totaled \$2,706,000 as at 31 December 2015 (31 December 2014: \$5,960,000).

The Directors consider that the Group is a going concern and recognise that additional capital is required to ensure that it can continue to fund its operations during the twelve month period from the date of signing this report, and that certain expenditures may need to be deferred including those associated with the processing of the mining licence application, to coincide with any such capital raising activity. In this regard, the Group is already in discussions with a number of financiers and the Group has plans to raise additional equity prior to December 2016 to fund its planned operations.

The Company has a history of successful capital raisings to meet the consolidated entity's funding requirements. The Directors are satisfied that they will be able to raise additional capital as required to enable the Group to meet its obligations as and when they fall due, and defer expenditure to coincide with any such capital raising activity, and accordingly, consider that it is appropriate to prepare the financial statements on the going concern basis.

Notes to the accounts

2. Significant accounting policies (cont'd)

The Directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly that the consolidated entity will be able to continue as a going concern and meet its obligations-as and when they fall due.

Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty whether the consolidated entity and company will be able to continue as going concerns and therefore whether they will be able to realise their assets and extinguish their liabilities in the normal course of business.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity and company not continue as going concerns.

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

In the current period, the Consolidated Group has adopted all of the new and revised Standards and

The following Standards and Interpretations have been adopted in the current year:

AASB 2014-1 (Part A)	Amendments to Australian Accounting Standards – Annual Improvements 2010-2012 and 2011-2013 Cycles
AASB 2014-1 (Part C)	Amendments to Australian Accounting Standards – Materiality
AASB 2014-2	Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

The Consolidated Entity has not elected to early adopt any new standards or amendments.

At the date of authorisation of the financial report, a number of Standards and interpretations were on issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	31 December 2016

Notes to the accounts
2. Significant accounting policies (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 December 2016
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' and AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15'	1 January 2018	31 December 2018
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	31 December 2016
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' and AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2018	31 December 2018
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 December 2016
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 December 2016
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	31 December 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	31 December 2016
AASB 2015-7 'Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities'	1 July 2016	31 December 2017
AASB 2015-9 'Amendments to Australian Accounting Standards – Scope and Application Paragraphs'	1 January 2016	31 December 2016

The Directors note that the impact of the initial application of the Standards and Interpretations is not yet known or is not reasonably estimable. These Standards and Interpretations will be first applied in the financial report of the Consolidated Entity that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

Notes to the accounts

2. Significant accounting policies (cont'd)

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. 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) Joint venture arrangements

Jointly controlled operations

Where the Consolidated Group is a venturer and so has joint control in a jointly controlled operation, the Consolidated Group recognises the assets that it controls and the liabilities and expenses that it incurs, as a party to the joint venture.

(c) 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 and Energy 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.

Notes to the accounts

2. Significant accounting policies (cont'd)

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.

(d) 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.

(e) Revenue

Revenue is measured at the fair value of the consideration when received or receivable.

Interest revenue

Interest revenue is accrued on a time basis, 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.

Rental income

Revenue from operating sub-leases is recognised in accordance with the Consolidated Group's accounting policy.

(f) 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 24.

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.

(g) 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

Notes to the accounts

2. Significant accounting policies (cont'd)

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 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.

(h) **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.

(i) **Financial assets**

Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: 'Financial assets at fair value through profit and loss (FVTPL)', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate

Notes to the accounts

2. Significant accounting policies (cont'd)

that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the Consolidated Group manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 10.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the receivable at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Consolidated Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Consolidated Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Consolidated Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Consolidated Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Consolidated Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the accounts

2. Significant accounting policies (cont'd)

(j) 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant 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

(k) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. However, contingent rentals arising under operating leases are recognised as income in a manner consistent with the basis on which they are determined.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(l) 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.

(m) 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 financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Notes to the accounts

2. Significant accounting policies (cont'd)

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.

(n) 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.

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.

(o) 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.

Notes to the accounts

2. Significant accounting policies (cont'd)

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 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.

(p) 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.

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:

Capitalisation 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.

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.

Notes to the accounts

3: Critical accounting estimates and judgments

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:

Impairment 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 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 2015, the carrying value of capitalised exploration expenditure is \$71,814,756 (2014: \$68,030,812) refer to note 12.

