



**GREENLAND
MINERALS LTD**

GREENLAND MINERALS LIMITED

(Formerly Greenland Minerals and Energy Limited)

ACN 118 463 004

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2018



GREENLAND MINERALS LTD

Corporate Directory

Directors

Anthony Ho	Non-executive Chairman
Dr John Mair	Managing Director
Simon Cato	Non-executive Director
Xiaolei Guo	Non-executive Director

Company Secretary

Miles Guy

Registered and head office

Unit 7, 100 Railway Road
Subiaco WA 6008

Greenland Office

Nuugaarmiunt B-847
3921 Narsaq, Greenland

Home Stock Exchange

Australian Securities Exchange, Perth
Code: GGG
GGGOB

Auditors

Deloitte Touche Tohmatsu

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Company Website

www.ggg.gl



Contents

Directors' report	1
Auditor's independence declaration	7
Independent Auditor's Review report	8
Directors' declaration	10
Condensed consolidated statement of profit or loss and other comprehensive income	11
Condensed consolidated statement of financial position	12
Condensed consolidated statement of changes in equity	13
Condensed consolidated statement of cash flows	14
Notes to the condensed consolidated financial statements	15



Directors' Report

The directors of Greenland Minerals Limited (formerly known as Greenland Minerals and Energy Limited) ("the Company") herewith submit the consolidated financial report of Greenland Minerals Limited and its subsidiaries ("the Consolidated Group or GML"), for the half-year ended 30 June 2018. Pursuant to the provisions of the *Corporations Act 2001*, the directors report as follows:

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

Anthony Ho, **Non-executive Chairman**

Dr John Mair, **Managing Director**

Simon Cato, **Non-executive Director**

Xiaolei Guo, **Non-executive Director**

Principal Activities

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

Review of Operations

The net loss of the Consolidated Group after providing for income tax was \$1,493,113 compared to a net loss of \$1,222,788 for the corresponding period.

2018, Half-Yearly Highlights

Greenland's Role in New RE Supply Chains

GML is at the forefront of a strategic evolution in rare earth supply. Major changes are coming to global RE supply, with China looking to cap primary production in 2020, at a point when demand is set to surge. Prior to establishing a strategic relationship with leading rare earth company Shenghe in 2016, the Company had been actively engaging the Chinese rare earth industry for a number of years; a process which provided strong insight into how the industry was reshaping.

Kvanefjeld has a number of key attributes that, when integrated with Shenghe's downstream processing technology and capacity, can provide the potential to play an important role in new supply networks. These include:

- ✓ **Scale – largest code-compliant rare earth resource, ore reserve for initial 37-year mine life**
- ✓ **Simple mining with 1:1 strip ratio over initial 37-year mine life**
- ✓ **Multiple by-product revenue streams to strengthen project economics (U₃O₈, zinc, fluorspar)**
- ✓ **Composition – ideal production profile across key rare earths – Nd, Pr, Tb, Dy**
- ✓ **Yttrium enrichment is highly beneficial for latest RE separation technology**



Directors' Report

- ✓ RE minerals that allow for simple processing, which will be maximised by technical optimisation work conducted through 2017 with Shenghe
- ✓ Favourable country and project location with direct shipping access, international airport nearby
- ✓ Regulatory framework implemented to manage project operation and export controls

Greenland Minerals and Shenghe are considering a staged development to expediate project development. This would see initial downstream processing take place in China, with project-specific downstream processing jointly established outside of China. Kvanefjeld has the scale and longevity to justify the development of new supply chains to meet the growing needs of a number of demands.

Permitting Update – Impact Assessments

Following a thorough and constructive review process overseen by the Greenland Government, the updated Social and Environmental Impact Assessments (SIA, EIA) have been finalised by lead consultants. The revised reports will be reviewed by the Greenland Government, and will be translated in preparation for a public consultation period.

The updated SIA was completed by Shared Resources and has been lodged with Greenland's Ministry of Industry Labour and Trade (MILT) for review. Translation of the document to Greenlandic and Danish for the purpose of public consultation has also commenced.