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: Revenue

	31 Dec 2015 \$' 000	31 Dec 2014 \$' 000
Interest - Bank deposits	82	190
Project consulting	-	508
Other revenue	112	63
	194	761

6: Expenditure

	31 Dec 2015 \$' 000	31 Dec 2014 \$' 000
(a) Director and employee benefits		
Directors' fees	(251)	(197)
Directors' and employee salary and wage expense	(743)	(1,154)
Directors' and employee post-employment benefits	(68)	(58)
Directors' and employee share based payments	-	(1,626)
	(1,062)	(3,035)

Notes to the accounts

6: Expenditure (cont'd)

	31 Dec 2015 \$' 000	31 Dec 2014 \$' 000
(b) Professional fees:		
Audit, accounting and taxation expense	(162)	(151)
Legal fess	(129)	(373)
Marketing and public relations	(52)	(174)
Consulting	(154)	(197)
	(497)	(895)
(c) Occupancy expense:		
Rent	(297)	(320)
Electricity	(25)	(18)
	(322)	(338)
(d) Listing costs:		
Stock exchange fees	(65)	(94)
Share registry fees	(73)	(83)
	(138)	(177)
(e) Royalty acquisition costs (i)	(847)	-
(f) Impairment of capitalised exploration and evaluation expenditure (ii)	(594)	-
(g) Other expenses		
Loss on disposal of investments	-	(63)
Loss on foreign currency exchange	(13)	(17)
Depreciation expense	(153)	(186)
Insurance	(67)	(86)
Operating lease rental expenses	(5)	(5)
Travel expenses	(84)	(248)
Payroll tax	(73)	(81)
Printing, stationery and office costs	(32)	(41)
Telephone	(46)	(65)
Other expenses	(352)	(587)
	(825)	(1,379)

- (i) In March 2015 The Company finalised the acquisition of a remaining 2% royalty over future production from the Kvanefjeld project, through the issue of 13,690,000 shares and 13,690,000 GGGOA options, refer to note 16 and 17. The rights to this royalty were previously held by an external party. Any future payments under the royalty would have been a liability to the Consolidated Group and recognised as an expense in the relevant future period.

Notes to the accounts
6: Expenditure (cont'd)

The acquisition of the royalty has reduced the future potential costs to the Consolidated Group and therefore the acquisition consideration as been recognised as an expense in the current year.

- (ii) Refer to note 12 for more information.

7: Income tax

	31 Dec 2015 \$' 000	31 Dec 2014 \$' 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	(4,091)	(5,063)
Prima facie tax benefit on loss at 30%	(1,227)	(1,519)
add:		
Tax effect of:		
other non-allowable items	480	478
provisions and accruals	129	152
accrued income	7	5
revenue loss not recognised	2,525	3,044
	3,141	3,679
Less:		
Tax effect of:		
exploration, evaluation and development expenditure	(1,625)	(1,888)
provisions and accruals	(132)	(103)
capital expenditure write off	(155)	(162)
other deductions	(2)	(7)
	(1,914)	(2,160)
Income tax expense	-	-
The following deferred tax balances have not been recognised:		
Deferred tax assets:		
at 30%		
Carry forward revenue losses	31,625	29,100
Capital expenditure costs	980	1,165
	32,605	30,265
Less: offset against deferred tax liability	(15,176)	(13,549)
	17,429	16,716

Notes to the accounts

7: Income tax (cont'd)

The above deferred tax assets will only be recognised when and if:

- (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 2015 \$' 000	31 Dec 2014 \$' 000
Deferred tax liabilities: at 30%		
Exploration, evaluation and development expenditure	15,169	13,544
Accrued income	7	5
	15,176	13,549
less offset against deferred tax assets	(15,176)	(13,549)
	-	-

8: Cash and equivalents

	Dec 2015 \$' 000	Dec 2014 \$' 000
Cash at bank	225	397
Cash on deposit at call	2,059	4,751
Cash on deposit	422	421
	2,706	5,569

The Consolidated Group's financial risk management objectives and policies are discussed further at note 25.

9: Trade and other receivables

	Dec 2015 \$' 000	Dec 2014 \$' 000
(a) Current		
Debtors	5	-
Accrued interest	6	25
GST refundable	32	132
Refunds due	-	14
	43	172

Notes to the accounts
9: Trade and other receivables (cont'd)

- (i) Trade debtors and sundry debtors are non-interest bearing, unsecured and generally on 30 day terms. As at 31 December 2015 and 31 December 2014 no amounts were past due but not impaired. Additionally there was no allowance for doubtful debts at either 31 December 2015 or 31 December 2014.

10: Other assets

	Dec 2015 \$' 000	Dec 2014 \$' 000
(a) Current		
Deposit bonds	78	78
Prepayments	509	141
	587	219
(b) Non-current		
Prepayments	144	-
	144	-

11: Property, plant and equipment

	Dec 2015 \$' 000	Dec 2014 \$' 000
Plant and Equipment (cost)	1,568	1,560
Accumulated depreciation	(1,104)	(996)
Leasehold improvements (cost)	41	41
Accumulated depreciation	(16)	(13)
Buildings	872	872
Accumulated depreciation	(195)	(153)
	1,166	1,311

(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.

	Dec 2015 \$' 000	Dec 2014 \$' 000
Plant and Equipment		
Carrying value at beginning of year	564	710
Acquisitions	8	29
Disposals	-	(23)
Effects of currency translation	-	(12)
Depreciation expense	(108)	(140)
Carrying value at end of year	464	564

Notes to the accounts

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

	Dec 2015 \$' 000	Dec 2014 \$' 000
Leasehold improvements		
Carrying value at beginning of year	28	66
Disposals	-	(33)
Depreciation expense	(3)	(5)
Carrying value at end of year	25	28
Buildings		
Carrying value at the beginning of year	719	729
Acquisitions	-	59
Effects of currency translation	-	(28)
Depreciation	(42)	(41)
Carrying value at end of year	677	719
Total property, plant and equipment carrying value at end of period	1,166	1,311

12: Capitalised exploration and evaluation expenditure

	Dec 2015 \$' 000	Dec 2014 \$' 000
Balance at beginning of year	68,031	64,859
Exploration and/or evaluation phase in current period:		
Capitalised expenses	5,416	6,294
Effects of currency translation (i)	37	-
	73,484	71,153
Less:		
Research and development tax offset received	(1,075)	(1,126)
Impairment of capitalised expenditure (ii)	(594)	-
Effects of currency translation (i)	-	(1,996)
Balance at end of year	71,815	68,031

- (i) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals and Energy (Trading) A/S, the 100% owned Greenlandic subsidiary. As a result 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) During the year, the Company relinquished EL 2013/05 and allowed EL 2011/26 and EL 2011/27 to lapse, following a decision not to carry out any further exploration activity on these license areas. This decision does not affect or impede the potential development of EL 2010/02. The impairment represents the value of costs for these licences that were capitalised in prior years.

Notes to the accounts
12: Capitalised exploration and evaluation expenditure (cont'd)

- (iii) The recoverability of the Consolidated Group's carrying value of the capitalised exploration and evaluation expenditure relating to EL 2010/02 is subject to the successful development and exploitation of the exploration property. The Consolidated Group has completed a feasibility study and environmental and social impact studies. These studies have been submitted to the relevant Greenland authorities, as a commencement of the process for an application for the right to mine.
- (iv) The Consolidated Group has a positive outlook regarding its ability to successfully develop the project, as a multi element project. The Consolidated Group will continue to work with the Greenland Government and other stakeholders to progress the mining license application, with the view of moving to development. This will be done in a manner that is in accordance with both Greenland Government and local community expectations.

13: Trade and other payables

	Dec 2015 \$' 000	Dec 2014 \$' 000
Accrued expenses (i)	299	298
Trade creditors (ii)	539	381
Sundry creditors (ii)	149	107
	987	786

- (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.

14: Other liabilities

	Dec 2015 \$' 000	Dec 2014 \$' 000
EURARE grant advanced payment (i)	-	85
	-	85

- (i) Greenland Minerals and Energy (Trading) A/S is a participant in the EURARE Project, a European Union initiated project to assess the development and exploitation of Europe's rare earth deposits. As a participant in the EURARE Project Greenland Minerals and Energy (Trading) A/S has received an advanced grant payment, which is to be applied against approved EURARE Project expenses.

Notes to the accounts

15: Provisions

	Dec 2015 \$' 000	Dec 2014 \$' 000
(a) Current		
Provision for annual leave	249	192
	249	192
(b) Non-current		
Provision for long service leave	97	50
	97	50

16: 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 2015		Dec 2014	
	No ' 000	\$' 000	No ' 000	\$' 000
Balance brought forward	669,390	344,349	574,572	336,950
Issue of ordinary shares through renounceable rights issue	82,308	2,795	88,685	8,868
Issue of ordinary shares as consideration for rights issue costs	3,417	205	3,302	331
Issue of ordinary shares – Long State facility	12,465	950		
Issue of ordinary shares as consideration for share based payments – Long State facility	5,020	408		
Issue of ordinary shares as consideration for share based payments – royalty acquisition	13,690	780	2,806	1,081
Issue of ordinary shares as consideration for share based payments – other	1,400	96		
Issue of ordinary shares as a result of exercised options:				
\$0.60 exercise price options	-	-	25	15
\$0.20 exercise price options	16	4		
\$0.08 exercise price options	3	-		
Less costs associated with shares issued	-	(1,226)	-	(2,896)
Balance at end of financial year	787,709	348,361	669,390	344,349

Notes to the accounts
17: Reserves

	Dec 2015 \$' 000	Dec 2014 \$' 000
a) Option reserve		
Balance brought forward	27,567	24,888
Issue of employee rights to senior management (i)		438
Issue of employee rights to staff (i)		849
Issue of \$0.20 exercise price unlisted options	107	
Issue of \$0.25 exercise price unlisted options	86	
Issue of \$0.20 exercise price listed options – royalty acquisition	67	
Issue of \$0.20 exercise price options on the basis of one option for every \$0.10 shares issued	-	2,135
Issue of \$0.08 exercise price options on the basis of one option for every \$0.035 shares issued	720	-
Balance at end of financial year	<u>28,547</u>	<u>27,567</u>

(i) Refer to note 24 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 24 to the financial statements.