The updated EIA report was produced by GHD and in conjunction with Orbicon and was submitted to the Environmental Agency for Mineral Resource Activities (EAMRA) in late August. The translations commence at the same time.

The Maritime Safety Study was accepted as suitable for public consultation 2017.

All three documents have been prepared to comply with Greenland government requirements, incorporate recommendations following from the extensive review process and in accordance with globally accepted best practices.

The Company will continue to work closely with the Greenland government to establish timelines and work through the remainder of the approval process as efficiently as possible.

Kvanefjeld Optimisation Program

Technical optimisation of Kvanefjeld is part of an on-going program of co-operation with leading rare earth company and major shareholder Shenghe. This strategy sees the integration of world-leading Chinese rare earth processing technology with one of the world's most significant rare earth projects, with the aim of developing a simpler, lower cost rare earth value chain.



Directors' Report

In early 2017 a technical committee was established with representatives from both GML and Shenghe to oversee test work programs that improve the metallurgical performance, simplify the processing route and related infrastructure, and improve the cost structure of the Kvanefjeld Project. Flotation beneficiation test work is being directed by Shenghe and draws on the expertise of a number of Chinese technical institutes. Work on the refinery circuit is being conducted in Australia and China.

Important technical progress has been made on both the flotation and refinery circuits as announced in December 2017, and January 2018. Test work continued through Q1 and Q2, 2018, with excellent results that continue to build confidence in project enhancements. The technical developments complement the unique non-refractory nature of the Kvanefjeld ore and have the project on track to be one of the simplest and lowest-cost rare earth producers globally.

Metallurgical test work has now been completed with two Chinese Institutes who have separately developed flotation methods to concentrate the unique, advantageous rare earth minerals from Kvanefjeld.

The Institute of Multipurpose Utilisation of Mineral Resources – Chinese Academy of Geological Sciences (IMUMR) based in Chengdu in Sichuan Province was the first institute engaged. They have developed flotation reagents and methods which have been successfully commercialised at Shenghe's operating mining. Test work with IMUMR commenced in May 2017 with initial results announced in December 2017. Baotou Meng Rong Fine Materials Co Ltd (BTMR) was the second institute engaged. They are a privately-owned technology and technical service provision company based in Baotou, Inner Mongolia. Test work with the BTMR commenced in February 2018 and is ongoing, with excellent initial results.

Initial test work by both technical groups produced substantially enhanced mineral concentrate grade approaching 25% REO. Notably, the Kvanefjeld Feasibility Study uses a mineral concentrate grade of 14% REO; well below the grades achieved by the revised flotation processes now under development.

The next phase has involved transferring the development work to Australia, overseen by technical teams from each of Chinese laboratories. Based on results, the preferred of the two new methodologies will then be selected for pilot plant operation.

This significant increase in mineral concentrate grade with a reduced mass of solids will result in substantial reductions in the size of equipment leading to lower capital and operating costs of the processing plant (atmospheric leach) circuit.

IMUMR – Perth Visit

A technical delegation from the IMUMR visited Perth in April to oversee and co-ordinate flotation test work on Kvanefjeld ore. The work was performed at the independent laboratory ALS located in Perth, Australia. The delegation consisted of flotation metallurgists and reagent development chemists. A program of intensive flotation test work was performed to optimise and validate the results which were achieved at the IMUMR's laboratories in Chengdu, China.



Directors' Report

A range of different types of tests were performed using the IMUMR supplied flotation reagents. Initial tests were simple batch tests to confirm the reagent scheme was working. Then a number of locked cycle flotation tests were performed to show more complete metallurgical performance.

The locked cycle tests include recycle streams from within a proposed flotation circuit. This gives slower floating particles the chance to report to the final product stream boosting recovery. These tests are very typical for flotation of both sulphide and oxide ores in order to produce a laboratory test which more closely resembles the performance of a commercial circuit.

Two separate locked cycle flotation tests were performed as part of this program to develop the conditions for pilot plant operations.

Upgrading of the Kvanefjeld ore from 1.4% REO to 20-25% REO in the mineral concentrate was observed in the optimised locked cycle test work. This process also results in the rejection of gangue elements such as aluminium from 7% in the ore to less than 2% in the mineral concentrate. This results in less acid consumption in the leach process and less mass for transport purposes.