	Dec 2015 \$' 000	Dec 2014 \$' 000
b) Foreign currency translation reserve		
Balance brought forward	2,523	4,538
Current period adjustment from currency translation of foreign controlled entities	38	(2,015)
Balance at end of year	<u>2,561</u>	<u>2,523</u>

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 and Energy (Trading) A/S, to Australian dollars.

	Dec 2015 \$' 000	Dec 2014 \$' 000
c) Non-controlling interest acquisition reserve		
Balance brought forward	(39,672)	(39,672)
Balance at end of year	<u>(39,672)</u>	<u>(39,672)</u>

The non-controlling interest acquisition reserve records the acquisition of the non-controlling interests in Greenland Minerals and Energy (Trading) A/S.

Notes to the accounts

17: Reserves (cont'd)

	Dec 2015 \$' 000	Dec 2014 \$' 000
d) Total reserves		
Option reserve	28,547	27,567
Foreign currency translation reserve	2,561	2,523
Non-controlling interest acquisition reserve	(39,672)	(39,672)
	(8,564)	(9,582)

18: Dividends

No dividends have been proposed or paid during the period or comparative period.

19: Accumulated losses

	Dec 2015 \$' 000	Dec 2014 \$' 000
Balance at beginning of financial year	(260,537)	(255,474)
Loss attributable to members of parent entity	(4,091)	(5,063)
Related income tax	-	-
Balance at end of financial year	264,628	(260,537)

20: Loss per share

	Dec 2015 Cents Per share	Dec 2014 Cents Per share
Basic loss per share		
From continuing operations	0.58	0.82
Diluted loss per share		
From continuing operations	0.58	0.82

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 2015	Dec 2014
Loss for year (\$)	4,091,615	5,062,998
Weighted average number of shares used in the calculation of basic and diluted loss per share (Number)	709,915,806	620,023,610

- (i) There were 216,065,646 potential ordinary shares on issue at 31 December 2015 (31 December 2014: 102,670,512) 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.

Notes to the accounts

21: Commitments for expenditure

Exploration commitments: EL 2010/02 is located in Greenland. The tenement expenditure incurred during the year ended 31 December 2015 and prior years was in excess of 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 will be sufficient to meet the minimum expenditure requirements over this period.

	Dec 2015 \$'000	Dec 2014 \$'000
Operating leases (i)		
Not longer than 1 year	100	250
Longer than 1 year but not longer than 5 years	-	-
Longer than 5 years	-	-
	100	250

	Dec 2015 \$'000	Dec 2014 \$'000
Other contractual obligations		
Not longer than 1 year	-	-
Longer than 1 year but not longer than 5 years	-	-
Longer than 5 years	-	-
	-	-

- (i) The only commitments for operating leases are lease rentals on the Consolidated Group's Perth head office premises. The current lease expires on the 14 February 2017, and is non-cancelable, with a 2 year renewal option.

22: Subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest	
		Dec 2015 %	Dec 2014 %
Chahood Capital Limited	Isle of Man	100	100
Greenland Minerals and Energy (Trading) A/S	Greenland	100	100

Notes to the accounts

23: Notes to the statement of cash flows

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

	Year ended 31 Dec 2015 \$' 000	Year ended 31 Dec 2014 \$' 000
Loss for the year	(4,091)	(5,063)
(Gain) loss on sale or disposal of non-current assets	-	63
Depreciation	153	187
Equity-settled share-based payments	877	1,626
Impairment of capitalised exploration and evaluation expenditure	594	-
Interest income received and receivable	(81)	(190)
(Increase)/decrease in assets		
Trade and other receivables	129	(87)
Increase (decrease) in liabilities		
trade and other payables	173	177
Provisions	103	48
Net cash used in operating activities	(2,143)	(3,239)

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

24: Share based payments

In addition to the share based payments discussed elsewhere within this this note, the following share-based payment arrangements were in existence during the year ended 31 December 2015:

Date	Number	Issue Price	Value
9/03/2015 (i)	13,690,000	\$0.057	\$780,330
15/04/2015 (ii)	3,554,502	\$0.084	\$300,000
25/05/2015 (iii) (vii)	299,043	\$0.084	\$25,000
25/06/2015 (iv) (vii)	1,166,557	\$0.071	\$82,835
30/07/2015 (v)	1,400,000	\$0.069	\$96,570
12/10/2015 (vi)	5,857,143	\$0.035	\$205,000

- (i) Shares issued as consideration for the acquisition of the remaining 2% royalty on future production from the Kvanefjeld project. The number of shares issued was determined based on the share price at the date of issuance.
- (ii) Shares issued in consideration for fees payable under the equity placement facility entered into with Long State Investments Limited. The number of shares issued was determined based on the share price at the date of issuance.
- (iii) Shares issued in lieu of the commission payable on the first drawdown from the equity placement facility.
- (iv) Shares issued in lieu of the commission payable on the second drawdown from the equity placement facility and the price adjustment applied to the first drawdown in accordance with the provisions of the facility.
- (v) Settlement of a commercial litigation matter that would have otherwise been payable to the same value in cash. The number of shares issued was determined based on the share price at the date of issuance.
- (vi) Underwriting rights issue fees payable, that were settled through the issue of shares. The number of shares issued was determined based on the share price at the date of issuance.

Notes to the accounts

24: Share based payments (Cont'd)

- (vii) Shares issued were priced at 95% of the average daily volume weighted average prices (VWAP) of GMEL shares traded on each of the 5 trading days prior to the Placement Notice Date specified by GMEL. A cash discount of 5% was payable by GMEL to Long State at the time of issue. Subsequently the price was adjusted based upon the 95% of the average VWAPs for the 5 trading days prior to the Placement Date and the 5 trading days subsequent to the Placement Date, with the Company making an additional payment or issuing additional shares to Long State.

In addition to the share based payments discussed elsewhere within this this note, the following options were granted as share-based payment arrangements during the year ended 31 December 2015:

Option	Grant date	Number	Fair value @ grant date \$	Expiry date
\$0.20 Unlisted exercise price (i)	24/02/2015	7,500,000	107,185	24/02/2018
\$0.25 Unlisted exercise price (i)	24/02/2015	7,500,000	86,570	24/02/2018
\$0.20 Listed exercise price (ii)	09/03/2015	13,690,000	66,653	30/06/2016

- (i) Options granted in accordance with entering an equity placement facility with Long State Investments Limited.
- (ii) Options granted as consideration for the acquisition of the remaining 2% royalty on future production from the Kvanefjeld project.

Rights expired

During the current financial year ended 31 December 2015 the following un-vested Employee Performance Rights expired due to failing to meet the share price vesting hurdles. The Rights were issued in 2012 and fully expensed proportionately over the years ended 31 December 2012 to 31 December 2013.

Directors	Number	Value @ grant date \$	Expiry date	Value @ expiry date
A Ho	1,000,000	460,000	23/01/2015	-

During the previous financial year ended 31 December 2014 the following un-vested Employee Performance Rights expired due to failing to meet the share price vesting hurdles. The Rights were issued in 2011 and fully expensed proportionately over the years ended 31 December 2011 to 31 December 2013.

Directors	Number	Value @ grant date	Expiry date	Value @ expiry date
R McIlree	2,700,000	1,650,664	15/05/2014	-
J Mair	2,100,000	1,283,660	15/05/2014	-
M Hutchinson	1,400,000	482,858	15/05/2014	-
S Cato	600,000	196,884	15/05/2014	-
A Ho	600,000	209,540	15/05/2014	-
J Whybrow	1,000,000	342,646	15/05/2014	-

Notes to the accounts

25: 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 2014.

The capital structure of the Consolidated Group consists of fully paid shares and options as disclosed in notes 16 and 17 respectively.

None of the Consolidated Group's entities are subject to externally imposed capital requirements.

(b) Categories of financial instruments

	Dec 2015 \$' 000	Dec 2014 \$' 000
Financial assets		
Cash and equivalents	2,706	5,569
Trade and other receivables - current	43	172
Financial liabilities		
Amortised cost	988	871

(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 period 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.

Notes to the accounts

25: Financial instruments (cont'd)

The carrying amount of financial assets recorded in the financial statements, net of any provisions for 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 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.

(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 2015						
Cash and equivalents	2.28	2,486	220			2,706
Trade and receivables - current	-	43	-	-	-	43
		2,529	220			2,749
Dec 2014						
Cash and equivalents	2.44	5,148	421			5,569
Trade and receivables - current	-	172	-	-	-	172
		5,320	421			5,741

Notes to the accounts

25: Financial instruments

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 2015						
Trade and other payables	-	987	-	-	-	987
Other liabilities	-	-	-	-	-	-
		987	-	-	-	987
Dec 2014						
Trade and other payables	-	786	-	-	-	786
Other liabilities	-	-	85	-	-	85
		786	85	-	-	871

(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 2015, 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 2015 \$' 000	Dec 2014 \$' 000
Change in profit		
Increase in interest rate by 1% (100 basis points)	23	74
Decrease in interest rate by 1% (100 basis points)	(23)	(71)

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.

Notes to the accounts
25: Financial instruments (cont'd)
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.

26: Key management personnel compensation

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

	Year ended 31 Dec 2015 \$	Year ended 31 Dec 2014 \$
Short-term employee benefits	795,100	1,388,702
Post-employment benefits	65,075	92,689
Other long-term benefits – provision for long service leave	22,633	37,942
Share-based payment	-	711,329
	882,808	2,230,662

Refer to the remuneration report included in pages 24 to 31 of the Directors report for more detailed remuneration disclosures.