Pilot Plant Operations

Planning and design for pilot plant operations in Perth is underway. The results from the Perth based test work using the methods devised by the Chinese Technical Institutes of IMUMR and BTMR will be assessed with the most suitable method and reagent scheme to be selected for use in the pilot plant work.

The Company is in discussions with a number of Perth laboratories to perform the flotation pilot plant. A flowsheet for the pilot plant is being developed and is designed to be applied in Greenlandic conditions. The use of high temperature high intensity conditioning is not required for the flotation reagents that are currently under evaluation. The highly selective nature of the Chinese reagent schemes has allowed for improved flotation performance without intense conditioning that had been required for the previous reagent scheme assumed for the 2016 Feasibility Study.

A 5-tonne sample of ore was prepared and shipped to Perth. This ore material is from a bulk sample that was crushed and blended by GTK of Finland in 2014 as part of pilot plant operations for the EURARE program. The metallurgical performance of this sample is well known as it has been extensively tested. This include mineralogical liberation studies.

BTMR – Perth Visit

A technical delegation from the BTMR visited Perth earlier in July to oversee and co-ordinate flotation test work to further develop their optimised flotation method for Kvanefjeld. The delegation similarly consists of flotation metallurgists and reagent development chemists.

The BTMR produce their own range of specialty flotation collectors. This allows them to customise the chemistry of their collectors to target specific minerals selectively.

The selectivity reduces the amount of gangue minerals which float and increases the grade of resulting concentrates. Improved selectivity of these customised collectors has been one of the keys to the high grades of concentrates achieved.



Directors' Report

New Pro-Mining Government in Greenland

Following a national election on April 24th, a new coalition government has been established. The Siumut Party, which led the incumbent government, won the most votes and has formed a coalition with three minority parties; Partii Naleraq, Atassut, and Nunatta Qitornai. Kim Kielsen, head of the Siumut Party, will continue as Greenland Premier.

The coalition agreement articulates a clear position of support for the mining industry, and a desire for Greenland to be an attractive destination for foreign investment, and to competitively develop and operate mining operations.

Importantly, the coalition agreement outlines a clear position of support for rare earth production and associated uranium by-production.

A supportive pro-mining government sets the scene to effectively move through the next steps in the permitting process and gain project approvals.

Change of Company Name

At the Company's Annual general Meeting on the 16th May 2018, shareholders approved the change of the Company's name to Greenland Minerals Limited.

The board believes the new name is more concise whilst maintaining a clear reference to the Company's focus of activities.

Rounding off of amounts

The Consolidated Group is a consolidated group of the kind referred to in ASIC Instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument amounts in the Directors Report and half-year Financial Report are rounded off to the nearest thousand dollars unless otherwise indicated.

Subsequent events to balance date

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

Auditor's Independence Declaration

The Auditor's independence declaration is included on page 7 of the half-year financial report.



Directors' Report

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

On behalf of Directors



John Mair
Managing Director

Perth, 12/09/2018

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

12 September 2018

Dear Board Members

Greenland Minerals Limited (formerly known as 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 Limited.

As lead audit partner for the review of the financial statements of Greenland Minerals Limited for the half-year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Ian Skelton
Partner
Chartered Accountant

Independent Auditor's Review Report To the members of Greenland Minerals Limited (formerly known as Greenland Minerals and Energy Limited)

We have reviewed the accompanying half-year financial report of Greenland Minerals Limited, which comprises the condensed statement of financial position as at 30 June 2018, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 19.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Greenland Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Auditor's Independence Declaration

In conducting our review, 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 Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Ian Skelton

Partner

Chartered Accountants

Perth, 12 September 2018



Directors' declaration

The directors declare that:

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

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

On the behalf of the Directors

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

John Mair
Managing Director

Perth, 12/09/2018



**Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2018**

	Consolidated	
	30-Jun-18 \$' 000	30-Jun-17 \$' 000
Revenue from continuing operations		
Other income	86	64
Expenditure		
Directors' and employee benefits	(422)	(408)
Professional fees	(516)	(86)
Depreciation	(50)	(54)
Occupancy expenses	(135)	(101)
Share based payments	(141)	(297)
Travel expenses	(85)	(77)
Other expenses	(230)	(263)
Loss before tax	(1,493)	(1,222)
Income tax expense	-	-
Loss for period	(1,493)	(1,222)
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Exchange difference arising on translation of foreign operations	1,826	1,331
Income tax relating to components of other comprehensive income	-	-
Total other comprehensive income	1,826	1,331
Total comprehensive income for the period	333	109
Loss attributable to:		
Owners of the parent	(1,493)	(1,222)
	(1,493)	(1,222)
Total comprehensive income attributable to:		
Owners of the parent	333	109
	333	109
Basic loss per share – cents per share	(0.014)	(0.012)
Diluted loss per share – cents per share	(0.014)	(0.012)

The accompanying notes from part of this financial report on pages 15 to 19.



Condensed consolidated statement of financial position
As at 30 June 2018

		Consolidated	
		30-Jun-18	31-Dec-17
		\$' 000	\$' 000
Current Assets	Note		
Cash and cash equivalents	3	7,688	10,733
Trade and other receivables		88	104
Other assets		112	102
Total Current Assets		7,888	10,939
Non-Current Assets			
Property, plant and equipment		885	930
Capitalised exploration and evaluation expenditure	4	81,133	77,736
Total Non-Current Assets		82,018	78,666
Total Assets		89,906	89,605
Current Liabilities			
Trade and other payables	5	814	870
Other liabilities		-	92
Provisions		247	292
Total Current Liabilities		1,061	1,254
Non-Current Liabilities			
Provisions		134	131
Total Non-Current liabilities		134	131
Total Liabilities		1,195	1,385
Net Assets		88,711	88,220
Equity			
Issued Capital	6	362,842	362,823
Reserves		(3,348)	(5,313)
Accumulated Losses		(270,783)	(269,290)
Total Equity		88,711	88,220

The accompanying notes from part of this financial report on pages 15 to 19.



Condensed Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2018

	Share capital \$' 000	Option reserve \$' 000	Foreign currency translation reserve \$' 000	Non- controlling Interest Acquisition reserve \$' 000	Accumulated losses \$' 000	Total \$' 000
Balance at 1 Jan 2017	354,710	29,359	1,239	(39,672)	(266,801)	78,835
Net loss for the period	-	-	-	-	(1,222)	(1,222)
Other Comprehensive income	-	-	1,331	-	-	1,331
Total comprehensive income for the period	-	-	1,331	-	(1,222)	109
Recognition of share based payments	154	143	-	-	-	297
Issue of shares from option exercise	216	(21)	-	-	-	195
Recognition of cost of share issue	(534)	-	-	-	-	(534)
Balance at 30 June 2017	354,546	29,481	2,570	(39,672)	(268,023)	78,902
Balance at 1 Jan 2018	362,823	29,833	4,526	(39,672)	(269,290)	88,220
Net loss for period	-	-	-	-	(1,493)	(1,493)
Other comprehensive income for the period	-	-	1,826	-	-	1,826
Total comprehensive income for the period	-	-	1,826	-	(1,493)	333
Recognition of share based payments	-	141	-	-	-	141
Issue of shares from option exercise	19	(2)	-	-	-	17
Balance at 30 June 2018	362,842	29,972	6,352	(39,672)	(270,783)	88,711

The accompanying notes from part of this financial report on pages 15 to 19.



Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2018

	Consolidated	
	30-Jun-18 \$' 000	30-Jun-17 \$' 000
Cash flows from operating activities		
Receipts from customers	52	87
Payments to suppliers and employees	(1,257)	(861)
Net cash used in operating activities	(1,205)	(774)
Cash flows from investing activities		
Interest received	35	6
Payments for exploration and development	(1,883)	(1,016)
Payments for plant & equipment	(9)	-
Net cash used in investing activities	(1,857)	(1,010)
Cash flows from financing activities		
Proceeds from issue of shares /options	17	196
Share issue costs	-	-
Net cash from/(used in) financing activities	17	196
Net (decrease)/increase in cash and equivalents	(3,045)	(1,588)
Cash and equivalents at the beginning of the financial period	10,733	6,378
Cash and equivalents at the end of the financial period	7,688	4,790

The accompanying notes from part of this financial report on pages 15 to 19.



Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2018

Note 1: Statement of significant accounting policies

Statement of compliance

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

Basis of preparation

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

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 31 December 2017, (except for the impact of the Standards and Interpretations described below). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised accounting standards

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

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

AASB 9 <i>Financial Instruments</i> , and the relevant amending standards
AASB 2016-5 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>
AASB 2017-2 <i>Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle</i>
AASB Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>



Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2018

Note 1: Statement of significant accounting policies (cont'd)

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

At the date of authorisation of the financial report, the follow Standards and Interpretations were issued 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 16 Leases	1 Jan 2019	31 Dec 2019
AASB Interpretation 23 <i>Uncertainty Over Income Tax Treatments</i> , AASB 2017 – 4 Amendments to <i>Australian Accounting Standards – Uncertainty over Income tax Treatments</i>	1 Jan 2019	31 Dec 2019

Note 2: Segmented reporting

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

The Consolidated Group undertakes mineral exploration and evaluation in Greenland; one operating segment is identified, which is unchanged from that identified at 31 December 2017.



Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2018

Note 3: Cash and cash equivalents

	Consolidated	
	30-Jun-18	31-Dec-17
	\$' 000	\$' 000
Cash at bank	173	298
Cash on deposit at call	5,695	8,660
Cash on deposit	1,820	1,775
	<u>7,688</u>	<u>10,733</u>

Note 4: Capitalised exploration and evaluation expenditure

	Consolidated	
	30-Jun-18	31-Dec-17
	\$' 000	\$' 000
Balance at beginning of period	77,736	71,925
Add:		
Exploration and/or evaluation phase in current period:		
Capitalised expenses	1,581	2,567
Effects of currency translation	1,816	3,244
Balance at end of period	<u>81,133</u>	<u>77,736</u>

- (i) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals and Energy (Trading) A/S, the 100% owned Greenlandic subsidiary. All capitalised exploration and evaluation expenditure has been recognised in the Greenlandic subsidiary and at reporting date has been translated at the closing Australian dollar/Danish kroner exchange rate with the movement being recognised in the foreign currency translation reserve.
- (ii) The recoverability of the Consolidated Group's carrying value of the capitalised exploration and evaluation expenditure relating to EL 2010/02 is subject to the successful development and exploitation of the exploration property. The Consolidated Group has completed a feasibility study and environmental and social impact studies. These studies have been submitted to the relevant Greenland authorities, as a commencement of the process for an application for the right to mine.
- (iii) The Consolidated Group has a positive outlook regarding its ability to successfully develop the project, as a multi element rare earth and uranium project. The Consolidated Group is working with the Greenland Government and other stakeholders to progress the mining license application to move to development in accordance with both Greenland Government and local community expectations.



Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2018

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

Table of exploration licenses held at 30 June 2018

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

Note 5: Trade and other payables

	Consolidated	
	30-Jun-18 \$' 000	31-Dec-17 \$' 000
Accrued expenses (i)	376	668
Trade creditors (ii)	216	75
Sundry creditors (ii)	222	127
	814	870

- (i) Accrued expenses relate to goods and services 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 where 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.

Note 6: Issued capital

	30 – Jun-18		31- Dec-17	
	No ' 000	\$' 000	No ' 000	\$' 000
Balance brought forward	1,105,251	362,823	999,124	354,710
Issue of ordinary shares through capital raising	-	-	100,000	9,000
Issue of ordinary shares as consideration for share based payments - other	-	-	3,200	154
Issue of ordinary shares as a result of exercised options:				
\$0.08 exercise price options	215	19	2,927	259
Less cost associated with shares issued	-	-	-	(766)
Less costs associated with equity placement facility	-	-	-	(534)
Balance at end of financial period	1,105,466,	362,842	1,105,251	362,823



Notes to the condensed consolidated financial statements
For the half-year ended 30 June 2018

Note 7: Subsequent events to balance date

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

Note 8: Dividends

No Dividends have been paid or proposed during the half-year ended 30 June 2018.