Notes to the accounts

27: Key management personnel equity holdings

Fully paid ordinary shares of Greenland Minerals and Energy Limited

	Balance at beginning of year No.	Granted as compensation No.	Received on exercise of options No.	Net other change (i) No.	Balance at end of year No.	Balance held nominally No.
Dec 2015						
A Ho	1,300,000	-	-	1,187,500	2,487,500	-
J Mair	6,291,249	-	-	1,697,813	7,989,062	-
S Cato	4,862,198	-	-	981,786	5,843,984	-
M Hutchinson	921,276	-	-	-	921,276	-
J Whybrow	6,260,200	-	-	-	6,260,200	-
M Guy	771,371	-	-	1,428,650	2,200,021	-
Dec 2014						
A Ho	550,000	-	-	750,000	1,300,000	-
J Mair	5,564,166	227,083	-	500,000	6,291,249	-
S Cato	4,762,198	-	-	100,000	4,862,198	-
M Hutchinson	210,638	210,638	-	500,000	921,276	-
J Whybrow	6,010,200	-	-	250,000	6,260,200	-
R McIlree (ii)	13,346,956	517,750	-	1,324,159	15,188,865	-
S Bunn (ii)	1,711,516	990,677	-	(2,102,193)	600,000	-
M Guy	467,894	353,387	-	(50,000)	771,371	-

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

(ii) Shares held by R McIlree and S Bunn as at the date of resignation, 11 September 2014 and 31 December 2014 respectively.

Notes to the accounts

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

Share options of Greenland Minerals and Energy Limited

	Balance at beginning of year No.	Granted as compensation No.	Exercised No.	Expired No.	Net other change (i) No.	Balance at end of year No.	Balance vested at end of year No.	Vested and exercisable No.	Options vested during year No.
Dec 2015									
A Ho	450,000	-	-	-	337,500	787,500	-	787,500	-
J Mair	500,000	-	-	-	1,597,813	2,097,813	-	2,097,813	-
S Cato	100,000	-	-	-	981,786	1,081,786	-	1,081,786	-
M Hutchinson	500,000	-	-	-	-	500,000	-	500,000	-
J Whybrow	250,000	-	-	-	-	250,000	-	250,000	-
M Guy	200,000	-	-	-	1,428,650	1,628,650	-	1,268,650	-
Dec 2014									
A Ho	-	-	-	-	450,000	450,000	-	450,000	-
J Mair	-	-	-	-	500,000	500,000	-	500,000	-
S Cato	-	-	-	-	100,000	100,000	-	100,000	-
M Hutchinson	-	-	-	-	500,000	500,000	-	500,000	-
J Whybrow	-	-	-	-	250,000	250,000	-	250,000	-
R McIlfree (ii)	-	-	-	-	666,266	666,266	-	666,266	-
S Bunn (ii)	-	-	-	-	-	-	-	-	-
M Guy	50,000	-	-	(50,000)	200,000	200,000	-	200,000	-

(i) Net other change relates to options subscribed for through rights issues, purchased or sold either on market through the ASX, or purchased or sold through third party off market transactions.

(ii) Options held by R McIlfree and S Bunn as at the date of resignation, 11 September 2014 and 31 December 2014 respectively.

Notes to the accounts

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

Performance rights of Greenland Minerals and Energy Limited

	Balance at beginning of year No.	Granted as compensation No.	Converted No.	Expired No.	Net other change (i) No.	Balance at end of year No.	Balance vested at end of year No.	Vested and convertible No.	Rights vested during year No.
Dec 2015									
A Ho	1,000,000	-	-	1,000,000	-	-	-	-	-
J Mair	-	-	-	-	-	-	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
M Hutchinson	-	-	-	-	-	-	-	-	-
J Whybrow	-	-	-	-	-	-	-	-	-
M Guy	-	-	-	-	-	-	-	-	-
Dec 2014									
A Ho	1,600,000	-	-	600,000	-	1,000,000	-	-	-
J Mair	2,100,000	-	-	2,100,000	-	-	-	-	-
S Cato	600,000	-	-	600,000	-	-	-	-	-
M Hutchinson	1,400,000	-	-	1,400,000	-	-	-	-	-
J Whybrow	1,000,000	-	-	1,000,000	-	-	-	-	-
R McIlfree	2,700,000	-	-	2,700,000	-	-	-	-	-
S Bunn	-	-	-	-	-	-	-	-	-
M Guy	-	-	-	-	-	-	-	-	-

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

Notes to the accounts
27: Key management personnel equity holdings (cont'd)
Employee Rights of Greenland Minerals and Energy Limited

	Balance at beginning of year No.	Granted as compensation No.	Converted No.	Expired 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 2015									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	-	-	-	-	-	-	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
M Hutchinson	-	-	-	-	-	-	-	-	-
J Whybrow	-	-	-	-	-	-	-	-	-
M Guy	1,200,000	-	-	-	-	1,200,000	-	-	-
Dec 2014									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	-	-	-	-	-	-	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
M Hutchinson	-	-	-	-	-	-	-	-	-
J Whybrow	-	-	-	-	-	-	-	-	-
R McIlree	-	-	-	-	-	-	-	-	-
S Bunn (ii)	-	2,100,000	-	-	-	2,100,000	-	-	-
M Guy	-	1,200,000	-	-	-	1,200,000	-	-	-

- (i) Under the terms of issue, the performance rights can't be brought sold or otherwise dealt with, therefore are not subject to other changes.
- (ii) Employee rights held by S Bunn as at the date of resignation, 31 December 2014.

Notes to the accounts

28: Transactions with related parties

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 and Energy 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 2015 \$73,365 was paid to Advance Share Registry Limited for services provided (Dec 2014: \$83,333).

29: Parent Company information

	Parent	
	Dec 2015 \$' 000	Dec 2014 \$' 000
Financial position		
Total Current Assets	2,863	5,804
Total Non-Current Assets	73,856	69,369
Total Assets	76,719	75,173
Total Current Liabilities	1,044	893
Total non-current liabilities	97	50
Total Liabilities	1,141	943
Net Assets	75,578	74,230
Equity		
Issued Capital	348,361	344,349
Reserves	19,813	18,833
Accumulated Losses	(292,596)	(288,952)
Total Equity	75,578	74,230
Financial Performance		
Profit (Loss) for the year	3,645	6,321
Total comprehensive income	3,645	6,321

Contingent liabilities

The parent company has no contingent liabilities as at 31 December 2015 or 2014.

Guarantees

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

Greenland Minerals and Energy Limited has placed \$220,000 and \$169,905 into two separate deposit accounts with the Company's bank. These deposits are held by the bank as security over corporate credit cards issued to the Company and deposit bond and lease office premises respectively.

Notes to the accounts

30: Remuneration of auditors

Auditor of the parent entity	Dec 2015 \$	Dec 2014 \$
Audit or review of the financial report	101,633	91,350
Other assurance services	8,000	8,500
Non-audit services - taxation	-	8,085
	109,633	107,935

Related practice of the parent entity auditor	Dec 2015 \$	Dec 2014 \$
Audit or review of the financial report	26,316	26,661
Non-audit services – taxation	1,583	1,838
Non-audit services – other	1,583	2,942
	29,482	31,441

The auditor of Greenland Minerals and Energy Limited is Deloitte Touche Tohmatsu.

31: Subsequent Events

The Company on 16 February 2016 issued 15,000,000 GGOB options. These options were issued under the Secondary Trading Prospectus issued on 2 February 2016. The options were issued to Corporate Advisers for corporate advisory services to be provided.

Other than the matter above, there have been no matters or circumstances occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

Additional stock exchange information as at 10th February 2016

Consolidated Group secretary

Miles Guy

Registered office

Unit 6, 100 Railway Road, Subiaco
Western Australia, 6008

Principal administration office

Unit 6, 100 Railway Road, Subiaco
Western Australia, 6008

Share registry

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

Number of holders of equity securities

Ordinary share capital

787,708,978 fully paid ordinary shares are held by 3,701 individual shareholders.

Table of exploration licenses

Exploration Licence	Location	Ownership
EL 2010/02	Southern Greenland	100% held by Greenland Minerals and Energy (Trading) A/S

Additional stock exchange information as at 10th February 2016
Substantial Shareholders

Shareholder	Number	Percentage
1. Citicorp Nominees Pty Limited	178,825,785	22.7%
2. JP Morgan Nominees Australia Limited	128,792,694	16.4%
3. HSBC Custody Nominees (Australia) Limited	107,222,859	13.6%

Distribution of holders of quoted shares

Share Spread	Holders	Units	Percentage
1 – 1,000	368	152,723	0.019%
1,001 – 5,000	830	2,489,412	0.316%
5,001 – 10,000	569	4,655,979	0.591%
10,001 – 100,000	1,412	53,458,614	6.787%
100,001 and over	522	726,952,250	92.287%
	3,701	787,708,978	100%

Twenty largest holders of quoted shares

Ordinary shareholders	Fully paid ordinary shares	
	Number	Percentage
1. Citicorp Nominees Pty Limited	178,825,785	22.7%
2. JP Morgan Nominees Australia Limited	128,792,694	16.4%
3. HSBC Custody Nominees (Australia) Limited	107,222,859	13.6%
4. Rimbali Pty Limited	20,887,624	2.6%
5. John Mair	7,989,062	1.0%
6. Jay and Linda Hughes	7,000,000	0.9%
7. Hackleton Investments limited	6,845,000	0.9%
8. ABN Amro Clearing Sydney Nominees Pty Limited	6,792,321	0.9%
9. Flourish Super Pty Limited <FlourishS/F A/C>	6,750,000	0.9%
10. Jeremy Sean Whybrow	6,260,200	0.8%
11. Simon Cato	5,843,984	0.7%
12. Elinora Investments Pty Limited	5,006,486	0.7%
13. Giacobbe, Dimitri and David Iesini	5,431,505	0.7%
14. Merrill Lynch (Australia) Nominees Pty Limited	5,353,411	0.7%
15. Notarianni Nominees Pty Limited <Notarianni Investments A/C>	4,190,959	0.5%
16. National Nominees Limited	4,116,359	0.5%
17. Peter Harry Hatch	4,000,000	0.5%
18. LS Whitehall Group Inc	3,872,840	0.5%
19. BNP Paribas Nominees Pty Limited <Commerzbank AG DRP>	3,858,308	0.5%
20. KGBR Future Fund Pty Limited	3,000,000	0.4%
	522,039,397	66.3%

Additional stock exchange information as at 10th February 2016

Distribution of holders of quoted options - GGGOA

Share Spread	Holders	Units	Percentage
1 – 1,000	170	87,879	0.083%
1,001 – 5,000	201	539,017	0.510%
5,001 – 10,000	85	642,368	0.608%
10,001 – 100,000	167	6,173,896	5.843%
100,001 and over	75	98,215,012	92.955%
	698	105,658,172	100%

Twenty largest holders of GGGOA options

GGGOA Option holders	Fully paid ordinary shares	
	Number	Percentage
1. HSBC Custody Nominees (Australia) Limited	21,016,999	20.0%
2. Citicorp Nominees Pty Limited	13,921,067	13.2%
3. JP Morgan Nominees Australia Limited	8,550,786	8.1%
4. Roderick McIlree	7,888,130	7.5%
5. Hackleton Investments Limited	6,845,000	6.5%
6. Sampension KP Livsforsikring	5,000,000	4.7%
7. Potatomagic Pty limited <Dyhn Investment A/C>	2,485,237	2.3%
8. Paul Damian Conboy	2,324,509	2.2%
9. Walter Graham	1,954,146	1.9%
10. Catchpole Investments Pty Limited	1,868,106	1.7%
11. Dymax Consultants Pty Limited	1,600,000	1.5%
12. Twofivetwo Pty Limited	1,516,750	1.4%
13. Jomot Pty Limited	1,469,590	1.4%
14. Prof Paul Edmond O'Brien	1,400,000	1.3%
15. Cameron French	1,100,000	1.1%
16. National Nominees Limited	1,090,786	1.0%
17. Michael Anthony Brownlee	1,000,000	1.0%
18. Adonis Kiritsopoulos and Jennifer Anne Ford	1,000,000	1.0%
19. Jaycem Pty Limited <The Mair Family A/C>	1,000,000	1.0%
20. James Bradley Richardson <Est Edward B Richardson A/C>	616,666	0.5%
	83,647,772	79.2%

Additional stock exchange information as at 10th February 2016
Distribution of holders of quoted options - GGGOB

Share Spread	Holders	Units	Percentage
1 – 1,000	80	43,711	0.051%
1,001 – 5,000	113	283,999	0.331%
5,001 – 10,000	53	410,662	0.479%
10,001 – 100,000	127	4,093,945	4.779%
100,001 and over	54	80,889,657	94.363%
	427	85,721,974	100%

Twenty largest holders of GGGOB options

GGGOB Option Holders	Fully paid ordinary shares	
	Number	Percentage
1. Citicorp Nominees Pty Limited	13,804,762	16.1%
2. JP Morgan Nominees Australia Limited	6,604,188	7.7%
3. HSBC Custody Nominees (Australia) Limited	5,556,560	6.5%
4. Flourish Super Pty Limited <Flourish S/F A/C>	5,500,000	6.4%
5. Mr Jiahuang Zhang	5,449,997	6.4%
6. M&K Korkidas Pty Limited <M&K Korkidas P/L S/Fund A/C>	4,092,434	4.8%
7. Elinora Investments Pty Limited <RAH Family A/C>	3,178,572	3.7%
8. KGBR Future fund Pty Limited	3,000,000	3.5%
9. Peto Pty Limited ,1953 Super Fund A/C>	3,000,000	3.5%
10. LTI Capital Pty Limited <LTI Capital A/C>	2,657,143	3.1%
11. Daniel and Frances Smart <Smart Superfund A/C>	2,000,000	2.3%
12. Peter Harry Hatch	2,000,000	2.3%
13. Kevin & Vikki Ho	1,998,010	2.3%
14. Hitmaster Pty Limited	1,953,512	2.3%
15. Brian Edward Fenton	1,650,000	1.9%
16. John Mair	1,597,813	1.8%
17. Hossam Habib Sharkawy	1,500,000	1.8%
18. Miles Guy	1,428,650	1.7%
19. Carol Margaret Newport	1,428,572	1.7%
20. Amitoze Nandha	1,000,000	1.2%
	69,400,213	80.9%



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